

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING

February 20, 2024

5:30 p.m.

City Hall Council Chambers
313 Court Street, The Dalles, Oregon 97058
Via Zoom / Livestream via City Website

PRESIDING: Darcy Long, Chair

BOARD PRESENT: Staci Coburn, Walter Denstedt, Scott Hege, Tim McGlothlin, Dan Richardson (arrived at 5:34 p.m.), and Marcus Swift

BOARD ABSENT: Shanon Saldivar, Ben Wring

STAFF PRESENT: Director and Urban Renewal Manager Joshua Chandler, Economic Development Officer Dan Spatz, Finance Director Angie Wilson, City Attorney Jonathan Kara, Secretary Paula Webb

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Chair Long led the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Hege and seconded by Coburn to approve the agenda as prepared. The motion carried 6/0; Coburn, Denstedt, Hege, Long, McGlothlin, and Swift voting in favor, none opposed, Richardson, Saldivar and Wring absent.

ELECTION OF OFFICERS

Board Member McGlothlin nominated Darcy Long for Chair. Board Member Hege seconded the nomination.

Board Member Richardson arrived at 5:34 p.m.

There were no other nominations. The nomination carried 6/0; Coburn, Denstedt, Hege, McGlothlin, Richardson, and Swift voting in favor, none opposed, Saldivar and Wring absent, Long abstained.

Board Member Hege nominated Marcus Swift for Vice Chair. Board Member McGlothlin seconded the nomination. There were no other nominations. The nomination carried 7/0; Coburn, Denstedt, Hege, Long, McGlothlin, Richardson, and Swift voting in favor, none opposed, Saldivar and Wring absent.

APPROVAL OF MINUTES

It was moved by Richardson and seconded by Denstedt to approve the minutes of January 30, 2024 as submitted. The motion carried 7/0; Coburn, Denstedt, Hege, Long, McGlothlin, Richardson, and Swift voting in favor, none opposed, Saldivar and Wring absent.

PRESENTATION

Audit FY 2022-23

Finance Director Angie Wilson presented the Urban Renewal Agency Annual Audit FY 22/23, prepared by KDP Certified Public Accountants, LLP. Director Wilson stated it was a good, clean audit. Director Wilson made the following comments:

- A correction was made to the beginning fund balance due to a change in bond premiums.
- The Agency's total net position increased by \$865,186. The increase is attributed to the increase in property tax revenue, interest income and the beginning fund balance correction.
- The Agency's total liability has decreased by \$780,992, primarily due to debt service payments of \$575,000.00 and the beginning fund balance correction.
- The Agency's current assets increased from 2022, primarily because the Blue Building was paid off early and the increase of property tax revenues.
- Long-term liabilities decreased approximately \$100,000.
- The Agency's net position went up from \$3,396,400, and from \$2,531,214.
- The general government expense in 2023 was \$554,000; the amount in 2022 was \$245,590. This is due to the capital project for the Mill Creek Greenway.

Annual Financial Report

The Annual Financial Report was prepared by Elaine Howard Consulting, LLC. Economic Development Officer (EDO) Spatz asked if there were any questions, noting the numbers largely correspond with the audit.

The Annual Report comes out every year and is distributed to all the taxing districts.

There were no questions.

PUBLIC COMMENT

Lindsey Giamei, 116 E. 2nd Street, The Dalles

Ms. Giamei stated The Dalles Main Street Board now consists of approximately 80% new members. The Board is working hard to revitalize the organization. As a Board Member, Ms. Giamei was asked to attend Urban Renewal meetings and liaise between the Agency and The Dalles Main Street. She offered to share information and answer any questions.

Chair Long offered to meet monthly with Ms. Giamei to touch base.

ACTION ITEMS

Tony Zilka Incentive Program Request: 201/203 Washington Street

EDO Spatz presented the staff report. He stated this is an Incentive Program item in addition to a request for a larger share of funding, following up on a DDA between the Agency and Mr. Zilka for the Blue Building. Mr. Zilka is requesting funding to renovate the basement, ground-level and upper floor of the historic Washington Hotel (commonly known as the Blue Building), located at 201-203 Washington Street. His request qualifies for all Incentive Program components: commercial, mixed use, and system development charges (SDC) compensation to both the City and Northern Wasco County Parks & Recreation District.

Tony Zilka, 319 E. 7th Street, The Dalles

Mr. Zilka was accompanied by General Manager, David Ewing.

Mr. Zilka stated the project is beyond shovel-ready. He received a Brownfield grant which revealed very little asbestos, lead or other contamination was present. The structure is sound.

Board Member Denstedt shared his concern with the sequence of projects for both the Blue Building and the 1st Street Streetscape. He also expressed concern with the location of the railroad right-of-way (ROW).

Chair Long noted these are two completely separate projects, and requested clarification from Director Chandler.

In response to the ROW, Director Chandler stated there is a bit of a swap all along 1st Street between the City ROW and the railroad ROW. Some of the railroad is actually on City ROW and vice versa. The City is in negotiations with the railroad for a potential swap. This will not affect the project itself. The railroad will not move and the street will remain in the same location.

The existing stacked basalt walls will be replaced with gabion walls. Structural engineers will look at all the buildings along 1st Street to ensure each wall design is set to provide a 3" setback from the buildings.

In response to Board Member McGlothlin's inquiry, Mr. Zilka replied the street level is divided. The back half will be residential; the street-facing half will be commercial. Earlier plans included a rooftop venue, which has been eliminated from the current plans. Most residential spaces will be one bedroom, or studios. Monthly rentals are anticipated to be \$1500-\$1800 per month for one bedroom spaces, \$1200-\$1300 for studios spaces.

Board Member Coburn requested how the Agency would ensure completion of the project. EDO Spatz replied the agreement would lock in the Agency's ability to pay for his project.

Board Member Coburn clarified her question, stating we want to be sure, if we are granting money through the Incentive Program, that this project will be completed. What safeguards does this group have to ensure completion? EDO Spatz replied funds are distributed as work is completed. Funds are not distributed in advance, but upon receipt of invoices.

Director Chandler added the City, Agency, and NWPRD is working on an Intergovernmental Agreement for disbursement of SDCs.

Board Member Richardson asked for the anticipated return on investment (ROI). He asked Mr. Zilka for a broad description of his funding.

Mr. Zilka replied a portion would come from cash reserves and proceeds from other properties.

Board Member Richardson asked Mr. Zilka if he felt there was a high amount of certainty on his side for financing this project. Mr. Zilka replied he had secured commitments from other banks on existing properties he owns. He anticipated being ready in the next three to four months.

It was moved by Hege and seconded by McGlothlin to authorize the Agency Manager to execute and implement the Incentive Program Grant Agreement with A. L. Zilka and Associates Construction, in an amount not to exceed \$271,382.00, as presented.

Board Member Richardson stated he would support the project, but still wanted Staff to return with the return on investment. EDO Spatz stated he will follow up with the ROI.

Board Member Hege thought the Agency's investment on behalf of the community to increase the value and activity there is well worth the investment. Board Member McGlothlin agreed.

The motion carried 7/0; Coburn, Denstedt, Hege, Long, McGlothlin, Richardson, and Swift voting in favor, none opposed, Saldivar and Wring absent.

Eighth Addendum to the Disposition and Development Agreement for the Recreation Building, 213-219 East 2nd Street

EDO Spatz presented the staff report. EDO Spatz noted the progress made, as well as future tasks that must be completed in order to secure a Certificate of Occupancy.

It was moved by Coburn and seconded by Swift to authorize the Agency Manager to execute the Eighth Addendum to the Disposition and Development Agreement between the Columbia Gateway Urban Renewal Agency and Todd Carpenter and Carla McQuade for property known as the Recreation Building located at 13-219 E. 2nd Street. The motion carried 7/0; Coburn, Denstedt, Hege, Long, McGlothlin, Richardson, and Swift voting in favor, none opposed, Saldivar and Wring absent.

DISCUSSION ITEM

Columbia Gateway Urban Renewal District Fiscal Analysis, Part 1

EDO Spatz presented the staff report and introduced Nick Popenuk of Tiberius Solutions. EDO Spatz briefly reviewed Agency projects.

Mr. Popenuk provided a presentation on the Fiscal Analysis, Attachment 1.

BOARD MEMBER COMMENTS / QUESTIONS

Board Member Denstedt asked if the Basalt Commons project had secured a loan. EDO Spatz replied Staff is in constant conversations with the developer. Currently, the developer is waiting for better interest rates and looking for a ground floor tenant.

Board Member Hege referred to the Annual Financial Statement. He expected percentages for tax levies to be the same, or approximately the same. He asked why it varied so much, and requested additional context. EDO Spatz will follow up with Elaine Howard.

STAFF COMMENTS / PROJECT UPDATES

EDO Spatz stated:

- Work continues on the Foley building.
- Conversations continue with the owner of the Mint Building; something may come forward within the next two months.

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- Neon Sign Museum – We will be taking care of an underground storage tank assessment through the Brownfield Program.
 - Staff is awaiting word from the Environmental Protection Agency (EPA) on a proposed \$500,000 grant.
 - The Mid-Columbia Economic Development District recently received authorization from the EPA to proceed with their grant of \$1,000,000.

ADJOURNMENT

Being no further business, the meeting adjourned at 6:47 p.m.

Meeting conducted in a room in compliance with ADA standards.

Submitted by/
Paula Webb, Secretary
Community Development Department

SIGNED: 
Darcy Long, Chair

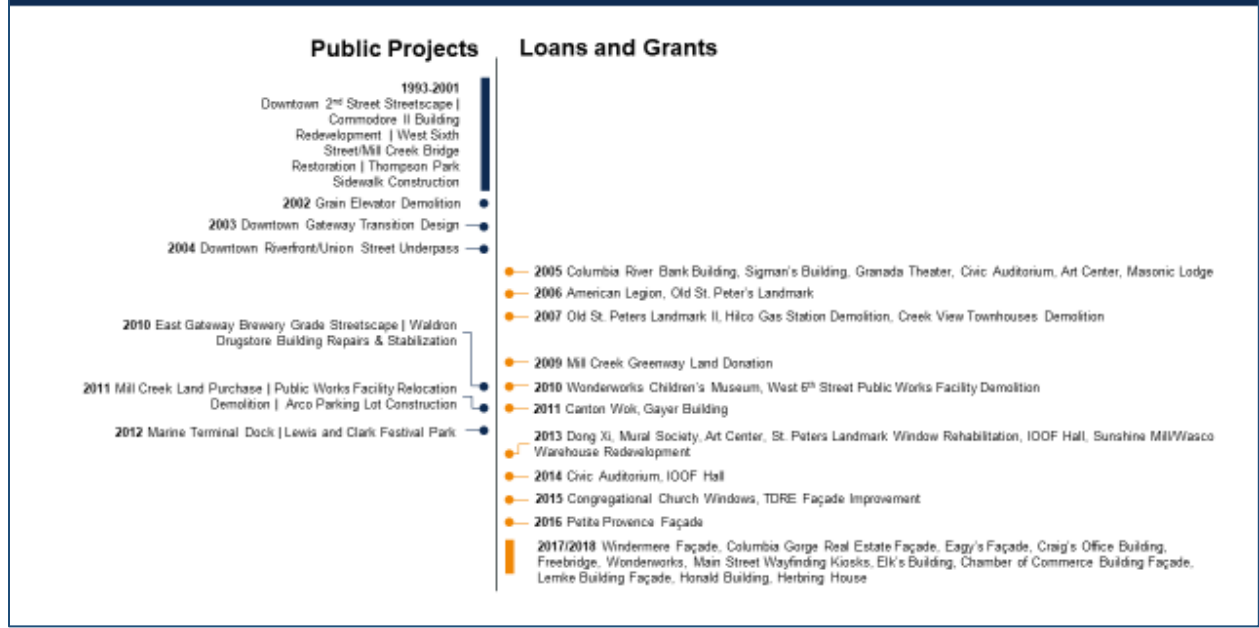
ATTEST: 
Paula Webb, Secretary
Community Development Department

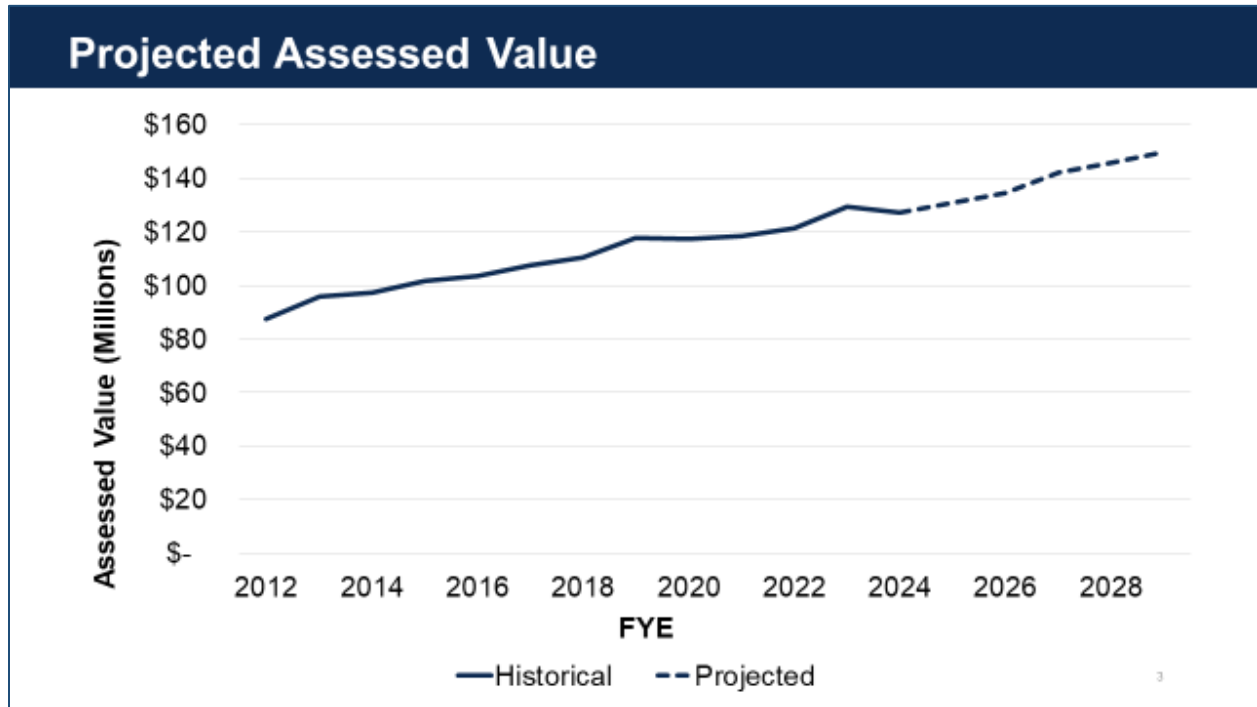
City of The Dalles Columbia Gateway Urban Renewal Area Financial Update

Nick Popenuk
 February 20, 2024



Project Timeline

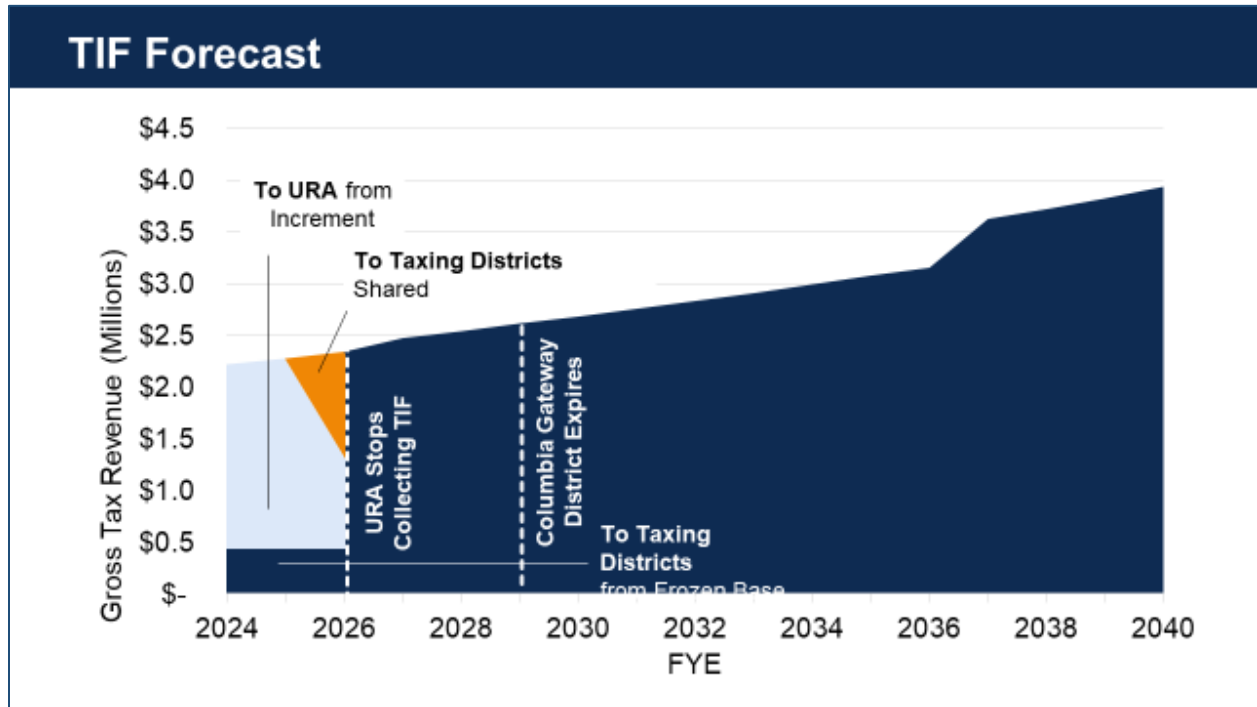




TIF Forecast

FYE	Assessed Value			Tax Rate	Gross TIF
	Total	Frozen Base	Increment		
2024	\$127,294,464	\$25,076,797	\$102,217,667	\$17.4068	\$1,779,282
2025	\$130,795,062	\$25,076,797	\$105,718,265	\$17.4068	\$1,840,217
2026	\$134,391,927	\$25,076,797	\$109,315,130	\$17.4068	\$1,902,827

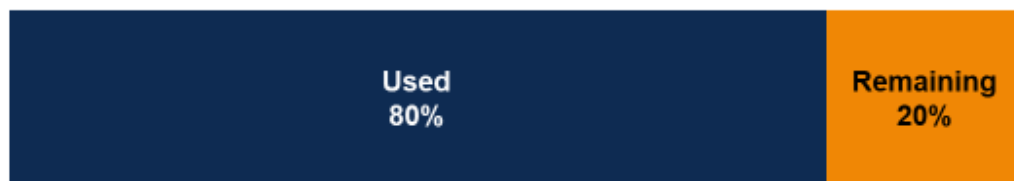
*Not all TIF expected to be needed to repay debt in FYE 2026



- ### Maximum Indebtedness
- 1990 – Plan Adopted without MI
 - 1999 – Amended to Include MI of \$14,227,353
 - 2009 – 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: **\$23,369,324**
- MI Remaining: **\$5,756,258**



Total Maximum Indebtedness Allowed

7

Finance Plan Summary

Continue activities until MI is reached (estimated FYE 2024) and collect TIF until sufficient funds to repay debt (FYE 2029)

- Future TIF Needed: **\$4,300,000**
- MI Reached: **FYE 2024 (or when current funds spent)**
- Total Future Capacity for Projects/Admin: **\$6,000,000**
 - Maximum Indebtedness: **\$5,700,000**
 - "Program Income": **\$ 300,000**

8

Cumulative Tax Impacts (FYE 2024 –2026)	
Taxing District	Total Impact
General Government	
Wasco County	\$1,060,000
Port of The Dalles	\$50,000
Northern Wasco County Park & Rec	\$170,000
Mid Columbia Fire & Rescue	\$530,000
City of The Dalles	\$750,000
Wasco County Soil Conservation District	\$60,000
4-H & Extension Service District	\$60,000
Wasco County Library District	\$170,000
<i>Subtotal</i>	<i>\$2,860,000</i>
Education	
Columbia Gorge Community College	\$70,000
Columbia Gorge ESD	\$120,000
North Wasco County SD 21*	\$1,310,000
<i>Subtotal</i>	<i>\$1,500,000</i>
Total	\$4,350,000

Additional Revenue after Columbia Gateway District Closes	
Taxing District	Total Impact
General Government	
Wasco County	\$500,000
Port of The Dalles	\$20,000
Northern Wasco County Park & Rec	\$80,000
Mid Columbia Fire & Rescue	\$250,000
City of The Dalles	\$350,000
Wasco County Soil Conservation District	\$30,000
4-H & Extension Service District	\$30,000
Wasco County Library District	\$80,000
<i>Subtotal</i>	<i>\$1,340,000</i>
Education	
Columbia Gorge Community College	\$30,000
Columbia Gorge ESD	\$50,000
North Wasco County SD 21*	\$610,000
<i>Subtotal</i>	<i>\$700,000</i>
Total	\$2,030,000

Questions?

Nick Popenuk

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