

MINUTES

**COLUMBIA GATEWAY URBAN RENEWAL
BUDGET COMMITTEE MEETING**

April 11, 2023
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, Deborah Ferrer, Sandy Haechrel, Scott Hege, Leanne Lewis, Darcy Long, Dean Myerson, Doug Nelson, David Peters, Ellen Potter, Shanon Saldivar, and Ben Wring

BOARD ABSENT: Joe Barcott, Forust Ercole, Tim McGlothlin, Dan Richardson, and Leon Surber

STAFF PRESENT: Urban Renewal Manager and Community Development Department Director Joshua Chandler, Finance Director Angie Wilson, 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.

ELECTION OF OFFICERS

Chair Long opened nominations for Budget Committee Chair.

Committee Member Leanne Lewis self-nominated for Budget Committee Chair. There were no other nominations.

The nomination passed 13/0; Coburn, Ferrer, Haechrel, Hege, Lewis, Long, Myerson, Nelson, Peters, Potter, Saldivar, Surber and Wring in favor, none opposed, Giamei, McGlothlin, Myerson and Surber absent.

Chair Long opened nominations for Secretary.

Committee Member Saldivar was nominated for Secretary. The nomination passed 12/0; Coburn, Ferrer, Haechrel, Hege, Lewis, Long, Myerson, Nelson, Peters, Potter, Surber and Wring in favor, none opposed, Giamei, McGlothlin, Myerson and Surber absent, Saldivar abstained.

BUDGET OFFICER'S MESSAGE, FISCAL YEAR 2023/24

Manager Chandler provided the Budget Officer's message. The Agency is set to expire in 2029, leaving six years for a final push. The goals ensure operating efficiency, appreciation of community values, and distribution of all possible funding before the Agency sunsets.

The position of Economic Development Officer (EDO) has been created in the Community Development Department's (CDD) budget. The EDO will attend meetings and assist Manager Chandler with projects going forward.

Projects include:

- a new Incentive Program,
- the Recreation Building,
- the Tony's Building, and
- the First Street Streetscape Project.

BUDGET PRESENTATION / DELIBERATIONS

Manager Chandler complimented Director Wilson and her staff on the new budget format.

Manager Chandler provided an Urban Renewal overview of funding, goals, accomplishments and major issues to be addressed. Manager Chandler noted the Agency's mission is to "...eliminate blight and depreciating property values within the Agency's jurisdiction and in the process, attract aesthetically pleasing, job producing private investments that will stabilize or increase property values and protect the area's historic places and values."

Urban Renewal is a financing program authorized by Oregon statute. It allows for the use of property tax to facilitate economic growth in a designated area. This financing mechanism is implemented locally and works by dedicating future property tax growth to pay for redevelopment projects.

These redevelopment projects generate new taxable value that otherwise would not have existed without public investment. The new taxable value is released to the general tax rolls after Urban Renewal sunsets.

Locally, the Columbia Gateway Urban Renewal Agency administers the program for funding the goals and objectives of the Urban Renewal Plan. The Plan, adopted in August 1990 by general ordinance, includes 14 goals and objectives which provide overall guidance in development of this program.

The Agency Board consists of nine members, three City Counselors, two private citizens and one member from each of the governing boards. The boards include Mid-Columbia Fire and Rescue, NWC Parks & Recreation, Port of The Dalles and Wasco County. The CDD Director is the Manager of the Agency and has considerable staff support from the CDD Secretary, City Attorney, Finance Director, and soon to be Economic Development Officer.

The Agency has two separate funds. The Debt Services Fund accounts for tax increment revenue and repayment of debt obligations issued to fund Agency projects. The Capital Projects Fund accounts for administration and project implementation.

The beginning balance for the 2023/24 Fiscal Year is ~\$5.4 million. This is our best estimate at this time. Unlike the City's budget, an Urban Renewal budget is meant to be completely spent.

Urban Renewal revenues consist of property taxes and interest income, with a combined total of \$1.7 million.

The Agency contracts with the City for staffing, as well as contracts with outside experts for financial consulting, engineers and attorneys specializing in urban renewal law. The total contract cost for this next year is budgeted at just over \$180,000, taken from the Capital Projects Fund.

Total debt obligations outstanding for the Agency, as of July 1, are approximately \$4 million. This is the remaining balance of a \$10.2 million bond issued in 2009. If paid in accordance with the debt repayment schedule, the debt will be paid in full January 30, 2029.

Some goals for the next fiscal year include:

- Fund and provide input into the engineering services agreement for the First Street Project,
- fund the demolition and hazardous material abatement of the Tony's Building,
- continue to promote the Urban Renewal Incentive Program,
- sell the third and final Agency storefront of the Recreation Building development.

Some accomplishments from last year:

- Oversaw the adoption of the Incentive Program, and
- reorganized the direction of the First Street Project.
- The Agency terminated the agreement with the Oregon Department of Transportation (ODOT), and entered into a separate contract with a consulting firm. This resulted in a savings of both time and money for the Agency.

One note to include in the final budget is deletion of the statement "secured funding through a Brownfield grant." Unfortunately, we were unable to secure this funding.

Major issues to be resolved in the next five years:

- Complete strategic planning to help future investments, projects and activities until 2029,
- promote redevelopment by awarding grants for projects downtown, and
- complete the First Street Project.

Finance Director Wilson provided a breakdown on the Debt Services Fund.

The Urban Renewal Debt Service Fund is used for paying the debt. Because the Capital Project Fund has no ending balance or contingency, an extra payment for the next year is always included in the budget. This ensures a payment is available for the next year, before the property tax revenue comes in.

After the next year's payment for FY 23/24, we will have five remaining payments.

Manager Chandler reviewed the Capital Projects Fund.

The Incentive Program is a new grant program created over the last year. Multiple parties in town have shown interest in the Program. Approximately \$2.5 million is budgeted to assist with those projects.

The Tony's Building, after extensive research, will be demolished. An Invitation to Bid was posted on the City's website and in the Journal of Commerce. The overall cost of demolition and abatement is \$750,000, also budgeted.

The First Street Project began in 2008. There have been many delays and changes for various reasons. In the last year, the agreement with ODOT was mutually terminated. Overall, the termination resulted in the cost savings of \$940,000. ODOT approved an exception for the repayment of federal funds already spent (\$340,000). The Agency has entered into a new engineering services agreement with KPFF Consulting Engineers. We are now in the process of finalizing design and construction.

Three line items, Contractual Services, Urban Renewal Consultants, and Property Liability Insurance, have all decreased from the previous year. Urban Renewal Consultants decreased from \$126,000 last year to \$52,000 this year. Legal services in the Contractual Services line item was moved into the Consulting line item. Property Liability and Insurance decreased after the transfer of ownership of two properties.

Property Rehabilitation has increased in anticipation of new projects. Buildings and Grounds increased in order to potentially improve existing properties owned by the Agency.

In response to Committee questions, Manager Chandler replied:

- The Tony's Building demolition and abatement will happen within the next 12 months.
- The Fiscal Year begins July 1 and ends June 30 of each year.
- Funds are reserved for the Mill Creek Greenway project. As part of the grant application, the Agency agreed to provide the matching funds. With the new timeline of approximately 10 years, we might consider talking with NWC Parks & Recreation (NWPRD) to see if there is an alternative way to help since the Agency should sunset before the 10 years have passed.
- The Mill Creek Greenway has not been discussed in detail recently. The understanding is ODOT is not available to proceed with this project in the near future.
- The Project Managers funding was reduced in part due to staff turnover, the culmination of the ODOT agreement termination, and completion of the Incentive Program, which no longer required the consultant.
- The Agency has received interest in the Tony's property, but nothing definite. Once the site is shovel ready, Manager Chandler expects more interest. After demolition, the Agency will enter a Request for Proposal (RFP) process to find new uses for the site. The Agency has expressed interest in a mixed-use property – commercial on the ground floor and residential on the upper floors.

The Bureau of Labor and Industry (BOLI) limits the amount of funding a public agency can contribute to a private development. Once over the \$750,000 threshold, the prevailing wage requirement is triggered. Past interest in development halted once the prevailing wage precluded a cost effective project. Once the site is shovel-ready, the BOLI determination will not impede a project.

- Due to the age of the building, an archeological study is required. If significant artifacts are found, coordination with the State Historic Preservation Office will determine next steps.
- The Invitation to Bid posted March 31. A mandatory site visit is open to interested parties on Tuesday, April 11. Bids close May 16, with an anticipated contract at the June meeting.

APPROVAL OF BUDGET

It was moved by Myerson and seconded by Coburn to approve the budget as presented. The motion passed 13/0; Coburn, Ferrer, Haechrel, Hege, Lewis, Long, Myerson, Nelson, Peters, Potter, Saldivar, Surber and Wring in favor, none opposed, Giamei, McGlothlin, Myerson and Surber absent.

ADJOURNMENT

The meeting adjourned at 6:04 p.m.

Meeting conducted in a room in compliance with ADA standards.

Submitted by/
Paula Webb, Secretary
Community Development Department

SIGNED:



Leanne Lewis, Chair

ATTEST:



Paula Webb, Secretary
Community Development Department