

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING

June 18, 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, Kristen Lillvik, and Timothy McGlothlin

BOARD ABSENT: Dan Richardson, Marcus Swift and Ben Wring

STAFF PRESENT: Director and Urban Renewal Manager Joshua Chandler, Economic Development Officer Dan Spatz, City Attorney Jonathan Kara, Special Projects Coordinator Ann Moorhead, and Secretary Paula Webb

CALL TO ORDER

The meeting was called to order by Chair Long at 5:32 p.m.

PLEDGE OF ALLEGIANCE

Chair Long led the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Coburn and seconded by McGlothlin to approve the agenda as prepared. The motion carried 9/0; Coburn, Denstedt, Hege, Lillvik, Long, and McGlothlin voting in favor, none opposed, Richardson, Swift and Wring absent.

APPROVAL OF MINUTES

It was moved by Lillvik and seconded by Coburn to approve the minutes of May 21, 2024 as submitted. The motion carried 9/0; Coburn, Denstedt, Hege, Lillvik, Long, and McGlothlin voting in favor, none opposed, Richardson, Swift and Wring absent.

PUBLIC COMMENT

Richard Wolfe, 4752 Simonelli Road, The Dalles

Mr. Wolfe asked if anyone knew why there are sunken lots adjacent to E. First Street. Board Member Denstedt replied much of the town had fill dirt deposited. The area without fill is the original elevation.

Mr. Wolfe believes he found a ship's portal accessed by a tunnel near the intersection of E. 1st and Court Streets. Underneath the road and railroad basalt, rock was used.

MINUTES

Urban Renewal Agency Board Meeting

June 18, 2024

Page 2 of 15

Mr. Wolfe stated the retaining walls were constructed incorrectly. The blacktop parking lots are cisterns. The Dalles has a 14-inch record for rainfall, and over two feet for snow. The people that build the shipyard were not amateurs; they were smarter than the water.

Mr. Wolfe does not believe the expense presented to the community 16 years ago from the California engineering company is correct; the price is too much. He believes the retaining walls do not need to be replaced, but the sidewalk needs to be lifted four to six inches.

David & Kirsten Benko, 200 E. 3rd Street, The Dalles

In September of last year, Mr. Benko attended the 50th Annual National Carousel Convention. It gave him a great appreciation of carousels. Mr. and Mrs. Benko are very interested in the Tony's site [401-407 E. 2nd Street] as a potential location for the Jantzen Beach Carousel.

Mrs. Benko stated the National Neon Sign Museum Board of Directors recently voted to hire Kevin Brown from C2K Architecture, Inc., a Portland firm. Mr. Brown will start on the design and engineering phase for the pavilion. Mrs. Benko shared examples of other pavilions well suited for The Dalles.

The Benkos suggested the Tony's property as a potential site, stating it will be a huge economic benefit to the City, visible from the highway, and an educational benefit to students for STEM classes and other course work. The Benkos would prefer a square, open glass structure.

Mr. Benko stated the Tony's site is 20 feet deeper and wider than the parking lot adjacent to the Museum. The carousel would be a very tight fit in the parking lot. He hopes to have two floors, the first for the carousel, and the second for a community space.

The National Neon Sign Museum is a non-profit. The Board of Directors consists of Chris Zukin, Travis Nelson, Connie Tomasian, Gary Raines, and David and Kirsten Benko. The Board of Directors and Advisory Board looked extensively at architects. They unanimously agreed on Kevin Grant. Mr. Grant is very affordable and excited about the project.

DISCUSSION ITEMS

Columbia Gateway Urban Renewal District Fiscal Analysis

EDO Spatz presented the staff report.

EDO Spatz stated the Maximum Indebtedness (MI) is the cumulative authorization to expend over the 30-year history of the Agency. That amount is \$29 million, most of which has been expended. There is formal debt and contract debt. We are discussing contract debt.

Staff is not asking for a decision or direction at tonight's meeting, but wanted to update the Board on remaining MI, since staff have revised this figure significantly over the past year in working with urban renewal consultants. The amount is much less than we believed it to be a year ago. Remaining funds are between \$1.2 and \$2.2 million. As we go into the First Street discussion, scope alternatives will be provided. Staff is developing a list of priority Incentive Program (IP) projects; it should be possible to balance some of these. The hope is to be able to tackle First Street and some IP projects.

First Street Reconstruction Options and Cost Analysis

Director Chandler introduced Paul Schmidtke of KPFF, project manager for the First Street project.

Mr. Schmidtke noted “construction administration” is the term used for someone to monitor construction activities. Director Chandler added it would be more cost effective to have City Staff monitor construction.

Depending on scope, cost estimates now range between \$5 million and \$7.06 million.

Mr. Schmidtke stated the cost estimate alternatives could save \$250,000, but the project will still need civil engineering, archeological, structural and geotechnical, and construction administration services. These services would occur at specific times, rather than day-to-day.

The \$250,000 remaining design fees are budgeted for remaining work with right-of-way (ROW) access, archeological, and rail coordination as well as some design.

ODOT Rail approved a permit for the crossing. Other rail coordination involves securing permission from Union Pacific Railroad (UPRR) to perform construction by the rail. A portion of First Street abuts the rail ROW and would require a temporary construction easement (TCE) for Alternatives 1 through 4 in order to install the wrought iron fence and curb along the north side of First Street.

Director Chandler stated less coordination with the railroad is required if work is limited to the western half of the project area. On First Street between Washington and Laughlin Streets, greater coordination with UPRR is required. UPRR’s ROW extends from Washington Street to Laughlin Street. The City’s ROW is in portions of the railroad track, and portions of railroad are located in the City’s ROW. Staff attempted a land swap with UPRR, but conversations did not progress. UPRR requirements will not allow a land swap within 20 feet of railroad ROW. If the Board chooses to limit scope to the western half, this isn’t an issue.

Staff suggested several scope alternatives could be viable, including and excluding paver tiles, tree grates, and wrought iron fencing. All the Alternatives will be discussed with public works staff. Unless the full scope is chosen, we have moved away from the original intent of the project. This would call into question the original intent of the project as identified in the Urban Renewal plan, which referenced First Street “streetscaping.” This is an obligation of a 2009 Full Faith and Credit bond the city secured, primarily for urban renewal projects.

Engineering is complete for replacement of the existing retaining walls; the parking lot has not been engineered.

The Board expressed concern that a lack of planning now might create later problems. For instance, First Street apparently contains a water pipe, still in use, dating from the 1870s. The First Street project provides an opportunity to replace this with a modern, larger diameter pipe that would support later residential development along First street.

Chair Long reminded the Board that Urban Renewal is the topic of this discussion, not maintenance of First Street. This discussion is closely tied with the Board’s decision on the amount of funding invested in other projects and other Board priorities.

The Board returned to the discussion of replacing the water pipe.

Chair Long stated the water pipe is a City responsibility, not Urban Renewal’s, especially given funding constraints facing the Agency. She noted there could be other funding sources for infrastructure.

Board Member Denstedt agreed. The pipe should be completed prior to the streetscape to keep future maintenance costs down and provide better fire protection capacity.

The Board asked if funds saved from value engineering could then be used for applications.

MINUTES

Urban Renewal Agency Board Meeting

June 18, 2024

Page 4 of 15

Director Chandler replied, yes. Alternative 3 looks at the full scope of the project with more affordable options.

Mr. Schmidtke noted that all alternatives include replacement of the water line, adding irrigation for the trees and storm drainage.

Board Member Coburn requested confirmation that with a half project, the water line (installed in 1874) would be replaced.

Director Chandler replied, yes. Comparing a full project to a half project, much of the work is on the surface. The full project connects a sidewalk along the First Street parking lots over to Laughlin Street. A half project would connect the sidewalk to Washington Street.

Board Member Denstedt preferred Alternative 5 with a 12-inch water line.

Board Member Hege said the information was very confusing. The full project is \$5.8 million; the half project is \$5 million. The picture shows half the area, but it is certainly not half the cost.

EDO Spatz noted the expensive section of the project is from Union Street to Washington Street. A large part of the Urban Renewal commitment needs to be made in this area. The other half costs proportionately less because it does not require replacement retaining walls.

Board Member Hege said from his perspective, it is still confusing. He thought the full project makes sense for the City, maybe. He agreed with Chair Long that it should not be an urban renewal project, but rather should be a public works infrastructure project.

Board Member Coburn agreed with Chair Long and Board Member Hege. The original plan looks much more like an Urban Renewal project. This feels like a safety need versus an Urban Renewal need. It feels more out of urban renewal scope than in scope.

EDO Spatz replied the Agency has inherited decisions made years ago, which fundamentally changed project scope on several occasions. First Street started as a completely different project. Removing the Washington Street Plaza, in his opinion, cut out the heart of the project and turned it into what we now have.

Board Member Coburn referred to a comment from EDO Spatz that stated the first few blocks are the Agency's commitment. Where does it say that it is Urban Renewal's responsibility?

EDO Spatz replied the 2009 Plan specifically references streetscaping; there is a difference between streetscaping and infrastructure. First, Second, Third and Fourth Streets were all noted as bonded encumbrances. Technically, it is a City bond, not Urban Renewal, but most of that City bond went to Urban Renewal projects. In that sense, Urban Renewal is on the hook to repay the City obligation, which was \$13 million in 2009. The remaining debt is \$4.3 million.

Union to Washington Street is the safety issue, the most expensive part. That section has hollow sidewalks, the need for pilings, and associated engineering. The eastern part is flatter, without retaining walls. It is a lesser part of the cost.

Board Member Lillvik stated last month there was a question asking what this project would look like, from an Urban Renewal standpoint, if the City were to pick up other costs. She was unable to locate these alternatives in the materials. She asked if the Board would be able to weigh in on some of the items more appropriate for Urban Renewal, as opposed to infrastructure. When might that be available?

Director Chandler replied Alternative 4 (Attachment 1) specifically looks at what is considered streetscaping (everything above ground), which is included in the Urban Renewal Plan. That

alternative is a total cost of approximately \$7 million. Of the \$7 million, \$5.2 million is classified as streetscaping.

Board Member Lillvik stated with Alternative 4, the City cost is \$1.79 million. Will this be discussed further, or are the funds then committed to this project if Alternative 4 is chosen?

Director Chandler replied, any of the alternatives will return to the City for discussion. The \$1.79 million is not committed to this project. The City would have to move funds, perhaps from other planned projects in the Capital Improvement Plan. The sentiment is this may be considered a City project, but for years the City fully intended that the Agency pay for this project. It is not in, or planned for, the public works Capital Improvement Plan.

Board Member Lillvik asked if she was correct in saying Alternative 4 would be the compromise solution, where no one is happy, but it might be the best route through.

Chair Long and Director Chandler both replied, no.

Chair Long stated even with a half project, Alternative 5 does not show any potential City contribution. Yet, we are discussing hollowed out sidewalks and the safety issue. That is a concern.

Chair Long noted that with the first Google data center back on the tax rolls, the City will have access to Strategic Investment Program (SIP) dollars that are not yet committed. The Board includes three City and one County representatives; these individuals wear two hats: one for urban renewal, and one for their other jurisdiction. On this Board we are in charge, we are responsible to the people for Urban Renewal dollars. We need to consider carefully which hat we are wearing, and avoid confusion, while we serve two masters at the same time.

Board Member Hege had one more comment. When looked at the full project, the Urban Renewal cost was \$5.8 million. The lowest alternative is \$5 million, the lion's share of our remaining funds. Whatever alternative is chosen, the reality is we will be committing most of the money to finishing First Street, regardless of the alternative. He said it was time to move on.

Chair Long agreed. The Agency received a somewhat artificial timeline on First Street. First Street is still going to be there, still owned by the City, and the City can do it later if they like. Chair Long invited audience comment.

Clair Graper, no address given

Ms. Graper is looking forward to development at the Tony's site. If the Agency went forward with First Street, would there be funding available for the Tony's site?

Chair Long replied it depends on what alternative is chosen for First Street. There is not much money left, and we still have our Incentive Program.

Michael Leash, no address given

Mr. Leash said Board Member Hege made a good point in regards to the cost of the project. Is it a City project or Urban Renewal project? The degradation of the sidewalks and retaining walls on First Street, especially from Union to Court, is a 70-year old problem. Urban Renewal has not been around that long. Do they own tremendous degradation of infrastructure the Agency is not responsible for? The retaining wall is failing. If it fails, it is immediately a million dollar project for the City. The City needs to be involved in budgeting these projects. Urban Renewal should pay for pavers, benches, trees and grates, not infrastructure. He supported upgrading First Street with a 12-inch pipe and have the City replace the pipe.

Richard Wolfe, 4752 Simonelli Road, The Dalles

Mr. Wolfe asked where the pipe is located. Mr. Schmidtke replied the survey shows it on the northern half of First Street, within the pavement.

Mr. Wolfe said there could be an option to run the pipe in the park [Lewis & Clark Festival Park]. He does not understand the cost projection, questioning the need to replace the road surface and retaining wall.

Chair Long replied that the board has confidence in staff and engineering representation.

Director Chandler noted that KPFF's representatives on this project are based in Portland and have extensive experience with First Street. Staff are confident of the engineering estimates.

Tony's Site Public Survey and Redevelopment Options

EDO Spatz presented the staff report.

Board Member Lillvik said it is interesting contemplating the Federal Street project and the ability to deliver the Federal Street project in addition to potential development at Tony's in conjunction with the First Street project.

Board Member Hege said this was great information. When he thought about the Tony's building as a site, he broke it into two different categories. One is non-revenue, non-tax base, and publicly funded. The majority of responses are in that category. If we go that direction, how will we pay for it? Sometimes more importantly, how will we maintain it? Whatever you build, you need the resources to keep it in a good condition, a gem in the community.

Board Member Hege is still interested in asking the public sector what they would do with it. We could put some parameters around it, and provide them with this information, but at the end of the day, unless we pay for it, we cannot determine what it will be.

Chair Long replied we now know that we do not have money. This was unknown at the beginning of the process, but we have control over what happens to the property. Including maybe nothing for a while if the right thing does not come along. Downtown property does not come up often; it is something to consider.

Now that we have some feedback, is it appropriate to prepare a Request for Concept to see the response while the Agency is still here and can make a decision? Even without funding, we still have input to control the impact of downtown development, both economically and aesthetically.

Board Member McGlothlin said he had not considered the prospect of having the carousel. If you had the carousel, a green space, plus some type of transportation hub/tourism in that location, when you have events like Cherry Festival you would work around that space. We should encourage and enhance what we have. This is an opportunity for a long-range vision of what we could have downtown.

Board Member Denstedt said if the Tony's site is for sale, the carousel will not be located there. His impression was that the Benko's want a donation of the land.

Mrs. Benko stated they are not asking for a donation, just expressing an interest in the property.

Board Member Denstedt suggested selling the lot for as much as possible. We have a commitment made years ago. He does not think it's something we can back out of, so most of our money will go to First Street. If we can somehow get the carousel there, we can specify the end use.

Board Member Coburn was pleased with the survey responses. Many suggestions could be combined. The challenge lies with how much we have to spend.

Director Chandler added that when we started down the path of demolition, it was immediately going into a Request for Proposal (RFP); inviting a private developer to see what could be on the property. We can still dream big without necessarily being the Agency that funds the development.

EDO Spatz spoke in response to Board Member Coburn's comment. He said an RFP would identify some major elements, put it out there, and see what type of response is provided. We have received some informal ideas of the value of the Tony's site. EDO Spatz cautioned that we are not sitting on a gold mine. It is a valuable downtown site, but it will not eliminate our current financial struggle. If we could come back with a draft RFP that attempts to capture the flavor of some of these comments, he does not see it being an either/or proposition. In combination with the Federal Street Plaza, we could do something creative that would create an activity hub. Maybe the carousel is part of that, maybe not.

Chair Long asked if it would be more of a request for concepts. We talked about that before. The RFP could require more on the part of the Applicant. We do not want to exclude good ideas.

EDO Spatz replied, a Request for Expressions of Interest.

Special Projects Coordinator Ann Moorhead enjoyed reading through the survey responses. Moving forward with a Request for Interest is a way of showing the community we are considering community feedback as much as possible. It is a matter of maintaining trust with the community after requesting their input.

Board Member Coburn asked if a thank you to the community is appropriate. Ms. Moorhead felt it ultimately comes down to the community seeing that their words have had an impact. Without maintaining trust, she felt that effort would quickly diminish.

Board Member Denstedt felt the problem with his statement to just sell it would be sending the message that we received your input, but we are not going to use your input. If we put out the RFP, it acknowledges their input. We now need someone to step up and give us the best offer, not necessarily the most money, but the best offer within the parameters of that input.

Board Member McGlothlin said he drove by the Tony's site and the wall of the old Bonanza store was painted. What an improvement. He asked who painted the building.

Director Chandler replied we had it done.

Board Member McGlothlin said when you dream big, big things happen. Involvement gets things done. Dream big.

Columbia Gateway Urban Renewal Plan Revision

EDO Spatz presented the staff report. He noted the Agenda packet included the Plan goals and objectives.

He then noted distinction between formal debt and contract debt, and referred to the description provided by Nick Popenuk of Tiberius Solutions:

The issue is that the legal term "maximum indebtedness" has a specific meaning that is not intuitive. By law, TIF funds can only be used to pay for "debt." Maximum indebtedness is a cumulative limit on the amount of debt that a URA has ever incurred.

Those two things combined result in maximum indebtedness functioning as a limit on funding for projects for URAs. Because it is a measure of cumulative debt incurred, paying off old debt does not free up more maximum indebtedness capacity. And, paying for projects on a cash basis (rather than taking out formal loans) does not allow you to avoid counting those projects as informal "debt" for the purposes of maximum indebtedness (because legally all expenditures of TIF have to go towards debt service). Instead, these cash expenditures are designated as "contract indebtedness" which is a legal way of saying they are debt to comply with State law, even though no logical person would ever think of it as debt.

The idea that in expanding MI you are not necessarily increasing formal debt, you are expanding the capacity to expend TIF that you would otherwise be able to collect.

In keeping with the idea of best practices, we are defining several projects and adding them to the Plan: Basalt Commons, First Street Streetscape and the Tony's site redevelopment.

Three things are fundamental changes to the 2009 Plan: rearrangement of 2009 projects by category, revised Goals and Objectives, and three projects added to the Projects list.

EDO Spatz requested the Board review the Plan in the coming weeks. Please send any comments, changes or corrections to EDO Spatz.

EDO Spatz would like to present the final draft of the Urban Renewal revision at the July 16 meeting. Since there are changes to the Goals and Objectives, the Plan will be presented to The Dalles City Council for recommendation.

EDO Spatz asked, if the Board felt comfortable with it, consensus allowing Staff to prepare a resolution for consideration at the July 16 Board meeting. That resolution would recommend to The Dalles City Council approval of the Urban Renewal Plan revisions for adoption through special ordinance. Again, that would be subject to the Board's approval of the final draft.

Board Member McGlothlin was in favor of moving forward.

Chair Long verified the Board had time to respond to the draft. EDO Spatz requested responses by July 5, 2024.

BOARD MEMBER COMMENTS / QUESTIONS

Board Member Hege said the information lays out the difficult steps going forward. There are no easy decisions.

Board Member Hege referred to a map mentioned at the last meeting. The map will include all the projects completed by Urban Renewal. What is the status of the map?

EDO Spatz replied Staff will forward the link to the map.

Board Member Coburn requested a copy of the spreadsheet. Staff will provide the spreadsheet.

Director Chandler requested direction for First Street. Chair Long heard that Urban Renewal is interested in funding things typically Urban Renewal, not infrastructure. We are placing priority on helping other projects. First Street no longer feels like a priority. The Board is looking at a bare bones, minimum contribution to First Street, allowing good work to continue with remaining funds. The Board agreed.

Board Member Coburn was in favor of including the value engineering where possible. Board Member McGlothlin's addition was to leverage every dollar we have.

Board Member Hege was curious about the commitment. What commitment does Urban Renewal have to the First Street project?

Board Member Denstedt said if there is some way to get funds for the infrastructure, more Urban Renewal funds could be spent on projects more appropriate to Urban Renewal. He did not think streetscaping should be developed on crumbling foundations.

STAFF COMMENTS / PROJECT UPDATES

Director Chandler updated the Board on the First Street parking lots. Staff budgeted to resurface and stripe the lots. Use of heavy-duty equipment on deteriorating asphalt resulted in ripped up paving. A quote was secured from Public Works with the intent to begin in July.

In an abundance of caution, Director Chandler contacted the State Historic Preservation Office (SHPO) because the area is in the old Chinatown, an archeological zone. Both the project archeologist and Eric Gleason, owner of the Chinese Building, felt resurfacing the parking lot would be no problem. SHPO requested additional information; their determination was received on June 14, 2024. Artifacts were previously found near the surface. The lots are not currently in use. Director Chandler will move forward on opening the lots as soon as possible.


EDO Spatz was notified by EPA of a \$500,000 grant to renew the Brownfield Program. The draft work plan was submitted last week; it is now under review by the EPA. We anticipate starting the grant October 1.

ADJOURNMENT

Being no further business, the meeting adjourned at 7:52 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



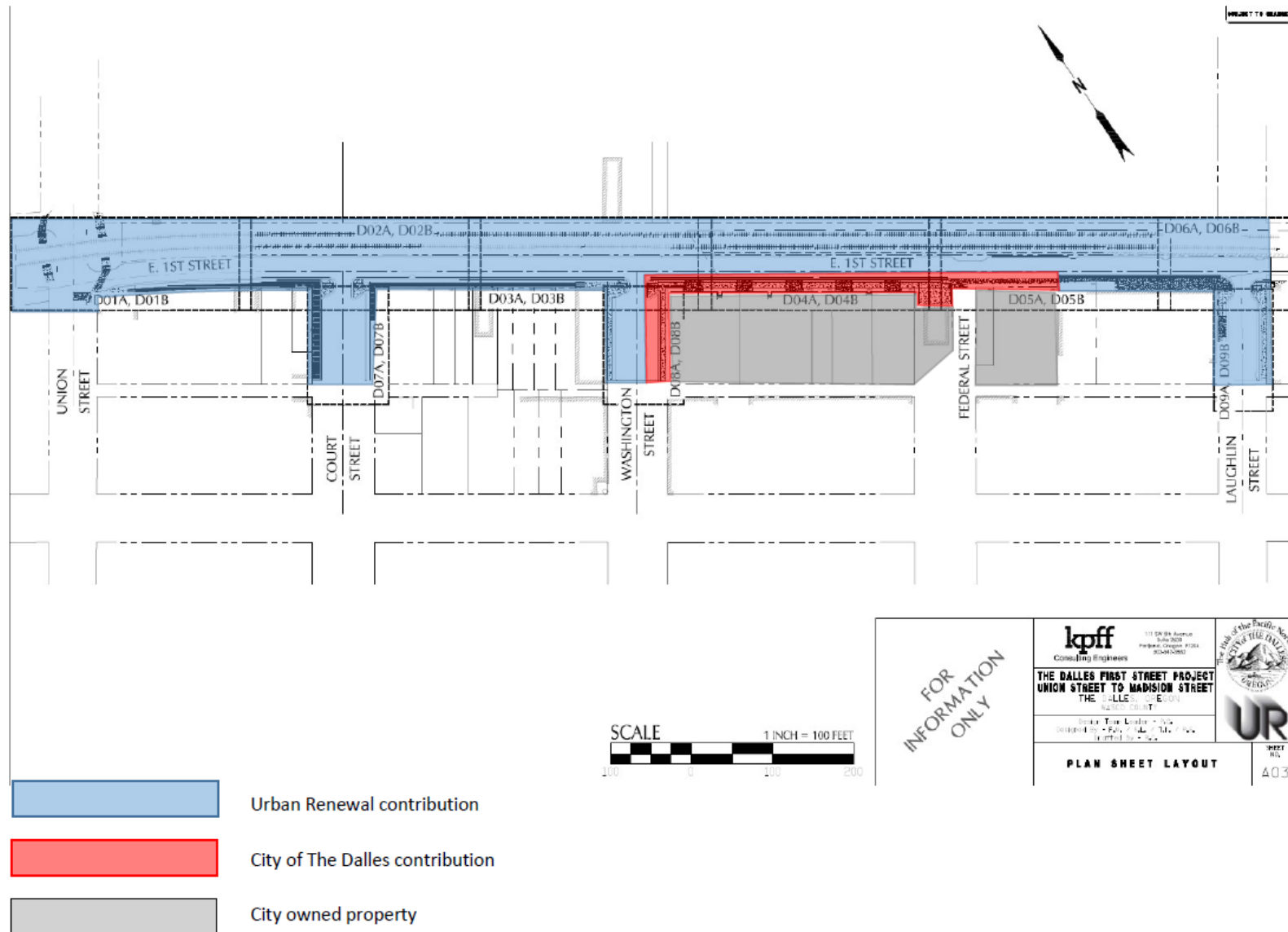
City of The Dalles
 First Street Project - Concept Cost Estimate Alternatives 1 - 7
 6/14/2024

Alternative	Description	Total Cost	UR Cost *	City Cost	SDC Cost
1	Full Project - City Frontage & Upsize Waterline from 8" to 12"	\$ 7,060,000	\$ 5,800,000	\$ 590,000	\$ 670,000
2	Full Project - City Pays for City Frontage Work	\$ 6,990,000	\$ 6,400,000	\$ 590,000	\$ -
3	Full Project - Value Engineering**	\$ 6,200,000	\$ 6,200,000	\$ -	\$ -
4	Full Project - Above Ground (UR) / Below Ground (City)	\$ 6,990,000	\$ 5,200,000	\$ 1,790,000	\$ -
5	Half Project - Union to Washington	\$ 5,000,000	\$ 5,000,000	\$ -	\$ -
6	Half Project - Union to Washington w/ sidewalk to & in Laughlin	\$ 5,900,000	\$ 5,310,000	\$ 590,000	\$ -
7	Half Project - Union to Washington w/ sidewalk at Laughlin	\$ 5,200,000	\$ 5,200,000	\$ -	\$ -

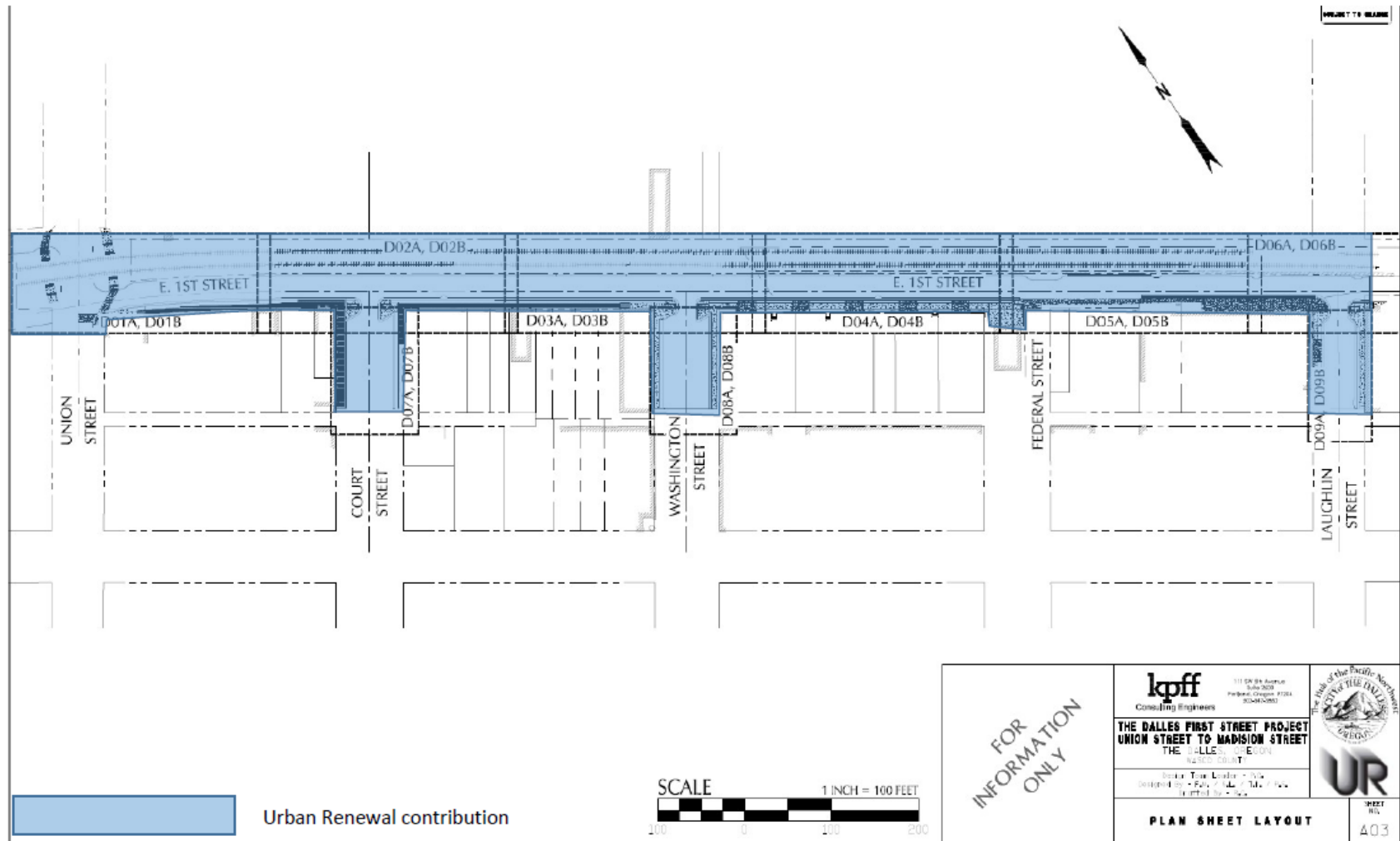
Notes

- * Estimated Fees included in cost: 250K remaining Design Fees, 500K CA (Could be shared with City), 80k for R/W acquisition, 75k for Archeological Testing
- ** Value Engineering includes the reduction of the following: Pavers to Concrete (100k-150k reduction), Removal of Tree Grates (100k-125k Reduction), Removal of Soil Cells (120k-150k Reduction), Adjustment from Wrought Iron Fence to a more economical fencing (200k-225k Reduction).
- All Contingency calculated at 10% of the Total Construction Cost

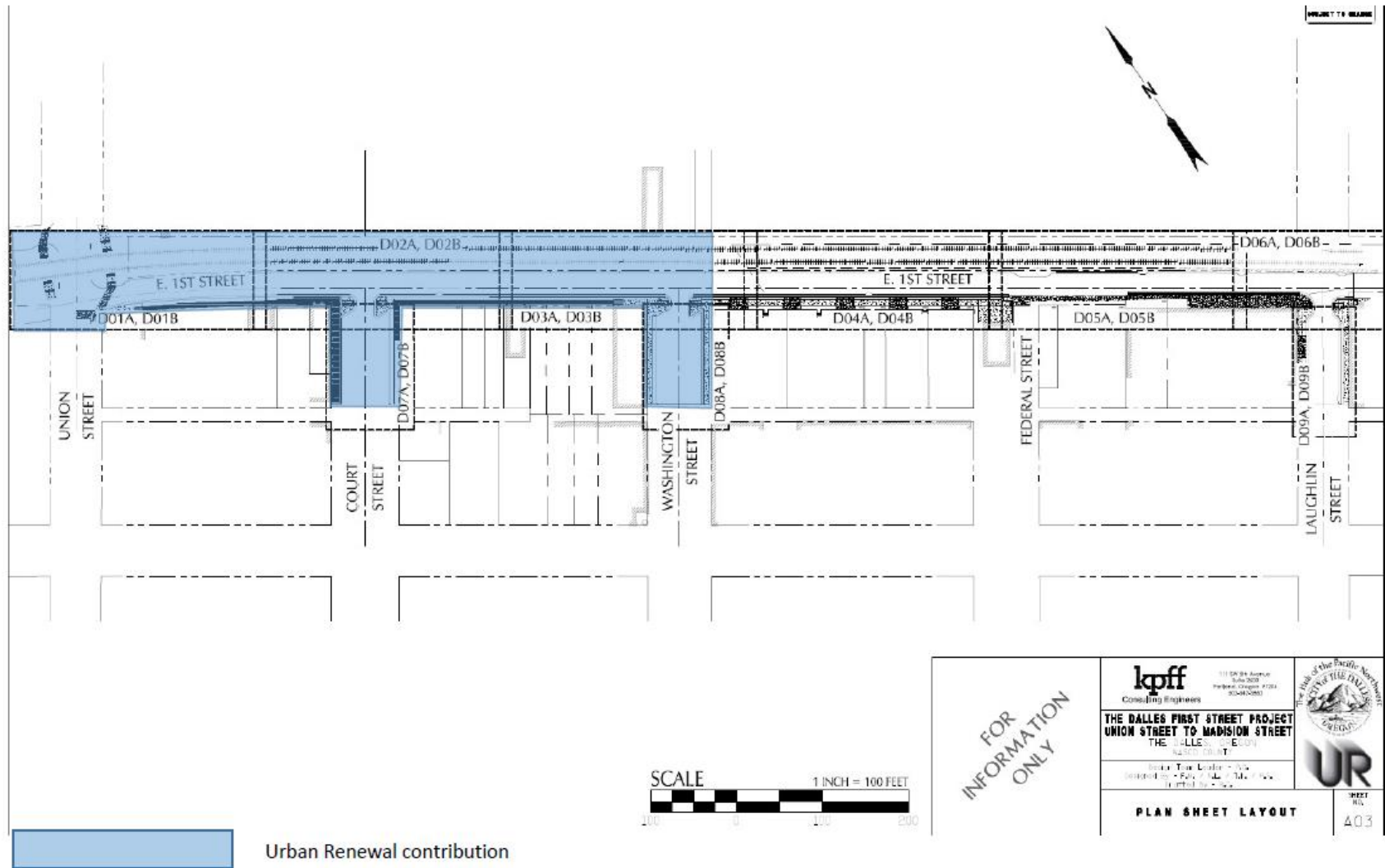
Alternatives 1, 2, and 4



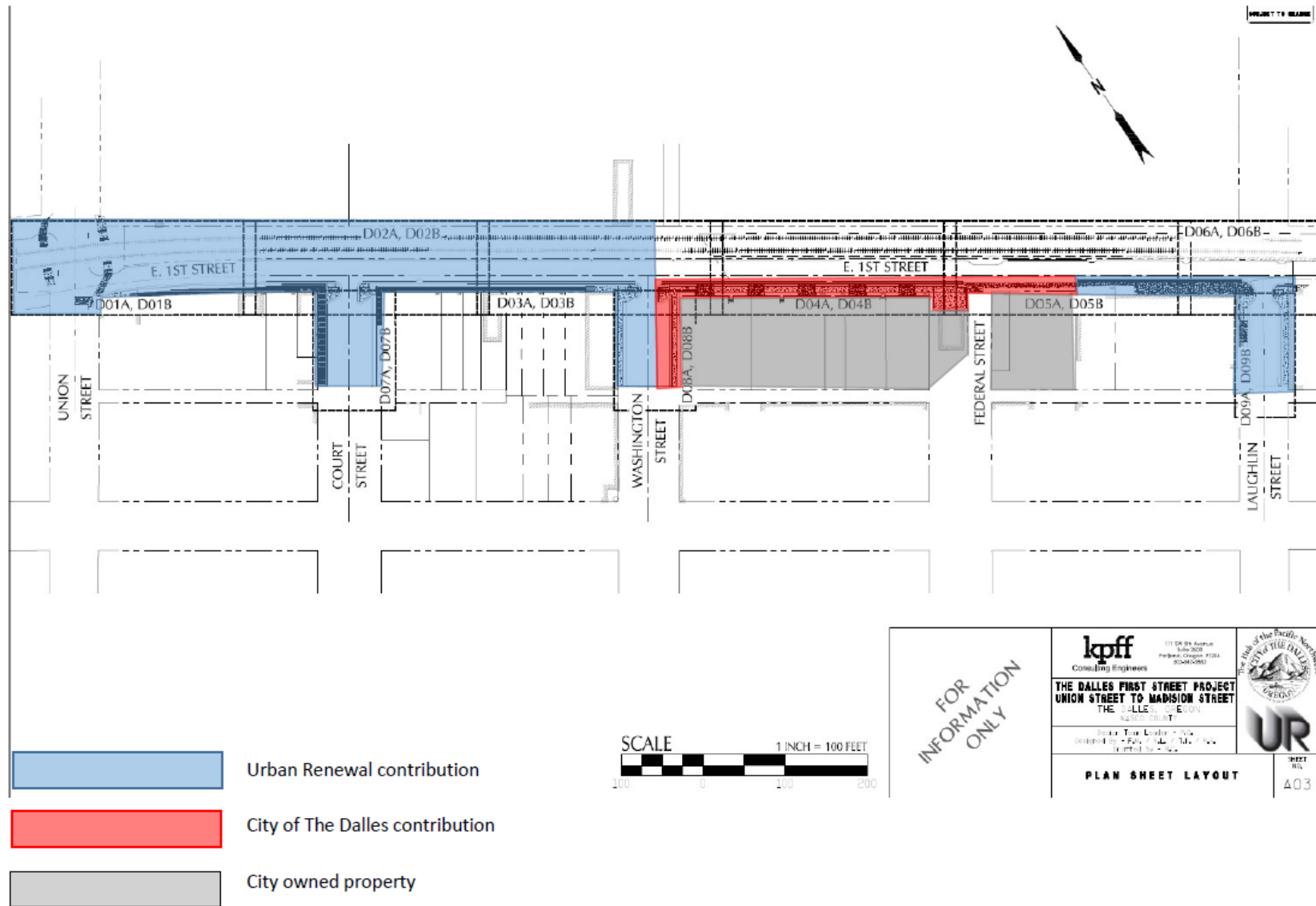
Alternative 3



Alternative 5



Alternative 6



Alternative 7

