

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING

September 17, 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, Timothy McGlothlin, and Dan Richardson
- BOARD ABSENT:** Marcus Swift and Ben Wring
- STAFF PRESENT:** Director and Urban Renewal Manager Joshua Chandler, City Attorney Jonathan Kara, Secretary Paula Webb

CALL TO ORDER

The meeting was called to order by Chair Long at 5:31 p.m.

PLEDGE OF ALLEGIANCE

Chair Long led the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Coburn and seconded by Hege to approve the agenda as prepared. The motion carried 7/0; Coburn, Denstedt, Hege, Lillvik, Long, McGlothlin, and Richardson voting in favor, none opposed, Swift and Wring absent.

APPROVAL OF MINUTES

It was moved by Hege and seconded by McGlothlin to approve the minutes of August 20, 2024 2024 as submitted. The motion carried 7/0; Coburn, Denstedt, Hege, Lillvik, Long, McGlothlin, and Richardson voting in favor, none opposed, Swift and Wring absent..

PUBLIC COMMENT

Janet Meader, 911 E 7th Street, The Dalles.

Ms. Meader referred to the Basalt Commons project and requested the number of people notified, and the process for notifications.

Director Chandler replied that public meetings are posted on the city's website and shared with the media. Land use applications require notice to surrounding property owners.

Ms. Meader requested a detailed breakdown of taxing district and City contributions. Director Chandler replied he would provide the information.

Board Member Richardson replied that city funds are not used for urban renewal; instead, each of the taxing districts contributes to urban renewal. He also noted that the Urban Renewal Agency does not increase property owner taxes.

Director Chandler added there is an adopted urban renewal budget each year, which is separate from the city's budget. Within the urban renewal budget, there is a line item for administration. When city staff work on urban renewal-related tasks, their hours are tracked; the Agency compensates the city for that time.

As for the departments potentially impacted, staff time from the city attorney's office, finance department, and community development department is compensated by the Urban Renewal Agency.

Ms. Meader asked why system development charges (SDCs) are paid by the Agency.

Director Chandler replied SDCs are applied to every development to cover the costs associated with the impact of new development. The primary goal of the Incentive Program's SDC grant is to incentivize residential development downtown.

Ms. Meader suggested development of a trade school at the Tony's site to benefit the downtown. She said a plaza is a fine idea, and suggested the addition of an amphitheater, water park or splash pad.

DISCUSSION ITEM

Substantial Amendment and Plan Update

Director Chandler presented the staff report. He introduced Elaine Howard, of Elaine Howard Consulting, LLC.

Board Member Richardson asked if, out of the \$7 million budgeted, \$6.3 million is allocated for oversight, management, and streetscaping. Director Chandler replied that was correct.

Board Member Richardson then requested the definition of streetscaping.

Director Chandler replied streetscaping is a rather subjective term. Attempts were made to get a clear definition from KPFF engineers, who had encountered a wide range of streetscaping projects. Some focused solely on surface elements, while others, like the First Street project, also included underground infrastructure. He could not speak definitively for Public Works or Engineering, but this is the estimate he was provided.

Board Member Richardson believed a separate discussion on First Street was necessary to thoroughly address the costs and clarify who is expected to pay, whether it's the Agency or the City. This may not be immediately critical, but is something to nail down.

Regarding the MI question, Board Member Richardson asked if there was a deadline or expected timeframe for receiving comments from the other taxing districts. Director Chandler replied the taxing districts have 45 days to respond.

Consultant Elaine Howard noted the response time is 45 days from the date of formal notification. She added notification would occur after the October 15 meeting. [The October 15 meeting was later rescheduled for October 21, 2024.] Ms. Howard added the community-wide

mail out would be sent mid-November; every single property owner within the City of The Dalles will receive a notice.

Board Member Denstedt asked if City Council would make the final decision on MI expansion. Director Chandler replied that was correct. He added City Council would consider comments and decisions made by the taxing districts and their representatives.

Ms. Howard added the City Council is required to accept, reject or modify any written recommendation from any taxing district. If a district submits a written letter to City Council during the 45-day period, the Council must formally address the written recommendation as they consider the ordinance for adoption.

Director Chandler noted the 2029 sunset date would not change due to MI expansion.

Chair Long thought it important to remember that all along, because of an accounting error, we thought the Agency had more money to spend than what was actually available.

Board Member Hege requested additional clarification. Director Chandler replied an accounting error led us to believe we had more money than the actual remaining balance. In analyzing it further, we realized the number was much lower. Once the error was corrected, we learned the actual remaining MI.

Ms. Howard said she worked on the 2009 amendment that increased MI. She was not involved in the MI reconciliation, but thought it may have been tracked incorrectly. MI is difficult to understand and manage.

In 2019 the legislature changed part of the statute. In the annual reports (required yearly), agencies must now state how much maximum indebtedness was used and how much remained. This prompted questions and some confusion from many Oregon municipalities over how MI should be tracked.

Ms. Howard added, the Agency did not exceed the amount it was authorized to spend; the Agency is still within its maximum indebtedness limit. A Substantial Amendment to increase MI is one option that would allow completion of remaining projects. If approved, there can be no subsequent Substantial Amendment. The district must terminate in 2029, if not earlier.

Board Member Coburn said realistically, this project list may be much longer than necessary. Maybe we need to find high quality projects that meet our goals. Then, at the end of the day, if we do not spend all of the \$6.1 million, the funds return to the taxing districts.

Director Chandler noted there would be some specificity removed from the final project list. The existing list was created to show potential need.

Chair Long noted Project A includes a loan request. If the district sunsets before the loan is repaid, would the funds return to the taxing districts?

Ms. Howard replied the funds could be used in two ways. The Agency could set up a revolving loan fund to use once the urban renewal area is closed out and taxes are no longer collected. The statute also allows the Agency, once the district ends, to transfer money for use in a new district. If a new district is not formed, the funds can be transferred back into the City budget. It is no longer tax increment revenue, so it would not return to the taxing district. Program income returns either to the Agency or City.

Board Member Hege referred to the First Street project. First Street is a \$7 million project, with approximately \$750,000 estimated as infrastructure. He said that figure seems low.

From Board Member Hege's perspective, infrastructure includes the road, the street, and everything below ground. Is the Agency responsible for these elements, even for the 150-year-old water line, which is clearly infrastructure? It is important to clarify this definition of infrastructure, as it directly affects how we proceed, he said.

Even if the Agency moves forward without increasing the MI, it would still have the First Street project to consider. Mr. Hege noted that the Agency still has \$3.8 million set aside for First Street, and asked how much more it should be asked to allocate, noting that full allocation would likely exhaust the district's resources. It would be the last project the Agency could fund, leaving no capacity for other projects that might actually increase the tax base. He noted that First Street would not contribute directly to an increased tax base.

Board Member Denstedt stated the fire district Board wants the urban renewal district to sunset.

Director Chandler replied there seems to be some reluctance from the City, particularly from Public Works, in covering the costs for First Street. If the estimates reflect that reluctance, it likely warrants further discussion. He added bridges – specifically the elevated sidewalks – are an important, expensive component of this project. In fact, \$1.1 million of the project, listed under streetscape, is allocated to the sidewalks. One could argue that the micropiles supporting the sidewalk system, which are crucial for the project, might be considered infrastructure rather than just streetscaping.

Director Chandler said that with Board guidance, he is more than willing to have an additional conversation with the City Manager and Public Works Director to refine these costs and clarify the distinction between infrastructure and streetscaping.

Chair Long stated the Agency needs to be clear on all of this. Initially, her reaction was that the City should cover the cost of the water main, as it is infrastructure. After speaking with Director Anderson, she gained more context on how the First Street project came to be. There was an understanding that the project would be funded through urban renewal, so the City removed it from the budgeting process. As a result, no maintenance was done. Her understanding was the City later covered the cost of a separate project in order to balance things out. So, while the City has not directly funded the First Street project, it has already spent an equivalent amount elsewhere.

Board Member McGlothlin said that was his understanding as well.

Chair Long, Board Member McGlothlin and Board Member Richardson all stated further discussion with the City Manager and Public Works Director was necessary.

Chair Long stated the Agency needs to address certain issues such as the water main, leveling the sidewalks, and fixing areas that are collapsing or dangerous. However, maybe the Agency does not need to go all-in on the typical streetscaping elements like garbage cans, benches, and other aesthetic features.

While those upgrades will cost more in the future, that funding can come from other sources, such as the Google money, rather than using urban renewal funds from the district. It is important to consider all options carefully.

Board Member McGlothlin agreed.

BOARD MEMBER COMMENTS / QUESTIONS

Board Member Richardson noted that three Urban Renewal Board Members are also on the Federal Street Plaza ad hoc committee. [Board Member Lillvik corrected that number;

there are four Board Members on the committee.] Board Member Richardson continued, the committee had its first official meeting and is underway with some existing concept plans to review. He said the committee has an ambitious timeline and hopes to have designs ready in the near future, with groundbreaking in 2025.

STAFF COMMENTS / PROJECT UPDATES

Director Chandler provided updates.

The RFI for the Tony's building was posted last Friday in the *Daily Journal of Commerce* and on the city's website. The Agency received immediate interest, with one or more inquiries a day, including from some larger firms in the Portland and Seattle areas, which is exciting.

The Agency will not meet its goal for resurfacing the First Street parking lots this year due to delays with the asphalt plant and SHPO grant timing. The resurfacing is now scheduled for April when the plants reopen, giving time to address any SHPO comments.

The City is currently working on a Housing Production Strategy. There will be a virtual open house tomorrow, September 18, 2024. While the consultants will join virtually, Director Chandler will be present in person. A housing survey is available on the City website; staff encourages everyone to share and contribute. The survey deadline has been extended to October 4.

The City is currently conducting a parking assessment. An open house on September 30, 2024 will focus on downtown parking. Findings from our Advisory committee will be shared at this event. Anyone interested in parking strategies and data is encouraged to attend.

ADJOURNMENT

Being no further business, the meeting adjourned at 6:50 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