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City Council Meeting  
December 9, 2024  
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MINUTES

CITY COUNCIL MEETING  
COUNCIL CHAMBER, CITY HALL  
DECEMBER 9, 2024  
5:30 p.m.

VIA ZOOM/ IN PERSON

**PRESIDING:** Mayor Richard Mays

**COUNCIL PRESENT:** Darcy Long, Tim McGlothlin, Rod Runyon, Scott Randall, Dan Richardson

**COUNCIL ABSENT:** None

**STAFF PRESENT:** City Manager Matthew Klebes, City Attorney Jonathan Kara, City Clerk Amie Ell, Public Works Director Dave Anderson, Police Chief Tom Worthy, Finance Director Angie Wilson, Community Development Director Joshua Chandler, IT Director David Collins

**CALL TO ORDER**

The meeting was called to order by Mayor Mays at 5:30 p.m.

**ROLL CALL OF COUNCIL**

Roll Call was conducted by City Clerk Ell. Long, McGlothlin, Runyon, Randall, Richardson, Mays present

**PLEDGE OF ALLEGIANCE**

Mayor Mays asked Councilor Randall to lead the Pledge of Allegiance. Councilor Randall invited the audience to join in the Pledge of Allegiance.

**APPROVAL OF AGENDA**

Mayor Mays said there would be an executive session added to the meeting agenda.

It was moved by Richardson and seconded by Randall to approve the agenda as amended. The

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motion carried 5 to 0, Richardson, Randall, McGlothlin, Long Runyon voting in favor; none opposed; none absent.

### **AUDIENCE PARTICIPATION**

Chuck Gomez, representing the Granada Theater, addressed the City Council regarding nonprofit and TRT (Transient Room Tax) funds. He said that tourism could become a significant economic driver for The Dalles, potentially generating revenue equal to or greater than that of Google. He shared that when the Granada Theater was first established, the City Council recommended he seek a tourism grant from the Chamber of Commerce. He said that after applying, the grant was declined because it was assumed to be for nonprofits only. He stated that he had reviewed the grant application carefully and found no restriction regarding profit or nonprofit status. Gomez expressed frustration, pointing out that nonprofits such as the Girl Scouts, Cub Scouts, and Little League cannot generate the same level of income as a strong tourism campaign. He said that TRT funds should be used to support a comprehensive tourism advertising campaign, based on the video his team had already created, which he believes would strengthen the town and bring in outside funds.

### **CITY MANAGER REPORT**

City Manager Matthew Klebes reported;

- Shared that the partnership with Northern Wasco PUD for the Vista Reservoir star was featured in the Northwest Public Power Association's newsletter.
- He attended the Federal Street Plaza Ad Hoc Committee meeting and introduced a pilot social media update series for the project.
- Two new web pages were launched: one for Google's Enterprise Zone and Strategic Investment Program agreements, and another for the City's master plans, focusing on the Water Master Plan.
- Appeared on KODL
- Met with American Cruise Lines' representative about the upcoming season.
- Draft goal-setting document from the work session with SSW Consulting is under review for presentation in the new year.
- Will be on family vacation starting December 21 and return for the new year.

### **CITY COUNCIL REPORTS**

Councilor McGlothlin, Long, and Richardson passed on reporting for the evening.

Councilor Randall reported;

- Attended the QLife board meeting. He reported the board make-up would be changing

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with there only being one City elected official instead of the two that were now on the board.

Councilor Runyon reported;

- Attended the Public Safety Coordinating Council meeting.
- Had a phone meeting with the City Manager.
- Attended the QLife meeting.
- Attended the League of Oregon Cities Elected Essentials Workshop and the Columbia Gorge Readiness Center.
- Met with the City Clerk.
- Met with the City Attorney.
- Met with a concerned citizen.

Mayor Mays reported;

- A radio interview on KACI
- Attended the Community Outreach Team meeting.
- Attended the LOC Elected Officials Essentials workshop hosted in The Dalles.

## **CONSENT AGENDA**

It was moved by Long and seconded by McGlothlin to approve the Consent Agenda as presented. The motion carried 5 to 0, Long, McGlothlin, Randall, Richardson, Runyon voting in favor; none opposed; none absent.

Items approved on the consent agenda were: 1) Approval of the November 25, 2024 Regular City Council Meeting Minutes; 2) Approval of the November 15, 2024 City Council Goal Work Session Minutes; 3) Authorizing the City Manager to Execute a Release for a 10' Public Access Easement Located at 1859 Lincoln Way; 4) Adopting Resolution No. 24-032 Authorizing and Directing the City Attorney to Execute the Electronic Claim Form and All Other Necessary Actions for the City's Participation in the Visa/Mastercard Interchange Fee Settlement; 5) Adoption of Resolution No. 24-031 Directing the City Attorney to Issue Subpoenas for the Production of Airbnb, Inc.'s Records Relating to 414 Jefferson Street to Ensure Compliance with and Enforcement of TDMC Chapters 8.02 and 8.04

Councilor Runyon noted he had discussed item E on the consent agenda with the City Attorney. While not recommending its removal, he inquired whether resolving the issue in a short time would place the matter under the new rules or the previous rules. He was assured the matter would likely fall under the new rules effective after January 9. He emphasized this as an important point, considering the ongoing nature of the issue.

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**PUBLIC HEARING**

Adoption of General Ordinance No. 24-1409, a General Ordinance Approving a Substantial Amendment to the Columbia Gateway Urban Renewal Plan

Mayor Mays read the rules for the public hearing.

Mayor Mays opened the public hearing at 5:50 p.m.

Mayor Mays called for the staff report.

Dan Spatz, Economic Development Officer reviewed the staff report and invited Elaine Howard of Elaine Howard Consulting, LLC to present. (see attached presentation slides)

Spatz discussed the next steps if the Council unanimously approved the request, noting that a unanimous vote was required for a non-emergency ordinance. If not approved unanimously, the request could return at a later time. He outlined the prior steps, including outreach to the Planning Commission, a County Commission briefing, direct communication with tax districts, and a general mailing to City residents. The proposal received strong support from all included tax districts except the Fire District, which recommended sunseting urban renewal more quickly.

Spatz reviewed the ordinance, substantial amendment, and related documents, highlighting updates to goals, projects, and the maximum indebtedness. He noted that the amendment included private sector property rehabilitation projects, with several ready to proceed upon approval. He summarized the accompanying exhibits, including fiscal reports, project lists, maps, and resolutions, and explained the focus on increasing private sector investment to reduce blight and enhance the tax value of the district. He also noted state-mandated revenue-sharing requirements with tax districts, with further details provided by Howard.

Howard then continued with presenting slides giving an overview of projected fiscal impacts (see attached slides).

Runyon highlighted the purpose of urban renewal, emphasizing its role in supporting businesses, increasing revenue, and enhancing the downtown area. He noted that while schools are funded differently through the state school fund, urban renewal's goal is to improve the overall community.

He then posed a question for clarification: if the school district were to pursue another bond and needed upfront funding, could Urban Renewal funds be used for that purpose?

Howard clarified that Urban Renewal funds cannot be used to assist a school district in passing a bond, as those funds are strictly designated for capital expenditures and internal staffing needs.

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However, she noted a positive legislative change: Urban Renewal no longer takes funds from bonds or local option levies. As a result, all money from a passed bond will now go directly to the school district for bond repayment.

Runyon explained that the reason for bringing up the issue was to clarify that while Urban Renewal funds can address deteriorating buildings, they cannot be used for school improvements such as bond funding for school repairs.

Mayor Mays asked for clarification, if Spatz had said that, by law, the Urban Renewal cannot be extended past 2029.

Spatz clarified that only one substantial amendment can be made. If approved, this amendment results from a change in the law. He noted that the trigger point for substantial amendments was 2010, as the last substantial amendment occurred in 2009, and the deadline for additional amendments was in 2010.

Howard confirmed that the projections anticipate the Urban Renewal Area will meet its maximum indebtedness by 2029, barring significant financial changes. Two cushions were built into the projections: one for potential declines in tax receipts, which would primarily impact revenue sharing, and another for the final year, where it's expected that the full tax increment revenues would not be needed. Howard expressed confidence that the Urban Renewal Area would conclude in fiscal year 2029, although unforeseen events could affect projections.

Mayor Mays asked about the staff's perspective on including a provision in the ordinance to prevent extending the Urban Renewal Area beyond 2029.

Howard explained that the statute could be changed in the future, allowing for an extension beyond 2029 if the law changes. Currently, the statute allows only one increase to the maximum indebtedness, and this is the final opportunity under the existing law. She suggested that if the City wanted to be certain, they could include a provision in the ordinance stating that this is the last increase to the maximum indebtedness for this particular Urban Renewal Plan, and recommended consulting the City Attorney for specific wording.

City Attorney Jonathan Kara confirmed that the Council could include a provision in the ordinance restricting any future increases to the maximum indebtedness, though he noted it would essentially be a political statement. He explained that the law currently prevents further increases, and while legislative changes could occur, they are highly unlikely. He indicated that it was not necessary to include this provision, but it could be done if desired.

Joshua Chandler Community Development Director stated that staff does not have an objection to adding a provision into the ordinance, as throughout the entire process, it has been

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communicated that the Urban Renewal will end in 2029.

Mayor Mays reiterated that adopting the ordinance and approving the substantial amendment would not affect any of the property owners currently within the Urban Renewal District.

Spatz confirmed that there would be no increase in taxes. He explained that while taxes are diverted from the districts, there would be no additional tax imposed.

Mayor Mays said that the taxing bodies would not experience a long-term revenue loss. While there is a short-term delay in revenue distribution, they will receive their proportionate share of tax increment revenue by 2029. He said that the delay would last three years, and during this time, the assessed value would grow, resulting in an increase in revenue once the district's assessed value rises.

Spatz said that when the Tax Increment Financing (TIF) is released, whether in 2029 or earlier, the taxing bodies would receive the cumulative increase starting from 1990.

Long wanted to clarify that the mention of the support from the taxing districts referred to a vote of support from the Urban Renewal Agency meeting, and that some of the districts are represented on that board.

Mayor Mays asked for public testimony from any proponents of the proposed Substantial Amendment.

Chris Zukin, from Meadow Outdoor Advertising, expressed general support for the Urban Renewal Plan, noting its success in revitalizing The Dalles, including projects like the National Neon Sign Museum, the Granada, and the Commodore. He highlighted that several buildings would likely have been in poor condition without Urban Renewal. He also voiced his support for maximizing the indebtedness of the current land and mentioned the old post office building, which his company owns. He noted that while the first floor has been remodeled, they are considering remodeling the second floor as well.

Eric Gleason, a landowner on First Street, expressed support for the Urban Renewal Plan, acknowledging the need for improvements in the neglected and blighted area. While he had concerns about the stone retaining walls, he worked with staff to address them. Gleason commended the work that Urban Renewal had done in the past and supported the future plans, believing that the extension would help complete the necessary improvements.

Gregory Price, the Director of the Small Business Development Center and a commercial building owner on Main Street, expressed strong support for the Urban Renewal Program. He

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urged the City Council to lift the maximum indebtedness, highlighting the significant impact the funding has had on small businesses within the district. He emphasized that the funding is essential for a wide range of projects that would not happen without it and will yield considerable economic benefits for both the businesses and their owners. He also noted that as a commercial building owner, he personally understands the importance of the support in making investments in his property.

Michael Leash, owner of the Sigmund's Flowers building at 306 Court Street, shared details about ongoing renovations and future plans for his properties. The Sigmund's Flowers building was under exterior renovations, with plans to gut and remodel the main floor and add four housing units upstairs. He noted that continuing the Urban Renewal Program and potentially participating in available grant programs would be greatly beneficial to fully execute their renovation plans. Additionally, in the adjacent building he had plans to add four to five additional housing units. He expressed interest in potentially participating in the grant program through the extended Urban Renewal timeframe.

Mayor Mays asked for public testimony from any opponents of the proposed Substantial Amendment.

There were none.

Mayor Mays asked for public testimony from anyone else who wished to give testimony or ask relevant questions.

Donna Lawrence, a resident of The Dalles, acknowledged the discussion about the Urban Renewal Plan and the expectation that it would phase out by 2029. She asked if it would be possible to lower the percentage rate that the taxing districts receive around 2029, in order to reduce taxes. She noted that they would face a significant change in 2029 when the urban renewal funding stops. She said that since the taxing districts had managed without the extra money from urban renewal, it might be possible for them to continue without it in the future, which could potentially result in lower taxes for residents.

Howard addressed Lawrence's question, emphasizing that while taxes will continue to go to the agency through fiscal year 2029, starting in fiscal year 2030, they will no longer receive those funds. She further noted that there is no statutory provision allowing the taxing districts to decide to lower their taxes due to urban renewal. She said that, in her experience, such a scenario has never occurred.

Lawrence suggested that while the taxing districts might not need to lower the amount they receive, the percentage rate could potentially be lowered, which would result in citizens paying

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less in taxes. She expressed that it was simply a thought, but a good one.

Mays thanked Lawrence and mentioned that in 2029, citizens who are interested in this issue can address the individual taxing districts listed on their tax bills and lobby them accordingly.

Janet Meader, resident of The Dalles expressed a desire to see a rendition of the project, questioning how the City could allocate all the money without knowing what the final result would look like.

Spatz clarified that if the proposal is approved tonight, a project list would be presented to the Urban Renewal Board on the 17th. This would be the next phase of identifying projects, and as these projects are developed, visuals would be provided.

Meder asked if the plan would involve transforming First Street into a park-like setting with benches and demolishing buildings.

Chandler said the City had engineered plans for First Street and were available for the public to view.

Meder asked if it was her understanding from previous meetings that Google would be contributing \$6 million to the city for Urban Renewal.

Mayor Mays clarified that the \$6 million mentioned was not for Urban Renewal but rather a fee that Google was to pay to the City and the County for the two data centers being developed. This fee was part of the negotiations with Google and was unrelated to Urban Renewal.

Mayor Mays asked if Council had enough information to decide.

Mayor Mays asked if Council was ready for deliberations.

Mayor Mays closed the public hearing at 6:57 p.m.

Randall commented that although he did not serve on the Urban Renewal Committee, he served on the Historic Landmarks Commission. He explained that each entity presenting plans, including those related to Urban Renewal, brought their documents, drawings, or concepts to the Historic Landmarks Commission. This provided an opportunity for the public to attend the meetings and view the concepts, which were also made available online afterward.

Richardson stated for the public that the City Councilors were not uncurious, but rather familiar with the presentation, having read the materials and attended similar discussions previously. He



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then noted that most decisions come with both costs and benefits. In his opinion, the benefits of the Urban Renewal extension outweighed the costs. He stated that the extension would benefit the City and community, leading to a substantial investment in downtown, primarily on private property, with the program eventually sunset in a few years. He expressed his support for the proposal.

McGlothlin asked for clarification on the impact the passage of the amendment would have on the general tax liability of the average taxpayer. He mentioned that he had heard the explanation several times but wanted to ensure it was clear.

Spatz said that there would be no impact to individual taxpayers. The impact between now and 2029 would be on the districts, as their revenues would be diverted to Urban Renewal. After 2029, the districts would begin receiving the tax increment financing (TIF) funding for their benefit. Individual taxpayers would not be directly impacted by Urban Renewal.

Long, as Chair of the Urban Renewal Agency, acknowledged the history of Urban Renewal in the City, noting some past challenges. She emphasized that in recent years, the focus had shifted to increasing property values and improving infrastructure, particularly addressing safety issues on First Street. She explained that while the Urban Renewal Agency had initially expected certain funds, a discrepancy in the maximum indebtedness revealed a shortfall. She stated that passing the amendment would allow Urban Renewal to finish projects as originally intended, including a substantial list of initiatives to increase the tax base, benefiting all agencies involved. She expressed confidence that the projects would ultimately raise the tax base, leading to increased revenue for agencies after 2030.

Mayor Mays emphasized the importance of the City fulfilling its obligation to complete the first three projects that had been started many years ago, noting that the City had made a commitment to see them through to completion.

It was moved by Randall and seconded by Richardson to adopt General Ordinance No. 24-1409, a general ordinance approving a Substantial Amendment to the Columbia Gateway Urban Renewal Plan, by title only, as presented.

Mayor Mays asked the City Clerk to read the ordinance by title.

Amie Ell City Clerk read the ordinance by title only.

The motion carried 5 to 0, Randall, Richardson, McGlothlin, Long, Runyon voting in favor; none opposed; none absent.

**ACTION ITEMS**

Adoption of 2024 Water System Master Plan Update

Dave Anderson Public Works Director reviewed the staff report and then introduced Brian Ginter, Emily Flock, and Deb Galardi of Consor Consulting.

Ginter, Flock, and Galardi presented the project overview for the Water System Master Plan and Financial Analysis. (see attached slides)

Anderson provided clarification regarding the \$3 million mentioned in Galardi's presentation, noting that this refers to funds from the Strategic Investment Program (SIP), part of the development agreement with Google for the new data centers under construction. He explained that the City Council had directed staff to develop water system financials with the expectation of receiving \$3 million annually from these development incentives and future general fund tax revenues. This use for these funds was intended to help mitigate larger rate increases for the water system customers.

Mayor Mays followed up on Anderson's comments, referencing page 230, second paragraph, and read aloud, "Without the contribution of SIP funding from the data centers, the first two years of water rate increases for City residents and businesses would have been about 31 to 38%."

Mayor Mays mentioned that this is the fourth public meeting on the matter and highlighted that there have been three joint meetings with the County where the need for the City's share of the Google funding was discussed extensively. He also referenced the staff report, which indicates the creation of a new webpage to address this issue.

Anderson reported that the plan was posted just before Thanksgiving, and no comments had been received through the webpage since its posting.

Mayor Mays stated that press releases, newspaper articles, and social media posts had been published. He added that he and other elected officials had mentioned it during radio interviews.

Long said she felt people don't pay attention to the Water System Master Plan until they hear about a rate increase. She added that the only less engaging topic during her time on the City Council was wastewater treatment.

Klebes stated that if the City Council adopted the Water Master Plan, a special City Council meeting would be held a week later at the same place and time. He noted that staff intended to present a resolution memorializing some of the contributions from the SIP agreement to the

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Water Master Plan, along with other budgetary guidance for staff to use in the upcoming budget cycle. He indicated that there would be further discussion on the topic next week, should the Council move forward with the Water Master Plan.

Anderson said that if the plan was adopted that night, staff was poised to update the fee schedule and make any water rate adjustments effective around February 1. He explained that it was preferable to implement water utility rate adjustments in the winter, allowing people time to be aware and make decisions, rather than in the summer when demand is at its peak and bills increase significantly.

Mayor Mays said he had one question on page 229, regarding the last paragraph where it mentioned the large amount of water in the base rate and indicated that it was problematic when applying for state and federal funding. He asked for further explanation.

Anderson explained that when applying for funding for the Dog River Pipeline project, one of the sources considered was the Safe Drinking Water Revolving Loan Fund, which was federal money administered by the state. He clarified that they required the current residential monthly rate to be equalized to a volume of 7,500 gallons. Since the City's base rate covered 10,000 gallons, the funding agency initially attempted to prorate it down by 25%, which would have made the rate appear too low to qualify for the best loan financing. After two months of discussion, they ultimately allowed the City to qualify for better financing with a 1% loan at two-year terms.

Richardson acknowledged the significant work and technical insight that had gone into the report, expressing appreciation for it. He noted that, while water supply may not be the biggest issue for the City, it was certainly one of the most important. He felt the report set in motion a complex process that would strengthen the City's water system, and he expressed his support for it. Richardson asked about the exploration of using the Columbia River water right and if staff was confident that it made no sense to pursue that option or if there was still room for consideration.

Anderson said he was confident that using Columbia River water didn't make sense due to significant challenges. The City would need to build new infrastructure to switch sources, incurring costs similar to replacing the existing system. Additionally, there would be extra costs to secure the water from the Columbia, such as realigning an irrigation system, making it more expensive than enhancing the use of the watershed source.

Richardson clarified that his question was not about drinking Columbia River water, but whether it made sense to explore tapping that water right for industrial use. He suggested that doing so could potentially save drinking water.

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Anderson explained that tapping the Columbia River for industrial use would still require treatment facilities. Separate infrastructure, such as a pump station and treatment facility for the port, would still be necessary. He noted that the concept was explored early in the evaluation for data centers but was determined to be neither economically nor technically feasible at that time.

Mayor Mays asked if there was anyone in the audience who would like to comment on the topic.

There were none.

It was moved by Richardson and seconded by Long to adopt the 2024 Water System Master Plan Update. The motion carried 5 to 0 Richardson, Long, McGlothlin, Randall, Runyon voting in favor; none opposed; none absent.

Adoption of General Ordinance No. 24-1407B, a general ordinance amending The Dalles Municipal Code Chapter 8.02 (Short-Term Rental License)

Joshua Chandler Community Development Director reviewed the staff report.

Runyon said he was not in favor of requiring a one-hour response time.

Chandler said that was not an item that had been included in the council requested changes from the last meeting but had earlier been changed from 24 hours to one hour.

The Council discussed the matter and agreed that the ordinance should be amended to change the required response time to 12 hours.

McGlothlin observed that communication and improvements between operators and residents had increased over the past year, reducing incidents. He supported clarifying the situation in writing but cautioned against being overly punitive. He mentioned concerns about screening requirements and fencing, noting that one-size-fits-all solutions might not work for all operators. He emphasized the goal of finding reasonable balance for both operators and residents.

Chandler explained that the screening requirement, added in 2020, stemmed from a 2019 issue with an Airbnb where a shared yard raised privacy concerns. He offered to strike the requirement if needed, as it was meant to address guest privacy when no fence exists between properties.

McGlothlin stated that the ordinance could be implemented immediately, with the option to revisit and refine it in the future if needed.

Mayor Mays said the intent, after multiple meetings on the topic, was to pass the ordinance that

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night. However, he noted that the Council could choose to postpone the decision until January or amend the ordinance, such as changing the one-hour provision to 12 hours.

Runyon sought clarification regarding the 300-foot notification requirement, asking whether it applied in all directions from the house or just down the street.

Chandler said it was 300 feet in and direction in a residential zone and 200 feet in a commercial zone.

Runyon noted that when reviewing a map, the 300-foot notification could extend to houses two streets away in neighborhoods with multiple streets. He added that this aspect would likely be reviewed thoroughly in a year.

McGlothlin noted that the ordinance allowed the screening requirement to be waived with written approval from all adjoining property owners.

Chandler explained that the waiver process for the screening requirement had been straightforward if there were no issues with neighboring property owners. He noted the concern that a new neighbor might object, but emphasized that the approval occurred at the time of initial approval, not annually. He also highlighted efforts to streamline the process, noting that renewals now required less information and were easier to complete online.

Mayor Mays said the ordinance would be amended to change the notification time to 12 hours.

Mayor Mays asked the City Clerk to read the ordinance by title.

Amie Ell City Clerk read the ordinance by title.

It was moved by Randall and seconded by Runyon to adopt General Ordinance No. 24-1407B, as amended, by title only.

Mayor Mays asked the City Clerk to read the ordinance by title.

Ell read the ordinance by title.

The motion carried 5 to 0, Randall, Runyon, McGlothlin, Long, Richardson voting in favor; none opposed; none absent.

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**EXECUTIVE SESSION**

In accordance with ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Mayor Mays recessed Open Session at 8:15 p.m.

Mayor Mays reconvene Open Session at 9:49 p.m.

**ADJOURNMENT**

Being no further business, the meeting adjourned at 9:50 p.m.

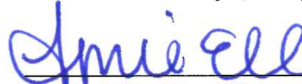
Submitted by/  
Amie Ell, City Clerk

SIGNED:



Richard A. Mays, Mayor

ATTEST:



Amie Ell, City Clerk