

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

REGULAR MEETING
OF
APRIL 22, 2013

CITY COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Chair Steve Lawrence

AGENCY PRESENT: Bill Dick, Carolyn Wood, Dan Spatz, Tim McGlothlin, Linda Miller

AGENCY ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Economic Development Specialist Dan Durow, Administrative Fellow Garrett Chrostek

CALL TO ORDER

The meeting was called to order by Chair Lawrence at 7:03 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; all members present.

APPROVAL OF AGENDA

It was moved by Wood and seconded by McGlothlin to approve the agenda as presented. The motion carried unanimously.

AUDIENCE PARTICIPATION

None.

APPROVAL OF MINUTES

It was moved by Wood and seconded by McGlothlin to approve the minutes of April 8, 2013 regular meeting. The motion carried unanimously.

ACTION ITEMS

Approval of Development and Disposition Agreement With Rapoza for Granada Block Redevelopment

City Attorney Parker reviewed the staff report. He highlighted significant sections of the agreement.

Chair Lawrence noted Section 2.1.6 listed the Bank Hotel property, but it was not included in the exhibit. City Attorney Parker said it could be part of the project, but was not in the exhibit because it was not part of the urban renewal properties. He said it was privately owned. City Manager Young said the exhibit could be changed to color that property in a different color to indicate it was not included in the urban renewal portion of the development.

Lawrence questioned the term “unless waived” in Section 2.9.1. He asked what control there would be for waiving any conditions and said the Board should have that authority rather than staff. City Attorney Parker said it would be a Board decision. Lawrence asked that the word Board be included for clarification purposes.

Lawrence said it seemed unrealistic that the developers could complete the redevelopment plan within 45 days. City Manager Young said if they were making good progress by that time, the DDA allowed for a 120 day extension, but the 45 day requirement would give the developers a good opportunity to show progress. Lawrence said it seemed easier to just require the Plan to be completed by December 31.

Lawrence said evidence of financing had not been enumerated in the DDA. He asked what would be received, and how, and when it would be reviewed. City Attorney Parker said the attorney who had helped draft the agreement, Jeannette Launer, had recommended the details not be included in this document. Lawrence said he believed it should be included sooner, rather

than later to ensure financing was secured. City Manager Young said the financial information would be completed before signing of the final development agreement. Lawrence asked if the DDA should include what documents would be required.

Spatz said he was comfortable with the general terms noted in the DDA and would be comfortable receiving financial details at a later date. Spatz said he was pleased to see the Section regarding historic protection of the Granada Theater.

Lawrence said it seemed impossible to expect the number of parking spaces needed could be determined by the May 15 deadline. Architect Jim Marsh said he was already working on the document and had a range, so he would only need to refine the work once the number of spaces needed was determined by the developer.

City Manager Young said the team was in place to make the project successful and everyone was in agreement they wanted to move forward as quickly as possible.

Lawrence asked if tax credits would be part of the financing package. City Manager Young said the Agency would take a support role in assisting with any tax credit process. Lawrence asked about including provisions to require a lender to protect the Agency. City Attorney said the Agency could not mandate conditions to a lender, but it would be asked for.

Lawrence asked if demolition of the Recreation building would commence upon execution of the DDA. City Manager Young said he believed it would and that there was already a letter of agreement, included as Exhibit J.

Lawrence pointed out that the DDA, Section 6.1 indicated there could be no assignment, but Section 6.2 provided conditions for assignment. City Attorney Parker said there could be no assignment except for the exceptions listed in Section 6.2. He said Rapoza was still obligated to carry through the conditions of the DDA.

Lawrence asked what type of information might be considered in Section 9.2, regarding confidentiality. Parker said the developer may identify something as confidential information. He said if something was considered confidential and a person requested access to the information, there was a process to go through for a decision regarding disclosure of the information.

Development Team members in attendance were introduced: Michael Leash, Rapoza Development; Jens Von Gierke and Jason Pasternak from Wave Hospitality; James Marsh, Architect; and Patrick Spear representing Hilton Hotels.

Lawrence asked if Rapoza Development had applied for new market tax credits. Michael Leash said it had been looked at, but a Plan needed to be in place before an application could be submitted.

Mr. Von Gierke said Rapoza had been talking informally with investors for about three years and once the DDA was completed, they would be able to secure financing, but the document needed to be completed in order to show investors the agreement.

Lawrence said the Board had been told a 70% occupancy rate would be needed to make a hotel financially profitable. He asked how that would be accomplished. Mr. Spear said there was a formula used to calculate rates that was loosely based on a 69% occupancy, but he said much of the information would depend on the total development costs. He said the 75% figure was not a true calculation of success. Mr. Spear said Hilton had provided a letter of interest, and once the DDA was completed, formal negotiations would begin.

Miller asked if any other Hilton Hotels were located near railroad tracks, a wastewater treatment plant and freeways. Spear said the Hilton company had approximately 1,800 Hampton Inns, which were all located near freeways. He said any sound issues would be dealt with through construction, and sound proofing measures.

In response to a question, Mr. Spear said once all documentation was received by Hilton, it would take approximately 90 days to complete the application process.

Wood said she hoped the design of the development would fit with the historic nature of the downtown. Mr. Marsh said the design would be respectful and complimentary to the surroundings of the downtown.

Miller asked how many similar developments had been completed by Rapoza Development. Mr. Leash said Rapoza Development was a group assembled just for this proposed development.

Miller asked if Rapoza had made a financial commitment to the project at this time. Mr. Leash said it had, but declined to disclose the amount.

It was moved by Dick and seconded by Wood to approve the agreement for disposition of property for redevelopment of downtown blocks and the Granada Theater with the addition of language in Section 9.7 to indicate the Agency meant the Agency Board and authorize the Agency Chair to sign the agreement. The motion carried; Miller and Lawrence opposed.

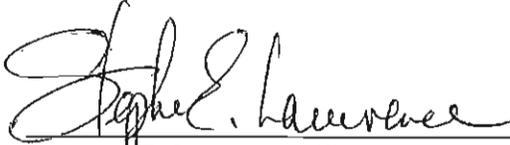
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ADJOURNMENT

Being no further business, the meeting adjourned at 8:23 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:



Stephen E. Lawrence, Chair

ATTEST:



Julie Krueger, MMC, City Clerk