

Columbia Gateway Urban Renewal Agency Advisory Committee Meeting Minutes

Tuesday, November 20, 2012

5:30 PM

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Chair Zukin called the meeting to order at 5:30 PM.

ROLL CALL

Present: Chris Zukin, Gary Grossman, Jennifer Botts, Robin Miles, Scott Hege,
Greg Weast, Mike Zingg

Absent: Bill Dick, Richard Elkins

Staff present: City Manager Nolan Young, Administrative Fellow Garrett Chrostek,
Administrative Secretary Carole Trautman

PLEDGE OF ALLEGIANCE

Chair Zukin led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA ITEMS

It was moved by Grossman and seconded by Hege to approve the agenda as submitted. The motion carried unanimously; Elkins and Dick were absent.

Note: City Councilor Dick joined the meeting at 5:32 PM.

APPROVAL OF MINUTES

It was moved by Weast and seconded by Botts to approve the July 31, 2012 minutes as submitted. Zukin, Grossman, Botts, Miles, Hege and Dick voted in favor, Zingg abstained. The motion carried; Elkins was absent.

It was moved by Grossman and seconded by Zingg to approve the September 18, 2012 minutes as submitted. The motion carried unanimously; Elkins was absent.

PUBLIC COMMENT

City Manager Young introduced Garrett Chrostek, Administrative Fellow for the City of The Dalles.

ACTION ITEM:

City Manager Young presented a summary of the staff report. Young advised that the reason for the 120-day extension for the deadline of the signing of the Disposition and Development Agreement (DDA) was because of the Recreation demolition cost estimates. The demolition costs could be significantly higher than previously anticipated, and under the terms of the Memorandum of Understanding (MOU), the developers would be responsible for any demolition costs exceeding \$100,000. Young reported that the developers consulted with some contractors whose cost estimates were as high as \$500,000 because of concerns of hazardous waste materials and the close proximity of other buildings. Therefore, Young said, the developers wanted more time to seek out other estimates and opinions.

Mike Zingg asked if a Level 1 environmental study had been done on the building. Young said an environmental study had been done on the parking lot, but he was uncertain about the building. Young said he would check with Dan Durow and report back to the Committee. Zingg asked if a survey of the building would be helpful to pinpoint costs. Young said it could help solve those issues, and that was one reason for the time extension.

Chair Zukin asked if the Agency would be spending any money during the 120-day extension time period. City Manager Young stated no monies would be spent directly on the demolition during this time period. However, the Agency had previously agreed to spend monies towards preparing the property for redevelopment for any developer. The Agency's intention was to spend as little as possible at this time that was specific to this developer, with the exception of a \$7,500 re-design. Projects such as the environmental study, archaeological study, demolition, the removal of a heating oil tank, and an archaeological investigation for the Recreation parking lot and the City parking lot would all be part of the City's responsibility to prepare the property for development. Zukin asked if the re-design could be placed on hold until the City was certain the current developer would proceed with the project. Young replied that the re-design was a necessary upfront expenditure for the Agency in order for the developer to determine whether or not to proceed.

Greg Weast asked if Rapoza had secured the financial partners. City Manager Young stated that Rapoza had been marketing, but since the project was not totally developed, Rapoza would not be able to complete all marketing until the project was developed. Young advised that the deadline for purchasing the property was August of 2013, and prior to that purchase Rapoza would be required to show the financial package.

Scott Hege expressed his concern about the possibility of demolishing the building, or even vacating an alley, before the project was secured by the developer. Young said the vacation would not happen until this developer purchased the property. Regarding the demolition of the Recreation, Young stated that he believed the consensus of the Agency, and possibly the

Advisory Board, was that the demolition needed to happen regardless of the developer. Hege reiterated his concern with the timing, because there could be a large hole on a main street in downtown with no developer secured. Young said he would take note of this concern and proceed carefully with the demolition. He advised that the Advisory Committee would have the opportunity to review the Request for Proposal (RFP).

Discussion followed regarding the Blue Building. City Manager Young reported that the City was in the process of relocating the tenants. Robin Miles reported that the salon tenants never wanted to move. Greg Weast expressed a concern about the deterioration of the Blue Building if the project does not proceed with the current developers. Young assured the Committee that the City would keep an eye on the building and do its utmost to proceed with the project.

Weast stated that at some point in the process the Agency should “draw the line” with the timeline of the project with these developers. Young pointed out that what had not changed was the deadline date for the purchase of the property in August of 2013. Young recommended not to move the purchase date, it could be recommended to the Agency as a Condition of Approval. By doing so, it would compress the time between the signing of the DDA and the purchase deadline. Young also advised there was currently a clause in the DDA (which is 95% complete) for a 120-day extension to the property purchase deadline.

Mike Zingg commented that he did not hear the message that the developers wanted to get going on the project. Zingg indicated that, if he was a developer that was truly interested in the project, he would want to expend the cost of a survey just to get going on the project as soon as possible. Young said he did not believe the City was “being played” by the developers. Young emphasized that, if the City would hold fast to the purchase deadline date, it would not hurt the City materially. He believed the developers were progressing and moving forward.

Several Committee members expressed a concern that the developers do not come and represent themselves in the project process with the Advisory Committee and/or the Agency. Young stated that he would, in the future, encourage Rapoza to come and participate in the process.

Gary Grossman asked how long it would take to conduct a survey and execute a demolition. City Manager Young said it would take 30 to 60 days. Zingg asked why it had not already been completed. Young said he would check on the status with Dan Durow and get back to the Committee members. Zingg said it seemed the City had not done what was needed to move the project forward. Young replied that the City did not need to have the RFP completed in order to sign the DDA. Therefore, the completion of the RFP was not for lack of performance but for the lack of understanding of the scope of the demolition work.

Jennifer Botts retired from the meeting at 6:30 PM.

Bill Dick stated that he had a concern that the delay would lead to a renegotiation of the terms. Dick commented that if it turned out that the City had the responsibility for demolishing the Recreation, it would be a disappointing message from Rapoza. Dick also had a concern about the cost of maintaining a large hole in the middle of a city block.

Robin Miles stated that consideration should be given that if the City were to spend \$400,000 to gain a 20 million dollar project and a huge tax base, that would be an Urban Renewal benefit.

City Manager Young summarized the Committee's comments with two points:

- The Advisory Committee is reaching the end of its ability to be flexible and take on more responsibility for the project.
- The Committee wants to see more things move along with a little more urgency.

Greg Weast suggested that perhaps Urban Renewal should go out and market the project. City Manager Young responded by explaining that Urban Renewal typically implemented two different process styles of project development. One is to put projects together and attempt to market them. The other style is to be involved in opportunity-driven projects. Young emphasized that, with both processes, Urban Renewal would conduct environmental and archaeological studies and try to remove the unknowns of the project.

Discussion followed on the possibility of hiring a consultant to offer a second opinion on the feasibility of the development. Young advised that the Committee could make that recommendation to the Agency to hire a consultant. However, Young felt enough progress had taken place in the project, and it would not be advantageous at this time to seek an evaluation of the project.

Scott Hege clarified that he wanted the project to succeed, but the Committee could not help the developers succeed if they did not show up and give an explanation of the progress. Young said he would relay that message to the developers.

It was moved by Hege and seconded by Grossman to recommend that the Columbia Gateway Urban Renewal Agency approve the proposed Second Addendum to the MOU between the Agency and Rapoza as presented. The motion carried unanimously; Elkins and Botts were absent.

UPDATE OF ON-GOING URBAN RENEWAL PROJECTS

- Parking Structure – City Manager Young presented draft documents to be included in the project's RFP. The plan is to prepare an RFP in the next couple of months. After the DDA is signed and when we feel we are getting close to a point that they are ready to purchase the property, we are going to send out the RFP and give someone about six weeks to respond and give us a proposal on a design build. The City is spending \$5,000 to develop the specifications for the RFP. The cost estimate is between 3.5 and 4 million dollars, the City's portion is around 2.5 million dollars. The developer will pay for their share of the parking spaces needed.
- Flour Mill – The developer is making interest payments on the loan. The balloon payment is due April of 2014. The developer purchased a machine to clean the outside of the structure, and has focused most recently on renovating the warehouse. Additional bottling lines have been purchased, and the City hopes to go before the Agency in

December of 2012 or January of 2013 with the Lease Purchase. The purchase date is firm for May of 2015.

- The Wonderworks rehab work is substantially completed. By the end of January, there will be up to \$50,000 of property rehab funds remaining for other qualifying non-profit groups.
- Mill Creek Greenway – There is currently \$20,000 in the budget for the engineering and construction of two bridges. The work estimate is approximately \$150,000.
- Fuel Tank at the Flour Mill – The City has gained approval for the decommissioning of the fuel tank which should be completed in the next two to three months. The cost will be almost \$15,000.

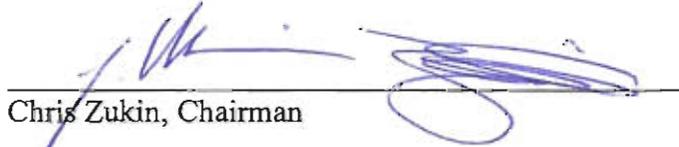
FUTURE MEETING

Scheduled for December 18, 2012 – City Manager Young said there may not be a December meeting.

ADJOURNMENT

Chair Zukin adjourned the meeting at 7:04 PM.

Respectfully submitted by Carole J. Trautman, Administrative Secretary.


Chris Zukin, Chairman