

AGENDA

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

December 20, 2022

5:30 p.m.

VIA ZOOM

<https://us06web.zoom.us/j/86259459367?pwd=Z0Nnd3E4bkxBUVhXQkRKkTkJCdEJ6QT09>

Meeting ID: **862 5945 9367** Passcode: **292293**

Dial: 1-669-900-6833 or 1-253-215-8782

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. APPROVAL OF MINUTES – September 20, 2022
6. PUBLIC COMMENT – During this portion of the meeting, anyone may speak on any subject that does not later appear on the agenda. Five minutes per person will be allowed.
7. STAFF COMMENTS / PROJECT UPDATES
Staff to provide verbal reports on the following:
 - A. The Dalles Riverfront Access Project (“First Street Streetscape” Project)
 - B. Tony’s Building (401-407 E. Second Street)
 - C. URAB Incentive Program
8. BOARD MEMBER COMMENTS / QUESTIONS
9. ACTION ITEM
 - A. Consideration of Sixth Addendum to the Recreation Building Disposition and Development Agreement, 213-219 E. Second Street
10. ADJOURNMENT

This meeting conducted via Zoom.

Prepared by/
Paula Webb, Secretary
Community Development Department

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING

September 20, 2022

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: Diana Bailey, Tracy Dugick, Tim McGlothlin, and Kathy Schwartz

BOARD ABSENT: Staci Coburn, Dan Richardson, and Shanon Saldivar

STAFF PRESENT: Interim Director and Senior Planner Joshua Chandler, City Attorney Jonathan Kara, Secretary Paula Webb

CALL TO ORDER

The meeting was called to order by Chair Long at 5:34 p.m.

PLEDGE OF ALLEGIANCE

Chair Long led the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Dugick and seconded by McGlothlin to approve the agenda as submitted. The motion carried 5/0; Bailey, Dugick, Long, McGlothlin and Schwartz voting in favor, none opposed, Coburn, Richardson and Saldivar absent.

APPROVAL OF MINUTES

It was moved by Dugick and seconded by McGlothlin to approve the minutes of July 19, 2022 as submitted. The motion carried 5/0; Bailey, Dugick, Long, McGlothlin and Schwartz voting in favor, none opposed, Coburn, Richardson and Saldivar absent.

PUBLIC COMMENT

None.

STAFF COMMENTS / PROJECT UPDATES

Interim Urban Renewal Manager Joshua Chandler introduced Alice Cannon, Consultant, Cannon Service Solutions. Ms. Cannon provided updates on current projects.

Tony's Building – The Brownfield Clean-Up funds to be awarded will come from the next federal fiscal year, which begins October 1. The budgeted amount for demolition is \$750,000. The cost of asbestos abatement will be between \$250,000 and \$400,000. Asbestos abatement will be defrayed by the anticipated Brownfield grant. Cannon has not yet received official confirmation of the award.

Recreation Building – Two of the storefronts are now occupied, one with an ice cream shop, the other with the Apothecary and a party shop. The Development and Disposition Agreement with Todd Carpenter and Carla McQuade for the remaining storefront has a completion deadline of January 18, 2023. The project is on track to meet the deadline.

First Street Project – At the July 19 meeting, the Board consensus was to terminate the agreement with the Oregon Department of Transportation (ODOT). An analysis determined the City could complete the project two years earlier, with a savings of \$800,000, after returning approximately \$300,000 of grant funding spent.

A mutual agreement of both parties is necessary to terminate the agreement with ODOT.

Board Member Dugick requested the timeline for presenting to City Council. Cannon replied either October 10 or October 24, 2022.

Board Member Dugick asked how the First Street Project would meet the Urban Renewal mission and goals. Cannon replied improvement of the infrastructure supports businesses and redevelopment. Infrastructure improvements are specifically listed in the Urban Renewal Plan.

BOARD MEMBER COMMENTS / QUESTIONS

None.

DISCUSSION ITEM

Urban Renewal Grant Program Status Report

Ms. Cannon provided a presentation on the program, Attachment 1.

Cannon said the program launched the first week of August. A mailer went to approximately 325 property owners. A press release was distributed and posted to Facebook. A webpage was developed for the City's website.

Approximately 15 inquiries were received. Four commercial applications were received, all for less than \$50,000.

Next steps include an email outreach campaign, responses to inquiries, and informal pre-application meetings.

Property liens were discussed at the last meeting. Cannon reiterated the Agency needs to ensure its' investments are not removed or demolished in the near future. Review of peer communities

reflect a wide range of timeframes for property liens, ranging from five years to the life of the structure. The Agency’s draft grant agreement includes a 15-year lien.

A depreciating lien is not under consideration due to the complexity of administration. Cannon’s research found no depreciating liens in peer communities.

Board Member Schwartz said a 10 year lien is sufficient and in line with other communities. She then asked what type of situation would affect the applicant’s lien on their title.

Cannon replied if the property were sold, the lien would have been reflected on the title search. The lien would then pass on to the next property owner. If the property owner made changes resulting in removal of the Agency’s investment, the property owner must then repay the investment. A tracking system is necessary to ensure removal of liens at the appropriate time.

Cannon noted the loan for the Blue Building [205 Washington Street] was paid off on September 6, 2022. Two remaining loans cover interest payments on the Honald Building and the Gayer Building. One loan remains for the last storefront of the Recreation Building. In 2026, the Commodore II loan comes due. The balloon payment will be more than \$280,000.

ADJOURNMENT

Being no further business, the meeting adjourned at 6:05 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



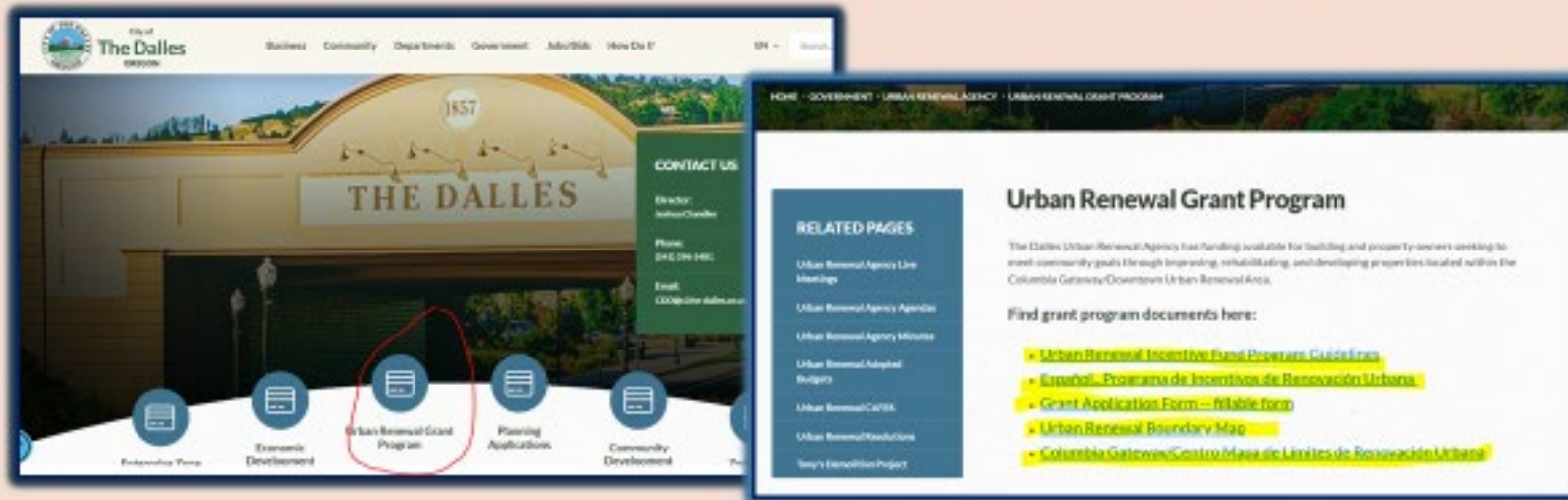
Program launched on August 5th



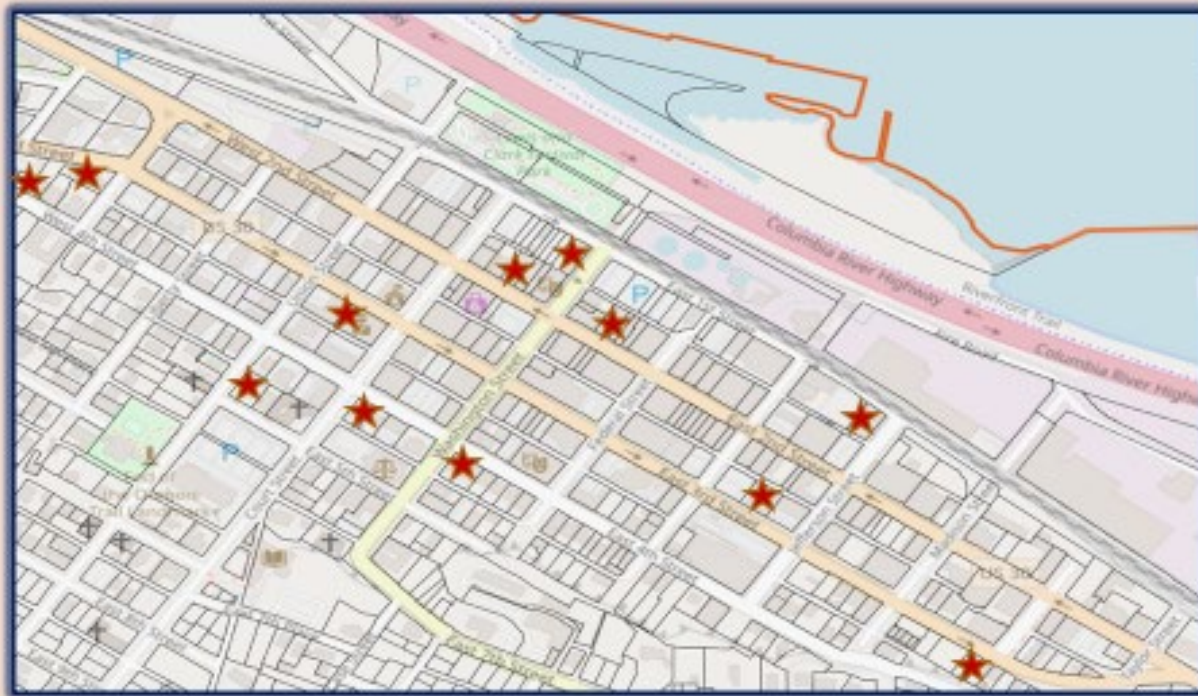
New URA Grant Program Web Page

with Spanish translation URA Map and Grant Guidelines Available

https://www.thedalles.org/government/urban_renewal_agency/index.php



Grant Inquiries



So far...

- **4** applications Submitted
- Approximately **15** inquiries from property/business owners
- **A lot of interest and positive comments**

5

Next Steps...

- Email Outreach
- Responding to inquiries
- “Pre-Application” Meetings

Follow-Up Research from July 19th meeting:

Protecting the URA Investment: Property Liens

The image shows a screenshot of a grant agreement form titled "URBAN RENEWAL INCENTIVE PROGRAM GRANT AGREEMENT". The form includes a header with the program name and logo, followed by fields for "Date", "Company Name", "Company Address", "City, State, Zip", and "Site". Below these fields is a paragraph of text explaining the agreement. At the bottom of the form is a table with the following structure:

Project Title	
Project of Funding	Grant funds are to be used for capital expenditures on the project site including (but not limited to) construction.
Responsible Project Manager / Contact	_____
Grant amount (maximum)	\$ _____
Construction Services	\$ _____
Other Construction	\$ _____
Equipment Grants	\$ _____
Operating/Personnel	\$ _____
Total Project Budget	\$ _____



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA STAFF REPORT
AGENDA LOCATION: 9. A.

DATE: December 20, 2022

TO: Chair and Members of the Urban Renewal Agency Board (URAB)

FROM: Joshua Chandler, Community Development Director / Urban Renewal Manager

ISSUE: Sixth Addendum for the Disposition and Development Agreement for the Recreation Building, 213-219 East Second Street

BACKGROUND

Attached for the Agency’s consideration is an Addendum to the Disposition and Development Agreement (DDA) between Todd Carpenter and Carla McQuade (“Developers”), and the Agency for the redevelopment of the “Recreation Building” development located at 213-219 East Second Street. The Developers continue to make significant progress on the development, which consists of three separate parcels. The Agency transferred title of Parcels #1 and #2 to the Developers in April 2022, upon receipt of final installment contract payments and copies of certificates of occupancies, as required by the DDA.

Completion of Parcel #3, which includes plans for an open-air venue, has required considerably more work than the other parcels, resulting in the Developers request of a time extension for completion. Staff is proposing a generous extension to September 1, 2023 to give the Developers enough time to complete final building construction and inspections on Parcel #3, as well as time for staff to accept a \$25,000 payment and prepare conveyance of ownership of Parcel #3 to the Developers. The Developers believe they can complete Parcel #3 well in advance of the recommended deadlines; however, Staff is recommending this timeline for consideration of unanticipated labor and construction supply delays already experienced with the project.

The Sixth Addendum DDA outlines a new schedule of contract payments, closing, and dates for progress reports to be provided to the Agency:

January 25, 2019 – First installment contract payment of \$10,000 was paid by Developer.

April 18, 2022 – Second and third installment contract payments of \$7,500 each (\$15,000 total) was paid by Developer. Developer provided Agency with copies of certificates of occupancy for structures built on Parcels #1 and #2. Agency transferred title to Parcels #1 and #2 to Developer.

September 1, 2023 – Fourth installment contract payment of \$25,000 to be paid by Developer. Closing Date for Parcel #3.

BUDGET IMPLICATIONS

Approval of the Sixth Addendum will not create any new budget implications. The developer's total purchase price for the Agency-owned properties remains \$50,000. The schedule for payment and completion of performance milestones has changed, as outlined in this report.

BOARD ALTERNATIVES

1. ***Staff recommendation:*** Move to authorize the execution of the Sixth Addendum to the Disposition and Development Agreement between the Columbia Gateway Urban Renewal Agency and Todd Carpenter and Carla McQuade for property known as the Recreation Building located at 213-219 East Second Street.
2. Move to decline authorization of the Sixth Addendum and direct staff accordingly.

Attachments:

- **Attachment A** – Sixth Addendum to DDA, with attachment
- **Attachment B** – Fully executed Fifth Addendum to the DDA signed on March 2, 2022

**SIXTH ADDENDUM TO AGREEMENT FOR
DISPOSITION OF PROPERTY FOR REDEVELOPMENT
OF RECREATION BUILDING**

This SIXTH ADDENDUM TO AGREEMENT FOR DISPOSITION OF PROPERTY FOR REDEVELOPMENT OF RECREATION BUILDING (**Sixth Addendum**) is entered by the Columbia Gateway Urban Renewal Agency (**Agency**) and Todd Carpenter and Carla McQuade (jointly, **Developer**) to amend the terms of that certain January 25, 2019, Agreement for the Disposition of Property for Redevelopment (**DDA**) of the real property commonly referred to as *The Recreation Building*.

WHEREAS, on January 28, 2020, Agency and Developer entered into the First Addendum to DDA, changing the dates of payments to be made by Developer for purchase of the parcels and revising the schedule for Developer's completion of improvements;

WHEREAS, on March 10, 2020, Agency and Developer entered into the Second Addendum to DDA, addressing renegotiated terms and revisions outlined in the First Addendum to DDA;

WHEREAS, on June 16, 2020, Agency and Developer entered into the Third Addendum to DDA, modifying the DDA's insurance provisions consistent with recommendations from the Agency's insurer;

WHEREAS, on April 20, 2021, Agency and Developer entered into the Fourth Addendum to DDA, modifying timeline obligations for Developer's performance of conditions precedent to conveyance;

WHEREAS, on March 2, 2022, Agency and Developer entered into the Fifth Addendum to DDA, extending timeline obligations for Developer's performance of conditions precedent to conveyance to January 18, 2023;

WHEREAS, on April 19, 2022, Agency conveyed title to Developer for those certain Parcels #1 and #2 of the three-parcel property, recorded in the Wasco County Deed Records as Instruments Nos. 2022-1364 and 2022-1365, respectively; and

WHEREAS, the Parties now understand Developer requires additional time for full performance of its DDA obligations for Parcel #3 and intend this Sixth Addendum to modify the DDA's terms reflective of Developer's request for extension.

NOW, THEREFORE, in consideration of the terms and provisions herein, the Parties agree:

1. Subparagraph 2.3.1 of Paragraph 2.3 **Purchase Price** in Section 2. **GENERAL TERMS OF CONVEYANCE** shall be revised to read:

2.3.1 The actual purchase price in terms of monetary consideration is \$50,000. The purchase price for the three parcels is allocated as follows: Parcel #1 - \$12,500; Parcel #2 - \$12,500; and Parcel #3 - \$25,000. The purchase price reflects the fair reuse value, expressed in terms of capital price, as determined by the Agency in its discretion as the price necessary to facilitate development or redevelopment of the Project Site in accordance with the provisions of the Agency's Urban Renewal Plan.

The sum of \$50,000 shall be paid in four installment payments. The first payment of \$10,000 was paid upon execution of this Agreement. The second payment of \$7,500 for Parcel #1 shall be paid at closing (scheduled for April 18, 2022) following the issuance of a certificate of occupancy for the structure to be built upon Parcel #1, which certificate of occupancy is anticipated to be issued prior to April 18, 2022. If additional time is needed for Developer to obtain the certificate of occupancy for the structure to be built upon Parcel #1, Agency and Developer agree the time for closing Parcel #1 may be extended to June 1, 2022. The third payment of payment of \$7,500 for Parcel #2 shall be paid at closing (scheduled for April 18, 2022) following the issuance of a certificate of occupancy for the structure to be built upon Parcel #2, which certificate of occupancy is anticipated to be issued prior to April 18, 2022. If additional time is needed for Developer to obtain the certificate of occupancy for the structure to be built upon Parcel #2, Agency and Developer agree the time for closing Parcel #2 may be extended to June 1, 2022. The fourth payment of \$25,000 for Parcel #3 shall be paid at closing (scheduled to occur on or before September 1, 2023). The dates for payment of the first, second, third, and fourth installments and the projected closing dates are listed in Exhibit "C".

2. Subparagraph 2.6.1(b)(2) **Conditions Precedent to Conveyance of Project Site** of Paragraph 2.6 **Conditions Precedent to Conveyance** in Section 2. **GENERAL TERMS OF CONVEYANCE** shall be revised to read:

(2) For Parcel #3, prior to closing, Developer must provide Agency with a copy of the certificate of occupancy for the structure to be built upon the parcel and such provision must occur no later than September 1, 2023.

3. Exhibit C shall be replaced with the revised Exhibit C attached hereto.

4. Except as modified by the First Addendum, Second Addendum, Third Addendum, Fourth Addendum, Fifth Addendum, and this Sixth Addendum, the terms and conditions of the DDA entered by Agency and Developer on January 25, 2019, shall remain in full force and effect.

DATED this _____ of _____, 2022.

AGENCY

DEVELOPER

Darcy Long, Board Chair

Todd Carpenter

Carla McQuade

Approved as to form:

Jonathan Kara, City Attorney

**EXHIBIT C – REVISED
AS OF SIXTH ADDENDUM**

**SCHEDULE OF CONTRACT PAYMENTS, CLOSING, AND DATES FOR PROGRESS
REPORTS TO BE PROVIDED TO AGENCY**

January 25, 2019 – First installment contract payment of \$10,000 was paid by Developer.

April 18, 2022 – Second and third installment contract payments of \$7,500 each (\$15,000 total) was paid by Developer. Developer provided Agency with copies of certificates of occupancy for structures built on Parcels #1 and #2. Agency transferred title to Parcels #1 and #2 to Developer.

September 1, 2023 – Fourth installment contract payment of \$25,000 to be paid by Developer.
Closing Date for Parcel #3.

**FIFTH ADDENDUM TO AGREEMENT FOR
DISPOSITION OF PROPERTY FOR REDEVELOPMENT
OF RECREATION BUILDING**

WHEREAS, on January 25, 2019, the Columbia Gateway Urban Renewal Agency (“Agency”) and Todd Carpenter and Carla McQuade (jointly, “Developer”) entered into an Agreement for the Disposition of Property for Redevelopment of the property commonly referred to as the “Recreation Building” (“DDA”);

WHEREAS, on January 28, 2020, Agency and Developer entered into the First Addendum to the DDA, which included changes to the dates of payments to be made by Developer for purchase of the properties comprising the Recreation Building and revised the schedule for completion of the façade improvements to the same;

WHEREAS, on March 10, 2020, Agency and Developer entered into the Second Addendum to the DDA, which addressed renegotiated terms and revisions outlined in the First Addendum to the DDA;

WHEREAS, on June 16, 2020, Agency and Developer entered into the Third Addendum to the DDA, which modified the insurance provisions of the Agreement consistent with recommendations from the Agency’s insurer;

WHEREAS, on April 20, 2021, Agency and Developer entered into the Fourth Addendum to the DDA, which modified timeline obligations for Developer’s performance of conditions precedent to conveyance; and

WHEREAS, the Parties now understand additional time is required for Developer’s full performance and desire to addend the DDA to provide sufficient time for Developer’s performance of conditions precedent to conveyance.

NOW, THEREFORE, in consideration of the terms and provisions herein, the Parties mutually agree:

1. Subparagraph 2.3.1 of Paragraph 2.3 **Purchase Price** in Section 2. **GENERAL TERMS OF CONVEYANCE** shall be revised to read:

2.3.1 The actual purchase price in terms of monetary consideration is \$50,000. The purchase price for the three parcels is allocated as follows: Parcel #1 – \$12,500; Parcel #2 – \$12,500; and Parcel #3 – \$25,000. The purchase price reflects the fair reuse value, expressed in terms of capital price, as determined by the Agency in its discretion as the price necessary to facilitate development or redevelopment of the Project Site in accordance with the provisions of the Agency’s Urban Renewal Plan.

The sum of \$50,000 shall be paid in four installment payments. The first payment of \$10,000 was paid upon execution of this Agreement. The second payment of \$7,500 for Parcel #1 shall be paid at closing (scheduled for April 18, 2022) following the issuance of a certificate of occupancy for the structure to be built upon Parcel #1, which certificate of occupancy is anticipated to be issued prior to April 18, 2022. If additional time is needed for Developer to

EXHIBIT C – REVISED

**SCHEDULE OF CONTRACT PAYMENTS, CLOSING, AND DATES FOR PROGRESS
REPORTS TO BE PROVIDED TO AGENCY**

January 25, 2019 – First installment contract payment of \$10,000 was paid by Developer.

April 18, 2022 – Second and third installment contract payments of \$7,500 each (\$15,000 total) to be paid by Developer. Copy of certificate of occupancy for structures built on Parcel #1 and Parcel #2 to be provided by Developer. The date for payment of the installments for closing may be extended as provided in Section 2.3.1.

January 18, 2023 – Fourth installment contract payment of \$25,000 to be paid by Developer.
Closing Date for purchase of Parcel #3.

obtain the certificate of occupancy for the structure to be built upon Parcel #1, Agency and Developer agree the time for closing Parcel #1 may be extended to June 1, 2022. The third payment of payment of \$7,500 for Parcel #2 shall be paid at closing (scheduled for April 18, 2022) following the issuance of a certificate of occupancy for the structure to be built upon Parcel #2, which certificate of occupancy is anticipated to be issued prior to April 18, 2022. If additional time is needed for Developer to obtain the certificate of occupancy for the structure to be built upon Parcel #2, Agency and Developer agree the time for closing Parcel #2 may be extended to June 1, 2022. The fourth payment of \$25,000 for Parcel #3 shall be paid at closing (scheduled to occur on or before January 18, 2023). The dates for payment of the first, second, third, and fourth installments and the projected closing dates are listed in Exhibit "C".

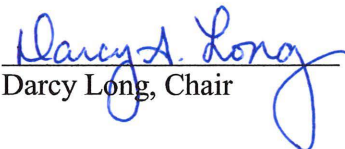
2. Subparagraph 2.6.1(b)(1) **Conditions Precedent to Conveyance of Project Site of Paragraph 2.6 Conditions Precedent to Conveyance** in Section 2. **GENERAL TERMS OF CONVEYANCE** shall be revised to read:

(1) For Parcels #1 and #2, prior to closing, Developer must provide Agency with a copy of the certificate for occupancy for the structures to be built upon these parcels and such provision must occur no later than April 18, 2022, each subject to the respective extension of time provided for in Section 2.3.1.

3. Exhibit C shall be replaced with the revised Exhibit C attached hereto.
4. Except as modified by the First Addendum, Second Addendum, Third Addendum, Fourth Addendum, and this Fifth Addendum, the terms and conditions of the Development and Disposition Agreement entered into by and between Agency and Developer on January 25, 2019, shall remain in full force and effect.


DATED this 2nd day of March, 2022.

AGENCY:


By: 
Darcy Long, Chair

DEVELOPER:

By: 
Todd Carpenter

By: 
Carla McQuade

Approved as to form:


Jonathan M. Kara, City Attorney