

Dundee Urban Renewal Agency
Board Meeting Agenda
October 20, 2020



8:00 pm (Or following conclusion of Dundee Council Meeting)

Meeting Teleconferenced

Via Zoom Mobile App:

<https://us02web.zoom.us/j/86030155826?pwd=ZkZwaHRJM2hJZ0lZMDN2cmcvUnFuQT09>

Phone: 1-301-715-8592

Meeting ID: 860 3015 5826

- 1. Call to Order**
- 2. Public Comment:** Speakers will be allowed up to 5 minutes to speak after being recognized by the Chair.
- 3. Approval of Minutes:**
 - 3.1 DURA Meeting September 1, 2020**
- 4. Urban Renewal Stakeholder Committee Request**
- 5. Agency Member Concerns**
- 6. Adjourn**

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Rob Daykin, Executive Director at 503-538-3922.

Dundee Urban Renewal Agency Board Meeting Minutes September 1, 2020

Call to Order

Chair Russ called the meeting to order at 8:24 P.M. Present Via ZOOM: Chair David Russ; Kristen Svicarovich, Ted Crawford, Jeannette Adlong, Patrick Kelly and Tim Weaver. Absent: Storr Nelson. Staff Members: Rob Daykin, City Administrator; and Melissa Lemen, Administrative Assistant.

Public Comment

None.

Approval of Minutes

A **motion** was made and seconded to approve the Dundee Urban Renewal Agency meeting minutes from June 16, 2020. **The motion** passed unanimously.

Agreement for Financing – Undergrounding of Overhead Utilities

A **motion** was made and seconded to authorize Chair Russ to sign the Agreement for construction and financing of conduit for the undergrounding of utilities in the coordination with the City of Dundee. **The motion** passed unanimously.

Undergrounding Projects Policy

C.A. Daykin reviewed that what brought this to forefront is that the City recently approved a project that had the standard conditions of approval, which included the Development Code requirement for undergrounding of the existing overhead utilities. He explained that in this particular case the developer would not only have to deal with the undergrounding along their frontage, but under policy they would have to take it to the next pole which was an extended distance away from them (in this case the frontage is Parks Street and they would have to take the undergrounding underneath the railroad tracks to the next available pole). C.A. Daykin explained that City Staff informed them that they would be allowed to do the construction deferral agreement because the policy allows that when it's under 300 feet of frontage, but they didn't like the idea that they were making a promise on some unknown significant cost that they have not factored into their overall plans or schedule. C.A. Daykin pointed out that this will be a scenario which will come up time and time again. He explained, as was discussed previously, that the problem with this development code requirement for new development is that it affects some properties that happen to have overhead utilities while others do not; there is also the issue of varying small frontages which do have to extend to the next available pole, so they have a disproportionate cost for their frontage as opposed to doing it as a larger project and spreading that cost out. C.A. Daykin reviewed that a stated goal of urban renewal is to eliminate potential roadblocks to new development. He suggested the Agency consider adopting a policy that would accept the concept that the Agency would take on all undergrounding responsibilities in the Plan area on a time schedule of choice so that it's not tied into a specific project per the Dundee Development Code.

C. Crawford inquired about the location of the discussed development to which C.A. Daykin described as the industrial area between Highway 99W and the railroad, a building expansion at 12th & Maple Winery. C.A. Daykin explained that they will be required to do street improvements along that frontage of Parks Street, though that is a separate issue than the undergrounding. M. Russ inquired about whether it is completely impossible for them to place another pole close to their property line rather than carrying across the railroad. C.A. Daykin explained that though this is against what the Dundee policy states. M. Russ offered additional discussion about options to potentially consider. C.A. Daykin explained that

undergrounding is less expensive on a per foot basis if it is a larger planned project. He discussed that it seems to make sense that if undergrounding of overhead utilities is a goal in the urban renewal plan area, accepting that this is something that the Agency will do over time might be reasonable. C. Crawford discussed that the overhead costs are more challenging for developing the smaller parcels and suggested perhaps urban renewal could assist if those costs are above a chosen percentage of the proposed development improvement. C. Svicarovich voiced an understanding of the goal of urban renewal, though discussed that this would be encumbering the Agency with an unknown dollar amount as well as additional complex challenges in cases where frontage improvements are completed; if later the Agency completed undergrounding work the frontage would then have to be restored and additional costs incurred. This would seem like a waste of urban renewal dollars. M. Russ voiced support of the Agency being the point that reduces the cost to remove the impediment to development though he noted that with that he would like to see them continue to participate in some way (and not completely eliminate the cost to them). M. Russ voiced support of C. Crawford's suggestion of assisting property owners when costs rise above a decided upon percentage. C. Svicarovich voiced support of cost-sharing in some way but did not feel that the Agency should completely take responsibility for those costs. C.A. Daykin discussed the benefits of completing the undergrounding work as one big project and explained that as a result there would not be a barrier for projects that don't move forward before the undergrounding takes place. Discussion ensued. M. Russ asked C.A. Daykin to further research the Agency potentially providing a given percentage of support for the undergrounding costs.

Agency Member Concerns

C. Crawford inquired about whether there has been any news received about the cell tower. C.A. Daykin indicated that he has not received any recent information though doesn't believe that there has been an appeal filed yet.

The Dundee Urban Renewal Agency meeting was adjourned at 8:43 pm.

David Russ, Chair

Rob Daykin, Executive Director

DUNDEE URBAN RENEWAL AGENCY

AGENDA REPORT

To: Chair Russ and Board Members

From: Rob Daykin, Executive Director

Date: October 20, 2020

Re: Urban Renewal Stakeholder Committee Request

Attached is the letter from Saj Jivanjee requesting the formation of a committee of stakeholders comprised of all of the owners or their representatives of the Ninth Street corridor from Alder Street to Highway 99W. A number of specific improvements were mentioned, and Mr. Jivanjee wants the City to identify what developers are required to pay for public improvements, presumably to use for the basis of an allocation of Urban Renewal funds to assist with those improvements. The City already started engineering review for reconstructing Ninth Street from Alder Street to the highway. These improvements would include the upsizing of the water main, storm water facilities, improvements at the intersection of Ninth and Alder, and undergrounding of the overhead utilities. However, the project was put on hold to allow more urgent projects under design by the city engineer to be completed. It is Staff's intent to continue the preliminary design and calculate construction costs. Once the costs for the various elements are determined for this project, it is Staff's intent to come back to the Agency to discuss urban renewal funds as a component of the overall financing needed. Other funding may include City street, water and storm water funds, and property assessments. Since there is a variety of zoning and uses in that proposed work area, the determination of the appropriate allocation will likely require the most discussion involving owners. But we are not there yet to have that discussion. If the Agency wishes to expedite the concept plan and calculation of construction estimates, then hiring additional engineering services may help. However, there are budget constraints to consider.

I discussed the request with Newberg Community Development Director Doug Rux. Mr. Rux has vast experience with urban renewal development, including the negotiation of development agreements involving the use of urban renewal funds. One of the keys to a successful urban renewal program is to vet a developer regarding their readiness and ability to move forward with the development should an agreement be struck. The agreement will have specific milestones for the developer to meet, such as land use approvals and permitting, securing financing and completion of work. These agreements are invariably tailored to the specific development and unique circumstances of the situation, and have targeted results meeting the goals of the urban renewal plan. Decisions involving urban renewal is a political process, regardless if an advisory committee is formed to vet and recommend projects to the Agency. However, even if the Agency desired an advisory committee to take on the heat of negotiating with developers, Dundee may not be ready for that stage. Doug Rux will attend the October 20 Agency meeting to continue the discussion regarding the formation of committees.

Tuesday October 6, 2020

To Dundee City Council

RE: 9th and Alder Development

I am here to speak to you on behalf of the 9th and Alder project, which consists of light industrial and commercial zoning with the City's requirement for building a an extension to Linden Road through the property to connect 10th and 11th Street as per the Dundee City Transportation Plan.

I request that the City of Dundee establish a working committee of stakeholders comprised of City representatives and all property owners or their representatives from the 9th and Alder and Highway 99W area. The purpose of the working group would be to identify resources needed for public improvements and to review the use of Urban Renewal funds to ensure that they benefit both public and private development, with the ultimate goal of enhancing City revenues.

The following are critical issues to be determined for private developers to invest in this area:

1. To establish sewer and water connections to the public sewer and water systems and their capacities to service the future developments.
2. To improve 9th Street, especially the intersection of 9th and Alder.
3. To mitigate storm water in the area, particularly the storm water that is discharging at the corner of 9th and Alder and impacting my property.

The City needs to identify what developers are required to pay for public improvements and site access as part of the 9th and Alder improvements.

For future development of my site, I am impacted by the following costs:

- a) In order to develop an industrial project, we have discovered undocumented fill that we need to mitigate into structural fill. This would require removal of more than one acre of undocumented fill, which is 4-5 feet deep. I have been told by the City Manager that there is no record for this fill and that it may have been allowed because of different permit requirements at an earlier time. Mitigation of this waste seems likely to meet criteria for the use of Urban Renewal funds.
- b) My project will be impacted by the City's requirement to extend Linden Road as a public right of way through my property. I was informed of this requirement as a condition of the City granting me land use approval for development of my site. I agreed to this as a part of the land use requirement, but did not agree to be responsible for the costs, nor can I be required to pay for it. This means that clear directions are needed from the City about payment for the land and for building the road. Again, this seems like an entirely appropriate use of Urban Renewal funds. It is my understanding, based on a recent Supreme Court decision, that jurisdictions "taking" private property for public good must compensate private land owners and pay for the public improvements.
- c) As I and other land owners in the area engage in planning future development of our sites, it will be important for the City to clarify the costs and processes for upgrading the public infrastructure.

I would like to thank the City as I work on economic development projects both inside and on the periphery of the city for providing water and a fire hydrant for my development at Fox Farm Road and Highway 99W. I paid all the costs for this and agreed to a restricted use of water: not more than 5,000 gallons per day for domestic use only for a 14-acre site at the entrance to Dundee, which limits the

highest and best use of the site. Now I also have to pay Hyland Community for additional domestic water use so the total cost for both systems is \$100,000.

I would also like inform the City Council that I am improving 1,500 linear feet on Highway 99W by providing landscaping to create a more attractive entrance to Dundee. I have also removed the billboard previous located on my Highway 99W/Fox Farm Road site which advertised the attractions of McMinnville, causing a loss of advertising revenue. We have also spent over \$1.2 million to remove and recycle the undocumented concrete waste 5-18 feet deep which had been dumped there illegally for approximately 30 years.

We are planning to develop a wine country resort with a high end RV Park, wine tasting facility, and wine related retail buildings at Highway 99W/Fox Farm Road. To improve access to the site, we are improving the intersection of Highway 99W and Fox Farm Road. Since there is no sewer system on site, we are creating our own state of the art DEQ-compliant waste processing plant at a cost of \$800,000. The system will process up to 25,000 gallons of water per day and produce almost 3 million gallons of recycled water to be used for irrigation of 10 acres of landscaping at the resort.

The project is expected to generate almost \$100,000 a year in property taxes for Yamhill County and will bring in many out of state visitors who will support local business and generate new imported dollars. In return for providing restrictive access to public water, the City required me to agree that in future the City may annex the land and I want to point out that annexation would bring in a community resource that will add considerably to the economic base of the City.

Personally, I am investing significant personal resources in the City and surrounding area. These projects will benefit the City and rural community of Yamhill County by creating employment, bring in visitors who will use other businesses, and visit Wine Country. These

types of projects typically are most successful when there is a high level of public-private partnership and leverage of both public and private dollars.

Thank you for allowing me to speak to you today and I look forward to working with you. FYI, I am attaching a letter I sent recently to the State of Oregon which provides more detailed information about my Fox Farm resort development.

Saj Jivanjee