

**PORT COMMISSION REGULAR SESSION MEETING
WEDNESDAY, MARCH 16, 2022, 7:00 P.M. AT PORT OFFICE**

AGENDA

- A. ROLL CALL** Executive Assistant Toepke
- B. PLEDGE OF ALLEGIANCE** Commissioner Weast
- C. AGENDA CORRECTIONS OR ADDITIONS** Executive Director Klaas
- D. PUBLIC COMMENT OR QUESTION**
- E. UPCOMING MEETINGS/EVENTS**
- **April 13, 2022: Port of The Dalles Commission Regular Session Meeting**
 - **April 26, 2022: Port of The Dalles Budget Committee Meeting FY 2022/2023**
- F. ACTION ITEMS**
1. February 16, 2022, Regular Session Meeting Minutes
 2. February 2022 Financial Reports Treasurer Coburn
 3. Reappoint Budget Committee Members Steve Kramer, Position #1 & Ryan Bessette, Position #5, for another 3-year term expiring 06/30/2024
- G. DISCUSSION ITEM**
1. Strategic Investment Program/Community Service Fee
- H. REPORTS**
1. Staff Report Executive Director Klaas
 2. Committee Reports
 - Community Outreach Team Commissioner Weast
 - Urban Renewal Commissioner Coburn
 - Chamber of Commerce Commissioner Griffith
 - Dufur Commissioner Wallace
 - Wasco County EDC Executive Assistant Toepke
- I. EXECUTIVE SESSION** *as allowed by ORS 192.660(2)(e) Real Property Transactions, ORS 192.660(2)(f) To consider information or records that are exempt by law from public inspection, ORS 192.660(2)(h) Conferring with Legal Counsel regarding litigation. *Media representatives are instructed not to report or disclose matters discussed in Executive Session*
- J. ACTION REQUIRED FROM EXECUTIVE SESSION**
- K. COMMISSION CALL**

PORT OF THE DALLES AGENDA ITEM

MEETING DATE March 16, 2022

ACTION ITEM F-1.) February 16, 2022, Regular Session Meeting Minutes

STAFF RECOMMENDATION Approve February 16, 2022, Regular Session Meeting Minutes
as presented

PORT OF THE DALLES COMMISSION
Regular Session Meeting Minutes
Wednesday, February 16, 2022, 5:30 p.m.
Video Meeting via Zoom

The Regular Session Meeting of the Port Commissioners was called to order by President Greg Weast at 5:32 p.m.

ROLL CALL Executive Assistant Toepke

- **COMMISSION** Greg Weast, Robert Wallace, Staci Coburn, David Griffith, John Willer
- **STAFF** Andrea Klaas, Executive Director; Jennifer Toepke, Executive Assistant; Bill Dick, Attorney
- **GUESTS** Dave Anderson, Public Works Department Director, City of The Dalles

PLEDGE OF ALLEGIANCE Commissioner Weast

PUBLIC HEARING FOR SUPPLEMENTAL BUDGET FY 2021/2022 OPENED AT 5:33 p.m.: No comments or questions were received

AGENDA CORRECTIONS/ADDITIONS Executive Director Klaas None

PUBLIC COMMENT OR QUESTION None

UPCOMING MEETINGS/EVENTS Stands as included in meeting packet

DISCUSSION ITEMS

1. *2022 SDAO Annual Conference Recap (Virtual)*
 - Some sessions missed due to technical difficulties with the virtual conference platform
 - Sessions attended by Commissioners/points of note: Board Member/Tips on how to better run a meeting; Executive Director Evaluation/have Director's contract reviewed by an employee lawyer; Cyber Security; Strategic Planning; Emotional Intelligence/The main reason that you progress in life and career – it's your emotional intelligence that gets you far, not just your smarts. Anger is never a first emotion – curious what the first emotion is.; Executive Director Evaluation/make sure you have expectations set in writing. Have ED do review on themselves.; Boardmanship/found emergency preparedness specifically interesting
2. *Electric Vehicle Charging Station at The Dalles Marina*
 - Consensus: Interesting possibility, however, needs to be tabled until a later date when the Port ascertains whether there will be a parking redesign when the new launch ramp restrooms are built.

REPORTS

1. *Staff Report* Executive Director Klaas Stands as included in meeting packet.
2. *Committee Reports*
 - *Community Outreach Team* Commissioner Weast Hopefully going back to Washington, D.C. in March
 - *Urban Renewal* Commissioner Coburn Finalizing the budget for the update on the 1st Street project. Tony's Building: received at least \$250k from Business Oregon – hopefully there will be more funds to be had as abatement will be very expensive. Mr. Carpenter has finished two of the three storefronts – he will sell this spring then start working on the third piece.
 - *The Dalles Area Chamber of Commerce* Commissioner Griffith Chamber did not meet last month. April 22-24th will be the normal Cherry Festival Program. The Chamber crew is in Portland for the Sportsman Show – then at a show in Redmond next month – promoting The Dalles. The Chamber has an opening for someone to work on membership for them.
 - *Dufur* Commissioner Wallace Conversation with Mayor Keys about how the Port might be able to work with the City of Dufur. The push is to get the wastewater system completed and right behind that the freshwater system. ED Klaas is going to set up a meeting with the City of Dufur to see what the Port can

do to support some of the infrastructure improvements that are needed. A developer is read to build new homes but will be held up due to there not being enough water.

- *Wasco County Economic Development Committee EA Toepke* Did not meet in February, next meeting in March

PUBLIC HEARING FOR SUPPLEMENTAL BUDGET FY 2021/2022 CLOSED AT 6:03 p.m.: No comments or questions were received

ACTION ITEMS

- 1. January 12, 2022, Regular Session Meeting Minutes were Approved by Consensus**
- 2. January 2022 Financial Reports were Approved by Consensus**
- 3. Dog River Pipeline Replacement Project-Pipe Storage Site Lease: Request to reduce or waive monthly rate of \$5,000.00 M/D. Griffith, S/S. Coburn Discussion reference how the lease rate was set (Rate of return typically 4-8%) and how long it will be off the market (March-November 2022). Post discussion amendment to motion made: **Dog River Pipeline Replacement Project-Pipe Storage Site Lease: Request to reduce or waive monthly rate of \$5,000.00, met by waiving the first month's rent of \$5,000.00, thereafter \$5,000.00 per month for duration of lease M/G. Weast, S/J. Willer, Motion Approved Unanimously****
- 4. Correction to Resolution No. 21-006 Adopting a Supplemental Budget for Fiscal Year 2021/2022 M/S. Coburn, S/R. Wallace, Motion Approved Unanimously**
- 5. Resolution No. 22-001 Declaring an Emergency and Authorizing Receipt of Grants, Borrowing and Expending Moneys, not included in the Budget for Fiscal Year 2021/2022 M/R. Wallace, S/J. Willer, Motion Approved Unanimously**
- 6. Resolution No. 22-002 Authorizing Transfer of Funds Between Categories and Adopting a Supplemental Budget for Fiscal Year 2021/2022 M/J. Willer, S/S. Coburn, Motion Approved Unanimously**
- 7. Resolution No. 22-003 Authorizing an Increase to the Interfund Loan from the General Fund to Marina Fund M/R. Wallace, S/J. Willer, Motion Approved Unanimously**

REGULAR SESSION ADJOURNED AT 6:18 P.M. & EXECUTIVE SESSION COMMENCED AT 6:19 P.M.

EXECUTIVE SESSION ADJOURNED AT 7:05 P.M. & REGULAR SESSION RESUMED AT 7:06 P.M.

ACTION REQUIRED FROM EXECUTIVE SESSION

- 1. Port Attorney to send proposed letters to Anthony Morelli & District Attorney, Matthew Ellis M/G. Weast, S/S. Coburn, Motion Approved Unanimously**
- 2. Port Staff to work with Gorge Networks reference requested easement on Riverfront Trail M/R. Wallace, S/J. Willer, Motion Approved Unanimously**

COMMISSION CALL

- Continued appreciation and thanks to Port Staff for a job well done.
- Looking forward to meeting in person!

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE PORT COMMISSION, the meeting adjourned at 7:08 p.m.

PORT OF THE DALLES:

ATTEST:

Greg Weast, President
Board of Commissioners

David A. Griffith, Secretary
Board of Commissioners

DATE APPROVED: March 16, 2022

Prepared by: Jennifer Toepke, Executive Assistant

PORT OF THE DALLES AGENDA ITEM

MEETING DATE March 16, 2022

ACTION ITEM F-2.) February 2022 Financial Reports Treasurer Coburn

STAFF RECOMMENDATION Approve February 2022 Financial Reports as presented

Local Government Investment Pool

➤ Interest Rate 0.45% (Average Annualized Yield)

General Fund

➤ Income

○ Nothing unusual

➤ Expenses

○ Columbia River Electric-Light Pedestal repair at Guest Moorage at Marina: \$235.82

○ Dick, Dick & Corey-Tree Removal: \$1,437.75 & Easement: \$317.00

○ Elias Lawn Maintenance-Snow removal at Marina & Office in January: \$900.00

○ Rod Huante-Garbage collection in Port Industrial Area & Tree limbs trimmed at Port Office/Garbage collection, walkway cleaning and fire extinguisher installed at Guest Moorage at Marina: \$710.00

○ The Hook-COT Lunch Meeting (entities to reimburse): \$119.00

○ Wasco County Landfill-Houseless Encampment Cleanup Disposal: \$82.70

○ Columbia Gorge Community College-Child Care Center Feasibility Study: \$490.00

Marina Fund

➤ Income

○ Nothing unusual

➤ Expenses

○ Jordan Ramis PC-Legal Services Marina Fire: \$8,864.12

○ NRC US Ecology-Marina Fire Emergency Final Payment: \$29,802.23

○ Associated Underwater Services-Marina Fire Cleanup & Disposal: \$119,327.34

Port Development Fund

➤ Income

○ Nothing unusual

➤ Expenses

○ Nothing unusual

**Port of The Dalles
Account QuickReport
As of February 28, 2022**

Cash Basis

Type	Num	Name	Paid Amount
CSB Checking			
General Checking			
Check	EFT	Ameritas	-47.60
Paycheck	24735	Andrea L. Klaas	-3,410.96
Paycheck	24736	Jennifer Toepke	-1,881.91
Bill Pmt -Check	24722	Bohns Printing	-8.69
Bill Pmt -Check	24723	City Of The Dalles.	-156.94
Bill Pmt -Check	24724	Columbia River Affordabl...	-430.00
Bill Pmt -Check	24725	Columbia River Electric	-235.82
Bill Pmt -Check	24726	Dick, Dick & Corey, LLP	-1,754.75
Bill Pmt -Check	24727	Elias Lawn Maintenance	-900.00
Bill Pmt -Check	24728	PUD	-433.73
Bill Pmt -Check	24729	Rod Huante	-710.00
Bill Pmt -Check	24730	SDIS	-4,555.56
Bill Pmt -Check	24731	Streamline	-75.00
Bill Pmt -Check	24732	The Dalles Disposal	-175.05
Bill Pmt -Check	24733	The Hook	-119.00
Bill Pmt -Check	24734	Wasco County Landfill	-82.70
Check	EFT	Verizon	-101.33
Transfer			300,000.00
General Journal	AW		-300,000.00
Liability Check	EFT	Pers	-436.18
Liability Check	EFT	Pers	-352.91
Liability Check	EFT	United States Treasury	-1,663.26
Liability Check	EFT	Oregon Department of R...	-425.00
Deposit			100.00
Bill Pmt -Check	24737	Cardmember Services	-459.92
Bill Pmt -Check	24738	Columbia Gorge Commu...	-490.00
Bill Pmt -Check	24739	Gorge Networks	-163.76
Paycheck	24740	Andrea L. Klaas	-3,411.16
Paycheck	24741	Jennifer Toepke	-1,595.04
Total General Checking			-23,976.27
Marina Checking			
Bill Pmt -Check	23838	Jordan Ramis PC	-8,864.12
General Journal	AW		300,000.00
Bill Pmt -Check	23839	NRC US Holding Compa...	-29,802.23
Total Marina Checking			261,333.65
Port Develop. Checking			
Bill Pmt -Check	23303	Davis Wright Tremaine ...	-210.00
Deposit			759.07
Total Port Develop. Checking			549.07
CSB Checking - Other			
Total CSB Checking - Other			-
Total CSB Checking			237,906.45
TOTAL			237,906.45

PORT OF THE DALLES-GENERAL FUND
Profit & Loss Budget vs. Actual-GF-Summary

Cash Basis

July 2021 through February 2022

	Jul '21 - Feb 22	Budget	% of Budget
Ordinary Income/Expense			
Income			
Beginning Fund Balance	0.00	972,081.00	0.0%
Other Income	9,168.93	2,000.00	458.4%
Launch Ramp/Transient Moorage	1,025.00	3,000.00	34.2%
Loan Repayments	90,035.25	90,621.00	99.4%
Grants	0.00	20,000.00	0.0%
Leased Land and Facilities	8,748.00	15,000.00	58.3%
Previously Levied Taxes	7,245.95	5,000.00	144.9%
Transfer from Other Fund	200,000.00	200,000.00	100.0%
Interest from Cash in Bank	4,883.03	5,832.00	83.7%
Interest From Earnings	857.31		
Property Tax	355,271.08	348,654.00	101.9%
Total Income	677,234.55	1,662,188.00	40.7%
Gross Profit	677,234.55	1,662,188.00	40.7%
Expense			
Transfer to Other Funds/Conting			
General Operating Contingency	0.00	100,000.00	0.0%
Transfer to Other Funds	800,000.00	500,000.00	160.0%
Total Transfer to Other Funds/Conting	800,000.00	600,000.00	133.3%
Capital Outlay	37,304.00	75,000.00	49.7%
Personal Services-	173,937.28	320,075.00	54.3%
Material and Services	96,395.57	236,000.00	40.8%
Total Expense	1,107,636.85	1,231,075.00	90.0%
Net Ordinary Income	-430,402.30	431,113.00	-99.8%
Net Income	-430,402.30	431,113.00	-99.8%

PORT OF THE DALLES-MARINA FUND
Profit & Loss Budget vs. Actual-MF-Summary

Cash Basis

July 2021 through February 2022

	Jul '21 - Feb 22	Budget	% of Budget
Ordinary Income/Expense			
Income			
Beginning Fund Balance	0.00	54,412.00	0.0%
Other Resources			
Fire Emergency	1,162,640.71		
Total Other Resources	1,162,640.71		
Interest from Cash in Bank	163.54	326.00	50.2%
Interest From Earnings	0.00	0.00	0.0%
Total Income	1,162,804.25	54,738.00	2,124.3%
Gross Profit	1,162,804.25	54,738.00	2,124.3%
Expense			
Transfer to Other Funds & Debt	0.00	0.00	0.0%
Capital Outlay			
Fire Emergency	888,839.38		
Capital Outlay - Other	0.00	0.00	0.0%
Total Capital Outlay	888,839.38	0.00	100.0%
Personal Services-	0.00	0.00	0.0%
Material and Services	0.00	0.00	0.0%
Total Expense	888,839.38	0.00	100.0%
Net Ordinary Income	273,964.87	54,738.00	500.5%
Other Income/Expense			
Other Expense	0.00	0.00	0.0%
Net Other Income	0.00	0.00	0.0%
Net Income	273,964.87	54,738.00	500.5%

PORT OF THE DALLES-PORT DEVELOPMENT FUND
Profit & Loss Budget vs. Actual-PDF-Summary

Cash Basis

July 2021 through February 2022

	Jul '21 - Fe...	Budget	% of Budget
Ordinary Income/Expense			
Income			
Beginning Fund Balance	0.00	3,119,622.00	0.0%
Other Income	135,479.44	5,000,000.00	2.7%
Special Payments-City of Dufur	0.00	0.00	0.0%
Loan Repayments	39,310.00	39,310.00	100.0%
Grants	0.00	3,000,000.00	0.0%
Transfer from Other Fund	0.00	500,000.00	0.0%
Interest from Cash in Bank	4,913.58		
Interest From Earnings	0.00	18,718.00	0.0%
Interest From Contracts	655.77	4,500.00	14.6%
Land Sales	5,446.79	800,000.00	0.7%
Total Income	<u>185,805.58</u>	<u>12,482,150.00</u>	<u>1.5%</u>
Gross Profit	185,805.58	12,482,150.00	1.5%
Expense			
Debt Service			
Debt Service	136,560.00	136,560.00	100.0%
Total Debt Service	136,560.00	136,560.00	100.0%
Special Payment	0.00	4,300,000.00	0.0%
Transfer to Other Funds/Conting	220,017.22	400,000.00	55.0%
Capital Outlay	0.00	7,000,000.00	0.0%
Material and Services	46,765.40	260,000.00	18.0%
Total Expense	<u>403,342.62</u>	<u>12,096,560.00</u>	<u>3.3%</u>
Net Ordinary Income	<u>-217,537.04</u>	<u>385,590.00</u>	<u>-56.4%</u>
Net Income	<u>-217,537.04</u>	<u>385,590.00</u>	<u>-56.4%</u>

PORT OF THE DALLES AGENDA ITEM

MEETING DATE March 16, 2022

DISCUSSION ITEM G-1.) Strategic Investment Program/Community Service Fee

STAFF RECOMMENDATION N/A

The Strategic Investment Program is in Statute ([OAR 123-623](#)) and has 3 components:

1. A portion of the assessed property value will be paid in taxes annually, and distributed to all Taxing Districts per their usual levy rate
2. A Community Service Fee, which will be paid annually for a maximum of 15 years, starting once a building is complete
 - o It is estimated that the average Community Service Fee per project will be \$1.64 million annually
3. A gap payment. This is a complicated calculation based on taxes paid + community service fee paid, and if that sum is less than a percentage of the value of the building, a check is written from Google to the County for the difference. This difference is then divided between the County and City. This is a bit of a wild card and could be \$0 or could be a bigger number.

For this discussion we will be focusing on the Community Service Fee (CSF):

- OAR 123-623 requires that 75% of the total property tax authority agree on a distribution method (excluding County, City, D21, ESD, CGCC)
- Voting percentages of the districts:
 - o Mid-Columbia Fire and Rescue 50%
 - o Library 16%
 - o NWC Parks and Recreation 16%
 - o 4H 6%
 - o Soil and Water 6%
 - o Port 5%
- Because these dollars are a “fee”, if the schools are part of the distribution this would be additional funds beyond what they receive from the State
- The Community partners do have the ability to adjust the distribution method at any time, but again, only if 75% agree

Following is the presentation from the last meeting. Again, the dollar amounts are only estimates to be used for discussion purposes.

There are some questions that we’d like your input on:

1. Should schools be included or excluded in the CSF distribution method?
2. Should there be an allocation (proposed at 50% right now), for a set aside for a community project? This is estimated to be about \$840,000.00/year.
3. Should the distribution follow the tax rate percentages, or some other method?

PORT OF THE DALLES AGENDA ITEM

MEETING DATE March 16, 2022

REPORTS ITEM H-1.) Staff Report: Executive Director Klaas

STAFF RECOMMENDATION N/A

Marina Fire Recovery Committee

- First meeting on March 14th, report to be given verbally

Real Estate Committee

- Next quarterly meeting is on May 2nd

Tree Cut on Port Property along Riverfront Trail

- If available, update to be provided in Executive Session

The Dalles Marina

- Pikeminnow fisherman reservations for guest moorage are trickling in for the 2022 season beginning in May
- Sewer line repair at the Launch Ramp Restrooms is scheduled for the week of April 4th (weather permitting)

Maritime Update

- Local Grain Issues Due to the Conflict in the Black Sea
 - Could create additional demand for regional grain from countries who normally get theirs from Russia or Ukraine. (India may be posed to step in as a top exporter)
 - In 2019, the top exporters of Wheat were Russia (\$8.14B), United States (\$6.94B), Canada (\$5.97B), France (\$4.54B), and Ukraine (\$3.11B)
 - In 2019, the top importers of Wheat were Egypt (\$4.67B), Indonesia (\$2.31B), Turkey (\$2.1B), Italy (\$1.69B), and Philippines (\$1.63B)
 - Potential for more ship traffic in the Columbia-Snake River system
 - Labor may opt to no load/unload Russian wheat commodities
 - Potential crew issues onboard vessels
 - Increased fuel costs to operate launch service and inland barging vessels

Businesses Expanding

- Port staff is still in communication with the same business it met with in January concerning their interest in a 5-acre site on River Trail Way to build a new facility
- A company out of Portland contacted the Port, interested in buying or leasing land to use as a temporary holding site for nonhazardous waste – the Port introduced them to a local company that may have extra land to lease

- Port staff met with Michael Held and Nate Stice to walk downtown and identify buildings as either potential sites for businesses or to talk with owners about redevelopment. There are about six listed for follow up; the first of these property owner meetings will be held next week at the Port.

Houseless Encampments & Overnight Camping/Parking

- Clearing houseless encampments and/or trespassing recreational vehicles (RV's) camping on Port property, continues to be an ongoing challenge that takes a fair amount of Port resources and staff time. The Dalles Police continues to handle direct communication with the occupants of the encampments/RVs on behalf of the Port, including in most scenarios – trespassing them from Port property – which when trespassed, they then often move to another piece of Port property, so the process to trespass/cleanup starts all over again.
- Port Staff will be meeting with the Oregon Department of Fish and Wildlife to discuss possible solutions to this problem in the Taylor Lake area specifically.

COT: Washington, D.C.

- Greg Weast, Andrea Klaas, Steve Kramer, and Tim McGlothlin will be representing The Dalles Community Outreach Team on a mission to Washington, D.C. at the end of this month
- All appointments have been successfully scheduled for in person meetings, except for Senators Cantwell & Murray – both of their offices are still only meeting virtually.

Columbia River Gorge Commission Update

- Wasco County, Port of The Dalles and Elaine Albrich will be meeting March 14th. At this point in time the \$150,000.00 allocated for this project has been exhausted so next steps and budget to complete the work will need to be presented to the County, Port, and City, for additional funding consideration.

Center for Rural Innovation: The Dalles Technology Center

- The first event to promote this idea will be held April 20th at Freebridge Brewery.

Brownfield Coalition Update

- Projects continue to come in for a variety of different assistance needs. An updated list will be provided when it becomes available.

Dufur Water

- Commissioners Weast and Wallace joined ED Klaas in Dufur to talk about the City's water upgrade needs. The water upgrades will include refurbishing an existing well, bringing an unused well on-line, building a water reservoir, and adding and repairing some of the distribution lines. Others joining the meeting included Nate Stice from Regional Solutions, Michael Held from Business Oregon, Carrie Pipinich from MCEDD, and then Mayor Merle Keys, City Clerk Kathy Bostick and Brandon Mahon, City Engineer from Anderson Perry. Anderson Perry will be presenting to Dufur City Council to get direction from the Council on next steps. The project cost estimate is \$4.2 million and increasing based on material, equipment, and contractor costs. The estimated timeline is 3+ years.

Other

- Lease with the City to store pipeline for the Dog River Pipeline Replacement Project on Lot 10 has been reviewed and approved by City Attorney
- Spring landscaping is ongoing. Deer have been eating the young rose bushes, so the roses are currently under cages along Klindt Drive.
- Port staff have joined the State's virtual classes on Oregon Budget Law to stay abreast of any budget law changes for this year.
- ED Klaas presented to The Dalles Lions Club. One outcome from the meeting is that several retired gentlemen are working to get the old Port truck running!
- ED Klaas was on KODL on March 11th and KIHR on March 14th

Strategic Investment Program

3/9/22

Agenda

- Introductions
- Review of Models
- Community Project Concept
- Review of Last Meeting
- Q/A
- Consensus
- Adjourn

Details of Program

Strategic Investment Program (SIP) vs. Long Term Enterprise Zone (EZ)

- They are both up to a 15-year property tax abatement program
- EZ has requirements for job creation and wage/compensation minimums
- SIP is intended for large capital investments
- SIP has 3 distinct components

Ad Hoc vs. Strategic Investment Zone

- SIP has an ad hoc approval process, where an agreement can be considered with a required public hearing
- Counties (and Cities) may create Strategic Investment Zone (SIZ) with Business Oregon approval.
 - We do not have such a zone so we are following the Ad Hoc process.

Three Major Categories

- Taxes (Set by Business Oregon)
- Community Service Fee (Set by Business Oregon)
 - Community Service Fee Distribution (Potential set by Taxing Districts)
- Locally Negotiated Component (Developed by Applicant, County, and City where development is located)

Taxes

Total Investment Costs	Initial Taxable Portion Amount*
Not more than \$500 million	\$25,000,000
Between \$0.5 and \$1.0 billion	\$50,000,000
Greater than \$1.0 billion	\$100,000,000

*"Rural area"—located entirely outside urban growth boundary of a city with a population of 40,000 or more at the time of state SIP application or in a Rural SIZ designated before October 5, 2015. Taxable portion is based on property's real market value and grows 3% p.a.

Community Service Fee

- Paid each year of the abatement
- Equals 25% of each year's tax savings, capped at an annual maximum of \$2.5 million
- **Distribution**
 - County, City, and Tax Districts listed in ORS 198.010 and 198.180 (accounting for at least 75% of such district tax levy at site) agree on how to distribute CSF within 3 months
 - May be mutually amended or revised at a later time
- If no agreement within 90 days of Business Oregon approval, Business Oregon may set the distribution formula

Project Site

- Red is Lockheed Martin
- Yellow is Hydro
- Blue denote
 - Parcel A: Primary development site for projects
 - Parcel B: Likely development site for warehouse and contains Land Component



21/45

Source:
Aerial photograph obtained from the
Oregon Statewide Imagery Program.
Tax lots obtained from Marion County
GIS and adjusted to ground survey.

Legend

□ Tax Lots

Figure
Exhibit A: Property Overview

The Dalles, Oregon

Summary of Proposed Agreement

Up to 2 distinct projects

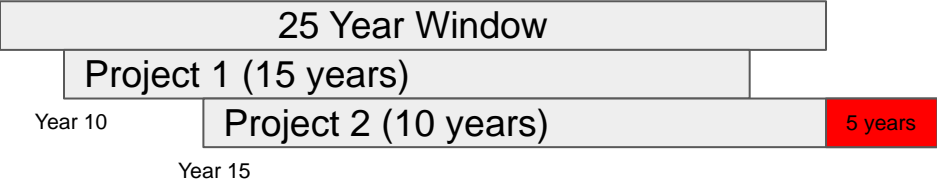
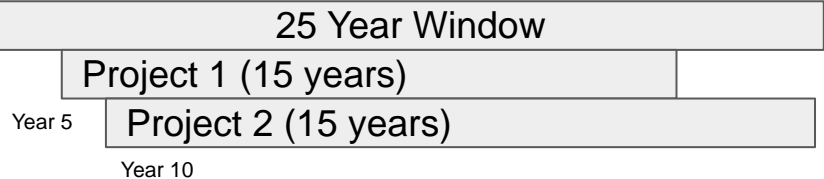
One data center and direct support facilities each

Also includes a warehouse

Each a maximum of 15 years once project completed

Not to exceed a 25 year window from the date of approval by Business Oregon

Possible examples below:



3 Categories

Per Project

Category 1: Taxes

- Applicant expressed an anticipated investment of \$600 million
- Per SIP statutes, initial \$50 million of assessed value is taxed with a 3% increment annually

Category 2: Community Service Fee (CSF)

- Per formula (25% of tax savings capped at 2.5 million)

What do taxes on \$50 million look like
year 1?

NOT FOR USE

Taxing District	Year 1
Total	\$909,010.00
Wasco Co	\$197,905
Port of TD	\$9,345
Park & Rec	\$31,630
Library	\$31,650
Fire District	\$97,755
Soil & Wtr District	\$11,640
4H & Ext	\$11,640
City of TD	\$140,345
Urban Renewal	\$60,240
School District 21	\$243,835
CGCC	\$12,580
ESD	\$21,775
Bonds (CGCC, MCFR, Prk & Rec)	\$38,670

Category 3: Local Negotiated Agreement

Initial Payment

- Pay a one-time \$3 million payable to City of The Dalles and Wasco County within 60 days of submission of the first data center building Construction-in-Process form for each Project.

Guaranteed Annual Payment (GAP)

- Project 1 (50%) and Project 2 (60%)
- If the taxes and community service fee add up to less than 50% of full tax for the first project and 60% for the second project, the applicant will pay a GAP payment to City and County make up the difference
 - EXAMPLE (NOT REAL NUMBERS)
 - 50% of tax = 5 million
 - Taxes on \$50 million = \$1 million + \$2.5 million CSF = \$3.5 million
 - $\$5m - \$3.5m = \$1.5$ GAP payment
- \$3 million minimum payment between the Taxes, CSF, and GAP

2005 Enterprise Agreement

**FOR ILLUSTRATIVE PURPOSES
ONLY**

VALUATION IS STILL IN PROCESS

November 15, 2022 Tax Bill Due

Please contact County Assessor for specific questions

Assumptions	
Oct 2022, the 2005 EZ Agreement becomes taxable	
IF Tax Revenue were to be \$4,000,000	
Bonds & Urban Renewal not included in this illustration	
Taxing District	
Columbia Gorge CC	57,697
Columbia Gorge ESD	99,862
N Wasco Co SD 21	1,118,189
City of The Dalles	604,283
Mid Columbia Fire & Rescue	420,920
N Wasco Co Parks & Rec	136,193
Port of The Dalles	40,235
Wasco Co 4H & Ext	50,100
Wasco Co Library	136,279
Wasco Co Soil & Water	50,100
Wasco County	852,136
	3,565,994

Community Service Fee

- 25% of tax savings in a given year capped at 2.5 million
- Formula means that the actual amount in a given year is variable due to depreciation, investment/reinvestment, phasing etc.
- Projections on a \$600 million dollar investment AVERAGED over 15 years gives us an AVERAGE annual CSF payment of 1.64 million.
- Up to 2 Projects, each with a CSF
- Distribution methodology needed for each CSF
 - Can be the same, can be different, both can be amended

Entities eligible to receive CSF funds

- This fee may be distributed to the County, City, any local taxing districts that levies taxes on the property where the development occurs, and may also be distributed to any local orgs/programs that provide a relevant and significant community service even without taxing authority
 - Eligible Taxing Districts Include:
 - City of The Dalles
 - Wasco County
 - Mid-Columbia Fire and Rescue
 - Wasco County Library
 - North Wasco County Parks and Recreation
 - Wasco County 4H and Extension
 - Wasco County Soil and Water
 - Port of The Dalles
 - D21
 - CGCC
 - ESD

Entities Involved in Reaching a Final CSF Distribution Agreement

State OAR 123-623-1950 allows the distribution of these fees to be determined locally if an agreement is reached within 90 days of Business Oregon approval (Deadline of March 17, 2022) by the following entities:

- City of The Dalles
- Wasco County

AND, 75% of the total property tax authority of the following districts as guided by ORS 198.010 and 198.180. Property tax authority consists of the sum of a district's permanent and local option (levy) rate authority, whether used or unused, but excludes the levy/tax rates for bonded indebtedness.

- Mid-Columbia Fire and Rescue
- Wasco County Library
- North Wasco County Parks and Recreation
- Wasco County 4H and Extension
- Wasco County Soil and Water
- Port of The Dalles

Breakdown

Entity Listed in ORS	Percentage of Tax Levy
Mid Columbia Fire and Rescue	50%
Wasco County Library	16%
North Wasco County Parks and Recreation	16%
Wasco County 4H and Extension	6%
Wasco County Soil and Water	6%
Port of the Dalles	5%
City of The Dalles	
Wasco County	

Distribution concepts put forward to date

Model #1

- Distribute the CSF to all taxing districts that levy taxes at the development site according to their percentage of total tax.

All Taxing Districts - No UR, No Bonds	
Columbia Gorge CC	25,613.73
Columbia Gorge ESD	44,332.62
N Wasco Co SD 21	496,407.26
City of The Dalles	285,722.90
Mid Columbia Fire & Rescue	199,023.24
N Wasco Co Parks & Rec	64,395.86
Port of The Dalles	19,024.43
Wasco Co 4H & Ext	23,688.88
Wasco Co Library	64,436.60
Wasco Co Soil & Water	23,688.88
Wasco County	402,914.61
	1,649,249.00

Model #2

- Distribute the CSF to the City, County, and the taxing districts listed in the ORS described above according to their percentage of total tax.

Districts not including Schools & ESD - No UR, No Bonds	
City of The Dalles	435,155.80
Mid Columbia Fire & Rescue	303,112.26
N Wasco Co Parks & Rec	98,074.86
Port of The Dalles	28,974.19
Wasco Co 4H & Ext	36,078.15
Wasco Co Library	98,136.90
Wasco Co Soil & Water	36,078.15
Wasco County	613,638.70
	1,649,249.00

Model #3

- Reserve 50% of the CSF for major community projects and distributing the remaining 50% of the CSF to all taxing districts that levy taxes at the development site according to their percentage of total tax.

50% to All Taxing Districts - No UR, No Bonds	
Columbia Gorge CC	12,806.86
Columbia Gorge ESD	22,166.31
N Wasco Co SD 21	248,203.63
City of The Dalles	142,861.45
Mid Columbia Fire & Rescue	99,511.62
N Wasco Co Parks & Rec	32,197.93
Port of The Dalles	9,512.21
Wasco Co 4H & Ext	11,844.44
Wasco Co Library	32,218.30
Wasco Co Soil & Water	11,844.44
Wasco County	201,457.30
	824,624.50

Model #4

- Reserving 50% of the CSF for major community projects and distributing the remaining 50% of the CSF to the City, County, and the taxing districts listed in the ORS described above according to their percentage of total tax.

City of The Dalles UR	217,577.90
Mid Columbia Fire & Rescue UR	151,556.13
N Wasco Co Parks & Rec UR	49,037.43
Port of The Dalles UR	14,487.10
Wasco Co 4H & Ext UR	18,039.07
Wasco Co Library UR	49,068.45
Wasco Co Soil & Water UR	18,039.07
Wasco County UR	306,819.35
	824,624.50

Model #5

- Allocate 18.4% of the CSF to MCFR
- Distribute remaining funds to ALL taxing districts

Mid Columbia Fire & Rescue @ 18.4%		303,112
Columbia Gorge CC	23,775	
Columbia Gorge ESD	41,151	
N Wasco Co SD 21	460,778	
City of The Dalles	265,215	
N Wasco Co Parks & Rec	59,774	
Port of The Dalles	17,659	
Wasco Co 4H & Ext	21,989	
Wasco Co Library	59,812	
Wasco Co Soil & Water	21,989	
Wasco County	373,996	
		1,346,137
CSF Annual Average Total		1,649,249

Model #6

- Allocate 18.4% of the CSF to MCFR
- Distribute 50% of remaining funds to ALL taxing districts
- Retain 50% of remaining funds for community projects

Mid Columbia Fire & Rescue @ 18.4%		303,112
Columbia Gorge CC	11,888	
Columbia Gorge ESD	20,575	
N Wasco Co SD 21	230,389	
City of The Dalles	132,608	
N Wasco Co Parks & Rec	29,887	
Port of The Dalles	8,829	
Wasco Co 4H & Ext	10,994	
Wasco Co Library	29,906	
Wasco Co Soil & Water	10,994	
Wasco County	186,998	
		673,068
50% CSF for great good		673,069
CSF Annual Average Total		1,649,249

Q/A

Round Robin

- Distribute the CSF to all taxing districts that levy taxes at the development site according to their percentage of total tax.
- Distribute the CSF to the City, County, and the taxing districts listed in the ORS described above according to their percentage of total tax.
- Reserve 50% of the CSF for major community projects and distributing the remaining 50% of the CSF to all taxing districts that levy taxes at the development site according to their percentage of total tax.
- Reserve 50% of the CSF for major community projects and distributing the remaining 50% of the CSF to the City, County, and the taxing districts listed in the ORS described above according to their percentage of total tax.

Next Steps

Next meeting is scheduled for March 9th at 1pm CGCC Lecture Hall Building 2

This meeting was information sharing and gathering. Input received will be summarized and shared

Next meeting will be focused on reaching agreement on a distribution model for Project 1 and Project 2

Craft Intergovernmental Agreement for submission to Business Oregon

- City of The Dalles
- Wasco County

- Mid-Columbia Fire and Rescue
- Wasco County Library
- North Wasco County Parks and Recreation
- Wasco County 4H and Extension
- Wasco County Soil and Water
- Port of The Dalles

Thank You

Model 1A DRAFT

- Distribute the Community Service Fee of both Project 1 and 2 to all taxing districts the levy taxes at the development site (11 districts) as a percentage of their total levy.
- Agree that before the first CSF is distributed, the 11 taxing districts receiving a distribution will reconvene to identify a process to identify possibly fund community projects that would be funded at some level from each districts share of the community service fee.

Model 5A DRAFT

- Allocate 18.4% of the CSF to MCFR
- Distribute the remaining Community Service Fee of both Project 1 and 2 to the remaining taxing districts the levy taxes at the development site (10 districts) as a percentage of their total levy.
- Agree that before the first CSF is disbursed, the 10 taxing districts receiving a distribution will reconvene to identify a process to possibly fund community projects that would be funded at some level from each districts share of the community service fee.

Taxing District Breakdown

D21	30%
County	25%
City	17%
Fire	12%
Parks	4%
Library	4%
ESD	3%
CGCC	2%
4H	1%
Soil and Water	1%
Port	1%