City Hall
206 N. Main St.
Toledo, Oregon 97391
5:45 p.m.

URBAN RENEWAL AGENCY
Regular Meeting Minutes
July 15, 2026

1. **Call to Order**
    a. President Tracy Mix called the Toledo Urban Renewal Agency Regular Meeting to order on Wednesday, July 15, 2026, at 5:45 PM in the City Hall Council Chambers, 206 North Main Street, Toledo, Oregon. The Flag Salute was led by those in attendance.
2. **Roll Call**
    a. City Recorder Johnson took roll call and determined a quorum is present.

Seat #	Council Member	Present	Via Zoom	Absent
n/a	President Mix	X		
2	Director Chambers	X		
1	Director Riley	X		
3	Director Kauffman			X
4	Vacant Seat			
5	Director Keating	X		
6	Director Burns	X		

    b. Staff Present: City Manager Rich Huebner and City Recorder Paul Johnson
    c. Via Zoom: City Attorney Souvanny Miller, Auditor Teresa Hanford
3. **Visitors/Public Comment**
    a. President Tracy Mix opened the floor for public comments on items not on the agenda. No members of the public were present in chambers or online who wished to speak. No written public comments were submitted for this meeting. The public comment period was closed.
4. **Discussion and Information Items**
    a. Fiscal Year 2025-2026 Financial Audit Report
        i. City Manager Rich Huebner introduced Theresa Hanford of Hanford and Associates, the city's contracted auditor, who was present to deliver audit findings for both the Urban Renewal Agency and the city's broader operating budget.
        ii. Theresa Hanford reported that the Toledo Urban Renewal Agency received a **clean audit** for the fiscal year. She noted that the URA does not carry a great deal of financial activity, which makes the audit relatively

straightforward. She confirmed that all transfers were tested for allowability, that all expenditures were appropriately documented, that all projects fell within the scope of the urban renewal plan, and that everything checked out — especially impressive given the staff turnover the city experienced during the year. She noted the agency carries a healthy fund balance. President Tracy Mix acknowledged that the clean result reflects well on the city's finance department and staff.

b. Financial Impact & Community Benefit

   i. The URA's financial position remains healthy, with a clean opinion issued by Hanford and Associates confirming that all expenditures were allowable and properly documented under the urban renewal plan. No specific dollar amount was flagged as a concern. Funding flows through the URA's dedicated fund balance. The audit is a recurring annual requirement under Oregon state law. The "why now" is straightforward — it's the statutorily required annual review of FY 2024–2025 activity. The concrete benefit to Toledo residents is the assurance that public urban renewal dollars are being spent appropriately and that the program is being managed with accountability, even amid organizational transitions. No specific oversight metrics were identified beyond the annual audit itself, though the board subsequently discussed the need for stronger reporting mechanisms (see Item 5c discussion).

5. Request for Agency Action

a. Resolution No. URA-11, Receiving 2024-2025 Financial Audit

   i. City Manager Rich Huebner presented Resolution No. URA-11, explaining that Oregon state law requires the Board of Directors to formally pass a resolution accepting the findings of the annual audit. He characterized the action as purely pro forma given the clean audit result.

   ii. Director Keating moved to approve Resolution No. URA-11, a Resolution of the Toledo Urban Renewal Agency Board of Directors receiving the 2024–2025 Fiscal Year Financial Audit for the City of Toledo Urban Renewal Agency as presented by Hanford and Associates. The motion was seconded by Director Burns. The motion carried unanimously.

Seat #	M	S	Council Member	Yay	Nay	Abstained
n/a			President Mix	X		
2			Director Chambers	X		
1			Director Riley	X		
3			Director Kauffman			
4			Vacant Seat			
5	X		Director Keating	X		
6		X	Director Burns	X		

b. Curry Marine Urban Renewal Agency (URA) Rehabilitation Program Application

   i. City Manager Huebner informed the board that since the agenda was published, Curry Marine had withdrawn their application. The business owners are actively considering a sale and recently learned that they would be required to repay the balance of the forgivable loan if the business were sold within the two-year performance period. The board took no action on this item.

c. Dairy Queen Urban Renewal Agency (URA) Rehabilitation Program Application
   i. City Manager Huebner introduced the Dairy Queen rehabilitation application, noting that the board had reviewed it at its previous meeting and had identified questions for the applicant. The owner of the Toledo Dairy Queen franchise appeared before the board to address those questions.
   ii. Carolyn Houck described a long-running challenge in even determining whether her property was located within city limits, explaining that for years she had been told she was not eligible for URA programs. She recounted that someone recently researched the question and discovered her parcel does, in fact, fall within a narrow sliver of the urban renewal district. She described decades of ongoing maintenance costs, including landscaping on adjacent state, county, and city property that she has taken upon herself to maintain at her own expense, amounting to an estimated $25,000 in landscaping fees over the years, simply to keep the property clean and visible from the highway.
   iii. Director Keating asked how the applicant first learned about the program and what her understanding was of its purpose. The applicant responded that she views her business as one of the first things visitors see when entering Toledo, and that keeping it looking good reflects on the community as a whole. She described her staff's practice of actively directing customers into downtown Toledo, pointing out local amenities, businesses, and attractions.
   iv. Director Keating also raised a question about whether, as a Dairy Queen franchisee, any of the work items in the application were contractually mandated by the corporate franchisor. The applicant clarified that while Dairy Queen expects a functioning, maintained business, the franchisor does not mandate specific replacement schedules for equipment or building components. She noted that she pays significant monthly franchise fees but receives no financial support from corporate for capital improvements. She confirmed that the requested work is genuinely necessary, adding that during a recent walkthrough she discovered previously undetected dry rot on one side of the building, a finding that had not yet been included in her application.
   v. Director Keating expressed a broader concern, noting that the questions about the franchise relationship were not a reflection on this applicant specifically, but rather were part of a larger conversation he wished to have about the overall purpose and administration of the URA rehabilitation program. Director Burns offered that he had no concerns about the franchise nature of the business, drawing a clear distinction between a locally owned small business operating under a franchise license and a large corporate entity. He observed that having an operational business at this location, versus another vacant, deteriorating building, was plainly aligned with the goals of the program. Director

Burns also acknowledged the applicant's deep community involvement, including sponsorships and support for local youth and community events.

vi. Director Chambers spoke to the applicant's community engagement, specifically noting that the applicant had hired residents from a local transitional housing program and expressed appreciation for the impact of those opportunities.

d. Financial Impact & Community Benefit

i. The board approved a $10,000 forgivable loan from the URA Rehabilitation Program fund to support exterior building improvements at the Toledo Dairy Queen location. The funding is one-time in nature, drawn from the URA's existing fund balance. The "why now" rationale is that the building is showing signs of deferred maintenance including paint failure, surface rust on the metal roof, and newly discovered dry rot on an exterior wall, conditions that, left unaddressed, would accelerate into far more costly structural repairs and contribute to blight at a high-visibility gateway location entering the city. The concrete community benefit is the preservation of an active business that employs local residents, provides a first impression of Toledo for travelers on Highway 20, and actively promotes downtown Toledo to passersby. The applicant confirmed she would not have been able to address these issues on her current budget timeline without assistance. No formal reporting or inspection mechanisms were specified at the time of approval, though the board identified this gap as a priority for the planned URA work session (see Adjournment discussion below).

ii. Director Burns moved to approve the Dairy Queen Urban Renewal District Rehabilitation Funding Application in the amount of $10,000. The motion was seconded by Director Chambers. The motion carried unanimously.

iii. The applicant thanked the board and was excused from chambers.

Seat #	M	S	Council Member	Yay	Nay	Abstained
n/a			President Mix	X		
2	X		Director Chambers	X		
1			Director Riley	X		
3			Director Kauffman			
4			Vacant Seat			
5			Director Keating	X		
6		X	Director Burns	X		

6. Board Comments

a. Prior to adjournment, Director Keating raised substantive concerns about the overall administration of the URA rehabilitation loan program. He stated his belief that the agency is not doing itself or the community full justice by lacking a more intentional process around eligibility criteria, application quality, applicant recruitment, and post-award reporting. He noted that current practice appears to lack any meaningful requirement for recipients to submit receipts, provide substantive completion reports, or submit to inspections before a lien is removed or a loan is forgiven. He also raised procedural questions about when the two-year performance clock begins, at the time the check is issued or upon project completion. Director Keating further suggested that the board explore additional and alternative uses of URA funds beyond the current rehabilitation program, including incentives to attract new businesses to Main Street or to address blighted properties more directly within the district. He noted that several of the recent applications had raised enough red flags to suggest that applicants lacked a clear understanding of what the program is meant to fund.

b. President Tracy Mix and City Manager Huebner agreed that a dedicated URA work session would be the appropriate venue for this discussion. City Manager Huebner suggested that, given a full agenda already scheduled for the upcoming August city council work session, a URA-specific work session could be substituted in its place during August. The board agreed to that approach. City Manager Huebner added his support, noting that the council membership has almost entirely turned over since the URA was established and that a fresh look at the program's criteria and application process makes a lot of sense.

7. Adjournment

a. President Mix adjourned the meeting at 6:34 p.m.

APPROVE: ATTEST:

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President Tracy Mix City Recorder Paul Johnson