



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA

Columbia Gateway Urban Renewal Agency
City Council Chamber
313 Court Street, The Dalles, Oregon

Meeting Conducted in a Handicap Accessible Room

Monday, March 24, 2014
Immediately Following the City Council Meeting

- I. CALL TO ORDER
- II. ROLL CALL
- III. APPROVAL OF AGENDA
- IV. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for Agency Board consideration.

- V. APPROVAL OF MINUTES
 - A. Approval of February 24, 2014 Regular Meeting Minutes
- VI. ACTION ITEMS
 - A. Approval of Recommendation from Urban Renewal Advisory Committee Regarding Prioritization of Urban Renewal Projects
- VII. ADJOURNMENT

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
REGULAR MEETING
OF
FEBRUARY 24, 2014

CITY COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Chair Steve Lawrence

AGENCY PRESENT: Bill Dick, Carolyn Wood, Dan Spatz, Tim McGlothlin, Linda Miller

AGENCY ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger

CALL TO ORDER

The meeting was called to order by Chair Lawrence at 6:28 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; all Agency members present.

APPROVAL OF AGENDA

It was moved by Dick and seconded by Wood to approve the agenda as presented. The motion carried unanimously.

AUDIENCE PARTICIPATION

None.

APPROVAL OF MINUTES

It was moved by Wood and seconded by Spatz to approve the minutes of the December 9, 2013 special meeting and November 25, 2013 regular meeting. The motion carried unanimously.

PRESENTATIONS

Update Regarding Granada Block Redevelopment Project

City Manager Young provided a memorandum, updating the Agency on the status of the Granada Block Redevelopment project. He said the next benchmark was to present the redevelopment plan and conceptual design, in March or April.

Chair Lawrence said he had read the archeological report and noted there were specific requirements the developer would have to meet. He asked Mr. Leash if he thought there would be any problems complying with the report.

Michael Leash said it was a preliminary report, but he didn't think there would be any problems as long as they were able to construct the project by not digging deeper than one meter into the ground.

City Manager Young said the report was still in draft form. He said it would be finalized and sent to the State Historic Preservation Office (SHPO) and at that time would become a public document. Young said it had been a very expensive process.

Miller asked if the report could halt the development. City Manager Young said it would not stop development and that mitigation measures would be taken.

Chair Lawrence said the report had mentioned a problem with the Hood River Hilton project. Leash said they were having environmental problems and would not be building that project for quite a while. He said he hoped The Dalles would have the first Hilton in the Gorge area.

Miller asked what the changes were to the size and structure. Leash said the reduction of 10 to 15% was in the cost, not the size. He said the plan was still for the same footprint, 117 guest rooms, and four stories. He said they had value engineered the project to reduce the cost.

MINUTES (Continued)
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ADJOURNMENT

Being no further business, the meeting adjourned at 6:41 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

Stephen E. Lawrence, Chair

ATTEST:

Julie Krueger, MMC, City Clerk



URBAN RENEWAL AGENCY AGENDA STAFF REPORT

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
March 10, 2014	Action Item	

TO: Urban Renewal Agency

FROM: Jon Chavers, Administrative Fellow

THROUGH: Nolan Young, City Manager

DATE: February 24, 2014

ISSUE: Prioritization of Urban Renewal Projects.

BACKGROUND: At the request of the Urban Renewal Agency Board, staff prepared a prioritization of current and upcoming projects in the Columbia Gateway Urban Renewal Agency (URA). While all of the current and developing projects have worthwhile objectives, current economic conditions constrain the level of activity carried out by the URA. The purpose of this report is to recommend a prioritization of URA projects that are underway or upcoming and to amend the language of the URA Plan to include language specifying criteria to measure current and future projects against.

The Urban Renewal Advisory Committee (URAC) and the Urban Renewal Agency Board (Board) reviewed project prioritization in a joint session on February 18. Staff provided funding information for each project, recommended prioritization of projects, and advised of the benefits of amending the current URA Plan to include an additional goal. The URAC and Board provided feedback and input to staff. This report reflects the information shared in that discussion (attached).

BUDGET IMPLICATIONS: None.

SYNOPSIS: In its Best Practices Guidebook, the Association of Oregon Redevelopment Agencies (AORA) states “The reason for pursuing urban renewal is to increase the value of properties in the URA” (Best Practices for Urban Renewal Agencies in Oregon, AORA. Page 16). It is important to note that this goal - to increase the value of properties in the URA – is not included in the Columbia Gateway Urban Renewal Agency Plan.

Current projects and activities of the URA are as follows (in numeric and alphabetic order):

1. 1st St. Streetscape
2. 3rd Place Streetscape
3. 3rd St. Streetscape
4. 4th St. Streetscape
5. Civic Auditorium Renovation Projects
6. Downtown Parking Structure
7. Granada Block/Hotel
8. Lewis and Clark Park Fountain
9. Mill Creek Greenway
10. Property Owner Rehabilitation Programs
11. Washington St. Undercrossing
12. West 2nd St. Infrastructure (approx. Webber St. to I-84 overpass)
13. West Gateway Improvements (Lincoln St. to I-84 overpass)

ADVISORY BOARD RECOMMENDATION: The Urban Renewal Advisory Committee, at their February 18th meeting (draft minutes attached), recommend highest priority assigned to those projects which immediately increase the value of properties within the urban renewal district as a whole.

- 1st Street streetscape
- 3rd Place streetscape
- 3rd Street streetscape
- 4th Street streetscape
- Granada Block/Hotel
- Washington Street undercrossing
- Proposed façade restoration program awarding grants to for-profit businesses within the Urban Renewal District.

Development of the hotel adjacent to the Granada Theater will constitute an estimated \$20 million private investment into a downtown property. For this reason, the Granada Block/Hotel project will most effectively meet this goal. However, the Advisory Board expressed an interest in the hotel project receiving a lower priority until a confirmed start date for the project is announced.

The URAC discussed the desirability to do the improvements to the West Gateway (located on West 2nd Street from Lincoln Street to the I-84 overpass) concurrent with swimming pool improvements at Thompson Park. The pool project is anticipated to wrap up before the start of the 2015 summer season.

Acceleration of the West Gateway project would require the West Gateway to assume a higher priority than the other projects listed above. The option to complete the West Gateway project in phases rather than all at once may allow portions of the project with the greatest impact on the pool development to be completed alongside the Thompson Park project. The West Gateway project would swap priority with the upcoming 3rd Street Streetscape improvement project.

The URAC approved the following recommendation: *It was moved by Grossman and seconded by Kramer to recommend the Urban Renewal Agency project prioritization, as listed in Attachment B, with the understanding that the Committee will revisit the prioritization of the West gateway and 3rd Street Streetscape projects in the next few months. The motion carried unanimously; Botts absent.* Attachment B, referred to in the above motion, is included at the end of this staff report.

The URAC approved the following goal “*add value to properties within the urban renewal district*” to be added to the Columbia Gateway Urban Renewal Agency Plan.

ALTERNATIVES:

- A. Staff Recommendation: *Move to add a goal of increasing value to properties within the Urban Renewal District to the Plan and approve the prioritization of projects as recommended by the Urban Renewal Advisory Committee.*
- B. Retain the existing goals of the Plan with no changes or additions.
- C. Make amendments to the proposed prioritization list.
- D. Delay a decision until additional information can be provided.

ATTACHMENT B

Urban Renewal: Recommended Schedule of Projects

	Total @ 2014	FY 2014-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 25-26
Beginning Fund Balance		3,870,000	529,212	908,424	1,387,836	473,048	810,510	514,222	906,934	686,546	496,158	338,083	574,914	350,000
Property Tax	N/A	1,455,450	1,553,000	1,656,000	1,784,000	1,873,000	1,910,000	1,949,000	1,988,000	2,028,000	2,068,000	2,109,000	481,771	-
Bond Proceeds	N/A				2,750,000									
Other Income	N/A	4,050,000										365,406	282,415	
Interest Rev	N/A	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000		
Total Resources	N/A	9,380,450	2,087,212	2,569,424	5,926,836	2,351,048	2,725,510	2,468,222	2,899,934	2,719,546	2,569,158	2,817,489	1,339,100	350,000
Bond Payments	N/A	801,238	803,788	801,588	1,153,788	1,150,538	1,151,288	1,151,288	1,793,388	1,793,388	1,791,075	1,792,575	989,100	350,000
Available Resources	N/A	8,579,212	1,283,424	1,767,836	4,773,048	1,200,510	1,574,222	1,316,934	1,106,546	926,158	778,083	1,024,914	350,000	-
Operating Costs	N/A	170,000	175,000	180,000	185,000	190,000	200,000	210,000	220,000	230,000	240,000	250,000	-	-
PO Rehab committed loan	N/A	71,975	28,120	28,120	28,120	26,820	19,380							
Property Owner Rehab	N/A	328,025	171,880	171,880	171,880	173,180	180,620	200,000	200,000	200,000	200,000	200,000	-	-
Washington St Underpass	2,500,000	2,500,000												
1st Street Streetscape	1,710,000	1,710,000												
Granada Block Redevelop	570,000	570,000												
Parking Structure	2,300,000	2,300,000												
Civic Auditorium Theatre	300,000	300,000												
Lewis & Clark Fountain	100,000	100,000												
3rd Street Streetscape	2,475,000	-			2,475,000									
West Gateway	1,440,000	-			1,440,000									
4th Street Streetscape	1,350,000	-												
3rd Place Streetscape	900,000	-					660,000							
Mill Creek Greenway	640,000	-												
West 2nd Street	1,000,000	-												
Total Expenditures		8,851,238	1,178,788	1,181,588	5,453,788	1,540,538	2,211,288	1,561,288	2,213,388	2,223,388	2,231,075	2,242,575	989,100	350,000
Ending Balance	N/A	529,212	908,424	1,387,836	473,048	810,510	514,222	906,934	686,546	496,158	338,083	574,914	350,000	-

**Columbia Gateway Urban Renewal Agency Advisory Committee
Meeting Minutes**

Tuesday, February 18, 2014

5:30 p.m.

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

Members Present: Chris Zukin, Gary Grossman, Linda Miller, Steve Kramer, Robin Miles

Members Absent: Jennifer Botts, Greg Weast*

Staff Present: City Manager Nolan Young, City Attorney Gene Parker, Administrative Fellow Jon Chavers, Administrative Secretary Carole Trautman

Also present: Economic Development Specialist Dan Durow, AmeriCorp RARE-Main Street Coordinator Matthew Klebes

PLEDGE OF ALLEGIANCE

Chair Zukin led the group in the Pledge of Allegiance.

*NOTE: Weast joined the meeting at 5:37 PM.

APPROVAL OF AGENDA

It was moved by Grossman and seconded by Weast to approve the agenda as submitted. The motion carried unanimously; Botts absent.

APPROVAL OF MINUTES

It was moved by Miller and seconded by Miles to approve the January 28, 2014 minutes as submitted. The motion carried unanimously; Botts absent.

PUBLIC COMMENT

None.

ACTION ITEM – Recommendation concerning the Prioritization of Urban Renewal Agency Projects

Administrative Fellow Jon Chavers highlighted the report entitled, “Columbia Gateway Urban Renewal Agency (Agency) Project Prioritization Recommendation.” This revised report was based upon the information received by the Advisory Committee and Agency board members at the January 28, 2014 Joint Urban Renewal Work Session. The recommendation was to place high priority on the urban

renewal projects that would immediately increase property values within the Urban Renewal District (URD). Those projects would include 1st Street Streetscape, 3rd Place Streetscape, 3rd Street Streetscape, 4th Street Streetscape, The Granada Block Redevelopment project, the Washington Street Tunnel project, and a proposed façade restoration program for “for-profit” businesses within the URD. These projects were not listed in order of priority. City Manager Young advised that the projects were listed in the recommended order of priority on Attachment B of the agenda packet. He said the priority listing was based upon historical priorities followed in the past. The Property Rehabilitation Program was loosely prioritized, Young said, but his recommendation was to give it a higher priority because of the possibility of extending UR grant money to “for-profit” businesses in the urban renewal district.

Grossman stated that if the project prioritization is heavily weighted on property values, the Agency should adopt the property values as a goal into the Urban Renewal Plan. City Attorney Parker advised that adding a goal could be done as a minor amendment. Grossman said, for future considerations, it would make more sense for the Agency to adopt any new goals to the Urban Renewal Plan before the Advisory Committee considered changes in project prioritizations.

It was the consensus of the committee to table the discussion, consider agenda item VIII regarding the Property Owner Rehabilitation Program amendment discussion, and revisit the project prioritization issue afterwards.

DISCUSSION ITEM – Amendment to the URA Property Owner Rehabilitation Program to include private business owners within the URD.

Administrative Fellow Chavers stated that the Interest Buy Down Program, designed for “for profit” businesses in the URD, was currently underutilized. Staff proposed to extend the urban renewal matching grants program to “for profit” businesses. The matching grants would be a greater incentive to utilize funds to begin projects on their properties, increase the property value, and make the downtown area a more attractive place for the community and tourists.

RARE Main Street Coordinator Matthew Klebes stated he was currently working with the Odd Fellows organization to pursue an urban renewal grant for a façade restoration on the IOOF Building. From that effort, the proposal to offer the UR Grant Program to “for profit” businesses culminated.

City Manager Young stated \$200,000 is budgeted each fiscal year for both the UR Interest Buy Down Program and the Grant Program. He said that this year some of those funds were currently being used. There is approximately \$5,000 remaining for this fiscal year, and there are also additional funds available from the UR Opportunity Driven Projects line item.

It was the general consensus of the committee to extend the UR Grant Program to “for profit” businesses within the URD.

Main Street Coordinator Klebes gave a PowerPoint presentation on “Case Studies and Examples of Proposed Small Grants Façade Program.” Highlights are as follows:

Case Study – Sandy, Oregon (program originated in 2009)

- Initially allocated \$150,000, program has now funded 1.8 million dollars over a six-year period
- Goals: 1) improve façade appearances in central business district; 2) restore unique historic character to buildings; and 3) encourage private investment in downtown properties and businesses

- Offer two programs – Grant program (match from property owner dependent on project cost) and Façade Master Plan (1% match from property owner)
- Set up “Sandy Style Design Standards”
- 45 projects have been completed, the funds are half spent, \$600,000 matching

Case Study – Milton-Freewater, Oregon (URA started in 1987)

- Program is “sun setting” this year
- City Council approved URA funds for rehabilitation and improvements to existing commercial buildings
- Grants originally started with a 50/50 match but changed to 75/25 due to sun setting status of their urban renewal agency
- Maximum grant award - \$25,000
- Main Street organization acts as the advocate for the program and assists in the development and application process

Example of Possible Program for The Dalles

- \$100,000 starting fund to be used over one year
- Replenish the fund each year
- Eligible projects could include exterior work
- Develop certain design guidelines if utilizing URA funds
- Applications would be reviewed and funded in part, in whole, or not at all
- 50/50 match for all projects
- Main Street to advocate the program and assist in application preparation

Weast asked how much of a potential \$100,000 budget would go towards administrative costs. Young said administrative costs came out of another budget line item. Miles suggested Klebes gather information from Sandy and Milton-Freewater on what kind of results the communities have seen as a result of their grant programs.

Weast expressed a concern that private property owners would need to raise their rents to help pay on a loan for a 50/50 match for a façade improvement. Young suggested perhaps the property owners’ match should be lowered in order to not impact downtown rent rates.

Grossman asked what would be used for design guidelines. City Manager Young said there were no design guidelines except for historic buildings.

Chair Zukin said façade improvements were good, but he would like to see second floor areas restored for housing or office space to increase the “rentability” and income of some buildings. He said it would be more dollars, but applicants could apply for exterior and/or interior projects, and urban renewal could select the best project. Young summarized the discussion by voicing three different approaches to the program; 1) use grant monies for historical façade work; 2) any façade work; and 3) open up to second story interior work. Young suggested restricting second floor work as a downtown goal through the vertical housing program. Weast felt the second story living concept might not be feasible in The Dalles because people would need places to eat, a grocery store, and parking places. Miles said she thought urban renewal should fund as much as possible, and get aggressive.

Chair Zukin asked the committee for suggestions on characteristics of the Property Rehabilitation Grant program. Miller suggested façade restoration. Miles suggested second floor renovation. Miller and Miles suggested separating out non-profit and for-profit applications. Grossman said historically some

available funds remained at the end of some fiscal years, and it might be more advantageous to lump funds together to be competitive on both fronts. Weast commented that the end result for the Grant program for the non-profits is to help with aesthetics. The Grant program for the "for profits" helps the community aesthetically as well, and it generates income for urban renewal. Grossman commented that if the future plan was to place an emphasis on property value increase, then the current drive would be for grants that lead to potential income for urban renewal. The consensus was to have separate guidelines for profit/non-profit businesses. Miles suggested strict design guidelines. Young suggested conferring with Historic Landmarks regarding its guidelines, then decide whether or not to place those standards on just historic buildings or all buildings. Zukin said each project application would go before both urban renewal boards, so there would be some control there. It was the consensus of the committee to open all buildings in the URD to the Historic Landmarks Commission's review.

The committee also discussed the timing of application reviews. Young said three options were 1) first come first serve; 2) twice a year; and 3) prioritize projects with a possible six-month delay. Zukin said delays had occurred in the past because the Agency did not wish to spend all of the money at once in case a larger, more beneficial project came along later on. Dan Durow advised that the Grant application reviews for non-profit and civic groups were scheduled for twice a year, and the Interest Buy Down program was open all year.

Miles stated that potentially an applicant could apply for all three UR funding programs. Zukin suggested each application could be customized in regards to access of funding programs at the time of review.

RARE Main Street Coordinator Klebes asked if roof repairs and elevators could be included in the program. City Manager Young said URA had used funds in the past for roof repair, because roof repair saved buildings. In the past, roofs were repaired through the Interest Buy Down Program, and it was the general consensus of the committee to restrict roof repair to the Interest Buy Down Program only. The Grant program could be used for façade restoration and second story renovations. Weast stated that the installation of an elevator would be cost prohibitive in most cases. Zukin suggested reviewing elevators on a case-by-case basis. Young said there might be a case scenario where one elevator could serve three buildings, which could be advantageous and worthwhile. It was the general consensus of the committee to consider elevators on a case-by-case basis.

In summary, the committee suggested some characteristics for the "for profit" business restoration program:

- Façade restoration
- Second story restoration
- Combine Agency funds for profit/non-profit use
- Separate program guidelines for profit/non-profit businesses
- Possibly apply historic design standards to building exterior grants to both historic and non-historic buildings – staff to bring back HLC design guidelines for committee's consideration before making a recommendation
- Committee will consider some options on the timeline for grant application reviews (i.e. twice a year, first come first serve, review and delay, etc.)
- Applicants could ask for up to three Agency funding sources: Architectural Design, Grant match, and Interest Buy Down and would be reviewed by committees on a case-by-case basis
- Roof repairs restricted to the Interest Buy Down program
- Elevators reviewed on a case-by-case basis

ACTION ITEM (continued) – Urban Renewal Project Prioritization

Miles suggested moving the West Gateway project up in priority to work in conjunction with the Thompson Pool project. City Manager Young said the challenge was having funds available and the timing of additional loans. He suggested moving the West Gateway project in front of the 3rd Street Streetscape in order to get the project work closer in time frame with the pool project. Young offered to have staff review the possibilities of a reprioritization of West Gateway ahead of 3rd Street Streetscape, or phase the project, and bring it back to the committee for consideration. It was the general consensus of the committee to not reprioritize the West Gateway project until the committee revisited the project and 3rd Street Streetscape based on staff's future review and report.

It was moved by Grossman and seconded by Kramer to recommend the Urban Renewal Agency project prioritization, as listed in Attachment B, with the understanding that the committee will revisit the prioritization of the West Gateway and 3rd Street Streetscape projects in the next few months. The motion carried unanimously; Botts absent.

ONGOING URBAN RENEWAL PROJECTS UPDATE

Michael Leash (Rapoza Development Group) and Jason Pasternak (Wave Hospitality) provided the following update for the Granada Block Redevelopment Project:

- **Equity Financing** – Successful meetings at the American Lodging and Investment Summit (AILS) held in January 2014. The project packet was distributed to several more potential equity groups. One very interested group has local and regional ties to The Dalles. More formal discussions and review of terms are anticipated in the next 30 days.
- **Debt Financing** – Team conducted several talks with a Bellevue, Washington real estate investment bank with experience in hospitality assets. Team is working with several local banks interested in providing non-recourse debt financing for the project.
- **Architectural/Design** – Team has been making efforts to Value Engineer the project and increase the attractiveness to both debt and equity investors. Two estimates have been received from reputable hotel general contractors – Anderson and Jansen; and they have also received estimates from Dale Johnson – JRA Architecture and Planning. Team working on shaving 10-15% off the original construction budget.
- **Hilton** – WAVE and VIP Hospitality met with Hilton at the AILS in January; Hilton remains fully committed and excited about The Dalles. Application process will begin in the next months. Team reported the Hilton project in Hood River has been delayed due to legal/environmental issues.
- **Public Relations** - Continued discussions with Portland, Oregon's Weinstein PR regarding their interest in the project. Team will continue to generate a positive buzz during debt and equity efforts to create an additional level of comfort to potential investors.
- **Mid-Columbia Medical Center** – Team has continued talks with MCMC regarding leasing hotel space, and they are looking to further refine the scope of MCMC involvement.
- **Archaeological** – Rapoza Development received a draft report from archaeologists in January 2014. Consistent with RDG's understanding from previous reports, there are more significant findings the deeper they dig. Based on current design plans, team does not anticipate having to dig deeper that would result in disturbing any significant findings. Archaeological costs will continue to be a focus through final design plans.
- **Environmental** – WAVE/RDG/VIP Hospitality do not anticipate environmental hurdles; however, a final sign-off and approval from partners will be required upon securing final equity and debt financing.

FUTURE MEETING – March 18, 2014

ADJOURNMENT

Chair Zukin adjourned the meeting at 6:55 PM.

Respectfully submitted by Administrative Secretary Carole Trautman

Chris Zukin, Chairman

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
PROJECT PRIORITIZATION RECOMMENDATION

Executive Summary:

The purpose of this report is to recommend a prioritization of projects underway or upcoming in the Columbia Gateway Urban Renewal Agency (URA). This brief acknowledges that while all of the current and developing URA projects have worthwhile objectives, current economic conditions constrain the level of activity carried out by the URA. This brief will examine goals common to urban renewal agencies across the United States - including the Portland Development Commission, the City of Seattle and the City of Redmond, Oregon- how these goals are prioritized, and apply this reasoning to the stated goals of the Columbia Gateway URA and draw conclusions about which projects should have highest priority.

Issue:

Which of the Columbia Gateway Urban Renewal Agency's current and developing projects should receive highest priority?

Recommendation:

Highest priority should be assigned to those projects which immediately increase the value of properties within the urban renewal district as a whole. Those projects include (in alpha-numeric order): 1st Street streetscape, 3rd Place streetscape, 3rd Street streetscape, 4th Street streetscape, the Granada Block Hotel, Washington St. undercrossing and a proposed façade restoration program awarding grants to for-profit businesses within the urban renewal district.

It may be desirable to pursue the West Gateway Improvements (located on W. 2nd St. from Lincoln St. to the I-84 overpass) concurrently with swimming pool improvements at Thompson Park anticipated to wrap up before the start of the 2015 summer season. This would require the West Gateway project to assume a higher priority than the streetscape projects listed above.

Of next priority should be projects which meet the following goals:

- Promote economic development and downtown revitalization,
- Eliminate blight,
- Stimulate private investment,
- Create jobs,
- Focus on families,
- Support downtown housing development, and
- Foster public/private partnerships.

Rationale:

AORA Goals

In its Best Practices Guidebook, the Association of Oregon Redevelopment Agencies (AORA) states “*The reason for pursuing urban renewal is to increase the value of properties in the URA*” (Best Practices for Urban Renewal Agencies in Oregon, AORA. Page 16). It is important to note that this goal - increase the value of properties in the URA – is not included in the Columbia Gateway Urban Renewal Agency Plan.

Consideration should be given to a plan amendment stating that increasing the value of properties within the urban renewal district is the primary goal of the urban renewal plan. The activities the URA engages in may achieve this goal, but these activities have not been included in the plan with this particular goal in mind. Until the underlying reason for pursuing urban renewal (i.e. increasing property values) becomes a goal in the URA plan, the fundamental purpose of urban renewal may not be fully realized in the activities the URA undertakes.

URA Goals

The goals of the Columbia Gateway Urban Renewal Agency (URA) are listed below:

- 1) Make strategic investments of urban renewal funds so that unused and underused properties can be placed in productive condition and utilized
- 2) Participate in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved
- 3) Provide an adequate amount of properly located and designed off-street parking
- 4) Create positive linkages among the Downtown and the West Gateway Area
- 5) Improve access and connections from downtown to the Riverfront and to provide facilities, such as trails and a public dock, to enhance public use of the Riverfront
- 6) Improve the visual appearance, capacity, and traffic flow in areas where development would otherwise be inhibited
- 7) Assist property owners in the rehabilitation of their buildings and property

Goals of Other URDs

General urban renewal goals and guiding principles from Redmond, Oregon, Portland and Seattle include the following:

- Promote economic development and downtown revitalization
 - Healthy downtowns attract the interest of discerning employers who recognize that quality of life, a vibrant downtown, housing options, and a healthy community combine to attract quality employees.

- Eliminate blight
 - Conditions of deterioration, irregularity, utilization and depreciation must be removed in order to create an environment that supports and attracts investment.
 - Blight is detrimental to public health, safety, and welfare
 - Encourage land uses which will help create a well-balanced physical and economic environment.

- Stimulate private investment
 - Private investment follows public commitment
 - The City must improve and communicate competitive advantage
 - In order to be successful, the City must actively pursue development opportunities rather than merely passively wait for projects. Projects must position the City for success and create a vibrant, 24-hour neighborhood complete with diverse types of housing, prosperous local businesses, growing employment opportunities, and quality recreational and civic amenities.

- Create jobs
 - The presence of a significant supply of vacant and underutilized commercial and industrial land and insufficient business activity and family wage employment opportunities causes economic blight
 - Urban renewal projects will create quality jobs and an active and vital downtown that will make the city as a whole an attractive location for families and entrepreneurs.
 - Projects should ensure greater inclusion and equity in job opportunities, with an aim to reducing inequality.
 - The local education system should meet employer needs.

- Focus on families
 - A community's proximity to jobs, outdoor amenities, schools, safety, and affordability will appeal to families. Maintaining and strengthening its attractiveness to families will also help The Dalles to attract the employers who seek out quality employees.

- Support downtown housing development
 - When residents live in close proximity to employment and retail centers, they frequent those merchants more frequently and spend less of their time and income on private automobile travel to distant attractors.

- Foster public/private partnerships
 - Urban renewal revenues alone will not be sufficient to fund all of the investments that will be needed for an urban renewal district's revitalization strategy to succeed.
 - Urban renewal can only fund capital investments and some of the needs of downtown will require ongoing operating funding that must come from elsewhere.

- o There are needs and economic development goals and objectives that extend beyond the boundary of an urban renewal district.

Goals and Activities of the URA

The goals of the Columbia Gateway URA and their associated current and developing projects are listed below (see pages 7-9 of the urban renewal plan):

- 1) Make strategic investments of urban renewal funds so that unused and underused properties can be placed in productive condition and utilized
 - a. Grenada Block/Hotel
 - b. Property owner rehabilitation projects
- 2) Participate in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved
 - a. Civic Auditorium
 - b. Downtown Parking Structure
 - c. Granada Block/Hotel
 - d. Property owner rehabilitation projects
- 3) Provide an adequate amount of properly located and designed off-street parking
 - a. Downtown Parking Structure
- 4) Create positive linkages among the Downtown and the West Gateway Area
 - a. 3rd Place Streetscape
 - b. Mill Creek Greenway
 - c. West Gateway Improvements
 - d. West 2nd St. Infrastructure
- 5) Improve access and connections from downtown to the Riverfront and to provide facilities, such as trails and a public dock, to enhance public use of the Riverfront
 - a. L&C Park Fountain
 - b. Washington Street Underpass
- 6) Improve the visual appearance, capacity, and traffic flow in areas where development would otherwise be inhibited
 - a. 1st St. Streetscape
 - b. 3rd St. Streetscape
 - c. 4th St. Streetscape
 - d. West Gateway Improvements
- 7) Assist property owners in the rehabilitation of their buildings and property
 - a. Civic Auditorium
 - b. Property owner rehabilitation projects
 - c. Granada Block/Hotel
- 8) Promote housing in the Downtown area

- a. Property owner rehabilitation projects
- 9) Supplement existing funding sources to construct, install or replace publicly owned utility systems such as water, storm drains, and sanitary sewers where existing facilities are inadequate, undersized or otherwise substandard; install underground utilities in areas of urban renewal projects including alley rights-of-way in the downtown area.
 - a. Granada Block/Hotel
 - b. 3rd St. Streetscape

Highest priority should be assigned to those projects which immediately increase the value of properties within the urban renewal district as a whole. Development of the hotel adjacent to the Granada Theater will constitute an estimated \$20 million private investment into a downtown property. For this reason, the Granada Block/Hotel project will most effectively meet this goal. Other projects that will increase values of downtown properties include: 1st Street streetscape, 3rd Place streetscape, 3rd Street streetscape, 4th Street streetscape, the Washington St. undercrossing and a proposed façade restoration program awarding grants to for-profit businesses within the urban renewal district.

Addressing only the goals specified in the URA Plan and understanding that goals relating to public health, safety, and welfare, and creation of a well-balanced physical and economic environment are of a higher priority than other urban renewal goals, we can prioritize current and upcoming urban renewal projects. Current and upcoming urban renewal projects (listed in alphabetical order) that help fulfill these goals are:

- 1) Civic Auditorium
- 2) Downtown parking structure
- 3) Granada Block/Hotel
- 4) L&C Park fountain
- 5) Mill Creek Greenway
- 6) Property owner rehabilitation projects
- 7) W. 2nd St. infrastructure
- 8) Washington St. underpass
- 9) West Gateway Improvements

Projects (listed in alphabetical order) that fulfill more than one goal are:

- 1) 3rd St. Streetscape – Goals 4, 6 and 9
- 2) Civic Auditorium – Goals 2 and 7
- 3) Downtown parking structure – Goals 2 and 3
- 4) Granada Block/Hotel – Goals 1, 2, 7 and 9
- 5) Property owner rehabilitation projects – Goals 1, 2, 7 and 8

Note that using the URA Plan as a guide, the Granada Block/Hotel project fulfills the highest number of goals simultaneously, while also fulfilling the AORA Best Practices Guidebook goal of increasing downtown property values far more than any other single project.

Policy Options:

Urban renewal attempts to correct private market failures that result in the exclusion of some portions of the population from participation in everyday life in three areas. These three areas are the labor market, health and well-being, and social relationships.

Labor Market:

In the absence of a hunter-gatherer or agricultural economy in which all people own enough land to provide for their own needs, resident participation in the labor market is necessary to sustain life. Being unable to participate in the labor market (being unemployed) “often means that one lacks the financial means to buy those goods and services or to take part in those activities and social circles which are deemed necessary for a normal or decent life in the society of which one is a part” (Burgers & Vranken, 2007).

“It is possible to be employed and yet be socially excluded, a situation that occurs when people are stuck in dead-end or junk-jobs and do not have prospects to improve their [labor] market position”. Opposed to minimum-wage level positions, the types of employment to be encouraged by Urban Renewal Agency activities should be living-wage level positions. A living wage can be defined as “a wage level that offers workers the ability to support families to maintain self-respect and to have both the means and the leisure to participate in the civic life of the nation” (Pollin, 2007) and will vary in from place to place and region to region depending on local economic conditions and local cost of living.

Health and Well-Being:

Full participation in the labor market may not yield the average citizen enough resources to create and enjoy the benefits of a clean and healthy environment, with opportunities for housing, exercise and association with nature. Urban settings created throughout the 20th century are characterized by a hyper-emphasis of the use and storage of private automobiles, hyper-segregation of land uses, and the design strategy emphasizing large lots. The result is an ever-expanding urban environment in which providers of essential goods and services locate themselves further and further from their customer base. Such expansion consumes valuable agricultural land, life-sustaining habitat and attractive natural landscape.

Examples of such urban settings in The Dalles today include strip malls, Home Depot and large chain grocery stores in the west side of the City. The overwhelming majority of residents live between Cherry Heights Rd. and Dry Hollow Rd. on the east side of the City. Major commercial areas of the City continue to creep westward along West 6th St. from Cherry Heights Rd. to the Chenoweth Interchange in pursuit of larger parcels. Those visiting these sites have only one rational means of travelling to them – the private automobile.

In an environment characterized by large lots, single-story warehouse retailers, large parking lots for each retailer, other land uses including residential, green and open space, and offices are neglected or pushed to the perimeter. Residents live further and further from work, school and essential service providers. This situation creates and perpetuates a reliance on and deference toward automobile use.

To correct for these market failures, high-density, mixed use land use development, including alternative transportation infrastructure (pedestrian, bicycle and transit) must be spearheaded by leadership. High-density environments are characterized as places where residents have easy, convenient access to the places and services they use daily, including local markets, restaurants, schools and parks within a one-half to one-mile walking distance.

Social relationships:

Formal and informal social networks give residents access to resources such as educational opportunities, meaningful connections with the people around them and civic and political participation. These relationships can foster the meanings, experiences and emotional attachment that residents assign to a place until a regional character of what a place is or means emerges. Such character can be assigned to neighborhoods, the entire city or collections of cities. New Orleans, for example, may evoke a different set of meanings and emotions than Dufur. Neither city is superior to the other, but the interpersonal connections possible in each city are directly related to the physical built environment.

Opportunities for an urban renewal agency to foster social relationships range from expansion of senior center programs, creation of a downtown public plaza with accompanying festivals and events, funding towards development of artists' or craftsmen studios where skills and trades can be engaged and transmitted interested parties. Any opportunity for the URA to cultivate shared experiences or experiences that a large numbers of visitors and residents can participate in should be pursued. In any event, a place is not remembered (or does not want to be remembered) for its rush hour commute.

Three possible options for decision makers to pursue follow the three different priorities:

- 1) Health and Well Being: Large, concentrated, attention-grabbing property and built-environment redevelopment
 - a. Washington St. underpass
 - b. West Gateway improvements
 - c. L&C Park fountain
 - d. Mill Creek Greenway

Benefits –

- Underpass is an attention grabbing component of the overall vision to connect downtown to the riverfront.

- Improvements at the West Gateway would improve traffic flow at Cherry Heights Rd. and W. 2nd St.
- Unobstructed view of fountain from either Court St. or I-84
- Trails and greenways provide countless opportunities for economic renewal and growth; increased property values and tourism and recreation-related spending on items such as bicycles, in-line skates and lodging are just a few of the ways trails and greenways positively impact community economies.

Downsides –

- Without the freeway underpass portion of the Washington Street project, the underpass only directly connects downtown to the L&C Park, while indirectly connecting to the Commercial Dock and Riverfront Trail via the existing Union Street Underpass.
- Currently a lack of businesses and other attractors on 1st St. and regularly scheduled events at Festival Area will not draw people to view the fountain.
- W. 2nd St. roundabout is not being constructed in conjunction with a new attractor such as the Sunshine Mill.
- Neither project specifically directly addresses goals such as public health or encouraging economic development and job creation

Examples –

- Redmond, Oregon Housing Opportunity Fund: fund to support the development of targeted housing types in the District through gap financing, development planning, public amenities, and other tools. The development of a wide range of housing including apartments, townhouses, small-lot cottages, senior housing, and other types will meet market opportunities from workers, small households, retirees, first-time homebuyers, and others. This, in turn, will support downtown retail and will increase the overall level of activity and vitality downtown.
- Millennium Park, Chicago: new 24.5 acre park extending the existing Daley Park and Lakefront Trail that hosts free cultural programs including concerts, exhibitions, tours and family activities. Site was previously occupied with parkland, rail yards and parking lots.

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- 2) Social relationships: Small, area-wide improvements and infrastructure maintenance
- a. Streetscape improvements on 1st St., 3rd St., 3rd Pl. and 4th Streets

Benefits –

- “An improved central business district appearance makes for a more distinctive character and entices more shoppers downtown. The success of designed shopping centers has demonstrated to the satisfaction of most people that

"amenity" — pleasant surroundings, including some landscaping — is profitable" (American Society of Planning Officials, 1959).

- "A key element to the success of a downtown is the provision of an attractive and inviting public realm. Improvements to the streetscape are essential for creating an environment of tree-lined, pedestrian-oriented walking streets and outdoor plazas with frequent gathering spaces, outdoor cafes and seating areas, and unique design elements. These elements will ensure that streets are inviting public spaces that will be used by the community, and that also set the stage for new investment along its edges" (City of Burlingame, 2010).

Downsides –

- Specific economic benefits to parties except the taxing agency cannot be identified.

Examples –

- Pearl District, Portland: The city's Pearl District was once home to warehouses and abandoned factories that were converted in the 1990's into converted into mixed-use commercial, dining and residential buildings; area = .47 sq. miles.

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- 3) Labor market: Immediate or area-wide economic benefits and/or job creation
- a. Civic Auditorium
 - b. Downtown parking structure
 - c. Granada block/hotel
 - d. Various storefront rehabilitation projects

Benefits –

- Restoring the Civic's 1,100 seat theatre/auditorium would create the largest major entertainment venue between Portland and Boise.
- The first floor of the parking structure will contain retail spaces near new attractors such as the Washington St. Underpass/plaza, L&C Park and Fountain and cruise ship dock.
- Development of the Granada Block will preserve the historic Granada Theatre and introduce a 4- to 5-story nationwide hotel chain to downtown, also near attractors such as the Washington St. underpass/plaza, L&C Park and Fountain and cruise ship dock.
- Various storefront rehabilitation projects:
 - Enhance the City's sense of community by creating a strong and visible retail service center in the downtown area;
 - Increase the pace of downtown development that would not normally occur unless the market produced such development; and to

- Keep businesses from relocating who would otherwise find it economically difficult to continue providing service in the downtown area without improvements to the exterior appearance of their building.

Downsides –

- “Given a typical incentive package that represents about a 30% cut in state and local taxes... only about 1 in 10 new jobs in the average community will actually be attributable to the incentives” (Peters & Fisher, 2004).

Examples –

- Redmond, Oregon Restaurant Program: Food services and restaurants are one of the strongest retail sectors for downtowns, as they provide a unique experience that does not compete with the big box experience elsewhere in town. Yet restaurants have a high barrier to entry, often requiring significant building improvements and large up-front capital investments by entrepreneurs, particularly when historic buildings such as those in Redmond are involved. The restaurant program would provide for public financing and/or ownership of expensive kitchen equipment, making it easier for new restaurants to locate in the District.
- Port of Morrow, Boardman: The 2nd largest port in Oregon has contributed to the average annual wage in Morrow County reaching \$40-\$42,500 (Source: Oregon Employment Department, August 31, 2012).

Recommendations

The recommended course of action is to place highest priority on those projects which immediately increase the value of properties within the urban renewal district as a whole. Following the URA Plan, the Granada Block/Hotel project fulfills the highest number of goals, while simultaneously fulfilling the AORA Best Practices Guidebook goal of increasing downtown property values far more than any other single project.

Because the primary purpose of urban renewal - increasing value of properties within the urban renewal district - is not a stated goal of the URA plan, an amendment to the plan would be required to ensure urban renewal activities are measured against this criteria.

Other projects that will increase values of downtown properties (listed in alpha-numeric order) include:

- 1st Street streetscape,
- 3rd Place streetscape,
- 3rd Street streetscape,
- 4th Street streetscape and
- a proposed façade restoration program awarding grants to for-profit businesses within the urban renewal district.

Improvements to the West Gateway (located on W. 2nd St. from Lincoln St. to the I-84 overpass) concurrent with swimming pool improvements at Thompson Park may be desirable.

The pool project is anticipated to wrap up before the start of the 2015 summer season. This would require the West Gateway project to assume a higher priority than the streetscape projects listed above.

Next priority should be put on projects meeting the goal of growing the labor market and creating jobs – namely:

- the ongoing Civic Auditorium restoration activities
- the downtown parking structure

These projects specifically address the highest priorities of both enhancing public health, safety, and welfare, and creating a well-balanced physical and economic environment.

Other current and developing URA projects, such as the L&C Park fountain or the Mill Creek Greenway have worthwhile objectives addressing community amenities and correct for market failures resulting in residents' exclusion from activities which nurture health and well-being and social relationships. All three areas of activity for urban renewal activities, including increasing access to the local labor market, health and well-being and social relationships, should be pursued by the URA. However, the highest consideration should always be given to projects that increase property values and improve the public health and economic environments.

This report strongly recommends that both the Urban Renewal Advisory Committee and the Urban Renewal Agency consider as a priority a proposed amendment to the existing façade restoration program. The existing program offers matching grants to façade restoration projects for “public, non-profit, and civic organizations” only. The proposed amendment calls for the expansion of the program to include for-profit businesses. Given the abundance of for-profit business properties within the urban renewal district and lack of participation in the agency's low-interest loan program to incentivize façade restoration for such properties, the expansion of the current program will greatly improve the appearance and value of Downtown The Dalles.

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