IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

Meeting Conducted in a Room in Compliance with ADA Standards

Tuesday, August 15, 2017

5:30 p.m.

City Hall Council Chambers
313 Court Street
The Dalles, Oregon

I. CALL TO ORDER

II. ROLL CALL

Scott Baker, Staci Coburn, Taner Elliott, John Fredrick, Steve Kramer, Darcy Long-Curtiss, Linda Miller, Chuck Raleigh and Kathy Schwartz

III. PLEDGE OF ALLEGIANCE

IV. APPROVAL OF AGENDA

V. APPROVAL OF MINUTES – July 18, 2017

VI. PUBLIC COMMENTS for items not on the agenda

VII. PRESENTATIONS

A. Granada Theatre
Renovation Status, Chuck Gomez, Owner

B. Mid-Columbia Economic Development District
Programs and Activities, Amanda Hoey, Executive Director

VIII. ACTION ITEM

A. Modification of Lender Criteria Standards for Agency's Redevelopment and Restoration Loan Interest Subsidy Program

B. Redevelopment and Restoration Loan Interest Subsidy Application for the Honald Building (Travis Dillard, applicant)

C. Urban Renewal Property Rehabilitation Façade Improvement Application for the Granada Theatre (Gomez/Liddell, applicants)

D. Sunshine Mill (Discover Development, LLC) Installment Loan Restructuring – Status of Negotiations and Request to Prepare a Revised Fifth Amendment to the Loan Payment Agreement

IX. STAFF COMMENTS
Next Meeting Date: September 19, 2017

X. BOARD MEMBERS COMMENTS OR QUESTIONS

XI. ADJOURNMENT

IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

Meeting Conducted in a Room in Compliance with ADA Standards

Tuesday, July 18, 2017

5:30 p.m.

City Hall Council Chambers

313 Court Street

The Dalles, Oregon

I. CALL TO ORDER

Vice Chair Elliott called the meeting to order at 4:30 p.m.

II. ROLL CALL

Present: Scott Baker, Staci Coburn, Steve Kramer, Darcy Long-Curtiss, Linda Miller, Chuck Raleigh and Kathy Schwartz
John Fredrick arrived at 5:43 p.m.

Absent: Taner Elliott

Staff Present: Urban Renewal Manager Steve Harris, City Attorney Gene Parker, Finance Director Angie Wilson and Assistant to the City Manager Matthew Klebes

III. PLEDGE OF ALLEGIANCE

Vice Chair Miller led the Pledge of Allegiance.

IV. APPROVAL OF AGENDA

Board Member Kramer motioned to approve the agenda. Board Member Raleigh seconded the motion; the motion passed unanimously.

V. APPROVAL OF MINUTES

Board Member Fredrick motioned to approve the minutes as written. Board Member Kramer seconded the motion; the motion passed unanimously.

VI. PUBLIC COMMENTS

None.

VII. PRESENTATION

Jeremiah Paulsen, Executive Director of Main Street, gave a presentation on the Main Street organization.

In response to Board Member inquiries, Paulsen stated:

- There are four committees.
- The Design and Promotion committees are the strongest.

DRAFT

- The Economic Vitality committee conducted the Business Retention Expansion Survey.
- A part of Paulsen's role in Main Street is to act as a consultant to property owners.
- Main Street and the Chamber of Commerce work cooperatively with separate duties to avoid duplication of effort.
- Progress was made on the second priority, "develop a coordinated vision and experience." The Development committee was promoting the downtown and getting closer to a defined identity and branding strategy.
- Committee members were not currently listed on the website. Meetings are open to the public and the website is under development.

VIII. ACTION ITEM

Agency Board Motion Clarification – Sunshine Mill

Director Harris presented the staff report. He added that the May, June and July payments are current.

Board consensus was that the loan be paid in full.

Board Member Long-Curtiss moved to change the wording from the May 3, 2017, motion back to exactly what was said on the recording with a clarifying note that the Board did intend for the offer to be paid in full; negotiations will request the loan be paid in full. Board Member Raleigh seconded the motion; the motion passed 5-0, Schwartz abstained.

(The minutes of May 3, 2017, remain as approved with the understanding that the loan be paid in full, payment will not be required in one lump sum.)

Harris referred to a previous amendment directing the Sunshine Mill to seek commercial financing for the loan. Sunshine Mill provided a copy of the letter from Columbia Bank, Exhibit 1. Sunshine Mill reached out to other lenders as well.

In response to an earlier inquiry, the County Assessor provided a spreadsheet showing outstanding balances on the Sunshine Mill's property tax payments, Exhibit 2.

Long-Curtiss asked if the agreement with Sunshine Mill required that taxes remain current. Harris replied the County could enter a foreclosure tax sale after four years of nonpayment. Harris clarified the Agency's property represents $61,175.47 in taxes due.

Jill Amery, Wasco County Assessor and Tax Collector, clarified the process. Amery stated the County's collection efforts are driven by statute. At four years when a property is delinquent it goes into a foreclosure process and a judgement is filed. The County then owns the property; however, the County does not take possession for an additional two years. There is a two year redemption period in which the homeowner is allowed by statute to stay on the property. During those two years you would then have to pay in total all the outstanding tax. At the end of six years, the County would then take the deed and possession of the property.

DRAFT

Currently, Sunshine Mill is delinquent two years. It would be an additional two years before a judgement is filed, and another two years before the County would take possession.

Amery stated tax information is now available on their website.

Board Member Baker asked what fees are incurred for delinquent taxes. Amery stated interest accrues on delinquent taxes; warrant and judgement fees will accrue after four years. She added if an entity had a lien on the property, they could pay the past due tax and redeem the property in that two year redemption period.

Vice Chair Miller stated Urban Renewal would then have to pay more money to avoid losing the property.

Board discussion included the opportunity to create new, more robust agreements and address issues not detailed in the original agreement (such as the requirement that taxes remain current). An assurance of equity is also desirable. The contribution to the community by Sunshine Mill was not in dispute; repayment of the loan will fund other ventures in the community.

Miller asked if there were Uniform Commercial Code (UCC) files on the equipment. City Attorney Parker replied he would check into the UCC files.

IX. DISCUSSION – Various Agency Matters

Director Harris presented the staff report and distributed a map of the Downtown Urban Renewal Boundary, Exhibit 3.

Harris provided updates on projects detailed in the staff report.

Miller noted projects not mentioned in the staff report included the boat dock, the Lewis and Clark Festival Park, and the Union Street underpass.

Board discussion referred to the need for a focused vision for future projects, the balance between available funding and diverse project submittals, and how specific projects may further the vision of urban renewal. Also discussed were guidelines for vetting projects.

It was stated that infrastructure improvements are necessary, and partnering with cooperating agencies would increase the effectiveness of urban renewal.

Board Member Coburn stated her concern with decisions made by the prior Urban Renewal Agency. In regards to loan payments and taxes, Coburn asked who managed the process of ongoing monitoring and what information was provided to the Board. Miller replied the Board relied on Staff for that information.

Board consensus was to adopt bylaws. Harris stated staff would draft bylaws for Board approval.

Finance Director Wilson provided and reviewed bond information, Exhibit 4. Wilson stated combining the 2008/2009 bonds would produce a savings of $573,000. If

renewed, the Urban Renewal Agency would continue as well. Wilson stated interest rates would be significantly reduced. Board consensus was to move forward on renewing the bond.

Harris suggested the Board review the materials provided and discuss at the next meeting. Harris stated he was working on amendments to the loan and grant programs as well as amendments to the Urban Renewal plan.

X. STAFF COMMENTS

Harris stated future meetings would include:

- An update on the Granada Building improvements
- Additional information on the hotel project from Mr. Leash, and
- A presentation by Amanda Hoey, Executive Director for Mid-Columbia Economic Development District, to revisit lender eligibility.

XI. BOARD MEMBER COMMENTS OR QUESTIONS

Board Member Fredrick stated his company had been hired to work at the Granada Building; he would no longer vote on items connected to the Granada Building.

XII. Vice Chair Miller adjourned the meeting at 7:08 p.m.

Respectfully Submitted
Paula Webb, Planning Secretary

_____

Linda Miller, Vice Chair

DRAFT

Columbia Bank

July 11, 2017

Natasha Skov

Copa Di Vino

Re: Loan Request

Dear Natasha:

Columbia Bank has been reviewing the financial displays that you provided over these last couple of weeks. We appreciated the time you gave us for the on-site tour, the explanation of the inter-workings of the different involved companies, and your pleasant help with follow-up questions since.

Our review included discussions with credit administration on the potential we see for the future. It is noted that positive trends are seen in your business growth. At this time your financial position is however still not strong enough to support a loan approval for neither of the two options we discussed, one a refinance of the immediate loan need, and secondly, a combined loan to retire both notes regarding the Sunshine Mill property.

Though not a good fit at this moment, I want to advise you that I will retain your information, and ask that you continue to provide financial displays at appropriate times. I will be happy to give the project re-consideration in the future. Please let me know if you have any questions, and again thank you for allowing us the opportunity to work with you.

Sincerely,

Damon R. Hulit

Vice President/Commercial Loan Officer

Damon Hulit
VP, Commercial Banking Officer
The Gorge

Columbia Bank

The Dalles Branch
316 E 3rd Street
The Dalles, OR 97058

P 541-506-0124 | C 541-400-0468 | F 541-296 1372
dhulit@columbiabank.com

nmls 1172473

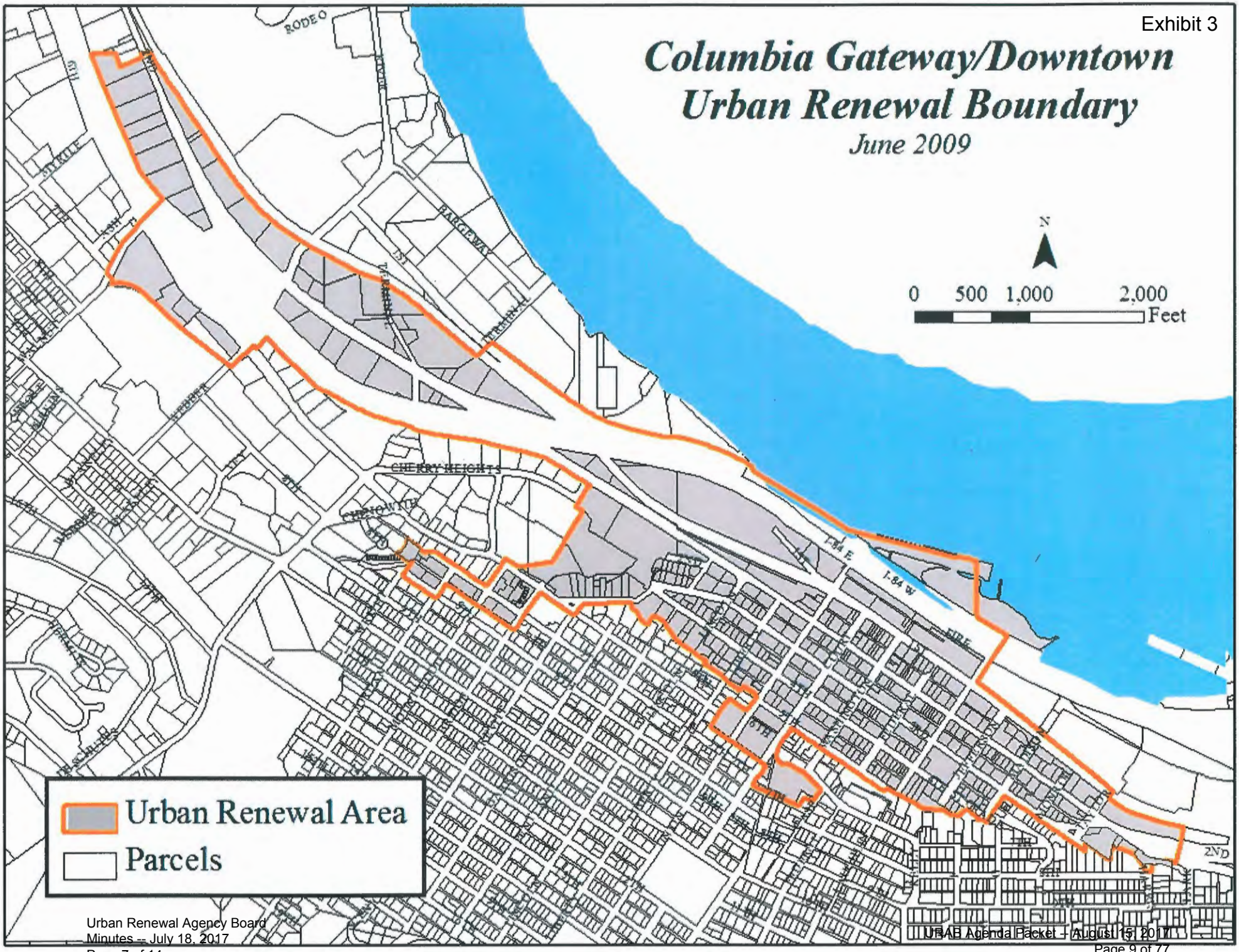
Account #	Bal O/S	Years O/S
4328	40,752.69	2015, 2016
17880	11,664.28	2015, 2016
17828	3,104.28	2015, 2016
17906	3,868.80	2015, 2016
63648	1,785.42	2016
64127	Paid	2016
17841	35,206.20	2013, 2014, 2015, 2016
Total	96,381.67	

Accounts 4328, 17880, 17828, 17906, 63648, 64127 are associated with the winery at 901 E 2nd St.
Account 17841 is First Power Enterprises c/o Sunshine Mountain Vineyard and is the 306.88 acres of vineyard.

Exhibit 3

Columbia Gateway/Downtown Urban Renewal Boundary

June 2009



City of The Dalles, Oregon

Summary of Refunding Scenarios

Proposed Refundings		
Refunded Bonds	Water Revenue Bonds, Series 2007	Full Faith and Credit Obligations, Series 2008 and 2009 Combined
Structure		
Security	Water Revenues	FFC + URA Revenues
Credit Enhancement	Bond Insurance	None
Debt Service Reserve Fund	Surety Bond	URA Component Only
Statistics		
Par Amount of Refunded Bonds	$6,125,000	$7,515,000
Average Coupon of Refunded Bonds	4.33%	4.72%
Par Amount of Refunding Bonds	$5,420,000	$7,100,000
True Interest Cost (TIC)	2.78%	2.45%
Total Savings	$747,164	$573,093
Net PV Savings	$582,809	$618,260
% Savings of Proceeds	9.23%	7.52%

SUMMARY OF REFUNDING RESULTS

City of The Dalles
Proposed Refunding of Series 2008 and 2009 FFCOs
Uniform Savings Structure
Current Market Rates (4-25-17)

	Proposed Refunding of 2009 Full Faith & Credit Obligations (URA Projects)	Proposed Refunding of 2009 Full Faith & Credit Obligations (LID Projects)	Proposed Refunding of 2008 Full Faith & Credit Obligations	Total
Dated Date	08/01/2017	08/01/2017	08/01/2017	08/01/2017
Delivery Date	08/01/2017	08/01/2017	08/01/2017	08/01/2017
Arbitrage Yield	2.232123%	2.232123%	2.232123%	2.232123%
Escrow Yield	1.340727%	1.340724%	1.162410%	1.324771%
Value of Negative Arbitrage	83,445.19	18,618.38	12,101.65	114,165.22
Bond Par Amount	4,780,000.00	1,035,000.00	1,285,000.00	7,100,000.00
True Interest Cost	2.510070%	2.507584%	1.889099%	2.446806%
Net Interest Cost	2.768873%	2.765918%	1.999515%	2.691077%
All-In TIC	2.633449%	2.631306%	2.127538%	2.581786%
Average Coupon	4.873294%	4.871795%	4.232330%	4.808635%
Average Life	7.716	7.693	3.899	7.022
Weighted Average Maturity	7.821	7.799	3.955	7.156
Par amount of refunded bonds	5,040,000.00	1,125,000.00	1,350,000.00	7,515,000.00
Average coupon of refunded bonds	4.805252%	4.807359%	4.096209%	4.734717%
Average life of refunded bonds	7.704	7.700	3.907	7.022
Remaining weighted average maturity of refunded bonds	7.728	7.722	3.901	7.079
PV of prior debt	5,979,615.18	1,334,839.92	1,452,220.96	8,766,676.07
Net PV Savings	450,609.92	101,795.49	65,855.07	618,260.48
Percentage savings of refunding proceeds	8.049957%	8.401298%	4.677087%	7.523825%

SAVINGS

City of The Dalles
Proposed Refunding of Series 2008 and 2009 FFCOs
Uniform Savings Structure
Current Market Rates (4-25-17)

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 08/01/2017 @ 2.2321228%
12/01/2017	171,377.50	109,250.00	62,127.50	-	61,669.50
06/01/2018	171,377.50	163,875.00	7,502.50	69,630.00	7,364.99
12/01/2018	171,377.50	163,875.00	7,502.50	-	7,283.70
06/01/2019	421,377.50	403,875.00	17,502.50	25,005.00	16,804.52
12/01/2019	166,377.50	160,275.00	6,102.50	-	5,794.47
06/01/2020	926,377.50	880,275.00	46,102.50	52,205.00	43,292.27
12/01/2020	151,177.50	145,875.00	5,302.50	-	4,924.32
06/01/2021	946,177.50	895,875.00	50,302.50	55,605.00	46,199.27
12/01/2021	135,402.50	130,875.00	4,527.50	-	4,112.29
06/01/2022	960,402.50	905,875.00	54,527.50	59,055.00	48,980.23
12/01/2022	118,727.50	115,375.00	3,352.50	-	2,978.20
06/01/2023	978,727.50	925,375.00	53,352.50	56,705.00	46,872.68
12/01/2023	99,100.00	95,125.00	3,975.00	-	3,453.68
06/01/2024	694,100.00	655,125.00	38,975.00	42,950.00	33,489.67
12/01/2024	84,968.75	81,125.00	3,843.75	-	3,266.33
06/01/2025	709,968.75	671,125.00	38,843.75	42,687.50	32,644.16
12/01/2025	70,125.00	66,375.00	3,750.00	-	3,116.70
06/01/2026	725,125.00	686,375.00	38,750.00	42,500.00	31,850.47
12/01/2026	53,750.00	50,875.00	2,875.00	-	2,337.02
06/01/2027	738,750.00	700,875.00	37,875.00	40,750.00	30,447.84
12/01/2027	36,625.00	34,625.00	2,000.00	-	1,590.06
06/01/2028	751,625.00	709,625.00	42,000.00	44,000.00	33,022.72
12/01/2028	18,750.00	17,750.00	1,000.00	-	777.58
06/01/2029	768,750.00	727,750.00	41,000.00	42,000.00	31,528.77
	10,070,517.50	9,497,425.00	573,092.50	573,092.50	503,801.45

Savings Summary

PV of savings from cash flow	503,801.45
Less: Prior funds on hand	-449,762.83
Plus: Refunding funds on hand	564,221.86
Net PV Savings	618,260.48

MA RULE DISCLOSURE

City of The Dalles
Proposed Refunding of Series 2008 and 2009 FFCOs
Uniform Savings Structure
Current Market Rates (4-25-17)

Piper Jaffray is providing the information contained herein for discussion purposes only in anticipation of being engaged to serve as underwriter or placement agent on a future transaction and not as a financial advisor or municipal advisor. In providing the information contained herein, Piper Jaffray is not recommending an action to you and the information provided herein is not intended to be and should not be construed as a 'recommendation' or 'advice' within the meaning of Section 15B of the Securities Exchange Act of 1934. Piper Jaffray is not acting as an advisor to you and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act or under any state law to you with respect to the information and material contained in this communication. As an underwriter or placement agent, Piper Jaffray's primary role is to purchase or arrange for the placement of securities with a view to distribution in an arm's-length commercial transaction, is acting for its own interests and has financial and other interests that differ from your interests. You should discuss any information and material contained in this communication with any and all internal or external advisors and experts that you deem appropriate before acting on this information or material.

The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today's market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Jaffray expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Jaffray could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Jaffray as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.

SUMMARY OF REFUNDING RESULTS

City of The Dalles
Proposed Refunding of 2007 Water Revenue Bonds
Uniform Refunding, Insured and Surety
Current Market Rates (4-25-17)

Dated Date	08/01/2017
Delivery Date	08/01/2017
Arbitrage yield	2.449416%
Escrow yield	0.848731%
Value of Negative Arbitrage	8,178.20
Bond Par Amount	5,420,000.00
True Interest Cost	2.784166%
Net Interest Cost	3.089082%
All-In TIC	3.042967%
Average Coupon	4.889773%
Average Life	8.620
Weighted Average Maturity	8.816
Par amount of refunded bonds	6,125,000.00
Average coupon of refunded bonds	4.330613%
Average life of refunded bonds	8.606
Remaining weighted average maturity of refunded bonds	8.597
PV of prior debt to 08/01/2017 @ 2.449416%	7,035,780.42
Net PV Savings	582,809.31
Percentage savings of refunding proceeds	9.226575%

SAVINGS

City of The Dalles
Proposed Refunding of 2007 Water Revenue Bonds
Uniform Refunding, Insured and Surety
Current Market Rates (4-25-17)

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 08/01/2017 @ 2.4494157%
12/01/2017	131,702.50	82,533.33	49,169.17	-	48,771.77
06/01/2018	431,702.50	428,800.00	2,902.50	52,071.67	2,844.21
12/01/2018	125,327.50	120,750.00	4,577.50	-	4,431.30
06/01/2019	440,327.50	395,750.00	44,577.50	49,155.00	42,631.61
12/01/2019	118,633.75	116,625.00	2,008.75	-	1,897.82
06/01/2020	443,633.75	396,625.00	47,008.75	49,017.50	43,875.46
12/01/2020	111,727.50	111,025.00	702.50	-	647.74
06/01/2021	451,727.50	401,025.00	50,702.50	51,405.00	46,184.82
12/01/2021	104,502.50	105,225.00	-722.50	-	-650.16
06/01/2022	459,502.50	410,225.00	49,277.50	48,555.00	43,807.20
12/01/2022	96,958.75	99,125.00	-2,166.25	-	-1,902.47
06/01/2023	466,958.75	414,125.00	52,833.75	50,667.50	45,839.01
12/01/2023	89,096.25	91,250.00	-2,153.75	-	-1,846.00
06/01/2024	474,096.25	421,250.00	52,846.25	50,692.50	44,747.10
12/01/2024	80,915.00	83,000.00	-2,085.00	-	-1,744.10
06/01/2025	480,915.00	428,000.00	52,915.00	50,830.00	43,727.68
12/01/2025	72,515.00	74,375.00	-1,860.00	-	-1,518.46
06/01/2026	492,515.00	439,375.00	53,140.00	51,280.00	42,857.43
12/01/2026	63,695.00	65,250.00	-1,555.00	-	-1,238.93
06/01/2027	498,695.00	445,250.00	53,445.00	51,890.00	42,066.72
12/01/2027	54,560.00	55,750.00	-1,190.00	-	-925.32
06/01/2028	509,560.00	460,750.00	48,810.00	47,620.00	37,494.48
12/01/2028	44,550.00	45,625.00	-1,075.00	-	-815.79
06/01/2029	519,550.00	470,625.00	48,925.00	47,850.00	36,678.89
12/01/2029	34,100.00	35,000.00	-900.00	-	-666.56
06/01/2030	529,100.00	480,000.00	49,100.00	48,200.00	35,924.76
12/01/2030	23,210.00	23,875.00	-665.00	-	-480.67
06/01/2031	538,210.00	488,875.00	49,335.00	48,670.00	35,228.52
12/01/2031	11,880.00	12,250.00	-370.00	-	-261.01
06/01/2032	551,880.00	502,250.00	49,630.00	49,260.00	34,586.81
	8,451,747.50	7,704,583.33	747,164.17	747,164.17	622,193.85

Savings Summary

PV of savings from cash flow	622,193.85
Less: Prior funds on hand	-43,900.83
Plus: Refunding funds on hand	4,516.29
Net PV Savings	582,809.31

MA RULE DISCLOSURE

City of The Dalles
Proposed Refunding of 2007 Water Revenue Bonds
Uniform Refunding, Insured and Surety
Current Market Rates (4-25-17)

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The information contained herein may include hypothetical interest rates or interest rate savings for a potential refunding. Interest rates used herein take into consideration conditions in today's market and other factual information such as credit rating, geographic location and market sector. Interest rates described herein should not be viewed as rates that Piper Jaffray expects to achieve for you should we be selected to act as your underwriter or placement agent. Information about interest rates and terms for SLGs is based on current publically available information and treasury or agency rates for open-market escrows are based on current market interest rates for these types of credits and should not be seen as costs or rates that Piper Jaffray could achieve for you should we be selected to act as your underwriter or placement agent. More particularized information and analysis may be provided after you have engaged Piper Jaffray as an underwriter or placement agent or under certain other exceptions as describe in the Section 15B of the Exchange Act.

IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA STAFF REPORT
AGENDA LOCATION: VIII. A.

DATE: August 15, 2017

TO: Chair and Members of the Urban Renewal Agency Board

FROM: Steven K. Harris, AICP
Urban Renewal Manager

ISSUE: **Modification of Lender Criteria Standards for Agency's Redevelopment and Restoration Loan Interest Subsidy Program**

BACKGROUND

The Mid-Columbia Economic Development District (MCEDD) has submitted a request to modify the eligibility criteria for lenders that individuals desiring to participate in the Agency's Redevelopment and Restoration Loan Interest Subsidy Program can utilize.

The Loan Interest Subsidy Program subsidizes interest on loans used to pay for eligible redevelopment and restoration work. The program covers a wide variety of activities providing exterior improvements, rehabilitation or restoration of building exteriors and facades. Additionally the program allows for limited interior improvements.

Canton Wok restaurant owners currently participate in this program. Travis Dillard, owner of the Honald Building, has secured financing from MCEDD for the renovation of nine upstairs apartments and has submitted an application requesting a loan interest rate subsidy. Approval of the proposed lender criteria modification would allow the Board to consider Mr. Dillard's request on that portion of his financing secured from MCEDD.

DISCUSSION

As currently authorized potential applicants for the Agency's Redevelopment and Restoration Loan Interest Subsidy Program are limited to using lenders that are federally regulated and insured financial institutions (e.g., credit unions, savings and loans, thrifts and finance companies). This limitation effectively excludes other sources

of financing which may be available to an individual that desires to participate in the program; financing from such sources as MCEDD and the North Central Oregon Attainable Housing Fund would not qualify under current program guidelines. The attached memorandum from MCEDD presents the issue and provides suggested revisions to the program guidelines language.

Existing language

Participating Banks:

Loans qualifying for the Agency interest subsidy program may be obtained through any federally regulated and insured financial institution, including credit unions, savings and loans, thrifts, and finance companies.

Proposed language

Participating Banks:

Loans qualifying for the Agency interest subsidy program may be obtained through any federally regulated and insured financial institution, including credit unions, savings and loans, thrifts, and finance companies. Loans qualifying for the Agency interest subsidy program may also be obtained from intermediary lenders with the legal authority to operate revolving loan funds, including economic development entities, government and non-profit lending programs such as Mid-Columbia Economic Development District's programs.

STAFF RECOMMENDATIONS

Staff supports the modification as proposed.

BOARD Alternatives

1. Staff recommends that the Urban Renewal Agency Board move to approve modification of the eligibility criteria for lenders an applicant in the Agency's Redevelopment and Restoration Loan Interest Subsidy Program may utilize as follows:

   - *Loans qualifying for the Agency interest subsidy program may also be obtained from intermediary lenders with the legal authority to operate revolving loan funds, including economic development entities, government and non-profit lending programs such as Mid-Columbia Economic Development District's programs.*

2. Deny the requested modification.

3. Provide staff with direction as appropriate.

Attachments

- Memorandum from MCEDD (dated June 30, 2017)

MEMORANDUM

To: Columbia Gateway Urban Renewal Agency– City of The Dalles
From: Amanda Hoey and Eric Nerdin, Mid-Columbia Economic Development
Date: June 30, 2017
Re: Urban Renewal Policy Revision

Request

Remove the designation that federally regulated and insured financial institutions are the only allowed lenders for the Agency Redevelopment and Restoration Loan Interest Subsidy Program. The policy, as written, excludes leveraging the new Attainable Housing revolving loan fund with the Urban Renewal interest rate subsidy program. As the Attainable Housing fund did not exist at the time of the last policy, the Agency would not have conceived of a need to have a broader policy statement. However, conditions have changed and we want developers and business owners in The Dalles to be able to access a full range of resources to meet community objectives related to downtown development and housing.

> ***Current policy:*** "Loans qualifying for the Agency interest subsidy program may be obtained through any federally regulated and insured financial institution, including credit unions, savings and loans, thrifts, and finance companies." *(Page 6, Property Rehabilitation Grant and Loan Programs Administrative Plan and Program Descriptions updated and revised as October 15, 2015)*

An unforeseen consequence from this restriction is that loans originated through economic development entities, government and non-profit lending programs (such as the North Central Oregon Attainable Housing Fund managed by Mid-Columbia Economic Development District) do not qualify for this program. It unintentionally disadvantages certain borrowers.

> ***Proposed revision:*** Loans qualifying for the Agency interest subsidy program may be obtained through any federally regulated and insured financial institution, including credit unions, savings and loans, thrifts, and finance companies. Loans qualifying for the Agency interest subsidy program may also be obtained from intermediary lenders with the legal authority to operate revolving loan funds, including economic development entities, government and non-profit lending programs such as Mid-Columbia Economic Development District's programs.

The proposed revision is intended to still protect the fund from subsidizing predatory lenders.

Overview; History

Only allowing federally regulated and insured financial institutions to provide qualifying loans was designed to avoid high cost loans from potential predatory lenders from qualifying for Agency interest rate subsidy program. However, an unforeseen consequence from this restriction is that loans through economic development entities, government and non-profit lending programs do not qualify for this program. An example of a program that is constrained by the urban renewal language, is the North Central Oregon Attainable Housing Revolving Loan Fund (AHDF) which is managed by Mid-Columbia Economic Development District and designed to provide loan resources to address a shortage of quality housing stock at price ranges and rental levels which are commensurate with the financial capabilities of workers and households in the region. The Attainable Housing RLF was seeded with $2 million from the State of Oregon. Some eligible urban renewal rehabilitation projects may qualify for AHDF loans but given the restrictions imposed by urban renewal, a borrower utilizing this fund could

not benefit from the interest rate subsidy for that portion of their financing. Allowing loans from economic development entities, government and non-profit lending programs to qualify as eligible entities further incentives project completion for projects that align with the mission and purpose of the Agency. It also provides more opportunities for Agency funds to leverage funds provided by these other entities that will increase property values and help provide needed attainable housing in The Dalles.

Connection to City Strategies

Revising this language would coincide with the adopted strategies that came out of the Buildable Lands Inventory and Housing Needs Analysis, particularly with 'Partnering #3 – Develop and use one or more new or existing financing sources or tools to meet the community's most critical housing needs.' This was recommended with high priority and a medium-high relative impact.

Recommendation

Remove the designation that "federally regulated and insured financial institution" are the only allowed lenders for the Agency Redevelopment and Restoration Loan Interest Subsidy Program. Amend the policy to include intermediary lenders with the legal authority to operate revolving loan funds, including economic development entities, government and non-profit lending programs.

IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA STAFF REPORT
AGENDA LOCATION: VIII. B.

DATE: August 15, 2017

TO: Chair and Members of the Urban Renewal Agency Board

FROM: Steven K. Harris, AICP
Urban Renewal Manager

ISSUE: **Redevelopment and Restoration Loan Interest Subsidy Application for the Honald Building, 400 E. 2nd Street (Travis Dillard, Applicant)**

BACKGROUND

Travis Dillard, owner of the Honald Building at 400 East 2nd Street, has submitted an application for funding from the Agency's Redevelopment and Restoration Loan Interest Subsidy program. Maximum funding amount over the life of the two loans that the applicant has secured could total $197,800. The applicant has funding commitments from Pacific Continental Bank ($610,000) and Mid-Columbia Economic Development District (MCEDD) of $250,000. Approval of the interest subsidy request for the MCEDD loan requires Board action on the lender eligibility criteria modification request also agenized for the August 15th Board meeting.

Staff has reviewed the application and recommends funding at the requested levels.

DISCUSSION

The Agency's Redevelopment and Restoration Loan Interest Subsidy Program is intended to pay the interest cost (with limitations) of commercially secured loans for owners of property located within the Urban Renewal Area. Landmarked properties and properties located within a historic district are also eligible to participate in the program. The privately acquired loans are to fund a variety of exterior improvements and restoration efforts, and limited types of interior improvements. This application qualifies as an eligible interior project under the program guidelines as follows:

6. Rehabilitation of interiors of second stories or above to make the space usable if not currently in use or to allow for a higher and more valuable use.

Program guidelines also establish a maximum value of the interest rate subsidy based on the amount of loan principal. For loan values between $500,001 and $1,000,000, the maximum award amount is 23% of the loan principal. In this case Mr. Dillard has received loan commitments from Pacific Continental Bank ($610,000) and MCEDD ($250,000) for a total of $680,000. Based on the maximum subsidy table found in the program guidelines, the maximum interest rate subsidy would total 23% (of $680,000) or $197,800 over the term of the two loans.

Only applicants that are able to secure loans at an interest rate below the Wall Street Journal (WSJ) prime rate plus 6 percentage points or 12% (whichever is lower) are eligible for a loan subsidy. The current WSJ prime rate is 4.25%; therefore the qualifying interest rate for the subsidy program is 10.25% (4.25 + 6.0). The applicant's secured loan interest rates are presented below.

As currently implemented, each month the property owner submits a copy of their loan payment coupon to the Agency, showing the total monthly payment due along with the amount allocated to the principal and interest payments. Once received the Agency processes a check made payable to the owner in the amount of the interest due.

Attached is the section on the Redevelopment and Restoration Loan Interest Subsidy Program from the Property Rehabilitation Grant and Loan Programs guidelines.

Applicant Secured Financing

The applicant has secured financing from Pacific Continental Bank and MCEDD (see application) subject to the following terms:

Pacific Continental Bank Loan

Construction loan in the amount of $610,000, 12 month term and interest only payments (prime + 1%, 4.25% + 1% = 5.25%). The amount of interest paid will be determined by the loan amount draw down during the 12 month construction period. At this time staff anticipates that the interest cost to the Agency would be in the $18,000 – $23,000 range.

Following the initial 12 month period, the construction loan would convert to permanent financing (5 Year FHLB + 3%), a 120 month term (amortized at 300 months), principal and interest payments due monthly, with a balloon payment due after 120 months. The interest rate would be fixed for years 1-5 and adjusted once at year 6. Currently the 5 Year Federal Home Loan Bank (FHLB) rate is 1.781%.

Estimating the Agency's annual cost to subsidize the interest for the permanent financing is difficult at this time due to a number of factors, including the construction loan balance to be converted to permanent financing and the applicable interest rate at the time of conversion. Staff would suggest that the Board direct staff to return to the

Board at the time the construction loan is converted to permanent financing with a report on the interest rate to be applied to the permanent loan and a more accurate estimate of the subsidy cost to the Agency.

Disbursement of the construction loan is dependent upon the applicant's ability to secure the MCEDD financing and a cash infusion of $418,000.

MCEDD Loan

Loan amount of $250,000, 72 month term with interest only payments during 12 month construction draw down, 4.75% fixed interest rate, and then monthly interest and principal payments of $1,425 for 60 months. Cumulative interest only payments for the first 12 months would total $11,874.96. Monthly interest payments for the remaining 60 months would range from $930.91 to $989.58. If approved, the total cost to the Agency for this loan would be $67,952.06 over the 72 month term.

Approval of the interest subsidy request for the MCEDD loan requires Board action on the lender eligibility criteria modification request also agenized for the August 15th Board meeting.

Project Description

Travis Dillard, applicant and owner of the Honald Building is undertaking a rehabilitation and renovation project to the building's 2nd story that will result in the renovation of nine (9) one-bedroom loft style apartments totaling approximately 10,000 sq. ft. The applicant intends to restore and retain as possible the units' original trim, doors, tubs, flooring and fixtures. An administrative Change of Use Application for the apartments has been approved by Planning Staff.

A detailed listing of expenditures and work to be undertaken with the loan funds and applicant's funds can be found in the attached application packet.

Previously the applicant has been awarded $63,000 in Agency grant funds for this project as follows:

• Façade Improvement Grant	$40,000
• Fire Suppression System Grant	20,000
• Architectural/Engineering Services Grant	3,000
	$63,000

BUDGET IMPLICATIONS

For FY2017/18 the Agency Board has approved funding the Urban Renewal Property Rehabilitation Grant and Loan Program in the amount of $200,000. As noted above, at this time it is difficult to accurately estimate the total cost to the Agency for the interest subsidy request for the applicant's two loans. For Year 1 of the Pacific Continental construction loan, staff estimates that the interest cost could be in the $18,000 – $23,000 range (depending upon the draw downs). For Year 1 of the MCEDD loan the amortization schedule shows that interest cost would be $11,874.96. The combined

interest subsidy for the two loans for Year 1 is estimated to be between $30,000 and $35,000.

The August 15th Urban Renewal Agency Board meeting agenda includes a façade improvement grant application for the Granada Theatre in the amount of $18,675.98. If the Board approves this application at the requested amount, the fund balance would be reduced to $181,324.02.

If the Board were to approve the loan interest subsidy application and the façade improvement grant application as requested, the resulting fund balance for the Urban Renewal Property Rehabilitation Grant and Loan Program would be in the range of $146,000 to $151,000, for the remainder of the fiscal year.

STAFF RECOMMENDATIONS/ALTERNATIVES

Staff recommends that the Board:

1. Move to approve the loan interest subsidy application submitted by Travis Dillard for the Honald Building located at 400 E. 2nd Street, The Dalles, Oregon, subject to the following conditions:

    a. Approval of the Mid-Columbia Economic Development District loan interest subsidy shall be subject to the Urban Renewal Agency Board amending the lender criteria standards for the Redevelopment and Restoration Loan Interest Subsidy Program.

    b. Prior to conversion of the Pacific Continental Bank construction loan to permanent financing, staff will report back to the Agency Board on the loan balance to be converted to permanent financing, the interest rate to be applied to the permanent financing, and the dollar amount of subsidy to be financed by the Urban Renewal Agency for the remainder of the loan.

Alternative Actions

2. If the Agency Board does not approve amendments to the lender criteria standards for the Redevelopment and Restoration Loan Interest Subsidy Program, staff recommends that the Board consider approving the loan interest subsidy application for the Pacific Continental Bank loan subject to the condition above.

3. Deny the loan interest subsidy application for both the Pacific Continental Bank and MCEDD loans.

4. Continue the request and provide staff with direction as appropriate.

Attachments

- Loan interest subsidy application w/attachments (dated July 7, 2017)
- Redevelopment and Restoration Loan Interest Subsidy Program Guidelines

II. Redevelopment of Unused and Underused Property Program

In order to facilitate the redevelopment of unused and underused land and buildings, the Agency will provide interest rate subsidies and demolition grants for qualifying projects. Loans and grants will be made for exterior rehabilitation and/or renovation projects showing significant aesthetic improvement to the property or qualifying interior projects that provide significant increase in value of the property and its use and for demolition if new construction is planned. The improvements must be designed to be compatible with surrounding property, to upgrade the physical characteristics of the City, and to improve the value of buildings. If the property is landmarked or located within an historic district, the project will be subject to review and approval by the Historic Landmarks Commission.

A. Redevelopment and Restoration Loan Interest Subsidy Program

The Agency will subsidize interest on loans used to pay for eligible redevelopment and restoration work according to the approved designs and the conditions, restrictions, and qualifications set out below.

Eligible projects:

The program covers a wide variety of activities providing quality exterior improvements or rehabilitation intended to restore or improve facades and exteriors. The program also covers some types of interior work. See the lists in Section I for a no exhaustive list of eligible and ineligible projects. The Project must be located inside the Urban Renewal Area. Landmarked properties and properties within a historic district are also subject to the considerations for eligible projects set out above in Section I.

Conditions and Considerations:

1. Projects assisted by this program are to be exterior rehabilitation and/or renovation projects showing significant aesthetic improvement to the property or other qualifying projects that provide significant increase in value of the property and its use.
2. To be eligible for an interest subsidy, the project must meet design standards that will make the property compatible with surrounding property and upgrade the physical characteristics of the city and improve the value of buildings.
3. Participating commercial banks will make the loans under this program. Loan decisions, underwriting standards, loan terms, and collateral requirements will be entirely at the discretion of the bank. Obviously, the project must be feasible and have an acceptable prospect of repayment.
4. If the bank requires the refinancing of existing debt to obtain a first lien position in the collateral in order to approve the financing, the Agency will only pay the interest rate subsidy on the portion of the loan which was actually used for the eligible improvements.
5. Only applicants able to obtain loans at an interest rate below the Wall Street Journal prime rate plus 6 percentage points or 12% (whichever is lower) are eligible for a loan subsidy.
6. At any point during the duration of the loan subsidy, the Agency holds the option to buy points on the loan subject to approval by the Agency Board.
    a. If points are purchased, the value of the points purchased shall be an amount that produces a savings to the applicant in the amount of awarded subsidy inclusive of any interest payments made by the Agency

prior to exercising the option to buy points and not the nominal value of the subsidy award.

7. Recipients are obligated to refinance loans subject to an interest subsidy upon request and at the expense of the Agency (limited to bank fees and charges).
8. Unless the Agency exercises its option to buy points on the loan, loan subsidy payments shall occur for the lesser of ten years or the life of the Agency.
9. Awards made under this program are subject to the availability of program funds.

Maximum Subsidy Award:

The maximum value of any loan subsidy awarded will be the lesser of $400,000 or a percentage of the loan principle based on the following table. The Agency reserves the right to award a lesser amount.

Amount of Loan Principal	Max Value
1. <$50,000	28%
2. $50,001 to <$100,000	27%
3. $100,001 to <$200,000	26%
4. $200,001 to <$500,000	25%
5. $500,001 to <$1,000,000	23%
6. $1,000,001 to $1,750,000	20%
7. $1,750,001 to $3,000,000	19%
8. >$3,000,001	18%

Application and Design Review Process:

1. Applications and guidelines will be available at City Hall, local banks, and Mid-Columbia Economic Development District.
2. Applicants should fill out the applicable portions of the application and include, at a minimum, a detailed project overview, initial concept sketches, a proposed timeline, proposed contractors (including engineers, architects, and general contractors), preliminary cost estimates, amount of loan principal sought, amount of subsidy requested, and three interest rate quotes and/or loan approvals that reasonably demonstrate the applicant can complete the project.
    a. More finalized plans, designs, and estimates are preferred
3. Upon receipt of a complete application, Urban Renewal staff will do an initial screening for program eligibility.
4. If an application is denied after the initial screening, the applicant may either appeal to the Advisory Committee and Agency Board, or revise and resubmit for reconsideration.
5. All subsidy applications requesting $50,000 or more in interest subsidies will require review by the Advisory Committee and approval by the Agency Board. All other projects will be reviewed and approved by a three-person staff design review team appointed by the City Manager.
    a. Applications denied by staff design review teams may either appeal to the Advisory Committee and Agency Board, or revise and resubmit for reconsideration.
6. After final review and an award decision, a certificate stating the awarded

amount will be issued by the Agency.

7. The applicant will take the application and certificate of approval to the bank of their choice for consideration. Loan decisions, underwriting standards, collateral requirements, and terms will be entirely at the discretion of the bank.
8. When the design process is complete and financing has been secured, the applicant will provide the Agency with a complete set of plans and specifications, contractor cost estimates and bids, documentation of building permits and other required permits/approvals, and a copy of the loan approval for final eligibility review.
    a. Landmarked properties and properties located within historic districts must obtain approval from the Historic Landmarks Commission.
9. After final eligibility review, the recipient will sign a redevelopment agreement that commits the recipient to completing the proposed improvements, adhering to any terms and conditions imposed by the Agency, and pledging to maintain the improvements for twenty years. Violation of the terms of the agreement may result in the recipient refunding any monies received from the Agency.

Loan Application:

The loan application requires, at minimum, the following:

1. Certificate of approval from Agency
2. A summary of the project outlining the work to be done
3. Complete plans and specifications
4. Contractor cost estimates or bids
5. Evidence that building permits or any other required permits are in place
6. Preliminary commitment of any other funds to be used in the project
7. Amount of loan requested and proposed terms being requested
8. Bank's loan application and any other information the bank requires, such as current financial statements, including Balance sheets and Income statements

Other program considerations:

1. The applicant (borrower) must provide the bank with any collateral required by the bank.
2. The borrower must provide the bank with evidence of completion of the work as specified and approved, or the bank will be required to declare the loan in default.
3. If the loan is in default for the above or any other reason:
    a. The entire loan will become immediately due and payable.
    b. The bank may take any actions allowed by law, such as repossession of collateral, etc.

Participating Banks:

Loans qualifying for the Agency interest subsidy program may be obtained through any federally regulated and insured financial institution, including credit unions, savings and loans, thrifts, and finance companies.

Agency Responsibility:

When an application for funding through this program is received the Agency will:

1. Screen the application for completeness and initial eligibility.
2. When approval is obtained from the design review team or the Agency Board (see #5 above under Application and Design Review Process), a certificate of approval will be issued authorizing the applicant's bank of choice to proceed with processing the loan request under the program.
3. Screen the application for final eligibility.
4. After completion of the construction, certify that the project has been completed according to the approved plan and authorize the bank to put the permanent financing in place. If not certified as completed as authorized, the entire construction loan will become due and payable.
5. The Agency will then reimburse the entire interest portion of the recipient's monthly payment until the award amount or time limit has been reached.
    a. The Agency reserves the right to make an alternative arrangement in the best interests of the Agency.
    b. The applicant will bring a monthly receipt (proof of payment) to the City Manager's office at City Hall showing the monthly payment's allocation to interest and principal. Staff will copy the receipt and generate a check request, properly authorized with the attached documentation, for the appropriate amount of the interest to be reimbursed. Within ten (10) business days of receipt of the check request by the A/P Clerk in the Finance Department, a check will be generated for the amount of the reimbursement and mailed to the applicant. The mailing will also include the balance of the award amount.
    c. If the Agency elects to purchase points, the Agency shall purchase a sufficient amount of points on the loan to provide a total value to the recipient of the amount awarded by the Agency inclusive of any interest paid prior to the Agency exercising its option.

Bank Responsibility:

When processing a loan request under this program, the bank will:

1. Ensure that the applicant has provided the following:
    a. Certificate of approval from Agency
    b. A summary of the project outlining the work to be done
    c. Complete plans and specifications
    d. Contractor cost estimates or bids
    e. Evidence that building permits or any other required permits are in place
    f. Preliminary commitment of any other funds to be used in the project
    g. Amount of loan requested and proposed terms being requested
2. Retain the above in the bank's files.
3. Obtain any information required by bank such as bank's loan application,

current financial statements, including Balance sheets and Income statements, etc.

4. Loan decisions, underwriting standards, loan terms and collateral requirements will be entirely at the discretion of the bank.
5. If declined, send a copy of decline letter to the Agency.
6. If approved, set the annual interest rate at 12 points below the standard rate for similar loans (in agreement with Agency).
7. After the construction loan is disbursed, and upon receiving certification from the Agency that the work was completed as authorized, put the permanent financing into place.
8. If the borrower does not receive certification from the Agency, the loan will be in default and become due and payable.

B. Blighted Property Demolition Loan Program

The Agency will provide loans for the demolition of buildings contributing to blight if the demolished building is to be replaced by a new building with a design approved by the design review team or the Agency.

Blighted Areas are defined in the Urban Renewal Plan in section 203. As part of that definition, one of the conditions that characterize a blighted area is defined as follows:

A. The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:

1. Defective design and quality of physical construction

2. Faulty interior arrangement and exterior spacing

3. Overcrowding and a high density of population

4. Inadequate provision for ventilation, light, sanitation, open spaces, and recreational facilities

5. Obsolescence, deterioration, dilapidation, mixed character or shifting of uses

Eligible projects:

If the applicant can show that the building contributes to blight as defined above, and the Agency determines that the building contributes to blight, a loan may be made to pay for the cost of demolition of the building. All projects exceeding $15,000 annual cost to the Urban Renewal program will require review by the Advisory Committee and approval by the Agency Board. All other projects will be reviewed and approved by a three-person staff design review team appointed by the City Manager. The project must meet the following qualifications:

1. The cost of renovating the existing building is more than the cost of replacing the building.
2. The applicant plans to replace the building with a new structure.
3. The design for the new building is approved by the Agency.
4. If new construction is not planned immediately after demolition, the property

To: Steve Harris
The City of The Dalles Planning Department

7/17/17

From: Travis Dillard
The Honald Building, LLC

The Honald Building Urban Renewal Loan Interest Subsidy Grant
Project Summary

Thank you for considering my application for the Urban Renewal Interest Subsidy Grant. It's been a pleasure working with The City and the Urban Renewal Agency through this process and we're excited to begin this project as soon as we can.

As many know, we're planning on converting the current 10,000 SF of space on the second story of The Honald Building to nine (9) higher-end apartments. These will consist of 6 one-bedroom lofts and 3 studio loft configurations. We plan to repurpose as much of the original materials to keep the historic character and charm of the building. This includes flooring, trim, doors, glass, and other materials we can incorporate into the design.

Since this project is new and unique as compared to other housing construction projects in The Dalles, the bank is requiring an abnormally high injection of my own personal cash. For this reason, I appreciate any assistance from programs like this to help make this a reality.

As detailed in the application, along with my cash injection, I've been approved for two loans to cover the $1,070,000 construction project. I've been approved to borrow $610,000 from my current business bank, Pacific Continental Bank. Additionally, I've been working the Mid-Columbia Economic Development District (MCEDD) Attainable Housing Fund and subsequently approved to borrow $250,000. Working with the Attainable Housing Fund is goal B-3 of the 2017 City Council Plan.

Per the Urban Renewal guidelines, my total principal for the two construction loans will total $860,000. This means the maximum value I can receive with this grant is 23% or $197,800. Please accept this application as my formal request for $197,800.

Some project highlights:

- Although this application shows a $150,000 owner cash injection for the construction portion of the expenses, my total cash injection will be close to **$500,000.** In addition to the cash equity I've already injected when closing on the building, I'm required to bring in another **$420,000** upon closing of the construction loan(s). The funds are applied as follows:
  - $150,000 for the construction down payment
  - $130,000 to pay off the private seller's note
  - $55,000 in construction contingency fees
  - $24,600 in closing costs
  - $60,000 to "front" the $60,000 in approved URA Fire Suppression and Façade Grants (The bank doesn't recognize these construction credits in underwriting

Simply put, I have substantial skin in the project.

- The Honald Building apartments will continue to add momentum to the downtown revitalization efforts which increases property values throughout the whole downtown, and subsequently tax revenue. This is a priority for The City and the Urban Renewal Agency.

- Because I'm essentially a trail blazer with this type of project in The Dalles downtown, the road to success will be **much** easier for those that come behind me. Through my firsthand experience, I've learned that this project has been extremely difficult to get off the ground. Many bankers, appraisers, and investors looked at this as a very risky endeavor and were not interested, many of whom are right here in The Gorge. Unfortunately, they don't see the potential in The Dalles like we see. That said, once completed, The Honald Building will be a beacon of success for other investors, appraisers, and bankers. It will prove the beneficial economics to investors, create a solid market comparable to establish value with other like properties, create a successful business case study, and contribute to the momentum to revitalize the downtown area. It just takes one success story and others will follow.

- Once complete, the Honald Building will provide higher-end housing which is desperately needed in The Dalles.

- This project is a classic example of leveraging existing land to create vertical housing.

In summary, we'll restore the Honald Building second floor to its original charm by reusing as much of the original materials as possible (fortunately much of the existing materials are in great shape), while providing higher-end amenities, finishes, layouts and appliances to attract the right tenants. We'll be providing much needed higher-end housing in the area. We'll spark momentum for other investors to come in and revitalize the downtown area, contributing to more tax revenue.

I'm committed to this project. I've personally invested a substantial amount of my own funds. That said, I need assistance from this program to finish it.

I sincerely appreciate your consideration.

Travis Dillard, The Honald Building, LLC

APPLICATION

THE DALLES

URBAN RENEWAL AGENCY

PROPERTY REHABILITATION GRANT AND LOAN PROGRAMS

MAY CONTAIN CONFIDENTIAL INFORMATION

Initial List of Contractors:

Architect:	Apollo Design Studio
General Contractor:	Derik Farlow Construction
Civil Engineering:	AAI Engineering
Structural Engineering:	PCS Structural

Timeline:

8/1/17 – 8/31/17	**Plans and Design** **Demolition**
9/1/17 – 9/30/17	**Permits**
10/1/17 – 5/31/~~17~~ 18	**Construction and Certificate of Occupancy**
6/1/~~17~~ 18 – 7/15/~~17~~ 18	**Lease Up and Stabilization**

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

Application Date: ~~1/15/2017~~ 7/17/17 TM Application Number: _____

PROGRAM APPLYING TO (Check One)

- ☐ Historic Design and Restoration Program
- ☒ Redevelopment of Unused & Underused Property Program
  - ☒ Loan Interest Subsidy Program
  - ☐ Demolition Loan Program
- ☐ Civic Improvements Grant Program
- ☐ Façade Improvement Grant Program
  - ☐ Residential Structure
- ☐ Fire Suppression System Grant Program

APPLICANT INFORMATION

Applicant Name: The Honald Building, LLC

Contact Person: Travis Dillard

Mailing Address:
14016 236th Ave NE
Woodinville WA
98077

Applicant is: Owner ☒ Leaser ☐

Phone Number: 971 219 6501 Email: tdillard@inflowcommunications.com

Property Owner Name (print clearly): The Honald Building, LLC

Federal Tax ID or Social Security Number: 81-3798208
(Loan & Interest Subsidy Only)

Bank of account and contact:
(Loan & Subsidy Only)
Pacific Continental Bank
Brandon Posey, Vice President, Commercial Banking Officer
503-350-5177
brandon.posey@therightbank.com

Name of Business: The Honald Building, LLC

Business Mailing Address:
14016 236th Ave NE
Woodinville WA 98077

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

Name of Applicant or Principle of Organization: _____

Site Address

400 E. 2nd Street
The Dalles

Legal Description

Township 1 North, Range 13 East,
Section 3BD, Account 03683
(TL 5300

HISTORIC PROPERTY (STAFF USE) YES☒ NO☐ (If yes, requires HLC approval)

PROJECT INFORMATION

Building Age: 117 Building Square Footage: 20,000

Building Current Use: Commercial

Building Planned Use: Commercial / Residential

Project Description Outline:

The current 10,000 SF second floor hasn't been used or occupied since the 1940's. We will convert the second floor to nine (9) higher-end apartments. There will be three studio apartments and six one bedroom studio apartments, all with lofts, totaling about 10,208 in livable residential square footage. There will b e an additional 1460 SF of common area. The first floor will continue to operate as commercial, currently inhabiting restaurants, a radio station, and retail units. The upstairs currently has the remains of the original apartments. We intend to use as much of the original flooring, trim, doors, and finishes as possible to keep the original historical feel. Additionally, we'll use higher end finishes, appliances, and fixtures. All units will have lofts, washer / dryers, and HVAC units.

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

EXPECTED PROJECT COSTS

Cost Item/Source:	Est. Cost
Permits	$ 30,000
Demolition	$ 40,000
Framing	$ 110,000
Skylights	$ 22,000
Windows	$ 89,000
Plumbing	$ 70,000
HVAC	$ 60,000
Electrical	$ 106,000
Fire sprinkler	$ 50,000
Insulation	$ 35,000
Drywall	$ 80,000
Interior Paint	$ 60,000
Flooring	$ 74,000
Cabinets, Countertops, trim/Doors, appliances, misc.	$ 244,000
Total Expected Cost	$ 1,070,000

Will there be an anticipated contractor's pre-payment for construction materials prior to the start of the project? YES ☐ NO ☐ If yes, list the estimated dollar amount: $_____
(For Civic Improvement or Façade Improvement Grants only)

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

PROPOSED SOURCES OF FUNDING (loans)

Source	Amount	Rate	Term	Match
Urban Renewal Loan	$_____			
Equity (applicant)	$ 150,000			
Pacific Continental Bank	$ 610,000	4.99 %	120 Months	
MCEDD	250,000	4.75	72 Months	

PROPOSED SOURCES OF FUNDING (grants)

Urban Renewal Grant	$ 60,000 (Facade & Fire supression)			
Private Loan	$_____	_____%	_____	☐
Other Source	$_____	_____%	_____	☐
Other Source	$_____	_____%	_____	☐
Other Source	$_____	_____%	_____	☐
Total	$ 1,070,000 (Must equal total expected costs)			

Façade Grant Matching Funds: Request $20,000 or less (50% match)☐; Over $20,000 (100% match)☐

Total loan Principal: $860,000

Total Interest Subsidy Requested: $197,800

(23%)

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

Applicant hereby certifies that all information contained above and in exhibits attached hereto are true and complete to the best knowledge and belief of the applicant and are submitted for the purpose of allowing the full review by The Dalles Urban Renewal Agency and its agents for the purpose of obtaining the financial assistance requested in this application.

Applicant hereby consents to disclosure of information herein and the attachments as may be deemed necessary by MCEDD and its agents for such review and investigation.

I Travis R Dillard have read and understood the guidelines of The Dalles Urban Renewal Agency Property Rehabilitation Grant and Loan Programs and agree to abide by its conditions.

, Member — 7-17-17

Signature and Title if appropriate — Date

Signature and Title if appropriate — Date

Signature and Title if appropriate — Date

Signature and Title if appropriate — Date

<u>The Following Items Are Required Before A Loan Is Approved Or Grant Project Can Begin</u>:

A. Loans and Grants

1. Certificate of approval from agency (if required).
2. Letter of approval from Historic Landmarks Commission (if required).
3. A summary of the project outlining the work to be done.
4. Complete plans and specifications.
5. Costs estimates or bids from a licensed contractor.
6. Evidence that building permits or any other required permits are in place.
7. Preliminary commitment of any other funds to be used in the project.

B. Loans Only

1. Amount of loan requested and proposed terms being requested.
2. Bank's loan application and any other information the bank requires, such as current financial statements, including balance sheets and income statements.

<u>For Applicants Under The Civil Improvements Grant Program</u>:

The grants will be awarded semi-annually on a competitive basis and based on the selection criteria in your narrative and attach it to this application form. The deadlines for applications are July 31 and January 31 of each year.

PACIFIC CONTINENTAL®
BANK

July 11, 2017

Travis Dillard
Jennifer Dillard
The Honald Building LLC
400 East 2nd Street
The Dalles, OR. 97058

Re: Pacific Continental Bank Commitment to Lend

Dear Travis,

In follow up to our recent discussions, Pacific Continental Bank ("PCB") is pleased to present this commitment to The Honald Building LLC ("Borrower") for a Promissory Note in the amount of $610,000], the proceeds of which will be used for improvements to the property located at 400 East 2nd Street in the Dalles, OR. (herein after referred to as the "Commitment").

The Commitment is subject to the terms of a credit agreement and other definitive loan documentation incorporating provisions deemed by PCB to be customary and appropriate in transactions of this nature. A summary of the principal terms and conditions for discussion purposes are as follows:

Construction Financing

Borrower:	The Honald Building LLC
Amount:	$610,000
Purpose:	Construction loan for tenant improvements
Rate:	PCB Prime + 1.0% fully floating
Term:	12-months
Amortization:	Interest only payments
Fee:	1% ($6,100)
Maturity:	12-months
Structure:	12-month I/O draw period in which to disburse funds
Prepayment Penalty:	None
Collateral:	2nd position DOT and Assignment of Rents on property located at: 400 East 2nd St The Dalles, OR 97058
Covenant:	none
Guarantor:	Travis and Jennifer Dillard Inflow Communications Inc.

PCBK
NASDAQ® Listed

phone 503-350-1205 • fax 503-691-1279 • 7111 SW Nyberg Street • Tualatin, OR 97062-6245 • therightbank.com

Permanent Financing

Borrower:	The Honald Building LLC
Amount:	$610,000
Purpose:	Permanent financing
Rate:	5 year FHLB + 3.0% (rate to be set within 30-days of permanent financing)
	Rate fixed for years 1-5, then adjusts once at year 6, to the same index and marg
Floor:	4.99%
Term:	120 months
Amortization:	300 months
Fee:	0.5% ($3,050)
Maturity:	120 months
Structure:	Principal and interest payments due monthly
Prepayment Penalty:	4-3-2-1-0%, repeating (no penalty if the borrower sells the property)
	2nd position DOT and Assignment of Rents on property located at:
Collateral:	400 East 2nd St The Dalles, OR 97058
Covenant:	NOI > 1.25
Guarantor:	Travis and Jennifer Dillard
	Inflow Communications Inc.*

**to be released as a guarantor upon stabilization of the subject property and sufficient cash flow of the property measured by Net Operating Income greater than 1.25 : 1, measured by accountant prepared tax returns.*

These terms and conditions will be further developed and expanded during the course of PCB's due diligence during the preparation, negotiation, and execution of the loan documentation. Please be aware that the Commitment is conditioned on the following: (i) no material adverse change in the business, finances or prospects of the Borrower or any guarantor prior to the closing date; (ii) no material disruption or general adverse developments in the financial markets on or before the closing date; (iii) PCB's ability to secure the above described lien position on the Collateral, and (iv) the following funds are injected into the project at the closing. As follows: no less than $418,000 to be injected by the Honald Building LLC and no less than $250,000 to be disbursed by Mid-Columbia Economic Development District. Funds must be in escrow before funding of the construction loan. Please advise us if any material business or legal issues arise during the course of our discussions, as these issues must be resolved to our mutual satisfaction.

Whether or not the Commitment is closed, Borrower shall promptly reimburse PCB for reasonable costs and expenses incurred by PCB in connection with its review of the proposed transaction and the preparation, execution and delivery of this Commitment, the related loan documentation (whether or not executed by Borrower), and any amendment or modification thereof. Such costs and expenses may include, without limitation, UCC search fees, title insurance policy premiums, filing and recording fees, legal fees charged by PCB's in-house counsel and/or outside attorneys, appraisal fees, collateral examination fees, environmental report fees and other customary charges ("Expenses"). A non-refundable fee in the amount of $0 ("Commitment Fee") must be paid by Borrower upon acceptance of this Commitment. The Commitment Fee shall be credited towards loan fees upon closing of the Commitment or utilized as the first source for reimbursement of the Expenses if the Commitment is not closed.

By accepting this Commitment, Borrower agrees to indemnify PCB against any loss, claim, liability or expense including but not limited to legal fees and disbursements incurred by us in connection with, arising out of, or in any way related to this Commitment or transactions contemplated hereby. PCB shall in no case be liable to Borrower for any special, indirect or consequential damages in respect of any breach of PCB's obligations arising hereunder.

This Commitment is non-assignable by Borrower, and Borrower shall not disclose the terms of the Commitment except to their legal and financial advisors.

The terms of this Commitment must be formally accepted by Borrower prior to the close of business on Monday, July 31st, 2017 (the "Expiry Date"), unless extended by PCB in writing. Acceptance must be accompanied by payment of the Commitment Fee. If the Commitment is not accepted by Borrower or the Commitment Fee is not paid by the Expiry Date, the Commitment will automatically expire; however, Borrower's indemnities and reimbursement obligations shall survive such termination.

The Commitment shall be construed in accordance with and governed by the laws of the State of Oregon and sets forth the entire understanding of the parties as to the scope of PCB's obligations. The Commitment may not be amended, supplemented, or modified except by parties in writing.

Please be advised that **UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US (PCB) CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S PERSONAL RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE.**

If the Commitment is satisfactory to the Borrower and Guarantor(s), please arrange for execution of the acceptance on the enclosed copy and return it to my attention on or before the Expiry Date.

I look forward to working with you.

Sincerely,

Brandon Posey
Vice President, Commercial Banking Officer

****

ACCEPTANCE AND GUARANTY

BORROWER hereby accepts and agrees to this Commitment. Dated this ____ day of _____, 2017

The Honald Building LLC

By: _____
Title: _____

GUARANTOR hereby unconditionally and irrevocably guarantees the prompt payment and performance of all of the obligations of Borrower pursuant to the foregoing Commitment.

Dated this 17th day of July, 2017

Travis Dillard

Jennifer Dillard

Inflow Communications Inc.

CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

LETTER OF SUPPORT

Dear Loan Committee,

The City of The Dalles has been informed that Travis Dillard, current owner of the Honald Building at 400 East Second Street in Historic Downtown The Dalles, Wasco County, Oregon is applying for the North Central Oregon Attainable Housing Development Fund Loan. That loan will be combined with private and public funds to redevelop the second floor of the building for housing. The City of The Dalles whole heartedly supports this effort, and Mr. Dillard's application for the loan.

The City of The Dalles is currently undertaking a Housing Needs Assessment and Residential Buildable Land Needs Analysis to comply with Oregon Planning Goals. The City has been working with our local partners such as Mid-Columbia Housing Authority, Mid-Columbia Economic Development District, and the Oregon State Regional Solutions Coordinator to improve housing options in The Dalles. This is one of the City Council's Goals (Goal B-6).

In addition to the City's verbal support for this project, The Columbia Gateway Urban Renewal Agency has granted Mr. Dillard an Architecture and Engineering Grant to assist him in completing this project.

On behalf of the City Council of the City of The Dalles, I respectfully request you approve Mr. Dillard's application for the North Central Oregon Attainable Housing Development Fund Loan.

Very respectfully yours,

Julie Krueger, City Manager

11 21 16
Date

Mid-Columbia
MCEDD
ECONOMIC DEVELOPMENT DISTRICT

April 4, 2017

The Honald Building, LLC
14016 236th Avenue NE
Woodinville, WA 98077
Attn: Travis and Jennifer Dillard

Re: MCEDD Loan Commitment

Dear Travis and Jennifer,

I am pleased to inform you that the MCEDD Loan Administration Board has approved your loan subordination request and offers the following loan commitment to The Honald Building, LLC. The commitment is subject to the following terms and conditions:

Terms:

- Loan amount: $250,000.00
  (Actual loan amount will equal amount of disbursements)
- Interest Rate: 4.75% Fixed interest rate
- Loan Term: 72 months
- Loan Payment: Accrued interest only for twelve (12) month construction draw down, then $1,425.00 per month for sixty (60) months with an approximate balloon payment of $221,450 due on the 15th of the 73rd month.
- Loan Fees: 1%; Attainable Housing Development Loan ($2,500)

Collateral:

1. 1st position UCC filing on all business assets of The Honald Building, LLC.
2. 2nd position trust deeds on commercial the following real estate and residential real estate:
   a. Residential real estate and house located at 14016 236th Avenue NE, Woodinville, WA.
   b. Duplex in Lyle, WA.
   c. Condominium in Kirkland, WA.

Sincerely,

Eric T. Nerdin

Eric Nerdin
Loan Fund Manager

Approved and accepted by:

4-18-17

Travis Dillard, Managing Member of The Honald Building, LLC — Date

4-18-17

Jennifer Dillard, Member of The Honald Building, LLC — Date

Mid Columbia Economic Development District is an Equal Credit Opportunity Lender.
The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, national origin, sex, martial status, age (provided that the applicant has the capacity to enter in to a binding contract); because all or part of the applicant's income derives from any public assistance program or because applicant has in good faith exercised any right under the Consumer Protection Act.

Disclaimer: MCEDD Loan Administration Board approval provides the final terms and conditions of your loan approval and every attempt has been a made to provide this information in this commitment letter; however, if this commitment letter contains any errors, then MCEDD Loan Administration Board approved terms and conditions will be used.

Adverse Change: As determined solely by MCEDD in accordance to its business expertise, MCEDD reserves the right to terminate any approval any time prior to the settlement of a loan in the event of a material adverse change in applicant's/borrower's personal or business financial status or any material adverse change in applicant/borrower or in any guarantor's collateral and property or in any other matters which MCEDD analyzed in conjunction with this credit request (application); including, without limitation, no change in the structure of the approved loan.

Changes in the amounts or terms of the project may adversely impact conditional loan approval, including but not limited to decreases in the loan amount, increases in the amount applicant/borrower must contribute, changes in interest rate and other terms of the loan approval.

DERIK FARLOW CONSTRUCTION CCB#151510

DESCRIPTION OF MATERIALS AND ITEMIZATION OF COSTS

PERMITS	Includes structural, mechanical, and all applicable taxes.	$30,000.00
DEMOLITION	Includes removal of all existing walls, ceilings, and debris. Includes legal disposal of any hazardous materials. Such as lead base paint, or asbestos.	$40,000.00
FRAMING	Includes all structural, and non- structural, walls, ceilings, and stairs. Price includes all labor, and materials.	$110,000.00
SKYLIGHTS	Includes two 2'x6' Velux skylights, in 3 locations. For a Total of six. Also includes framing, skylight installation, and weatherproofing around skylights. Includes all labor and materials.	$22,000.00
WINDOWS	Includes all labor and materials for restoration of old windows (36 total). Includes removal of windows, stripping paint off of all pieces, reinstallation of all pieces to original working condition, weather proofing, and paint of exterior pieces.	$89,000.00
PLUMBING	Includes all Labor and materials for rough, and finish plumbing. Includes Kohler brand, brushed nickel finish fixtures, and one 50 gallon electric water heater per unit. Includes permit.	$70,000

HVAC	Includes all labor and materials for ductless mini split heat Heaters and AC for every unit, and one for the hallway area. For a total of ten units.	$60,000.00
ELECTRICAL	Includes all labor and materials for all lighting, receptacles, appliance plugs, mini split heaters and heat pumps, fire sprinkler system, emergency lighting, water heaters, meter bases, and a $5,000.00 fixture allowance.	$106,000.00
FIRE SPRINKLER SYSTEM	Includes all labor and materials for all water piping in apartments, hallways, attics, and stairways. Also included all sprinkler heads, and zone controls.	$50,000.00
INSULATION	Includes all labor and materials for R-21 fiberglass insulation in exterior walls, cellulose R-49 in attic, and acoustic insulation in all apartment separation walls.	$35,000.00
DRYWALL	Includes all labor and materials for drywalling all interior apartment walls, and ceilings. Also includes main hallways , stairs, and 2 hour fire wall on lower floor ceiling. Final finish will be a light orange peel texture.	$80,000.00
INTERIOR PAINT	includes all labor and materials for one coat of primer, and two coats of paint, on all interior walls and ceilings. Their will be a maximum of 3 colors per apartment, and two in the	

	shared hallways and stairs.	$60,000.00
FLOORING	Includes all labor and materials for flooring prep, and Installation. Flooring will be laminate in all living areas, kitchens, and bathrooms. Carpet in bedrooms, and lofts. Commercial grade carpet in shared hallways, and stairs.	$74,000.00
CABINETS	Includes all labor and materials for kitchen cabinets, and bathroom vanities. Cabinets will be DeWills brand (or equal). Finish can vary between natural stained wood, or painted, to be decided by owner. Cabinet finish will not affect price.	$80,000.00
COUNTERTOPS	Includes all labor and materials for granite countertops in kitchens, and bathrooms, as per plan.	$29,000.00
INTERIOR TRIM AND DOORS	Includes labor and materials for all interior baseboard trim, window trim, door trim, and interior doors. Apartments 6,7,8, and 9 will be finished using re-purposed existing doors, and trim. Apartments 1-5 will be trimmed with new trim to match existing repurposed trim, and doors.	$80,000.00
APPLIANCES	Includes delivery and installation of one stackable clothes washer/dryer, one electric range, one dishwasher, and one refrigerator/freezer. All appliance will be Whirlpool brand. Kitchen appliances will all be stainless steel finish, and washer/	

	dryer will be white.	$45,000.00
FINAL CLEANUP	This will include cleaning of all windows, walls, floors, trim, doors, cabinets, and countertops. Apartments will be ready rent after completed.	$10,000.00
TOTAL		**1,070,000.00**

All materials, and prices are as per plan submitted by the architect. Any changes to the original plan will be billed by a separate change order.

I do state that I have prepared the foregoing description of materials with applicable costs to be used in construction. I certify that such materials by grade or better and in the quantities and dollar equivalents stipulated will be used is said construction, and that all work shall be performed in a good and workmanlike manner meeting in every respect all applicable code requirements.

Dated_____

Agreed to and accepted by: General

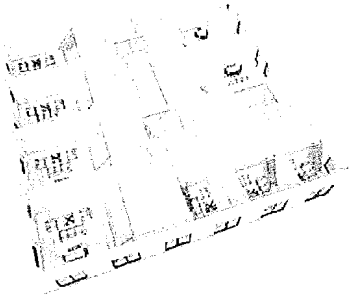
Contractor _____

Owner_____

DESIGN STUDIO

HONALD BLDG RENOVATION

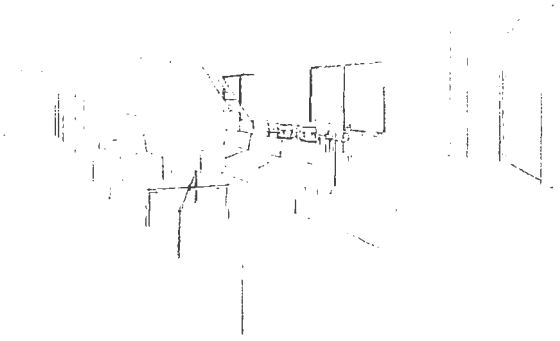
400 E 2ND ST
THE DALLES, OR 97058



SCHEMATIC DESIGN PHASE

SEATTLE
2666 52ND AVE SW
SEATTLE, WASHINGTON

T: 206 257 9254 E: paulschochler@gmail.com



INTERIOR PERSPECTIVE

PROGRESS DOCUMENT

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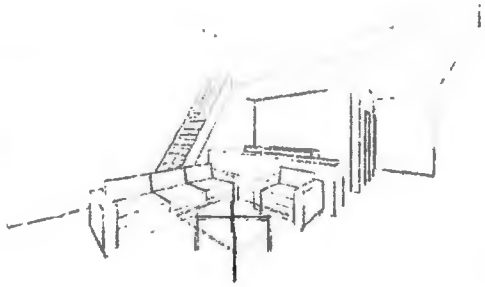

INTERIOR PERSPECTIVE

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12/5/2016

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INTERIOR PERSPECTIVE

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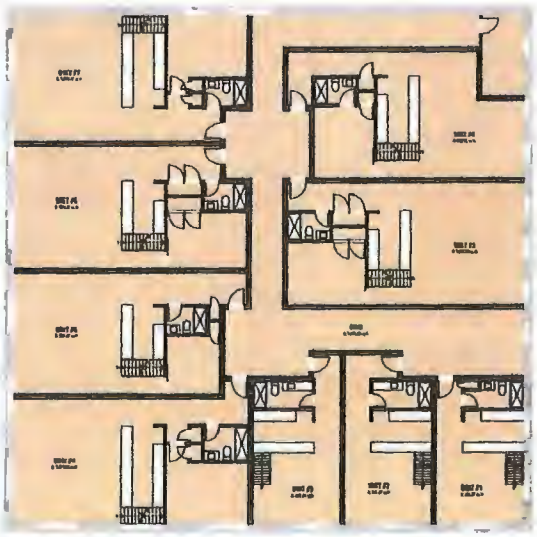

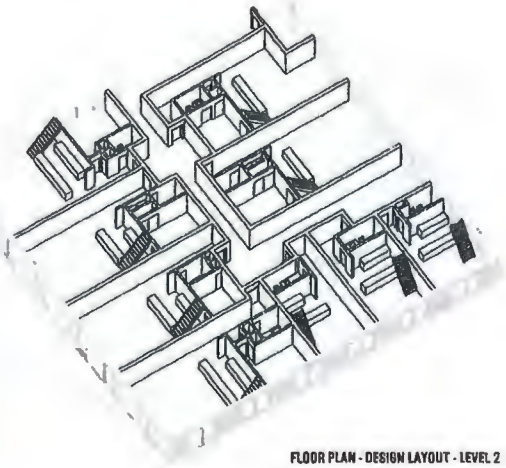

FLOOR PLAN - DESIGN LAYOUT - LEVEL 2

DESIGN LAYOUT - LEVEL 2
Scale: 1/8" = 1'-0" (1C)

PROGRESS DOCUMENT

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E: paul.schlachter@gmail.com

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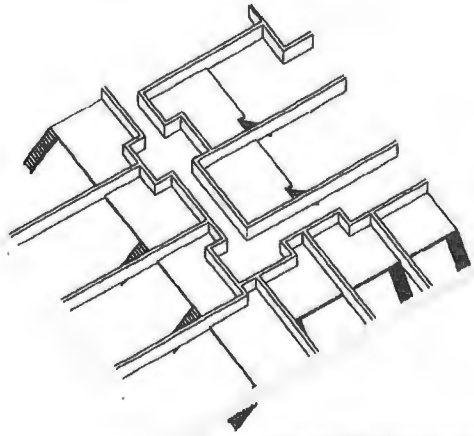

FLOOR PLAN - DESIGN LAYOUT - LOFT LEVEL

DESIGN LAYOUT - LOFT LEVEL
Scale: 1/8" = 1'-0" 1C

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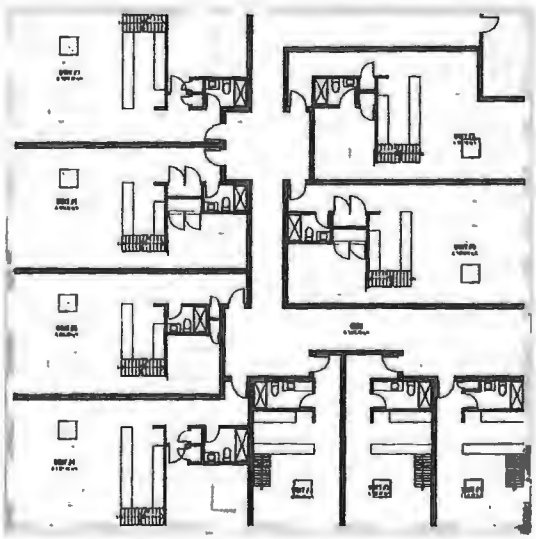

FURNITURE PLAN - LEVEL 2
Scale: 1/8" = 1'-0" 1C

LEVEL 2 INTERIOR PERSPECTIVE - 1

LEVEL 2 EXTERIOR PERSPECTIVE - 2

LEVEL 2 EXTERIOR PERSPECTIVE - 3

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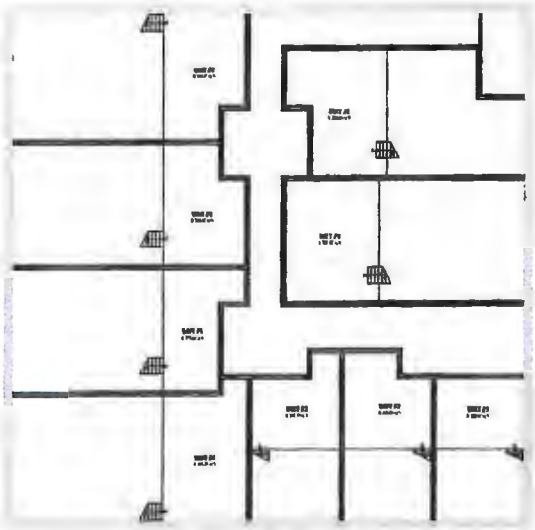

FURNITURE PLAN - LOFT LEVEL (1C)
Scale: 1/8" = 1'-0"

LOFT LEVEL INTERIOR PERSPECTIVE - 1

LOFT LEVEL EXTERIOR PERSPECTIVE - 2

LOFT LEVEL EXTERIOR PERSPECTIVE - 3

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Room #	Room Name	Area Sq. Ft.
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
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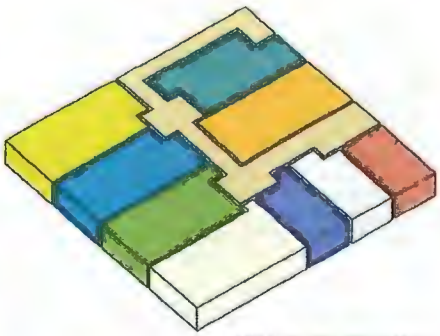
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

[illegible] sq ft

ZONE MASSING - LEVEL 2
Scale: 1/8" = 1'-0" (18)



FLOOR PLAN - ZONE MASSING - LEVEL 2

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[redacted]

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T: 206 237 9254 E: paulschlachter@gmail.com

FINAL SQ. ROOM NAMES LOFT LEVEL		
Room #	Room Name	Area Sq Ft
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
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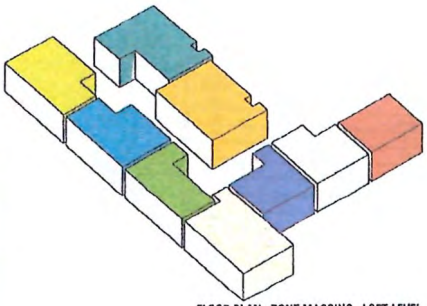
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
		2,053 sq ft

ZONE MASSING - LOFT LEVEL
Scale: 1/8" = 1'-0" 1B



FLOOR PLAN - ZONE MASSING - LOFT LEVEL

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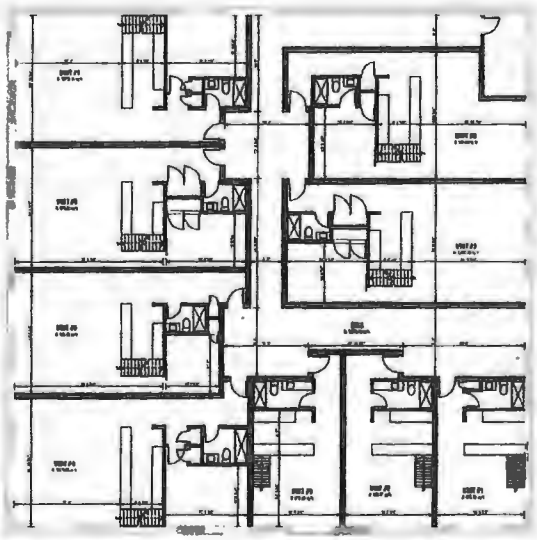

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DIMENSION FLOOR PLAN - LEVEL 2 (1A)
Scale: 1/8" = 1'-0"

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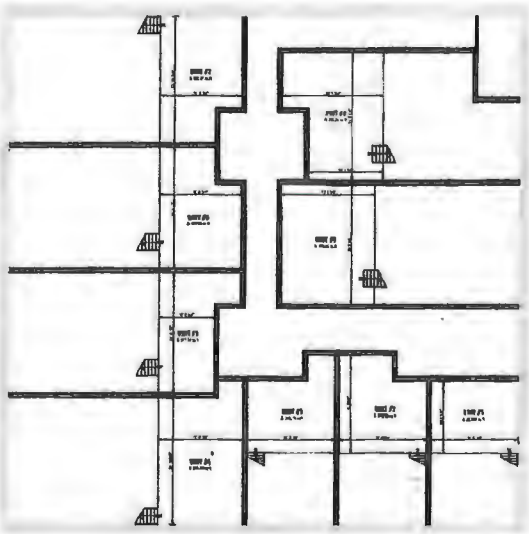
SEATTLE, WASHINGTON

T: 206 257 9254 E: paulschlachter@gmail.com DESIGN STUDIO



PROGRESS DOCUMENT

THIS SET OF DOCUMENTS HAVE NOT BEEN REVIEWED FOR CODE COMPLIANCE AND HAVE NOT BEEN STRUCTURALLY ENGINEERED. MEANWHILE AS NOT AUTHORIZED TO ACTUALLY REPRESENTATIONS FOR PLAN REVIEW. ALL RIGHTS RESERVED

DIMENSION FLOOR PLAN - LOFT LEVEL (1A)
Scale: 1/8" = 1'-0"

IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA STAFF REPORT
AGENDA LOCATION: VIII. C.

DATE: August 15, 2017

TO: Chair and Members of the Urban Renewal Agency Board

FROM: Steven K. Harris, AICP
Urban Renewal Manager

ISSUE: **Urban Renewal Property Rehabilitation Façade Improvement Application for the Granada Theatre, 221 E. 2nd Street (Gomez/Liddell, applicants)**

BACKGROUND

The new owners (Chuck Gomez and Debra Liddell) of the Granada Theatre have submitted an application for an Agency façade improvement grant in the amount of $18,675.98 to fund certain improvements to the exterior of the building, including the marquee sign.

Staff recommends approval of the grant at the requested level of funding.

PROJECT DESCRIPTION

Pursuant to the Façade Improvement Grant Program guidelines,

> *"Projects funded by this program are limited to restoration and/or renovation of any exterior face of a building that is within public view, including ADA accessibility, awnings, exterior lighting, permits, windows and façade."*

The façade improvement project is summarized as follows:

- Preparation of exterior façade, windows and marquee to include removal of failing plaster and paint.
- Repair as needed, stucco, trim, plaster and plaster details, windows and wood trim surrounding windows.

- Marquee sign will be repaired, primed and repainted.
- All surfaces will be sealed, primed and finished with a top coat of paint.
- New pipe frame stationary awning will be installed.

Planning Department staff is working with the applicants to ensure that the proposed work satisfies the Secretary of the Interior Standards for the Treatment of Historic Properties. The Granada Theatre is classified as a *Contributing – Secondary Significant* resource in *The Dalles Commercial District National Register of Historic Places District Update of 1997.*

Prior to commencement, all work will be reviewed and approved by staff or the Historic Landmarks Commission, as appropriate.

APPLICATION

The application from Mr. Gomez and Ms. Liddell was submitted on July 15, 2017. An updated application was subsequently received on August 7th reducing the grant amount request. This application is for an Urban Renewal Façade Improvement Grant of $18,675.98 to assist with this $37,351.97 building façade improvement project. The applicant will contribute $18,675.99, which satisfies the 50% match required for urban renewal grant request amounts of less than $20,000. Verification of matching funds will be required prior to disbursement of funds.

Expected Project Costs

The expected project costs as listed in the application total $37,351.97. Please see the application and attached construction bids for detailed cost information.

Proposed Fund Sources

Applicant:	$18,675.99
Urban Renewal Grant:	$18,675.98
Total:	**$37,351.97**

BUDGET IMPLICATIONS

This fiscal year (FY17/18) $200,000 has been budgeted for the Property Rehabilitation Loan and Grant Program, including façade improvement grants. If this $18,675.98 grant application is approved, the remaining funds available would be $181,324.02. (The August 15th Urban Renewal Agency Board meeting agenda includes an interest rate subsidy application which, if approved, would further reduce the $181,324.02 balance noted above.)

STAFF REVIEW

Staff has reviewed the $18,675.98 façade improvement grant application and has determined that it meets the minimum criteria as set forth by the Urban Renewal Agency, and therefore recommends approval of the request.

BOARD ALTERNATIVES

1. Approve an $18,675.98 Urban Renewal Property Rehabilitation Façade Improvement Grant to Mr. Chuck Gomez and Ms. Debra Liddell to be used for façade improvements, as presented, on the Granada Theatre building located at 221. E. 2nd Street, The Dalles, Oregon, with the following conditions:

    a. Applicant to provide verification of matching funds prior to disbursement of grant award funds, and

    b. Prior to commencement of work, the applicant shall consult with the Planning Department to determine if the proposed improvements require approval by the City's Historic Landmarks Commission, can be approved administratively or if the work is exempt from the standards of the Secretary of the Interior.

2. Continue the Façade Improvement Grant application to a future date to allow the Historic Landmarks Commission to review and approve the proposed exterior renovations, as necessary.

3. Deny the grant request.

Attachments

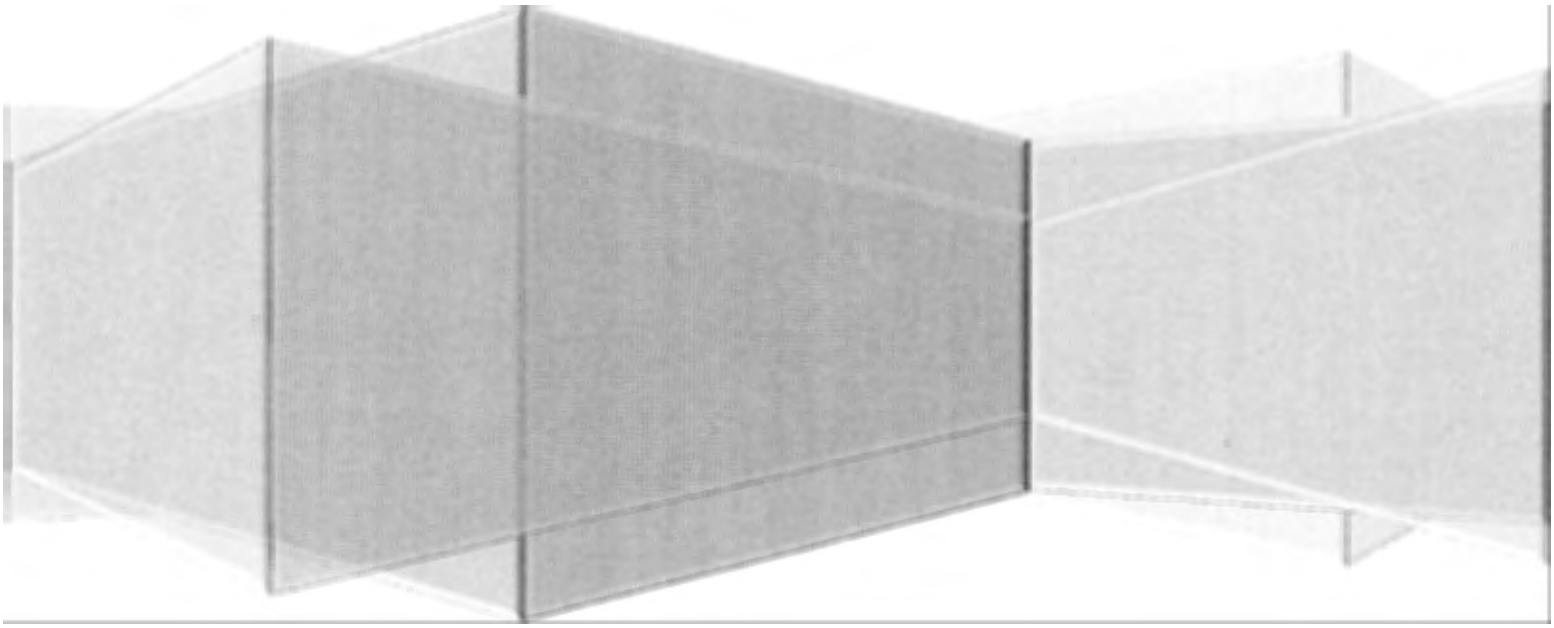
- Façade Improvement Grant Application w/attachments (dated July 15, 2017)

APPLICATION

THE DALLES

URBAN RENEWAL AGENCY

PROPERTY REHABILITATION GRANT AND LOAN PROGRAMS



MAY CONTAIN CONFIDENTIAL INFORMATION

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

Application Date: 8/7/2017 Application Number: _____

PROGRAM APPLYING TO (Check One)

- ☐ Historic Design and Restoration Program
- ☐ Redevelopment of Unused & Underused Property Program
  - ☐ Loan Interest Subsidy Program
  - ☐ Demolition Loan Program
- ☐ Civic Improvements Grant Program
- ■ Façade Improvement Grant Program
  - ☐ Residential Structure
- ☐ Fire Suppression System Grant Program

APPLICANT INFORMATION

Applicant Name: Chuck Gomez/Debra Liddell

Contact Person: Chuck Gomez

Mailing Address: 221 E 2nd St./P.O. Box #1329 The Dalles, OR 97058

Applicant is: Owner ■ Leaser ☐

Phone Number: (815) 993-2880 Email: info@watsekatheatre.com

Property Owner Name (print clearly): Charles Gomez

Federal Tax ID or Social Security Number: FEIN# 26-1374972
(Loan & Interest Subsidy Only)

Bank of account and contact:
(Loan & Subsidy Only)

Name of Business: Granada Theatre

Business Mailing Address: 221 E 2nd. St.
P.O. Box 1329
The Dalles, OR 97058

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

Name of Applicant or Principle of Organization: Charles Gomez

Site Address	Legal Description
221 E. 2nd St. The Dalles, OR 97058	Lot 6, Block 3 The Dalles City Proper

HISTORIC PROPERTY (STAFF USE) YES☐ NO☐ (If yes, requires HLC approval)

PROJECT INFORMATION

Building Age: 87 Years Building Square Footage: 6,000

Building Current Use: Storage

Building Planned Use: Performing Arts Center

Project Description Outline:

Revitalizing the facade of the historic Granada Theater.

The project will begin with a thorough preparation of exterior facade, windows and marquee to include removal of failing plaster and paint. Address repair needs to stucco, trim, plaster and plaster details, windows and wood surrounding windows. The marquee will require scrape and sand detail work. After necessary repairs have been completed, all surfaces will be sealed and primed. Final top coat of paint will be applied to exterior surfaces along with trim and marquee. A new pipe frame stationary awning will be furnished and installed.

Surface Preparation will begin within the next 7-10 days of this grant application completion and will be an approximately 2 day project.
After surface preparation has been complete, the windows will be removed for their approximate 2 week restoration.
During that time, the surface repair and plaster detail to include sealing, priming and painting will occur and last approximately 2 weeks.
The marquee will then be an approximately 10 day project with the goal of completion happening by the end of September.

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

EXPECTED PROJECT COSTS

Cost Item/Source:	Est. Cost
Exterior Prep/Stucco/Trim/Prime/Paint	$15,910.00
Marquee Prep/Prime/Paint	$4,000.00
Historic Window Restoration/Roto Awning	$12,691.97
Pipe Frame Stationary Awning	$4,750.00
	$
	$
	$
	$
	$
	$
	$
	$
	$
	$
Total Expected Cost	$37,351.97

Will there be an anticipated contractor's pre-payment for construction materials prior to the start of the project? YES ■ NO ☐ If yes, list the estimated dollar amount: $10,720.98
(For Civic Improvement, Façade Improvement, and Fire Suppression Grants only)

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

PROPOSED SOURCES OF FUNDING (loans)

Source	Amount	Rate	Term	Match
Urban Renewal Loan	$_____			
Equity (applicant)	$_____			
_____Bank	$_____	_____%	_____	

PROPOSED SOURCES OF FUNDING (grants)

Urban Renewal Grant	$18,675.98			
Applicant Match	$18,675.99			
Other Source _____	$_____	_____%	_____	☐
Other Source _____	$_____	_____%	_____	☐
Other Source _____	$_____	_____%	_____	☐
Total	$37,351.97	(Must equal total expected costs)		

Façade Grant Matching Funds:

TIER 1: Request $20,000 or less (50% match) ☐
TIER 2: Over $20,000 (100% match) ■

NOTE: To determine what tier your grant match is in and what your match will need to be, divide your total project costs by three (3); that amount is your match in tier one, unless the balance remaining is higher than $20,000. If that request amount is higher than $20,000 your grant will be tier two. To determine that divide the total project cost by two (2), this amount is your grant request and your match.

EXAMPLE 1: Suppose your total project cost is $22,170. Divide that by three (3) gives you $7,390, this is your required match. The remaining balance is $14,780. This is your grant request, since it is $20,000 or less. Your grant is in tier one. ($7,390 is 50% of $14,780)

EXAMPLE 2: Suppose your total project cost is $45,650. Divide that by three (3) gives you $15,216.66, and the remainder is $30,433.34 which is greater than $20,000. Your grant is tier 2. Divide the total project cost by two (2); $22,825 this is the amount of your grant and your required match.

The Dalles Urban Renewal Agency
Property Rehabilitation Grant and Loan Programs
-APPLICATION-

Applicant hereby certifies that all information contained above and in exhibits attached hereto are true and complete to the best knowledge and belief of the applicant and are submitted for the purpose of allowing the full review by The Dalles Urban Renewal Agency and its agents for the purpose of obtaining the financial assistance requested in this application.

Applicant hereby consents to disclosure of information herein and the attachments as may be deemed necessary by MCEDD and its agents for such review and investigation.

I Charles Gomez have read and understood the guidelines of The Dalles Urban Renewal Agency Property Rehabilitation Grant and Loan Programs and agree to abide by its conditions.

Charles Gomez — 8.8.17

Signature of Applicant — Date

Signature of Property Owner — Date

Signature and Title if appropriate — Date

Signature and Title if appropriate — Date

The Following Items Are Required Before A Loan Is Approved Or Grant Project Can Begin:

A. Loans and Grants

1. Certificate of approval from agency (if required).
2. Letter of approval from Historic Landmarks Commission (if required).
3. A summary of the project outlining the work to be done.
4. Complete plans and specifications.
5. Costs estimates or bids from a licensed contractor.
6. Evidence that building permits or any other required permits are in place.
7. Preliminary commitment of any other funds to be used in the project.

B. Loans Only

1. Amount of loan requested and proposed terms being requested.
2. Bank's loan application and any other information the bank requires, such as current financial statements, including balance sheets and income statements.

For Applicants Under The Civil Improvements Grant Program:

The grants will be awarded semi-annually on a competitive basis and based on the selection criteria in your narrative and attach it to this application form. The deadlines for applications are July 31 and January 31 of each year.

HOOD RIVER 386-5100
THE DALLES 296-5100

P.O. BOX 1414
THE DALLES , OREGON 97058

BOB SADY
PAINTING INC.
-SINCE 1962-

To:
Chuck Gomez
dba Granada Theater
POB 186
Watseka , Illinois 60970

Phone#: 815 993 - 2880

Proposal/Agreement #:
170422 - 1

Project: Granada Theater
Exterior Repaint
2nd & Washington Streets
The Dalles , Oregon

PAINTING
PROPOSAL/AGREEMENT
August 8 , 2017

1. Scope of Work. Bob Sady Painting, Inc., an Oregon corporation duly licensed, registered and bonded to work on all structures as required by the Oregon Construction Contractors Board (CCB # 82157) hereby proposes to perform the following work: Properly **prepare and repaint the exterior East and South faces of the above addressed commercial building but excluding the marquee , as follows:**

A. Power wash.
B. Remove and replace fixtures as possible. C.G.
~~C. Hand scale and sand as necessary.~~
D. Repair spauling or broken cementitious surfaces on South and East sides of the building.
E. Mask or otherwise protect areas not to be painted.
F. Apply 1 full coat rust encapsulating paint to all rusting metals.
G. Apply one full coat exterior primer to all other bare surfaces.
F. Caulk where necessary
G. Apply two full finish coats 100 % acrylic, 300 % elongation elastomeric coating of 1 finish color to all exterior walls.
H. Apply two full finish coats 100% acrylic, 300% elongation elastomeric coating of a 2nd finish color to all trim.
I. Apply two full finish coats paint provided by owner to the metal copula caps.
J. Apply two full finish coats clear protectant over the gold paint on the metal copula roofs.

* owner agrees some restoration will be necessary, see P #3, CG

All paints will be applied full strength with no dilutants nor "thinners".

Power washing under "A" above will wash dirt onto the windows which will be rinsed off at the same time but may leave some residue. Also while "best efforts" attempt will be made to protect the interior areas from moisture it is fully understood that high pressure water will be used and that some water may invade these areas. The owner agrees to protect and hold completely harmless Bob Sady Painting, Inc. and all employees from any and all claims for any damages resulting from water damage. The Owner shall select and be solely responsible for all colors, patterns and degrees of gloss for finishes. Bob Sady Painting, Inc., is not responsible for latent surface conditions, migration of moisture or natural conditions or acts or omissions of others beyond its control.

2. Existing Conditions. It is mutually understood and agreed that the existing conditions of the surfaces to be pained are as follows: **This building is in generally POOR condition. Many surfaces on the East and South sides are in SEVERE condition. Windows, doors and trim are SEVERE and will be power washed but all additional preparation work will be done by others. The North and West sides of the building the marquee and entry under the marquee and tile areas are not to be painted.** New construction will be painted in good and workmanlike manner in accordance with industry standards. For previously painted structures, Bob Sady Painting, Inc., will perform maintenance painting; *maintenance* painting is defined as preparing and painting the surfaces in a good and workmanlike manner in accordance with industry standards. Maintenance painting on GOOD and FAIR surfaces may result in underlying imperfections being apparent on close inspection. Maintenance painting on POOR or SEVERE conditions will result in existing underlying conditions being visible after completion even with proper preparation. This is not a proposal for *restoration* painting, which is defined as restoring entirely a previously painted structure to a like-new condition. OWNER AGREES THAT ANY CLAIM FOR DAMAGES DUE TO DEFECTS IN THE FINISHED PAINT

SURFACE WHICH BECOME APPARENT AND ARE ATTRIBUTABLE TO POOR OR SEVERE CONDITIONS ON THE EXISTING SURFACES SHALL BE AND ARE HEREBY EXPRESSLY WAIVED.

3. Contract Price. The owner hereby agrees to pay to Bob Sady Painting, Inc., the price of **$15,910.00. All additional work including but not limited to restoration work will be done for materials at cost plus rental equipment cost plus labor at $45.00 per man hour.** This price includes (a) Labor; (b) Equipment; (c) Materials; (d) Liability Insurance (aggregate amount $1,000,000.00); and (e) Workers Compensation Insurance as required by Oregon State Law, ORS 656.017; Certificates of Insurance are available upon request. Payment is due and shall be made in within 3 calendar days of the date of completion. For all accounts not paid when due a **LATE FEE** equal to **10%** of the contract price plus any charges for additional work will be added to the contract price and interest **WILL BE CHARGED** at the rate of 23% per annum compounded daily. The Owner hereby agrees to pay reasonable attorney's fees and all costs of collection resulting from any actions to collect all sums due and owing.

4. Changes in Work. Should the Owner or his agent or representative at any time during the progress of this work, request any alteration, deviation, additions or omission from this contract, the Owner shall be at liberty to do so upon execution of a written change order to Bob Sady Painting, Inc. and the same shall in no way affect or make void the contract, but a fair and reasonable amount will be added or deducted from the amount of the contract, as set forth in the change order.

5. Delays. It is expressly stipulated and agreed that Bob Sady Painting, Inc., shall not be liable for any delays occasioned by the elements, fire, inclement weather, labor strikes, the acts or omissions of other contractors or persons, or any other causes beyond the control of Bob Sady Painting, Inc.

6. Owner's Responsibilities. The Owner hereby agrees to accommodate Bob Sady Painting, Inc., by moving personal items, trimming vegetation, providing use of utilities, providing access, scheduling other activities in a manner which prevents conflicts, and to accommodate other reasonable requests.

7. Entire Contract. The contract contains all understandings and agreements between the parties and includes any warranty, express or implied, intended to be applicable to this work.

8. Guarantee. Upon fulfilling all their obligations hereunder and making full payment in a timely manner, the owner will be given our standard five (5) year guarantee for work done above.

9. This agreement replaces and supersedes all prior discussions and / or agreements.

Respectfully submitted,
BOB SADY PAINTING, INC.
an Oregon corporation

Bob Sady

Bob Sady, president
CCB # 82157

Date: 8.8.17

The foregoing proposal, with its specifications, terms and conditions, is hereby agreed to and accepted. The undersigned has the legal authority and hereby authorizes Bob Sady Painting, Inc., to proceed with this work. It is further understood that no other agreement, oral or written, express or implied, shall limit or qualify the terms of this agreement.

Print Name: Charles Gomez

Signature

Title: Owner

Hardwick's Custom Painting inc.

proposal and contract

1903 Oakwood dr. The Dalles, OR. 97058
paintwithstyle@charter.net
phone # 541-965-1198
CCB# 178129

PROPOSAL SUBMITTED TO: Chuck Gomez		PHONE: 815-993-2880	DATE: 3/14/2017
STREET: P.O. Box 186		JOB NAME: Granada Theater Project	
CITY, STATE AND ZIP CODE: Watseka, IL. 60970		JOB LOCATION: 2 nd street downtown The Dalles, Oregon	
ARCHITECT	DATE OF PLANS		JOB PHONE

We hereby submit specifications and estimates for:

The prep, priming and finish painting of the Marquee only, we will pressure wash to ready for prep then we will scrape and sand were needed to ready for primer, then we will prime and once primer is complete we will put the finish coat on to complete the project.

This project might include up to three colors.
Colors to be determined by owner.

We Propose hereby to furnish material and labor - complete in accordance with above specifications, for the sum of:

FOUR THOUSAND---------- dollars ($ 4000.00).

Payment to be made as follows:

A down payment of $1000.00 to start the job and a final payment of $3000.00 upon completion of job.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delay beyond our control. Owner to carry fire, tornado and other necessary insurance. This proposal may be withdrawn by us if not accepted within 30 days. All workers are fully covered by Workmen's Compensation Insurance.

Authorized Signature By Dana Hardwick President

Acceptance of Proposal The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

SIGNATURE

DATE OF ACCEPTANCE:

SIGNATURE

Gorge Glass & Contracting

616 East 3rd Street
The Dalles,OR 97058
O- 541.296.2074 F-503.907.6646
ccb# 103940 wa# gorgegc011jz

Estimate

DATE	ESTIMATE NO.
3/10/2017	7297

NAME / ADDRESS
Gomez, Chuck

Job Site Notes
221 East 2nd Street, The Dalles,OR, 97058

DESCRIPTION	QTY	COST	TOTAL
* Due to the Historical Site The Following Windows Qualify for Restoration Standards*			
40 5/8 x 56 1/2 SH, Marvin Brand, Wood Double Hung Tilt Packs, Primed with Grids on Exterior with white jamb and hardware	1	1,606.61	1,606.61
41 x 56 5/8 SH, Marvin Brand, Wood Double Hung Tilt Packs, Primed with Grids on Exterior with white jamb and hardware.	1	1,606.61	1,606.61
27 1/2 x 52 SH, Marvin Brand, Wood Double Hung Tilt Packs, Primed with Grids on Exterior with white jamb and hardware.	1	1,243.94	1,243.94
28 1/2 x 52 SH, Marvin Brand, Wood Double Hung Tilt Packs, Primed with Grids on Exterior with white jamb and hardware.	2	1,258.95	2,517.90
42 1/2 x 58 Awning roto operating with White Exterior, Jamb and Hardware	1	1,694.39	1,694.39
Labor To Install New Marvin Tilt Pack Windows in Historical Building. Trim To Remain The Same. Paint/Stain To Any Surface Is Not Included In Pricing.	6	200.00	1,200.00
20 x 30 Wood Sash Only Primed Exterior White	3	840.84	2,522.52
Labor And Materials To Include Installation of New Wood Sash Windows . Trim To Remain The Same. Paint/Stain To Any Surface Is Not Included In Pricing.	3	100.00	300.00
Estimates are good for 30 Days. To Accept this Estimate, Signing of a Contract with our company as well as half down of entire total required.			

Thank You For Choosing Gorge Glass & Contracting

Subtotal	$12,691.97
Sales Tax (7.0%)	$0.00
TOTAL	$12,691.97

Signature _____

AWNING AND FLAG

Quote

Quote Delivery Date	26-Jun-2017
Quote No.	3909
	Option __ of __
Valid Until	26-Jul-2017

[redacted]

Chuck Gomez
Granada Theatre

P.O. box 1329
The Dalles, OR 97058

815-993-2880

info@watsekatheatre.com

[redacted]

Granada Theatre

Scope of Work

Furnish and install one new pipe frame stationary awning.

valance: scalloped

Graphics: No

Sunbrella fabric color: TBD

T:Rail: TBD

Head rod: TBD

Total	**$ 4750.00**
Due Now	**$ 2375.00**

[redacted]

Availability: Approx. 4-6 weeks after receipt of all information.

[redacted]

If you wish to proceed with this agreement: where applicable, please indicate preferred options, sign & return a copy of this agreement for our files.

TERMS: 50% deposit due upon acceptance and balance due upon completion. This becomes a binding contract if accepted by both parties.

X_____ _____

Signature Date

_____

Print Name

Josh

Account Manager - Rose City Awning & Flag

Josh@rosecityawning.com

IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA STAFF REPORT
AGENDA LOCATION: VIII. D.

DATE: August 15, 2017

TO: Chair and Members of the Urban Renewal Agency Board

FROM: Steven K. Harris, AICP
Urban Renewal Manager

ISSUE: **Sunshine Mill (Discover Development, LLC) Installment Loan Restructuring – Status of Negotiations and Request to Prepare a Revised Fifth Amendment to the Loan Payment Agreement**

BACKGROUND

On May 3, 2017, the Agency Board moved to extend for a period of up to 90 days (August 15th) the installment loan due date to allow for discussions for a possible restructuring of the repayment schedule. The Board appointed Chair Elliott and Board Member Long-Curtiss to meet with Sunshine Mill representatives and Agency staff, and to report back with loan restructuring alternatives for the Board's consideration.

Sunshine Mill is current with their principal ($10,000) and interest payments ($1,531.25) as directed by the Board's action of May 3rd. The balance of the installment loan has been reduced from $350,000 to $320,000 with the May 15th, June 15th and July 15th payments. An August 15th payment was not included in the Board's May 3rd action, therefore staff is requesting that an August 15th principal and interest payment (same terms) be included in any action to extend the negotiating period.

STAFF RECOMMENDATIONS/ALTERNATIVES

Staff is recommending that the initial 90 day period be extended to the Agency Board meeting of October 17, 2017, to allow for additional time to develop loan restructuring alternatives, with the provision that the conditions of the original extension be continued.

1. Move to direct staff to prepare a revised Fifth Amendment to the Loan Payment Agreement to defer any action to declare the loan to be in default, subject to the following provisions:

    a. Move to continue the extension to the Agency Board meeting of October 17, 2017.

    b. Borrower shall make monthly payments of $10,000 and interest payments of $1,531.25 beginning on August 15, 2017, and continuing with similar payments on September 15th and October 15th.

    c. During this period, Borrower will meet with designated representatives of the Agency to explore options for restructuring of the loan, with the goal of repayment of the loan in full.

2. Extend the negotiating period to a date to be determined by the Agency Board and to direct staff to prepare a revised Fifth Amendment to the Loan Payment Agreement, subject to conditions as determined by the Agency Board.

3. Decline to extend the negotiating period and require repayment of the loan balance as determined by the Agency Board.

4. Provide staff with direction as appropriate.