



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA
COLUMBIA GATEWAY
URBAN RENEWAL ADVISORY COMMITTEE

Conducted in a Handicap Accessible Meeting Room

Tuesday, March 15, 2016

5:30 pm

City Hall Council Chambers

313 Court Street

The Dalles, Oregon

- I. CALL TO ORDER
- II. ROLL CALL
- III. PLEDGE OF ALLEGIANCE
- IV. APPROVAL OF AGENDA
- V. APPROVAL OF MINUTES – February 16, 2016
- VI. PUBLIC COMMENTS (For items not on the agenda)
- VII. ACTION ITEM – Recommendation Concerning Urban Renewal Property Rehabilitation Façade Improvement Grant Request – Craig Development (revised).
- VIII. ACTION ITEM – Recommendation Concerning Granada Block Proposals.
- IX. ONGOING URBAN RENEWAL PROJECTS UPDATE
- X. FUTURE MEETING – April 19, 2016
- XI. ADJOURNMENT

**Columbia Gateway Urban Renewal Agency Advisory Committee
Tuesday, February 16, 2016**

5:30 PM

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Chair Grossman called the meeting to order at 5:31 PM.

ROLL CALL

Members Present: Gary Grossman, Greg Weast, Phil Lewis, Jennifer Dewey, Linda Miller, Steve Kramer, John Nelson, Atha Lincoln

Members Absent: John Willer

Staff Present: City Attorney Gene Parker, Project Coordinator Daniel Hunter, Administrative Secretary Baltazar Gamez.

Others Present: City of The Dalles Business Development Director Gary Rains

PLEDGE OF ALLEGIANCE

Chair Grossman led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

Hunter asked if the action item for Tony's could be moved ahead of the Granada Block proposals. It was moved by Kramer and seconded by Miller to approve the agenda as amended. The motion carried unanimously; Willer absent.

APPROVAL OF MINUTES

Nelson pointed out spelling errors in the minutes. He also requested that on the page referring to the fire suppression action item, a specific reference to Victor Johnson's project. He also requested a change to the language be regarding Hunter's comment on how the greenway project would connect to the riverfront trail. Miller also noted that the person signing the minutes should be changed to Weast. It was moved by Weast and seconded by Nelson to approve the December 15, 2015 minutes as amended. The motion carried unanimously; Grossman and Lincoln abstained. Willer absent.

PUBLIC COMMENT

None

ACTION ITEM – Recommendation Concerning Urban Renewal Property Rehabilitation Façade Improvement Grant Request – Freebridge

Project Coordinator Hunter presented highlights of the staff report and staff's recommendation. He also stated to the Committee that the projections for the funds availability to purchase the Tony's Building included all grant applications, anticipated and already approved grants.

Dewey commented that the project would help so that people will know there is stuff going on in there. Nelson liked the idea that during the day there would be more light coming in.

It was moved by Weast and seconded by Miller to recommend to the Agency Board to approve the grant request by Freebridge. The motion carried unanimously. Willer absent.

ACTION ITEM – Recommendation Concerning Urban Renewal Property Rehabilitation Façade Improvement Grant Request – Craig Development.

Project Coordinator Hunter presented highlights of the staff report and the support of the project from Matthew Kleebees who could not make the meeting.

Miller mentioned that this project had received approval from the Historic Landmarks Commission.

Nelson commented that it was major and visible building on the block and the project was a no-brainer. He also asked for clarification on the two façade grants and whether approving them would take half of the amount budgeted for the fund. Hunter clarified the cumulative amounts in the fund.

It was moved by Weast and seconded by Nelson to recommend to the Agency Board to approve the grant request by Craig Development. The motion carried unanimously. Willer absent.

ACTION ITEM – Recommendation Concerning Purchase Option on Tony's Building.

Project Coordinator Hunter presented highlights of the staff report.

Weast asked for clarification regarding the available funds. He also asked if \$78,211 would be the fund balance if the building were purchased with Urban Renewal money which Hunter confirmed.

Grossman asked staff what the impact would be for the upcoming year regarding rehabilitations. Hunter said he was currently working on the Urban Renewal budget and he did not believe it would have too great of an affect provided the numerous projects that involve property sales take place.

Kramer asked what the number of proposed housing units was for the project. Hunter confirmed it would be 50 and Miller stated the project proposed studio to three bedroom units. Kramer also stated his approval of the project given the current shortage of housing.

It was moved by Kramer and seconded by Weast to recommend to the Agency Board to approve the purchase of the Tony's building. Nelson asked why the Agency didn't approve the Committee's recommendation to purchase the building using a loan from the City. Hunter clarified that the Agency Board approved the recommendation but the City Council did not. Weast commented that it was intended to make the transaction cleaner if Urban Renewal paid their own bills. Grossman stated his concern of the possibility that this purchase would limit other property rehabilitation because there would then be one nice building and some real issues. Grossman also stated he would have hoped to see a hybrid plan with of the money coming from Urban Renewal funds and part from a loan from the City. Dewey, Kramer, Miller, Lewis, and Weast voted in favor; Grossman, Lincoln, and Nelson opposed. Willer absent. The motion carried.

ACTION ITEM – Recommendation Concerning Granada Block Proposals.

Project Coordinator Hunter presented highlights of the staff report and explained to the Committee that after reviewing all of the proposals, the Review Committee felt that the best course of action going forward was to develop the properties separately and have the Illinois group develop the Granada only as they had previous experience with a similar project in Watseka Illinois.

Dewey stated that one of the questions she had on the Illinois' group proposal was only going to do cosmetic updates and not structural updates which were badly needed. Another concern she had was the amount of rent they proposed charging was not sustainable. She also commented on the difference of the geographic locations the Watseka Theatre could draw from versus the locations The Dalles could draw from. Weast stated he acknowledge it was a challenge for the Watseka group but if the motion was before him to suggest approving the Gomez project for the Granada he would say yes.

Grossman said he shared the same concerns as Dewey in terms of the structural condition. Nelson also mentioned that the HVAC were items that needed to be address and wanted to know if they were part of the Gomez proposal. Miller mentioned she was under the impression that Urban Renewal would be addressing the HVAC system. Grossman stated there had been nothing presented to Urban Renewal.

Michael Leash, The Dalles, OR spoke about the scope of his project and shared his concerns regarding an independent Granada Theatre but that his group would still be onboard in seeing the block redevelopment moving forward.

Weast left the meeting at 6:15.

After follow-up questions of staff and further discussion on the concerns of the Illinois' group proposal it was moved by Nelson and seconded by Lincoln to request further information on the

project before proceeding with any specific negotiations the Illinois group on the Granada Theatre project. The motion carried unanimously; Willer and Weast absent.

ONGOING URBAN RENEWAL PROJECTS UPDATE

The following report was presented by Project Coordinator Hunter:

- Lewis and Clark Fountain Sculpture – Dedication planned.
- Wonderworks Children’s Museum – Invoice for parking lot being paid.

Grossman told the committee that Mayor Lawrence and Councilor Spatz went to Salem to present three projects for potential funding.

Lincoln asked about the status with the Hilton hotel. Rains indicated that discussions were on how to move forward with that project. Nelson asked on the status of the parking garage. Hunter told the committee what funds were potentially available and the options for development.

FUTURE MEETING

April 19, 2016

ADJOURNMENT

Chair Grossman adjourned the meeting at 6:30 PM.

Respectfully submitted by Administrative Secretary Baltazar Gamez.

Gary Grossman, Chairman



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA STAFF REPORT

URBAN RENEWAL ADVISORY COMMITTEE

| MEETING DATE | AGENDA LOCATION | AGENDA REPORT # |
|----------------|-----------------|-----------------|
| March 15, 2016 | ACTION ITEM | |

TO: Urban Renewal Advisory Committee

FROM: Daniel Hunter, Project Coordinator

DATE: February 25, 2016

ISSUE: Façade Improvement Grant – Craig’s Office Supply

BACKGROUND: On February 1, 2016 staff received an application from Main Street on behalf of Jim Craig for a grant under the Urban Renewal Property Rehabilitation Program. The Urban Renewal Advisory Committee has previously approved this grant with a broader scope and higher cost.

At the Agency Board meeting February 22, 2016 the Board rejected the previous request. They requested the applicant revise the scope to include only the facade. Some previous items appeared to include work on the roof. This is not covered by the Façade Program. The attached application has a revised scope, cost and grant request.

The grant request is for a \$23,755 Grant, for which the applicant will provide \$25,000 in matching funds. The match provided is greater than the requested grant. This exceeds the match requirement under Tier 1. The Façade Improvement Project will remove the deteriorating awnings; rehabilitate the original fascia tiles; install new metal window sill caps; and restore the brick and window trim. This will return the building to very near its original design.

The application and match meet the program guidelines. On January 27, 2016 the applicant’s request was reviewed by the Historic Landmarks Commission and received unanimous approval.

BUDGET IMPLICATIONS

As you recall, detailed information was provided for the previous request showing the Agency had sufficient funds to grant the request. As this request \$16,000 less than the original, there are more than sufficient funds to meet this request.

ALTERNATIVES

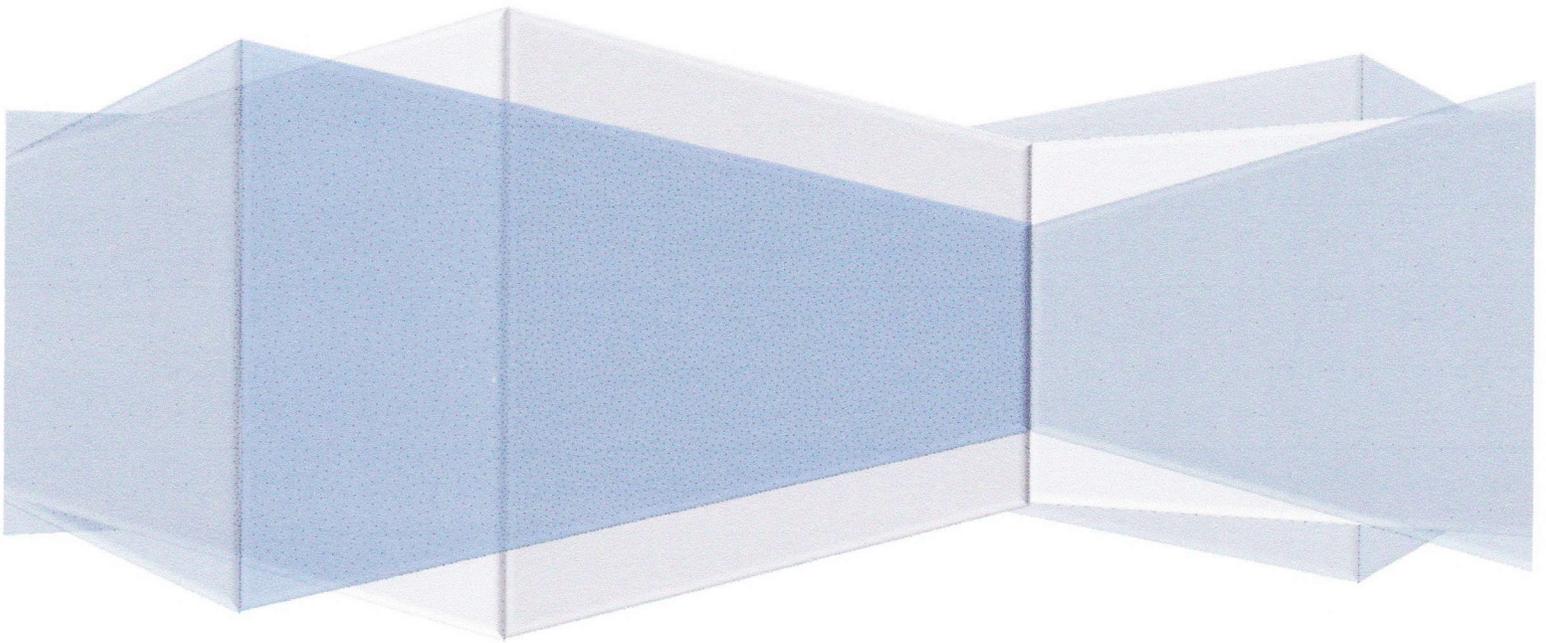
1. Move to recommend to the Agency Board, approval of grant funds to Jim Craig in an amount not to exceed \$23,755
2. Deny the request for a recommendation

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: 12/4/15

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

APPLICANT INFORMATION

Applicant Name: Craig Development

Contact Person: Jim Craig

Mailing Address: 4337 S Via DeFebrero
Green Valley, Arizona 85622

Applicant is: Owner Leaser

Phone Number: 541-993-7667 Email: jwc819@gmail.com

Federal Tax ID or Social Security Number: NA 47-4572140
(Loan & Interest Subsidy Only)

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

Name of Business: Craig Development LLC

Business Mailing Address: 323 E. 2nd St.
The Dalles, OR 97058

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

Name of Principle: Jim Craig

Site Address

323 E 2nd St.
The Dalles, OR 97058

Legal Description

1N 13E 3 BD 2400

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

PROJECT INFORMATION

Building Age: 1910 Building Square Footage: 18,000

Building Current Use: Retail/Office

Building Planned Use: Retail/Office

Project Description Outline:

The Craig Building is one of the best historic buildings in Downtown The Dalles. Its Chicago style windows and white brick are an iconic symbol of the past, and when renovated will be the finest example of what is possible for other buildings throughout Downtown.

This facade grant will make possible removal of the dated, torn awning which has covered up much of the front of the building for decades. Behind this awning are large decorative tiles which are broken and missing. You can see them on the corner posted. They are cracked and in need of restoration. They will be replaced with new porcelain tiles to restore the original look. The window sills have pulled away from the building. New metal sill caps will be fabricated and installed. The top four rows of bricks will be prepped, sealed and painted. And finally, the Chicago style windows have original wood sashes and trim. All of the window trim will be renovated, including being scraped, cracks and defects filled, chemically treated, primed and repainted to look original.

The end result of this project will be the restoration of the Craig building to what it looked like as a new building in 1912 when it was the Pease and Mays Mercantile.

This is in addition to the renovation of the entire inside of the building by Craig Development to accommodate two new tenants and a total of 75 employees in Downtown.

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

PROPOSED SOURCES OF FUNDING (loans)

| <u>Source</u> | <u>Amount</u> | <u>Rate</u> | <u>Term</u> | <u>Match</u> |
|--------------------|---------------|-------------|-------------|--------------|
| Urban Renewal Loan | \$ _____ | | | |
| Equity (applicant) | \$ _____ | | | |
| _____ Bank | \$ _____ | _____ % | _____ | |

PROPOSED SOURCES OF FUNDING (grants)

| | | | | |
|---------------------|--|---------|-------|--------------------------|
| Urban Renewal Grant | \$ _____ | | | |
| Applicant Match | \$ _____ | | | |
| Other Source _____ | \$ _____ | _____ % | _____ | <input type="checkbox"/> |
| Other Source _____ | \$ _____ | _____ % | _____ | <input type="checkbox"/> |
| Other Source _____ | \$ _____ | _____ % | _____ | <input type="checkbox"/> |
| Total | \$ _____ (Must equal total expected costs) | | | |

Facade 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)

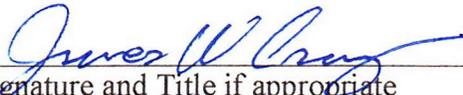
EXAMPLE 2: Suppose your total project cost is \$45,650. Divide that by three (3) gives you \$15,216.66, and the remainder is \$30,433.34 which is greater than \$20,000. Your grant is tier 2. Divide the total project cost by two (2); \$22,825 this is the amount of your grant and your required match.

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 Craig Development 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.

 Owner
Signature and Title if appropriate

1-5-16
Date

Signature and Title if appropriate

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.



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CITY OF THE DALLES

AGENDA STAFF REPORT

URBAN RENEWAL ADVISORY COMMITTEE

| MEETING DATE | AGENDA LOCATION | AGENDA REPORT # |
|----------------|-----------------|-----------------|
| March 15, 2016 | ACTION ITEM | |

TO: Urban Renewal Advisory Committee

FROM: Daniel Hunter, Project Coordinator

DATE: February 29, 2016

ISSUE: Granada Block Proposals

BACKGROUND: As you will recall, on February 16, 2016 staff presented a report to you on the Granada Theatre with the recommendation to enter negotiations. Those negotiations would have been with Charles Gomez and Debra Liddell of Watseka, Illinois. The Advisory Committee at that meeting requested staff contact Gomez and Liddell and have them submit a new proposal on just the theater. After conferring with the City Attorney, we became aware this approach would likely violate the law unless we issued a new RFP and allowed others to propose.

On February 22, 2016 the Review Committee met again to discuss this new information. In addition we discussed the attached letter from Michael Leash of Granada Block Property Redevelopment, LLC. During that meeting we resolved to recommend that the Advisory Committee and Agency Board reject all proposals and sell the properties with conditions for redevelopment.

The recommendations below reflect the outcomes of that meeting and provide you with several alternatives.

ADVISORY COMMITTEE ALTERNATIVES

1. **Recommendation:** *Move to recommend to the Agency Board*, that the Columbia Gateway Urban Renewal Agency reject all proposals received in response to the RFP for Granada Block Properties and sell all of the properties, with conditions on redevelopment.
2. Move to recommend to the Agency Board that staff be directed to enter negotiations on the redevelopment of the Granada Theater only, with Charles Gomez and Debra Liddell.
3. Move to recommend to the Agency Board that staff be directed to enter negotiations on the redevelopment of all properties, excluding the Granada Theatre, with Granada Block Property Redevelopment, LLC.
4. Make an alternate motion

GBHD, LLC
306 Court Street
The Dalles, OR 97058



Daniel Hunter & Gary Rains
313 Court Street
The Dalles, OR 97058

February 15, 2016

RE: Granada Block Property Redevelopment

Dear Daniel & Gary,

Once again, the GBHD, LLC is excited to have the opportunity to play a major role in the transformation and revitalization of the Granada Block Property Redevelopment in downtown The Dalles. Our team is made up of experts in their specific fields and has spent hundreds of hours putting together what we believe is a short and long-term development vision that brings one of the most recognized blocks out of the shadows of “Blight and Decrepit” buildings. We believe that the masterplan found in our proposal delivers and exceeds all expectations the City of The Dalles has for one of the most notable and recognized blocks in the entire city.

That being said, it is our understanding from meetings with Gary Rains that the “Review Committee” has reviewed our proposal and asked for some changes to the proposal we submitted. We ask that our proposal be presented to the Urban Renewal Advisory Committee and to the Urban Renewal Agency based on the RFP that was issued on October 28, 2015 and the proposal our team submitted to the City of The Dalles on January 19, 2016.

The GBHD Team has reviewed the request from Gary Rains to make these significant changes to our proposal as concession to allow our proposal to move forward in the process to Urban Renewal Advisory Committee and to the Urban Renewal Agency. In this letter, those concessions can be found and are detailed as the best recommendations to move forward a masterplan for the Granada Block Property Redevelopment and to still accomplish a significant and transformative Property Redevelopment to the Block.

Granada Theater Renovation and Acquisition:

GBHD has reviewed the request to remove the Granada Theater from our masterplan.

The Hilton Garden Inn Franchise Review Team approved the Granada Theater to be an integrated space that could be managed and operated by a hotel operations group. This has an impact on the overall operations of the Hotel – Occupancy Levels & Rates, Rentable Hotel Conventions Spaces, Restaurant - Food & Beverage Sales and Job Creation. The Granada Theater was to become a Strategic & Critical Space within a portfolio of rental spaces that the hotel would manage. Our partners from Concept & Venture Entertainment, who are powerhouse managers of current and past major venues, nightclubs & restaurants in the Portland area for more than 30 years, had a strategy to add this venue to their portfolio, which would have allowed the Granada to become a key entertainment venue very quickly.

As requested by Gary Rains, we would be willing to consider the removal of the Granada Theater from GBHD’s masterplan for the Property Development of the block, if this was the desire of Urban Renewal Advisory Committee and the Urban Renewal Agency and in the best interest of moving forward a solid Redevelopment Plan for the Block.

Based on the meetings with Gary Rains, GBHD would need reassurances that the Granada Theater would be timely renovated to acceptable standards for the masterplan of the Block. As previously stated, HGI has

agreed to allow their flagship brand to be built on a site as part of an infill project; the “expectations from Hilton does not go down” if the Granada Theater is not managed by the Hotel Management Team. It will be critical that exterior colors and renovation are complementary to the new build of the hotel structure. As for the interior, if the venue were to be considered as a possible rental space by hotel guests & convention meeting planners, the Granada Theater would need to provide a level of consumer experience that Hilton would expect from a property that is associated or booked within the hotel system. GBHD would request as part of our agreement, a first right of refusal if another operator is unable to fulfill its obligation and proceed with the operations of the Granada Theater.

Blue Building Site – Masterplan Location for Meeting Space

GBHD has reviewed the request to abandon the integration of the Blue Building Site into the masterplan for the site.

After numerous configuration attempts and possible relocations of this space, it became clear that it is problematic to source a reasonable alternative. We also found ourselves looking at alternatives that were just cost prohibitive and ultimately no longer met the Hotel Brand standards, which would now affect the hotel guest meeting experience, and have an impact on room rates & occupancy levels. The ability to book conferences would now be adversely affected by Hotel’s inability to deliver a high quality meeting space.

There is no reasonable alternative but to include the Blue Building in the design of the Hotel and Conference Center. Without the Blue Building Site, there is a serve loss of continuity between the buildings and the design and layout within the hotel masterplan-meeting space. In turn, without that space Hilton will re-consider the proposed brand and would need to determine the best hotel brand for a reconfigured site or if any Hilton Brands fits given guidelines and brand standards.

Options Considered:

- 1 Add one floor to the hotel and leave the Blue building:
 - Costs go up dramatically; we now need larger & deeper footing that will impact the Sandstone foundation of the Blue Building
 - Lose ability to be a Hilton Garden Inn; – adjacent buildings & site is no longer conforming to Hilton’s Flagship brand (HGI)
 - Increased impact from Archaeological concerns, going deeper with larger & more footings
- 2 Build over the alley behind Eric Gleason’s Property
 - a. The space is too small and would not accommodate the meeting room configuration and pre-function space
 - i. Hilton would be concerned with the guest circulation and layout within the hotel
- 3 Build on the West Lot next to Eric Gleason’s Building:
 - a. Construction and connectivity become problematic and cost prohibitive
 - i. Hilton would not approve taking people from one building to another, with a new build hotel

Reviewed & Updated:

Urban Renewal Agency Participation & Funding Sources

GBHD anticipates taking advantage of the current Water, Sewer & Transportation SDC Credits for the buildings and site that will be redevelopment: Equal to the maximum as determined by staff

- Recreation Buildings: Transportation + W&S Credits = Equal to the maximum as determined by staff
- Blue Building: Transportation + W&S Credits = Equal to the maximum as determined by staff

GBHD understands that development is entitled to receive a credit toward system development charges (SDC’s) for water and sewer at the rate of 1% (one percent) for each new permanent full time equivalent position created by the development. GBHD would expect to receive all system development charge credits that may be

available because the development is located in the downtown district, with such other credits as allowed for similar developments by City ordinance or resolution at the time the SDC's are due.

GBHD will be requesting \$100,000 per building from the Urban Renewal Agency to assist with the cost of demolition for the 4 buildings that will need to be demolished: \$400,000

- Recreation Lanes Building 213 E. 2nd St.: Tax Lot 1N 13E 3BD 3600, .1592 ACRES
- Old Recreation Café Building 213 E. 2nd St.: - Tax Lot 1N 13E 3BD 3500, .0853 ACRES
- Dam Building 215 E. 2nd St.: -Tax Lot 1N 13E 3BD 3400, .0738 ACRES
- Blue Building: Tax Lot 1N 13E 3BD 600, .109 ACRES

GBHD will be requesting that all buildings be free of all environmental hazards prior to taking possession: Removal of asbestos, lead paint, toxic glues, poisonous adhesives, carpets and roofing materials from the four buildings.

GBHD understands that the Urban Renewal Agency will pay for the cost of "Alley Service relocation" (water, gas, sewer, storm-drain, power and fiber-optic). GBHD understands that the URA would be responsible for this relocation. The Urban Renewal Agency would be responsible for the oil tank that has been identified in the alley behind the Granada Theater. The Urban Renewal Agency will take responsibility for any other hazards that are found on the development site, or within the soils.

GBHD understands that the Urban Renewal Agency will provide a new First Street Streetscape; GBHD anticipates that all street and sidewalk improvements will be paid for through First Street Streetscape project and its funding. It is expected that the First Street Streetscape would be consistent with the theme of the Washington Street Plaza and Washington Street Streetscape.

GBHD understands that the Urban Renewal Agency had previous plans to construct the Washington Street Plaza. GBHD would request that the Urban Renewal Agency continue to pursue the construction of Plaza on Washington Street. However, knowing now it will be modified from the original designs and would not include an Underpass under the Union Pacific Railroad Tracks and no longer needs to go to the depth required to support a tunnel under Railroad Tracks (although, GBHD recommends that URA pursue other grants or matching fund programs to find an alternate route over the Railroad Track from the Hotel/Parking Garage/the Plaza). GBHD needs to fully understand the intent and masterplan for Washington Street from 1st to 2nd Street, as this component of Granada Block Property Redevelopment (RPF Page 4 "may include a public pedestrian plaza at 1st Street") will impact the Design & Continuity of the Hotel Development Plans and projected usages.

Granada Theater:

*If the Granada is not included in GBHD's Masterplan, no need to make funding requests for GBHD.

Parking:

GBHD Parking Requirements:

Hotel (Hilton Garden Inn) will need a minimum of 117 spots dedicated for guests = 117 spots. These spots must be confirmed as dedicated and committed solely for the purpose of hotel room guests. Hilton Corporate Architects have evaluated the site and determined the Hotel main entrance should not exceed 200 feet from parking to the main entrance door of the hotel.

The Urban Renewal Agency will be asked to construct a parking structure on a portion of the surface parking lot between Washington Street and the Transportation Center ("Public Garage") with sufficient parking spaces to meet the need for downtown public parking and the public parking needs of the Projects (Phase 1 & 2), including the Hotel, Hotel meeting space, Granada Theater, Civic Auditorium & Theater and Tony's Building Revitalization as determined by the Agency and the City.

The construction of the Public Garage should be completed no later than the opening of the Hotel. The projected TRT Taxes from the new hotel has the capacity to fund 100% of the Revenue Bond and actually produce a surplus funds that can be used to assist with other projects.

Timeline: Start Phase 1 Demolition in June-Aug 2016 (Date Pending Agreement with UR & City)

Phase 1: Site Hilton Garden Inn Hotel Development Site

Phase 2: Site Development: Corner of East 1st and Court Streets: 119.9 feet x 121.8 feet (Future Development)

The GBHD team hopes that these changes and considerations will help everyone move forward on a development plan that will satisfy all parties and ultimately allow everyone in our community to be excited about this significant and transformative project that will be the catalyst for more improvement and evolution of downtown.

In closing, we ask that our proposal be presented to the Advisory Committee and to the Agency based on the RFP that was issued on October 28, 2015 and the proposal our team submitted to the City of The Dalles on January 19, 2016. As we outlined in this letter GBHD, understands that there may be a need to modify the proposal as presented in the future.

Regards,

Michael Leash
GBHD, LLC

Matt Leeding
Walsh Construction Co.