



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 18, 2014

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
 - A. September 17, 2013
 - B. February 18, 2014
- VI. PUBLIC COMMENT (for items not on the agenda)
- VII. ACTION ITEM – Grant Application for the Independent Order of Odd Fellows (IOOF)
- VIII. DISCUSSION ITEM – Amendment of the Urban Renewal Agency Property Owner Rehabilitation Program to include private owners for façade restoration – Administrative Fellow Jon Chavers
- IX. ONGOING URBAN RENEWAL PROJECTS UPDATE
- X. FUTURE MEETING – April 15, 2014
- XI. ADJOURNMENT

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

Tuesday, September 17, 2013

5:30 p.m.

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Vice Chair Grossman called the meeting to order at 5:30 p.m.

ROLL CALL

Members Present: Gary Grossman, Mike Zingg, Robin Miles, Steve Kramer, Linda Miller

Members Absent: Greg Weast, Jennifer Botts, Chris Zukin, Dick Elkins

Staff Present: City Manager Nolan Young, Administrative Secretary Carole Trautman

Also Present: MCEDD Loan Fund Manager Eric Nerdin

PLEDGE OF ALLEGIANCE

Vice Chair Grossman led the group in the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Kramer and seconded by Zingg to approve the agenda as submitted. The motion carried unanimously; Weast, Botts, Zukin and Elkins were absent.

APPROVAL OF MINUTES

July 16, 2013 – It was moved by Miles and seconded by Miller to approve the minutes as submitted. The motion carried unanimously; Weast, Botts, Zukin and Elkins were absent.

PUBLIC COMMENT

None

ACTION ITEMS – Urban Renewal Grant Applications

A. United Church of Christ Congregational, 111 E. 5th Street, The Dalles, Oregon
MCEDD Loan Manager Nerdin presented the staff report. Staff's recommendation was to move to recommend approval of a \$26,857 urban renewal grant to the applicant for replacing 25 windows to the structure, conditional upon the project being approved and permitted by all applicable agencies, including the Historic Landmarks Commission.

Zingg asked when the urban renewal funds would be replenished. City Manager Young stated he anticipated \$50,000-100,000 would be available July 1, 2014. Young said there would be approximately \$5,000 remaining if both applications were approved, and some other urban renewal funds were re-budgeted for next fiscal year which would bring this year's remaining balance to approximately \$10,000. Zingg asked Young and Nerdin if they knew of other upcoming projects. Neither Young nor Nerdin knew of any at this time. Young also pointed out the urban renewal "immediate opportunity" line item funds could be recommended for use on future projects. There was also \$49,000 available in the beginning fund balance that could be made available through a supplemental budget process, Young advised.

Miller asked if churches paid property taxes, because she noted 5 points were awarded under item #2B, "Property values and tax base," on the staff report scoring sheet. After further discussion, Nerdin stated the scoring total should be changed from 20 points to 15 points. In the interest of preserving Urban Renewal Agency (Agency) funds, Nerdin said another option would be to recommend the alternate approval of half of the requested amount. City Manager Young stated another alternative would be to delay one of the projects until the next review in January of 2014.

Miller asked if the applicant was seeking other grants. UCCC representative Gene Parker stated he was not aware of any other grant requests submitted by UCCC.

It was moved by Kramer and seconded by Zingg to recommend approval of a \$26,857.00 urban renewal grant to United Church of Christ Congregational to be used for replacing 25 windows in the building located at 111 E. 5th Street, The Dalles, Oregon. The recommended approval would also be conditional upon this project being approved and permitted by all applicable agencies and entities, including, but not limited to, the Historic Landmarks Commission. The motion carried unanimously; Weast, Botts, Zukin and Elkins were absent.

B. Wonderworks Children's Museum of the Gorge, 206 Madison Street, The Dalles, Oregon

MCEDD Loan Manager Nerdin highlighted the staff report. He emphasized that the parking lot project needed to be completed before the applicants could occupy the building. Staff's recommendation was to move to recommend approval of the \$24,225.00 urban renewal grant to Wonderworks Children Museum, contingent upon Wonderworks providing documentation of additional funds equaling or exceeding \$32,200, the amount needed to complete the parking lot building portion of Phase 2.

Miles noted that the date on the bottom of Page 2 of the application should change from "2013" to "2014."

Zingg stated he supported the project, but he had a concern about having a limited URA fund balance for future applicants if funds were spent on a project that could potentially not be completed if match funds were not obtained. Nerdin pointed out that Wonderworks had \$40,000 in outside pending grants submitted, and the balance needed to complete the entire project was \$68,720. He said Wonderworks had a history of success in obtaining grants. It would assist Wonderworks in obtaining match funds if the URA grant was awarded. City Manager Young suggested another option of setting a timeline for the match fund; and if the match was not obtained, the applicant could go before the committee again.

It was moved by Miller to recommend approval of the \$24,225.00 urban renewal grant to Wonderworks Children's Museum, with a timeline of January 30, 2014 for the grant, contingent upon Wonderworks providing documentation of additional funds equaling or exceeding \$32,200. The urban renewal grant

would be used towards building a parking lot for the building located at 206 Madison Street, The Dalles, Oregon.

City Manager Young clarified that the intent of the motion was if the matching funds were not met within the timeline, the application would be brought back to the committee for review. Miller confirmed that was correct.

Kramer seconded the motion. The motion carried unanimously; Weast, Botts, Zugin and Elkins were absent.

ONGOING URBAN RENEWAL PROJECTS

City Manager Young gave the following updates:

- Other Urban Renewal Grants – Young highlighted his memorandum on the financial status of other URA grants (copy attached).
- The Granada Block Redevelopment – The City decided to start with the design work on the parking structure, then the Request for Proposals (RFP), then award a construction contract. The RFP was divided into three phases: Phase 1- the preliminary design, to be completed before December 31, 2013. This strategy was put in place so that the City would only have funds expended on the preliminary design prior to the developers' deadline date mentioned above. The preliminary design could be utilized if a contingency plan was put into place. Phase 2- the final design, completion date to be mid-year or early summer. Phase 3- construction.

Seven proposals were received, and a selection committee was formed. The committee hoped to present to the Agency on October 14, 2013.

Zingg asked how much money was budgeted for Phase 1. City Manager Young said the budget was not broken down by phases. He explained that state law changed the process on architect selection, and the City would not know the price until the architectural firm was selected.

Zingg said he wondered if the community would want to spend urban renewal funds if the project did not go forward. City Manager Young said the plan all along was that the site would be developed, and any design work done for that site would be used. He said that was why the preliminary design work would be completed first. Zingg asked if other locations could be considered for the parking structure, should the hotel site not go forward. Young stated that the purpose of the parking structure had, from the beginning, been site specific; and it would be unacceptable to have the site undeveloped. If the current developer, Rapoza, did not come through, the parking structure project would stop until another developer was secured for that site, Young stated.

Miller asked what a good cost estimate would be for the preliminary design. City Manager Young said typically the full design expenses would be approximately 15 percent of the cost of the entire project. The preliminary design would be half that cost, approximately 5 to 7 percent of the total project cost (4.8 million dollars). The estimated cost for Phase 1 would be approximately \$350,000, Young reported.

Miller asked if the Agency had received any information to date on Rapoza's progress. Young stated he did not have a status report on their progress.

Vice Chair Grossman asked if the preliminary design would make the undeveloped site more attractive for other potential developers, if needed. City Manager Young said the farther along the design work was completed, the stronger the cost estimates would be. One reason to push the timeline on the design, Young said, was to give Rapoza good numbers to assist them with their efforts. Young said he would get a progress update from Rapoza. Mike Zingg said he would not support spending \$350,000 if the developers did not come through, and would it be better to wait until the developers met the deadline before spending Agency funds. Young reiterated he would talk to the developers. Vice Chair Grossman stated there seemed to be an imbalance with the City spending \$350,000 to assist the developers in arriving at their dollar figures when their progress disclosure to the City had been minimal.

In regards to spending \$350,000 up front on the project, City Manager Young explained that the nature of urban renewal was to put money up front to remove as many unknowns as possible for a developer. The Agency had done that in this case with the archaeological studies and environmental studies. The parking structure was a different timeline because the City hoped to have the design work in place to coordinate with the other construction projects in that area.

Zingg asked for clarification that the Agency would not contract with an architectural firm until after the Agency knew the developers could come through. City Manager Young said staff could not make the decision on signing a contract with an architectural firm because the decision called for a public hearing. He would make certain the concerns of the committee would be heard at the public meeting. Young said he could not agree that they would not proceed without having a firm commitment from Rapoza.

Zingg asked if the architectural contract would come back to the URAC. Young said he was unsure of the timeline, but in any case it would be good to bring it back to the committee.

Vice Chair Grossman adjourned the meeting at 6:37 p.m.

Respectfully submitted by Administrative Secretary Carole Trautman.

Chris Zukin, Chairman

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

Tuesday, February 18, 2014

5:30 p.m.

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Chair Zukin called the meeting to order at 5:30 PM.

ROLL CALL

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

Members Absent: Jennifer Botts, Greg Weast*

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

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

PLEDGE OF ALLEGIANCE

Chair Zukin led the group in the Pledge of Allegiance.

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

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

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

PUBLIC COMMENT

None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Example of Possible Program for The Dalles

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

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

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

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

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

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

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

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

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

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

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

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

ACTION ITEM (continued) – Urban Renewal Project Prioritization

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

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

ONGOING URBAN RENEWAL PROJECTS UPDATE

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

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

FUTURE MEETING – March 18, 2014

ADJOURNMENT

Chair Zukin adjourned the meeting at 6:55 PM.

Respectfully submitted by Administrative Secretary Carole Trautman

Chris Zukin, Chairman



AGENDA STAFF REPORT

URBAN RENEWAL ADVISORY COMMITTEE

Meeting Date: March 18, 2014

DATE: March 3, 2014

TO: Urban Renewal Advisory Committee

FROM: Eric Nerdin, Urban Renewal Contract Consultant
Mid-Columbia Economic Development District, Loan Fund Manager

THRU: Nolan Young, City Manager *nyj*

ISSUE: Semi-annual competitive Property Rehabilitation Grant application review and recommendation to the Agency Board.

BACKGROUND:

The Oddfellows Lodge (IOOF) is a fraternal society which was organized in The Dalles on November 1, 1859. The Oddfellows Lodge building is located at 421 E. 2nd Street, The Dalles. The original building was built in 1904, but this building burned in 1914 and was rebuilt in 1915. The IOOF building is a two story structure with richly detailed brickwork and elevated name block.

IOOF is a 501 c8 non-profit fraternal organization. IOOF's building project is to restore the historic character and integrity of this building.

IOOF is requesting a \$10,000 Urban Renewal building rehabilitation grant to assist with this \$40,000 project.

The City of The Dalles Historic Landmarks Commission (Staff Report #142-14) conditionally approved this project on February 26, 2014 with the following conditions:

1. Work will be completed in substantial conformance to the drawings and proposals as submitted and reviewed.
2. Prior to construction, the applicant will be required to submit for approval to the City Planning Department. Once approved, the applicant will be required to submit for a structural permit from the local Mid-Columbia Building Codes Services.

Final paint colors on the refurbished windows and doors will be required to be approved by the Planning Director, unless the same color is used.

The approved Urban Renewal Agency Administrative Plan in Section C. Civic Improvements Grant Program states:

Grants may be made by the Agency to public, non-profit or civic organizations for projects within the boundaries of the Urban Renewal Area that serve a public purpose by meeting the selection criteria. Grants will be awarded semiannually on a competitive basis and based on the selection criteria. Grant awards are subject to availability of program funds.

APPLICATION:

The application from Independent Order of ODD Fellows, Columbia Lodge No. 5 (IOOF) was received on January 31, 2014. This application is for a grant of \$10,000 to assist with the facade restoration of this historic building. This is a \$40,000 project with IOOF providing \$10,000 and applying for \$20,000 of grant monies through the State of Oregon Historic Preservation Office. IOOF is providing 25% of the project cost.

Proposed Project Costs

1. Masonry replacing and resetting	\$4,364
2. Tuck pointing of bricks	\$3,277
3. Wood frame window and door restoring and resealing	\$2,574
4. Repair and repainting of metal cornice	\$ 812
5. Cleaning and resealing of masonry	\$3,438
6. Cleaning and restoring of marble base, basalt blocks and brick columns	\$4,126
7. Man-lift and Swing Stages Equipment Rental to complete the work	\$6,732
8. Awning work (repair/replace)	\$7,338
9. Restoration of transom windows	<u>\$7,339</u>
Total:	\$40,000

Proposed Fund Sources

Applicant (IOOF):	\$10,000
SHPO Grant	\$20,000
Urban Renewal Grant:	<u>\$10,000</u>
Total:	\$40,000

The proposed project costs are based on an estimate provided by D & R Masonry Restoration, Inc. This estimate is attached to the application. All work would be done in compliance with all requirements of the City of The Dalles Historic Landmarks Commission.

BUDGET IMPLICATIONS:

The Dalles Urban Renewal Agency has \$13,000 available for new property rehabilitation grants and interest rate subsidies in the line item budget and other funds for opportunity

driven projects. If this \$10,000 grant application is approved, the remaining line item funds available would be \$3,000.

RECOMMENDATION:

Staff Recommendation: Move to recommend approval of a \$10,000.00 urban renewal grant to Independent Order of Odd Fellows No.5 Columbia Lodge to be used for the restoration project, as described in this staff report, of its building located at 421 E. 2nd Street, The Dalles, Oregon. This recommended approval is conditional upon:

1. This project being approved and permitted by all applicable agencies and entities.
2. The applicant obtaining \$20,000 in funds from a source approved by the Urban Renewal Agency, such as SHPO.
3. Documentation of IOOF's 501c8 non-profit fraternal organization status.

ALTERNATIVE OPTIONS:

1. Move to recommend approval of a \$30,000.00 urban renewal grant to Independent Order of Odd Fellows No.5 Columbia Lodge to be used for the restoration project, as described in this staff report, of its building located at 421 E. 2nd Street, The Dalles, Oregon. This is conditional upon denial of IOOF's \$20,000 grant request to SHPO. This recommended approval is conditional upon this project being approved and permitted by all applicable agencies and entities, including, but not limited to, the Historic Landmarks Commission.
2. Move that the Urban Renewal Agency decline the request.

Applicant: **Independent Order of Odd Fellows No.5, Columbia Lodge**

Points Awarded: **45**

Selection Criteria:

Priority consideration will be given to each proposed project. Points will be allowed for factors indicated by well-documented, reasonable plans, which, in the opinion of the Agency, provide assurance that the items have a high probability of being accomplished. If an application does not address one of the categories, it receives no points for that category. The possible points are listed for each.

- 1. The project contributes in the effort to place unused or underused properties in productive condition and eliminates blighted conditions. **(10 points)** 0
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; or*
 - 5. *Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;*

- 2. The project develops, redevelops, improves, rehabilitates or conserves property in ways which will:
 - A. Encourage expansion and development of jobs, **(20 points)** 0
 - 1 job per \$10,000 or less granted – (20 points)
 - 1 job per \$10,001 to 20,000 granted – (15 points)
 - 1 job per \$20,001 to 35,000 granted – (10 points)
 - 1 job per \$35,001 to 50,000 granted – (5 points)

B. Increase property values and tax base, (15 points)	0
Increase taxable value by \$50,000 or more – (15 points)	
Increase taxable value by \$25,000 to \$49,999 – (10 points)	
Increase taxable value by \$5,000 to 24,999 – (5 points)	
<i>Note: This project is estimated to increase property values between \$25,000 - \$49,999 and add 10 points, but this building is currently owned by a non-profit entity, therefore increased tax revenue may only be realized upon building being owned by a private taxable person(s) or entity.</i>	
C. Conserve historically significant places and properties, (25 points)	10
D. Make The Dalles a more attractive and functional city in the following ways:	
i. Shows significant aesthetic improvement to the property (10 points)	10
ii. Provides needed services or community function (10 points)	0
iii. Serves a significant portion of the community, (5 points)	0
iv. Enhances the quality of life for residents of the city (5 points)	0
3. The project leverages other public and/or private sources of funding. (15 Points)	15
\$1 Urban Renewal grant to \$3 (or more) other funding – (15 points)	
\$1 Urban Renewal grant to \$2 other funding – (10 points)	
\$1 Urban Renewal grant to \$1 other funding – (5 points)	
4. The Applicant shows that it is financially able to complete the project and maintain the property. (10 points)	10
5. Administrative – The Agency may assign additional points for project considerations which do not fit into one of the above categories, but which provide compelling evidence that the project will further the goals of the Agency; or, if the project meets one or more of the above factors in a way that is far beyond the norm for that category. The assignment of points in this category will be by memorandum stating the reasons and will be maintained in Agency files. (25 points)	0
TOTAL	45

The Dalles Urban Renewal Agency

Property Rehabilitation Grant and Loan Programs

APPLICATION *2:15 pm*

Application Date 1/30/14

Application Number _____

JAN 31 2014

GENERAL INFORMATION

Applicant Independent Order of Odd Fellows 5 Columbia Lodge

Contact person Craig Hector

Mailing Address 1100 West 18th St.

The Dalles, OR 97058

Property Address 421 East 2nd St

The Dalles, OR 47058

Applicant is:

Property owner

Business leasing the property

Telephone # 541-246-3557 Fax # 541-246-4254

Federal tax ID # or Social security # 93-0195537

Bank of account and contact CenterPointe Community Bank

1100 W 6th St. The Dalles, OR 97058

541-248-2600

Name of Business Same

(if different than applicant)

Mailing Address _____

Name of Principal _____

PROJECT INFORMATION

Site address 421 East 2nd St.
The Dalles, OR 97058

Legal Description The IOOF Hall is a two-story rectangular
brick building measuring 50x120. Use is
Fraternal Organization Meeting Hall and retail

Building age 1904/1915 Square Footage 6,000

Building use Lodge Hall / Commercial

Project description outline The south elevation of the building will
receive significant restoration work. This project will complete
Phase II of the estimate provided by D&R Masonry
Restoration Inc. (See Attachment). This includes restoring and
rescaling the wood framed windows and doors as well as
restoring the marble base, basalt blocks, and brick columns on
either side of the south elevation. Additionally, the metal
cornice will be repaired and repainted and tuck pointing
throughout the south elevation will be completed. Finally,
repair/replacement of the awning and restoration of the
transom windows will be completed. Finalized estimates
are pending. This project will restore the historic character
and integrity of the building

Please include the following with your Application:

1. Project outline
2. Initial concept sketches
3. Proposed timeline
4. Final plans and specifications (prior to final certification)

EXPECTED PROJECT COSTS

<u>Cost item</u>	<u>Est. cost</u>
<u>Masonry replacement/resetting</u>	<u>\$ 4,364.00</u>
<u>Tuck pointing</u>	<u>\$ 3,277.00</u>
<u>Wood Frame Windows and doors</u>	<u>\$ 2,574.00</u>
<u>Metal Cornice</u>	<u>\$ 812.00</u>
<u>Clean and reseal masonry</u>	<u>\$ 3,438.00</u>
<u>Marble Base, basalt blocks & brick Columns</u>	<u>\$ 4,126.00</u>
<u>man-lifts & swing stages</u>	<u>\$ 6,732.00</u>
<u>Acrylic Work</u>	<u>\$ 7,338.00</u>
<u>Transom Windows</u>	<u>\$ 7,339.00</u>
	<u>\$</u>
Total	<u>\$ 40,000.00</u>

PROPOSED SOURCES OF FUNDING

<u>Source</u>	<u>Amount</u>	<u>Rate</u>	<u>Term</u>
Equity (applicant)	<u>\$ 19,000.00</u>		
Bank	<u>\$</u>		
Private loan	<u>\$</u>		
Other: Grant	<u>\$ 20,000.00</u>		
Urban Renewal Grant	<u>\$ 10,000.00</u>		
Urban Renewal Loan	<u>\$</u>		
Total	<u>\$ 40,000.00</u>		

(Must equal Total of expected costs)

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 Dallas 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 have read and understand the guidelines of The Dallas Urban Renewal Agency Property Rehabilitation Grant and Loan Programs and agree to abide by its conditions.



Signature (and Title if appropriate) *PROPERTY MANAGER* Date *1/30/2014*

Signature (and Title if appropriate) Date

Signature (and Title if appropriate) Date

Signature (and Title if appropriate) Date

The following additional items will be required before the loan is approved:

1. Certificate of approval from agency (if required).
2. Letter of approval from Historic Landmarks Commission.
3. A summary of the project outlining the work to be done.
4. Complete plans and specifications.
5. Costs estimates or bids from 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.
8. Amount of loan requested and proposed terms being requested.
9. 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 Civic Improvements Grant Program:

The Grants will be awarded semi-annually on a competitive basis and based on the selection criteria as outlined in the accompanying Application Instructions. Be sure to address all of 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.

Project Timeline

The project is anticipated to begin in May-June with weather permitting. According to the timeline provided by D&R Masonry Restoration INC., Phase II of the project will be completed in 3-4 weeks. Timeline estimates for the awning and transom window work are pending.



100.F.

Helpoint
APPLIANCES

NO PARKING





D&R MASONRY RESTORATION, INC.

CCB#99196 (WA) DRMASRI006BS

Phone (503)353-1650
Fax (503)654-1291

www.drmasonry.com

8890 SE McLoughlin Blvd.
Milwaukie, Oregon 97222

421 East 2nd St, The Dalles, Oregon (Revised)

Attention: Paulette Brook

October 25, 2013

Regarding: Oddfellows Building

Paulette,

The following is our proposal to perform the work as described below.

Work is confined to the south and the east elevations as well as Chimneys on the roof.

Scope of Work East Elevation Phase I

(This work will take about 4- 5 weeks to complete)

- Removal and replacement of broken or missing masonry units a total of an estimated (25) units: **\$ 675.00**
- Re-set the top (8) courses as needed above the metal cornice an estimated 250 sq ft: **\$6,250.00**

Scope of Work (Tuckpointing)

- Remove up to 25 % of the building's mortar joints from just under the metal cornice to just below the first dental detail about 17.5 ' up from the side walk an estimated 657 sq ft: **\$9,533.00**
- On the east elevation remove up to 20 % of the building's mortar joints from just below the first dental detail down to the side walk an estimated 406 sq ft: **\$6,090.00**
- The mortar will be removed to a depth of ¾" or until sound mortar is reached.
- Clean the joints to remove the dust from the removal process
- Install new mortar into the joints that have been prepped. This will be done using the hawk and tool method and not a squeeze bag. This process will ensure that the mortar is packed in and not "shelled"
- Clean the new mortar after the mortar has properly cured. Again we will provide mortar samples that will be reviewed and approved by others.

Scope of Work (Repaint the wood frame windows and doors and seal the perimeters with new sealant)

- Scrape and sand the existing wood to remove any remaining paint.
- Prime and seal the wood.
- Apply (2) coats of exterior paint on the wood.
- Place new sealant around the perimeters of the wood frame windows.

Paint:	\$4,486.00
Sealant:	\$1,520.00

Scope of Work (Clean and paint metal cornice)

- Clean the metal cornice.
- Paint with new paint: **\$1,988.00**

(Continue on Next Page)

Scope of Work (Clean and Seal the masonry)

- Clean all the masonry from the top of the building to the bottom. This will be done with pressure washer using hot water.
 - Apply clear penetrating sealer to all the masonry that has been cleaned. The product that will be used is Prosoco WB Concentrate. See attached product data sheet. Clean all windows once the water repellent has been applied: **\$8,419.00**
 - This includes access to the work using a man-lift and swing stages: **\$9,913.00**
- Total estimated cost for East Elevation: \$48,874.00**

Scope of Work South Elevation Phase II

(This work will take about 3 – 4 weeks to complete)

- Removal and replacement of broken or missing masonry units a total of an estimated (32) units: **\$ 864.00**
- Re-set the top (8) courses as needed above the metal cornice an estimated 140 sq ft: **\$3,500.00**

Scope of Work (Tuckpointing)

- Remove up to 25 % of the building’s mortar joints from just under the metal cornice to just below the first dental detail about 17.5 ‘ up from the side walk an estimated 226 sq ft: **\$3,277.00**
- The mortar will be removed to a depth of ¾” or until sound mortar is reached.
- Clean the joints to remove the dust from the removal process
- Install new mortar into the joints that have been prepped. This will be done using the hawk and tool method and not a squeeze bag. This process will ensure that the mortar is packed in and not “shelled”
- Clean the new mortar after the mortar has properly cured. Again we will provide mortar samples that will be reviewed and approved by others.

Scope of Work (Repaint the wood frame windows and doors and seal the perimeters with new sealant)

- Scrape and sand the existing wood to remove any remaining paint.
 - Prime and seal the wood.
 - Apply (2) coats of exterior paint on the wood.
 - Place new sealant around the perimeters of the wood frame windows.
- Paint: **\$1,922.00**
Sealant: **\$ 652.00**

Scope of Work (Clean and paint metal cornice)

- Clean the metal cornice.
- Paint with new paint: **\$ 812.00**

Scope of Work (Clean and Seal the masonry)

- Clean all the masonry from the top of the building to the bottom. This will be done with pressure washer using hot water.
- Apply clear penetrating sealer to all the masonry that has been cleaned. The product that will be used is Prosoco WB Concentrate. See attached product data sheet. Clean all windows once the water repellent has been applied: **\$3,438.00**

Scope of Work (Remove the paint from the marble base, basalt blocks, brick columns on either side at the South elevation)

- Protect the adjacent areas.
- Strip the paint using paint stripper.
- Contain the stripper and the paint.
- Bag the debris and dispose of properly: **\$4,126.00**

- This includes access to the work using a man-lift and swing stages: \$6,732.00
- Total estimated cost for East Elevation: \$25,323.00**

Scope of Work (Re-build tops of the two roof chimneys) Phase III

- On the west elevation place roof protection on the roof below.
- Carefully take the existing brick apart.
- Clean the mortar off the brick.
- Re-lay the brick and point the mortar joints.
- Remove excess mortar from the face of the bricks.

\$2,540.00

Estimated Total:

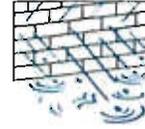
\$76,737.00

Sincerely,

Rich Fletcher, Estimator



D&R MASONRY RESTORATION, INC.



8890 SE McLoughlin Blvd.
Milwaukie, OR 97222

CCB#99196 (WA) DRMASRI006BS

Phone (503) 353-1650
Fax (503) 654-1291

www.dr-masonry.com

Date: October 25, 2013

To: Mathew Klebes, The Dalles Main Street

From: Rich Fletcher

Subject: Historic Preservation

D & R Masonry Restoration has for many years been work on and helping in the restoration of many Historic Building in the State of Oregon and Washington. D & R always take a very sensitive approach in the procedures and steps that we employ when working on such structures. We want to maintain and preserve the original elements and materials of these structures. D & R Masonry Restoration has work closely with Joy Sears of SHPO on projects.

Below you find a short list of projects that we have completed in The Dalles, OR.

- Commodore II, 312 Court St., The Dalles, OR
- City Hall, 313 Court St., The Dalles, OR
- Wasco County Court House, 511 Washington St., The Dalles, OR
- The Dalles Civic Auditorium, E 4th St., The Dalles, OR





AGENDA STAFF REPORT

URBAN RENEWAL ADVISORY COMMITTEE

Meeting Date: March 18, 2014

DATE: March 10, 2014

TO: Urban Renewal Advisory Committee

FROM: Jon Chavers, Administrative Fellow

THRU: Nolan Young, Urban Renewal Manager *ny*

ISSUE: Discussion of proposed amendment to Columbia Gateway/Downtown Urban Renewal Property Owner Rehabilitation Program

PREVIOUS AGENDA STAFF REPORT: February 18, 2014 (attached)

BACKGROUND:

The issue of changing the language of the Property Owner Rehabilitation Program Booklet to make matching grants available to for-profit businesses in the downtown area was brought to the Urban Renewal Advisory Committee (URAC) by Main Street as a discussion item at the February 18, 2014 URAC meeting (Attached is the Agenda Staff Report from that meeting). The Advisory Committee provided feedback and input (meeting minutes attached). As requested by the Advisory Committee, staff has prepared a proposed program based on the feedback received. Additionally, staff has prepared alternatives to the proposed program for the committee to consider.

Main Street's RARE Coordinator, at the meeting, will present a PowerPoint presentation that summarizes the program.

DISCUSSION:

- I. Outline of Proposed Facade Restoration Program
 - Create a new facade grant program for for-profit businesses. Both property owners and business owners who can show written evidence the property owner has authorized the work are eligible to apply.
 - Applications accepted on a first come/first serve basis for grant requests

up to \$40,000.

- Project activities restricted 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, etc.
- Preference given to applying projects that fulfill the highest number of goals of the URA Plan and meet the greatest number of General and Specific criteria as set forth in the Urban Renewal Agency (URA) Plan. Program will include an option to delay grant requests for up to six months if another project meeting more URA Plan criteria applies for funding.
- Grants must be used within one year of award.
- Tiered match from the applicant based on amount of grant request:
 - i. 50% match from the applicant for grant request of \$0-\$20,000 (i.e. a \$20,000 request requires \$10,000 of matching funds from the applicant)
 - ii. Dollar-for-dollar match from the applicant for grant request of \$20,001-\$40,000 (i.e. a \$40,000 request requires \$40,000 of matching funds from the applicant).
- For-profit applicants are eligible for all three programs (architectural services, low-interest buy down and matching grant). Monies from all other URA services/programs cannot be used for the required grant match, including loans using the interest buy-down program.

II. Alternatives to the Proposed Facade Restoration Program

Number of Grant Programs

- Amend the existing program (one program for both non-profits and for-profits)
- Create new, separate program (one for non-profits, one for for-profits)

Recommendation: Create a new, separate program (one for non-profits, one for for-profits).

Rationale: URA has goals of improving aesthetics and property values. Non-profits do not pay property taxes, and any increase in property value would not create a return for the URA creating a distinct disadvantage.

Eligible Applicants

- Owners of property within the Urban Renewal District
- Business owners who can show written evidence the property owner has authorized the work
- Both

Recommendation: Both

Rationale: The objective is to maximize the number of potential applicants and projects.

Timing

- Accept applications every six months (current program for non-profits)
- First come/first serve basis, with option to delay grant requests for up to six months if another project meeting more URA Plan criteria applies for funding

Recommendation: First come/first serve, with option to delay up to six months.

Rationale: Objective is to maximize the number of projects and impact in a relatively short time period.

Eligible Activities

- Restrict to restoration of any exterior face of a building that is within public view, including ADA accessibility, awnings, exterior lighting, permits, windows, etc. (current program for non-profits)
- Expand eligible activities beyond exterior face of a building that is within public view (examples: roof repair, ground floor interior, upper floor interior, etc.)
- Expand eligible activities to include renovation of second floors for a committed activity

Recommendation: Restrict to restoration of any exterior face of a building that is within public view (current program for non-profits).

Rationale: Maximizes visibility of project results and directly improves aesthetic appearance and property value. Roof and other improvements may improve the value of the property but not public aesthetics. Upper floor renovations also are not visible and may use too much of the available funding. The Interest buy-down program may be a better source for upper floor renovations.

Project Preference

- Applicant projects must meet at least one General or Specific criteria, but URA Plan does not give preference to any single or set of criteria or URA goals.
- Preference given to applying projects that fulfill the highest number of goals of the URA Plan and meet the greatest number of General and Specific criteria as set forth in the URA Plan.

Recommendation: Give preference to projects that fulfill the highest number of goals and meet the greatest number of general and specific criteria of the URA plan.

Rationale: Maximize the number of projects that improve property values, aesthetics, historic character, and private investment.

When Must Grant Be Used

- No time limit (current program for non-profits)
- Grants must be used within one year of award

Recommendation: Grants must be used within one year of award.

Rationale: URA funds can be used as a match for additional grant dollars through organizations such as the State Historic Preservation Office (SHPO). This allows flexibility to coordinate with other grant deadlines and still allow time to complete the project.

Contribution/Match Amounts

- Maximum 50/50 match for all projects (current program for non-profits)
- Tiered match based on amount of request (see recommendation)

Recommendation:

- 50% match from the applicant for grant request of \$0-\$20,000 (i.e. a \$20,000 request requires \$10,000 of matching funds from the applicant).
- Dollar-for-dollar match from the applicant for grant request of \$20,001-\$40,000 (i.e. a \$40,000 request requires \$40,000 of matching funds from the applicant).

Rationale: Objective is to maximize use of the program but still maintain community buy-in, or “skin in the game”. Once the program is implemented and data is gathered on its utilization and results, the match can be adjusted.

Eligibility for Other Property Rehabilitation Programs

- For-profit applicants only eligible for matching grant
- For-profit applicants eligible for matching grant and architectural services
- For-profit applicants eligible for all three programs (architectural services, low-interest buy down, matching grant). Monies from all other URA services/programs cannot be used for the required grant match, including loans using the Interest buy-down program.

Recommendation: For-profit applicants eligible for all three programs. Monies from all other URA services/programs cannot be used for the required grant match, including loans using the Interest buy-down program.

Rationale: Allow applicants to make maximum use of assistance and have the ability to complete larger projects with increased impact.



ATTACHMENT 1

CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

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

AGENDA STAFF REPORT

URBAN RENEWAL

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
February 18, 2014	Discussion Item	

TO: Urban Renewal Advisory Committee

FROM: Jon Chavers, Administrative Fellow
Nolan K. Young, City Manager *nky*

DATE: February 11, 2014

ISSUE: Discussion of proposed amendment to Columbia Gateway/Downtown Urban Renewal Plan

BACKGROUND: Low-interest loans are currently offered by the urban renewal agency for the purposed of façade rehabilitation to for profit businesses in the downtown area. These loans are underutilized by these businesses. Matching grants, which may be more attractive to for profit businesses, are also currently available for façade restoration, but to “public, non-profit, and civic organizations only” according to the Urban Renewal Plan. Changing the language of the Property Owner Rehabilitation Program Booklet, either to expand the current program or create a new and separate program to make matching grants available to for profit businesses in the downtown area will incentivize rehabilitation of downtown commercial properties.

This item is being brought to the URAC by Main Street as a discussion item. The first question is if there is an interest in this plan amendment. If there is we then need to discuss how the program would be designed.

DISCUSSION:

I. Plan Amendment

The Columbia Gateway Urban Renewal Plan, include, on page 18 Project 13 “Property Rehabilitation Grant and Loan Fund Program”, also on page 18,

Section 3 Redevelopment of Unused and Underused Land and Buildings and Other Civic Improvements) of the Columbia Gateway/Downtown Plan reads:

The Agency may provide grants and low interest loans for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated, and/or conserved. Grants shall be made to public, non-profit, and civic organizations only and on uses that serve a public purpose. Projects must meet the project selection criteria in order to be eligible to receive a grant. These grant and loans may include sprinkler systems for existing and new structures.

Through a minor amendment of the plan the grant program could include for profit property and business if the word “only” in bold above was removed.

II. Amendments to Property Rehabilitation Grant and Loan Program If the advisory committee decides to recommend adding for profit grants to the program there are a number of items to consider in structuring the program guidelines. Below is a listing of those items with a brief discussion.

A. Separate or new program: Do we simply amend the existing grant program to include for profit entities or do we develop a separate program that would be part of the larger property rehabilitation program guidelines. Staff recommendation is that we create a separate program; this will allow us to develop a specific budget to be used for this new program as well as to develop specific guidelines as further discussed below, since we may want to have a few more requirements in place when we start giving grants to for profit entities.

B. Who are eligible for grants: We have identified three options:

- 1) Property owners
- 2) Business owners who can show written evidence the property owner has authorized the work, or
- 3) Both

We would recommend allowing both.

C. Timing: The current grant program allows applications to be accepted twice a year. We are proposing that this new program would be open invitation, first come first serve basis with the agency having the option to delay a project for up to six months that meets fewer criterions to see if other high value projects need the funds.

D. Eligible activities: Currently the projects must meet the general selection criteria, and meet the goals of urban renewal. We see three potential additional considerations:

- 1) Restrict eligible activities to the restoration to any face of a building that is within public view including ADA accessibility, awnings, exterior lighting, exterior painting, permits, windows and so forth.

- 2) Give preferential consideration to projects that increase upstairs residential use of commercial properties within the urban renewal district.
- 3) In addition to the above criteria, require that only historic buildings qualify for the grant.

Staff recommendation is to include eligibility requirement 1 and 2.

E. Amount of contribution and match amounts: We have identified two options:

- 1) A maximum 50/50 match for all projects with a set dollar restriction of somewhere in the neighborhood of \$10,000 to \$15,000.
- 2) A tiered match requirement based on the amount of the request. For example: grants up to \$5,000 eligible for 75% grant and 25% match; grants up to \$10,000 with a 50/50 match; grants over \$10,000 and up to \$15,000 25% grant with a 75% match

The agency may want to consider the maximum amount of individual grants we are anticipating having between \$50,000 and \$100,000 available for this program beginning in fiscal year 2014-15. The lesser the individual grant amount the more businesses that could be affected; the larger the grant the more visible impact made per business.

F. Combine with any other property rehabilitation program: Should we allow those who receive the grants to be eligible for two other property owner grant programs that we currently have.

- 1) A one-time grant of up to \$3,000 for professional architectural and engineering design services, for restoration activities to meet historically compatible requirements.
- 2) Low interest loan for that portion of the project that the property owner is paying for.

G. Timeline: What type of requirements do we want to place on the work? Do we want the work to commence within one year of the application and completed within two? Or do we want the work to be completed within one year of the grant award? Or do we have some other guideline we wish to consider?

BUDGET IMPLICATIONS:

The proposed amendment does not require any changes to the amount of funds allocated towards the Property Rehabilitation Program this budget year. As discussed above we may wish to identify funds available for a separate program if interest is high.

One suggestion for the property grant program is for the first year to try 50/50 private/non-profit split of the grant funds available.

COMMITTEE ALTERNATIVES:

Provide feedback and input to staff on proposed amendments to the Property Owner Rehabilitation Program. If desired, staff will then bring back a proposed program for the March 18 URAC meeting based on the feedback received.

Columbia Gateway Urban Renewal Agency Advisory Committee Meeting Minutes

Tuesday, February 18, 2014

5:30 p.m.

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Chair Zukin called the meeting to order at 5:30 PM.

ROLL CALL

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

Members Absent: Jennifer Botts, Greg Weast*

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

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

PLEDGE OF ALLEGIANCE

Chair Zukin led the group in the Pledge of Allegiance.

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

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

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

PUBLIC COMMENT

None

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Example of Possible Program for The Dalles

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

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

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

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

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

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

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

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

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

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

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

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

ACTION ITEM (continued) – Urban Renewal Project Prioritization

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

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

ONGOING URBAN RENEWAL PROJECTS UPDATE

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

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

FUTURE MEETING – March 18, 2014

ADJOURNMENT

Chair Zukin adjourned the meeting at 6:55 PM.

Respectfully submitted by Administrative Secretary Carole Trautman

Chris Zukin, Chairman