



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

## AGENDA

**Columbia Gateway Urban Renewal Agency**

City Council Chamber

313 Court Street, The Dalles, Oregon

*Meeting Conducted in a Handicap Accessible Room*

Monday, April 14, 2014

Immediately Following the City Council Meeting

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

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

- V. APPROVAL OF MINUTES
  - A. Approval of March 24, 2014 Regular Meeting Minutes
- VI. ACTION ITEMS
  - A. Approval of Facade Restoration Program
- VII. ADJOURNMENT

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

**Tuesday, March 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**

Acting Chair Grossman called the meeting to order at 5:33 PM.

**ROLL CALL**

Members Present: Gary Grossman, Steve Kramer, Robin Miles, Linda Miller, Greg Weast

Members Absent: Jennifer Botts, Chris Zukin

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

Also present: Mid-Columbia Economic Development District (MCEDD) Loan Consultant Eric Nerdin, RARE Main Street Coordinator Matthew Klebes

**PLEDGE OF ALLEGIANCE**

Grossman led the group in the Pledge of Allegiance.

**APPROVAL OF AGENDA**

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

**APPROVAL OF MINUTES**

It was moved by Kramer and seconded by Miller to approve the September 17, 2013 minutes as submitted. The motion carried unanimously; Botts and Zukin absent.

It was moved by Miller and seconded by Weast to approve the February 18, 2014 minutes as submitted. The motion carried unanimously; Botts and Zukin absent.

**PUBLIC COMMENT**

None

ACTION ITEM – Grant Application for the Independent Order of Odd Fellows (IOOF)

MCEDD Loan Consultant Eric Nerdin presented the staff report. Nerdin pointed out that the IOOF proposed project had been reviewed and approved by the City’s Historic Landmarks Commission. He concluded his report by presenting the staff recommendation and alternative options.

Miller asked if any other applications would be submitted in the near future. Nerdin said he knew of none other, and Grossman pointed out that the end of the fiscal year was approaching. City Manager Young stated there were other available Urban Renewal Agency (URA) funds available should something arise in the future.

Weast asked what the possibilities were that the State Historic Preservation Office (SHPO) would approve an additional grant to the applicant. RARE Main Street Coordinator Matthew Klebes stated the possibilities were good, in his estimation. Miller said she thought this application was a good start. Kramer and Miles agreed. Nerdin stated that having the URA grant approved would aid the applicant in obtaining the SHPO grant.

It was moved by Miller and seconded by Kramer to recommend approval of a \$10,000 Urban Renewal Agency Grant to the Independent Order of Odd Fellows No. 5 Columbia Lodge to be used for the restoration project, as described in the staff report, of its building located at 421 E. 2<sup>nd</sup> Street, The Dalles, Oregon. The 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; and 3) documentation of IOOF’s 501C8 non-profit fraternal organization status. The motion carried unanimously; Botts and Zukin absent.

DISCUSSION ITEM – Amendment to the Urban Renewal Agency Property Owner Rehabilitation Program to Include Private Business Owners Within the Urban Renewal District

Administrative Fellow Chavers presented the highlights of the staff report.

Miller asked what the biggest change in the current program would be. Chavers said the proposed amendment would be the creation of a completely separate fund for for-profit business and property owners within the Urban Renewal District (URD) so as not to compete with the non-profit participants. Chavers indicated that the intent was to make the funds available as soon as possible. City Manager Young indicated one small change to the URA Plan would need to be made—the deletion of the word “only” in the Property Owner Rehabilitation portion of the plan.

RARE Main Street Coordinator Matthew Klebes presented a PowerPoint program that highlighted the proposed program objectives, recommendations and rationale.

Acting Chair Grossman asked what, if any, interest Klebes had received from the downtown owners/business owners. Klebes stated he had heard significant interest from them and had heard of three or four projects that were of interest.

Miles asked if the façade work would have any uniform design guidelines. After further discussion from the committee, it was the consensus of the committee that any non-historic buildings within the URD would need to comply with the Historic District guidelines for uniform design purposes.

It was moved by Weast and seconded by Kramer to recommend approval of the proposed amendment to the Columbia Gateway/Downtown Urban Renewal Property Owner Rehabilitation Grant Program as outlined in staff's report dated March 10, 2014, and to recommend that the Agency make any necessary URA Plan amendments in the Property Owner Rehabilitation Grant Program portion of the plan.

Miller clarified that this proposed amendment was for façade work. Klebes reminded the committee that, according to the grant guidelines, grant funds could not be used for maintenance work. However, if painting a façade was part of the re-imaging of the building, it would not be considered maintenance. Nerdin emphasized that if a building was not kept up for a long period of time to the point that it needed to be salvaged rather than destroyed, the plan would allow for a grant application and would not be considered a maintenance project.

City Manager Young asked for clarification on Page 3 of 4 of the staff report (under "Eligible Activities") if Americans with Disabilities Act (ADA) accessibility work was eligible. Klebes said it was included, and Young clarified that the ADA accessibility work must be visible from the public's viewpoint.

Acting Chair Grossman called for the vote. The motion passed unanimously; Botts and Zukin absent.

## PROJECT UPDATE

City Manger Young gave the following update on other URA projects:

- Existing property owner rehabilitation grant projects – The Dalles Art Center and Mural Society have completed their projects. St. Peter's Landmark's project is almost completed. Wonderworks Children's Museum, United Church of Christ Congregational and the Civic Auditorium projects are well underway.
- Sunshine Mill Winery – \$42,000 remains on the \$600,000 loan. The remaining \$42,000 is designated for the painting of the mill. Sunshine Mill Winery (SMW) is working with the Planning Department for guidelines on the exterior painting and possible signage. The intention of the SMW is to complete the work by the end of June 2014.

Acting Chair Grossman asked the committee members to make every effort to attend the meetings and to be on time because of quorum issues. Meetings are delayed when members come late.

Discussion followed regarding current committee member vacancies. Administrative Secretary Trautman reported that the Planning Commission would be discussing filling its URAC vacancy

# DRAFT

at the March 20 meeting. City Manager Young stated Mayor Lawrence was working on the citizen's vacancy.

## ADJOURNMENT

Acting Chair Grossman adjourned the meeting at 6:13 PM.

Respectfully submitted by Administrative Secretary Carole Trautman.

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Chris Zukin, Chairman

**MINUTES**

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

CITY COUNCIL CHAMBER  
313 COURT STREET  
THE DALLES, OREGON

**PRESIDING:** Chair Steve Lawrence

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

**AGENCY ABSENT:** Dan Spatz

**STAFF PRESENT:** City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Administrative Fellow Jon Chavers

**CALL TO ORDER**

The meeting was called to order by Chair Lawrence at 7:50 p.m.

**ROLL CALL**

Roll call was conducted by City Clerk Krueger; Spatz absent.

**APPROVAL OF AGENDA**

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

**AUDIENCE PARTICIPATION**

None.

MINUTES (Continued)  
Urban Renewal Agency Meeting  
March 24, 2014  
Page 2

### **APPROVAL OF MINUTES**

It was moved by Dick and seconded by Miller to approve the minutes of the February 24, 2014 regular Agency meeting. The motion carried unanimously, Spatz absent.

### **ACTION ITEMS**

#### **Approval of Recommendation from Urban Renewal Advisory Committee Regarding Prioritization of Urban Renewal Projects**

Administrative Fellow Chavers reviewed the staff report, noting the recommendation of the Advisory Committee was to add a goal of increasing value to properties within the District and to approve the prioritized project list.

Chair Lawrence questioned how the street scape beautification projects would add value to properties within the District. Chavers said all properties facing the improvements would have improved value to their own properties.

Wood said increasing property values had never been a stated goal of the Plan and was not considered during development of the program. She said the purpose had been to repair and improve infrastructure to improve an aging part of the City. She said taxes wouldn't increase until there was an increased demand for space within the district. Wood said increased taxes came from people making improvements to their buildings.

Chair Lawrence said the Best Practices Guidebook on urban renewal said the number one reason for having an urban renewal district was to increase values. He said this should be included in the Plan for The Dalles.

City Manager Young noted that the Plan had made a major shift in 1998 from infrastructure based improvements to a focus on private investment, projects to stimulate investment within the district.

Chair Lawrence asked if the City was aware of "dark store" ordinances. City Attorney Parker said the City did not have such an ordinance, but he understood the purpose of them was to force property owners to maintain their properties at a certain level.

Lawrence said the Redmond Plan specifically named each project and noted how it would increase the value. He said this was vital to the success of an urban renewal district.

Wood said she could support the priority of the projects, but it should be understood that if an opportunity rose to complete a project that wasn't next in line, it should be done while the opportunity existed.

There was discussion regarding some specific projects. Chair Lawrence asked for clarification regarding funding for the proposed parking structure and Granada project. City Manager Young said it was anticipated a bond issuance would help fund the parking structure. He talked about how the Washington Street project had funding from grants and urban renewal funds, but still lacked full funding. He said there was tentative approval from ODOT for \$1.35 million in funding, so the project was still lacking between \$400,000 and \$500,000. He said some of the funding was left over from the 2009 bond issuance, and there was anticipated revenue from the sale of the Granada and Blue buildings.

It was moved by McGlothlin and seconded by Wood to add a goal to increase value to properties within the Urban Renewal District to the Plan and to approve the prioritization of projects as recommended by the Urban Renewal Advisory Committee. The motion carried unanimously, Spatz absent.

#### Other Business

Chair Lawrence asked if there was an update regarding the complaints filed with the City about the Sunshine Mill issue. He said this was a formal complaint, answered by the City Attorney, but the Agency had never been informed about the possible problem.

Dick suggested the complaint or information may be a subject for an Executive Session.

Lawrence said the Agency should not have learned about it in the newspaper and said there should be a policy in place for informing the Agency and City Council regarding complaints.

City Manager Young said it had been a judgment call. He said the City received many complaints, but this one seemed to be about matters outside the concern of the City and about the character of an individual. He said it was a balancing act of when to notify the Agency or Council about complaints.

City Attorney Parker said he expected to hear from the law firm he hired to review documents, sometime this week and would provide a report to the Agency regarding their opinion as to any liability the Agency may have with the Sunshine Mill property.

MINUTES (Continued)  
Urban Renewal Agency Meeting  
March 24, 2014  
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**ADJOURNMENT**

Being no further business, the meeting adjourned at 8:28 p.m.

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Submitted by/  
Julie Krueger, MMC  
City Clerk

SIGNED:

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Stephen E. Lawrence, Chair

ATTEST:

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Julie Krueger, MMC, City Clerk



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

## AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
April 14, 2014	Action Item	

**TO:** Urban Renewal Agency Board  
**FROM:** Jon Chavers, Administrative Fellow  
**THROUGH:** Nolan Young, City Manager *ny*  
**DATE:** April 14, 2014

**ISSUE:** Proposed Facade Restoration Program.

**BACKGROUND :** In response to the need for the rehabilitation of downtown properties, at the February 18<sup>th</sup>, 2014 meeting of the Urban Renewal Advisory Committee, staff - in partnership with the Main Street Organization - proposed the creation of a matching grants program for facade restoration, similar to the existing facade grants program for non-profit businesses, within the URD. After receiving input and feedback from the committee, staff presented a finalized program at the March 18<sup>th</sup> URAC meeting minutes attached). It was the general consensus of the URAC to create the “for-profit” facade grant program as presented by staff.

Approval of the new program would require a “minor amendment” to the Columbia Gateway Urban Renewal Agency Plan, which currently states that matching grants are available to “public, non-profit, and civic organizations only”.

I. Outline of Proposed Facade Restoration Program

- Create a new, facade restoration 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 URA Plan. Program will include an option to delay grant requests for up to 6 months if another project meeting more URA Plan criteria applies for funding.
- Grants must be used within 1 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 3 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.

**BUDGET IMPLICATIONS:** The intent is to include in the UR budget at least \$200,000 each for the property rehabilitation programs including at least \$100,000 to be used for this new program.

**ALTERNATIVES:**

**STAFF RECOMMENDATION:** *Move to approve the proposed facade restoration program as recommended by the Urban Renewal Advisory Committee.*

- The Board may make modifications to the proposed program, possibly addressing the appropriateness of using facade restoration funds for use restoring upper stories for residential or professional use.
- The Board may choose not to adopt the proposed facade restoration program at this time.



## 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.



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## 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 1<sup>st</sup> Street Streetscape, 3<sup>rd</sup> Place Streetscape, 3<sup>rd</sup> Street Streetscape, 4<sup>th</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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.

**DRAFT**

FUTURE MEETING – March 18, 2014

ADJOURNMENT

Chair Zukin adjourned the meeting at 6:55 PM.

Respectfully submitted by Administrative Secretary Carole Trautman

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Chris Zukin, Chairman