



IMPROVING OUR COMMUNITY

## COLUMBIA GATEWAY URBAN RENEWAL AGENCY

### CITY OF THE DALLES

## AGENDA

### COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

Meeting Conducted in a Room in Compliance with ADA Standards

**Tuesday, September 19, 2017**

**5:30 p.m.**

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 – August 15, 2017
- VI. PUBLIC COMMENTS
- VII. EXECUTIVE SESSION
  - A. Recess to Executive Session in accordance with ORS 192.660(2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.
  - B. Reconvene to Open Session
  - C. Decision following Open Session
- VIII. ACTION ITEM
  - A. Urban Renewal Agency Financial Plan
  - B. Extension of Exclusive Negotiating Agreement with Tokola Properties for Redevelopment of the Tony's Building Properties
- IX. STAFF COMMENTS

Next Meeting Date: October 17, 2017
- X. BOARD MEMBERS COMMENTS OR QUESTIONS
- XI. ADJOURNMENT



**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**  
**CITY OF THE DALLES**

---

**MINUTES**  
**COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD**

Meeting Conducted in a Room in Compliance with ADA Standards

**Tuesday, August 15, 2017**

**5:30 p.m.**

City Hall Council Chambers  
313 Court Street  
The Dalles, Oregon

- I. **CALL TO ORDER**  
The meeting was called to order by Chair Elliott at 5:32 p.m.
- II. **ROLL CALL**  
Present: Scott Baker, Staci Coburn, Taner Elliott, John Fredrick, Steve Kramer, Darcy Long-Curtiss, Linda Miller, and Kathy Schwartz  
Absent: Chuck Raleigh  
Staff Present: Urban Renewal Manager and Director Steve Harris and City Attorney Gene Parker
- III. **PLEDGE OF ALLEGIANCE**  
Chair Elliott led the Pledge of Allegiance.
- IV. **APPROVAL OF AGENDA**  
Chair Elliott requested the agenda be amended to add an Executive Session as Item XI: ORS 192.660(2)(e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.  
  
Board Member Kramer motioned to approve the agenda as amended; Board Member Long-Curtiss seconded the motion. The motion passed unanimously.
- V. **APPROVAL OF MINUTES – July 18, 2017**  
Board Member Coburn motioned to approve the minutes as written; Kramer seconded the motion. The motion passed unanimously.
- VI. **PUBLIC COMMENTS**  
None.
- VII. **PRESENTATIONS**
  - A. **Granada Theatre**  
Chuck Gomez and Debra Liddell provided an update on the renovation status of the Granada Theatre.  
  
Progress included:
    - The outside, café, extra room, restrooms, kitchen and upstairs have been cleaned

- The studio and café have been painted
- Curtains, carpet and all flammable materials were removed
- Plaster repairs were in progress
- Historically accurate paint palette was approved
- Copper replacements for domes were ordered
- Replacement organ was located

Gomez stated he planned to install a \$100,000 sound system to attract professional musicians. Close to \$20,000 has been spent on construction tasks. Video equipment and lighting will also be installed.

B. Mid-Columbia Economic Development District (MCEDD)

Amanda Hoey, MCEDD Executive Director, provided a summary of the Columbia Gorge Economic Development Strategy, as well as information on programs and priority projects; Exhibit 1. Hoey also provided MCEDD's Annual Performance Report, available at [www.mcedd.or](http://www.mcedd.or).

Hoey provided information on the "Oregon Drive Less Challenge" September 16-30, 2017.

Director Harris encouraged the Board to attend the Economic Symposium, November 2, 2017 in Stevenson, Washington; Exhibit 2.

VIII. ACTION ITEM

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

Director Harris presented the Staff Report. Harris clarified that an affirmative action on this item would be necessary in order to take action on the next item, VIII. B.

Board discussion included:

- Methods to educate applicants about broader lending scenarios – Examples include the MCEDD Outreach Program, press releases and other marketing materials.
- Protection from predatory lenders – Protection is provided in the application process. Each application is reviewed by the Board; the Board could deny an application containing questionable information.
- Language provided in the Staff Report under Board Alternatives, 1. – A suggestion was made to remove "such as Mid-Columbia Economic Development District's programs" to avoid a perceived preference.

Long-Curtiss motioned to approve modification of the eligibility criteria for lenders and applicant in the Agency's Redevelopment and Restoration Loan Interest Subsidy Program may utilize as follows: Loans qualifying for the Agency interest subsidy program may also be obtained from intermediary lenders with the legal authority to operate revolving loan funds, including economic development entities, government and non-profit lending programs such as Mid-Columbia Economic Development District's programs.

Board Member Schwartz seconded the motion. The motion failed 5-2; Baker, Coburn, Elliott, Fredrick, Kramer, Miller opposed, Long-Curtiss and Schwartz in favor, Raleigh absent.

Board Member Miller made a motion to use the verbiage: Loans qualifying for the Agency interest subsidy program may also be obtained from intermediary lenders with the legal authority to operate revolving loan funds, including economic development entities, government and non-profit lending programs.

Board Member Fredrick seconded the motion. The motion passed unanimously.

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

Director Harris presented the Staff Report.

(Board Member Baker stepped out at 6:44 p.m. and returned at 6:46 p.m.)

Travis Dillard  
14016 236<sup>th</sup> Avenue NE  
Woodinville, WA 98077

Mr. Dillard participated in the Board discussion.

Board discussion included:

- Affordable versus attainable housing – for most federal and state programs, affordable housing is a range of 60 percent or lower of area median income. To provide mobility for housing options, 60-120 percent is targeted. Attainable housing could potentially free up affordable housing.
- If approved, would the Board be committing through to the end on the Pacific Continental note? Harris replied the Board would. The Agency would have to satisfy that obligation. (Staff later confirmed that unless the Agency exercises its option to buy points on the loan, loan subsidy payments shall occur for the lessor of ten years or the life of the Agency.)
- The anticipated increased value of the building is \$2.2 to \$2.3 million.
- Dillard anticipates annual property tax of \$24,000 to \$30,000.

Board Member Miller moved to approve the loan interest subsidy application submitted by Travis Dillard for the Honald Building located at 400 E. 2<sup>nd</sup> Street, The Dalles, Oregon, subject to the following conditions:

- a. Approval of the Mid-Columbia Economic Development District loan interest subsidy shall be subject to the Urban Renewal Agency Board amending the lender criteria standards for the Redevelopment and Restoration Loan Interest Subsidy Program.
- b. Prior to conversion of the Pacific Continental Bank construction loan to permanent financing, staff will report back to the Agency Board on the loan balance to be converted to permanent financing, the interest rate to be applied to the permanent financing, and the dollar amount of subsidy to be financed by the Urban Renewal Agency for the remainder of the loan.

Fredrick seconded the motion; the motion passed unanimously.

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

Director Harris presented the Staff Report.

Fredrick informed the Board he would not vote based on a conflict of interest.

Board discussion included:

- Concern that some applicants received grants, while other applicants received interest bearing loans.
- Concern that the Granada Theatre project would receive additional grant funds.
- Criteria for loans versus grants.

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

- a. Applicant to provide verification of matching funds prior to disbursement of grant award funds, and
- b. Prior to commencement of work, the applicant shall consult with the Planning Department to determine if the proposed improvements require approval by the City's Historic Landmarks Commission, can be approved administratively or if the work is exempt from the standards of the Secretary of the Interior.

Miller seconded the motion; the motion passed 6-1, Schwartz opposed, Fredrick abstained, Raleigh absent.

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

Item D. was moved to Executive Session.

IX. STAFF COMMENTS

The next scheduled meeting date is September 19, 2017. Director Harris will present a status update on the First Street Streetscape Project.

Director Harris presented a brief update on the Tokola project; additional extensions may be needed.

Harris stated staff was working with Finance and hoped to provide five year projections next month.

X. BOARD MEMBERS COMMENTS OR QUESTIONS

A request was made that agenda packets be received two weeks prior to the meeting.

A suggestion was made that the Board meet informally to become better acquainted.

XI. EXECUTIVE SESSION

Chair Elliott called a brief recess at 7:43 p.m. Executive session opened at 7:52 p.m. Open session reconvened at 8:23 p.m.

Sunshine Mill (Discover Development, LLC) Installment Loan Restructuring

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

- a. Move to continue the extension to the Agency Board meeting of October 17, 2017.
- b. Borrower shall make monthly payments of \$10,000 and interest payments of \$1,531.25 beginning on August 15, 2017, and continuing with similar payments on September 15<sup>th</sup> and October 15<sup>th</sup>.
- c. During this period, Borrower will meet with designated representatives of the Agency to explore options for restructuring of the loan, with the goal of repayment of the loan in full.

Kramer seconded the motion; the motion passed 7-1, Fredrick opposed, Raleigh absent.

Long-Curtiss suggested a motion to show that the Board was continuing efforts to renegotiate with Sunshine Mill. Kramer responded that the previous vote for a revised Fifth Amendment to the Loan Payment Agreement would show intent.

XII. ADJOURNMENT

Chair Elliott adjourned the meeting at 8:27 p.m.

Respectfully Submitted  
Paula Webb, Planning Secretary

---

Taner Elliott, Chair



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY  
CITY OF THE DALLES

---

**AGENDA STAFF REPORT**  
**AGENDA LOCATION: VIII. A.**

**DATE:** September 19, 2017

**TO:** Chair and Members of the Urban Renewal Agency Board

**FROM:** Matthew Klebes  
Assistant to the City Manager

Steven K. Harris, AICP  
Urban Renewal Manager

**ISSUE:** Urban Renewal Agency Financial Plan

**BACKGROUND**

Staff has prepared a financial plan spreadsheet detailing the Agency's resources, obligations, and potential expenditures. The spreadsheet will be presented as a live document with staff providing a brief overview on the contents and structure. Staff will lead a discussion with Board Members, posing various revenue and expenditure scenarios that can be used to alter the spreadsheet in real time. The objective of the exercise is to showcase the cash flow of the Agency, its obligations, and the impact Agency projects have on resources in a variety of different scenarios.

Attached is an email from Urban Renewal consultant Ms. Elaine Howard providing examples of proposals for the cities of Madras (\$80,000) and Pendleton (\$4,000) to update their respective urban renewal plans. Her email also cites a proposal for Coos County for more thorough update of the urban renewal plan totaling \$114,000.

To assist in the Board's discussion of the 1st Street Streetscape Project ("Riverfront Access Project"), the Agency's consultant has prepared a status memorandum detailing efforts to date and work that remains if the Agency Board and City Council determine to move forward with the project. As originally envisioned the project was to provide for improvements along 1<sup>st</sup> Street, a pedestrian plaza on Washington Street and a under grade pedestrian/bicycle crossing of the UPRR and I-84 to link up with the Riverfront

Trail. Federal grant funding was to account for \$1.566 million of the total estimated project cost of \$4.837 million. Local funds were to be derived from the 2009 Bond issue and the sale of Agency-owned properties, among other sources. The project has been modified a number of times since the 2008 execution of the grant funding agreement. If the Agency and Council were to decide not to pursue the project, approximately \$220,000 in Federal funding would need to be reimbursed.

**Attachments**

Email with attachments from Elaine Howard (dated June 23, 2017)

Memorandum from Curt Vanderzanden, KPFF (dated September 11, 2017)



## Steve Harris

---

**From:** Elaine Howard <elainehowardconsulting@gmail.com>  
**Sent:** Friday, June 23, 2017 11:23 AM  
**To:** Steve Harris  
**Subject:** UR Pan updates  
**Attachments:** Madras URAP Update SOW\_071615\_FINAL.docx; Pendleton Scope of Work and Budget.pdf; ElaineHoward\_Proposal\_CoosCounty\_2016\_09\_15 (2).pdf

There are three levels/types of updates shared with your advisory committee this week:

1. Pendleton - 2 day workshop, costs about \$4,000 - Scope of work attached.
2. Madras- -Full Action Plan - \$80K The document is too large to send via e mail. you can get it at this link on the Madras website. If this does not work, let me know.

<http://ci.madras.or.us/files/9214/6428/0347/Madras2016URAP-web.pdf>

3. Coos County - Full revision of 30 year old plan including new project lists with engineer's estimates Total contract \$114K This is more expensive due to the engineer's estimates and proejct descriptions, my firm's costs: \$51K includes financial analysis. Project is underway, no document to share yet. Our RFP p0roposal is attached.

4. Financial Reviews are typically \$8-10K on their own.

Elaine Howard  
Elaine Howard Consulting, LLC  
503.206.7060 cell 503.975.3147  
[www.elainehowardconsulting.com](http://www.elainehowardconsulting.com)

Scope of Work and Budget  
Elaine Howard Consulting, LLC  
Pendleton Urban Renewal Goal Setting

1. Coordinate with staff to set agenda and expected outcomes for upcoming meetings. (1 hour)
2. Review existing urban renewal plan. (30 minutes)
3. Staff or staff with consultant prepare updates on the goals of plans and projects completed, projects not completed. List any identified projects/new goals that you may want to consider adding to the existing list of uncompleted projects/goals. Identify remaining maximum indebtedness which is not encumbered by existing debt. Compare to known projects desired. Review urban renewal plan for any additional updates needed. (Your staff prepares it in a format for the committee, 1 hour for me to review.)
4. First day meeting with interested parties:

Tour area with staff. (1 hour)

Review documents compiled in No. 3 above. Get input from committee on projects not yet done in urban renewal plan and those projects identified as potential projects in future, not yet in urban renewal plan. Gain input on additional ideas on projects and goals that need to be updated. Get specifics on both. This will include a presentation of data from No. 3 above, and also a collaborative input process for ideas for the future of the urban renewal area. (3 hours for meeting, another hour to prepare for next day)

5. Second day: Staff and consultant take ideas from day one and look at capacity of urban renewal plan to determine if projects are realistic. (This may take a quick look at the financial capacity of the district. I can work with your finance director who should be at the meetings.)

Go over the actual capacity of the districts and the project lists and prioritize projects within capacity. Go over any new goals. Summarize information from the meetings. (3 hours for meeting, up to 3 hours summary, depending on desires of client)

6. Staff or staff with consultant prepare any needed amendments. (You need to let me know if I will be doing any of this or if your staff will do this. We may determine after the meetings as we will know better then what is involved)

Estimate Hours 10.5-13.5 (depends on desires for follow up after final meeting)

Billing rate \$175.	\$1,837.50 –
	2,362.50

Estimated Travel Costs:

Drive to Pendleton round trip 7 hours	\$1,225.00
Mileage 430 miles round trip @.56	240.80
Hotel	100.00
Meals	<u>25.00</u>
Total Travel	\$1,590.80

City of Pendleton Business License	\$160
------------------------------------	-------

# Scope of Work

## Madras Revitalization Plan

2014

### Project Background

The City of Madras established an Urban Renewal District and adopted an Urban Renewal Plan for the downtown in July 2002 with the goal of meeting the City's economic development objectives through rehabilitation of older and historic structures, redevelopment of key sites, improving transportation and utility facilities in the renewal area, assisting with the construction of needed public facilities, and creating public amenities. To assist in the implementation of the Urban Renewal Plan, the City developed an initial Urban Revitalization Action Plan (Action Plan) in 2005.

Since that time, over \$3.4 million has been spent of the District's \$14 million Maximum Indebtedness on projects, including but not limited to, property acquisition and remediation, building façade improvements, infrastructure improvements, parks and open space improvements, and financial assistance for a new hotel and movie theater. Beginning in 2010 circumstances has changed within the District as a result of the larger economic recession. In particular, the District's tax collection rate has been reduced by 20% and property values have significantly declined. Fiscal Year 2015-2016 will be the first year that property values will increase in the District since 2010 which in turn will be the first year the District has projected additional tax increment revenues. For these reasons it is the desire of the Urban Renewal District to update the 2005 Action Plan.

The Madras Redevelopment Commission (Agency) wishes to contract with a consultant or consultant team to lead the Agency in a strategic planning process to update the 2005 Action Plan. The updated Action Plan will be grounded in new financial and market analysis as well as public engagement to guide the Agency's activities and investments for the next ten years. The process will result in the creation of a comprehensive ten-year Action Plan that will:

- Describe and evaluate the Agency's current urban renewal plan, projects, financial commitments, bonding capacity, bond covenants, and schedules.
- Identify projects from the 2005 plan that are yet to be completed, and identify additional projects recommended to revitalize downtown, with a focus tax revenue generation.
- Identify strategic directions, partnerships, and tools that will assist in assessing future opportunities for retail in downtown Madras.
- Establish guiding principles for future investments. Include tax increment generation as a key criterion for investment.

Relevant documents can be found online at:

- City of Madras Urban Renewal Plan (2002)  
[http://ci.madras.or.us/files/1714/2257/7898/Urban\\_Renewal\\_Plan\\_and\\_Report\\_reduced.pdf](http://ci.madras.or.us/files/1714/2257/7898/Urban_Renewal_Plan_and_Report_reduced.pdf)
- City of Madras Urban Revitalization Action Plan (2005)  
[http://ci.madras.or.us/files/7414/3645/4860/Madras\\_Urban\\_Revitalization\\_Action\\_Plan\\_WalkerMacy\\_2006.pdf](http://ci.madras.or.us/files/7414/3645/4860/Madras_Urban_Revitalization_Action_Plan_WalkerMacy_2006.pdf)



## Proposed Scope of Work

### Task 1 – Project Management

The Consultant's work will begin with a kick-off meeting with Agency staff to review the scope, schedule, roles and responsibilities, communications protocols and expectations – particularly around how to manage potential changes in the project goals, desired outcomes, or scope of work.

#### Task 1.1 Define Project Management and Public Engagement Protocols

Prepare a Project Management and Public Engagement Plan that includes the following:

- Project Timeframe – A project schedule including milestones, public meetings, and product review timeline.
- Communications expectations and protocols among the project team (staff and consultants)– Identification of project leads, roles and responsibilities, and description of communication and review processes.
- Change Management Process – Description of the process that will be used to address potential changes that have an impact on the project scope.
- Data needs - Consultant will identify any additional data needed to inform the project.
- Approach to public engagement – The Agency and Consultant team will partner in implementing the public engagement plan, but the consultant will take the lead in developing the approach to public engagement. The Project Management and Public Engagement Plan will define when and how various stakeholder groups and the general public will be engaged in discussions, and which team members will play roles in organizing and facilitating those meetings.

#### Task 1.2 Project Meetings

- Project Kick-off Meeting – Consultant will lead a kick-off meeting with the Agency work team to review project scope, schedule, public involvement, communication protocols, meetings, deliverables, and to review expectations, roles and responsibilities.
- Mid-point Team Meeting. Occurring after the initial set of interest group meetings, this meeting allows the Consultant and Agency work team to discuss strategic issues and make any necessary refinements to the approach and timeline for the rest of the project.
- Project Management Team Meetings –This team will be composed of the Consultant project manager and the Agency project manager. Meetings will be held in person or by phone/internet conference on a biweekly basis, or more often, if needed.

#### **Consultant deliverables:**

- Project Management and Public Engagement Plan

#### **Meetings:**

- Project Kick-off Meeting and Mid-point Team Meeting in person
- PMT meetings in person or by phone or internet
- Attendance at Advisory Committee meetings

## Task 2 – Technical Plan Inputs: Assessment and Analysis

This task sets the stage for project identification by gathering baseline information and evaluating the Agency's existing conditions.

### Task 2.1 Progress Report and Baseline Conditions: 2005 Action Plan

The Consultant will compile, review, and summarize relevant information from the Urban Renewal Plan, the Action Plan, and financial reports to establish baseline conditions. The goal will be to identify what has been successful, what needs still exist, and what projects in the current Plan should be included in the updated Plan. This assessment will include interviews with key stakeholders (staff, board members, taxing jurisdictions), and site tours accompanied by staff. The Public Engagement Plan may also identify additional outreach opportunities that may support findings in the Progress Report. This document should answer the following questions:

- Which projects have been completed? (Provide a matrix showing proposed projects and status and compile a success audit of progress to date.) (City will furnish background materials)
- Of those projects remaining to be completed, which are still important projects to be included in the future?
- Do the existing projects identified in the Action Plan meet the guiding principles, including the tax increment generation capacity of the projects proposed to be completed in the future? If not, are there new or different projects that could be important to the District?
- What are the key short-term and long-term financial commitments of the Agency?
- What is the ability of the Agency to meet the maximum indebtedness of the Plan?

The guiding principles of the Urban Renewal Plan include, but are not limited to:

- *Increasing property values within the District to advance additional investment in the District.*
- *Reducing building vacancy within the District*
- *Redevelopment of underutilized properties*
- *Developing vacant properties*
- *Encourage desired and or needed retail and commercial businesses within the District*

### Task 2.2 Retail Needs Analysis

New retail / commercial development is the backbone of downtown Madras. As such, the updated Madras Revitalization Plan will focus on how to incent private development or leverage public funding to support current businesses and (as needed) add to the existing stock of commercial / retail space downtown. The retail needs analysis will include:

- Inventory of existing businesses (citywide and downtown)
- Analysis of existing retail performance that includes analysis of retail leakage, impacts of regional retail on downtown
- Survey of residents to determine what type of retail/commercial uses they would like downtown.
- Focus group with business owners and downtown stakeholders to identify needed investments to support business growth

- Evaluation of the demographics of the community (e.g. age, income, retail preferences, tourism, etc.)
- Preliminary description of the “niche” for downtown Madras in a regional context, and identification of the types businesses that are missing in downtown Madras
- Identification of any needed new projects that should be considered in the Action Plan to improve opportunities for new retail / commercial development (including identification of key opportunity sites) and / or to support existing businesses as they grow.

### **Task 2.3 Analysis of Tax Increment Generation Potential**

Consultant will review possible projects and strategies with a focus on tax increment generation. In addition, the Consultant will complete research on the value of urban renewal financial investments for public buildings and facilities. This information will help City staff and stakeholders decide on actions related to funding public facilities with TIF dollars, as part of a larger funding package.

#### ***Consultant deliverables:***

- Assessment of urban renewal plan, to be incorporated into the action plan.
- Retail Needs Analysis (technical appendix to Action Plan)
- Analysis of tax increment generation potential (technical appendix to Action Plan)

#### ***Meetings:***

- Meeting with Agency Staff to discuss the results of the review and determine how to include the results in the Action Plan, or if additional analysis is needed.

### **Task 3 –Project Identification and Prioritization**

In collaboration with staff, synthesize the discussions into a ten-year Action Plan document for review and approval by the Agency Board and City Council. This task brings together previous work on assessment and analysis with public engagement to evaluate, prioritize, and sequence actions and the partnerships needed to develop short-term and long-term action plans for the Agency.

#### **Task 3.1: Implement Public Engagement Plan**

Effective public involvement will be critical to identifying a set of projects with broad public support that can help to revitalize downtown Madras. The Project Management and Public Engagement Plan (Task 1) will guide the public engagement process and identify who needs to be involved and engaged, through what means, at what points and frequency during the project; identification of stake-holders to interview; and meetings and events. The process will include:

- **Interest Groups and Key Stakeholders** – Identify interest groups and other stakeholders, such as other taxing districts, citizen groups and business groups to be consulted for their broader perspective. These meetings will generally be one-on-one or in small groups without City staff present to ensure candid input. The Consultant will summarize the results in a brief memorandum.
- **Electronic Surveys** – Consider the use of electronic forms of participation (i.e. surveys, webinars, or other electronic methods) for public and stakeholder involvement.

- **Public Meeting/Open House** – At a minimum, there will be one public event/open house to obtain input and feedback from the broader public. The events will be timed as appropriate with the decision-making process. Information obtained from this event will be summarized and incorporated into recommendations for the Action Plan. Consultant will work with the Advisory Committee and staff to clarify specific groups to target for open house attendance, lead the events, and provide technical assistance and graphics to help explain project concepts.

### **Task 3.2: Advisory Committee Coordination**

An Advisory Committee will be convened and will meet throughout the project to provide advice on the development of the updated Action Plan. Specifically, the Advisory Committee will help to identify and prioritize projects, including those developed by consultant team and derived from public involvement. Consultant will work with the group to confirm the priority of opportunities, funding implications, and timing of improvements and investments in the next ten years.

Consultant and Agency Project Manager will work together to prepare agendas and materials, facilitate meetings, and create summary notes. Three (3) Advisory Committee meetings will be scheduled, and Consultant will be expected to lead and facilitate these meetings. The three meetings will cover:

- **Meeting 1 (Month 1):** Background on the urban renewal plan and projects completed and those left to be completed for the plan. Revisit 2006 Action Plan vision and confirm objectives. Review/develop objectives/guiding principles of Action Plan Update.
- **Meeting 2:** Discuss remaining projects and potential new projects as identified in the assessment report and initial public and stakeholder outreach, including Advisory Committee.
- **Meeting 3:** Review of Draft Action Plan.

Consultant will prepare summary notes from the Advisory Committee meetings.

#### **Consultant deliverables:**

- Graphic background materials for and attendance at Advisory Committee meetings and open house/public meetings
- Consultant will provide summary notes from the meetings

#### **Meetings:**

- Consultant will lead discussions at Advisory Committee meetings
- Advisory committee meeting to review draft projects in light of prioritization criteria.
- Consultant will lead public events

### **Task 3.3: Create Plan Content and Urban Design Diagrams**

Based on needs identified through background research, input from the public engagement process, and input from the advisory committee process, develop needed plan content, including: (1) defined and prioritized projects for investment and action; (2) updated plan maps identifying location of priority projects; and (3) concept visualization for a limited number of projects, if they are needed and budget supported.



## **Task 4 – Draft and Final Action Plan**

In this task, the Consultant will assemble draft and final action plan documents for review, and work with staff to develop presentations to elected and appointed officials. Following the review and presentations, final products will be prepared and delivered to the Agency. Subtasks include:

### **4.1 Draft Action Plan**

Prepare a Draft Final Action Plan containing an overview of the results from prior Tasks 1-4, conclusions, recommendations, and an implementation road map for what needs to happen in the short term, mid-term, and longer term to carry out the Action Plan with associated technical appendices. The Draft Action Plan will include an investment strategy that will consider the Agency's existing and future revenues and expenses, funding for high priority projects, and how the Agency would issue additional debt.

### **4.2 Presentation to Elected Officials, Appointed, and Other Boards**

Prepare board, commission, and elected official presentations. Agency staff will give presentations. Consultant will be expected to be present at meetings to respond to technical questions and to assist in preparing materials for meetings.

### **4.3 Final Action Plan**

Collect, consolidate, and reconcile comments on the Draft Final Action Plan based on input received from the presentations.

#### ***Consultant deliverables:***

- Draft Action Plan
- Presentation materials and participation in up to three presentations
- Final Action Plan

## **Schedule**

The City expects this process to be completed approximately six months after execution of a contract. The project will begin on approximately August 17, 2015 and will be completed by January 25, 2016, or before. Key milestones in the schedule are identified as follows, with specific dates to be established at the Kick-off meeting. The diagram below shows the general project progression.

## **Budget**

The budget for this project is \$80,000.00.



1. Project Management



2. Assessment and Analysis



Confirm vision and objectives

3. Project Identification and Prioritization



Discuss Initial project list



Finalize/prioritize project list

4. Final Action Plan



Advisory Committee Mtg



Agency Team Meeting  
(PMT meetings biweekly)



Community Open House



MRC Meetings

# Memorandum

Page 1 of 4



DATE: September 11, 2017

PROJECT: 307286-The Dalles Downtown –  
Riverfront Connection Project

SUBJECT: Project Status

TO: Steven Harris, AICP | Director  
City of the Dalles – Planning Dept.

FROM: Curt Vanderzanden, PE | Principal  
KPFF Consulting Engineers

PHONE: 541-296-5481

PHONE: 503-542-3808

EMAIL: sharris@ci.the-dalles.or.us

EMAIL: curt.vanderzanden@kpff.com

Steve,

Per your request we have compiled the following summary of the history and current status of The Dalles Downtown Riverfront Connection Project.

## **PROJECT BACKGROUND**

For the better part of a decade, the City of The Dalles had been exploring ways to improve accessibility to the Columbia River riverfront and capitalize on opportunities for economic development, public use, and social/recreational activities. During that time, the City completed two planning studies and constructed a freeway under-crossing of I-84.

The proposed Dalles Downtown/Riverfront Connection Project that was the subject of a request for proposals in October, 2007 included the following three schedules of work:

- Schedule A: Preliminary and final design for East 1st Street streetscape, a pedestrian/bicycle under-crossing of the UPRR rails at Washington Street, and a trail to I-84.
- Schedule B: Preliminary design and permit identification for a pedestrian/bicycle under-crossing of I-84 to the Columbia River trail. *(This schedule of work was dropped from consideration shortly after KPFF received notice to proceed.)*
- Schedule C: Preliminary design and permit identification for a cruise ship/public dock at the end of Union Street. *(This schedule of work was expanded to include full design and construction services for the construction of the Lewis and Clark Festival Park and the Commercial Dock facility located at the end of Union Street.)*

## **PROJECT HISTORY**

The following narrative summarizes the history of the streetscape improvements covered under Schedule A of the Downtown Riverfront Connection Project.

The City of the Dalles issued a request for proposals (RFP) in October, 2007 seeking a professional services Contractor to provide engineering and architectural services to implement the Downtown/Riverfront Connection Projects. KPFF responded to the RFP and, following interviews with the highest ranked teams in November of 2007, we were awarded the project. Following contract negotiations and review by ODOT, Notice to Proceed was provided to KPFF in July, 2008.

## Memorandum

Page 2 of 4  
September 11, 2017



Following a series of meetings with a citizen's task force and city staff and a review of multiple alternatives, a preferred design was selected in December of 2008. The preferred design included the construction of streetscape improvements on 1<sup>st</sup> Street from Union Street east to Laughlin Street and the construction of a pedestrian tunnel under the railroad at the extension of Washington Street. The preferred design also included the construction of a sunken plaza within Washington Street to provide a more inviting entrance to the pedestrian undercrossing than other alternatives considered. The preferred design also provided an amenity in the form of the plaza area that was thought to be a draw for future and proposed development within this part of the City.

Following the selection of the preferred alternative KPFF's team began to work with UPRR to identify construction methods that would be acceptable to their engineering staff. In initial meetings with the local UPRR liaison, KPFF proposed the incorporation of an accelerated bridge construction methodology to minimize the costs and risks associated with the construction of the undercrossing and received a tentative agreement from UPRR's local liaison and engineering staff.

KPFF submitted the design at a 30% level of completion to the City and UPRR for review in March of 2009. In June of 2009, the UPRR local liaison that we had been working with from UPRR was replaced. The new liaison was not receptive to what we had proposed with regard to construction methodologies. KPFF's team worked with UPRR staff for approximately 6 months to identify and analyze additional alternative construction methodologies for the proposed undercrossing. Following submittal of revised concept level drawings for the undercrossing in January of 2010, KPFF received approval of a revised concept in February of 2010 that incorporated two large diameter pipe tunnels that would be installed using a "grouted pipe arch" construction method.

This change in construction methodology resulted in significant modifications from the previous design, including the need to lower the elevation of the undercrossing and entrances to maintain minimum cover from the rail to the tunnels. The revision also required the completion of additional geotechnical engineering work to validate the design. The change required the KPFF team to provide additional services that were not included in our original contract, leading to the preparation of a contract amendment to cover these additional efforts. Design work for the streetscape was suspended until notice to proceed for the additional work was received from ODOT in August of 2010.

The design was progressed to a 60% level of completion for UPRR review and 75% level of completion for City and ODOT review. These were submitted in December of 2010. Following the December, 2010 submittals the project design was delayed to allow the UPRR review and permitting process to progress to the point that we were confident of their acceptance of the design. The City was also working with a prospective developer during this time regarding the potential construction of a hotel and parking structure that would have had a direct effect on the proposed streetscape improvements.

The plans were developed to a 95% level of completion and were submitted to the City and ODOT for review in January of 2012. As part of a value engineering exercise, the 95% submittal eliminated one of the tunnels under the railroad. We received approval of the design from UPRR in September of 2013. The project was further delayed while ODOT worked through issues with the State Historic Preservation Office (SHPO) and the City continued to work with the hotel developer. In April of 2015, KPFF received a request from the City to look at significant revisions to the project scope of work to eliminate the proposed pedestrian undercrossing due to concerns raised in regard to the budget.



# Memorandum

Page 3 of 4  
September 11, 2017



In March 2016, the City formally notified KPFF that the City would not move forward with construction of an undercrossing of the railroad, and that a decision as to whether or not some scaled back version of the project not requiring tunneling under or bridging over the railroad might move forward, had not yet been made.

## **CURRENT STATUS**

The project design has now been effectively on hold since January of 2012. The latest design, which was provided at a 95% level of completion, included a single tunnel under the railroad and a sunken plaza in Washington Street.

Several alternatives for a less expensive design have been discussed since 2012, but no further design work has been completed. The alternatives that have been discussed are based on the assumption that the proposed streetscape improvements would not accommodate a proposed hotel development in the project area, and the elimination of the proposed undercrossing and associated Washington Street plaza. Streetscape improvements would likely be limited to construction of improvements similar to those that exist on 2<sup>nd</sup> Street, but might extend further to the East than the previous design. This potential extension poses several schedule challenges that are discussed in the following section.

There has also been discussion about the potential for incorporating a pedestrian bridge over the railroad as a future phase of work that would launch from a proposed parking garage in the area of the existing surface parking lot east of Washington Street and landing at a stair / elevator tower north of the railroad.

## **WORK TO BE COMPLETED**

Following is a summary of work that will need to be completed if the decision is made to move the streetscape project forward:

**Define the Work:** At this time the extents of what improvements would be incorporated is unclear. KPFF would need to work with the City and ODOT to clearly define the limits of a modified project and to define what additional design efforts would be needed to incorporate the changes to the design. This would include the development and approval of a contract amendment for our team, covering the additional costs of the redesign. The contract amendment would need to be approved of by the City and ODOT. No work could be accomplished prior to receipt of notice to proceed.

**Redesign Efforts:** If the project is extended beyond the limits of the current project, additional survey work would be required. Following completion of the survey efforts, we would move forward with the development of the plans and updates to the specification and construction cost estimates. Depending upon what is decided with regard to what modifications are to be incorporated, we may recommend moving straight to a 60% level of completion versus starting over from scratch. This would potentially save time and budget.

**Pavement Design:** KPFF would also recommend an update to the pavement design work completed in 2009. Our geotechnical consultant provided recommendations for rehabilitation of existing pavement within 1<sup>st</sup> Street at that time based on their analysis of the condition of the pavements. We are concerned that with an additional 8 years of traffic, additional degradation of the pavement is likely and that there is a potential need for replacement of additional pavement that was not included in the original project.

## Memorandum

Page 4 of 4  
September 11, 2017



**Right-of-Way Acquisition:** It is our understanding that the right-of-way acquisition process has not moved forward since the project has been on hold. As part of the redesign effort, we would need to verify what, if any, changes would be needed to legal descriptions and exhibits that were previously developed. It is my recollection that ODOT was going to be leading the right-of-way acquisition process and that this process could take up to 12 months to complete.

**Environmental Documentation:** It is our understanding that at the time the project was put on hold, issues remained with regard to ODOT obtaining necessary approvals from the State Historical Preservation Office. This issue would need to be resolved in order to allow the work to move forward. Please note that if the decision is made to move forward with a project that extends beyond the physical limits of the previous work, additional environmental research and documentation would likely be required, including additional archeological and historical research and hazardous materials assessments for the added areas. These efforts would have a direct impact on both schedule and budget.

**Railroad Coordination:** While a new pedestrian crossing (tunnel or bridge) are not anticipated to be included in a modified project, the streetscape improvements are directly adjacent to the UPRR mainline. As such, any proposed improvements will need to be reviewed and approved by UPRR prior to construction.

### CLOSING

I hope that this information is helpful to you in determining if a modified project should be moved forward. If needed, we can work with you to develop an order of magnitude estimate of construction costs for a modified project, but in order to do so; we will need to clearly define what improvements would be included. Please note that we would expect to have an agreement in place with the City regarding payment for this work before proceeding.

Please don't hesitate to contact me at 503-542-3808, or via email if you have any question.

A handwritten signature in black ink, appearing to read 'Curtis C. Vanderzanden'.

Curtis C. Vanderzanden, PE  
Principal

10100307286- pk



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

## **AGENDA STAFF REPORT**

**AGENDA LOCATION: VIII. B.**

**DATE:** September 19, 2017

**TO:** Chair and Members of the Urban Renewal Agency Board

**FROM:** Steven K. Harris, AICP  
Urban Renewal Manager

**ISSUE:** **Extension of Exclusive Negotiating Agreement with Tokola Properties for Redevelopment of Tony's Building Properties**

### **BACKGROUND**

In response to a Request for Qualifications (RFQ) issued by the Urban Renewal Agency in 2015, Tokola Properties submitted a Statement of Qualifications (SOQ) for the redevelopment of the Tony's Building properties. The initial Exclusive Negotiating Agreement (ENA) expired before the parties could finalize the terms of the Development and Disposition Agreement (DDA). A second ENA was entered into by the Agency, City and Tokola in August 2016. This Agreement allowed for two 120 day extensions, which were approved by the Agency Board on January 31, 2017 and the City Council on February 13, 2017. The current Agreement expires on October 11, 2017.

In order to allow Tokola to complete their due diligence and allow the Agency to complete the negotiation of a DDA for the properties, staff is recommending that the Agency Board approve the extension of the ENA for one 120 day period. A similar request for approval for the extension of the Agreement will be scheduled for the City Council meeting of October 9, 2017.

During the current ENA extension period staff has been working with Tokola to refine their development proposal, including their request of financial assistance from the Agency. Dwight Unti, President of Tokola Properties, has prepared a letter (see attached) which summarizes activities that have taken place during the current ENA period.

Staff has also met with neighboring property and business owners, utility providers and other stakeholders during this period. The Agency has retained the services of Leland Consulting Group to undertake an economic and pro forma analysis of the development proposal, the preliminary findings of which will be available shortly.

### **BUDGET IMPLICATIONS**

The Agreement notes that Tokola Properties has requested public financial participation in the amount of \$1.8 million. The Agreement provides that the actual amount that may be contributed by the Agency is subject to negotiation and will be outlined in the agreed upon DDA.

### **BOARD ALTERNATIVES**

1. ***Staff recommendation:*** Move to approve the extension for one 120-day period for the Exclusive Negotiating Agreement between the Columbia Gateway Urban Renewal Agency and Tokola Properties for a mixed-use development for property known as the Tony's Town & Country site.
2. Approve the extension of the Exclusive Negotiating Agreement for a different length of time, as appropriate.
3. Decline to approve the extension of the Exclusive Negotiating Agreement.

### **Attachments**

Letter from Dwight Unti, Tokola Properties (dated September 8, 2017)





September 8, 2017

Steven Harris, AICP I Director  
Planning Department  
City of The Dalles  
313 Court Street  
The Dalles, OR 97058

RE: The Federal – Developer Activity Report

Dear Steve,

We have been performing extensive work on The Federal project over the past months. While some of our work such as presentations at public meetings is readily visible, a larger volume of our work occurs behind the scenes. As a result, we thought it might be helpful to share some of our recent activity that is less visible to the general public.

#### **Market Analysis**

Given the considerable lead time involved in formation and execution of public/private partnerships it is necessary for us to continuously update and review local and regional market conditions. This work includes measuring housing supply and demand, retail supply and demand, commercial and residential rent levels, occupancy and vacancy rates, rent concessions, etc. While some data is available via third party vendors, the majority of work is performed by our own personnel who conduct rent surveys, complete site inspections, prepare market summaries and conduct other hands on research as necessary for us to understand local market dynamics and their impact on the proposed project.

#### **Refinement of Conceptual Design**

We have worked continuously with our design team to refine the project conceptual design. This occurs in response to changing market data and as physical conditions at the site become more refined. For example, we have been working for some weeks now to address the impact of required changes to the width of the drive access from 1<sup>st</sup> Street and the associated turning radius requirements at the alleyway. In seeking a positive solution to this change, we have analyzed numerous design iterations including potential re-orientation of the building on the site, revisions and/or reconfiguration of the on-site parking layout, off-site parking options and reconfiguration of the residential unit count and unit mix to reduce parking needs.

Page Two  
Steven Harris  
September 8, 2017

### **Updating Cost Estimates**

Labor and material costs have been rising rapidly in response to the high level of construction activity in the region. As a result, it has been necessary for us to continuously monitor construction costs and to re-evaluate our cost estimate for The Federal. In addition, we have been updating the cost estimate in response to required design changes such as occurred with the change in the drive access. Each update is a detailed process involving a re-assessment of labor, material and subcontractor costs.

### **Lender Engagement**

Due to constant changes in the capital markets, we regularly engage with a host of construction and permanent lenders to stay current on available finance options for each project. Given that lenders classify The Dalles as a tertiary market and because The Federal is a pioneering “first in” project, an enhanced level of lender engagement has been required to identify appropriate lending sources. The pace of this process has picked up as we draw nearer to completion of a Disposition and Development Agreement. We are currently scheduling lender site visits.

### **Construction Planning**

Each of our projects requires detailed construction planning in order to assure project success. This means not only preparation of a construction schedule for each project, but continuous monitoring of estimated start and completion dates so that we can properly allocate our construction resources to each job when needed. In the case of The Federal, we are advancing the construction planning process in anticipation of an approved Disposition and Development Agreement over the weeks ahead.

### **Project Pro Forma Update**

All of the information discussed above is regularly gathered and distilled into the Project Pro Forma. The Pro Forma informs the allocation of public and private resources necessary to complete the project, serves as the basis for lender underwriting and appraisal processes and drives the math regarding the balance of private debt and equity appropriate for each project. Over the past weeks we have been working to further refine the Project Pro Forma.

### **Private Equity Formation**

We use multiple sources of private equity to fund our various public/private partnership activities; and the specific mix of sources varies by project based on the scope of equity required, projected rate of return and timing of each project. This process requires that we continuously evaluate the status of each project and recalibrate the mix of equity sources in response to changing conditions. As with other activity noted above, this process accelerates as we draw nearer to completion of a Disposition and Development Agreement.

Page Three  
Steve Harris  
September 8, 2017

In addition to the many activities reported above, our work over the past several months has included numerous communications, phone conferences and face-to-face meetings with City staff as well as multiple visits to the subject site by various members of our project team.

Hopefully this helps in understanding the extensive work which has continued to take place in advancing this important project.

Sincerely,

*Dwight D. Unti*

Dwight D. Unti  
President