



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA
COLUMBIA GATEWAY
URBAN RENEWAL ADVISORY COMMITTEE

Conducted in a Handicap Accessible Meeting Room

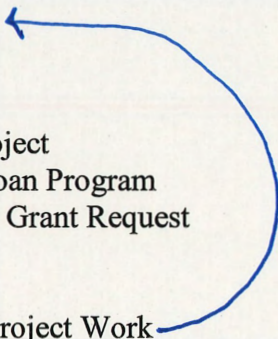
Tuesday, September 21, 2004

5:30pm

City Hall Council Chambers

313 Court St.

The Dalles, OR

- I. Call to Order
 - II. Roll Call
 - III. Pledge of Allegiance
 - IV. Approval of Agenda
 - V. Approval of Minutes of: May 25, 2004
 - VI. Public Comment
 - VII. Action/Recommendation
 - A. Options on the Flour Mill Project
 - B. Property Rehab. Grant and Loan Program
 - 1. American Legion Post 19 Grant Request
 - VIII. Discussion
 - A. D.E.A. Report on TGM Project Work
 - B. Awarded Grants Status Report – The Dalles Art Association, Masonic Lodge
 - C. Citizen Committee/Code Enforcement
 - IX. Next Meeting Date: October 19, 2004
 - X. Adjourn
- 
- A hand-drawn blue arrow originates from the right side of item VIII.C and points left towards item VI, Public Comment.



Columbia Gateway Urban Renewal Advisory Committee Minutes

Tuesday, May 25, 2004

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Acting Chair, Chris Zukin at 5:35 P.M, called the meeting to order.

ROLL CALL

Administrative Secretary Denise Ball conducted roll call.

Present members: Jack Evans, Dick Elkins, Chris Zukin, Nikki Lesich and Ken Farner

Absent members: Dan Ericksen, Randy Carter

Staff present: Dan Durow, Community Development Director, Denise Ball,
Administrative Secretary

PLEDGE OF ALLEGIANCE

Zukin lead the group in the Pledge of Allegiance.

APPROVAL OF AGENDA ITEMS

Zukin asked if there were any changes or additions to the agenda. Evans moved to approve the agenda as submitted and Farner seconded. The motion carried unanimously with Ericksen and Carter absent.

APPROVAL OF MINUTES

Zukin asked if there were any corrections or additions needed for the minutes of April 20, 2004. There were none. Evans asked that it be noted the Chamber property is on the tax roles. Lesich moved to approve the minutes as submitted with Evans clarification and Evans seconded the motion. The motion passed unanimously with Ericksen and Carter absent.

PUBLIC COMMENT

None.

ACTION/RECOMMENDATION

Wasco Warehouse Milling Property RFP: Director Durow presented the Staff Report and reviewed the importance of the project time schedule with the Committee members. Durow went on to say that the City does have the potential of a six-month extension for the purchase of the property. However, he does not want to rely on that. Currently the sale price is a quarter of a million dollars and the owner is spending a significant amount on the demolition of the warehouse building. The owner may not want to extend the purchase option to the City in the hopes of selling the property for a higher price to another buyer.

Farner asked if the existing purchase option is transferable to a developer and Durow said yes.

Evans advised Staff to present the East Gateway Project to the Urban Renewal Agency again, prior to the presentation of the Wasco Milling Company proposal.

Durow next summarized the highlights of the Request for Proposals. He told the Committee that currently there are five developers interested in the project.

Farner said he would like to have language in the RFP that would hold the developer to the project by keeping the developers equity tied to the project. Farner's fear is that the developer will take his profit from the construction portion of the project and not care if the development shows long-term financial success.

Evans said that page 10, paragraph two, #5 awards points for equity investment of the developer.

Durow added that on page 5, in the last paragraph it reads, "RFP applicants are also expected to make some contribution of developer equity into the project based upon the projected cash flow".

Durow went on to say that the Agency has total discretion whether to award the contract or not. The scores are just a guide and are not definitive. He will verify this with City Attorney Parker.

Lesich asked that Durow add, on page 4, paragraph 5, the dates of the public involvement process and the date the East Gateway project was approved by the City Council. Lesich said she felt this would be helpful for everyone's memory.

Staff and Committee members briefly discussed how this RFP process is different from the Commodore because there is no housing component anticipated. The grain silos will, more than likely, be demolished. Durow indicated that some of the right-of-way might be vacated which would increase the mill property size and becomes taxable.

Durow said Staff would review and evaluate the applications and present them to the Advisory Committee for their recommendation.

Lesich added that with all the planned improvements she would encourage the Committee and Staff to drive down 1st Street and look at it as if it was the first time they had ever seen it. It is extremely unappealing. There are a couple of businesses between Laughlin and Madison, on 1st Street that have a tremendous amount of abandoned cars, between 15 and 20.

Durow updated the Committee on the TGM Grant and said that design of 1st Street will be starting next month. The downtown parking plan and the update of the Transportation System will be included in this TGM grant. These studies will take about a year to complete.

Farner moved to recommend to the Urban Renewal Agency that they accept the RFP with drafting changes as discussed. Evans seconded the motion and it carried unanimously with Ericksen and Carter absent.

DISCUSSION

Lesich asked about the \$300,000+ in uncommitted funds and if there would be a special discussion. Durow said it has been carried over into the next fiscal year budget. The Committee will get a copy of the adopted budget and can see where the money is budgeted.

Farner asked if Urban Renewal can be resurrected when it sunsets. Durow said the existing plan could be amended and it may require a public vote. Amending the Urban Renewal Plan would also need the political will to support it. The limiting factor is not the maximum indebtedness but the requirement that all debt be paid by the end of the plan, 2015.

Lesich asked about the storage of styrofoam by InsulFoam on the Mill Creek Property. The Candy Castle also has several junk cars with expired tags sitting on their property. Durow said he would tell Code Enforcement.

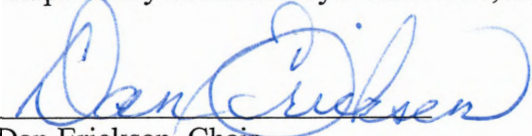
FUTURE MEETINGS

The next regular meeting is scheduled for June 15, 2004, at 5:30 P.M.

ADJOURNMENT

The meeting was adjourned at 6:45 P.M.

Respectfully submitted by Denise Ball, Administrative Secretary.



Dan Ericksen, Chair

AGENDA STAFF REPORT

URBAN RENEWAL ADVISORY COMMITTEE

AGENDA ITEM NO.

DATE: September 13, 2004

TO: Urban Renewal Advisory Committee

FROM: Steve Schafroth, Urban Renewal Contract Consultant

THRU: Nolan Young, City Manager *NY*
Dan Durrow, Urban Renewal Manager *DD*

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

BACKGROUND:

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

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

The application from the American Legion Post #19 was the only grant application that was received by the 7/31/04 deadline for this semi-annual period.

This application is for a grant of \$84,961. The purpose of the project is for preservation of the building that they own and occupy at 201 East 2nd Street. This 1890 era Italianate Renaissance building known as the Schanno Building is historically significant especially for this part of the historic downtown. This portion of the rehabilitation includes removal and replacement of the roof and drainage system and repair of brickwork which are needed to protect this historic resource from further deterioration and allow for future restoration to its original stature. The total project costs for this rehabilitation work is \$84,961 with \$32,000 for roof replacement, \$43,077.50 for brick work, \$3,884.74 for drainage system and approximately \$6,000 for sheet metal work on cornices.

BUDGET IMPLICATIONS:

\$84,808 is the amount available in the approved budget for the Property Rehabilitation Grant and Loan Program in this fiscal year. This Grant request is for \$84,961 which is 100.1% of the funds available for the entire program for the year.

RECOMMENDATION:**ALTERNATIVES:**

Staff Recommendation: Recommend to the Urban Renewal Agency approval of the Grant request less the \$6,000 for sheet metal work which can be done in association with the repair and restoration of the cornices and façade in a later phase.

Alternative 1: Recommend to the Urban Renewal Agency approval of all of the requested funding. This would require a minor budget modification

Alternative 2: Recommend approval of partial funding of the request subject to the applicant obtaining the balance of the project funding from another source.

Alternative 3: Decline the request.

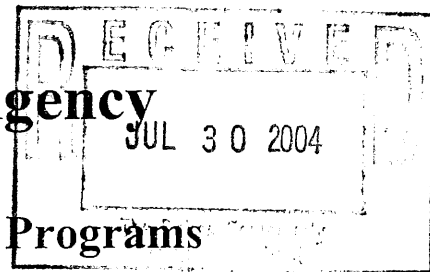
Points Awarded:

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

- 5

D. Make The Dalles a more attractive and functional city in the following ways:		
i. Shows significant aesthetic improvement to the property (10 points)		10
ii. Provides needed services or community function (10 points)		10
iii. Serves a significant portion of the community, (5 points)		0
iv. Enhances the quality of life for residents of the city (5 points)		5
3. The project leverages other public and/or private sources of funding. (15 Points)		0
\$1 Urban Renewal grant to \$3 (or more) other funding – (15 points)		
\$1 Urban Renewal grant to \$2 other funding – (10 points)		
\$1 Urban Renewal grant to \$1 other funding – (5 points)		
4. The Applicant shows that it is financially able to complete the project and maintain the property. (10 points)		10
6. Administrative – The Agency may assign additional points for project considerations which do not fit into one of the above categories, but which provide compelling evidence that the project will further the goals of the Agency; or, if the project meets one or more of the above factors in a way that is far beyond the norm for that category. The assignment of points in this category will be by memorandum stating the reasons and will be maintained in Agency files. (25 points)		0
TOTAL		65

The Dalles Urban Renewal Agency



Property Rehabilitation Grant and Loan Programs

APPLICATION

Application Date July 30, 2004

Application Number _____

GENERAL INFORMATION

Applicant American Legion Post #19

Contact person DENN Crofton (commander)

Mailing Address 201 E. 2nd Street

THE Dalles, OREGON 97058

Property Address 201 E. 2nd Street

THE Dalles, Oregon 97058

Applicant is: ☒ Property owner ☐ Business leasing the property

Telephone # 541-246-9633 Fax # 541-298-1764

Federal tax ID # or Social security # 93-0375233

Bank of account and contact Columbia River Bank

KATHIE Condit

Name of Business American Legion Post #19
(if different than applicant)

Mailing Address _____

Name of Principal American Legion Post #19

PROJECT INFORMATION

Site address 201 E. 2nd Street

THE DALLAS, OR 97058

Legal Description 1N13E 3BD T.L. 3900

Building age Approximately 104 yrs. Square Footage 3,564 x.3

Building use American Legion Post #19

Project description outline Item 1) Remove and Replace Roof. Brown

Roofing will Remove old Roof, Disposed of Debris, ~~Instat~~ Repair

Roof trusses AND INSTALL NEW ROOF

Item 2) D+R masonry will Repair and Restore all Brick work

ABOVE Roof Line to original Condition.

Item 3) Devedo mechanical will install new Roof Drainage

System

Item 4) Links Sheet metal to Remove all Flashing ABOVE

Building Facade and replace, Put new sheet metal caps on Flashing

on inside of Brick work.

Please include the following with your Application:

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

EXPECTED PROJECT COSTS

<u>Cost item</u>	<u>Est. cost</u>
<u>Roof Replacement</u>	<u>\$ 32,000.00</u>

PROPOSED SOURCES OF FUNDING

02/24/2003

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

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

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

DE Miller COMMANDER POST #19
Signature (and Title if appropriate)

JULY 30, 2004
Date

Michelle Matney VICE COMMANDER POST #19
Signature (and Title if appropriate)

JULY 30, 2004
Date

David M. Newman ADJUTANT
Signature (and Title if appropriate)

JULY 30, 2004
Date

Signature (and Title if appropriate)

Date

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

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

**Application of The American Legion Post #19, The Dalles, Oregon
To
The Dalles Urban Renewal Agency, Civic Improvements Grant Program**

Application Outline:

I. Background and Need

A. American Legion, a not-for-profit organization serving American Veterans, their families, communities and the nation since 1919. Post #19 The Dalles, Oregon was chartered in 1930. The American Legion has supported our many veterans and community through Hustler baseball program, the children and youth program, and civic events such as the annual Cherry Festival, Fort Dalles Days, Veterans Day and other social events.. Helping veterans receive transportation to and from the veterans medical facilities, and an outreach to help homeless veterans.

B. Post #19 occupies an 1890 era historic Italianate Renaissance building at the northeast corner of Second and Court streets within the heart of The Dalles designated commercial historic district. Our building is unique in that it is one of the last cast iron ornamental buildings remaining in town, and indeed within the state of Oregon. In addition, since the building is situated on one of the "main" street, of this most historic city, it affords the prospect and luxury of exposing two facades to present its historic and quite beautiful architectural nature.

C. Need: Since our building is over 100 years old it requires restoration and improvements to bring it back to its original condition, or as close as economically possible. Consequently, The American Legion Post #19 officers and directors, on behalf of all members seek a Civic Improvement Grant to rehabilitate, restore and improve this priceless historic building. It is our heartfelt belief that the conservation of this historically significant property will enhance the downtown commercial historic district in The Dalles by improving the building's innate architectural beauty and unique character. This project of restoration and rehabilitation will provide material aesthetic improvement to the property and, to the important corner it occupies in downtown The Dalles.

D. Our proposal will also provide jobs within the community in the process of restoration by qualified contractors and restoration specialists that live in our community. In addition, this project will help assure that our not-for-profit organization will continue to serve the veterans and their families who have unselfishly served our country.

GOAL: RESTORE AND REHABILITATE THE HISTORIC 'SCHANNO' BUILDING

OBJECTIVE ONE: Repair and restore the roof and historic cornices of the building.

OBJECTIVE TWO: Restore and paint the ornamental cast iron details and painted exterior of the building, using colors to reflect the era in which the building was originally constructed.

OBJECTIVE THREE: Explore the feasibility of restoring the second floor (and basement) to its original condition, preserving the beauty of the priceless handmade and turned old growth wooden columns--entirely unique in this modern time. This will allow the long unused second floor to provide a practical and more valuable utilization, thus not only restoring this part of the building, but allowing for needed commercial space for a wide variety of purposes.

TIMELINE:

A. Within 30 days of the approval and receipt of funds from The Dalles Urban Renewal Agency, Civic Improvements Grant Program, the American Legion administration will select contractors to achieve Objectives One, Two and Three.

B. With approval of the officers and directors of American Legion Post #19, and The Dalles Urban Renewal Agency (TDURA) contracts will be let for the best bidders to achieve the completion of Objectives One, Two and Three within 1 year of the signing of the restoration contracts. All work to be done according to state, county and city codes and to the precise standards of the TDURA and the State Historic Preservation Office (SHPO).

Enclosures:

1. Bid from Brown Roofing for roof replacement.
2. Bid from D&R Masonary for repair and restoration of brickwork above roof line.
3. Bid from Devco Mechanical for installation of roof drainage system.
4. Historical data and lot designation for the "Shanno" building.

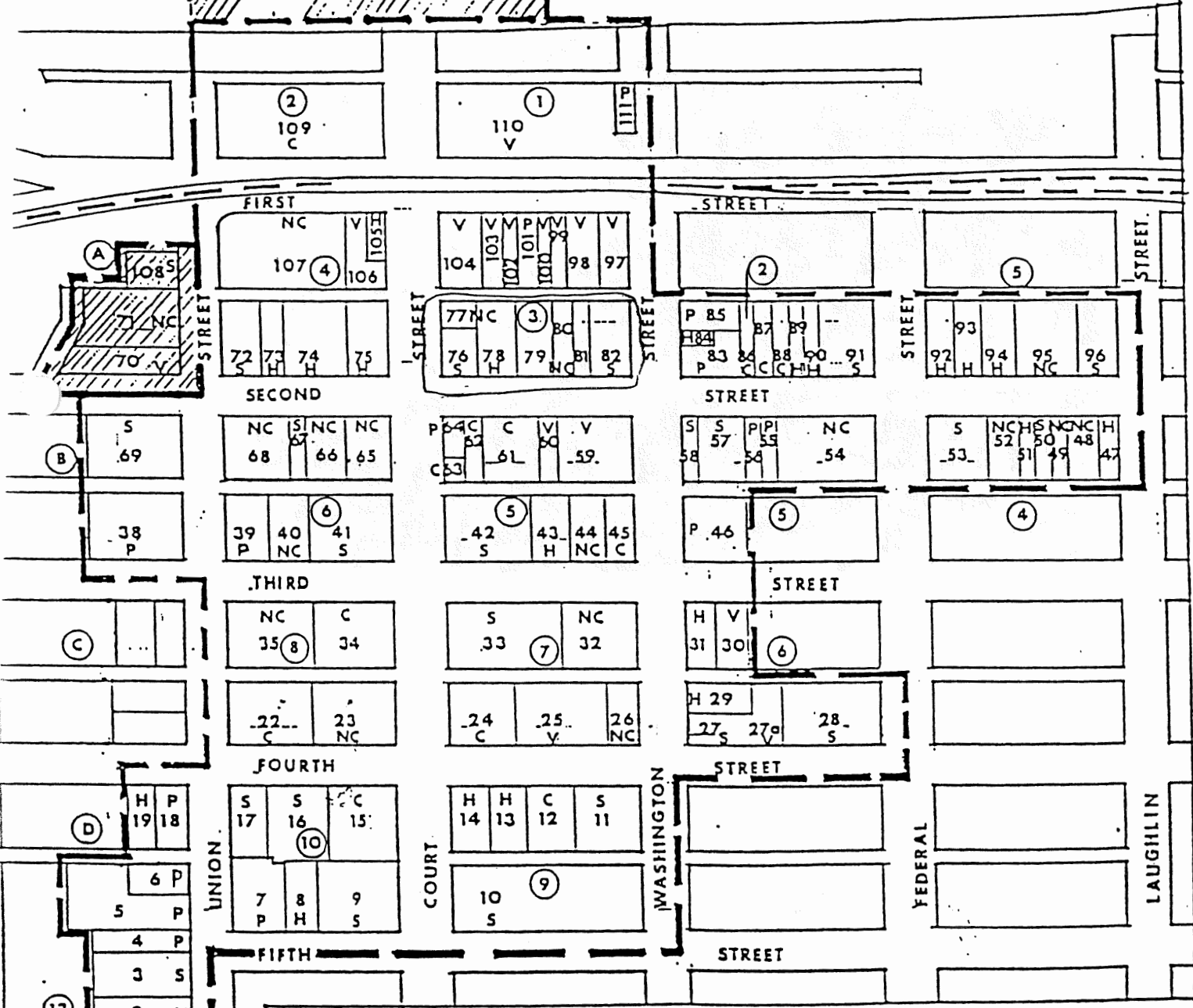
COLUMBIA RIVER

LH - Structures
Buildings

GOVT. LOTS 3 & 4

INTERSTATE

HIGHWAY (1-84)



THE DALLES

Commercial Historic District

P-Primary S-Secondary H-Historic Non-Contributing
C-Compatible NC-Non-Compatible V-Vacant

10/85

1994



Area Chamber of Commerce
 The Dalles Commercial Walking Tour

Schanno Building

A small Victorian commercial building with excellent potential for restoration. One of the last cast iron ornamental buildings remaining in The Dalles.



Common Names: American Legion Post

Original Use: Shops, Office

201 E. 2nd Street, Built: 1915, Italian Renaissance

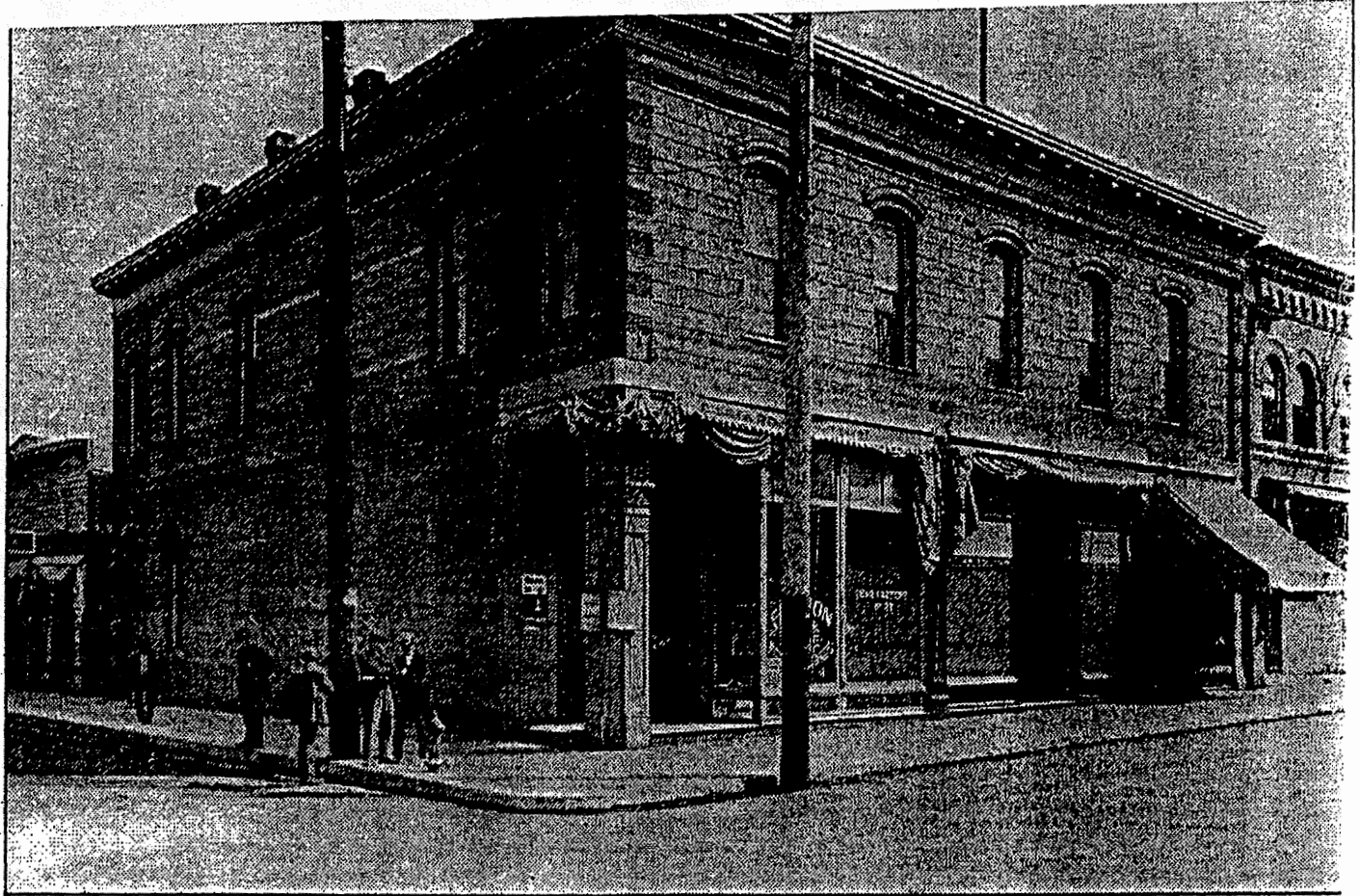


PREVIOUS TO TOP NEXT



By Name TO MAP Thumbnails

Webmaster



HISTORY MYSTERY

It was another busy week for our historical sleuths, as they attempted to puzzle out the identity of the building in last week's photo above. We had several guesses, including the buildings now occupied by Gayer Jewelers, Turner's Furniture, Tony's Town & Country and the Commodore Apartments, but the correct answer is the northeast corner of Second and Court streets now occupied by the American Legion.

*Hope the Chronicle
has a copy of this -
this was in
Sept 8, 2002 paper*

Keith Mays -
a Field Guide to
Historic The Dalles
(1997)

American Legion Building

201 East 2nd Street

Date of Construction: 1891

Style: Italianate Commercial

Current Use: Retail

no - according to
Assessment office 1900.

This large two story building has several examples of cast iron detailing commonly found on buildings of this era. The pilasters, cornices and quoins were manufactured by the Union Iron Works of Portland. Large one-over-one windows are indicative of the Italianate Commercial style that was popular in Eastern Oregon well into the 1910's even though use of this style on the east coast began to diminish in the 1880's.

The second floor housed the Oregon National Guard at one time.

Amotan Springs

These springs are located just north of Pulpit Rock. Nearby was the site of the Wascopam Methodist Mission of 1838-1847. Amotan (a-mutan) was the local Indian word for Indian or wild hemp which grew in abundance in the area.¹ When Fort Dalles occupied the hillside to the west of the springs, they were called "government springs" and used to water the gardens of the fort.

See: *Fort Dalles, Methodist Mission*





INSTRUCTIONS FOR ACCEPTING A PROPOSAL

1. Please read proposal carefully and call our office with any questions.
2. Sign one copy, usually the copy with the signature area highlighted.
3. After reading, sign highlighted copy and return with signed proposal to:

Brown Roofing Company
P.O. Box 1076
The Dalles, OR 97058

4. Please enclose ½ of contract price as down payment or contact our office to discuss options for other arrangements.
5. Keep all brochures and the extra copy of the proposal for your files.
6. If you have any questions, please call our office at one of the following numbers:

The Dalles	-	541-296-6593
Hood River	-	541-386-6161
All Other Areas	-	800-466-6593

THANK YOU!

Brown Roofing Company

P.O. Box 1076

The Dalles, OR 97058

(541) 296-6593 Fax (541) 298-1633

OR LIC. # 72077 WA LIC. # BROWNRC093CR

April 22, 2004

American Legion

Attn: Dean Crofton, Commander

201 E. 2nd Street

The Dalles, OR 97058

980-3054

Proposal

We hereby submit specifications and estimates for: Re-roof of Building Downtown

- A. Remove existing roofing, clean area, and haul away all debris
- B. Any necessary structural repairs will be billed at extra of labor (40/hr) + materials.
- C. Mechanically fasten ½ inch recover board and 28lb modified fiberglass base sheet.
- D. Install mineral surfaced APP modified bitumen roofing system.
- E. Properly flash all penetrations, drains and walls. Custom manufacture and install new cap metal flashings on top of parapet walls and new wall flashings on side of parapet walls. Install two new drains.
- F. Brown Roofing Company Ten Year Workmanship Warranty
- G. Manufacturer Written Twelve-Year Limited Material Guarantee.

Total This Section - \$22,000.00

Option 1: Add 2mm modified bitumen fully adhered base membrane to system above, increasing material guarantee 15 -years. - **\$26,000.00**

Option 2: Add 4mm base membrane, increasing warranty to 20 -years - **\$32,000.00**

WE PROPOSE hereby to furnish material and labor complete in accordance with these specifications, for the sum of:

See Above*** dollars **\$ See Above**

Payable as follows: Progress Billing and Upon completion

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will become an extra charge over and above estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by workmen's compensation insurance.

Authorized Signature _____

Will Felt

Date _____

NOTE: This proposal may be withdrawn by us if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL-The prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature _____

Date _____

Devco Mechanical Inc.

P. O. Box 966
715 E. 2nd Street
The Dalles, OR 97058
(541) 298-8889
FAX (541) 298-8111
CCB# 94244

PROPOSAL

TO: American Legion
Attn: Dean
201 East 2nd Street
The Dalles, OR 97058

Page# 1 of 1 Pages

JOB NAME: Storm Drains

LOCATION: 201 E 2nd St, The Dalles, OR 97058

Phone: 296-9633

Fax:

Cell: 980-3054

Date: 5/04/04

We hereby submit specifications and estimates for:

- 1) Existing Scupper drain boxes
 - A) Run existing vertical rain drains over wooden sidewalk and down to parking area
 - B) All piping will have to be run in cast iron pipe and fittings
- 2) New roof drains
 - A) Provide 2 new 4" Smith roof drains with necessary accessories
 - B) Run 4" pipe from new roof drains
 - C) Core 2 holes through exterior wall and run new piping exposed down exterior of building to existing tie in
 - D) Repair existing storm sewer stub up

WE PROPOSE hereby to furnish material and labor -- complete in accordance with these specifications, for the sum of: \$ 3,884.74

Payable as follows: Progress Draws

All materials is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. Our workers are fully covered by Worker's Compensation Insurance.

AUTHORIZED SIGNATURE 

Note: This proposal may be withdrawn by us if not accepted within 30 days.

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

Signature _____ Date _____

Signature _____ Date _____

American Legion Storm Drains



D&R MASONRY RESTORATION, INC.
D&R WATERPROOFING, INC.

10005 E. BURNSIDE STREET
PORTLAND, OR 97216

CCB#99196 (WA) DRMASRI006BS

Phone (503)257-7965
Fax (503)253-3006

www.drmasonry.com

May 10, 2004

Dear Dean Crofton,

D&R MASONRY/WATERPROOFING proposes to furnish all materials and perform all labor necessary to complete the Masonry Restoration located at the American Legion Building in The Dalles, OR.

SCOPE OF WORK ON THE NORTH ELEVATION:

- * Set up scaffold as needed to perform the work below
- * Tear down wall and back up wall approx. 5 feet down from the top of the wall
- * Clean brick to reuse
- * Relay wall back up to original look with flues in the wall
- * Clean masonry that was laid up
- * Clean mess up and haul away

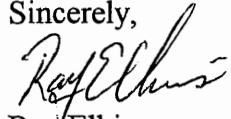
SCOPE OF WORK ON THE WEST ELEVATION:

- * Set up scaffold as needed to perform the work below
- * Tear down 4 chimneys to top of the parapet wall
- * Clean brick to reuse
- * Relay 4 chimneys back up to original look
- * Clean masonry that was laid up
- * Clean mess up and haul away

- * Remove loose plaster on the back of the parapet wall
- * Spot point back of parapet wall as needed from roof up
- * Wash area that was tuckpointed
- * Clean mess up and haul away

Mortar on above work will match as close as possible. The chimneys will have the same corbals on the tops. D&R will match joint pattern as close as possible. The above work is to be completed in a substantial and workmanlike manner according to standard practices for the sum of \$43,077.50.

Sincerely,



Ray Elkins

Estimator




AGENDA STAFF REPORT

URBAN RENEWAL ADVISORY COMMITTEE

Meeting Date: September 21, 2004

DATE: September 14, 2004

TO: Urban Renewal Advisory Committee

FROM: Dan Durow, Urban Renewal Manager 

ISSUE: Options for the Flour Mill project.

BACKGROUND: The deadline, September 1, 2004, for submission of proposals on the Flour Mill property came and went without a proposal. Follow-up calls to developers were done immediately. The reasons for the lack of response were varied. The good news is that there is still significant interest on the part of some developers, the Governor's Economic Revitalization Team (GERT) remains supportive, and the owner of the property will continue to work cooperatively.

There are four options:

1. **Drop the project.** This would involve letting the Purchase Option expire (November 14, 2004). The \$27,000 of Urban Renewal money in escrow would be forfeited. Also lost would be the many hours of staff time put into this project and the State's Quick Response grant, \$45,000, used to produce the site development options and the 30 percent engineering drawings and cost estimate for the street improvement work. The Urban Renewal money budgeted for this project (\$723,000, \$223,000 for the property and \$500,000 for the street) would then be available for other projects.
2. **Request a six (6) month extension on the Purchase Option agreement.** The Purchase Option agreement has a provision which allows for a six (6) month extension. This would cost \$13,500 and expire on May 14, 2005. This additional cost, along with the original \$27,000, would be applied to the purchase price. During this time, the project would be marketed through some other appropriate process to select an interested developer. This would be different from the RFP process but could still be a competitive if more than one developer was interested in the project.

3. **Purchase the property.** The Urban Renewal Agency has \$223,000 budgeted this fiscal year for the purchase of the property. The \$27,000 in escrow would be applied toward the total purchase price of \$250,000. This would free the Agency from any deadlines in which a project would need to be completed. The risk is that it may take a long time to get a project completed and any ongoing costs to maintain the property would be the Agency's responsibility. These could be significant. For example, if we had another heavy snow or an earthquake and the remaining warehouse building become unsafe, the demolition cost would be the Agency's.
4. **Assign the Purchase Option to a developer.** The Purchase Option agreement has a provision which allows the Agency to assign the purchase to a third party. This would free the Agency from any deadlines in which a project would need to be completed. It would also put any risk of ongoing maintenance costs on the third party. The Agency would have to continue its commitment to the project because the property simply can not be redeveloped without the street work being done. The developer will need assurances from the Urban Renewal Agency that it will commit its resources until the project is completed or dropped by the developer. In this case, the developer would use private money for the purchase, freeing up the Agency's \$223,000 to help cover the street work costs.

In order for the four options to be fully understood, the site plan options and street engineering work, developed through the State's Quick Response grant need to be discussed. Enclosed with this report is the Quick Response material completed by Otak, a consulting firm in Portland. This material will be presented for discussion at the Advisory Committee meeting.

Funding for the Street work has not yet been completed. The cost estimate is **\$2,301,805**. Staff has reviewed the cost estimate carefully and, if needed, the following cost reductions could be made while maintaining the important East Gateway design elements, traffic circulation, safety, and accessibility requirements.

POSSIBLE COST REDUCTIONS

(Refer to Otak study for segment descriptions)

Segment 1 Parts 1.1, 1.2 and 1.4	Not construct 10-foot wide path and landscaping under freeway overpass. Postpone to a later date.	
Segment 2 Parts 2.1 and 2.2		\$182,122
Segment 4 Part 4A.6	Not construct 10-foot wide path and landscaping under freeway overpass. Postpone to a later date.	\$40,000

Segment 5 Part 5C.1	Not construct ADA Route. Postpone to a latter date.	\$25,893
Segment 7	Not construct ADA Route up Brewery Grade. Postpone to a latter date.	\$97,000
	Subtotal	\$345,015
Contingency	30 percent	\$103,504
	Total Reductions	\$448,519

With the proposed cost reductions, the project total is: \$2,301,805 - \$448,519 = **\$1,853,286.**

POSSIBLE FUNDING SOURCES

Urban Renewal Agency	\$223,000 from the property purchase and \$500,000 from the street work.	\$723,000
Benefiting property owners on E. 2 nd Street	Local Improvement District	\$82,411
*Developer contribution and/or other grant source	In addition to LID	\$194,589
	Sub-total	\$1,000,000
State of Oregon	**Immediate Opportunity Fund grant. Requires a 50/50 local match.	Part A max. = \$1,000,000 or Part B max. = \$250,000
	Total Funding	With Part A = \$2,000,000 With Part B = \$1,250,000

With the proposed funding sources, the balance is: With Part A = **\$146,714**
 With Part B = **(\$750,000)**

*A \$1,000,000 match is required for the Part A funding. With Urban Renewal's contribution and the LID, there is a total match of \$805,411, or \$194,589 short. This will need to be made up through a Developer's contribution if other grant monies are not found.

**The Immediate Opportunity Fund grant has two parts. Part A, there is a total possibility of \$1,000,000 if the project meets the criteria and results in a "significant" number of new, basic jobs in the community. Part B, there is a total possibility of \$250,000 if the project meets the criteria with no job requirement. (It is either Part A or Part B but not both.) The term "significant" is not defined but may be acceptable in The Dalles if it's over 30 or 40 new jobs, the higher the better.

It is very important, considering the funding limitations of the Urban Renewal program, that the redevelopment project achieve the "significant" test for job creation if the street work is to be funded. There doesn't appear to be any other major grant sources available to fill in the \$797,875 gap if the Part A funding is not realized. And, without the completion of the East Gateway street work, the redevelopment of the property is not possible (in any meaningful way).

It all boils down to this: The creation of basic jobs through private sector investments is fundamental to the success of this project.

STAFF RECOMMENDATION: Option 2. This option allows for additional time to find a developer that can create the jobs. It also preserves all the other options identified above. The owner has given an initial indication that the additional six months would be provided. If this option is selected, we would formally request the additional six months through the steps identified in the Purchase Option agreement.

[Motion] To recommend that the Urban Renewal Agency direct staff to ^{exercise} request a six month ^{extension} extension on the purchase option agreement and market the redevelopment project through an appropriate process to select an interested developer.

And requesting
for additional 6 months
extension ~~options~~

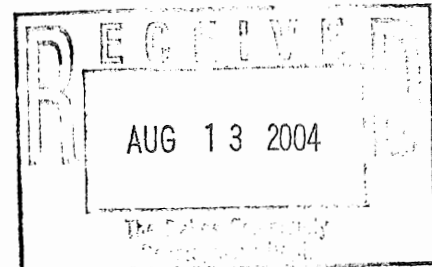


The Dalles Art Association

220 East 4th Street

The Dalles, Oregon 97058

(541) 296-4759



Columbia Gateway Urban Renewal Agency
Daniel C. Durow
313 Court Street
The Dalles, OR 97058

August 12, 2004

Re: Urban Renewal Property Rehabilitation Grants

Dear Dan,

Today I received the following timeline from Joe Seckora:

Grant #1	Remove and replace floors	75% complete Aug. 26, 2004
	Repair of ceilings	0% complete Sept. 15, 2004
	Installation of ADA restroom	0% complete Oct. 1, 2004
	Installation of doors	0% complete Oct. 1, 2004
	Installation for elevator space	0% complete Sept. 15, 2004
	Relocate electrical panels	10% complete Sept. 1, 2004
	Renovation of HVAC	70% complete Sept. 1, 2004
Grant #2	Install of elevator	0% complete Oct. 10, 2004
	Replace electrical wiring	10% complete Sept. 1, 2004
	Install fire alarm	0% complete Sept. 1, 2004
	Replace hallway floor	100% complete done 2003
	Realign office space	0% complete Sept. 1, 2004
	Sheetrock and paint	0% complete Oct. 15, 2004

Completion of project Nov. 1, 2004

Note: Some dates are tentative because of the elevator installation schedule.

It looks like there will be an intense amount of work going on here shortly.

Sincerely,


Carolyn Wright, Director
The Dalles Art Center