



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, July 19, 2005  
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: June 21, 2005
- VI. Public Comment
- VII. Action Items:
  - A. Property Rehab. Grant and Loan Program – Blighted Property Demolition  
Application of Barbara Bailey ~ View Creek LLC
- VIII. Next Meeting Date: August 16, 2005
- IX. Adjourn



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

## **Columbia Gateway Urban Renewal Advisory Committee Minutes**

**Tuesday, June 21, 2005  
Special Meeting**

City Hall Council Chambers  
313 Court Street  
The Dalles, OR 97058  
*Conducted in a handicap accessible room.*

### **CALL TO ORDER**

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

### **ROLL CALL**

Administrative Secretary Denise Ball conducted roll call.

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

Absent members: Dan Ericksen, Nikki Lesich, and Randy Carter

Staff present: Gene Parker, City Attorney, Dan Durow, Community Development Director, and Denise Ball, Administrative Secretary

### **PLEDGE OF ALLEGIANCE**

Zukin lead the group in the Pledge of Allegiance.

### **APPROVAL OF AGENDA ITEMS**

Farner moved to approve the agenda and Elkins seconded. The motion carried unanimously, Ericksen, Lesich and Carter absent.

### **APPROVAL OF MINUTES**

Acting Chair Zukin asked if there were any corrections or additions needed for the minutes of May 31, 2005. There were none. Evans moved to approve the minutes as submitted and Elkins seconded the motion. The motion passed unanimously, Ericksen, Lesich, and Carter absent.

### **PUBLIC COMMENT**

None.

### **ACTION/RECOMMENDATION**

Vice Chair Zukin asked for the Staff Report.

Consultant Steve Schafroth presented the Staff Report for the Masonic Lodge. Due to their 60-40% match on the Property Rehabilitation Grant monies, the Masonic Lodge came in \$14274.67 under budget for their projected repairs. The Masonic Lodge is requesting approval to use the remaining grant monies to perform additional repairs on their building.

**Deliberation:** Evans said he is in favor of this request. The Masonic Lodge came in under budget and has a good use for the rest of the grant monies. Elkins said he believes great buildings in great cities should be preserved. Farner said this is an example of Urban Renewal facilitating private or civic preservation. This is a perfect fit for Urban Renewal.

Evans moved to recommend to the Urban Renewal Agency that they approve \$14274.67 for the Masonic Lodge remaining grant funds to be used for additional masonry work as proposed. Farner seconded the motion and it carried unanimously, Ericksen, Lesich, and Carter absent.

### **FUTURE MEETINGS**

The next scheduled meeting is July 19, 2005.

### **ADJOURNMENT**

The meeting was adjourned at 5:40 P.M.

Respectfully submitted by Denise Ball, Administrative Secretary.



Dan Ericksen, Chair

# AGENDA STAFF REPORT



## URBAN RENEWAL ADVISORY COMMITTEE

Meeting Date: July 19, 2005

**DATE:** July 8, 2005

**TO:** Urban Renewal Advisory Committee

**FROM:** Steve Schafroth, Urban Renewal Contract Consultant

**THRU:** Dan Durow, Urban Renewal Manager  
and Nolan Young, City Manager  

**ISSUE:** Property Rehabilitation Grant & Loan, Blighted Property Demolition Loan Program application review and recommendation to the Agency Board.

### **BACKGROUND:**

The approved Urban Renewal Agency Administrative Plan in Section B. Blighted Property Demolition Loan Program states as follows:

*The Agency will provide loans for the demolition of buildings contributing to blight if the demolished building is to be replaced by a new building with the design approved by the design review team or the Agency.*

Blighted Areas are defined in the Urban Renewal Plan in section 203. As part of that definition one of the conditions that characterize a blighted area is defined as follows:

- A. The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:*
- 1. Defective design and quality of physical construction;*
  - 2. Faulty interior arrangement and exterior spacing;*
  - 3. Overcrowding and a high density of population;*
  - 4. Inadequate provision for ventilation, light, sanitation, open spaces, and recreational facilities; or*
  - 5. Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;*

**Eligible projects:**

If the applicant can show that the building contributes to blight as defined above, and the Agency determines that the building contributes to blight; a loan may be made to pay for the cost of demolition of the building. All projects exceeding \$15,000 annual cost to the Urban Renewal program will require review by the Advisory Committee and approval by the Agency Board. All other projects will be reviewed and approved by a three person staff design review team appointed by the City Manager. The project must meet the following qualifications:

1. The cost of renovating the existing building is more than the cost of replacing the building.
2. The applicant plans to replace the building with a new structure.
3. The design for the new building is approved by the Agency.
4. If new construction is not planned immediately after demolition, the property must be leveled and cleaned so as not to continue to contribute to blight.
5. If this program is used to subsidize the demolition, the new construction is not eligible for interest subsidy under the Redevelopment Loan Program
6. The building to be demolished cannot be designated as an historic building in an historic district unless the demolition is approved by the Historic Landmarks Commission.
7. The Project must be located inside the Urban Renewal Area.

**Loan Terms and Conditions:**

1. The loan will have a term of not more than 3 years with a single payment due of principal and interest at the due date.
2. The loan will have a fixed interest rate equal to 2 points less than the prime rate at the date of the loan.
3. A mortgage will be placed on the property to secure the loan.
4. If the new building construction is complete and certified for occupancy or use within three years of the date of the approval of the loan, the loan principal will be forgiven and only the interest will be due.

**APPLICATION:**

On June 27, 2005 the Urban Renewal Agency received an application under the Blighted Property Demolition Program from Barbara Bailey on behalf of View Creek, LLC. They are applying for \$30,000.00 to demolish 5 buildings on property that she is purchasing located at 702 W. 6<sup>th</sup> St. Staff has determined that this property meets the criteria as being blighted and none of the buildings to be demolished are within an Historic District or designated as a national Landmark.

The Applicant is in the process of purchasing Lots 2200, 3900, 4000, 4100, & 4800. A Plan and Zone change application is in process and should be completed by the 9/15/2005 Planning Commission meeting allowing lot #2200 to be High Density Residential. The applicant plans to donate to the city of The Dalles the area identified as Mill Creek Greenway Park and will construct 6 to 9 condominiums on the balance. The new building design has not yet been approved by the agency, but the loan principal forgiveness (making the loan into a grant) would not be available to the applicants until that approval is obtained. It is anticipated that the design review team will have the plans available to review in the very near future.

The sale of the property will close upon completion of a land survey, Phase 1 environmental and the plan and zone change, which is anticipated to be in October. The applicant indicates that they intend to build right away.

The application is eligible and meets the criteria under the program.

#### **BUDGET IMPLICATIONS:**

The amount Budgeted for the Property Rehabilitation Grant & Loan Program for this fiscal year is \$72,416. This loan (grant) would be 41% of the budget and would leave \$42,416 available in funds for new grants and loans in this fiscal year. We have received one application for a grant under the Civic Improvements Grant Program (funded under the same budget) for this semi-annual period with a grant deadline of 7/30/2005. That request is for about \$23,000 more than the \$42,416 that would be remaining. It is possible that there could be more applications by the deadline and there is also scheduled another grant application deadline of 1/31/06 in this fiscal year. The other application has important historic preservation features. Staff will review the budget and present options for adding the additional \$23,000 into this line item at the meeting.

Interest would be accrued on the loan until forgiven when construction is complete and the new buildings are certified for occupancy or until paid off. The interest rate will be Prime Rate minus 2%. That rate would currently be at 4.25%. (It is unknown how long the loan would be outstanding, but for example, if the \$30,000 loan is outstanding for 6 months at 4.25%, interest earned by the Agency would be \$637.50.)

The other budget impact would come from the increase in value of the property once the improvements are made. It is uncertain what the assessor's valuation would be for taxation purposes, however, the estimated project costs are \$1,930,000. There will obviously be a significant impact on Urban Renewal revenues from the incremental value increase on this property.

Protection of the Mill Creek Greenway has been a goal of the city for a long time. This project allows that to happen at no cost to the city or the Urban Renewal Agency.

**RECOMMENDATION:**

**ALTERNATIVES:**

Staff Recommendation: Staff Recommends that the Urban Renewal Advisory Committee recommend to the Urban Renewal Agency approval of a \$30,000 direct loan to View Creek LLC according to the terms of the Blighted Property Loan Program (as listed above).

[*Suggested motion:* Move to recommend to the Urban Renewal Agency approval of a \$30,000 direct loan to View Creek LLC according to the terms of the Blighted Property Loan Program.]

Alternative 1: Decline the request.

# The Dalles Urban Renewal Agency

## Property Rehabilitation Grant and Loan Programs

### APPLICATION

Application Date 27 June 2005

Application Number \_\_\_\_\_

#### GENERAL INFORMATION

Applicant View Creek LLC

Contact person Barbara Bailey

Mailing Address 3325 Dry Hollow Ln.

The Dalles, OR 97058

Property Address 702 West 6<sup>th</sup> Street

The Dalles, OR 97058

Applicant is:

*to be*  
☒ Property owner

☐ Business leasing the property

Telephone # 541.298.1143

Fax # 541.298.9833

Federal tax ID # or Social security # 533.42.4218

Bank of account and contact Wells Fargo, Sabrina Snow

Name of Business View Creek LLC

(if different than applicant)

Mailing Address \_\_\_\_\_

Name of Principal Barbara Bailey

## PROJECT INFORMATION

Site address 702 West 6<sup>th</sup> Street  
The Dalles, OR 97058

Legal Description 1N 13 E 4 AB 4800, 1N 13 E 4 AB  
3900, 1N 13 E 4 AB 2200, 1N 13 E  
4 AB 4000 1N 13 E 4 AB 4100  
(see attachments)

Building age 1920's ? Square Footage 3,770

Building use 1 small commercial building, 1 small  
cabin (currently a residence), 3 abandoned  
buildings.

Project description outline

- \* New owner will donate to The City of The Dalles  
the area identified as Mill Creek Greenway Park.
- \* A zone change which is in progress will be  
completed by the September 15<sup>th</sup> 2005 Planning  
Commission Hearing allowing lot #2200 to be  
divided into<sup>a</sup> commercial section and a multifamily section.  
The commercial will front 6<sup>th</sup> Street; the residential  
will overlook Mill Creek.
- \* Owner plans to demolish the deteriorated buildings to make  
way for 6-8 condominiums and a commercial building.
- \* Upon completion of a land survey, Phase 1 Environmental,  
and the zone change, the sale will close in  
October or sooner.

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)

- \* Owner is requesting WR Funding for the  
demolition of 5 dilapidated buildings.

# EXPECTED PROJECT COSTS

<u>Cost item</u>	<u>Est. cost</u>
<u>Property Acquisition</u>	<u>\$ 300,000</u>
<u>Demolition</u>	<u>\$ 30,000</u>
<u>Construction</u>	<u>\$ 1,600,000</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
	<u>\$</u>
Total	<u>\$ 1,930,000</u>

# PROPOSED SOURCES OF FUNDING

<u>Source</u>	<u>Amount</u>	<u>Rate</u>	<u>Term</u>
Equity (applicant)	<u>\$</u>		
<u>Bank</u>	<u>\$</u>		
Private loan	<u>\$</u>		
Other:	<u>\$</u>		
* Urban Renewal Grant	<u>\$ 30,000</u>		
Urban Renewal Loan	<u>\$</u>		
Total	<u>\$ 1,930,000</u>	(Must equal Total of expected costs)	

\* Blighted Property Demolition Loan Program

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.

Barbara Bailey  
Signature (and Title if appropriate)

27 June '05  
Date

\_\_\_\_\_  
Signature (and Title if appropriate)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature (and Title if appropriate)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature (and Title if appropriate)

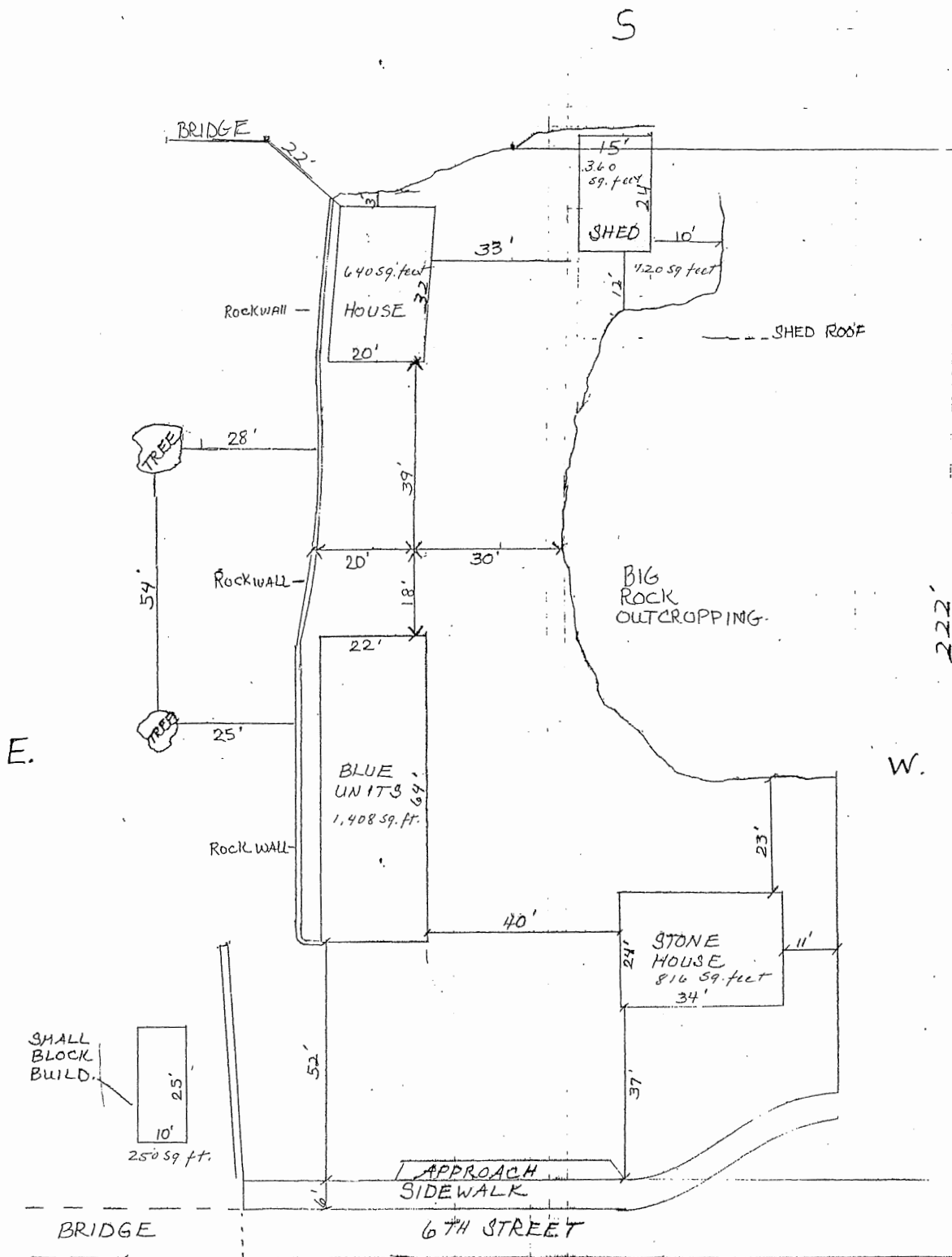
\_\_\_\_\_  
Date

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

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

8' x 10'  
OUT-BUILDING  
80 sq. feet

8' x 12'  
OUT-BUILDING  
96 square ft.





## CITY of THE DALLES

313 COURT STREET  
THE DALLES, OR 97058

(541) 296-5481

June 16, 2005

To whom it may concern:

This is to certify that the property described as 1N, 13E, Section 4AB, Tax Lot 2200, is not within a National Historic District nor are any buildings designated a local, state or national landmark.

Daniel C. Durow  
Community Development Director  
City of The Dalles

Barbara Bailey  
3325 Dry Hollow Lane  
The Dalles, Oregon 97058-9511  
541-298-1143

June 27, 2005

Steve Schaftroth  
c/o Mid-Columbia Economic Development  
515 East Second Street  
The Dalles, OR 97058

Dear Steve,

Enclosed please find my application to the Blighted Property Demolition Loan Program administered by The Dalles Urban Renewal Agency.

A complete survey of the property is forth coming July 8, 2005 which will be more exacting as to locations of the buildings to be demolished.

I am happy to meet with you on the site at 702 West 6<sup>th</sup> with Contractor Mike Bustos and/or to answer any questions you may have.

I sincerely appreciate your kind consideration of this application,

*Barbara Bailey*

Barbara Bailey

BUSTOS CONSTRUCTION  
2232 W. 10TH ST.  
THE DALLES, OR. 97058  
541 298-7015  
CCB#90089

JUNE 13, 2005

BARBARA BAILEY  
3325 DRY HOLLOW RD  
THE DALLES, OR. 97058

Demolition of existing structures on tax lot 2200 and small structure<sup>s</sup> down  
below on west end of property. Price includes hauling away of all debris  
from structures.

**TOTAL COST: \$30,000.00**

# Mill Creek Property



 Parcels.shp

0.1 0 0.1 0.2 Miles



July 2005