



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, 2011
5:30 pm
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: March 15, 2011
April 19, 2011
- VI. Public Comment (for items not on the agenda)
- VII. Action Item: Historic Design and Restoration Program interest rate
subsidy application review – Application submitted by Canton Wok, Inc.
- VIII. Update of On-going Urban Renewal Projects
- IX. Next Regularly Scheduled Urban Renewal Advisory Meeting:
August 16, 2011
- X. Adjournment

IMPROVING OUR COMMUNITY



COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA STAFF REPORT



URBAN RENEWAL ADVISORY COMMITTEE

Meeting Date: July 19, 2011

DATE: June 21, 2011

TO: Urban Renewal Advisory Committee

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

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

ISSUE: Historic Design and Restoration Program interest rate subsidy application review
– Application submitted by Canton Wok, Inc.

BACKGROUND:

The approved Urban Renewal Agency Administrative Plan in **Section I. Historic Design and Restoration Program** states:

“The Urban Renewal Agency (hereinafter, “Agency”) will provide design services and loan interest rate subsidies to assist in the financing for the restoration and renovation of historic buildings and buildings located in the Historic Districts in the Urban Renewal Area. The intent of Agency is to encourage property owners or business owners to do restoration of the exterior facades of the buildings to their original design and character or compatible design and to do other qualified work, which will increase the value and use of the buildings. These actions will upgrade the physical characteristics of the city and improve the value of buildings by preserving the thriving historic character of the downtown and other historic districts.”

“Agency will subsidize interest rates on loans to pay for the restoration work according to the approved designs. Agency will buy down the interest rate that the bank charges up to 12 points below the bank’s standard rate for such loans (1 point equals a 1% annual interest rate). The effective rate for the borrower will be 0% in most cases.”

This application is for the interest rate subsidy available to applicants which can obtain a loan through a commercial bank for the qualified work on buildings located within the urban renewal

area. This application is specifically to subsidize the interest on a \$50,000 bank loan to Canton Wok, Inc.; lending bank to be determined. Canton Wok, Inc. is owned by Wai Dung AU and Yan Xi MA, owners of the Canton Wok restaurant. Dong Xi, LLC purchased building located 310 E. 2nd Street, The Dalles (further described as IN 13E 3BD tax lot 5200) in 2002. This building is home to Canton Wok, a restaurant, which replaced House of Chin, a long time restaurant in The Dalles. In June 2009, Dong Xi, LLC purchased the building located at 312-320 E. 2nd Street. This building is immediately adjacent to the east of the Canton Wok building. Dong Xi, LLC is the real estate owning business entity of Dung AU and Yan Xi MA and Canton Wok, Inc. is the restaurant owning business entity of Dung AU and Yan Xi MA.

In 2011, a project to increase the size of the Canton Wok restaurant into the space in the “Other” building formerly occupied by the Jitterbug began. This expansion project, includes creating an opening in the wall between the “Other” building and the Canton Wok building, added two interior doors, redoing a portion of the front of the “Other” building and upgrading plumbing, electrical and building stabilization. This project increases the size of the dining area and also upgrades the kitchen. Most of this project has been funded with a \$100,000 home equity loan on the personal residence of Dung AU and Yan Xi MA and monies from them personal and from Canton Wok, Inc. Additional electrical, plumbing and structure stabilization expenses have been incurred as the project progresses. This additional expense exceeds the capital available to the Canton Wok, Inc. Much of this work has already been done and the money earmarked for equipment has been used to pay some of these increased expenses. A \$50,000 loan will be obtained from a “to be determined” federally insured financial institution to complete this project. This project will increase and improve the usability and access to both buildings and will greatly enhance a portion of the façade of the “Other” building. This project also increases the usability of both building by upgrading the main plumbing and sewer pipes and expanding and upgrading the electrical systems.

Project Costs

Façade and entrance to building:	\$16,000
Plumbing:	\$ 5,000
Building modifications and stabilization:	\$20,000
Interior doorways and doors installation:	\$10,000
Electrical:	\$20,000
Permits	\$ 1,000
Engineering and plans:	\$ 4,400
Remodel/Construction:	\$69,000
Equipment:	<u>\$50,000</u>
Total	\$195,400

Project Sources of Funding

OnPointe Credit Union (home equity loan):	\$100,000
Applicant:	\$ 45,400
Loan (to be obtained):	<u>\$ 50,000</u>
Total	\$195,400

On April 27, 2011, the City of The Dalles Historical Landmarks Commission approved Dong Xi, LLC application to “modify the existing dual entryway and storefront with a new entry and facade similar to the existing Canton Wok Family Restaurant”.

The work financed by this loan, business funds and a home equity loan and outlined in this application is on two separate buildings, which are next to each other. In this staff report these buildings will be referred to as Canton Wok (310 E. 2nd Street) and Other (312-320 E. 2nd Street) for easier reference. Although there is one application and one staff report; this application will require two separate urban renewal agreements if approved.

The Canton Wok building located at 310 E. 2nd Street was built in 1890 and is approximately 3000 square feet; with only its first floor used by Canton Wok. The 2nd floor is not used and does not qualify for any use, other than storage in its current condition. This building has been occupied by various restaurants during the past decades and has also historically been a theater and a casino. This brick and mortar building survived the great fire of 1891

The Other building located at 312-320 E. 2nd Street was built in 1880 and is a zero lot line building with a full basement. A fire in the 1960 heavily damaged the building and was extensively remodeled. It has been remodeled, reconfigured and renovated numerous times since its construction. This is a non-owner occupied commercial building and the applicant relies on rental income to make the payments on the loan used to purchase this building and to maintain building. Current tenants include Under the Skin tattoo shop, Kay Jewelers, Sassy's and Gameopoly.

In August 2010, Dong Xi, LLC, also owned by Dung AU and Yan Xi MA (Kelly) received an interest rate subsidy on a \$104,000 loan from CenterPointe Community Bank to replace the roof on the "Other" building and to repair, re-point and seal an exterior brick wall on the Canton Wok building. Dong Xi, Inc. has consistently submitted proof of payment for reimbursement on its existing Urban Renewal interest rate subsidy agreement.

The Dalles Urban Renewal agency typically approves interest rate subsidies for loans for projects not yet started. Canton Wok, Inc. would have applied for an interest rate subsidy if it had known that an additional \$50,000 loan was needed to complete the project. Canton Wok, Inc. has invested \$54,000 of its own money and incurred \$100,000 of debt so far towards this project. Unknown expenses relating to plumbing, electrical and new entryway and interior doorways were incurred. If these expenses would have been known prior to the start of the project, then a larger loan would've been obtained and an interest subsidy applied for at that time. Canton Wok, Inc. is working to making their business and associated buildings more viable and providing a vibrant business for the downtown The Dalles.

This project scores a 55 on the "Project Selection Criteria Score Sheet" as scored by staff. This score sheet is included with this staff report. For comparison, the previous approved application related to these buildings from Dong XI, LLC scored a 50.

APPLICATION:

The application from Canton Wok, Inc. was received on June 20, 2011 is the only application being considered.

This application is for interest rate subsidy. Canton Wok, Inc. will obtain a \$50,000 loan from a "to be determined" federally insured financial institution and is applying to have The Dalles Urban Renewal agency pay the interest on this loan. The purpose of the loan is to complete the expansion project on the Canton Wok building and the "Other" building to increase the square footage used by the Canton Wok restaurant.

BUDGET IMPLICATIONS:

The remaining amount Budgeted for the Property Rehabilitation Grant & Loan Program for fiscal year 2011-2012 that is unencumbered is \$59,000. The loan for this project has yet to be obtained, so only estimates can be made at this time of the implications this application if approved would have on the budget. It is estimated that interest charge on a \$50,000 loan for the fiscal year 2011-2012 would range from \$3,400 - \$4,300 or less depending on the interest rate and length of repayment term and if a balloon payment is part of the loan repayment structure. The loan interest rate used for these estimations is 7.0% - 8.75%.

RECOMMENDATION:

Staff Recommendation: Move to recommend that the Urban Renewal Agency approve the request for an interest rate subsidy by Canton Wok, Inc. at 50% of interest charged on a to be obtained loan, not to exceed 12%. This subsidy will be effective for duration of the loan to be obtained through a "to be determined" federally insured financial institution or until June 30, 2019, whichever occurs first.

ALTERNATIVES:

Alternative 1: Move to recommend that the Urban Renewal Agency approve an interest rate subsidy of 25% of interest accrued. This alternative increases the amount that the Agency will pay and decreases the cost for the applicant.

Alternative 2: Move to recommend that the Urban Renewal Agency approve an interest rate subsidy of 100% of interest accrued, which is the level of subsidy historically approved. This alternative increases the amount that the Agency will pay and decreases the cost for the applicant.

Alternative 3: Move to recommend that the Urban Renewal Agency decline the loan subsidy request due to the majority of the qualifying work already being completed.

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.

1. The project contributes in the effort to place unused or underused properties in productive condition and eliminates blighted conditions. **(10 points)**
Blighted Areas are defined in the Urban Renewal Plan in section 203. As part of that definition one of the conditions that characterize a blighted area is defined as follows:
 - A. *The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:*
 1. *Defective design and quality of physical construction;*
 2. *Faulty interior arrangement and exterior spacing;*
 3. *Overcrowding and a high density of population;*
 4. *Inadequate provision for ventilation, light, sanitation, open spaces, and recreational facilities; or*
 5. *Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;*
2. The project develops, redevelops, improves, rehabilitates or conserves property in ways which will:
 - A. Encourage expansion and development of jobs, **(20 points)**
 - 1 job per \$10,000 or less granted – (20 points)
 - 1 job per \$10,001 to 20,000 granted – (15 points)
 - 1 job per \$20,001 to 35,000 granted – (10 points)
 - 1 job per \$35,001 to 50,000 granted – (5 points)
 - B. Increase property values and tax base, **(15 points)**
 - Increase taxable value by \$50,000 or more – (15 points)
 - Increase taxable value by \$25,000 to \$49,999 – (10 points)
 - Increase taxable value by \$5,000 to 24,999 – (5 points)
 - C. Conserve historically significant places and properties, **(25 points)**

D. Make The Dalles a more attractive and functional city in the following ways:		
i. Shows significant aesthetic improvement to the property (10 points)		10
ii. Provides needed services or community function (10 points)		0
iii. Serves a significant portion of the community, (5 points)		0
iv. Enhances the quality of life for residents of the city (5 points)		0
3. The project leverages other public and/or private sources of funding. (15 Points)		15
\$1 Urban Renewal grant to \$3 (or more) other funding – (15 points)		
\$1 Urban Renewal grant to \$2 other funding – (10 points)		
\$1 Urban Renewal grant to \$1 other funding – (5 points)		
4. The Applicant shows that it is financially able to complete the project and maintain the property. (10 points)		10
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		55



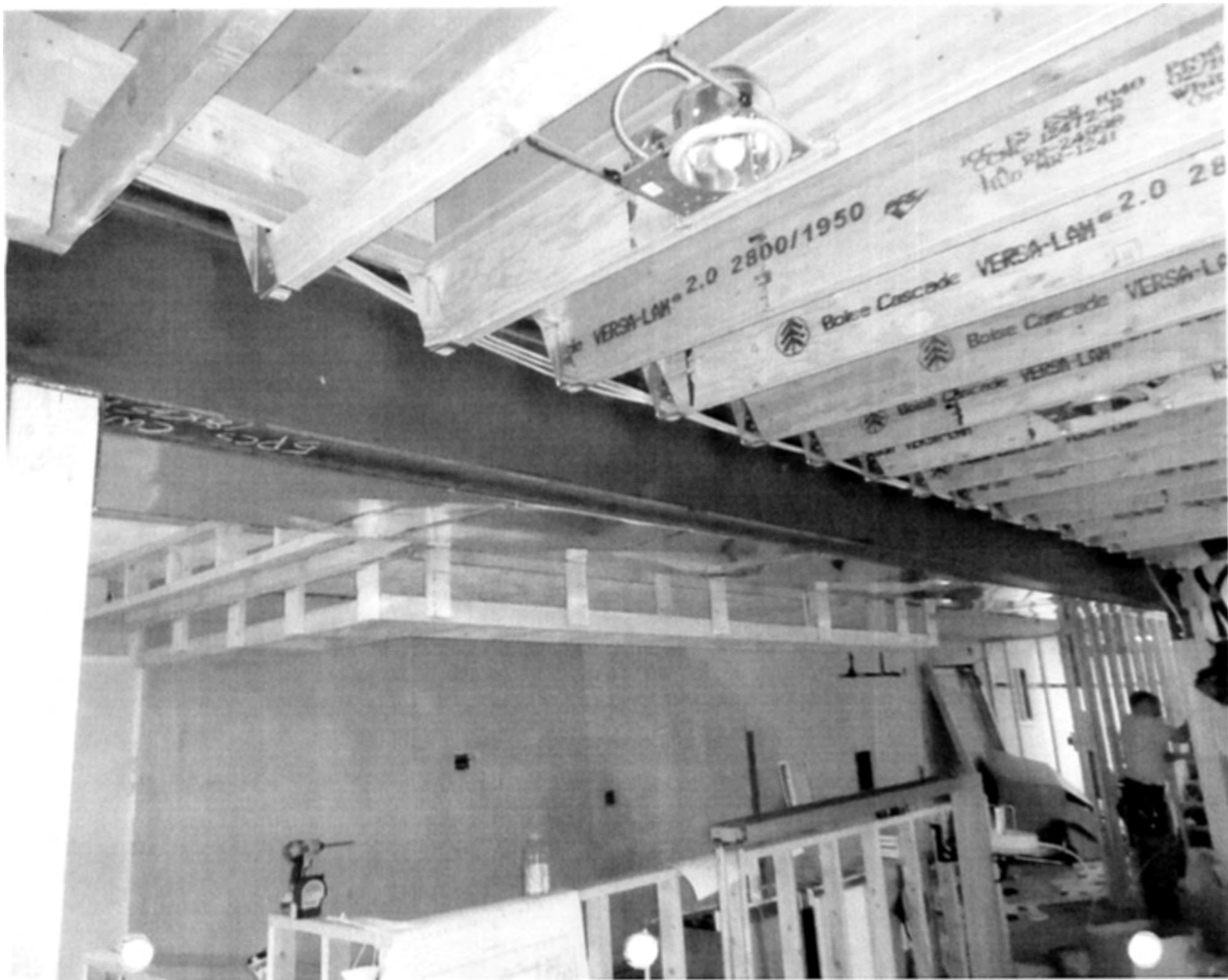












Columbia Gateway Urban Renewal Advisory Committee Minutes

Tuesday, March 15, 2011

5:30 PM

City Hall Council Chambers

313 Court Street

The Dalles, OR 97058

Conducted in a handicap accessible room.

CALL TO ORDER

Acting Chair Hege called the meeting to order at 5:33 p.m.

ROLL CALL

Present members: Richard Elkins, Gary Grossman, Bill Dick, Jennifer Botts, John Nelson, Mike Elmore, Scott Hege

Absent members: Chris Zukin, Ken Farner

Staff present: Dan Durow, Community Development Dept. Director; Gene Parker, City Attorney; Brenda Green, Administrative Secretary; Carole Trautman, Administrative Secretary

INTRODUCTIONS:

Director Durow introduced new staff members to the committee: Brenda Green, Administrative Secretary, and Carole Trautman, Administrative Secretary.

Director Durow also introduced new committee members: Mike Elmore, Scott Hege, and John Nelson.

SELECTION OF CHAIR PERSONS

Bill Dick moved to elect Chris Zukin as Chairman of the Urban Renewal Advisory Committee (URAC) and Gary Grossman seconded. The motion carried unanimously, Zukin and Farner were absent.

Richard Elkin moved to elect Gary Grossman as Vice Chairman of the URAC and Bill Dick seconded. The motion carried unanimously, Zukin and Farner were absent.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA ITEMS

Bill Dick moved to approve the agenda and Scott Hege seconded. The motion carried unanimously, Zukin and Farner were absent.

APPROVAL OF MINUTES

Vice Chairman Grossman asked if there were any corrections or additions needed for the minutes of December 21, 2010. Bill Dick moved to approve the minutes as submitted, and Richard Elkins seconded. The motion carried. Elkins, Grossman, Dick, and Botts voted in favor; Nelson, Elmore and Hege abstained; and Zukin and Farner were absent.

PUBLIC COMMENT

None

ACTION ITEM

Civic Auditorium and Grant Request by Steve Lawrence

Steve Lawrence presented a pictorial display board of historic Civic Auditorium Theatre functions. Lawrence explained the current condition of the Theatre. He also reviewed what projects had been completed over the last year and what some of the goals were for the future. Lawrence stated that the theatre's biggest need is the engineering study. He pointed out the scope of work compiled by Yankee Design and Building LLC, the key actions, and timelines. Lawrence said the Civic Auditorium could be the economic future of The Dalles because there is no other auditorium of this size between Portland and Pendleton. Lawrence further stated this project first needs \$50,000 to complete the engineering survey. Secondly, Lawrence suggested the URAC, the Council, and others should consider being partners in this project.

Director Durow discussed two points in regards to financial requests. 1) The Urban Renewal Agency (UR Agency) is committed to a number of projects, and it is overcommitted. It needs 2-3 million dollars more to complete the projects at hand, and it is overcommitted for two to five more years; and 2) The UR Agency has been the biggest partner to the Civic Auditorium because over \$800,000 has been committed to the auditorium thus far. With that kind of an investment in the past, Durow emphasized that the staff and UR Agency wants to see this project succeed.

Bill Dick stated he appreciated Steve Lawrence's presentation and leadership on the project, and if the UR Agency could help in any way, he would like to see the Agency do so within appropriate guidelines. Comments followed by Dick Elkins, John Nelson, and Gary Grossman that they too, appreciate the leadership and hope the UR Agency will support this project.

Director Durow gave an explanation of the history of the creation of the UR Agency. The driving force was to create a better looking downtown, primarily streetscape. Second Street has been completed, but First, Third and Fourth Streets still need to be completed. When

opportunities to generate investments arise, the UR Agency in the past has tried to seize the opportunities for the financial investment benefits and has shifted priorities as opportunities arise. Durow also stated that, with new energy coming from the Civic Auditorium's leadership, funding could perhaps be generated. The Civic Auditorium's fundraising efforts could possibly be matched by the UR Agency. He emphasized he will help the Civic Auditorium leadership to succeed and look for ways to participate.

ON-GOING PROJECTS

Director Durow told the Committee:

- Third Street: The project is delayed for two to three years.
- Third Place Design: The Request for Proposal (RFP) is nearly complete. The design work will begin by summer and carry over to the next fiscal year.
- Granada Block: The Memorandum of Understanding is signed, and the Disposition and Development Agreement is being reviewed by all parties.
- LED Lights on Roundabout: The bid came in at \$20,000. The project should be complete in a few weeks.
- Dock: On hold waiting for communication and agreement from the Warm Springs Tribe.
- Park: The dock and park projects were split in two to determine how much could be spent on each project. There were two different bids. Planning is trying to determine at this time how to proceed.
- First Street/Washington Street Railroad Underpass: The engineering phase is 70% complete. There have been several changes in design plans, but a final design has been selected. Design work should be 30% complete in a month and 100% complete by late spring.
- Mill Creek Trail (2nd to 9th Streets): \$5,000 is available to start on engineering. The staff is working with Friends of Mill Creek on the project.

Vice Chairman Grossman suggested the URAC could visit the Civic Auditorium and the Granada Block properties sometime. The April meeting date could work for those visits.

FUTURE MEETINGS

The next scheduled meeting is Tuesday, April 19, 2011.

ADJOURNMENT

The meeting was adjourned at 6:42 pm.

Respectfully submitted by Carole Trautman, Administrative Secretary.

Gary Grossman, Vice Chairman

Columbia Gateway Urban Renewal Advisory Committee Minutes

Tuesday, April 19, 2011

5:30 PM

Civic Auditorium/Granada Block Redevelopment Tour

Present members: Chris Zukin, Richard Elkins, Gary Grossman, Bill Dick, Jennifer Botts, John Nelson, Ken Farner, Scott Hege

Absent members: Mike Elmore

Staff present: Dan Durow, Community Development Dept. Director; Carole Trautman, Administrative Secretary

CALL TO ORDER

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

TOUR INFORMATION

Steve Lawrence, representative for The Civic Auditorium, provided a tour of The Civic highlighting past and possible future renovation projects. The committee members then moved to the Granada Block where Michael Leash, developer of the Granada Block Redevelopment Project, conducted a tour of the Bank Hotel, the Recreation, the Granada Theater, the Model Laundry, and the Chinese buildings.

FUTURE MEETINGS

The next scheduled meeting is Tuesday, May 17, 2011.

ADJOURNMENT

Chair Zukin adjourned the meeting at 7:38 PM.

Respectfully submitted by Carole Trautman, Administrative Secretary.

Chris Zukin, Chairman

Urban Renewal Advisory Committee
Minutes – April 19, 2011

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.

- | | | |
|----|---|----|
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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: | 0 |
| | <p><i>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:</i></p> <ol style="list-style-type: none"> <i>1. Defective design and quality of physical construction;</i> <i>2. Faulty interior arrangement and exterior spacing;</i> <i>3. Overcrowding and a high density of population;</i> <i>4. Inadequate provision for ventilation, light, sanitation, open spaces, and recreational facilities; or</i> <i>5. Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;</i> | |
| 2. | The project develops, redevelops, improves, rehabilitates or conserves property in ways which will: | |
| | <p>A. Encourage expansion and development of jobs, (20 points)</p> <p>1 job per \$10,000 or less granted – (20 points)</p> <p>1 job per \$10,001 to 20,000 granted – (15 points)</p> <p>1 job per \$20,001 to 35,000 granted – (10 points)</p> <p>1 job per \$35,001 to 50,000 granted – (5 points)</p> | 5 |
| | <p>B. Increase property values and tax base, (15 points)</p> <p>Increase taxable value by \$50,000 or more – (15 points)</p> <p>Increase taxable value by \$25,000 to \$49,999 – (10 points)</p> <p>Increase taxable value by \$5,000 to 24,999 – (5 points)</p> | 15 |
| | <p>C. Conserve historically significant places and properties, (25 points)</p> | 0 |

D. Make The Dalles a more attractive and functional city in the following ways:		
i. Shows significant aesthetic improvement to the property (10 points)		10
ii. Provides needed services or community function (10 points)		0
iii. Serves a significant portion of the community, (5 points)		0
iv. Enhances the quality of life for residents of the city (5 points)		0
3. The project leverages other public and/or private sources of funding. (15 Points)		15
\$1 Urban Renewal grant to \$3 (or more) other funding – (15 points)		
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TOTAL		55