



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, February 18, 2014**

5:30 pm

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 – January 28, 2014 Joint Session
- VI. PUBLIC COMMENT (for items not on the agenda)
- VII. ACTION ITEM – Recommendation concerning the Prioritization of Urban Renewal Agency Projects – Administrative Fellow Jon Chavers
- VIII. DISCUSSION ITEM – Amendment of the Urban Renewal Agency Property Owner Rehabilitation Program to include private owners for façade restoration – Administrative Fellow Jon Chavers
- IX. ONGOING URBAN RENEWAL PROJECTS UPDATE  
Granada Block Benchmarks
- X. FUTURE MEETING – March 18, 2014
- XI. ADJOURNMENT



**COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

---

**CITY OF THE DALLES  
SPECIAL**

**JOINT WORK SESSION AGENDA  
COLUMBIA GATEWAY URBAN RENEWAL AGENCY  
AND  
URBAN RENEWAL ADVISORY COMMITTEE**

**Tuesday, January 28, 2014  
MINUTES**

**CALL TO ORDER**

The work session was called to order by Chair Lawrence at 5:38 PM.

**ROLL CALL**

URAC members present: Chris Zukin, Gary Grossman, Jennifer Botts, Robin Miles, Steve Kramer, and City Council representative Linda Miller

Members absent: Greg Weast

Urban Renewal Agency members present: Steve Lawrence, Dan Spatz, Tim McGlothlin

Members absent: Bill Dick, Carolyn Wood

Staff present: City Manager Nolan Young, City Attorney Gene Parker, Public Works Director Dave Anderson, Administrative Fellow Jon Chavers, Administrative Secretary Carole Trautman

Others present: Economic Development Specialist Dan Durow

**PLEDGE OF ALLEGIANCE**

Lawrence led the group in the Pledge of Allegiance.

**APPROVAL OF AGENDA**

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

**WORK SESSION** – Prioritization of Urban Renewal Agency Projects

Lawrence stated that the purpose of the meeting was to conduct a work session only; no decisions would be made at this session. Suggestions and comments from this session would be submitted to Administrative Fellow Chavers who would, in turn, submit a report to the Urban Renewal Advisory Committee (URAC) for consideration. The URAC would make a recommendation to the Urban Renewal Agency (URA) for consideration.

Chavers presented an overview of his report entitled, “Project Prioritization Recommendation.” Chavers reviewed the list of urban renewal projects (pg. 4), URA plan goals, and how the projects met the URA goals. Chavers pointed out that the urban renewal goals were listed either alphabetically or numerically; there was no other significance in the list order.

Chavers concluded his summary by emphasizing that the recommended course of action was to place higher priority on projects that met the goal of a growing labor market and creating jobs such as: 1) the Civic Auditorium restoration, 2) the Downtown Parking Structure construction, and 3) the development of the Granada Block Hotel.

Chavers reported that one goal not specifically outlined in the Urban Renewal Plan was the increase of property value of parcels within the Urban Renewal District. He said the goal was implied, but not directly addressed within the plan. Chavers recommended giving extra consideration to the streetscape projects and a proposed expansion of the façade restoration program. Currently, only non-profit organizations were eligible for URA grants, and “for-profit” organizations were eligible for URA interest buy-down URA loans. Young emphasized that the intent of the work session was to obtain feedback from the work session on urban renewal priorities to bring back to both the URAC for recommendation to the Agency, and the Agency’s consideration of the URAC recommendations. A second agenda item for the February 18 URAC meeting would be a recommendation for an amendment to the Property Owner Rehabilitation Program and any recommendation needed for amendments to the URA plan itself.

Botts asked if staff could provide conceptual designs of the existing urban renewal projects. Young indicated staff would have conceptual designs for some of the urban renewal projects, but not all.

Chavers highlighted the supplemental information memorandum dated January 27, 2014 (copy attached). It was the general consensus of the URAC members to take into consideration the property value issue in Chavers’ document for the February 18 meeting. Botts asked for suggested stipulations for the “for-profits” grants. Lawrence asked that the information also include how the property value issue would factor in as criteria.

Zukin asked if the Property Owner Rehabilitation Program could be listed in goal numbers 1 and 2. After further discussion, it was the general consensus of the committee that the Property Owner Rehabilitation Program should be considered by the URAC as meeting goals #1, 2, 7 and 8.

Lawrence pointed out that four streetscapes were discussed in the report, and each streetscape had its own identity. He asked if there was a reason to prioritize them and what specifically were their identities. Young stated that the City was working on a market analysis for downtown that would provide information as to what the identity of the streets would be. He said there were common elements that were created for all the streets such as street lights, types of trees, the type of crosswalks, etc., that provided a common denominator to the streets. Otherwise, the streets had their own identities. The current streetscape prioritization is: 1<sup>st</sup> Street, 3<sup>rd</sup> Street and 4<sup>th</sup> Street. Young said it would be good for the URAC to consider if streetscape prioritization was heading in the right direction. It was the general consensus of the committee to incorporate the 3<sup>rd</sup> Place Streetscape project into the streetscape prioritization.

The committee discussed the Mill Creek Greenway urban renewal project. Durow gave a summary of how it became an urban renewal project. He reported that it was part of the original UR plan in 1990. The project is located within the URA Zone and runs from 2<sup>nd</sup> Street to the Senior Center. During that time, there were old apartment units that made the area undesirable. The thought was that it would be good to connect a fair amount of the City from the Senior Center on a trail where pedestrians would not be required to cross a street to get to the Riverfront Trail. Another reason for the project was that the area could be an oasis in the summertime, so it was more for appearance and functionality than for

economics, Durow reported. Lawrence said he noticed the project did not appear in any of the Agency goals. Durow pointed out that not a lot of UR money would be spent on the project, because the property was gifted and possibly a match grant could be obtained to clean up the trail work. McGlothlin stated that the area had been identified as a bike summit, and as far as economic development was concerned, it could bring bikers to the area. Young suggested considering Mill Creek Greenway as applicable to urban renewal goal #4 because it bi-sected and linked to the West Gateway/Thompson Park area. Lawrence said he would like to see some information on where the Mill Creek Greenway project fell within the grand scheme of the urban renewal prioritization list, considering the City had a need to get the downtown district healthy again. Young said it typically listed towards the bottom of the urban renewal priorities. It was discussed that urban renewal funds and priorities often shift because the City's urban renewal program is "opportunity driven."

Botts asked if the West Gateway project could be moved up the priority list in light of the passage of the pool bond. She felt it would be more efficient and cost effective to coordinate the projects rather than work on and complete the pool project then, at a later time, "dig things up" for the West Gateway project. The pool project is scheduled for a Memorial Day 2015 opening, and West Gateway is scheduled for fiscal year 2023 and several years following. Young asked Durow to provide the West Gateway conceptual design to Parks and Recreation District to coordinate efforts and to ensure the Agency's project did not cause any conflicts with the Parks District's efforts. Durow said the West Gateway conceptual design was done in conjunction with a grander development of Thompson Park, and it would be worth reviewing. He gave a summary of the Gateway design which included a roundabout at Cherry Heights and West Second Street. Botts said the pool design would not interfere with Cherry Heights or West Second. Public Works Director Anderson said there was a high priority for traffic signalization at that intersection.

Lawrence stated he would like to see an RV park development in the area behind the pool. Botts said out of the 12 acres behind the pool, only 6 acres were usable. McGlothlin said he would also like to see an RV park behind the pool. Botts advised that for an RV park to be developed, the Park's rules and regulations would need to be amended.

Questions were asked regarding how the delay of the Granada Block project, the subsequent delay of the downtown parking structure, and the potential property purchase of Sunshine Mill in 2015 would affect the prioritization of the urban renewal projects. To best answer those questions, Young suggested preparing a chart that included: 1) a list of urban renewal projects; 2) their related dollar amounts; 3) a chronological list of fiscal years; 4) current concepts of how each project would fall under the UR budget fiscal years; and 5) a list of funds that would be available to the Agency. Staff would also assess and prepare what information was available regarding projections on urban renewal property value increases and their impact on Agency funding, Young said.

Upon request, Young gave a brief summary of how the Washington Street Tunnel project was brought about. Lawrence noted the urban renewal plan still listed a tunnel project that would go under the highway. Young said, around 2008, a task force was formed to consider reconnecting the downtown area to the river. That task force decided to separate out the tunnel project from the Washington Street Undercrossing project under the railroad. Both would be listed on the forthcoming urban renewal chart for the Advisory Committee's consideration, Young advised.

Lawrence commented that the Main Street Business Group developed a four-point plan in 2012 as follows: 1) Build inventory downtown; 2) Identify future development projects; 3) Building a business

cluster strategy; and 4) Recruitment and retention. Lawrence emphasized that these strategies walk hand in hand with urban renewal. He said the Main Street program did not focus on deficiencies, it focused on the assets.

**ADJOURNMENT**

Lawrence adjourned the meeting at 7:04 PM.

Respectfully submitted by Administrative Secretary Carole Trautman

---

Chris Zukin, Chair  
Urban Renewal Advisory Committee



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

---

CITY OF THE DALLES

To: Urban Renewal Agency Board, Urban Renewal Advisory Committee

From: Jon Chavers, Administrative Fellow

Thru: Nolan Young, City Manager

Date: January 27, 2014

RE: Additional Information for Consideration of Urban Renewal Project Prioritization

**Background:** After completing a draft review and re-prioritization of the current and upcoming urban renewal projects and a review of the URA Plan goals, we identified important information we thought should be considered.

**1. The current URA Plan does not address the goal of increasing property value within the urban renewal district.**

In its Best Practices Guidebook, the Association of Oregon Redevelopment Agencies (AORA) states “*The reason for pursuing urban renewal is to increase the value of properties in the URA*” (Best Practices for Urban Renewal Agencies in Oregon, AORA. Page 16). My familiarity with this document comes from my work in drafting the most recent version under the direction of the AORA President.

Any activity that the URA undertakes should fulfil this goal first, regardless of other goals directly spelled out in the URA Plan.

**2. Along with upcoming streetscape improvement projects, expansion of the existing façade restoration program will best fulfil this goal.**

Low-interest loans are currently offered by the urban renewal agency for the purpose of façade rehabilitation to for-profit businesses in the downtown area. These loans are underutilized by these businesses. Matching grants, which may be more attractive to for-profit businesses, are also currently available for façade restoration, but to “public, non-profit, and civic organizations only” according to the Urban Renewal Plan. Changing the language of the urban renewal plan to make matching grants available to for-profit businesses in the downtown area will incentivize rehabilitation of downtown commercial properties.

**Alternatives:**

- 1. Proceed with project prioritization without consideration of goal to increase property values.**
- 2. Request a new report with “increasing the value of properties within the URA” as a stated goal.**
- 3. Amend the current URA Plan to list “increase the value of properties within the URA” as a stated goal.**
- 4. Expand the current façade restoration program to include for-profit businesses within the URA.**
- 5. Keep the existing façade restoration program as found in the current version of the URA Plan.**



**CITY of THE DALLES**

313 COURT STREET  
THE DALLES, OREGON 97058

(541) 296-5481  
FAX (541) 296-6906

**AGENDA STAFF REPORT**

**URBAN RENEWAL**

<b>MEETING DATE</b>	<b>AGENDA LOCATION</b>	<b>AGENDA REPORT #</b>
February 18, 2014	Discussion Item	

**TO:** Urban Renewal Advisory Committee

**FROM:** Nolan Young, City Manager *ny*

**DATE:** February 11, 2014

**ISSUE:** Project Prioritizations

**BACKGROUND:** One January 28, 2014 the Urban Renewal Agency Board and the Urban Renewal Advisory Committee met in joint session to review a draft report on project prioritizations. After hearing the report from Administrative Fellow Jon Chavers, the group recommended amendments to the report. Attached is an amended copy of the report being presented for consideration of recommendation to the Urban Renewal Agency by the URAC. The amendments include the following items:

1. Property Owner Rehabilitation program has now been listed under Goals 1 and 2, along with Goal 7 and 8 as previously listed.
2. The Third Place streetscape has been included in the streetscape prioritization.
3. Mill Creek Greenway project was added under Goal 4, linkages to the downtown.

At the meeting it was discussed that increasing values in the urban renewal district was a primary goal of the agency. There was a request at the meeting to provide any visuals of the projects available, Attachment A to this memo provides the project illustrations we were able to locate.

Listing of projects based on the financial ability of the agency

It was requested that we provide a listing of the projects by priority as related to financial strength of the agency. Attachment B is a recommended schedule of projects based on

the financial ability of the agency. We have also attached a narrative that identifies the assumptions upon which this table was created. It should be noted that based on the analysis by a previous Administrative Fellow, we identified that the agency would likely meet its maximum indebtedness in fiscal year 2025-26. We would end up \$1.7 million short of funds needed to complete all the projects. This means that we would be unable to complete the Mill Creek Greenway and a couple of the streetscape projects.

**COMMITTEE ALTERNATIVES**

1. Recommend the project priority report to the Agency Board as presented.
2. Amend and then recommend the project priority report to the Agency Board.
3. Postpone action to allow for additional work.

# COLUMBIA GATEWAY URBAN RENEWAL AGENCY

## PROJECT PRIORITIZATION RECOMMENDATION

### **Executive Summary:**

The purpose of this report is to recommend a prioritization of projects underway or upcoming in the Columbia Gateway Urban Renewal Agency (URA). This brief acknowledges that while all of the current and developing URA projects have worthwhile objectives, current economic conditions constrain the level of activity carried out by the URA. This brief will examine goals common to urban renewal agencies across the United States - including the Portland Development Commission, the City of Seattle and the City of San Francisco - how these goals are prioritized, and apply this reasoning to the stated goals of the Columbia Gateway URA and draw conclusions about which projects should have highest priority.

### **Issue:**

Which of the Columbia Gateway Urban Renewal Agency's current and developing projects should receive highest priority?

### **Recommendation:**

Highest priority should be assigned to those projects which immediately increase the value of properties within the urban renewal district as a whole. Those projects include: 1<sup>st</sup> Street Streetscape, 3<sup>rd</sup> Place Streetscape, 3<sup>rd</sup> Street Streetscape, 4<sup>th</sup> Street Streetscape and a proposed façade restoration program awarding grants to for-profit businesses within the urban renewal district.

Of next priority should be projects which meet the following goals:

- Promote economic development and downtown revitalization
- Eliminate blight
- Stimulate private investment
- Create jobs
- Focus on families
- Support downtown housing development
- Foster public/private partnerships

### **Rationale:**

The goals of the Columbia Gateway Urban Renewal Agency (URA) are listed below:

- 1) Make strategic investments of urban renewal funds so that unused and underused properties can be placed in productive condition and utilized
- 2) Participate in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved

- 3) Provide an adequate amount of properly located and designed off-street parking
- 4) Create positive linkages among the Downtown and the West Gateway Area
- 5) Improve access and connections from downtown to the Riverfront and to provide facilities, such as trails and a public dock, to enhance public use of the Riverfront
- 6) Improve the visual appearance, capacity, and traffic flow in areas where development would otherwise be inhibited
- 7) Assist property owners in the rehabilitation of their buildings and property

In its Best Practices Guidebook, the Association of Oregon Redevelopment Agencies (AORA) states, “*The reason for pursuing urban renewal is to increase the value of properties in the URA*” (Best Practices for Urban Renewal Agencies in Oregon, AORA. Page 16). It is important to note that this goal - increase the value of properties in the URA – is not included in the Columbia Gateway Urban Renewal Agency Plan. The activities the URA engages in may achieve this goal, but these activities have not been included in the plan with this particular goal in mind.

General urban renewal goals and guiding principles from Portland, Redmond and Seattle include the following:

- Promote economic development and downtown revitalization
  - Healthy downtowns attract the interest of discerning employers who recognize that quality of life, a vibrant downtown, housing options, and a healthy community combine to attract quality employees.
- Eliminate blight
  - Conditions of deterioration, irregularity, utilization and depreciation must be removed in order to create an environment that supports and attracts investment.
  - Blight is detrimental to public health, safety, and welfare.
  - Encourage land uses which will help create a well-balanced physical and economic environment.
- Stimulate private investment
  - Private investment follows public commitment.
  - The City must improve and communicate competitive advantage.
  - In order to be successful, the City must actively pursue development opportunities rather than merely passively wait for projects. Projects must position the City for success and create a vibrant, 24-hour neighborhood complete with diverse types of housing, prosperous local businesses, growing employment opportunities, and quality recreational and civic amenities.

- Create jobs
  - The presence of a significant supply of vacant and underutilized commercial and industrial land and insufficient business activity and family wage employment opportunities causes economic blight.
  - Urban renewal projects will create quality jobs and an active and vital downtown that will make the city as a whole an attractive location for families and entrepreneurs.
  - Projects should ensure greater inclusion and equity in job opportunities, with an aim to reducing inequality.
  - The local education system should meet employer needs.
  
- Focus on families
  - A community's proximity to jobs, outdoor amenities, schools, safety, and affordability will appeal to families. Maintaining and strengthening its attractiveness to families will also help The Dalles to attract the employers who seek out quality employees.
  
- Support downtown housing development
  - When residents live in close proximity to employment and retail centers, they frequent those merchants more frequently and spend less of their time and income on private automobile travel to distant attractors.
  
- Foster public/private partnerships
  - Urban renewal revenues alone will not be sufficient to fund all of the investments that will be needed for an urban renewal district's revitalization strategy to succeed.
  - Urban renewal can only fund capital investments, and some of the needs of downtown will require ongoing operating funding that must come from elsewhere.
  - There are needs and economic development goals and objectives that extend beyond the boundary of an urban renewal district.

The goals of the Columbia Gateway URA and their associated current and developing projects are listed below (see pages 7-9 of the Urban Renewal Plan):

- 1) Make strategic investments of urban renewal funds so that unused and underused properties can be placed in productive condition and utilized
  - a. Granada Block/Hotel
  - b. Property Owner Rehabilitation projects
  
- 2) Participate in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved
  - a. Civic Auditorium
  - b. Downtown Parking Structure
  - c. Granada Block/Hotel

- d. Property Owner Rehabilitation projects
- 3) Provide an adequate amount of properly located and designed off-street parking
  - a. Downtown Parking Structure
- 4) Create positive linkages among the Downtown and the West Gateway Area
  - a. 3rd Place Streetscape
  - b. West Gateway Roundabout/Improvements
  - c. West 2nd St. Infrastructure
  - d. Mill Creek Greenway
- 5) Improve access and connections from downtown to the Riverfront and to provide facilities, such as trails and a public dock, to enhance public use of the Riverfront
  - a. Lewis & Clark Park Fountain
  - b. Washington Street Underpass
- 6) Improve the visual appearance, capacity and traffic flow in areas where development would otherwise be inhibited
  - a. 1st St. Streetscape
  - b. 3rd St. Streetscape
  - c. 4th St. Streetscape
  - d. 3<sup>rd</sup> Pl. Streetscape
- 7) Assist property owners in the rehabilitation of their buildings and property
  - a. Civic Auditorium
  - b. Property Owner Rehabilitation projects
  - c. Granada Block/Hotel
- 8) Promote housing in the Downtown area
  - a. Property Owner Rehabilitation projects
- 9) Supplement existing funding sources to construct, install or replace publicly owned utility systems such as water, storm drains, and sanitary sewers where existing facilities are inadequate, undersized or otherwise substandard; install underground utilities in areas of urban renewal projects including alley rights-of-way in the downtown area
  - a. Granada Block/Hotel
  - b. 3<sup>rd</sup> St. Streetscape

Highest priority should be assigned to those projects which immediately increase the value of properties within the urban renewal district as a whole. Development of the hotel adjacent to the Granada Theater will constitute an estimated \$20 million private investment into a downtown property. For this reason, the Granada Block/Hotel project will most effectively meet this goal. Other projects that will increase values of downtown properties include: 1<sup>st</sup> Street Streetscape, 3<sup>rd</sup> Place Streetscape, 3<sup>rd</sup> Street Streetscape, 4<sup>th</sup> Street Streetscape and a proposed façade restoration program awarding grants to for-profit businesses within the urban renewal district.

Addressing only the goals specified in the URA Plan and understanding that goals relating to public health, safety, and welfare, and creation of a well-balanced physical and economic environment are of a higher priority than other urban renewal goals, we can prioritize current and upcoming urban renewal projects. Current and upcoming urban renewal projects (listed in alphabetical order) that help fulfill these goals are:

- 1) Civic Auditorium
- 2) Downtown Parking Structure
- 3) Granada Block/Hotel
- 4) Lewis & Clark Park Fountain
- 5) Mill Creek Greenway
- 6) Property Owner Rehabilitation projects
- 7) Washington St. Underpass
- 8) West 2<sup>nd</sup> St. Infrastructure
- 9) West Gateway Improvements

Projects (listed in alphabetical order) that fulfill more than one goal are:

- 1) 3<sup>rd</sup> St. Streetscape – Goals 4, 6 and 9
- 2) Civic Auditorium – Goals 2 and 7
- 3) Downtown Parking Structure – Goals 2 and 3
- 4) Granada Block/Hotel – Goals 1, 2, 7 and 9
- 5) Property Owner Rehabilitation projects – Goals 1, 2, 7 and 8

**Note that using the URA Plan as a guide, the Granada Block/Hotel project fulfills the highest number of goals simultaneously, while also fulfilling the AORA Best Practices Guidebook goal of increasing downtown property values far more than any other single project.**

### **Policy Options:**

Urban renewal attempts to correct private market failures that result in the exclusion of some portions of the population from participation in everyday life in three areas. These three areas are the labor market, health and well-being, and social relationships.

#### **Labor Market:**

In the absence of a hunter-gatherer or agricultural economy in which all people own enough land to provide for their own needs, resident participation in the labor market is necessary to sustain life. Being unable to participate in the labor market (being unemployed) “often means that one lacks the financial means to buy those goods and services or to take part in those activities and social circles which are deemed necessary for a normal or decent life in the society of which one is a part” (Burgers & Vranken, 2007).

“It is possible to be employed and yet be socially excluded, a situation that occurs when people are stuck in dead-end or junk-jobs and do not have prospects to improve their [labor]

market position”. Opposed to minimum-wage level positions, the types of employment to be encouraged by Urban Renewal Agency activities should be living-wage level positions. A living wage can be defined as “a wage level that offers workers the ability to support families to maintain self-respect and to have both the means and the leisure to participate in the civic life of the nation” (Pollin, 2007) and will vary in from place to place and region to region depending on local economic conditions and local cost of living.

---

#### Health and Well-Being:

Full participation in the labor market may not yield the average citizen enough resources to create and enjoy the benefits of a clean and healthy environment, with opportunities for housing, exercise and association with nature. Urban settings created throughout the 20<sup>th</sup> century are characterized by a hyper-emphasis of the use and storage of private automobiles, hyper-segregation of land uses, and the design strategy emphasizing large lots. The result is an ever-expanding urban environment in which providers of essential goods and services locate themselves further and further from their customer base. Such expansion consumes valuable agricultural land, life-sustaining habitat and attractive natural landscape.

Examples of such urban settings in The Dalles today include strip malls, Home Depot and large chain grocery stores in the west side of the City. The overwhelming majority of residents live between Cherry Heights Rd. and Dry Hollow Rd. on the east side of the City. Major commercial areas of the City continue to creep westward along West 6<sup>th</sup> St. from Cherry Heights Rd. to the Chenoweth Interchange in pursuit of larger parcels. Those visiting these sites have only one rational means of travelling to them – the private automobile.

In an environment characterized by large lots, single-story warehouse retailers, large parking lots for each retailer, other land uses including residential, green and open space, and offices are neglected or pushed to the perimeter. Residents live further and further from work, school and essential service providers. This situation creates and perpetuates a reliance on, and deference toward, automobile use.

To correct for these market failures, high-density, mixed use land use development, including alternative transportation infrastructure (pedestrian, bicycle and transit) must be spearheaded by leadership. High-density environments are characterized as places where residents have easy, convenient access to the places and services they use daily, including local markets, restaurants, schools and parks within a one-half to one-mile walking distance.

---

#### Social relationships:

Formal and informal social networks give residents access to resources such as educational opportunities, meaningful connections with the people around them and civic and political participation. These relationships can foster the meanings, experiences and emotional attachment that residents assign to a place until a regional character of what a place is or means

emerges. Such character can be assigned to neighborhoods, the entire city or collections of cities. New Orleans, for example, may evoke a different set of meanings and emotions than Dufur. Neither city is superior to the other, but the interpersonal connections possible in each city are directly related to the physical built environment.

Opportunities for an urban renewal agency to foster social relationships range from expansion of senior center programs, creation of a downtown public plaza with accompanying festivals and events, funding towards development of artists' or craftsmen studios where skills and trades can be engaged and transmitted interested parties. Any opportunity for the URA to cultivate shared experiences or experiences that a large number of visitors and residents can participate in should be pursued. In any event, a place is not remembered (or does not want to be remembered) for its rush hour commute.

---

**Three possible options for decision makers to pursue follow the three different priorities:**

- 1) Health and Well Being: Large, concentrated, attention-grabbing property and built-environment redevelopment
  - a. Washington St. Underpass
  - b. West Gateway Improvements
  - c. Lewis & Clark Park Fountain
  - d. Mill Creek Greenway

Benefits –

- Underpass is an attention grabbing component of the overall vision to connect downtown to the riverfront.
- Improvements at the West Gateway would improve traffic flow at Cherry Heights Rd. and W. 2<sup>nd</sup> St.
- Unobstructed view of fountain from either Court St. or I-84.
- Trails and greenways provide countless opportunities for economic renewal and growth; increased property values and tourism and recreation-related spending on items such as bicycles, in-line skates and lodging are just a few of the ways trails and greenways positively impact community economies.

Downsides –

- Without the freeway underpass portion of the Washington Street project, the underpass only directly connects downtown to the Lewis & Clark Park, while indirectly connecting to the Commercial Dock and Riverfront Trail via the existing Union Street Underpass.
- Currently a lack of businesses and other attractors on 1st St. and regularly scheduled events at Festival Area will not draw people to view the fountain.
- W. 2<sup>nd</sup> St. roundabout is not being constructed in conjunction with a new attractor such as the Sunshine Mill.
- Neither project specifically directly addresses goals such as public health or encouraging economic development and job creation.

Examples –

- Redmond, Oregon Housing Opportunity Fund: fund to support the development of targeted housing types in the District through gap financing, development planning, public amenities, and other tools. The development of a wide range of housing including apartments, townhouses, small-lot cottages, senior housing, and other types will meet market opportunities from workers, small households, retirees, first-time homebuyers, and others. This, in turn, will support downtown retail and will increase the overall level of activity and vitality downtown.
  - Millennium Park, Chicago: new 24.5 acre park extending the existing Daley Park and Lakefront Trail that hosts free cultural programs including concerts, exhibitions, tours and family activities. Site was previously occupied with parkland, rail yards and parking lots.
- 

- 2) Social relationships: Small, area-wide improvements and infrastructure maintenance
- a. Streetscape improvements on 1<sup>st</sup> St., 3<sup>rd</sup> St., 3<sup>rd</sup> Pl. and 4<sup>th</sup> Streets

Benefits –

- “An improved central business district appearance makes for a more distinctive character and entices more shoppers downtown. The success of designed shopping centers has demonstrated to the satisfaction of most people that "amenity" — pleasant surroundings, including some landscaping — is profitable” (American Society of Planning Officials, 1959).
- “A key element to the success of a downtown is the provision of an attractive and inviting public realm. Improvements to the streetscape are essential for creating an environment of tree-lined, pedestrian-oriented walking streets and outdoor plazas with frequent gathering spaces, outdoor cafes and seating areas, and unique design elements. These elements will ensure that streets are inviting public spaces that will be used by the community, and that also set the stage for new investment along its edges” (City of Burlingame, 2010).

Downsides –

- Specific economic benefits to parties, except the taxing agency cannot be identified.

Examples –

- Pearl District, Portland: The city's Pearl District was once home to warehouses and abandoned factories that were converted in the 1990's into converted mixed-use commercial, dining and residential buildings; area = .47 sq. miles.
- 

- 3) Labor market: Immediate or area-wide economic benefits and/or job creation
- a. Civic Auditorium
  - b. Downtown Parking Structure
  - c. Granada Block/Hotel
  - d. Various storefront rehabilitation projects

Benefits –

- Restoring the Civic's 1,100 seat theatre/auditorium would create the largest major entertainment venue between Portland and Boise.
- The first floor of the parking structure will contain retail spaces near new attractors such as the Washington St. Underpass/Plaza, Lewis & Clark Park and Fountain and cruise ship dock.
- Development of the Granada Block will preserve the historic Granada Theatre and introduce a 4- to 5-story nationwide hotel chain to downtown, also near attractors such as the Washington St. Underpass/Plaza, Lewis & Clark Park and Fountain and cruise ship dock.
- Various storefront rehabilitation projects:
  - Enhance the City's sense of community by creating a strong and visible retail service center in the downtown area;
  - Increase the pace of downtown development that would not normally occur unless the market produced such development; and to
  - Keep businesses from relocating who would otherwise find it economically difficult to continue providing service in the downtown area without improvements to the exterior appearance of their building.

Downsides –

- "Given a typical incentive package that represents about a 30% cut in state and local taxes... only about 1 in 10 new jobs in the average community will actually be attributable to the incentives" (Peters & Fisher, 2004).

Examples –

- Redmond, Oregon Restaurant Program: Food services and restaurants are one of the strongest retail sectors for downtowns, as they provide a unique experience that does not compete with the big box experience elsewhere in town. Yet restaurants have a high barrier to entry, often requiring significant building improvements and large up-front capital investments by entrepreneurs, particularly when historic buildings such as those in Redmond are involved. The restaurant program would provide for public financing and/or ownership of

expensive kitchen equipment, making it easier for new restaurants to locate in the District.

- Port of Morrow, Boardman: The 2<sup>nd</sup> largest port in Oregon has contributed to the average annual wage in Morrow County reaching \$40-\$42,500 (Source: Oregon Employment Department, August 31, 2012).

## **Recommendations**

The recommended course of action is to place highest priority on those projects which immediately increase the value of properties within the urban renewal district as a whole. Following the URA Plan, the Granada Block/Hotel project fulfills the highest number of goals, while simultaneously fulfilling the AORA Best Practices Guidebook goal of increasing downtown property values far more than any other single project.

Other projects that will increase values of downtown properties include:

- 1st Street Streetscape
- 3rd Place Streetscape
- 3rd Street Streetscape
- 4th Street Streetscape
- A proposed façade restoration program awarding grants to for-profit businesses within the urban renewal district

Next priority should be put on projects meeting the goal of growing the labor market and creating jobs – namely:

- the ongoing Civic Auditorium restoration activities
- the Downtown Parking Structure.

These projects specifically address the highest priorities of both enhancing public health, safety, and welfare, and creating a well-balanced physical and economic environment.

Other current and developing URA projects, such as the Lewis & Clark Park Fountain or the Mill Creek Greenway, have worthwhile objectives addressing community amenities and correct for market failures resulting in residents' exclusion from activities which nurture health and well-being and social relationships. All three areas of activity for urban renewal activities, including increasing access to the local labor market, health and well-being and social relationships, should be pursued by the URA. However, the highest consideration should always be given to projects that increase property values and improve the public health and economic environments.

This report strongly recommends that both the Urban Renewal Advisory Committee and the Urban Renewal Agency consider as a priority a proposed amendment to the existing façade restoration program. The existing program offers matching grants to façade restoration projects for “public, non-profit, and civic organizations” only. The proposed amendment calls for the expansion of the program to include for-profit businesses. Given the abundance of for-profit business properties within the urban renewal district and lack of participation in the agency's

low-interest loan program to incentivize façade restoration for such properties, the expansion of the current program will greatly improve the appearance and value of Downtown The Dalles.

### **Works Cited**

American Society of Planning Officials. (1959). *Central Business District Goals*. Chicago: American Society of Planning Officials.

Burgers, J., & Vranken, J. (2007). *How to Make a Successful Urban Development Programme: Experiences from Nine European Countries*. Antwerp, Belgium: Urban Governance, Social Inclusion and Sustainability.

City of Burlingame, (2010). *Burlingame Downtown Specific Plan*. Burlingame, California: City of Burlingame.

Peters, A., & Fisher, P. (2004). The Failures of Economic Development Incentives. *Journal of the American Planning Association*, 70(1), pp. 27-37.

Pollin, R. (2007, Spring). Economic Propsects: making the Federal Minimum Wage a Living Wage. *New Labor Forum*, pp. 103-107.

**Urban Renewal Agency Project Summary**

<b>TITLE</b>	<b>1ST ST. STREETSCAPE</b>
<b>OVERALL GOAL</b>	1 <sup>st</sup> Street improvements include street, utilities, curbs, sidewalks, lighting, landscaping, and associated improvements.
<b>UR PLAN GOAL(S) ADDRESSED</b>	Improve the visual appearance, capacity, and traffic flow in areas where development would otherwise be inhibited
<b>BENEFITS/ DRAWBACKS</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• “An improved central business district appearance makes for a more distinctive character and entices more shoppers downtown. The success of designed shopping centers has demonstrated to the satisfaction of most people that "amenity" — pleasant surroundings, including some landscaping — is profitable” (American Society of Planning Officials, 1959).</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• Specific economic benefits to parties except the taxing agency cannot be identified.</li> </ul>
<b>FUNDING</b>	The 1st St. streetscape project is estimated at \$1,900,000. Costs will be shared between the Agency and an LID assessment on property owners. It is expected that the Agency will contribute 90% of the costs or \$1,710,000 for this project over FY 14/15 and FY 15/16 in connection with the Washington St. Underpass project.

### Urban Renewal Agency Project Summary

<b>TITLE</b>	<b>3RD PLACE STREETScape</b>
<b>OVERALL GOAL</b>	<p>3<sup>rd</sup> Place street improvements include street, utilities, curbs, sidewalks, lighting, landscaping, and associated improvements</p> <p>According to the 2009 UR Plan, 3<sup>rd</sup> Place is not to city standards and is in need of upgrading. The street is blighted in accordance with ORS 457.010(1)(e)..</p>
<b>UR PLAN GOALS(S) ADDRESSED</b>	Create positive linkages among the Downtown and the West Gateway Area
<b>BENEFITS/ DRAWBACKS</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• “An improved central business district appearance makes for a more distinctive character and entices more shoppers downtown. The success of designed shopping centers has demonstrated to the satisfaction of most people that "amenity" — pleasant surroundings, including some landscaping — is profitable” (American Society of Planning Officials, 1959).</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• Specific economic benefits to parties except the taxing agency cannot be identified.</li> </ul>
<b>FUNDING</b>	The 3rd Place streetscape project is estimated at \$1,000,000. Costs will be shared between the Agency and an LID assessment on property owners. It is expected that the Agency will contribute 90% of the costs or \$900,000 for this project over FY 19/20 and FY 21/22.

### Urban Renewal Agency Project Summary

<b>TITLE</b>	<b>3RD ST. STREETScape</b>
<b>OVERALL GOAL</b>	3 <sup>rd</sup> St. street improvements include street, utilities, curbs, sidewalks, lighting, landscaping, and associated improvements.
<b>UR PLAN GOAL(S) ADDRESSED</b>	Improve the visual appearance, capacity, and traffic flow in areas where development would otherwise be inhibited
<b>BENEFITS/ DRAWBACKS</b>	<p>Benefits –</p> <ul style="list-style-type: none"><li>• “An improved central business district appearance makes for a more distinctive character and entices more shoppers downtown. The success of designed shopping centers has demonstrated to the satisfaction of most people that "amenity" — pleasant surroundings, including some landscaping — is profitable” (American Society of Planning Officials, 1959).</li></ul> <p>Downsides –</p> <ul style="list-style-type: none"><li>• Specific economic benefits to parties except the taxing agency cannot be identified.</li></ul>
<b>FUNDING</b>	The 3rd St. streetscape project is estimated at \$2,750,000. Costs will be shared between the Agency and an LID assessment on property owners. It is expected that the Agency will contribute 90% of the costs or \$2,475,000 for this project over FY 16/17 and FY 17/18.

**Urban Renewal Agency Project Summary**

<b>TITLE</b>	<b>4TH ST. STREETScape</b>
<b>OVERALL GOAL</b>	4 <sup>th</sup> St. street improvements include street, utilities, curbs, sidewalks, lighting, landscaping, and associated improvements.
<b>UR PLAN GOAL(S) ADDRESSED</b>	Improve the visual appearance, capacity, and traffic flow in areas where development would otherwise be inhibited
<b>BENEFITS/ DOWNSIDES</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• “An improved central business district appearance makes for a more distinctive character and entices more shoppers downtown. The success of designed shopping centers has demonstrated to the satisfaction of most people that "amenity" — pleasant surroundings, including some landscaping — is profitable” (American Society of Planning Officials, 1959).</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• Specific economic benefits to parties except the taxing agency cannot be identified.</li> </ul>
<b>FUNDING</b>	The 4th St. streetscape project is estimated at \$1,500,000. Costs will be shared between the Agency and an LID assessment on property owners. It is expected that the Agency will contribute 90% of the costs or \$1,350,000 for this project over FY 17/18 and FY 18/19.

**Urban Renewal Agency Project Summary**

<b>TITLE</b>	<b>CIVIC AUDITORIUM</b>
<b>OVERALL GOAL</b>	Restore the largest-occupancy theater/auditorium venue from Portland to Boise to operational and historic condition.
<b>UR PLAN GOAL(S) ADDRESSED</b>	<p>Participate in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved</p> <p>Assist property owners in the rehabilitation of their buildings and property</p>
<b>BENEFITS/ DOWNSIDES</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• Restoring the Civic’s 1,100 seat theatre/auditorium would create the largest major entertainment venue between Portland and Boise.</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• “Given a typical incentive package that represents about a 30% cut in state and local taxes... only about 1 in 10 new jobs in the average community will actually be attributable to the incentives” (Peters &amp; Fisher, 2004).</li> </ul>
<b>FUNDING</b>	<p>The Civic Auditorium is an identified project in the Agency Plan. The Civic Auditorium Historic Preservation Committee is currently pursuing a theater restoration project estimated between \$3 and \$5 million. The Agency is expected to contribute \$300,000 in FY 14/15 towards that effort.</p> <ul style="list-style-type: none"> <li>• Final engineering and architectural design needs to be completed</li> <li>• Major structural and design upgrades necessary</li> <li>• Upgrade and install lighting, sound and other theater technology</li> </ul>

**Urban Renewal Agency Project Summary**

<b>TITLE</b>	<b>DOWNTOWN PARKING STRUCTURE</b>
<b>OVERALL GOAL</b>	Construction of a 300+ stall parking structure featuring 1 <sup>st</sup> floor retail on city-owned lot adjacent to proposed Washington St. Plaza and proposed hotel; facility will serve parking needs of downtown and proposed hotel
<b>UR PLAN GOAL(S) ADDRESSED</b>	Participate in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved
<b>BENEFITS/ DOWNSIDES</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• The first floor of the parking structure will contain retail spaces near new attractors such as the Washington St. Underpass/plaza, L&amp;C Park and Fountain and cruise ship dock.</li> <li>• Development of the Granada Block will preserve the historic Granada Theatre and introduce a 5-story nationwide hotel chain to downtown, also near attractors such as the Washington St. underpass/plaza, L&amp;C Park and Fountain and cruise ship dock.</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• “Given a typical incentive package that represents about a 30% cut in state and local taxes... only about 1 in 10 new jobs in the average community will actually be attributable to the incentives” (Peters &amp; Fisher, 2004).</li> </ul>
<b>FUNDING</b>	The downtown parking structure on the existing City lot is estimated at \$4,888,520. A private developer will be providing about \$2,700,000 (55.2%). The remaining \$2,188,520 will be from bond proceeds paid back with room tax from the new hotel.

### Urban Renewal Agency Project Summary

<b>TITLE</b>	<b>GRANADA BLOCK/HOTEL</b>
<b>OVERALL GOAL</b>	Demolition of Recreation Building and construction of a five-story convention center hotel; renovation of Granada Theater; possible demolition or renovation of Blue Building on Washington St.
<b>UR PLAN GOAL(S) ADDRESSED</b>	<p>Make strategic investments of urban renewal funds so that unused and underused properties can be placed in productive condition and utilized</p> <p>Participate in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved</p>
<b>BENEFITS/ DRAWBACKS</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• Development of the Granada Block will preserve the historic Granada Theatre and introduce a 5-story nationwide hotel chain to downtown, also near attractors such as the Washington St. underpass/plaza, L&amp;C Park and Fountain and cruise ship dock.</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• “Given a typical incentive package that represents about a 30% cut in state and local taxes... only about 1 in 10 new jobs in the average community will actually be attributable to the incentives” (Peters &amp; Fisher, 2004).</li> </ul>
<b>FUNDING</b>	The Granada Block line item refers to costs to the City in preparing the Granada Block for development. The total cost to the Agency is projected at \$912,500. The remaining \$712,500 in FY 2012/13 is for archeological investigations, utility relocations, and \$200,000 in FY 2013/14 for renovation of the Granada Theater.

**Urban Renewal Agency Project Summary**

<b>TITLE</b>	<b>LEWIS &amp; CLARK FESTIVAL PARK FOUNTAIN</b>
<b>OVERALL GOAL</b>	Create a fountain/art piece that will serve as the center point of the Downtown/Riverfront Renaissance Plan
<b>UR PLAN GOAL(S) ADDRESSED</b>	Improve access and connections from downtown to the Riverfront and to provide facilities, such as trails and a public dock, to enhance public use of the Riverfront
<b>BENEFITS/ DRAWBACKS</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• Unobstructed view of fountain from Court St., 1<sup>st</sup> St. or I-84.</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• A lack of businesses and other attractors on 1<sup>st</sup> St. and regularly scheduled events at Festival Area will not draw people to view the fountain.</li> <li>• W. 2<sup>nd</sup> St. roundabout is not being constructed in conjunction with a new attractor such as the Sunshine Mill.</li> <li>• Project does not specifically directly addresses goals such as public health or encouraging economic development and job creation</li> </ul>
<b>FUNDING</b>	<p>The Lewis and Clark Memorial Art Sculpture-Fountain is estimated at \$395,000 with the Agency contributing \$100,000 in FY 14/15. The City has also secured a \$100,000 donation from a private donor. Staff will try to obtain the remainder from grants and local fundraising efforts.</p> <ul style="list-style-type: none"> <li>• Sculptor has completed conceptual design</li> <li>• Preliminary cost estimates have been conducted</li> </ul>

**Urban Renewal Agency Project Summary**

<b>TITLE</b>	<b>MILL CREEK GREENWAY</b>
<b>OVERALL GOAL</b>	Create a pedestrian and bicycle trail along Mill Creek from 13 <sup>th</sup> St. to 2 <sup>nd</sup> St.; current Mill Creek Greenway Trail is a blighting condition in accordance with ORS 457.010 (1)(e).
<b>UR PLAN GOAL(S) ADDRESSED</b>	Create positive linkages among the Downtown and the West Gateway Area.
<b>BENEFITS/ DRAWBACKS</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• Trails and greenways provide countless opportunities for economic renewal and growth; increased property values and tourism and recreation-related spending on items such as bicycles, in-line skates and lodging are just a few of the ways trails and greenways positively impact community economies.</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• Project does not specifically directly addresses goals such as public health or encouraging economic development and job creation</li> </ul>
<b>FUNDING</b>	The Mill Creek Greenway trail improvements are estimated at \$1,000,000 with the Agency contributing \$633,694. \$40,000 is budgeted to be used as match for grants in FY 14/15 and \$553,694 is contemplated for trail construction over FY 21/22 and FY 22/23.

**Urban Renewal Agency Project Summary**

<b>TITLE</b>	<b>PROPERTY OWNER REHABILITATION</b>
<b>OVERALL GOAL</b>	Assist downtown property owners in the renovation/restoration of commercial storefronts
<b>UR PLAN GOAL(S) ADDRESSED</b>	<ul style="list-style-type: none"> <li>• Make strategic investments of urban renewal funds so that unused and underused property can be placed in productive condition and utilized.</li> <li>• Participate in specific opportunities for business, civic, residential , cultural and tourist related property to be developed, redeveloped, improved, rehabilitated and conserved.</li> <li>• Assist property owners in the rehabilitation of their buildings and property.</li> </ul>
<b>BENEFITS/ DRAWBACKS</b>	<ul style="list-style-type: none"> <li>• Enhance the City’s sense of community by creating a strong and visible retail service center in the downtown area;</li> <li>• Increase the pace of downtown development that would not normally occur unless the market produced such development; and to</li> <li>• Keep businesses from relocating who would otherwise find it economically difficult to continue providing service in the downtown area without improvements to the exterior appearance of their building.</li> </ul>
<b>FUNDING</b>	FY 2013-14 Ongoing Property Rehabilitation Projects: Columbia Bank – MJG                      \$43,855 Canton Wok                                      \$3,300 Dong Xi                                              \$7,440 Gayer Bldg.                                        \$19,380 Grenada Theater Improvements \$200,000 Mural Society                                      \$18,000 Art Center                                         \$14,313 St. Peter’s Landmark                         \$18,250 <u>New undetermined projects</u> \$56,885 Total:                                                 \$381,423

**Urban Renewal Agency Project Summary**

<b>TITLE</b>	<b>WEST GATEWAY IMPROVEMENTS</b>
<b>OVERALL GOAL</b>	Create a gateway into the downtown area from the west and I-84 off-ramp, slow traffic, signalize the intersection at W. 2nd and Cherry Heights Rd. or a roundabout and provide better access onto adjacent properties; streetscape and utility improvements
<b>UR PLAN GOAL(S) ADDRESSED</b>	Create positive linkages among the Downtown and the West Gateway Area
<b>BENEFITS/ DRAWBACKS</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• W. 2<sup>nd</sup> St. signal or a roundabout would improve traffic flow at Cherry Heights Rd. and W. 2<sup>nd</sup> St.</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• W. 2<sup>nd</sup> St. roundabout is not being constructed in conjunction with a new attractor such as the Sunshine Mill.</li> <li>• Project does not specifically directly addresses goals such as public health or encouraging economic development and job creation</li> </ul>
<b>FUNDING</b>	The West Gateway project contemplates \$1,600,000 for a roundabout and other improvements to the west side entrance to downtown near Cheery Heights Rd. Costs will be shared between the Agency and an LID assessment on property owners. It is expected that the Agency will contribute \$1,440,000 to this project .

## Urban Renewal Agency Project Summary

<b>TITLE</b>	<b>W. 2<sup>nd</sup> STREET INFRASTRUCTURE</b>
<b>OVERALL GOAL</b>	Create a streetscape improvements
<b>UR PLAN GOAL(S) ADDRESSED</b>	Create positive linkages among the Downtown and the West Gateway Area
<b>BENEFITS/ DRAWBACKS</b>	<p>Benefits –</p> <ul style="list-style-type: none"><li>• Extends downtown streetscape improvement west of the West Gateway to Webber Street</li><li>• Improves vehicle, bicycle and pedestrian access into adjacent businesses</li></ul> <p>Downsides –</p> <ul style="list-style-type: none"><li>• Project does not specifically directly addresses goals such as public health or encouraging economic development and job creation</li></ul>
<b>FUNDING</b>	The West 2nd Street Infrastructure project included improvements to the portion of W. 2nd Street from the I-84 overpass east of Cherry Heights to Webber Street estimated at \$1,000,000.

**Urban Renewal Agency Project Summary**

<b>TITLE</b>	<b>WASHINGTON STREET UNDERPASS</b>
<b>OVERALL GOAL</b>	<p>Phase I is a pedestrian-only access tunnel under railroad tracks connecting Washington Street to Lewis and Clark Festival Area Park; Below-grade pedestrian plaza from 2nd Street to tunnel; New street construction and sidewalk along W. 1<sup>st</sup> St.</p> <p>Phase II extends this Washington Street pedestrian path; Underpass under I-84 connecting the Lewis and Clark Festival Area Park to the Riverfront Trail.</p>
<b>UR PLAN GOAL(S) ADDRESSED</b>	<p>Improve access and connections from downtown to the Riverfront and to provide facilities, such as trails and a public dock, to enhance public use of the Riverfront</p>
<b>BENEFITS/ DRAWBACKS</b>	<p>Benefits –</p> <ul style="list-style-type: none"> <li>• Underpass is an attention grabbing component of the overall vision to connect downtown to the festival area/riverfront.</li> </ul> <p>Downsides –</p> <ul style="list-style-type: none"> <li>• Without Phase II, the underpass only bypasses the railroad tracks and connects downtown to the Riverfront Trail via the L&amp;C Festival Area’s access to the existing Union Street Underpass.</li> </ul>
<b>FUNDING</b>	<p>The Washington Street Underpass project is estimated at \$6,400,000 with the Agency contributing \$3,198,000. All, but \$2,334,880 of the Agency’s contribution has been budgeted in FY 2013/14 for engineering design. It is anticipated that the project will carry over from FY 13/14 to FY 14/15 to line up with the Granada Block property.</p>

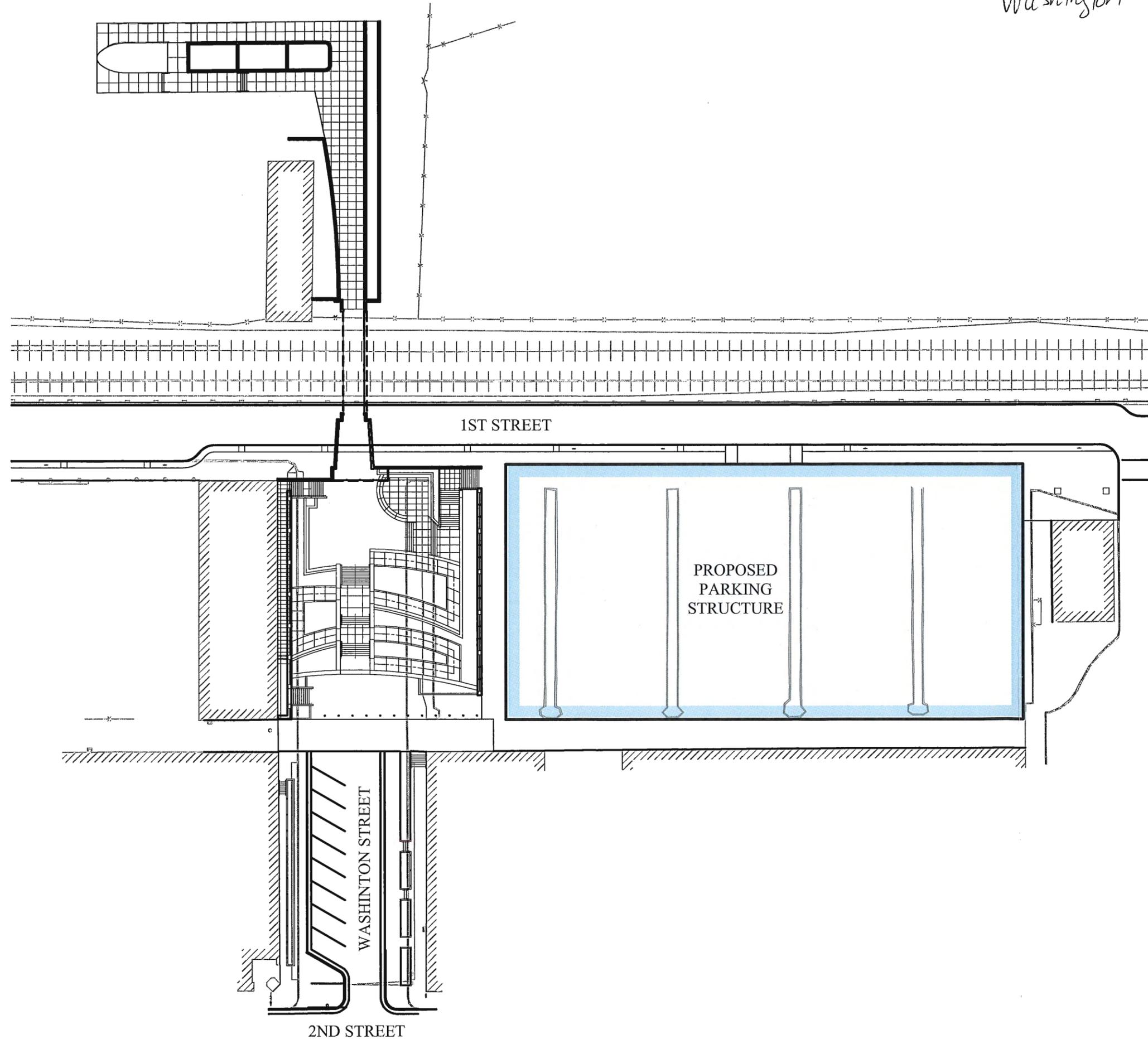
**URBAN RENEWAL PROJECTS: CONCEPTUAL DESIGNS**

**Table of Contents**

<b>Project</b>	<b>Pages</b>
<b>1. Washington Street/1<sup>st</sup> Street Streetscape &amp; Undercrossing</b>	<b>6</b>
<b>2. Granada Block Redevelopment</b>	<b>5</b>
<b>3. Downtown Parking Structure</b>	<b>3</b>
<b>4. West 3<sup>rd</sup> Place Streetscape</b>	<b>1</b>
<b>5. West Gateway Project</b>	<b>1</b>
<b>6. Mill Creek Greenway</b>	<b>2</b>

ATTACHMENT A

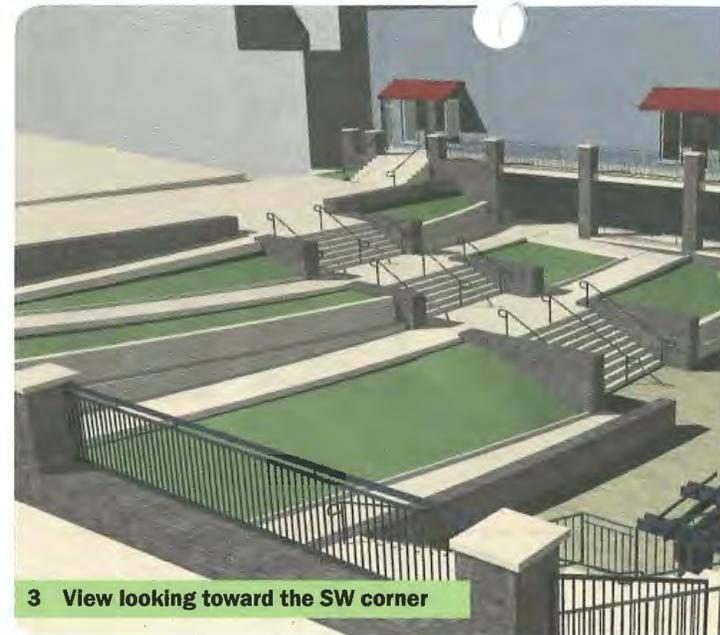
Washington Street RR Undercrossing



PROPOSED STREETSCAPE  
1" = 50'-0"



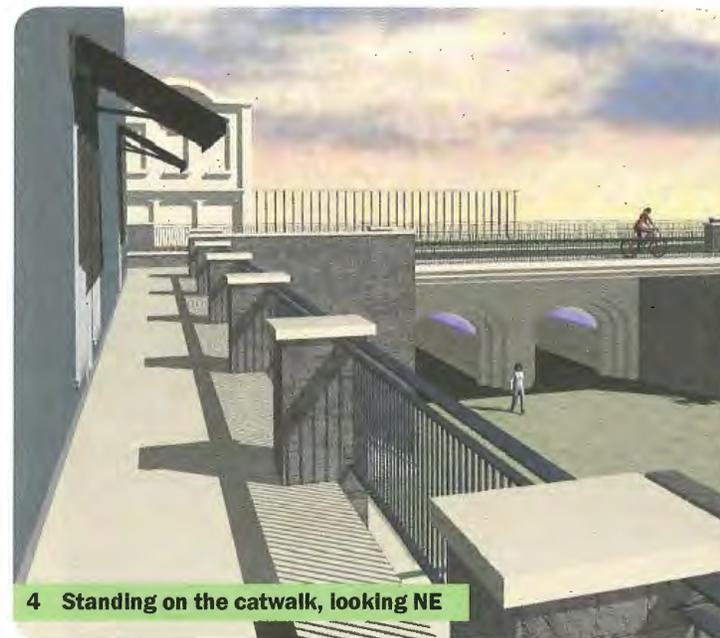
1 View looking toward NW corner



3 View looking toward the SW corner



2 Plaza Aerial



4 Standing on the catwalk, looking NE



THE DALLES RIVERFRONT • *Design Refinement*

GREENWORKS

kpff

Nathan Good Architects PC

WASHINGTON STREET PLAZA C

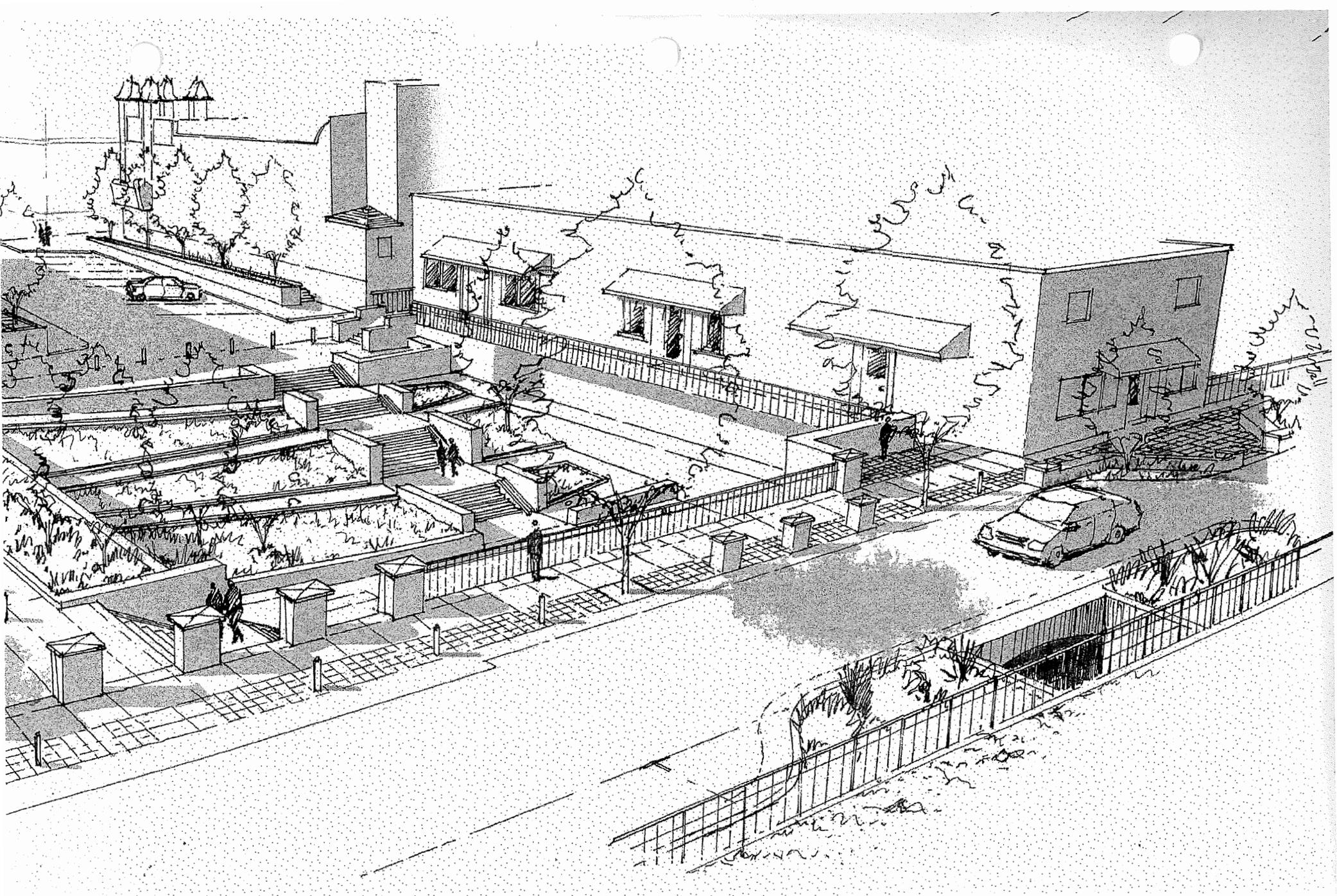
# 3MITAL

## 09



**30% DES  
MA**





# Hotel – Conceptual Rendering (2<sup>nd</sup> Street Perspective)



All information is preliminary and subject to further revision.

## Hotel – Conceptual Rendering (2<sup>nd</sup> Street Perspective)



All information is preliminary and subject to further revision.



# Hotel – Conceptual Rendering *(Washington Street Perspective)*



**CSHQA**

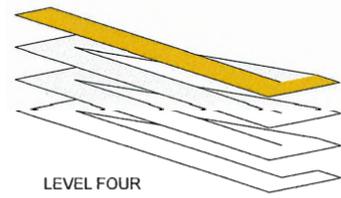
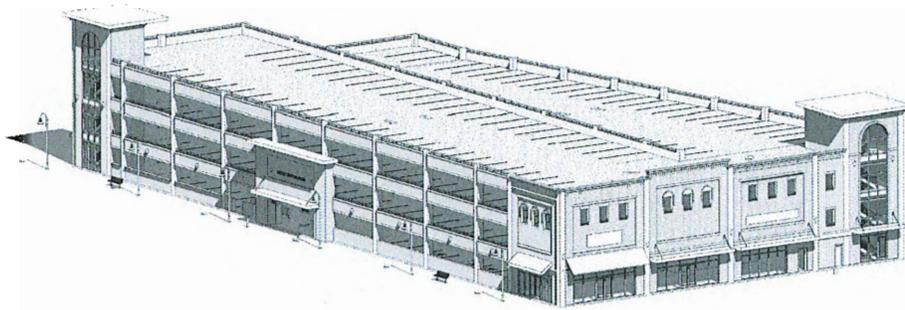
All information is preliminary and subject to further revision.

# Hotel – Conceptual Rendering *(1<sup>st</sup> Street Perspective)*

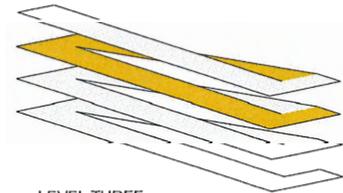


All information is preliminary and subject to further revision.

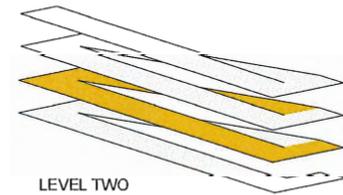




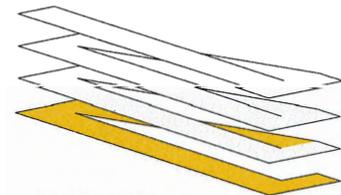
LEVEL FOUR



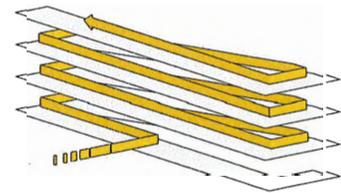
LEVEL THREE



LEVEL TWO



GROUND LEVEL



CIRCULATION PATH

<b>FLOOR AREA</b>	
PARKING AREA:	113,101SF
RETAIL/PUBLIC RESTROOMS:	2,756SF
<b>TOTAL</b>	<b>115,857SF</b>

<b>PARKING STALLS</b>	
LEVEL 1	86
LEVEL 2	94
LEVEL 3	94
LEVEL 4	48
<b>TOTAL</b>	<b>322 STALLS</b>

EXHIBIT 'A0.1' ORTHOGRAPHIC DRAWING

**PUBLIC PARKING GARAGE, THE DALLES OREGON**



C.W. MOORE PLAZA  
250 S. 5TH ST. BOISE, ID 83702  
(208) 343-4635 FAX (208) 343-1858  
<http://www.cshqa.com>

BRIDGING DOCUMENTS

SCALE: N.T.S

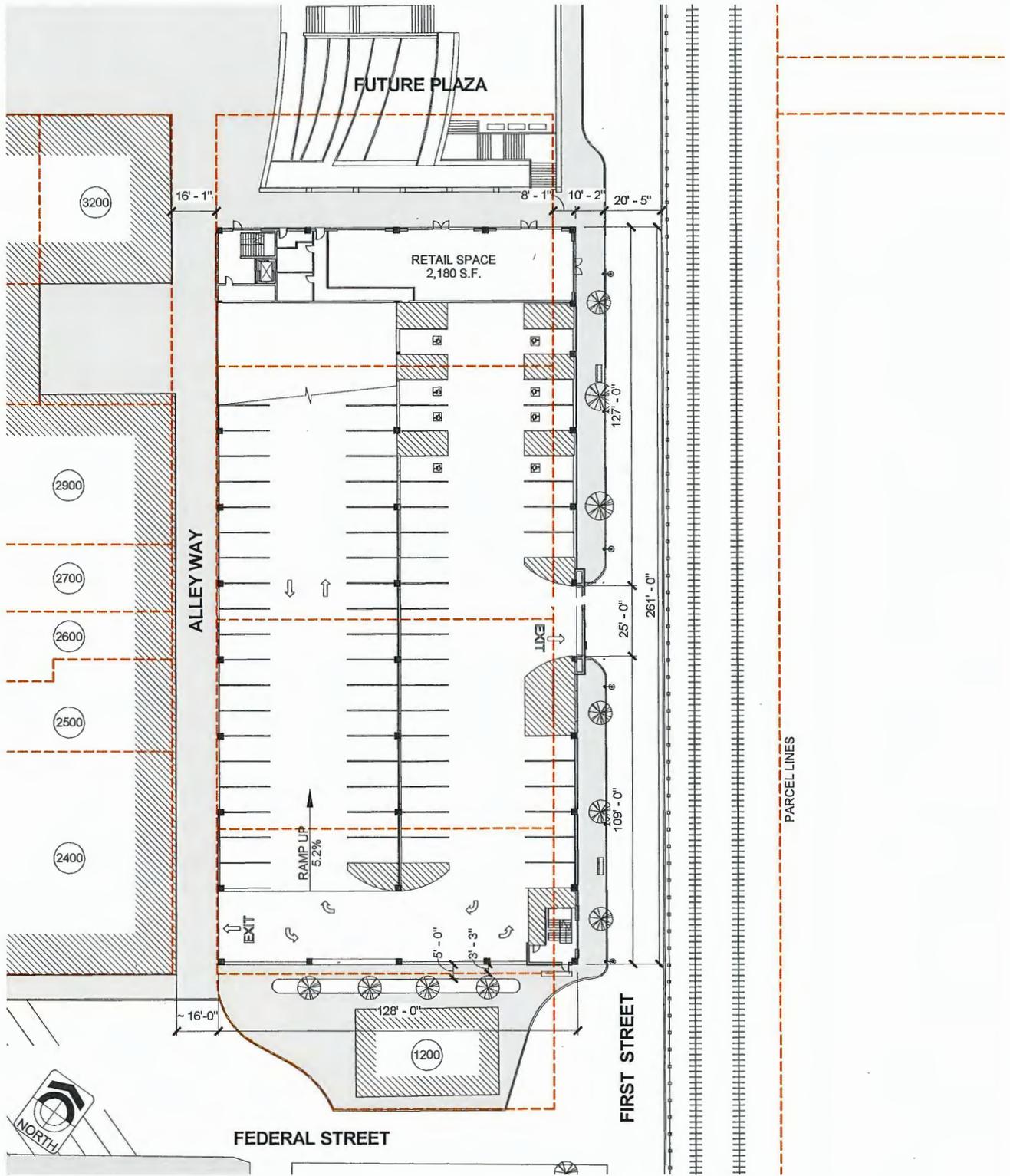


EXHIBIT 'A1' SITE PLAN

**PUBLIC PARKING GARAGE, THE DALLES OREGON**



C.W. MOORE PLAZA  
 250 S. 5TH ST. BOISE, ID 83702  
 (208) 343-4635 FAX (208) 343-1858  
<http://www.cshqa.com>

**BRIDGING DOCUMENTS**

SCALE:  
 1" = 50'-0"

# 3rd & 4th Streets - Preferred Option





Project Description

- Begin entry sequence west of Cherry Heights.
- Signalize Cherry Heights at 2nd.
- Develop streetscape and planted islands to slow traffic.
- Develop limited Mill Creek overflow.
- Meander 2nd to allow walkway on both sides of street around rock outcrop and slow traffic.
- Add bike lanes from Cherry Heights to Pentland.
- Develop entry gateway at Lincoln and 2nd.

Prepared For



Prepared By



DAVID EVANS  
AND ASSOCIATES INC.



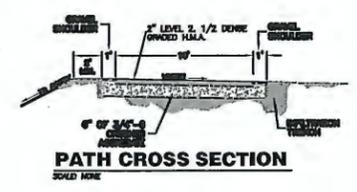
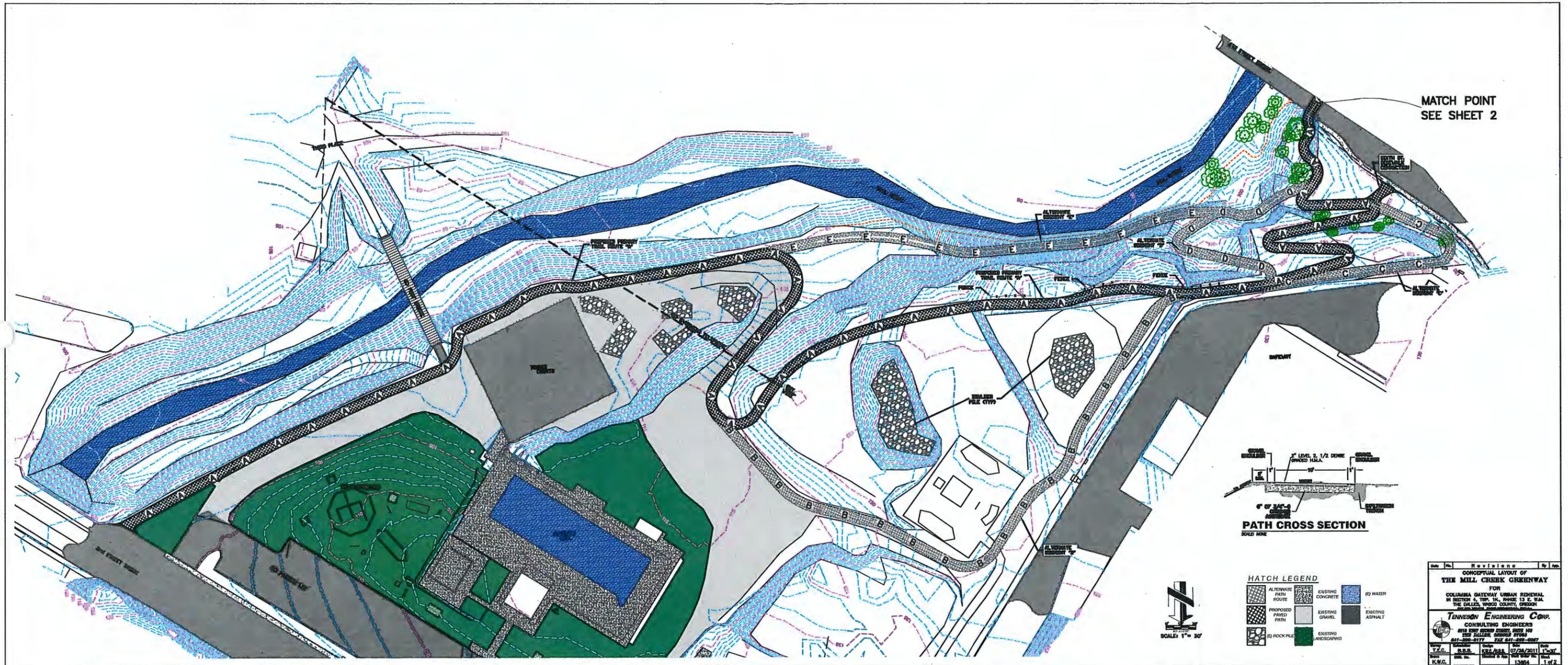
Note: Scale does not apply

FIGURE 9

West Gateway-Alternative 4

The Dalles Gateway/Transition Project

# Mill Creek Greenway

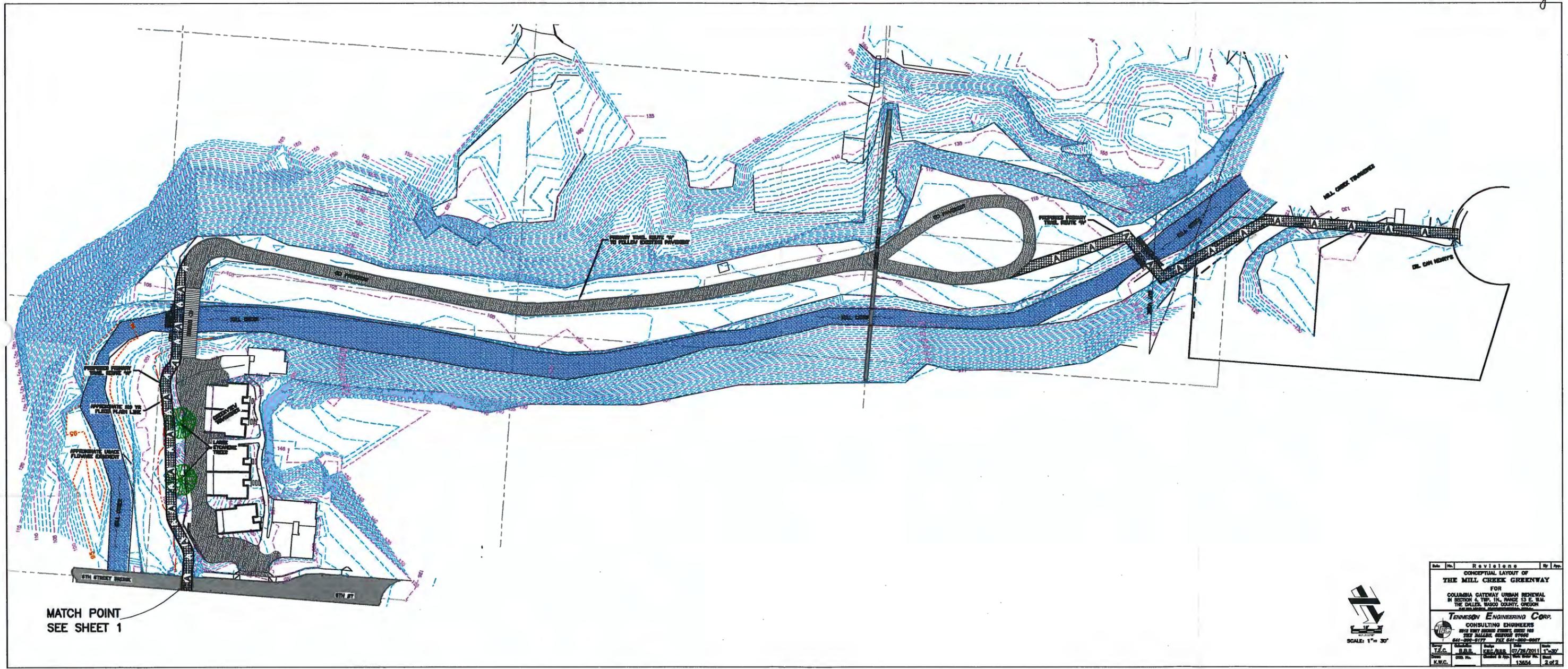


**HATCH LEGEND**

[Hatched Pattern]	ALTERNATE PATH ROUTE	[Hatched Pattern]	EXISTING CONCRETE	[Blue]	(F) WATER
[Hatched Pattern]	PROPOSED PAVED PATH	[Hatched Pattern]	EXISTING GRAVEL	[Grey]	EXISTING ASPHALT
[Hatched Pattern]	(R) ROCK PILE	[Green]	EXISTING LANDSCAPING		

Date	No.	Revisions	By	App.
CONCEPTUAL LAYOUT OF THE MILL CREEK GREENWAY FOR COLUMBIA GATEWAY URBAN RENEWAL IN SECTION 6, T10P. 1N., RANGE 13 E. WAL. THE DALLES, WOOD COUNTY, OREGON				
<b>TENNESON ENGINEERING CORP.</b> CONSULTING ENGINEERS 4014 10TH STREET, SUITE 100 THE DALLES, OREGON 97058 503-325-5177 FAX 503-325-5257				
Drawn	Checked	Date	Sheet	
T.E.C.	B.S.B.	K.M.A.	07/28/2011	1 of 2
Scale	Sheet #	Project #	1 of 2	
		13064		

# Mill Creek Greenway



MATCH POINT  
SEE SHEET 1



Date	No.	Revisions	By	App.
CONCEPTUAL LAYOUT OF <b>THE MILL CREEK GREENWAY</b> FOR COLUMBIA GATEWAY URBAN RENEWAL IN SECTION 4, T1P. 1N, RANGE 13 E. 34W. THE DALLES, WASHINGTON COUNTY, OREGON				
<b>TENNESON ENGINEERING CORP.</b> CONSULTING ENGINEERS 2010 WEST JORDAN STREET, SUITE 100 THE DALLES, OREGON 97130 TEL: 503-817-7777 FAX: 503-817-7777				
T.E.C.	B.B.R.	K.M.C./B.R.	07/28/2011	1"=30'
001	001	001	130564	2 of 2

Urban Renewal: Recommended Schedule of Projects

	Total @ 2014	FY 2014-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 25-26
Beginning Fund Balance		3,870,000	529,212	908,424	1,387,836	473,048	810,510	514,222	906,934	686,546	496,158	338,083	574,914	350,000
Property Tax	N/A	1,455,450	1,553,000	1,656,000	1,784,000	1,873,000	1,910,000	1,949,000	1,988,000	2,028,000	2,068,000	2,109,000	481,771	-
Bond Proceeds	N/A				2,750,000									
Other Income	N/A	4,050,000										365,406	282,415	
Interest Rev	N/A	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000		
<b>Total Resources</b>	N/A	9,380,450	2,087,212	2,569,424	5,926,836	2,351,048	2,725,510	2,468,222	2,899,934	2,719,546	2,569,158	2,817,489	1,339,100	350,000
<b>Bond Payments</b>	N/A	801,238	803,788	801,588	1,153,788	1,150,538	1,151,288	1,151,288	1,793,388	1,793,388	1,791,075	1,792,575	989,100	350,000
<b>Available Resources</b>	N/A	8,579,212	1,283,424	1,767,836	4,773,048	1,200,510	1,574,222	1,316,934	1,106,546	926,158	778,083	1,024,914	350,000	-
<b>Operating Costs</b>	N/A	170,000	175,000	180,000	185,000	190,000	200,000	210,000	220,000	230,000	240,000	250,000	-	-
PO Rehab committed loan	N/A	71,975	28,120	28,120	28,120	26,820	19,380							
Property Owner Rehab	N/A	328,025	171,880	171,880	171,880	173,180	180,620	200,000	200,000	200,000	200,000	200,000	-	-
Washington St Underpass	2,500,000	2,500,000												
1st Street Streetscape	1,710,000	1,710,000												
Granada Block Redevelop	570,000	570,000												
Parking Structure	2,300,000	2,300,000												
Civic Auditorium Theatre	300,000	300,000												
Lewis & Clark Fountain	100,000	100,000												
3rd Street Streetscape	2,475,000	-			2,475,000									
West Gateway	1,440,000	-			1,440,000									
4th Street Streetscape	1,350,000	-												
3rd Place Streetscape	900,000	-					660,000							
Mill Creek Greenway	640,000	-												
West 2nd Street	1,000,000	-												
<b>Total Expenditures</b>		8,851,238	1,178,788	1,181,588	5,453,788	1,540,538	2,211,288	1,561,288	2,213,388	2,223,388	2,231,075	2,242,575	989,100	350,000
<b>Ending Balance</b>	N/A	529,212	908,424	1,387,836	473,048	810,510	514,222	906,934	686,546	496,158	338,083	574,914	350,000	-

## Assumptions – Comments – Questions Urban Renewal Schedule of Projects

The purpose of this document is to identify the assumptions used to produce the schedule for Urban Renewal projects, based on estimated financial resources.

### I. Revenue:

- i. **Property Tax:** Property tax estimates are based on year to date actual from fiscal year 2013-14, increased by the projects made by Jeff Tashman, at about 6.8% for five years and then reduces to 2% for the remaining six years of the urban renewal plan. In FY 2025-26 the amount is only what is needed to retire remaining debt. Those amounts may increase if we collect less tax revenue than anticipated in prior years.
- ii. **Bond Proceeds:** It is anticipated that a \$2.75 million bond will be issued fiscal year 2015-16. A bond could not be issued until the Urban Renewal taxes received by the district exceed the 1.4 ratio of taxes received to operating revenue and current debt payments.
- iii. **Other Income:** Other income in fiscal year 2014-15 includes the following:
  - a. Granada Block property sale \$845,000
  - b. Room Tax 10 year loan of \$2.3 million for parking structure. The loan for the parking structure will be paid off by motel tax generated from the Granada Hotel
  - c. Repayment of the Sunshine Mill loan, \$600,000
  - d. Sale of the Sunshine Mill property, \$305,000
  - e. FY 2024-25 \$365,406 balloon payment for sale of Granada Theatre
  - f. FY 2025-26 repayment of the \$282,415 sale of Commodore Building

### II. Expenditures:

- i. **Bond Payments:**
  1. 2009 Series Bond – loan payments of approximately \$805,000 until 2022 when it increases to \$1.2 million to retire debt by 2024-25
  2. 2017-18 new bond - \$350,000 annual debt payment
- ii. **Property Owner Rehab:** This program has current commitments. We are aiming for an amount of \$200,000 per year in order to have a significant impact on buildings in the downtown and use of second floors to increase property values.
- iii. **The next four priorities:** Are for projects for which we have made commitments:
  - Washington Street Underpass and First Street Streetscape where we have accepted and been expending grant funds;
  - Granada Block redevelopment and parking structure where we have a signed development agreement;
  - The Civic Auditorium is included in order to fit into their current fundraising plan that has been kicked off;
  - Lewis and Clark fountain we have a \$100,000 private donation that we were trying to match.
- iv. **The remaining seven projects** are listed where they generally have been considered in the past. Currently we estimate that we lack the ability to contribute the full amount to the 3<sup>rd</sup> Place Streetscape and complete the Mill Creek Greenway and West 2<sup>nd</sup> Street improvements. We should continue to look for grant funds to help us achieve those goals.



## AGENDA STAFF REPORT

### URBAN RENEWAL

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
February 18, 2014	Discussion Item	

**TO:** Urban Renewal Advisory Committee

**FROM:** Jon Chavers, Administrative Fellow  
Nolan K. Young, City Manager *nky*

**DATE:** February 11, 2014

**ISSUE:** Discussion of proposed amendment to Columbia Gateway/Downtown Urban Renewal Plan

**BACKGROUND:** Low-interest loans are currently offered by the urban renewal agency for the purposed of façade rehabilitation to for profit businesses in the downtown area. These loans are underutilized by these businesses. Matching grants, which may be more attractive to for profit businesses, are also currently available for façade restoration, but to “public, non-profit, and civic organizations only” according to the Urban Renewal Plan. Changing the language of the Property Owner Rehabilitation Program Booklet, either to expand the current program or create a new and separate program to make matching grants available to for profit businesses in the downtown area will incentivize rehabilitation of downtown commercial properties.

This item is being brought to the URAC by Main Street as a discussion item. The first question is if there is an interest in this plan amendment. If there is we then need to discuss how the program would be designed.

#### **DISCUSSION:**

##### **I. Plan Amendment**

The Columbia Gateway Urban Renewal Plan, include, on page 18 Project 13 “Property Rehabilitation Grant and Loan Fund Program”, also on page 18,

Section 3 Redevelopment of Unused and Underused Land and Buildings and Other Civic Improvements) of the Columbia Gateway/Downtown Plan reads:

The Agency may provide grants and low interest loans for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated, and/or conserved. Grants shall be made to public, non-profit, and civic organizations **only** and on uses that serve a public purpose. Projects must meet the project selection criteria in order to be eligible to receive a grant. These grant and loans may include sprinkler systems for existing and new structures.

Through a minor amendment of the plan the grant program could include for profit property and business if the word “only” in bold above was removed.

II. Amendments to Property Rehabilitation Grant and Loan Program If the advisory committee decides to recommend adding for profit grants to the program there are a number of items to consider in structuring the program guidelines. Below is a listing of those items with a brief discussion.

A. Separate or new program: Do we simply amend the existing grant program to include for profit entities or do we develop a separate program that would be part of the larger property rehabilitation program guidelines. Staff recommendation is that we create a separate program; this will allow us to develop a specific budget to be used for this new program as well as to develop specific guidelines as further discussed below, since we may want to have a few more requirements in place when we start giving grants to for profit entities.

B. Who are eligible for grants: We have identified three options:

- 1) Property owners
- 2) Business owners who can show written evidence the property owner has authorized the work, or
- 3) Both

We would recommend allowing both.

C. Timing: The current grant program allows applications to be accepted twice a year. We are proposing that this new program would be open invitation, first come first serve basis with the agency having the option to delay a project for up to six months that meets fewer criterions to see if other high value projects need the funds.

D. Eligible activities: Currently the projects must meet the general selection criteria, and meet the goals of urban renewal. We see three potential additional considerations:

- 1) Restrict eligible activities to the restoration to any face of a building that is within public view including ADA accessibility, awnings, exterior lighting, exterior painting, permits, windows and so forth.

- 2) Give preferential consideration to projects that increase upstairs residential use of commercial properties within the urban renewal district.
- 3) In addition to the above criteria, require that only historic buildings qualify for the grant.

Staff recommendation is to include eligibility requirement 1 and 2.

E. Amount of contribution and match amounts: We have identified two options:

- 1) A maximum 50/50 match for all projects with a set dollar restriction of somewhere in the neighborhood of \$10,000 to \$15,000.
- 2) A tiered match requirement based on the amount of the request. For example: grants up to \$5,000 eligible for 75% grant and 25% match; grants up to \$10,000 with a 50/50 match; grants over \$10,000 and up to \$15,000 25% grant with a 75% match

The agency may want to consider the maximum amount of individual grants we are anticipating having between \$50,000 and \$100,000 available for this program beginning in fiscal year 2014-15. The lesser the individual grant amount the more businesses that could be affected; the larger the grant the more visible impact made per business.

F. Combine with any other property rehabilitation program: Should we allow those who receive the grants to be eligible for two other property owner grant programs that we currently have.

- 1) A one-time grant of up to \$3,000 for professional architectural and engineering design services, for restoration activities to meet historically compatible requirements.
- 2) Low interest loan for that portion of the project that the property owner is paying for.

G. Timeline: What type of requirements do we want to place on the work? Do we want the work to commence within one year of the application and completed within two? Or do we want the work to be completed within one year of the grant award? Or do we have some other guideline we wish to consider?

#### **BUDGET IMPLICATIONS:**

The proposed amendment does not require any changes to the amount of funds allocated towards the Property Rehabilitation Program this budget year. As discussed above we may wish to identify funds available for a separate program if interest is high.

One suggestion for the property grant program is for the first year to try 50/50 private/non-profit split of the grant funds available.

#### **COMMITTEE ALTERNATIVES:**

Provide feedback and input to staff on proposed amendments to the Property Owner Rehabilitation Program. If desired, staff will then bring back a proposed program for the March 18 URAC meeting based on the feedback received.

# Case Studies and Examples of Proposed Small Grants Façade Program

# Sandy, OR

Began in 2009

Initially allocated \$150,000

Now 1.8 million over 6 year period

## Goals

- Improve the aesthetic appearance of exterior facades in the Central Business District
- Restore unique historic character to buildings
- Encourage private investment in downtown properties and business

## 2 Programs

- Grant Program: Match from property owner dependent on project cost
- Façade Master Plan: Only 1% match from property owner

Only projects that are in compliance with the, “Sandy Style Design Standards”

-“Sandy Style”: Designed to reflect Oregon rustic architecture with stones, bricks, point rooftops, and wood columns

## Results:

-45 projects completed, 3 years in, spent half of their funds, 600,000 matching

Grant

Project Total: 84,000

Grant: 36,700

Roof normally not  
allowed, special  
consideration to fit  
with style



Master Plan

Project Total: 55,000

1% match from  
property owner and  
Urban Renewal paid  
99%

Property owner then  
paid for landscaping  
and interior  
improvements



Master Plan

Project Total: 25,000

1% match from  
property owner and  
Urban Renewal paid  
99%



# Milton-Freewater, OR

Urban Renewal Agency (URA) started in 1987

Sun setting this year

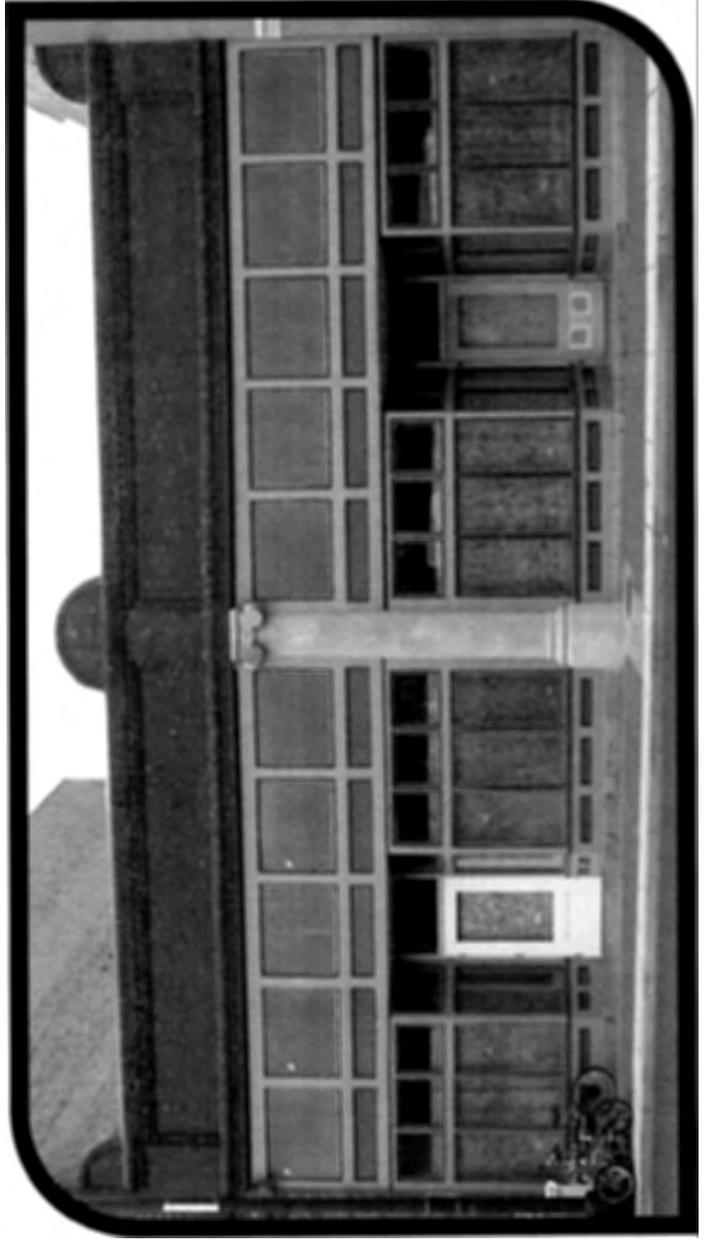
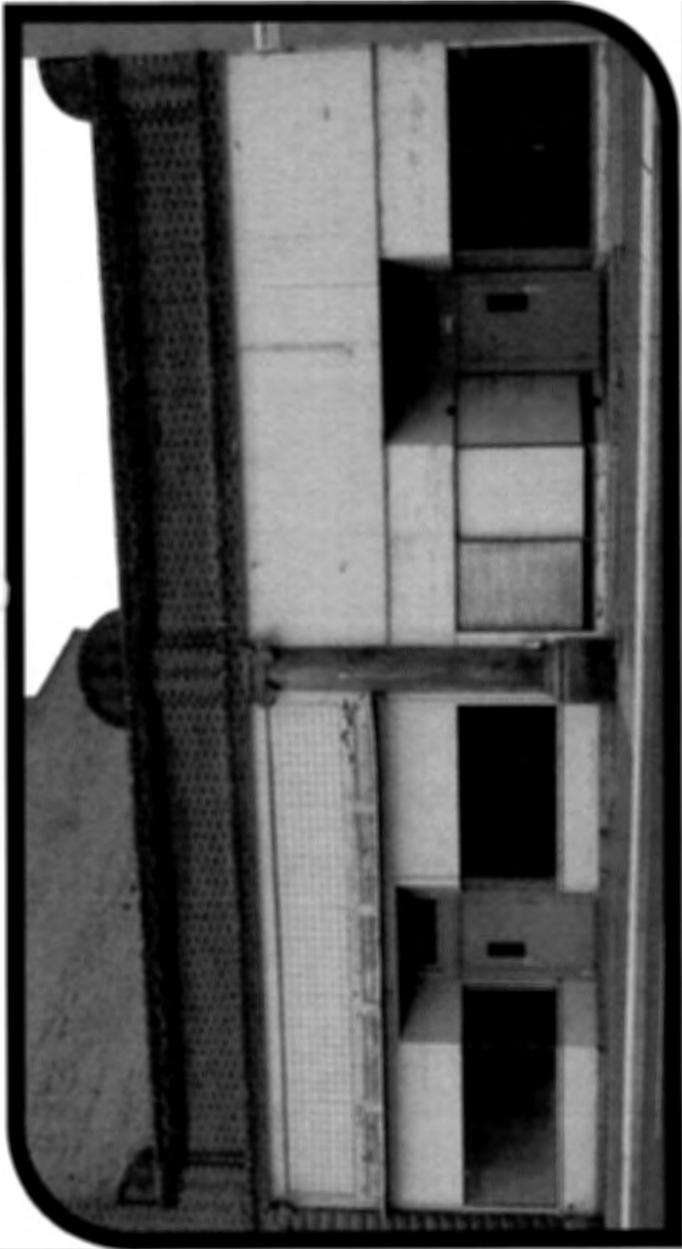
City Council approved URA funds for rehabilitation and improvements to existing commercial buildings

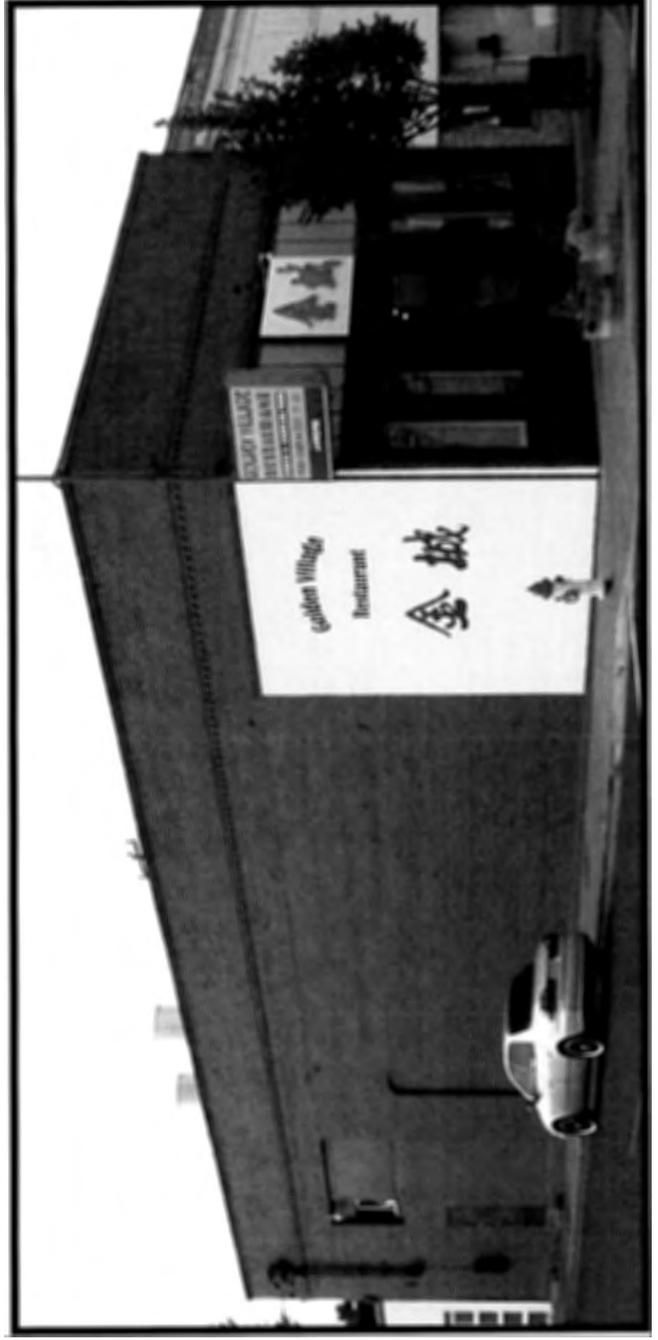
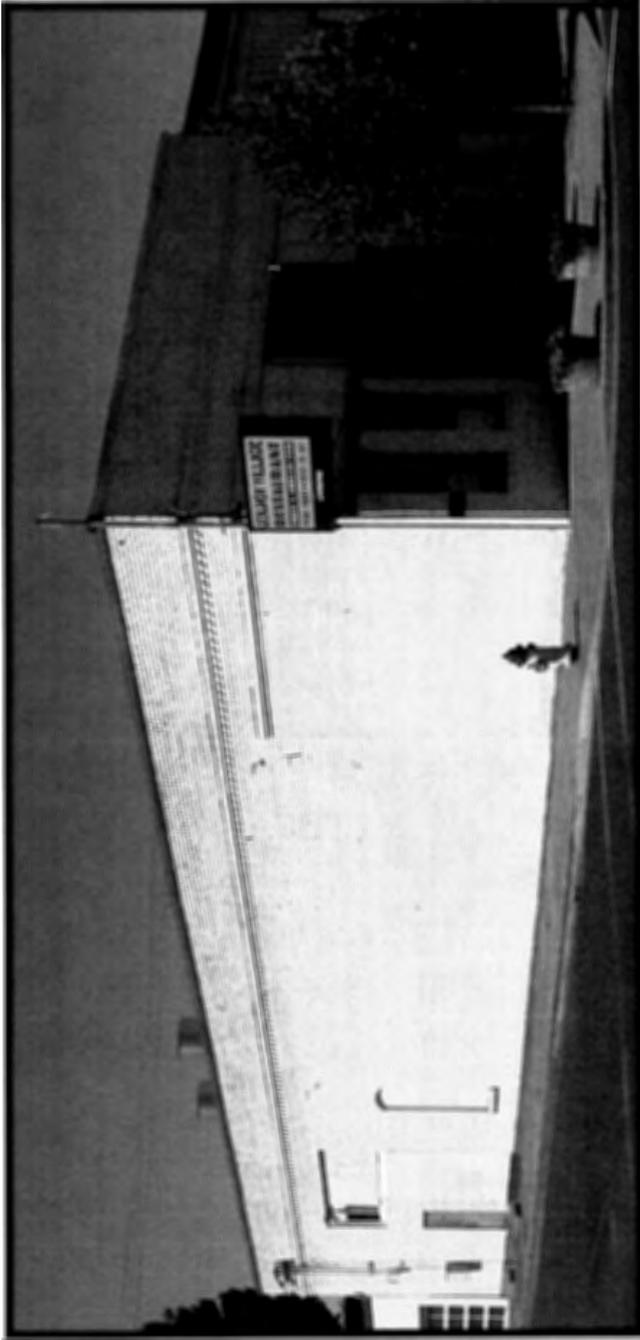
Projects must visually enhance the exterior and must be visible to the public

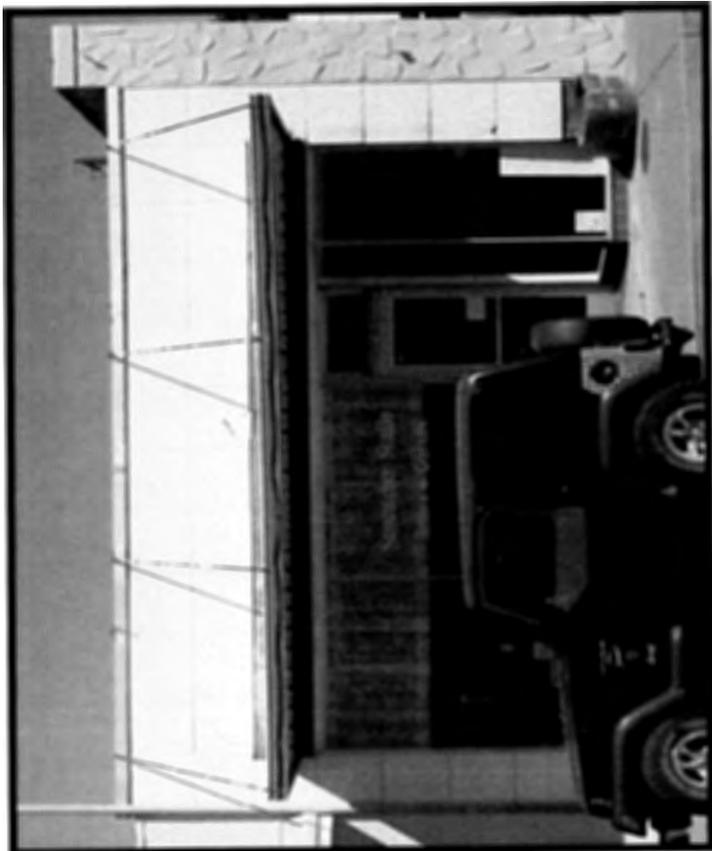
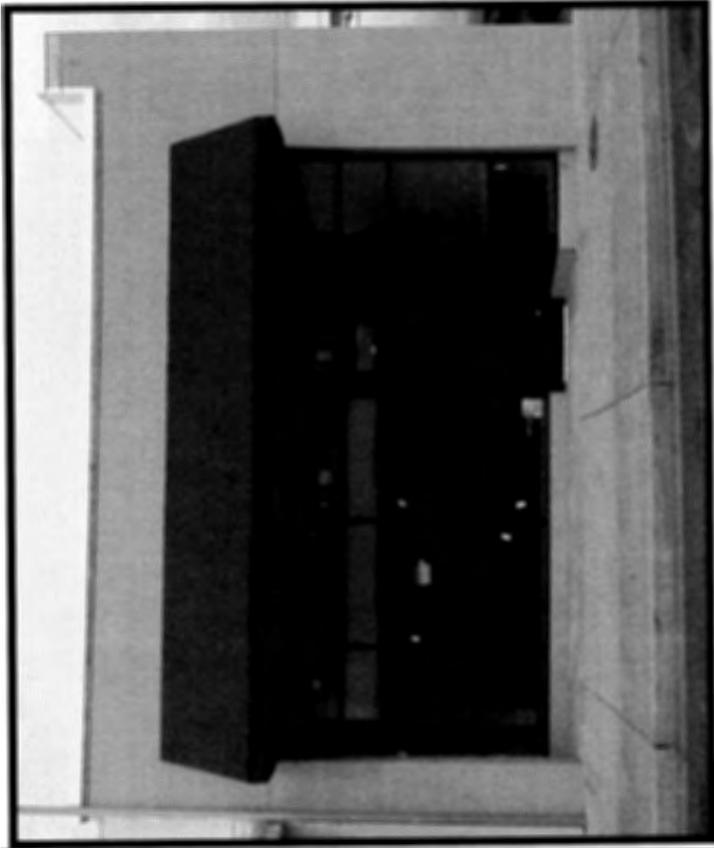
Grants originally started with a 50/50 match but was changed to 75/25 due to sun setting

Maximum grant award is \$25,000; total project cost can be higher

Main Street Organization acts as advocate for the program and assists in development and application process







## **Current Local Assistance**

- Interest rate subsidy program
- Low interest loans
- Purchase building and then lease to buy option
- Grant to non-profit/public organizations
- Opportunity dollars
- Architectural assistance
- Other assistance such as archeological work etc.

## **Area of Opportunity**

- Façade Grant Program

# Example of a Possible Program in The Dalles

\$100,000 Starting fund to be used over 1 year

Each year the fund will be replenished to \$100,000

Eligible projects include ADA accessibility, awnings, exterior lighting, exterior painting, permits and street facing windows.

Certain design guidelines must be followed if utilizing URA funds

If multiple applications submitted at once all projects may be approved, select projects may be approved, or none of the projects may be approved

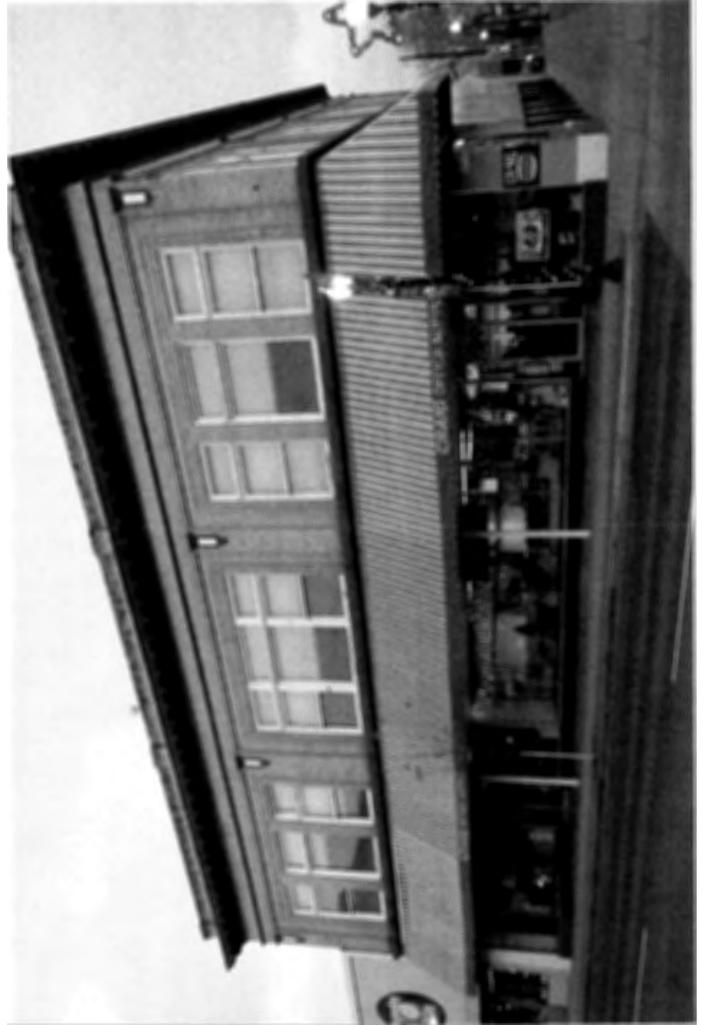
50/50 match for all projects

Main Street will advocate the program and help business/property owners properly prepare application

# Potential Projects in The Dalles











## ***URAC Update Memo – February 2014***

**Subject:** Granada Block Redevelopment Update

**To:** The Dalles City Council

**From:** Rapoza Development Group

**Date:** February 18, 2014

---

During meeting on February 18, Michael Leash (Rapoza Development Group) and Jason Pasternak (Wave Hospitality) provided the following update to the URAC. Jens von Gierke and John Lee were traveling and unable to attend.

As discussed during December 2013 meeting, RDG and partners will maintain an open dialogue with the City, and provide an update on a monthly basis, either in written format or in person.

**1. Equity Financing Update**

- Successful meetings during the ALIS (American Lodging and Investment Summit) conference in Los Angeles, at the end of January. With new, updated and value engineered GC bids – the internal project IM was distributed to several more potential equity groups.
- One of the very interested groups has local and Bend relationships, and Wave has worked in the past on several projects with them. Company is based in Colorado, but has projects on the West Coast.
- Expecting more formal discussions and review of terms during the next 30 days

**2. Debt Financing Update**

- Team had several talks with a real estate investment bank out of Bellevue, WA who has vast experience raising debt proceeds for commercial real estate (more than \$1-billion), particularly in hospitality assets, which has been their focus since 1997
- They are working with several local banks interested to provide non-recourse debt financing for this project

**3. Architectural/Design Update**

- The team has been putting a lot of efforts to Value Engineer the project, and increase the attractiveness to both debt and equity investors
- Have received two new estimates from reputable hotel GC's – Anderson and Jansen
- Also, updated estimates from Dale Johnson – JRA Architecture and Planning
- We are working to shave 10-15% off of our original construction budget – which will make this project more financeable

Wave Hospitality Advisors



#### **4. Hilton Update**

- Wave and VIP Hospitality met with Hilton (Patrick Speer) at ALIS at end of January
- Hilton remains fully committed and is excited about a project in The Dalles
- Can begin formal application process in next months – to begin to get Hilton’s input as we continue working through design process
- Our understanding is that due to legal/environmental issues – the Hilton project in Hood Rivers will continue to be delayed for an indefinite period of time until resolved

#### **5. PR Update**

- RDG has had continued discussions with Lee Weinstein and Weinstein PR out of Portland and their interest in this project and The Dalles
- Very important to continue to generate positive buzz about project as we are in stages raising debt and equity proceeds – as an additional level of comfort to potential investors

#### **6. Mid-Columbia Medical Center**

- Have continued talks with MCMC about leasing out space at Hotel – which will provide an additional amenity to Hotel guests and to Downtown
- Currently in discussions to further refine scope of MCMC involvement
- From a development standpoint – MCMC participation will help reduce build-out cost, as MCMC would directly participate in the built-out of the areas

#### **7. Archeological Update**

- RDG received draft report from AINW in January – and has reviewed findings
- Consistent with our understanding from previous reports – that there are more significant findings the deeper that we have to dig
- Based on current design plans – we do not anticipate having to go down deeper and disturb any significant findings – and we believe we will be able to keep costs at a minimum
- This will be a continued focus as we go through final design plans – and we will continue to update as we proceed

#### **8. Environmental Update**

- At this point in time – Wave/RDG/VIP do not anticipate any significant environmental hurdles
- However, upon securing final equity and debt financing, we will need final sign-off and approval from new partners



## ***URAC Update Memo – February 2014***

**Subject:** Granada Block Redevelopment Update

**To:** The Dalles City Council

**From:** Rapoza Development Group

**Date:** February 18, 2014

---

During meeting on February 18, Michael Leash (Rapoza Development Group) and Jason Pasternak (Wave Hospitality) provided the following update to the URAC. Jens von Gierke and John Lee were traveling and unable to attend.

As discussed during December 2013 meeting, RDG and partners will maintain an open dialogue with the City, and provide an update on a monthly basis, either in written format or in person.

**1. Equity Financing Update**

- Successful meetings during the ALIS (American Lodging and Investment Summit) conference in Los Angeles, at the end of January. With new, updated and value engineered GC bids – the internal project IM was distributed to several more potential equity groups.
- One of the very interested groups has local and Bend relationships, and Wave has worked in the past on several projects with them. Company is based in Colorado, but has projects on the West Coast.
- Expecting more formal discussions and review of terms during the next 30 days

**2. Debt Financing Update**

- Team had several talks with a real estate investment bank out of Bellevue, WA who has vast experience raising debt proceeds for commercial real estate (more than \$1-billion), particularly in hospitality assets, which has been their focus since 1997
- They are working with several local banks interested to provide non-recourse debt financing for this project

**3. Architectural/Design Update**

- The team has been putting a lot of efforts to Value Engineer the project, and increase the attractiveness to both debt and equity investors
- Have received two new estimates from reputable hotel GC's – Anderson and Jansen
- Also, updated estimates from Dale Johnson – JRA Architecture and Planning
- We are working to shave 10-15% off of our original construction budget – which will make this project more financeable

Wave Hospitality Advisors



#### **4. Hilton Update**

- Wave and VIP Hospitality met with Hilton (Patrick Speer) at ALIS at end of January
- Hilton remains fully committed and is excited about a project in The Dalles
- Can begin formal application process in next months – to begin to get Hilton’s input as we continue working through design process
- Our understanding is that due to legal/environmental issues – the Hilton project in Hood Rivers will continue to be delayed for an indefinite period of time until resolved

#### **5. PR Update**

- RDG has had continued discussions with Lee Weinstein and Weinstein PR out of Portland and their interest in this project and The Dalles
- Very important to continue to generate positive buzz about project as we are in stages raising debt and equity proceeds – as an additional level of comfort to potential investors

#### **6. Mid-Columbia Medical Center**

- Have continued talks with MCMC about leasing out space at Hotel – which will provide an additional amenity to Hotel guests and to Downtown
- Currently in discussions to further refine scope of MCMC involvement
- From a development standpoint – MCMC participation will help reduce build-out cost, as MCMC would directly participate in the built-out of the areas

#### **7. Archeological Update**

- RDG received draft report from AINW in January – and has reviewed findings
- Consistent with our understanding from previous reports – that there are more significant findings the deeper that we have to dig
- Based on current design plans – we do not anticipate having to go down deeper and disturb any significant findings – and we believe we will be able to keep costs at a minimum
- This will be a continued focus as we go through final design plans – and we will continue to update as we proceed

#### **8. Environmental Update**

- At this point in time – Wave/RDG/VIP do not anticipate any significant environmental hurdles
- However, upon securing final equity and debt financing, we will need final sign-off and approval from new partners