

IMPROVING OUR COMMUNITY



COLUMBIA GATEWAY URBAN RENEWAL AGENCY

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CITY OF THE DALLES

**AGENDA**  
**COLUMBIA GATEWAY**  
**URBAN RENEWAL ADVISORY COMMITTEE**

Conducted in a Handicap Accessible Meeting Room

**Meeting**

**Tuesday, August 19, 2014**

**5:30 pm**

**City Hall Council Chambers**

**313 Court Street**

**The Dalles, Oregon**

- I. CALL TO ORDER
  - A. Introduction of Committee Member Atha Lincoln
- II. ROLL CALL
- III. PLEDGE OF ALLEGIANCE
- IV. APPOINTMENT OF URBAN RENEWAL ADVISORY COMMITTEE CHAIRMAN
- V. APPROVAL OF AGENDA
- VI. APPROVAL OF MINUTES – July 15, 2014
- VII. PUBLIC COMMENT (for items not on the agenda)
- VIII. ACTION ITEM – Recommendation Concerning an Amendment to the Independent Order of Odd Fellows Urban Renewal Grant
- IX. ACTION ITEM – Recommendation Concerning Elks' Building Redevelopment Proposal, Request for Marketing Study Assistance
- X. ONGOING URBAN RENEWAL PROJECTS UPDATE
  - A. Granada Block Redevelopment Project
  - B. Non-Profit Property Owner Rehabilitation Grants
  - C. Other
- XI. FUTURE MEETING – September 16, 2014
- XII. ADJOURNMENT

**Columbia Gateway Urban Renewal Agency Advisory Committee  
Meeting Minutes**

**Tuesday, July 15, 2014**

**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 Kramer called the meeting to order at 5:01 PM.

**ROLL CALL**

Members Present: Steve Kramer, Jennifer Botts, Robin Miles, John Nelson, Linda Miller

Members Absent: Chris Zukin, Gary Grossman, Greg Weast

Staff Present: City Manager Nolan Young, Administrative Secretary Carole Trautman

Others Present: Economic Development Specialist Dan Durow

**PLEDGE OF ALLEGIANCE**

Kramer led the group in the Pledge of Allegiance.

**APPROVAL OF AGENDA**

It was moved by Nelson and seconded by Botts to approve the agenda as submitted. The motion carried unanimously; Zukin, Grossman, and Weast absent.

**APPROVAL OF MINUTES**

It was moved by Botts and seconded by Nelson to approve the June 17, 2014 minutes as submitted. The motion carried unanimously; Zukin, Grossman and Weast absent.

**PUBLIC COMMENT**

None

**ACTION ITEM** – Business/Development Proposal for Downtown

Economic Development Specialist Dan Durow highlighted the staff report and introduced David and Kirsten Benko, presenters of the downtown business development proposal. Durow said the primary proposal was the acquisition of the Elks building with a primary activity of a neon sign museum. Durow gave a brief history of the status of the Elks building and pointed out it had been suggested in the past that structural repair, coupled with other operations and upstart costs,

could possibly total approximately 1 million dollars. He said to start a business in this structure would be a monumental task.

Botts asked if the building was still in private ownership and if so, who would be responsible for repairs. Durow indicated that had not been discussed at this point because the potential developers were only proposing marketing and feasibility studies at this time.

Durow explained that a marketing study of the building could have a useful purpose beyond this proposal, and the feasibility study would be more specific to this proposal. The next phase would include engineering, archaeological, and environmental studies.

Nelson asked what UR funds were available for the proposal. City Manager Young said the funding could fall under the property owner rehabilitation budget category with approximately \$288,000 available.

David and Kirsten Benko gave a PowerPoint presentation of the proposed project (Attachment 1). Mr. Benko said he took a good look at the downtown area approximately two months ago and saw the potential of for a neon sign museum at the Elks building. He said the concept would be similar to the structure's past use that could include a ballroom on the top floor, and the main floor and basement to include a combination museum/exhibit space and a café/coffee shop. Mrs. Benko stated that she worked previously at the Portland Art Museum as a community events coordinator. She pointed out that she and David were not just interested in bringing their business to a community, they would also be invested in the community. Their intent would be to field the community comments on what needed to be done with the structure and the business development, she said. Mr. Benko summarized the nature of his sign collection and said he would be open to eventually developing a trade school.

Botts emphasized that there were other non-profit agencies and business developers in the area that were struggling for funds such as the Discovery Center, the Civic Auditorium, the Granada Block Developers, etc. She encouraged the Benkos to make contact with these groups to get a concept of the development market of the community. Botts asked Mr. Benko what he could bring financially to sustain the business. Mr. Benko said he felt the uniqueness of the project would bring people to the community and sustain the business.

City Manager Young asked Mr. Benko what would be entailed in the marketing study. Mr. Benko indicated his business associate could best answer those questions; he was not present at the meeting. Young suggested the Advisory Committee members could request more information on the details of the marketing study, possibly give input on what the Committee would like to see included in that study, and discuss the study details at the next URAC meeting.

Miller said she thought it was an appealing project. Miles stated she believed the project would draw in Hood River tourists. Nelson said he thought the project was a good fit. He liked the concept of incorporating an historic building into the project. Kramer asked if their business was non-profit or for-profit. Mr. Benko said it was for-profit, but a 501C3 status had been discussed in the past for the museum portion of the project. He indicated he would be open to pursuing that

again. Miller said she appreciated that part of the vision was to use the facility as an educational tool. Botts stated she thought it was a great idea and she re-emphasized that the Benkos should become acquainted with the community partners—more specifically what they are up against in funding endeavors. Durow said some of that type of information would be part of the marketing study.

After further discussion, it was the general consensus of the Advisory Committee to have the Benkos gather more information on the nature of the marketing and feasibility studies, talk amongst community partners in The Dalles, and schedule a future date for Benkos and their business associate to return to discuss the studies in detail.

#### ONGOING URBAN RENEWAL PROJECTS UPDATE

A. Granada Block Redevelopment Project – Michael Leash

- A prominent hotelier is coming to town July 28. Rapoza has a signed confidentiality agreement with the hotelier.
- Another hospitality group is interested in coming to look, and they are working on the confidentiality agreement.
- Work continues on acquiring equity partners.

B. Non-Profit Property Owner Rehabilitation Grants

No new report.

C. Other Projects

Young stated that the Agency would be considering the N. Wasco County Parks and Recreation District's request for funding on July 28.

Acting Chair Kramer encourage Committee members to recruit new members for the two vacant Committee positions. City Manager Young advised Committee members that they could take their suggestions to City Clerk Krueger or Mayor Lawrence. The positions are appointed by the Mayor.

#### FUTURE MEETING – August 19, 2014

#### ADJOURNMENT

Acting Chair Kramer adjourned the meeting at 6:48 PM.

Respectfully submitted by Administrative Secretary Carole Trautman.

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Steve Kramer, Acting Chair

**AGENDA STAFF REPORT****URBAN RENEWAL ADVISORY COMMITTEE**

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
August 19, 2014	Action Item	

**TO:** Urban Renewal Advisory Committee

**FROM:** Nolan Young, Urban Renewal Manager *ny*

**DATE:** August 1, 2014

**ISSUE:** Amendment to Independent Order of Odd Fellows Project Grant

Attached is an update from Main Street Director Matthew Klebes regarding the current status of the Independent Order of Odd Fellows project. The first page shows the status of grant applications, with funds currently available (\$26,700). Also attached is a revised work plan, showing the use of funds.

Without additional grant funds the following items will not be completed:

Awning removal and replacement	\$17,803
Transom window restoration (south elevation)	\$15,497

The request is being made to proceed with the revised work scope.

**BUDGET IMPLICATIONS:** The request does not increase the \$10,000 committed to this project.

**AGENCY ALTERNATIVES**

1. Move to recommend to the Agency to maintain the grant amount at \$10,000 with this revised work scope as outlined.
2. Move to recommend to the Agency add additional Urban Renewal funds to the grant to allow for completion of the original work scope.





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### Independent Order of Odd Fellows Project Update

Grant	Approved/ Denied	Request Funds	Amount Awarded	Reason Denied
"Diamonds in the Rough," State Historic Preservation Office	Partially Approved	\$19,401.50	\$6,700.00	The transom window and marble work will bring back hidden features, the awning is already present. Limited grant funds. Grant funds can only go to work that can be completed.
"Preserving Oregon," State Historic Preservation Office	Denied	\$10,598.50	0.00	Total amount in grant funds was 97,000.00. Total amount in requested funds from around the state 617,000.00. Building not in critical shape compared to other buildings around the State
Economic Development Grant, Wasco County PUD	Denied	\$10,000.00	0.00	The Dalles Main Street is not the owner of the IOOF building.
Urban Renewal Agency	Approved	\$10,000.00	\$10,000.00	

Total Grant Funds Awarded: \$16,700.00

Property Owner Funds: \$10,000.00

Total Funds Currently Available: \$26,700.00



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### **Revised Work Plan**

We will remove the awning (\$17,803.00) and transom window restoration on the South elevation (\$15,497.00) from the project.

Total reduction in budget: \$33,300.00.

We will complete Phase II of D&R Masonry's Scope of Work and transom work on the East elevation to fulfill grant requirements.

### **Summary of Revised Proposed Work**

Scope of Work South Elevation Phase II:	\$25,323.00
<u>East Transom window:</u>	<u>\$1,377.00</u>
Total Cost	\$26,700.00

### **Details**

#### **Scope of Work South Elevation Phase II**

(This work will take about 3 – 4 weeks to complete)

- Removal and replacement of broken or missing masonry units a total of an estimated (32) units: **\$ 864.00**
- Re-set the top (8) courses as needed above the metal cornice an estimated 140 sq ft: **\$3,500.00**

#### **Scope of Work (Tuckpointing)**

- Remove up to 25 % of the building's mortar joints from just under the metal cornice to just below the first dental detail about 17.5 ' up from the side walk an estimated 226 sq ft: **\$3,277.00**
- The mortar will be removed to a depth of ¾" or until sound mortar is reached.
- Clean the joints to remove the dust from the removal process
- Install new mortar into the joints that have been prepped. This will be done using the hawk and tool method and not a squeeze bag. This process will ensure that the mortar is packed in and not "shelled"
- Clean the new mortar after the mortar has properly cured. Again we will provide mortar samples that will be reviewed and approved by others.

#### **Scope of Work (Repaint the wood frame windows and doors and seal the perimeters with new sealant)**



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- Scrape and sand the existing wood to remove any remaining paint.
- Prime and seal the wood.
- Apply (2) coats of exterior paint on the wood.
- Place new sealant around the perimeters of the wood frame windows.

Paint: \$1,922.00

Sealant: \$ 652.00

**Scope of Work (Clean and paint metal cornice)**

- Clean the metal cornice.
- Paint with new paint:

\$ 812.00

**Scope of Work (Clean and Seal the masonry)**

- Clean all the masonry from the top of the building to the bottom. This will be done with pressure washer using hot water.
- Apply clear penetrating sealer to all the masonry that has been cleaned. The product that will be used is Prosoco WB Concentrate. See attached product data sheet. Clean all windows once the water repellent has been applied:

\$3,438.00

**Scope of Work (Remove the paint from the marble base, basalt blocks, brick columns on either side at the South elevation)**

- Protect the adjacent areas.
- Strip the paint using paint stripper.
- Contain the stripper and the paint.
- Bag the debris and dispose of properly:

\$4,126.00

- This includes access to the work using a man-lift and swing stages:

\$6,732.00

**Total estimated cost for East Elevation: \$25,323.00**





## AGENDA STAFF REPORT

### URBAN RENEWAL ADVISORY COMMITTEE

**Meeting Date: August 19, 2014**

**DATE:** August 7, 2014

**TO:** Urban Renewal Advisory Committee

**FROM:** Dan Durow, Economic Development Specialist

**THRU:** Nolan Young, Urban Renewal Manager *NY*

**ISSUE:** Elks Building Redevelopment Proposal, Request for Marketing Study Assistance

#### BACKGROUND:

David and Kirsten Benko are in the process of considering the acquisition of the former Elks building for a multi-purpose business. At the Urban Renewal Advisory Committee (URAC) meeting last month, the Benkos presented information about their vision for the building and their business ideas. They asked for assistance with some of the up-front studies necessary for addressing the redevelopment issues. The URAC felt they needed more information regarding these studies, specifically the marketing study, before they would make a recommendation to the Urban Renewal Agency (URA).

In 2010, URA staff identified several areas of concern for evaluating the building itself for further use. These were; a structural analysis that included a seismic evaluation; an environmental analysis that included asbestos, lead, and mold surveys; a utility and fire systems review; and a roof and ADA access evaluation. None of these were completed, because the potential acquisition by the URA fell through.

Attached to this report is a proposal from the Benkos that provides more information on the marketing study and on how they see the studies, building purchase, and building renovation taking place. Their consultant on the marketing study, Steve Burdick, will be at the meeting to help answer specific questions about the marketing study.

## **BUDGET IMPLICATIONS:**

The Benkos indicate that the cost for a marketing study is \$10,000. They also indicate that the cost for a feasibility study is about \$25,000. The cost for an engineering evaluation, as determined by staff about four years ago, would be about \$50,000. A marketing study could have a useful purpose for the URAC and URA beyond this proposal, as would an engineering evaluation, if another developer were to be interested in redevelopment in the future. The feasibility study would be more specific to the Benkos' proposal.

The Benkos' proposal outlines how they see the full process working. This includes (along with the marketing analysis) the building analysis, financial analysis, and the business plan, and how the URAC and URA could be involved. Staff recommends that no commitment to this specific proposal be made at this time, but to wait for the results of the marketing analysis to further discuss how the rest of the process might be completed.

**RECOMMENDATION:** Staff's recommendation is to consider funding some portion of the marketing study at this time. No recommendations for any other studies or the process should be made until staff has had time to discuss the process with the Benkos, and then present this to the URAC at a later date for further direction.

## **ALTERNATIVES:**

1. Recommend to the URA no funding for the marketing study
2. Recommend to the URA a portion of the funding for the marketing study.
3. Recommend to the URA full funding for the marketing study.

**DRAFT**  
**International Collection of Neon Signs**  
**ICONS**  
**Market Analysis**

**Project Overview**

The International Collection of Neon Signs (ICONS), as a private non-profit organization, in conjunction with Rocket City Neon, a for profit sign company, is evaluating the purchase of the vacant The Dalles Elks Club building and the conversion of the building into a sign museum / events site / educational venue and private sign shop.

David Benko, the executive director of ICONS and the owner of Rocket City Neon, has over 26 years of experience in the preservation of historic signs and the production of classic lighted signage. In addition to having access to antique signs of other collectors, Mr. Benko has an extensive collection of neon and light bulb signage that is one of the top five vintage sign collections in the world.

The Elks Building is for sale. Mr. and Mrs. Benko have toured the building with a building inspector and they believe that, brought into suitable condition, the building can house the envisioned uses. However, several issues must be resolved before ICONS can commit to buy the Elks Club. These include:

- Market Analysis: Is the Columbia Gorge / The Dalles tourism market sufficiently robust to support the envisioned uses and to potentially satisfy requirements for building acquisition / rehabilitation and business venture financing?
- Building Analysis: What rehabilitations and modifications are necessary to the Elks Club building to satisfy code, historic rehabilitation and use requirements? What is the probable costs of the necessary improvements?
- Financing Analysis: Given the market, building and improvement cost analyses, what public and private financial participation is reasonably achievable?
- Business Plan Viability: Given the market, building and financing analysis, the draft business plan must be reworked to reflect the findings of the analyses.

**Market Analysis**

The market analysis will assess the general Columbia River Gorge and the specific The Dalles tourism market demographics and area potential. This will include an assessment of drawing visitors off of I-84. It will complete an industry profile and a potential index, identify competitive and complementary venues and recommend a marketing strategy for

the proposed non-profit and for-profit business components. The specific components of the market analysis will include:

- Market Demographics
- Market Area and I-84 Potential
- Downtown The Dalles and Elks Building Location Analysis
- Industry Components Profiles and Potential Index
- Competitive and Complementary Venues
- Marketing Strategy

The cost of this analysis will be limited to \$10,000. Proposals will be solicited from consultants with relevant tourism marketing experience. Financing of the market analysis is proposed to be funded by The Dalles Urban Renewal Agency.

### **Building Analysis**

ICONS will request two competitive, experienced building rehab general contractors to advise on required and recommended modifications to the building. Each of these two contractors will be invited to submit bids for the work that ICONS determines will be done. Unless the submitted bids preclude the viability of the project, no other general contractors will be invited to submit bids. Architecture and structural engineering consultants will be retained to advise the rehabilitation contractors.

The Benkos will pay for any necessary general contractor costs. The Dalles Urban Renewal Agency will be requested to assume the architectural and structural engineering costs.

### **Financing Analysis**

The Benkos, the ICONS board of directors, The Dalles Urban Renewal Agency staff and board members and other community experts from agencies such as the Mid-Columbia Economic Development Council will be invited to participate in a series of discussions to evaluate potential public and private financing potential for building rehabilitation and business operations.

### **Business Plan**

Based on the above analysis, the Benkos will prepare a draft business plan and work with ICONS board of directors to prepare a business plan for the rehabilitation of the building, for launching the proposed uses in the building for long range business viability. The Benkos will fund all costs associated with the development of this plan.

The Benkos expect to supply the building purchase equity with ICONS or Rocket City Neon as the purchaser.