

**MINUTES**

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING**

January 18, 2022

5:30 p.m.

VIA ZOOM

**PRESIDING:** Darcy Long, Vice Chair

**BOARD PRESENT:** Staci Coburn, Tracy Dugick, John Fredrick, Dan Richardson, Kathy Schwartz

**BOARD ABSENT:** Diana Bailey, Tim McGlothlin

**STAFF PRESENT:** Urban Renewal Manager Alice Cannon, City Attorney Jonathan Kara, Secretary Paula Webb

**CALL TO ORDER**

The meeting was called to order by Vice Chair Long at 5:34 p.m.

Vice Chair Long recognized and thanked former Chair Gary Grossman for his service on the Urban Renewal Board.

Manager Cannon and Mayor Mays also thanked Grossman for his service to the community and the Urban Renewal Board.

Mr. Grossman stated he rejoined the Board to assist with organization and liquidation of properties. He stated the Board made great progress and he was pleased with the Board's efforts.

**PLEDGE OF ALLEGIANCE**

Vice Chair Long moved the Pledge of Allegiance prior to the Election of Officers. She then led the Pledge of Allegiance.

**ELECTION OF OFFICERS**

Vice Chair Long opened nominations for Chair.

Board Member Schwartz nominated Vice Chair Darcy Long for the position of Chair. Vice Chair Long accepted. There were no other nominations.

The vote for Darcy Long as Chair carried 5/0; Coburn, Dugick, Fredrick, Richardson and Schwartz in favor, none opposed, Long abstained, Bailey, and McGlothlin absent.

Chair Long opened nominations for Vice Chair.

Chair Long nominated Board Member Schwartz for the position of Vice Chair. There were no other nominations.

The vote for Kathy Schwartz as Vice Chair carried 6/0; Coburn, Dugick, Fredrick, Long, Richardson and Schwartz in favor, none opposed, Bailey, and McGlothlin absent.

### **APPROVAL OF AGENDA**

It was moved by Dugick and seconded by Coburn to approve the agenda as amended with the Pledge of Allegiance prior to the Election of Officers. The motion carried 6/0; Coburn, Dugick, Fredrick, Long, Richardson and Schwartz in favor, none opposed, Bailey, and McGlothlin absent.

### **APPROVAL OF MINUTES**

It was moved by Richardson and seconded by Dugick to approve the minutes of October 19, 2021 as submitted. The motion carried 6/0; Coburn, Dugick, Fredrick, Long, Richardson and Schwartz in favor, none opposed, Bailey, and McGlothlin absent.

### **PUBLIC COMMENT**

*Gene Parker, 2445 E. 15<sup>th</sup> Street, The Dalles*

Mr. Parker stated he was the City Attorney and served on the Urban Renewal Board from 1990 through 2020. Parker addressed the Tony's Building agenda item. Parker urged the Board to consider a mixed-use development for the site. Demolition of the Tony's Building creates the option to revisit the mixed-use development with Tokola Properties, earlier abandoned due to prevailing wage requirements.

### **STAFF COMMENTS / PROJECT UPDATES**

Manager Cannon stated the City Manager assigned her as lead to the Community Vision Project on behalf of City Council. Because the Community Vision Project may impact the UR Strategic Planning Project, the Strategic Planning has been delayed. Work will continue on Strategic Planning as time allows.

Preliminary work on the First Street Project continues prior to design work and right-of-way acquisition. A funding agreement will go before City Council on behalf of the project.

Two housing property owners have expressed interest in development. A 40-80 unit development is planned to begin by the end of 2022. A separate mixed-use development is planned to begin in 2023.

Chair Long asked if timelines for the projects would consider changes to the incentive programs, or if the developers had already committed. Cannon replied the development was incumbent on incentives.

## **ACTION ITEM**

### **Consideration of Fifth Addendum to the Recreation Building Disposition and Development Agreement, 213-219 E. Second Street**

Manager Cannon noted multiple extensions were necessary due to the pandemic and extreme weather conditions. As a way to avoid a sixth addendum, generous time extensions were offered. Mr. Carpenter believes construction on the two easternmost storefronts [215 and 219 E. Second Street] will be complete by the end of the month. The Fifth Addendum will create an extension to April 18, 2022 for the second and third installment contract payments of \$7,500 each. Closing will be completed by April 18, 2022.

The remaining storefront [213 E. Second Street] has not yet received a building permit. Carpenter anticipates completion within the next year.

### **Todd Carpenter, 216 E. Fifth Street, The Dalles**

Mr. Carpenter is working with Public Works to resolve a leaking pipe in the street. Once resolved, the two easternmost storefronts [215 and 219 E. Second Street] will be complete. Carpenter stated he had received notice the permit for 213 E. Second Street is ready to issue.

It was moved by Fredrick and seconded by Schwartz to authorize the execution of the Fifth Addendum to the Disposition and Development Agreement between the Columbia Gateway Urban Renewal Agency and Mr. Todd Carpenter and Ms. Carla McQuade for property known as the Recreation Building located at 213-219 E. Second Street. The motion carried 6/0; Coburn, Dugick, Fredrick, Long, Richardson and Schwartz in favor, none opposed, Bailey, McGlothlin and Pena absent.

Vice Chair Schwartz thanked Mr. Carpenter and Ms. McQuade for their work, stating it was an improvement. Board Member Fredrick also thanked Carpenter.

## **DISCUSSION ITEMS**

### **Board review and discussion of existing Urban Renewal Financial Incentive Programs**

Manager Cannon introduced consultant Deb Meihoff, Communitas LLC. Ms. Meihoff provided an overview of current incentive programs with questions for consideration by the Board, Exhibit 1.

Board Member Richardson stated his support for incentives that clearly or energetically support redevelopment. The Board might gain additional insights from interviews with property owners.

- 1) Property owners with buildings that need redevelopment – request their thoughts on why the current situation is acceptable or best suited to them without taking action.
- 2) Property owners who have redeveloped properties – query them about challenges they have met, hurdles they felt might be lowered, or things that worked well that the City could reinforce.

Board Member Fredrick also suggested discussion with property managers. Fredrick said there is no market that drives owners to make repairs; many owners are sitting on properties because they do not have the resources to redevelop. Property owners with resources to redevelop know

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they will not get their investment back in the current real estate market. There needs to be a discussion of the costs to the property owner and the reasons improvement has not happened.

Chair Long stated the assessment did not specifically mention blight, a main focus of the Urban Renewal district. It is often mentioned The Dalles is not very inviting from the freeway. Long would like consideration of incentives to assist in this area.

Chair Long noted under the “Policy Guidance” section, the City’s Transportation Plan, which includes the parking plan, should be added. Downtown parking has long been an issue.

Mayor Mays was intrigued by the Redmond Housing SDC (System Development Charge) buy down. Mays asked Manager Cannon if there had been a review of SDC charges at the staff level. If so, perhaps during the review consideration could be given to the downtown area.

Manager Cannon stated the current SDC costs per unit is between \$8,000 and \$12,000. SDC subsidies would be fairly easy to administer, create a budget and forecast. A cap could be set, also. This is a good idea given the policy direction the Board has undertaken.

Vice Chair Schwartz said this is a well-known incentive. She asked what incentives are currently offered. Ms. Meihoff replied:

- Historic District Design and Restoration Program
- Redevelopment of Unused and Underused Property (sub-programs of Redevelopment and Restoration Loan Interest Subsidy, Blighted Property Demolition Loan)
- Civic Improvements Grant Program
- Façade Improvement Grant Program
- Fire Suppression Grant

Ms. Meihoff stated these boutique programs are more easily administered in one program. Boutique programs are difficult to market.

Manager Cannon said that in looking at the program, there is a preponderance of loans. Loans are difficult to administer. Current programs seem outdated. In the latter years of the Agency, grants are preferable. Manager Cannon will update the Board with a list of remaining loans.

Board Member Fredrick stated any further discussion must define “affordable.” Vice Chair Schwartz replied there is a definition used by the Mid-Columbia Housing Authority (MCHA). Fredrick replied the MCHA subsidizes housing; it is not affordable, the taxpayers are paying the bill.

Manager Cannon stated the Plan established in 1990 did not include many social goals such as affordable housing. Goals included programs to raise property values, tax revenue and prosperity for property owners in the community. Board leadership is necessary to add this as a goal. Manager Cannon noted the Agency should take care before adding too many properties that do not pay taxes.

Vice Chair Schwartz clarified that SDC charges are an effective way to get affordable housing built, but she is not advocating without a full Board discussion.

The Board responded to the following questions:

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*Is there an example that strikes the best balance between effectiveness and efficiency?*

Board Member Coburn preferred fewer application processes. Large versus small projects would be simpler and more user friendly, while allowing flexibility.

*Is there a policy basis to limit which development types – residential, mixed-use, etc. – are eligible for incentives?*

Board Member Richardson said we should incentivize more than just housing.

*Should all incentives be available area wide?*

Chair Long stated the focus should be area wide. The urban renewal area extends well beyond the downtown area. There is quite a bit of area that could use improvement and development. Vice Chair Schwartz is in favor an area wide focus. Board Member Dugick added that if appearance from the highway is a concern, we should not limit the incentive to downtown.

*What do you think of limiting eligibility of tax-exempt projects, even if it means needed workforce housing may be ineligible?*

Board Member Fredrick stated the purpose of urban renewal is to return property to the tax roll. Vice Chair Schwartz agreed with the statement, noting there are other options available to assist with housing. She did not view this as part of the Board's mission.

Todd Carpenter, 216 E. Fifth Street, The Dalles

Mr. Carpenter said he would like the Board to consider workforce housing as a portion of the property. He would like an effort of all the different agencies, NWC PUD, Wasco County, the City and Urban Renewal, to create a blueprint for property owners explaining the inclusion of affordable housing could result in incentives for the property owner.

Vice Chair Schwartz stated the Board should advocate for SDC subsidies; it is a great idea.

Manager Cannon noted the City has a vertical housing tax abatement program. Local rules have been enacted to allow the City to administer the program. The program has a time limit on tax abatement, effective only under certain conditions such as mixed-use development. Manager Cannon noted this program will be added to Ms. Meihoff's assessment; staff will return with a summary of the program.

Chair Long asked if there was a program to assist with elevators. Ms. Meihoff replied there was nothing specific; other communities probably include elevators within a larger grant.

Chair Long stated now that Urban Renewal is separate from the City, the Board should consider partnering with the City to look at the possibility of using new tax revenue or monies coming in from Google to incentivize downtown housing.

Board Member Richardson suggested letting the developer decide how to best use the incentive, rather than the Agency. Ms. Meihoff agreed.

Chair Long asked if the Community Vision Plan would effect changes in the UR Strategic Plan. Manager Cannon replied it might. The goals of the UR Plan may be general enough that nothing would change.

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Manager Cannon stated her goal is to have a new incentive program in spring.

Board consensus directed Manager Cannon to return next month with a proposal for an incentive program. Manager Cannon did not expect the incentive program to affect the budget, but stated a supplemental budget could be implemented.

In February, Manager Cannon will bring the audit and annual financial report to the Board. In March, she will return with a goal setting session or another installment on Strategic Planning.

### Verbal Update on the Agency-owned Tony's Building, 401-407 E. Second Street

Manager Cannon was pleased with the Board's direction to pursue an EPA grant for brownfield clean-up of the Tony's property. To date, \$30,000 to \$35,000 have been used for Phase I and Phase II environmental assessment. In the last week of January, a contractor will remove the underground storage tank. As part of the archeological permit, tribal members were invited to be present for the excavation. Cannon expects to receive \$60,000 to \$90,000 of work from the EPA grant.

Because of the work completed on the Phase I and Phase II assessments, we qualify for a grant of up to \$250,000 from Business Oregon to remove the asbestos. The current estimate for asbestos abatement alone is approximately \$350,000, half of the anticipated cost of demolition, and then an opportunity to fund the remaining demolition costs with a low- or no-interest loan. Board consensus directed Manager Cannon to research loans.

### **BOARD MEMBER COMMENTS / QUESTIONS**

Board Member Fredrick stated in his time on the Board, this is the first open discussion the Board has had. He thanked Manager Cannon for the information she provided, and stated Chair Long ran a great meeting.

### **ADJOURNMENT**

Being no further business, the meeting adjourned at 7:11 p.m.

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Submitted by/  
Paula Webb, Secretary  
Community Development Department

SIGNED: \_\_\_\_\_

Darcy Long, Chair

ATTEST: \_\_\_\_\_

Paula Webb, Secretary

Community Development Department

# Research and Analysis for Incentive Program Options

**Board Discussion | 1.18.22**

Columbia Gateway / Downtown  
Urban Renewal

com  
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itas<sup>LLC</sup>

## PURPOSE FOR REVIEW

*Analyze programs of Columbia Gateway / Downtown Plan and identify other types of public incentives to achieve prosperity goals, add to tax base, and address community needs.*





## POLICY GUIDANCE

*Plans and policies that guide investments in the Urban Renewal Area*

- Columbia Gateway / Downtown Plan | Mission, Goals / Objectives, and Eligible Projects
- Comprehensive Land Use Plan | Economic Development (Goal 9) and Housing (Goal 10) policies
- Housing Needs Analysis | Projected housing units needed by 2036

## CURRENT INCENTIVE PROGRAMS

### *Summary of analysis*

- Current programs underused
- Historic improvements most successful
- Remaining challenges for vacant / underused properties
- Loan programs are burdensome and expensive. And less attractive.

### *Current Property Rehabilitation Programs:*

- *Historic District Design and Restoration Program*
- *Redevelopment of Unused and Underused Property (sub-programs of Redevelopment and Restoration Loan Interest Subsidy, Blighted Property Demolition Loan)*
- *Civic Improvements Grant Program*
- *Façade Improvement Grant Program*
- *Fire Suppression Grant*

## INCENTIVES IN OREGON EXAMPLES

### *Addressing housing shortages*

- Madras | Multifamily Development Incentives
- Redmond | Housing SDC Buydown
- John Day | Housing Incentives for New Homes, Remodels, and Land Development



## INCENTIVES IN OREGON EXAMPLES

### *Comprehensive and streamlined*

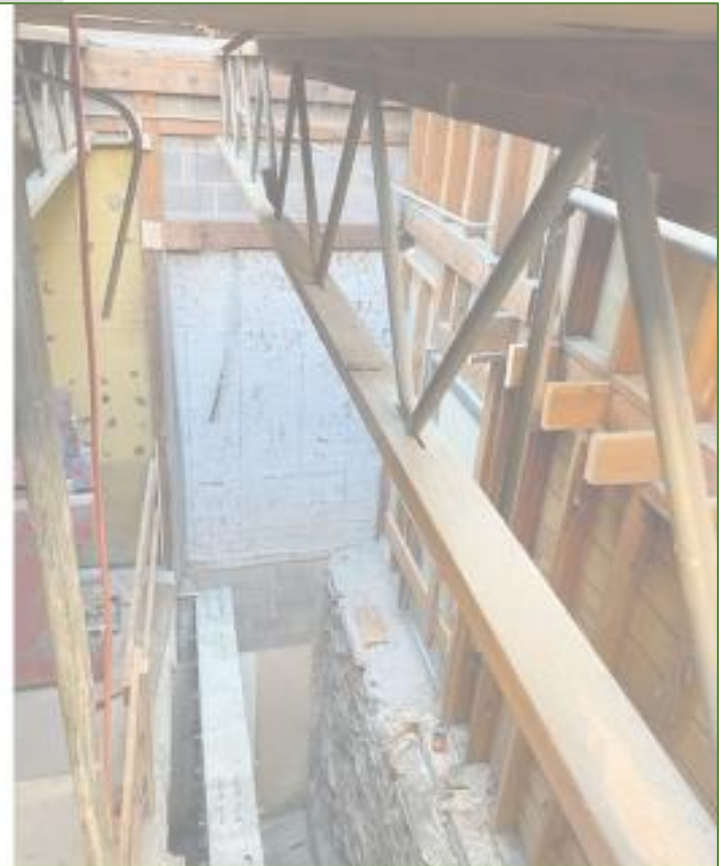
- Estacada | Large and Small Grants Programs
- La Grande | Revitalization Incentive Program



## INCENTIVES IN OREGON EXAMPLES

*Simple and timed right*

- Fairview Large and Small Grants Programs
- La Grande Revitalization Incentive Program



## QUESTIONS FOR CONSIDERATION

1. Is there an example that strikes the best balance between effectiveness and efficiency?
2. Could you simplify / consolidate current incentive programs and still meet your redevelopment goals?
3. Is there a policy basis to limit which development types – residential, mixed use, etc. – eligible for incentives?
4. Should all incentives be available Area-wide?
5. What do you think of limiting eligibility of tax-exempt projects, even if it means needed workforce housing may be ineligible?
6. What's the best way to ensure the program is meeting the objectives?