

**AGENDA**

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD**

January 18, 2022

5:30 p.m.

**VIA ZOOM**

<https://us06web.zoom.us/j/86259459367?pwd=Z0Nnd3E4bkxBUVhXQkRKkTkJCdEJ6QT09>

Meeting ID: **862 5945 9367** Passcode: **292293**

Dial: 1-669-900-6833 or 1-253-215-8782

1. CALL TO ORDER
2. ROLL CALL
3. ELECTION OF OFFICERS
4. PLEDGE OF ALLEGIANCE
5. APPROVAL OF AGENDA
6. APPROVAL OF MINUTES – October 19, 2021
7. PUBLIC COMMENT
8. STAFF COMMENTS / PROJECT UPDATES
9. ACTION ITEMS
  - A. Consideration of Fifth Addendum to the Recreation Building Disposition and Development Agreement, 213-219 E. Second Street
10. DISCUSSION ITEMS
  - A. Board review and discussion of existing Urban Renewal Financial Incentive Programs. The Board will also review, discuss and give staff direction on future changes to financial incentives for development in the Urban Renewal Area.
  - B. Verbal update on the Agency-owned Tony’s Building located at 401-407 E. Second Street and discuss next steps in the environmental assessment/clean-up activities prior to building demolition.

11. BOARD MEMBER COMMENTS / QUESTIONS

12. ADJOURNMENT

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This meeting conducted via Zoom.

Prepared by/  
Paula Webb, Secretary  
Community Development Department

**MINUTES**

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING**

October 19, 2021  
5:30 p.m.

VIA ZOOM

**PRESIDING:** Gary Grossman, Chair

**BOARD PRESENT:** Staci Coburn, Tracy Dugick, John Fredrick, Darcy Long, Tim McGlothlin, Dan Richardson (arrived 5:40 pm), Kathy Schwartz (arrived 5:32 pm)

**BOARD ABSENT:** Diana Bailey

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

**CALL TO ORDER**

The meeting was called to order by Chair Grossman at 5:30 p.m.

**PLEDGE OF ALLEGIANCE**

Chair Grossman led the Pledge of Allegiance.

**APPROVAL OF AGENDA**

It was moved by Fredrick and seconded by Coburn to approve the agenda as submitted. The motion carried 7/0; Coburn, Dugick, Fredrick, Grossman, Long, McGlothlin and Schwartz voting in favor, none opposed, Bailey and Richardson absent.

**APPROVAL OF MINUTES**

It was moved by Fredrick and seconded by McGlothlin to approve the minutes as presented. The motion carried 7/0; Coburn, Dugick, Fredrick, Grossman, Long, McGlothlin and Schwartz voting in favor, none opposed, Bailey and Richardson absent.

**PUBLIC COMMENT**

None.

**ACTION ITEM**

**Authorize the URA Manager to sign Amendment No. 2 to the Personal Services Agreement with HDR Engineering, Inc.**

Manager Cannon requested the Board authorize her to sign Amendment No. 2 to the Personal Services Agreement with HDR Engineering, Inc.

It was moved by Schwartz and seconded by Dugick to authorize the Urban Renewal Manager to sign Amendment No. 2 to the Personal Services Agreement with HDR Engineering, Inc. to continue providing project management services for the First Street Streetscape Project. The motion carried 7/0; Coburn, Dugick, Fredrick, Grossman, Long, McGlothlin and Schwartz voting in favor, none opposed, Bailey and Richardson absent.

**STAFF COMMENTS / PROJECT UPDATES**

Manager Cannon provided the following updates:

- Tony’s Building Clean Up/Demolition – The environmental grant was received and Phase 1 is complete. Things are moving along well.
- First Street – On target for construction in summer 2023. The engineer’s report on the field inspection of basalt walls beneath the southern sidewalks along First Street will be submitted to ODOT.

Manager Cannon had discussions with ODOT and the Baldwin Saloon owner regarding encroachment issues in the right-of-way.

Stamped concrete blocks are an affordable way to incorporate historical elements on the First Street sidewalk. Cannon suggested the section of China Town that existed on First Street between Court and Washington Streets could be highlighted. Care will be taken to ensure historical accuracy. Board consensus was in favor of incorporating this part of history into the project.

- URA Incentives – This project will begin in the next two months. Manager Cannon has received interest in incentives for mixed-use development.
- Recreation Building Redevelopment –

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

The front interior wall will be complete pending an insulation inspection. Rafters from the west side building are being repurposed as tongue and groove flooring for use in the middle building. Plumbing is complete in upstairs and downstairs bathrooms. Sheetrock and painting will be completed within the next weeks. Upper windows of the middle building are waiting on glass for installation. Painting will begin after window installation. Sprinklers are capped and finished in the two east buildings. Once the west building sprinklers are repaired and capped an inspection will be scheduled.

The engineering drawing set for the west building is delayed. In case of weather delays, Carpenter has requested a grant extension from the State. The bulk of the grant has been spent on the two east buildings.

In response to Board inquiries, Carpenter replied:

- Carpenter is hopeful the ice cream shop will open this year; however, the opening may be delayed by supply chain shortages. The east building will open when a tenant is secured.
- The bowling alley is the structure on the west side of the three storefront buildings. The ice cream and candy shop is in the center. The eastern storefront does not yet have an identified tenant and will be available for rent.
- The old bowling alley (west building) will have outdoor seating with an open air event stage on the ground floor. The basement level will be a family-friendly recreation facility.
- Funding for three street frontages was provided by a “Diamonds in the Rough” Oregon Heritage grant.

### **DISCUSSION ITEM**

#### **URA Strategic Plan Session #1: Urban Renewal Plan Refresher**

Manager Cannon provided the presentation (Exhibit 1) and reviewed the project list.

Discussion:

Chair Grossman noted a number of items on the project list should be reviewed, i.e., the downtown redevelopment of Third Street. The plan should be updated.

Board members were interested in hearing an update on the Mill Creek Greenway Project. Board Member Dugick noted the next NWPRD board meeting will include an update on this important project. Staff may invite NWPRD Director Baker to an upcoming meeting. Board Member McGlothlin stated the pool is a great asset to the community. The sidewalk and skate park are complete, as well as the West Sixth Street Bridge. McGlothlin noted the building at the corner of Monroe and E. Second Streets [800 E. Second Street] should be addressed.

Board Member McGlothlin said the Board should recognize accomplishments made in the community such as the Sunshine Mill and Todd Carpenter’s projects. Board Member Long agreed. Mr. Carpenter noted the Sunshine Mill benefited the community through employment and property taxes.

Board Member Richardson agreed with Board Member McGlothlin. Richardson stated the building on Second and Monroe Streets should be addressed; it has been an eyesore for at least 40 years.

Board Member Richardson asked what drove the need for more parking. Has a study had been done to draw on? Would a study be a useful investment in the next few years? Manager Cannon was unaware of a recent plan. Chair Grossman said it was included in the Transportation Plan.

Manager Cannon stated there is cause to review code provisions related to parking to accommodate future development. She felt it was unfair to downtown residents to be prohibited from parking on streets adjacent to their apartments during daytime hours. Increased residential development downtown will increase the need for nearby street parking.

Manager Cannon also shared the need to review the requirement for ground floor retail use in the downtown area.

Board Member Long stated finite land is available downtown. As property is sold or developed, we lose the ability to build a parking structure. In addition, the cost of such a structure will increase over time.

**BOARD MEMBER COMMENTS / QUESTIONS**

None.

**ADJOURNMENT**

It was moved by Long and seconded by Dugic to adjourn the meeting. Chair Grossman adjourned the meeting at 6:45 p.m.

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Submitted by/  
Paula Webb, Secretary  
Community Development Department

SIGNED:

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Gary Grossman, Chair

ATTEST:

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Paula Webb, Secretary  
Community Development Department

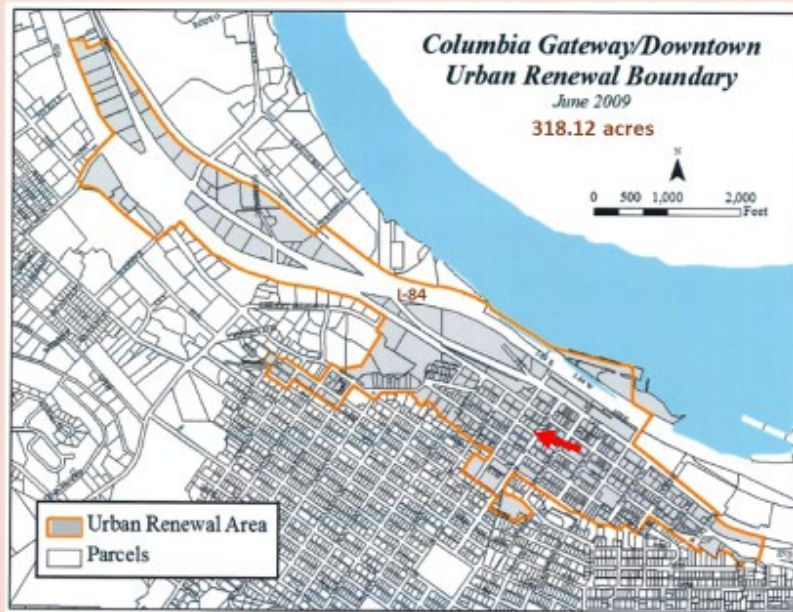


## The URA Plan – required by State law

### **URBAN RENEWAL**

*"Improving Our Community"*

COLUMBIA  
GATEWAY/DOWNTOWN  
PLAN  
and  
REPORT



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## History of Columbia Gateway URA (from 30,000 feet)

### 1990:

Original Urban Renewal Plan Adopted

### 1999:

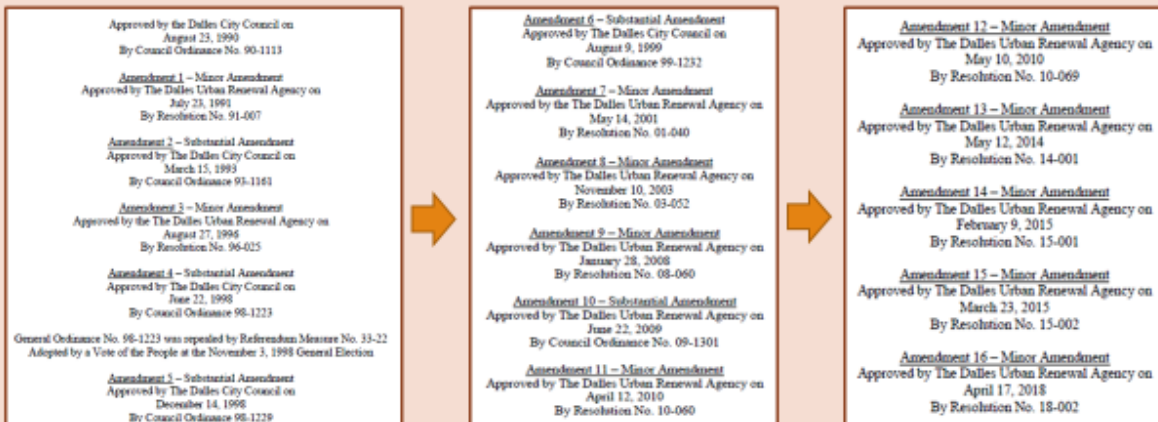
Plan Substantially Amended to Include Maximum Indebtedness of  
**\$14.23M**

### 2009:

Plan Substantially Amended to increase MI to **\$29.13M**

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## Columbia Gateway UR Plan --has been amended 16 times between 1990 - 2018



## Financial Update Completed in January 2021

- Total MI Allowed: **\$29.12M**
  - Total MI Used: **\$22.87M**
  - MI Remaining: **\$6.25M**
  - Current Cash Balance: **\$3.78M**
- = Approximately **\$10M remaining for projects**



TOTAL MAXIMUM INDEBTEDNESS ALLOWED

## Mission Statement

***“The Mission of the urban renewal agency is to eliminate blight and depreciating property values within the Agency’s jurisdiction and in the process, attract aesthetically pleasing, jobs producing private investments that will stabilize or increase property values and protect the Area’s historic places and values.”***

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## URA Plan Content



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## Goals and Objectives – Continued (Page 25)

### A. Encourage Public Involvement Investments to:

- A. Increase value of properties in URA
- B. Place unused and underused property into production

### B. Create programs that will:

- Encourage the expansion and development of job-producing businesses
- Increase property values to contribute to public services
- Conserve historically significant places and properties

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## Goals and Objectives -- Continued (Page 26)

- C. Ensure parking is available to support uses in the URA
- D. Link the Downtown and West Gateway Areas
- E. Connect the Riverfront and Downtown Areas
  - Trails, public dock and riverfront access
- F. Assist with rehab of buildings

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## Goals and Objectives -- Continued (Page 25)

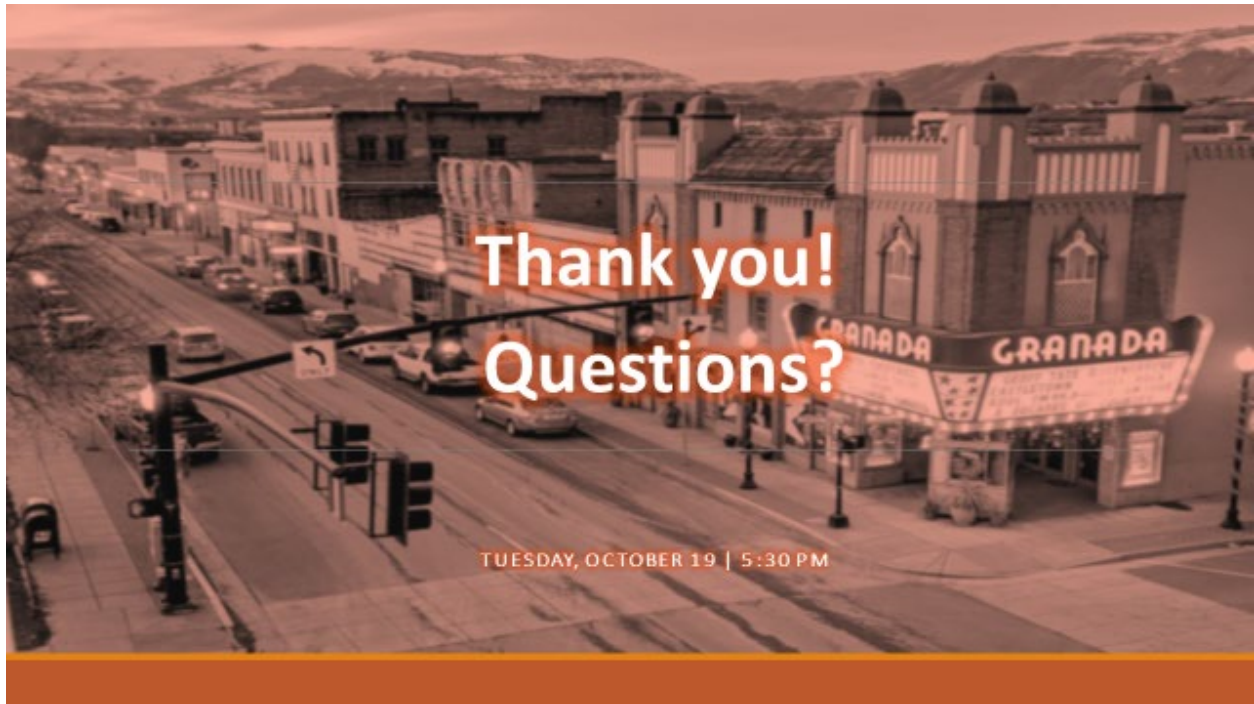
- F. Install coordinated lighting, landscaping and street furniture**
- G. Improve street and utility infrastructure; install underground utilities in alleys.**
- H. Leverage with other funding sources.**

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## Project List

- Review **Pages 32-37** in URAB Packet

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COLUMBIA GATEWAY URBAN RENEWAL AGENCY  
CITY OF THE DALLES

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**AGENDA STAFF REPORT**  
**AGENDA LOCATION: 9.A.**

**DATE:** January 18, 2021

**TO:** Chair and Members of the Urban Renewal Agency Board

**FROM:** Alice Cannon, Community Development Director/Urban Renewal Manager

**ISSUE:** **Fifth Addendum for the Disposition and Development Agreement for the Recreation Building, 213-219 East Second Street**

**BACKGROUND**

Attached for the Agency's consideration is a draft of an Addendum to the Disposition and Development Agreement (DDA) between Mr. Todd Carpenter and Ms. Carla McQuade ("Developer"), and the Agency for the redevelopment of the Recreation Building located at 213-219 East Second Street. Mr. Carpenter and Ms. McQuade have made excellent progress on this project and need a time extension to finish the nearly-complete two easternmost storefronts. Staff is proposing a generous extension to April 18, 2021 to give the developers enough time to complete final building construction, final inspections; and for staff to accept a \$15,000 payment for the properties and prepare to convey ownership of those two properties to the developers.

Staff is also recommending that the final completion for the third and final storefront be extended to **January 18, 2023**. The developers believe they can complete the storefronts well in advance of the recommended deadlines. Staff has recommended these timelines in recognition of unanticipated labor and construction supply delays already experienced with the project. Staff also wishes to avoid the need to write another extension request and believes the developer will successfully complete all three storefronts.

The **Fifth Addendum DDA** outlines a new schedule as follows:

**REVISED SCHEDULE OF CONTRACT PAYMENTS  
AND CLOSINGS, AND DATES FOR  
PROGRESS REPORTS TO BE PROVIDED TO AGENCY**

**January 25, 2019** – First installment contract payment of \$10,000 was paid by Developer.

**April 18, 2022** – Second and third installment contract payments of \$7,500 each (\$15,000 total) to be paid by Developer. Copy of certificate of occupancy for structures built on Parcel #1 and Parcel #2 to be provided by Developer. The date for payment of the installments for closing may be extended as provided in Section 2.3.1.

**January 18, 2023** – Fourth installment contract payment of \$25,000 to be paid by Developer. Closing Date for purchase of Parcel #3.

**BUDGET IMPLICATIONS**

Approval of the Fifth Addendum will not create any new budget implications. The developer's total purchase price for the Agency-owned properties remains \$50,000. The schedule for payment and completion of performance milestones has changed, as outlined in this report.

**BOARD ALTERNATIVES**

1. ***Staff recommendation: Move 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 East Second Street.***
2. Move to decline authorization of the Fifth Addendum and direct staff accordingly.

**Attachments**

- **Attachment A** -- Draft Fifth Addendum to DDA, w/attachment
- **Attachment B** – Fully Executed Fourth Addendum to the DDA signed on April 20, 2021

# ATTACHMENT "A"

## FIFTH ADDENDUM TO AGREEMENT FOR DISPOSITION OF PROPERTY FOR REDEVELOPMENT OF RECREATION BUILDING

**WHEREAS**, on January 25, 2019, the Columbia Gateway Urban Renewal Agency (“Agency”) and Todd Carpenter and Carla McQuade (jointly, “Developer”) entered into an Agreement for the Disposition of Property for Redevelopment of the property commonly referred to as the “Recreation Building” (“DDA”);

**WHEREAS**, on January 28, 2020, Agency and Developer entered into the First Addendum to the DDA, which included changes to the dates of payments to be made by Developer for purchase of the properties comprising the Recreation Building and revised the schedule for completion of the façade improvements to the same;

**WHEREAS**, on March 10, 2020, Agency and Developer entered into the Second Addendum to the DDA, which addressed renegotiated terms and revisions outlined in the First Addendum to the DDA;

**WHEREAS**, on June 16, 2020, Agency and Developer entered into the Third Addendum to the DDA, which modified the insurance provisions of the Agreement consistent with recommendations from the Agency’s insurer;

**WHEREAS**, on April 20, 2021, Agency and Developer entered into the Fourth Addendum to the DDA, which modified timeline obligations for Developer’s performance of conditions precedent to conveyance; and

**WHEREAS**, the Parties now understand additional time is required for Developer’s full performance and desire to addend the DDA to provide sufficient time for Developer’s performance of conditions precedent to conveyance.

**NOW, THEREFORE**, in consideration of the terms and provisions herein, the Parties mutually agree:

1. Subparagraph 2.3.1 of Paragraph 2.3 **Purchase Price** in Section 2. **GENERAL TERMS OF CONVEYANCE** shall be revised to read:

2.3.1 The actual purchase price in terms of monetary consideration is \$50,000. The purchase price for the three parcels is allocated as follows: Parcel #1 – \$12,500; Parcel #2 – \$12,500; and Parcel #3 – \$25,000. The purchase price reflects the fair reuse value, expressed in terms of capital price, as determined by the Agency in its discretion as the price necessary to facilitate development or redevelopment of the Project Site in accordance with the provisions of the Agency’s Urban Renewal Plan.

The sum of \$50,000 shall be paid in four installment payments. The first payment of \$10,000 was paid upon execution of this Agreement. The second payment of \$7,500 for Parcel #1 shall be paid at closing (scheduled for April 18, 2022) following the issuance of a certificate of occupancy for the structure to be built upon Parcel #1, which certificate of occupancy is anticipated to be issued prior to April 18, 2022. If additional time is needed for Developer to

obtain the certificate of occupancy for the structure to be built upon Parcel #1, Agency and Developer agree the time for closing Parcel #1 may be extended to June 1, 2022. The third payment of payment of \$7,500 for Parcel #2 shall be paid at closing (scheduled for April 18, 2022) following the issuance of a certificate of occupancy for the structure to be built upon Parcel #2, which certificate of occupancy is anticipated to be issued prior to April 18, 2022. If additional time is needed for Developer to obtain the certificate of occupancy for the structure to be built upon Parcel #2, Agency and Developer agree the time for closing Parcel #2 may be extended to June 1, 2022. The fourth payment of \$25,000 for Parcel #3 shall be paid at closing (scheduled to occur on or before January 18, 2023). The dates for payment of the first, second, third, and fourth installments and the projected closing dates are listed in Exhibit "C".

2. Subparagraph 2.6.1(b)(1) **Conditions Precedent to Conveyance of Project Site** of Paragraph 2.6 **Conditions Precedent to Conveyance** in Section 2. **GENERAL TERMS OF CONVEYANCE** shall be revised to read:

(1) For Parcels #1 and #2, prior to closing, Developer must provide Agency with a copy of the certificate for occupancy for the structures to be built upon these parcels and such provision must occur no later than April 18, 2022, each subject to the respective extension of time provided for in Section 2.3.1.

3. Exhibit C shall be replaced with the revised Exhibit C attached hereto.
4. Except as modified by the First Addendum, Second Addendum, Third Addendum, Fourth Addendum, and this Fifth Addendum, the terms and conditions of the Development and Disposition Agreement entered into by and between Agency and Developer on January 25, 2019, shall remain in full force and effect.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, 2022.

**AGENCY:**

By: \_\_\_\_\_  
Darcy Long, Chair

**DEVELOPER:**

By: \_\_\_\_\_  
Todd Carpenter

By: \_\_\_\_\_  
Carla McQuade

**Approved as to form:**

\_\_\_\_\_  
Jonathan M. Kara, City Attorney

**EXHIBIT C – REVISED**

**SCHEDULE OF CONTRACT PAYMENTS, CLOSING, AND DATES FOR PROGRESS  
REPORTS TO BE PROVIDED TO AGENCY**

**January 25, 2019** – First installment contract payment of \$10,000 was paid by Developer.

**April 18, 2022** – Second and third installment contract payments of \$7,500 each (\$15,000 total) to be paid by Developer. Copy of certificate of occupancy for structures built on Parcel #1 and Parcel #2 to be provided by Developer. The date for payment of the installments for closing may be extended as provided in Section 2.3.1.

**January 18, 2023** – Fourth installment contract payment of \$25,000 to be paid by Developer.  
Closing Date for purchase of Parcel #3.

## ATTACHMENT "B"

### FOURTH ADDENDUM TO AGREEMENT FOR DISPOSITION OF PROPERTY FOR REDEVELOPMENT OF RECREATION BUILDING

**WHEREAS**, on January 25, 2019, the Columbia Gateway Urban Renewal Agency (“Agency”) and Todd Carpenter and Carla McQuade (jointly, “Developer”) entered into an Agreement for the Disposition of Property for Redevelopment of the property commonly referred to as the “Recreation Building” (“DDA”);

**WHEREAS**, on January 28, 2020, Agency and Developer entered into the First Addendum to the DDA, which included changes to the dates of payments to be made by Developer for purchase of the properties comprising the Recreation Building and revised the schedule for completion of the façade improvements to the same;

**WHEREAS**, on March 10, 2020, Agency and Developer entered into the Second Addendum to the DDA, which addressed renegotiated terms and revisions outlined in the First Addendum to the DDA;

**WHEREAS**, on June 16, 2020, Agency and Developer entered into the Third Addendum to the DDA, which modified the insurance provisions of the Agreement consistent with recommendations from the Agency’s insurer;

**WHEREAS**, the Second Addendum to the DDA modified timeline obligations for Developer’s performance of conditions precedent to conveyance, and the Parties now understand additional time is required for Developer’s full performance; and

**WHEREAS**, the Parties now desire to addend the DDA to provide sufficient time for Developer’s performance of conditions precedent to conveyance.

**NOW, THEREFORE**, in consideration of the terms and provisions herein, the Parties mutually agree:

1. Subparagraph 2.3.1 of Paragraph 2.3 **Purchase Price** in Section 2. **GENERAL TERMS OF CONVEYANCE** shall be revised to read:

2.3.1 The actual purchase price in terms of monetary consideration is \$50,000. The purchase price for the three parcels is allocated as follows: Parcel #1 – \$12,500; Parcel #2 – \$12,500; and Parcel #3 – \$25,000. The purchase price reflects the fair reuse value, expressed in terms of capital price, as determined by the Agency in its discretion as the price necessary to facilitate development or redevelopment of the Project Site in accordance with the provisions of the Agency’s Urban Renewal Plan.

The sum of \$50,000 shall be paid in four installment payments. The first payment of \$10,000 was paid upon execution of this Agreement. The second payment of \$7,500 for Parcel #1 shall be paid at closing (scheduled for November 30, 2021) following the issuance of a certificate of occupancy for the structure to be built upon Parcel #1, which certificate of occupancy is anticipated to be issued prior to November 30, 2021. If additional time is needed for Developer to obtain the certificate of occupancy for the structure to be built upon

Parcel #1, Agency and Developer agree the time for closing Parcel #1 may be extended to January 18, 2022. The third payment of payment of \$7,500 for Parcel #2 shall be paid at closing (scheduled for November 30, 2021) following the issuance of a certificate of occupancy for the structure to be built upon Parcel #2, which certificate of occupancy is anticipated to be issued prior to November 30, 2021. If additional time is needed for Developer to obtain the certificate of occupancy for the structure to be built upon Parcel #2, Agency and Developer agree the time for closing Parcel #2 may be extended to January 18, 2022. The fourth payment of \$25,000 for Parcel #3 shall be paid at closing (scheduled to occur on or before June 1, 2022). The dates for payment of the first, second, third, and fourth installments and the projected closing dates are listed in Exhibit "C".

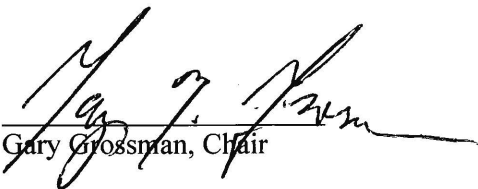
2. Subparagraph 2.6.1(b)(1) **Conditions Precedent to Conveyance of Project Site** of Paragraph 2.6 **Conditions Precedent to Conveyance** in Section 2. **GENERAL TERMS OF CONVEYANCE** shall be revised to read:

(1) For Parcels #1 and #2, prior to closing, Developer must provide Agency with a copy of the certificate for occupancy for the structures to be built upon these parcels and such provision must occur no later than November 30, 2021, each subject to the respective extension of time provided for in Section 2.3.1.

3. Exhibit C shall be replaced with the revised Exhibit C attached hereto.
4. Except as modified by the First Addendum, Second Addendum, Third Addendum, and this Fourth Addendum, the terms and conditions of the Development and Disposition Agreement entered into by and between Agency and Developer on January 25, 2019, shall remain in full force and effect.

Dated this 20<sup>th</sup> day of April, 2021. *AC*

**AGENCY:**

By:   
Gary Grossman, Chair

**DEVELOPER:**

By:   
Todd Carpenter

By:   
Carla McQuade

Approved as to form:

  
Jonathan M. Kara, City Attorney

**EXHIBIT C – REVISED**

**SCHEDULE OF CONTRACT PAYMENTS AND CLOSINGS, AND DATES FOR  
PROGRESS REPORTS TO BE PROVIDED TO AGENCY**

**January 25, 2019** – First installment contract payment of \$10,000 was paid by Developer.

**November 30, 2021** – Second and third installment contract payments of \$7,500 each (\$15,000 total) to be paid by Developer. Copy of certificate of occupancy for structures built on Parcel #1 and Parcel #2 to be provided by Developer. Status report on façade improvements and structures constructed upon Parcel #1 and Parcel #2 to be provided by Developer. The date for payment of the installments for closing may be extended as provided in Section 2.3.1.

**April 30, 2022** – Façade improvements completed for Recreation Building. Redevelopment plan provided by Developer for Parcel #3 to be approved by Agency.

**June 1, 2022** – Fourth installment contract payment of \$25,000 to be paid by Developer. Closing Date for purchase of Parcel #3.



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY  
CITY OF THE DALLES

**AGENDA STAFF REPORT**  
**AGENDA LOCATION: 10.A.**

**DATE:** January 18, 2022  
**TO:** Chair and Members of the Urban Renewal Agency Board  
**FROM:** Alice Cannon, Community Development Director/Urban Renewal Manager  
**ISSUE:** **Review and Discussion of Urban Renewal Financial Incentive Programs**

**BACKGROUND**

At the March 30, 2021 meeting, the URAB set goals for Fiscal Year 2021-2022. One of the goals was:

***Refresh current Urban Renewal incentive and Vertical Housing programs. Create updated marketing materials for both programs. Develop new programs to incent the development of new housing units in downtown The Dalles.***

Staff initiated this project in November 2021, hiring an urban renewal/redevelopment consultant to assist with the project. Deb Meihoff from Communitas, LLC will present a summary of her review of the Agency's current incentive program and a compilation of research she has completed of other Oregon urban renewal development incentive programs in communities of comparable size. See the PowerPoint Presentation attached in Attachment "A" and her report in Attachment "B."

Ms. Meihoff has prepared discussion questions at the end of the presentation and the report. The Chair will be prepared to lead the Board through these discussion questions at the meeting. Staff looks forward to hearing Board feedback on this important program.

**ATTACHMENT "A"**

# Research and Analysis for Incentive Program Options

**Board Discussion | 1.18.22**

Columbia Gateway / Downtown  
Urban Renewal



## 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:*

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

## INCENTIVES IN OREGON EXAMPLES

### *Addressing housing shortages*

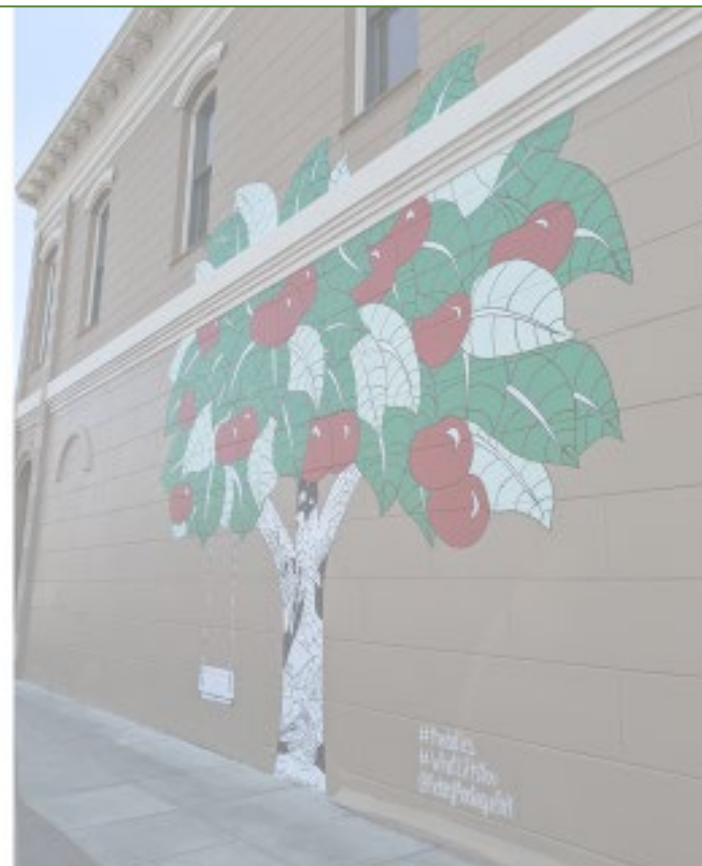
- Madras | Multifamily Development Incentives
- Redmond | Housing SDC Buydown
- John Day | Housing Incentives for New Homes, Remodels, and Land Development



## INCENTIVES IN OREGON EXAMPLES

### *Comprehensive and streamlined*

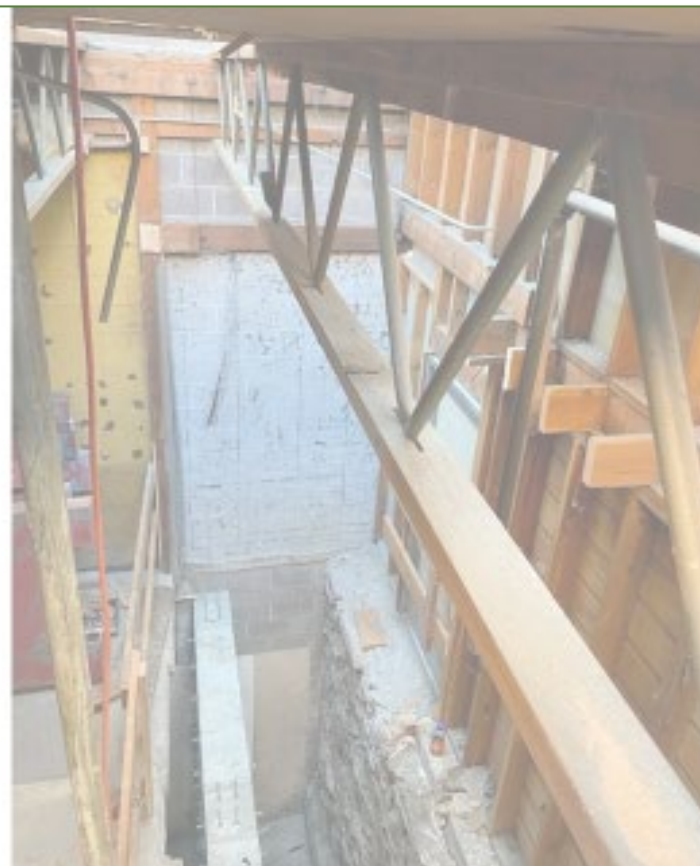
- Estacada | Large and Small Grants Programs
- La Grande | Revitalization Incentive Program



## 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?

**ATTACHMENT "B"****M E M O R A N D U M**

City of The Dalles  
Columbia Gateway / Downtown Urban Renewal  
Research Analysis for Incentive Program Options

To Alice Cannon, City of The Dalles  
From Deb Meihoff, Communitas

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The Urban Renewal Agency for City of The Dalles has identified a need to review and potentially update its redevelopment and reinvestment programs for the Columbia Gateway / Downtown Plan. Specifically, the Agency is working to meet its prosperity mission, goals for a thriving downtown, and housing need through the encouragement of walkable, accessible mixed-use developments.

The Columbia Gateway / Downtown Plan has the mission to attract “aesthetically pleasing, job producing private investments that will stabilize or increase property values and protect the area’s historic places and values.” As such, the urban renewal agency has been working since 1990 to increase productivity of underused properties, promote housing opportunities in downtown, and assist with rehabilitation of buildings and property.

Progress has been significant over the past 30 years. However, new economic forces, such as impacts the pandemic has had on small businesses and attractors to downtown, require the Agency to review and ensure its urban renewal programs are being maximized for community benefit and growth. Additionally, the City’s Housing Needs Assessment of 2017 identified, among other findings, a growing need for more dense and productive use of existing lands and highlighted the opportunity to support a walkable, bikeable mixed use town center to serve younger generations and older residents alike.

With the Plan goals and community needs in mind, the Agency has requested a review of the current urban renewal grant and loan programs and identification of other types of public incentives that could help the City achieve its prosperity goals, add to the tax base, and address community needs.

## Research and Analysis

Following is a high-level review of the existing plans and policies that guide investments in the Columbia Gateway / Downtown Urban Renewal Area (the "Area"), analysis of the Area's current programs, and a scan of development incentive programs used by other urban renewal agencies in Oregon with similar goals. This analysis has been prepared to inform the urban renewal agency's review and discussions of potential modifications to development incentive programs offered in the Area.

### POLICY REQUIREMENTS AND GUIDANCE

#### Columbia Gateway / Downtown Urban Renewal

(Plan last amended March 23, 2015)

The most relevant direction and provisions of the Plan are excerpted below.

- Mission, Goals/Objectives. The Plan's mission statement and goals clearly support programs to assist private redevelopment investments (refer to Plan Section 400). Goals with specific relevance to redevelopment programs include:
  - A. To make strategic investments of urban renewal funds and engage in various urban renewal activities which increase the value of properties...*
  - B. To make strategic investments of urban renewal funds so that unused and underused properties can be placed in productive condition...*
  - C. To participate ... in specific opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated and conserved...*
  - L. In conjunction with specific urban renewal development or redevelopment projects, 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...*
- Eligible Projects. Applicable projects and activities (Plan Section 600) eligible under the Plan include a Property Rehabilitation Grant and Loan Fund Program:
  - 13.3 Redevelopment of Unused and Underused Land and Buildings and other Civic Improvements.*
    - *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...*
    - *The Agency may establish a below market interest rate loan program for the redevelopment of properties within the urban renewal area. Prior to making any loans, the Agency shall prepare and adopt a comprehensive rehabilitation loan plan...*

## Comprehensive Land Use Plan

(Plan last amended June 14, 2021)

Projects in the Urban Renewal Plan are intended to carry out the policies and goals of the City’s Comprehensive Land Use Plan. The Comprehensive Plan and growth assumptions are dependent on Downtown fulfilling its role as a mixed use, higher density area. Specific Comprehensive Plan policies relevant to development incentive programs include:

- Goal 9 Economic Development Policies
  - 8. Plan for and make prudent public investments to meet the future demands of industrial, commercial, and residential growth in The Dalles.
  - 9. Encourage investment in The Dalles Central Business District, and support project activities of the Columbia Gateway/Downtown Urban Renewal Plan.
  - 21. Encourage cooperation between public and private sectors to support economic growth.
- Goal 10 Housing Policies
  - 3.a. Build on the pattern of concentrating higher residential densities near downtown...
  - 3.d. Provide incentives for neighborhood residential development and infill opportunities, particularly on under-developed lands. Focus incentives near the downtown and neighborhood centers.
  - 7. Incentives should be used to encourage development that meets maximum allowable density for all types of residential development.

## Housing and Residential Land Needs Assessment

(2017)

Projected Need. In accordance with Oregon Statewide Housing Goal 10, the City of The Dalles analyzed its 20-year forecast of housing needs. The most relevant findings of the analysis are excerpted below.

- It is projected that The Dalles will need to have added 1,769 housing units by the year 2036 (20-year period from 2016-2036).
- To meet community needs, it was estimated that roughly 25% of the new homes (478 units) need to be in the form of attached single-family or multi-family developments.

FIGURE 6.3: SUMMARY OF FORECASTED FUTURE UNIT NEED (2036)

TOTAL HOUSING UNITS									
	Single Family Detached	Single Family Attached*	Multi-Family			Mobile home	Boat, RV, other temp	Total Units	% of Units
			2-unit	3- or 4-plex	5+ Units MFR				
Totals:	1,112	50	101	99	228	178	0	1,769	100%
Percentage:	62.8%	2.8%	5.7%	5.6%	12.9%	10.1%	0.0%	100.0%	

Sources: PSU Population Research Center, Claritas Inc., Census, Johnson Economics

## Analysis of Current Incentive Programs

What follows are the key findings from review of redevelopment programs currently offered in the Area against the Urban Renewal Agency's and City's overall development objectives. The agency successfully deploys programs to support improvements to public infrastructure, parking, civic improvements, and preservation of historic properties. The findings presented below are specifically focused on analysis of programs to aid redevelopment of unused and underused properties in the Area.

### SUMMARY OF ANALYSIS:

- The agency currently has five programs offering assistance with Property Rehabilitation:
  1. Historic District Design and Restoration Program
  2. Redevelopment of Unused and Underused Property (sub-programs of Redevelopment and Restoration Loan Interest Subsidy, Blighted Property Demolition Loan)
  3. Civic Improvements Grant Program
  4. Façade Improvement Grant Program
  5. Fire Suppression Grant
- Removing barriers to reinvestment and redevelopment in downtown is the core mission of the Urban Renewal Plan.
- Many of the agency's incentive programs are performing well, being accessed by the private sector, and resulting in investments that meet community needs. However, challenges to reinvestment and redevelopment of vacant and underused properties remain.
- The agency has grant programs that successfully incent improvements to historic buildings, but the programs to encourage private investment in redevelopment of underused properties are limited and narrowly focused:
  - The Blighted Property Demolition Loan Program can only go toward demolition of buildings on properties that meet conditions of blight. The program has a provision for loan buy down (converts to owing only interest) if certificate of occupancy for a new structure is secured within three years of the demolition. The variable value, limited timeframe, and number of potentially qualifying buildings remaining in the Area suggest that very few property owners could or would take advantage of this program.
  - Fire Suppression System Grant is an important program, but the limited investment in system installation is not adequate to incent significant redevelopment investment in the Area.

- The agency does not currently have any programs that incent actual development of vacant parcels or unused/vacant portions of built parcels. This type of underused land holds the greatest potential for increasing the taxable value of the Area and achieving desired development outcomes.
- Loan programs, especially loans in small amounts, can be burdensome and expensive for public agencies to administer, and do not always resolve the financing needs of complex redevelopment projects with multiple sources of financing. In some cases, the level of effort for both the private and public sectors renders the loan program ineffective.
- Incentive programs work best, and most cost-efficiently, when the rules for qualification are simple, funding is tied to the type of development outcome an agency is seeking to encourage (not necessarily a specific construction element), and where the incentive value is defined early in the development process.
- There are examples from urban renewal agencies in Oregon that should be considered as The Dalles seeks to carry out the mission and goals of the Columbia Gateway / Downtown Urban Renewal Plan.

## Example Incentive Programs Used in Oregon

In 2021 more than 80 municipalities were actively implementing urban renewal plans. There is a broad diversity of goals among those municipalities. What follows are examples of redevelopment incentive programs from seven cities that are of a similar size or density to The Dalles, have plan objectives similar to the Gateway Columbia / Downtown Plan, and/or appear to be uniquely efficient to administer.

## Madras

Incentives for Multifamily Development   Housing District	
general description	type
Development incentives completed through development agreement that stipulates amount and timing of development and incentive.	<i>grant</i>
provisions	
<ul style="list-style-type: none"> <li>- Value of incentive is equal 7 years' worth of TIF based on assessment of new development (actual payout based on option selected, see below)</li> <li>- 3 incentive options                             <ul style="list-style-type: none"> <li>o Lump Sum: 50% of agreed upon incentive at time of occupancy</li> <li>o Tax Rebate: 100% agreed incentive through installment payments over 7 years</li> <li>o Infrastructure: City builds improvements required of development with up to 100% coverage. Timing of improvements determined by City</li> </ul> </li> </ul>	
<a href="https://www.ci.madras.or.us/bc-mrc/page/housing-urban-renewal-district-hurd">https://www.ci.madras.or.us/bc-mrc/page/housing-urban-renewal-district-hurd</a>	

## Redmond

Housing SDC Buydown   Downtown District	
general description	type
Buy-Down Program for Systems Development Charges to promote development of new affordable, high-density housing investments.	<i>grant</i>
provisions	
<ul style="list-style-type: none"> <li>- Grants for high density housing (3+ units)                             <ul style="list-style-type: none"> <li>o Eligible projects include partitioned single-family lots, multi-unit housing (duplex, apartments, condos, etc), ADUs, and Live/Work Mixed Use</li> <li>o Ineligible: mobile homes, single-family homes on single lot, and non-foundational homes</li> </ul> </li> <li>- SDC subsidy by housing type:                             <ul style="list-style-type: none"> <li>o \$5k/unit for 3+ units on single property; up to 30 units, maximum \$150k</li> <li>o \$3k for ADU on lots that are 7000sf or less,</li> <li>o \$3k/unit for partitions of SF lots where resulting parcels will house 3 units or more</li> </ul> </li> <li>- Simple administrative approval for grants up to \$50k; \$50-150k must be approved by Agency</li> </ul>	
unique provisions or selection criteria	
<ul style="list-style-type: none"> <li>- Funding toward SDCs during building permitting process</li> <li>- Buydown directly applied to building permit account unless applicant options for a deferral payment plan (then buydown applied at end of deferral and lien placed on property until SDCs are paid in full)</li> <li>- Property lien by city for 5 years. If building sold or property significantly modified within the 5 years, owner must pay back full amount</li> </ul>	
<a href="https://www.redmondoregon.gov/government/departments/community-development/urban-renewal/downtown-urban-renewal-district/h-downtown-property-assistance-programs">https://www.redmondoregon.gov/government/departments/community-development/urban-renewal/downtown-urban-renewal-district/h-downtown-property-assistance-programs</a>	

## John Day

Housing Incentive Programs	
general description	type
Subsidies to increase the number of housing units and improve the existing housing stock	<i>grant</i>
provisions	
<ul style="list-style-type: none"> <li>- New Home Incentive Program: 7% cash rebate on new construction, based on increase in assessed value; payment of SDCs on behalf of property owner (currently \$7400)</li> <li>- Existing Home Remodel Incentive: 15% cash rebate on substantial improvements, based on assessed value increase (min. AV increase of \$10k)</li> <li>- Land Development Incentive: Negotiated through a development agreement. Incentive options could be cash contribution, rebate of a portion of property taxes paid, contributions to infrastructure requirements, or a combination</li> <li>- Infrastructure Investment Program: Agency may directly complete infrastructure improvements</li> </ul>	
unique provisions or selection criteria	
<ul style="list-style-type: none"> <li>- Very simple application form (for all but Land Development required agreement)</li> </ul>	
<a href="https://www.cityofjohnday.com/planning/page/john-day-urban-renewal-agency-housing-incentive-program">https://www.cityofjohnday.com/planning/page/john-day-urban-renewal-agency-housing-incentive-program</a>	

## Estacada

Large and Small Grant Programs	
general description	type
Subsidize new development or comprehensive redevelopment	<i>grant</i>
provisions	
<ul style="list-style-type: none"> <li>- Targeted to projects that will add considerable new assessed value               <ul style="list-style-type: none"> <li>o Large Grant=min. project size: \$50k / Small Grant=max. project size \$50k</li> <li>o Franchises and national chains disallowed</li> <li>o For Large Grants tax-exempt projects are eligible, but must have broad impact Downtown and in the community, beyond the building. Tax exemption ineligible for Small Grants</li> <li>o Reimburse up to 50% of eligible costs. Large Grant: up to \$100k, Small Grant: up to \$10k per project, per year</li> </ul> </li> <li>- Grant can cover predevelopment analysis and site prep, SDC subsidy, interior improvements, façade improvements and property acquisition (large only).</li> </ul>	
unique provisions or selection criteria	
<ul style="list-style-type: none"> <li>- Applications accepted year-round and awards made until annual allocation of grant funds are exhausted</li> <li>- Application and selection criteria are simple and clear</li> </ul>	
<a href="https://www.cityofestacada.org/bc-ura/page/large-grant-program">https://www.cityofestacada.org/bc-ura/page/large-grant-program</a>	

## La Grande

Revitalization Incentive Program	
general description	type
Improve exterior of historic buildings, provide new opportunities for high-traffic retail businesses, and invest in public/private development partnerships, including facilitating the development of commercial and industrial parts of the District	<i>grant</i>
provisions	
<ul style="list-style-type: none"> <li>- Annual call for projects, with the potential to adjust funding availability or focus each year.</li> <li>- Grant: 50% of eligible costs up to \$50k. Could increase to \$75k if majority of work performed by Union County contractors / vendors. Typical construction and development expenses are eligible; very flexible list.</li> <li>- Min. project size: \$10k; min. private investment 50% total project costs (which could come from commercial loans and other public sources)</li> <li>- Reimbursement only</li> </ul>	
unique provisions or selection criteria	
<ul style="list-style-type: none"> <li>- 5-year restrictions: if property is transferred or sold within 5 years of completion, grant converts to a loan and full payment with interest due in full upon transaction; same provision for properties that receive property tax abatement within 5 years</li> <li>- Point-based selection criteria; incorporates staff assessment and community input, among other elements</li> <li>- Criteria reflect specific preferences for desired outcomes. Examples:                             <ul style="list-style-type: none"> <li>o proposals to redevelop long-vacant properties; these are also eligible for higher public match</li> <li>o certain preferred uses, such as Retail in the Central Business Zone</li> <li>o projects with higher level of private investment and Return on Investment</li> <li>o applicants determined to have a strong business plan and business viability</li> </ul> </li> </ul>	
<a href="https://www.cityoflagrande.org/economic-development-division/pages/urban-renewal-programs">https://www.cityoflagrande.org/economic-development-division/pages/urban-renewal-programs</a>	

## Fairview

Utility System Development Charges Assistance Program	
general description	type
Encourage development in the urban renewal area by reducing System Development Charges	<i>grant</i>
provisions	
<ul style="list-style-type: none"> <li>- Covers up to 100%, based on budget availability; SDCs assessed by special districts (water and parks) are not included in the Program</li> <li>- Eligible developments: Commercial and Industrial, Mixed Use, Owner-occupied residential, and Senior Living developments that transition from independent living to skilled nursing</li> <li>- Ineligible projects: property tax exempt, renter-occupied duplexes and apartments, projects that use Enterprise Zone or Vertical Housing incentives</li> </ul>	
unique provisions or selection criteria	
<ul style="list-style-type: none"> <li>- Straight-forward application form; must be submitted at least 10 days before applying for building permits but after land use approvals</li> <li>- Simple criteria: must meet at least one development criteria of the urban renewal area and be an eligible project type</li> </ul>	
<a href="https://fairvieworegon.gov/102/Incentives-Programs">https://fairvieworegon.gov/102/Incentives-Programs</a>	

## Veneta

SDC Fee Reduction	
general description	type
Reduce System Development Charges to assist new development and upgrades for existing structures.	<i>grant</i>
provisions	
<ul style="list-style-type: none"> <li>- Maximum grant \$25k</li> <li>- No matching funds required</li> </ul>	
unique provisions or selection criteria	
<ul style="list-style-type: none"> <li>- Simple and streamlined application.</li> <li>- SDC subsidy packaged as part of a “Redevelopment Toolkit Funding Options”</li> <li>- 3 selection criteria: fulfills a need to reduce trips into Eugene and other communities, provides a gain in commercial space, creates family-wage jobs and/or increases the employment base in Veneta. “The more the application meets these criteria the increased likelihood of funding.”</li> </ul>	
<a href="https://www.venetaoregon.gov/business/page/business-funding-incentives">https://www.venetaoregon.gov/business/page/business-funding-incentives</a>	

## Options | Questions for Consideration

As the agency investigates opportunities to modify its redevelopment programs to increase use / desired development activity and reduce the administration costs, there are a number of questions to be considered:

1. Of the examples given, does one of them seem to strike the best balance between effectiveness and efficiency?
2. Is there a reason to administer different programs for each specific type of development expense (e.g. SDC, sprinkler system, elevator, demolition)? Could you simplify / consolidate current incentive programs and still meet your redevelopment goals? Examples: Estacada, John Day, La Grande
3. Would it be better to consolidate current incentive programs and distinguish by value or size of project?
4. The Plan allows for assistance to develop business and residential uses (among others) - is there a reason to limit program eligibility to specific types of property? Policy basis? Examples: Madras, Redmond, John Day
5. Should the new program be available anywhere in the Area (so long as property and project conditions are met) or would it be better to target specific parts of the Area most lagging in value and, therefore, most in need of additional investments? Example: La Grande
6. What do you think of limiting eligibility to taxable uses only, even if it means that certain needed workforce housing developments may be ineligible? Examples: Estacada, La Grande, John Day
7. What's the best way to ensure the program is meeting the objectives? Should it there be a built-in review? By what measure and frequency?