

REVISED AGENDA

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

May 17, 2022

5:30 p.m.

City Hall Council Chambers
313 Court Street, The Dalles, Oregon

Via Zoom

<https://us06web.zoom.us/j/86259459367?pwd=Z0Nnd3E4bkxBUVhXQkRkTkJCdEJ6QT09>

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. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. APPROVAL OF MINUTES – April 19, 2022
6. PUBLIC COMMENT – During this portion of the meeting, anyone may speak on any subject that does not later appear on the agenda. Five minutes per person will be allowed.
7. STAFF COMMENTS / PROJECT UPDATES
8. BOARD MEMBER COMMENTS / QUESTIONS
9. PUBLIC HEARING
 - A. Adoption of the Fiscal Year 2022/23 Budget for the Columbia Gateway Urban Renewal Agency
10. RESOLUTION
 - A. Resolution No. 22-001 – Adopting the Fiscal Year 2022/23 Budget for the Columbia Gateway Urban Renewal Agency
11. ACTION ITEM
 - A. Consideration and Approval of Urban Renewal Incentive Program

12. DISCUSSION ITEM

- A. Presentation of Redevelopment Concept for former Agency-owned property at 201, 203 and 205 Washington Street (previously known as “The Blue Building”). Property owner Tony Zilka and Keith Temple will present and discuss their potential redevelopment concept.

13. ADJOURNMENT

Meeting conducted in a room in compliance with ADA standards.

Prepared by/
Paula Webb, Secretary
Community Development Department

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING

April 19, 2022
5:30 p.m.

CITY HALL COUNCIL CHAMBERS
313 COURT STREET
THE DALLES, OREGON 97058

PRESIDING: Kathy Schwartz, Vice Chair

BOARD PRESENT: Diana Bailey, Staci Coburn, Lindsey Giamei, Tim McGlothlin, Dan Richardson, and Shanon Saldivar

BOARD ABSENT: Tracy Dugick, Darcy Long

STAFF PRESENT: Urban Renewal Manager Alice Cannon, Associate Planner Joshua Chandler, Secretary Paula Webb

CALL TO ORDER

The meeting was called to order by Vice Chair Schwartz at 5:31 p.m.

PLEDGE OF ALLEGIANCE

Board Member Richardson led the Pledge of Allegiance.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

It was moved by Bailey and seconded by Richardson to approve the minutes of February 15, 2022 as submitted. The motion carried 7/0; Bailey, Coburn, Giamei, McGlothlin, Richardson, Saldivar and Schwartz voting in favor, none opposed, Dugick and Long absent.

It was moved by Saldivar and seconded by Giamei to approve the minutes of March 15, 2022 as submitted. The motion carried 7/0; Bailey, Coburn, Giamei, McGlothlin, Richardson, Saldivar and Schwartz voting in favor, none opposed, Dugick and Long absent.

PUBLIC COMMENT

None.

STAFF COMMENTS / PROJECT UPDATES

Director Cannon said closing is now complete for two properties [215 and 219 E. Second Street, as part of the Recreation Building project] purchased by Todd Carpenter and Carla McQuade.

The Incentive Program will return next month for the Board's consideration and approval.

Work continues on the First Street Streetscape project.

BOARD MEMBER COMMENTS / QUESTIONS

None.

ACTION ITEM

Consideration of a Business Oregon Brownfield Cleanup Fund grant application to provide financial assistance for demolition and asbestos abatement for the Tony's Building property, 401-407 E. Second Street.

Director Cannon requested the Board's authorization to apply for a Business Oregon Brownfield Cleanup Fund grant in an amount not to exceed \$400,000.00, for demolition of Agency-owned property at 401-407 E. Second Street, otherwise known as the Tony's Building. The Agency is responsible for the remaining portion of demolition, \$350,000.

Board Member McGlothlin referred to the federal breakdown infrastructure [Bipartisan Infrastructure Law] and noted the EPA Brownfield Project is \$1.2 billion, a competitive grant funding 100 percent of "certain activities." The grant provides funding for brownfield projects and cleanups through the Comprehensive Environmental Response Compensation and Liability Act.

Board Member McGlothlin recommended the Board consider merging with Wasco County and Port of The Dalles to hire professional grant writers.

It was moved by Richardson and seconded by McGlothlin to authorize the Urban Renewal Agency Manager to sign the Business Oregon Brownfield Cleanup Fund grant application, requesting up to \$400,000 in grant funds to assist with asbestos abatement and demolition at Agency-owned property located at 401-407 E. Second Street. The motion carried 7/0; Bailey, Coburn, Giamei, McGlothlin, Richardson, Saldivar and Schwartz voting in favor, none opposed, Dugick and Long absent.

ADJOURNMENT

Being no further business, the meeting adjourned at 5:47 p.m.

Meeting conducted in a room in compliance with ADA standards.

Submitted by/
Paula Webb, Secretary
Community Development Department

SIGNED: _____

Darcy Long, Chair

ATTEST: _____

Paula Webb, Secretary
Community Development Department

DRAFT



AGENDA STAFF REPORT

AGENDA LOCATION: Public Hearing Item #10A

MEETING DATE: May 17, 2022

TO: Chair and Members of the Agency Board

FROM: Angie Wilson, Finance Director

ISSUE: **Public Hearing on Columbia Gateway Urban Renewal District Budget for FY 2022 / 2023, as Required by Oregon Budget Law, and Consideration of Resolution No. 22-001 Adopting the FY2022 / 2023 Budget, Making Allocations, and Certifying a Request for Maximum Tax Revenue to the County Assessor.**

BACKGROUND: The Agency Budget Committee reviewed the proposed budget and approved that budget on April 12, 2021 with no changes.

The Urban Renewal Agency Board will hold the required Public Hearing on May 18, 2022, and will consider the proposed resolution adopting the budget on that same agenda.

BUDGET IMPLICATIONS: At this time staff has no recommendations for changes to the budget approved by the Urban Renewal Budget Committee. If staff should identify any changes that may be needed, they will inform the Board during the Public Hearing.

If the Board determines that additional changes are necessary, Oregon Budget Law allows a governing body, prior to final adoption, to make changes to a fund approved by the Budget Committee in the amount of \$5,000 or 10% of the operating portion of that Fund, whichever is greater. The operating portion includes the Personnel, Materials & Services, and Capital Outlay categories, but does not include Interfund Transfers, Contingencies, or Unappropriated amounts. If the changes the governing body wishes to make are greater than these limits allow, another Public Hearing must be held, with the required published notices, prior to adoption.

ALTERNATIVES:

1. **Staff recommendation:** *Move to Adopt 22-001 the Fiscal Year 2022-2023 Budget for the Columbia Gateway Urban Renewal Agency, making allocations, and certifying a request for maximum tax revenue to the County Assessor.*

2. Make changes to the budget, subject to the limitations and requirements described above, and adopt the budget as amended.

ATTACHMENTS:

UR-1: Public Notice for Budget Hearing

FY 2022-2023 Budget

FORM UR-1

NOTICE OF BUDGET HEARING

A public meeting of the Columbia Gateway Urban Renewal Agency will be held on May 17, 2022 at 5:30 PM in the City Council chambers at City Hall, 313 Court Street, The Dalles, Oregon. If you would like to make a written comment, it is due to acannon@ci.the-dalles.or.us by May 13, 2022 by 5:00 p.m. Public comment can be made during the meeting via zoom or in person.
<https://us06web.zoom.us/j/86259459367?pwd=Z0Nnd3E4bkxBUVhXQkRkTkJCdEJ6QT09>

Meeting ID: 862 5945 9367 Passcode: 292293

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

The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2022 as approved by the Columbia Gateway Urban Renewal Agency Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained on or after April 28, 2022, online www.ci.the-dalles.or.us. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as used the preceding year.

Contact: Angie Wilson, Finance Director Telephone: 541-296-5481 Email: Awilson@ci.the-dalles.or.us

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2020-2021	Adopted Budget This Year 2021-2022	Approved Budget Next Year 2022-2023
Beginning Fund Balance/Net Working Capital	4,354,560	4,581,503	5,336,352
Federal, State and All Other Grants	0	0	0
Revenue from Bonds and Other Debt	0	0	0
Interfund Transfers	0	0	0
All Other Resources Except Division of Tax & Special Levy	50,062	79,453	62,634
Revenue from Division of Tax	1,516,562	1,577,404	1,591,956
Revenue from Special Levy	0	0	0
Total Resources	5,921,184	6,238,360	6,990,942

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Personnel Services	0	0	0
Materials and Services	248,983	467,220	2,350,960
Capital Outlay	0	4,171,664	3,034,506
Debt Service	805,888	1,599,476	1,605,476
Interfund Transfers	0	0	0
Contingency	0	0	0
All Other Expenditures and Requirements	0	0	0
Unappropriated Ending Fund Balance	4,866,312	0	0
Total Requirements	5,921,184	6,238,360	6,990,942

FINANCIAL SUMMARY - REQUIREMENTS BY ORGANIZATIONAL UNIT OR PROGRAM

Columbia Gateway Urban Renewal Operations	5,921,184	6,238,360	6,990,942
FTE	0	0	0
Total Requirements	5,921,184	6,238,360	6,990,942
Total FTE	0	0	0

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING

The primary mission of the Columbia Gateway Urban Renewal Agency, through the Cooperation Agreement with the City of The Dalles, is the enhancement of public and private properties increasing the likelihood of investments in the City. Property rehabilitation is accomplished primarily by providing matching monies to enhance property within the Urban Renewal area. Revenues consist of property taxes, interest income, sale of surplus properties, and loan/bond proceeds. Property taxes are first used for debt service requirements. Administrative services, finance and engineering services are purchased from the City of The Dalles. There are no prominent changes in the operations from the prior year. Major projects funded in this budget include the 1st Street/Riverfront Connection, the demolition of the Tony's Building and a grant match for Recreation District Mill Creek Greenway Project.

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding July 1, 2022	Estimated Debt Authorized, But Not Incurred on July 1
Other Borrowings	\$4,929,560	\$0
Total	\$4,929,560	\$0

**Columbia Gateway Urban Renewal - Agency Fund 200
Fiscal Year 2021-2022**

FY 19/20	FY 20/21	FY 21/22	Account Number	Account Description	FY 22/23 Proposed Budget	FY 22/23 Approved Budget
Approved Budget						
Actual	Actual	Budget				
URBAN RENEWAL AGENCY FUND 200						
REVENUES						
2,226,296	3,508,990	3,775,615	200-0000-300.00-00	BEGINNING BALANCE	4,536,614	4,536,614
794,424	739,649	721,416	200-0000-311.10-00	PROPERTY TAX - CURRENT	749,738	749,738
71,139	13,910	60,000	200-0000-311.15-00	PROPERTY TAX - PRIOR YEAR	40,000	40,000
5,808	1,597	6,900	200-0000-311.19-00	UNSEGREGATED TAX INTEREST	1,280	1,280
78,262	33,343	38,000	200-0000-361.00-00	INTEREST REVENUES	21,000	21,000
301,415	(25)	10	200-0000-369.00-00	OTHER MISC REVENUES	10	10
330,454	2,794	27,937	200-0000-373.10-00	LOAN PRINCIPAL REPAYMENT	28,000	28,000
(16,916)	9,150	9,006	200-0000-373.20-00	LOAN INTEREST REPAYMENT	8,824	8,824
3,790,882	4,309,408	4,638,884	TOTAL REVENUES		5,385,466	5,385,466
EXPENDITURES						
Materials & Services						
4,528	20,190	16,650	200-6700-000.31-10	CONTRACTUAL SERVICES	17,150	17,150
32,490	104,724	120,000	200-6700-000.31-15	CONTRACT ADMIN SERVICES	120,000	120,000
4,459	6,160	5,880	200-6700-000.32-10	AUDITING SERVICES	5,900	5,900
18,070	36,671	116,000	200-6700-000.32-60	URBAN RENEWAL CONSULT	126,000	126,000
66,857	-	63,000	200-6700-000.34-10	ENGINEERING SERVICES	-	-
54,779	63,668	125,800	200-6700-000.39-10	PROPERTY REHABILITATION	2,062,000	2,062,000
946	2,667	2,500	200-6700-000.41-40	ELECTRIC	2,700	2,700
-	4,785	5,000	200-6700-000.43-10	BUILDINGS & GROUNDS	5,000	5,000
2,005	1,941	2,000	200-6700-000.46-10	PROPERTY TAXES	2,060	2,060
14,745	5,878	6,500	200-6700-000.52-10	PROPERTY/LIABILITY INS	6,000	6,000
68	41	200	200-6700-000.53-20	POSTAGE	200	200
1,287	1,050	900	200-6700-000.53-40	LEGAL NOTICES	900	900
36	-	750	200-6700-000.58-10	TRAVEL, FOOD & LODGING	750	750
345	-	600	200-6700-000.58-50	TRAINING AND CONFERENCES	600	600
775	939	940	200-6700-000.58-70	MEMBERSHIPS/DUES/SUBSCRIP	1,200	1,200
253	269	400	200-6700-000.60-10	OFFICE SUPPLIES	400	400
-	-	100	200-6700-000.64-10	BOOKS/PERIODICALS	100	100
201,642	248,983	467,220	Total Materials & Services		2,350,960	2,350,960
Capital Outlay						
-	-	500,000	200-6700-000.75-10	CAPITAL PROJECTS BY CITY	2,150,000	2,150,000
80,250	-	3,671,664	200-6700-000.75-20	CAPITAL PROJECTS BY UR	884,506	884,506
80,250	-	4,171,664	Total Capital Outlay		3,034,506	3,034,506
281,892	248,983	4,638,884	TOTAL EXPENDITURES		5,385,466	5,385,466
3,508,990	4,060,424	-	REVENUES LESS EXPENDITURES		-	-

Columbia Gateway Urban Renewal - Debt Service Fund 210
Fiscal Year 2021-2022
Approved Budget

FY 19/20	FY 20/21	FY 21/22	Account	Account	FY 22/23	FY 22/23
Actual	Actual	Budget	Number	Description	Proposed	Approved
					Budget	Budget
URBAN RENEWAL DEBT SERVICE FUND 210						
REVENUES						
845,570	845,570	805,888	210-0000-300.00-00	BEGINNING BALANCE	799,738	799,738
796,288	761,406	789,088	210-0000-311.10-00	PROPERTY TAX - CURRENT	800,938	800,938
5,000	4,800	4,500	210-0000-361.00-00	INTEREST REVENUES	4,800	4,800
1,646,858	1,611,776	1,599,476	TOTAL REVENUES		1,605,476	1,605,476
EXPENDITURES						
Debt Service						
510,000	535,000	550,000	210-6600-000.79-30	LOAN PRINCIPAL	575,000	575,000
291,288	270,888	249,738	210-6600-000.79-40	LOAN INTEREST	227,738	227,738
-	-	799,738	210-6600-000.79-80	RESERVE FOR FUTURE DEBT	802,738	802,738
801,288	805,888	1,599,476	Total Debt Service		1,605,476	1,605,476
801,288	805,888	1,599,476	TOTAL EXPENDITURES		1,605,476	1,605,476
845,570	805,888	-	REVENUES LESS EXPENDITURES		-	-

RESOLUTION NO. 21-001

A RESOLUTION ADOPTING THE FISCAL YEAR 2022-2023 BUDGET FOR THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY, MAKING ALLOCATIONS, AND CERTIFYING A REQUEST FOR MAXIMUM TAX REVENUE TO THE COUNTY ASSESSOR.

WHEREAS, the Urban Renewal Budget Committee, on April 12, 2022 solicited public comment on the proposed budget and approved a balanced budget for FY22/23; and

WHEREAS, in accordance with State Law, the Urban Renewal Board of Directors held a Public Hearing on the approved budget on May 17, 2022; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY AS FOLLOWS:

Section 1. Adoption of the Budget for FY22/23.

The Board of Directors of the Columbia Gateway Urban Renewal Agency hereby adopts the budget for Fiscal Year 2022-2023 in the total of **\$6,990,942**, now on file in the office of the City Finance Director.

The amounts for the Fiscal Year beginning July 1, 2022 and for the purposes shown below are hereby appropriated:

Capital Projects Fund (200)	
Columbia Gateway Urban Renewal Operations	\$5,385,466
Debt Service Fund (210)	
Debt Service	\$1,605,476
Total Appropriations, All Funds	<u>\$6,990,942</u>

Section 2. Certifying to the County Assessor.

The Board of Directors of the Columbia Gateway Urban Renewal Agency resolves to certify to the County Assessor, for the Columbia Gateway Downtown Plan Area, a request for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article XI, of the Oregon Constitution and ORS Chapter 457.

PASSED AND ADOPTED THIS 17TH DAY OF MAY, 2022.

Voting Yes: _____

Voting No: _____

Absent: _____

Abstaining: _____

AND APPROVED BY THE CHAIR OF THE BOARD THIS 17TH DAY OF MAY, 2022.

SIGNED:

ATTEST:

Darcy Long, Chair

Paula Webb, CDD Secretary



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY
CITY OF THE DALLES

AGENDA STAFF REPORT
AGENDA LOCATION: 11. A.

DATE: May 17, 2022

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

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

ISSUE: **Consideration and Approval of Urban Renewal Financial Incentive Program**

BACKGROUND

After URAB discussions on January 18 and March 15, staff is requesting final review and consideration of the attached Urban Renewal Development Incentive Program. The proposed package of incentives will replace a previous suite of loans and incentives that had been in place since 2003. The proposed program does not include loans, but instead offers the following grant programs as a means to encourage redevelopment and rehabilitation of buildings in the historic downtown core and other areas of the district:

Commercial Project Grants | up to \$50,000

Matching grants to fund smaller building upgrades, tenant improvements, and similar types of rehabilitation projects building community vitality and prosperity.

- ▶ 50% matching grant, up to \$50,000, to reimburse for construction of real physical improvements and meeting Agency priorities, Plan goals, and Incentive Program eligibility specifications outlined here.

Mixed-Use Project Grants | up to \$150,000

Matching grants to fund transformational mixed-use redevelopment and reinvestment in underused or vacant properties.

- ▶ 70% matching grant, up to \$150,000, for larger and more transformational mixed-use projects constructing real physical improvements and meeting Plan goals, Agency priorities, and Incentive Program eligibility specifications outlined here.

New Residential Project Grants | \$10,000 per new housing unit

SDC credits to assist with costs of building new housing in the Area.

- ▶ The Agency will pay Systems Development Charges (SDCs) for projects adding new housing units (net increase), up to \$10,000 per new unit. Approved SDC credits will be applied at building permit issuance and will have the same terms and expiration date.

Below are some of the major grant program details and restrictions. The URAB gave staff feedback on these items at the January and March meetings. Staff will confirm whether these details are satisfactory with the URAB at the May 17 meeting:

- **Funding limits.** Incentive Program funds may be combined with other public programs; provided, however, no project may receive greater than \$700,000.00 total in funding or Abatements from both the City of the Dalles and the Agency. Funds from any other Agency program may not be used to satisfy the fund-matching requirement for Commercial Project and Mixed-Use Project Grants.
- **Match required for Commercial Project and Mixed-Use Project Grants.** Projects awarded Incentive Program Grants for Commercial Projects and Mixed-Use Projects require the Applicant to invest **at least 50%** of the improvement costs for Commercial Project Grants and **at least 30%** for Mixed-Use Projects Grants.
- **Additional funding eligibility for Mixed-Use Projects with more than 50 dwelling units.** At the discretion of the Agency Board, Applications for a Mixed-Use Project Grant with more than 50 dwelling units may be eligible for funding exceeding the grant cap of \$150,000 (contingent upon funding availability). The Agency Board's discretion on such eligibility shall be based on the degree the proposed Mixed-Use Project will meet multiple funding priorities as outlined in the Plan and herein. Interested Applicants must contact Agency staff prior to applying for additional funding.
- **Reimbursement basis.** Incentive Program funds may only be used for costs incurred (1) *after* the Grant is awarded and (2) the Grant Agreement is executed by the Agency and Applicant; any costs incurred prior to meeting the aforementioned criteria are ineligible for reimbursement.
- **Ineligible improvements:** Incentive Program funds must be applied toward permanent and physical improvements or design or engineering work leading to permanent and physical improvements. Examples of expenditures ineligible for Incentive Program funding include general cleaning and maintenance, property acquisition, financing costs or debt, and other similar operating expenses.
- **15-year restriction on property tax abatements or credits.** Except developments abated or subsidized by The Dalles Vertical Housing Zone, projects pursuing or otherwise already subject to Abatements are ineligible for the Incentive Program, including projects pursuing Low Income Housing Tax Credits or abatements tied to non-profit status of users. For all other types of development, any properties receiving Incentive Program funding are restricted from receiving Abatements for 15 years after Grant funds are disbursed. Concurrent with paying out Grant funds, the City will assess a lien against the property for the Grant amount. The Applicant will

refund the Agency the full amount of Grant funding disbursed if the property receives an Abatement within the 15-year restriction period. Payment will be due and payable to the Agency immediately upon receipt of the Abatement notification. The lien will be released 15 years after project completion and written notice delivered to the Agency Manager by the property owner.

PUBLIC INVOLVEMENT

Outside of public discussion of the program at the January and March URAB meetings, staff shared an early draft of the proposed incentive program with approximately ten property owners, real estate brokers, and potential investors in the Urban Renewal Area. Reception to the proposed program has been positive. Staff was able to address concerns in subsequent drafts, incorporating refinements and improvements in the proposed final draft. Approximately five developers/business owners are expected to use the program by the end of 2022.

BUDGET IMPLICATIONS

In anticipation of developer interest in the program and overall interest in URA redevelopment, the URA Budget Committee approved a \$2.0 million budget for the new incentive program on April 12. Additional funds will be available for subsequent years, subject to URAB approval.

BOARD ALTERNATIVES

1. ***Staff recommendation: Move to approve the 2022 Urban Renewal Incentive Program update. Direct staff to give regular updates on program outcomes at upcoming URAB meetings.***
2. Move to approve the 2022 Urban Renewal Incentive Program, subject to amendments outlined by the URAB at the May 17 meeting.
3. Decline to approve the 2022 Urban Renewal Incentive Program update.

Attachment

- **Attachment A** – The Dalles Urban Renewal Agency Incentive Program for Property Reinvestment and Redevelopment
- **Attachment B** – Excerpt from the January 18, 2022 URAB meeting minutes
- **Attachment C** – Excerpt from the March 15, 2022 URAB meeting minutes

ATTACHMENT "A"

The Dalles Urban Renewal Agency Incentive Program for Property Reinvestment and Redevelopment

GOALS AND FUNDING PRIORITIES

Columbia Gateway/Downtown Plan Goals

The Dalles Urban Renewal Agency (**Agency**) of the City of The Dalles (**City**) has funding available for building and property owners seeking to improve and develop properties located within the Columbia Gateway/Downtown Urban Renewal Area (**Area**) and meeting community goals. Specifically, the Agency aims to incent redevelopment of unused and underused land and buildings to meet the goals of the Columbia Gateway/Downtown Plan (**Plan**), including investments:

- increasing value of properties;
- placing unused and underused properties in productive condition;
- assisting with opportunities for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated, and conserved; and
- supporting development or redevelopment projects 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.

NEW INCENTIVE GRANTS

Commercial Project Grants | up to \$50,000

Matching grants to fund smaller building upgrades, tenant improvements, and similar types of rehabilitation projects building community vitality and prosperity.

- ▶ 50% matching grant, up to \$50,000, to reimburse for construction of real physical improvements and meeting Agency priorities, Plan goals, and Incentive Program eligibility specifications outlined here.

Mixed-Use Project Grants | up to \$150,000

Matching grants to fund transformational mixed-use redevelopment and reinvestment in underused or vacant properties.

- ▶ 70% matching grant, up to \$150,000*, for larger and more transformational mixed-use projects constructing real physical improvements and meeting Plan goals, Agency priorities, and Incentive Program eligibility specifications outlined here.

New Residential Project Grants | \$10,000 per new housing unit

SDC credits to assist with costs of building new housing in the Area.

- ▶ The Agency will pay Systems Development Charges (**SDCs**) for projects adding new housing units (net increase), up to \$10,000 per new unit. Approved SDC credits will be applied at building permit issuance and will have the same terms and expiration date.

*Mixed-use projects with more than 50 dwelling units may be eligible for additional funding. Refer to Additional Incentive Grant Program Details and Restrictions section.

ELIGIBLE INVESTMENTS AND FUNDING PRIORITIES

REQUIRED FOR ELIGIBILITY: Projects (1) meeting Plan goals, (2) proposing to rehabilitate Area buildings, reinvesting in Area property, and/or redevelop the Area, and (3) satisfying at least one of the Incentive Funding Priorities noted below are eligible to apply and may receive an Incentive Program Grant. The Agency may prefer to fund eligible projects addressing more than one Incentive Funding Priority with a greater likelihood of Grant award.

In addition to the Agency's goals, the Agency established the **2022-2023 Incentive Funding Priorities**. **Eligible projects must comprise one or more of the following:**

- restoration, reuse, or upgrades to historic buildings, including adapting historic or culturally significant existing buildings in the Area to new uses;
- improvements leading to use and activation of ground-floor storefronts in the Area, which may include tenant improvements/build out, and core building improvements;
- permanent improvements for upper floors of existing Area buildings to make the space usable (if not currently in use) or to allow for a higher and more valuable use;
- new mixed-use development incorporating residential units into the Area;
- addition of new residential units into the Area;
- safety and accessibility improvements in combination with other reinvestment activities adding value to the Area, such as installation of fire suppression and seismic reinforcement systems, ADA access improvements, elevator installation, and architectural lighting;
- infrastructure upgrades (in association with other permanent building improvements) supporting the City's environmental/sustainability goals and adding property value to the Area;
- quality exterior improvements or rehabilitation intended to restore or improve Area building exteriors and façade elements (such as doors, windows, porches, balconies, etc.);
- demolition and redevelopment of blighted properties in the Area; and
- other permanent improvements and redevelopment aligned with Area and Agency goals as approved by Agency staff and Board.

ELIGIBLE APPLICANTS

- Owners of property within the Area who are current on their property taxes are eligible to apply for an Incentive Program Grant. If the primary Applicant is not the current property owner of record pursuant to Wasco County real property records, the Application must also be signed by the property owner to indicate their consent for the Applicant to proceed.
- Projects pursuing or otherwise already subject to property tax abatements, tax or other credits, or other property-related subsidies (**Abatements**) are ineligible to apply, except developments receiving abatement from The Dalles Vertical Housing Zone are also eligible for any of the Incentive Program Grants outlined herein.

APPLICATION AND APPROVAL PROCESS

1. Contact Agency staff to first assess eligibility and funding availability then to discuss the potential project.
2. Identify overall development program, project elements, scope of work, and estimated costs.
3. Complete and submit the Application to Agency staff.
4. Agency staff will screen for and determine the Applicant's official eligibility for an Incentive Program Grant and clarity and completeness of the submitted Application.
5. For all eligible Applications seeking less than \$50,000 in Grant funding, the Agency Manager shall review and score each Application before making a final approval or denial.
6. Applications seeking \$50,000 or more in Grant funding will be reviewed publicly at a regular meeting of the Agency Board where the Agency Board shall score and make a final approval or denial.
7. The Agency anticipates screening, reviewing, and scoring applications within 30 days of receipt. Applications seeking additional funding for mixed-use projects with more than 50 dwelling units are intended to be reviewed and scored within 60 days of receipt.
8. Successful Applicants will receive a Letter of Grant Award and Grant Agreement establishing the Grant amount, performance requirements, specific conditions and requirements for reimbursement or SDC credit, and the anticipated Grant disbursement schedule.

Additional Incentive Grant Program Details and Restrictions:

- **Agency's commitment to service.** Agency staff are committed to facilitating high-quality reinvestments in the Area by providing customer service and partnership with the development community. We welcome inquiries and can offer information and insights on elements of a successful Application.
- **Funding availability.** Incentive Program Grants will be available on a first come, first served basis. The Agency will publish the annual budget for the Incentive Program no later than July 1 of each year. The Agency reserves the right to withhold release of some of or all the available funding until later in the fiscal year.
- **Funding limits.** Incentive Program funds may be combined with other public programs; provided, however, no project may receive greater than \$700,000.00 total in funding or Abatements from both the City of the Dalles and the Agency. Funds from any other Agency program may not be used to satisfy the fund-matching requirement for Commercial Project and Mixed-Use Project Grants.
- **Match required for Commercial Project and Mixed-Use Project Grants.** Projects awarded Incentive Program Grants for Commercial Projects and Mixed-Use Projects require the Applicant to invest **at least 50%** of the improvement costs for Commercial Project Grants and **at least 30%** for Mixed-Use Projects Grants.
- **Additional funding eligibility for Mixed-Use Projects with more than 50 dwelling units.** At the discretion of the Agency Board, Applications for a Mixed-Use Project Grant with more than 50 dwelling units may be eligible for funding exceeding the grant cap of \$150,000 (contingent upon funding availability). The Agency Board's discretion on such eligibility shall be based on the degree

the proposed Mixed-Use Project will meet multiple funding priorities as outlined in the Plan and herein. Interested Applicants must contact Agency staff prior to applying for additional funding.

- **Reimbursement basis.** Incentive Program funds may only be used for costs incurred (1) *after* the Grant is awarded and (2) the Grant Agreement is executed by the Agency and Applicant; any costs incurred prior to meeting the aforementioned criteria are ineligible for reimbursement.
- **Ineligible improvements:** Incentive Program funds must be applied toward permanent and physical improvements or design or engineering work leading to permanent and physical improvements. Examples of expenditures ineligible for Incentive Program funding include general cleaning and maintenance, property acquisition, financing costs or debt, and other similar operating expenses.
- **15-year restriction on property tax abatements or credits.** Except developments abated or subsidized by The Dalles Vertical Housing Zone, projects pursuing or otherwise already subject to Abatements are ineligible for the Incentive Program, including projects pursuing Low Income Housing Tax Credits or abatements tied to non-profit status of users. For all other types of development, any properties receiving Incentive Program funding are restricted from receiving Abatements for 15 years after Grant funds are disbursed. Concurrent with paying out Grant funds, the City will assess a lien against the property for the Grant amount. The Applicant will refund the Agency the full amount of Grant funding disbursed if the property receives an Abatement within the 15-year restriction period. Payment will be due and payable to the Agency immediately upon receipt of the Abatement notification. The lien will be released 15 years after project completion and written notice delivered to the Agency Manager by the property owner.
- **Required compliance with land use and building codes.** Applicant projects must comply with the City's zoning, design standards, land use and development ordinance, historic review (as applicable), and municipal code requirements. No person may simultaneously seek zoning and/or land use amendments for the property or project in question.
- **Investment readiness.** Property owners/Applicants must be current on their property taxes to be eligible for Incentive Program Grants. The Agency may request a title report on the property subject to City Attorney review. The Agency may deny Grant funding based on the title report and/or the number of liens on the property. Grant recipients are required to complete a W-9 form as a vendor of the City/Agency and are fully responsible for all taxes associated with the Grant.

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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:

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.

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.

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.

Submitted by/
Paula Webb, Secretary
Community Development Department

SIGNED: _____
Darcy Long, Chair

ATTEST: _____
Paula Webb, Secretary
Community Development Department

EXCERPT FROM THE MEETING MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING

March 15, 2022

5:30 p.m.

Via Zoom

Review and discussion of a proposed draft Urban Renewal Incentive Program

Chair Long noted Board Member Giamei is a business and property owner downtown as well as a board member. Board consensus allowed Giamei to participate in the discussion and refrain from the vote.

Manager Cannon stated this topic is a discussion item, not an action item; final adoption is scheduled for next month. Cannon was pleased with the draft and the opportunity to discuss the proposal with property owners likely to develop. Cannon thanked the property owners for their feedback.

Manager Cannon introduced Deb Meihoff, Communitas LLC. Meihoff presented the draft proposal, Exhibit 1.

Manager Cannon added we are emphasizing property owners that pay property tax, while avoiding financial awards to tax-exempt properties. The only tax-exempt program allowed to receive funds will be those associated with the previously adopted vertical housing tax program.

Board Member Richardson asked if the funds are on hand, why set a low bar for the budget? Cannon replied this draft was unavailable during budget preparation and she was hesitant to suggest a large amount. She strongly encouraged additional funds. Funds would be moved from "Future Opportunity Projects" into the grant line item. All committed funds are listed in the proposed budget.

Board Member Giamei suggested the Board consider lowering the funding cap to ensure many property owners have the opportunity to benefit from the program.

Current interest in the program is from local property owners.

Mary Hanlon, 523 E. Third Street, The Dalles

Ms. Hanlon purchased downtown property with the intent to build multi-family housing. This type of housing has a major effect on economic and community redevelopment. Many factors have delayed the project, resulting in increased construction costs. Is the \$700,000 ceiling both SDCs [system development charges] and the grant, or one or the other? If the possibility is open for both, my understanding is SDCs, if a waiver, are not attributed to the cap set by the state. We strongly believe the addition of people downtown will do a tremendous amount to activate the downtown and support other businesses. The vertical housing tax credit is for putting in the housing. Ground floor retail would dramatically increase the amount of taxes collected. Hanlon suggested the amount be a percentage of the cost rather than a flat dollar amount.

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Manager Cannon noted this proposal does not suggest the Council waive fees. This proposal is to subsidize fees on behalf of the developer. A fee waiver is not a policy option discussed thus far.

Chair Long stated construction costs are much higher now. The developers were unable to make funding “pencil out” for the original Tony’s project. A cap on the funds may eliminate a desirable, worthwhile project.

Ms. Hanlon noted the SDCs are extremely high in The Dalles compared to other communities. Again, a cap on that leaves a heavy fee to pay. In response to fairness and the ability to create the cash and the equity to put back into the system, the idea is that if you increase residency downtown, for every dollar spent in rent another three will be spent on other resources locally. The revenue base is dramatically increased.

Manager Cannon noted SDCs are charged per dwelling unit.

Board Member Giamei stated aside from paying SDCs, they would have to upgrade water lines in order to add residential use on the second floor. She asked if those costs would be included in the program. Manager Cannon replied infrastructure improvements qualify for grant awards.

Chair Long urged the Board to engage in a thorough discussion. This is important to downtown and urban renewal. We are looking for big, obvious wins. We want the public to know we are working to improve our downtown. Long felt the Board could make a big leap forward in the next one to two years.

Manager Cannon stated at the end of this year, the Agency will have \$9.2 million remaining. If all expenditures are approved at current proposed levels, approximately \$7 million will be left. The Board will need to set priorities, such as focusing on grants for development. Cannon’s opinion was to focus on grants and generate a return on investment.

Board Member Richardson asked for Cannon’s thoughts on whether the Board should incentivize local residents over developers from outside the area. Cannon replied an earlier draft placed a prohibition, later removed, on franchised retail chains from qualifying. Cannon thought in the first year, the Agency should see what happens. After that time, additional limits could be set.

Board Member Richardson said he would prefer to fund local people making the investment. Manager Cannon replied if our downtown was more popular, yes. She did not think our market was strong enough to create exclusions at this time.

Board Member Saldivar asked if applications would be scored. If so, applications from locals could be weighted, while remaining open for applications from outside the community. Ms. Meihoff added there were many ways to implement this idea, such as adding a higher priority to businesses in The Dalles or Wasco County.

Chair Long asked how that would affect applicants who originally came from outside the area.

Todd Carpenter, 216 E. Fifth Street, The Dalles

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Mr. Carpenter said he had mixed feelings about this idea. The Dalles has generational properties, with owners through generations. Many times the owners are not developers. It would be nice if they could retain ownership, while hiring a developer to help them.

Carpenter added he had real world experience in the Recreation, issues with structural integrity, waste material, engineering and architectural services, and demolition of creative materials used over the years. It is very costly. Carpenter is in favor of the program. There will be a lot of interest. Hopefully we can create those 200 to 300 units downtown, bring in outside money to help, and retain generational ownership of the properties.

Board Member Bailey stated she supported local, but put a priority on spreading the wealth. She would several projects to benefit, rather than see one project use all the funds.

Board Member Coburn agreed with Board Member Bailey's comments. Coburn would rather spread the wealth a bit. At some point, there is a finite amount of money. If and when possible, we can help a few more people along the way, I think that's truly valuable. Coburn is also interested in including language specifically stating local projects will be weighted, for the pure reason of hopefully retaining the money in the community and fostering other investments in the community.

Board Member Coburn added that a few million dollars is a lot of money, but it could go quickly. Board Member Bailey said she would like to see current projects to get a better idea of where we are standing. Coburn replied she was thinking \$400,000 to \$500,000, as opposed to \$700,000.

Chair Long noted the next meeting is the budget meeting. She requested this information be sent to the Board for their review. Manager Cannon agreed to include it in a staff report.

Mr. Carpenter shared his concern regarding a one time grant for on-going projects. If someone comes into the unit in year four or five and this committee has money to spare, all of a sudden that building does not qualify for any other grants for tenant improvements, street frontage or something else beneficial to the community. Your cap is really over the life of urban renewal.

Cannon replied developers building more units will qualify for more funding. The scale projects will be very different.

Ms. Hanlon added if we want apartment buildings downtown there has to be a way to tack new construction, to tack all the costs. New construction signals a lot of development; it can signal that the town is ready to support new development. For four stories of housing, this would not make a dent in it.

Chair Long relied that was a good point. As Board Members, we are not developers. Although we want to spread our funds around, the question would be, what do we want downtown to be, and how do we get funding to the people that will make it happen.

Board Member Bailey if anyone considered using a percentage of the anticipated project cost and backed down from that direction Manager Cannon replied the Board could direct staff to research the option and return to the Board.

Board Member Richardson asked when it would be appropriate to discuss the possibility of a dark windows ordinance. An incentive to get people who are holding to act, as well as incentives to help people who already decided to act. Is that appropriate, or just too much?

Manager Cannon replied the Board is doing that now with incentives. A dark window ordinance is an approach that disincentivizes property vacancies but could have unintended negative repercussions on property owners. Rather than penalize property owners with vacant properties, this grant program is incenting people to develop and invest in their properties, providing the same desired result.

Chair Long suggested a mailing regarding the new incentive program, especially to the out of town building owners, to make sure property owners know there are new incentives.

In response to Board Member Bailey's inquiry, Ms. Meihoff replied the vertical housing tax abatement is authorized by the state. It is set in statute. The ground floor cannot be abated; floors two and above could receive a 20% abatement per floor up to 80% abatement for up to 10 years.

Board Member Schwartz stated she is in favor of whatever comes in, from whomever, as long as it meets our goals: return properties to the tax rolls, improve businesses, remove blight, and create housing.

Manager Cannon added it would be quite difficult to determine who would qualify as "local."

Chair Long stated this is a very good discussion. She encouraged the Board to voice all questions or concerns.

Board Member Dugick commented that she appreciated the discussion; we want what is best for The Dalles. We can support local people and at the same time bring in new ideas, new people, and new money. Dugick did not think we should limit or restrict someone from out of town; all options should be considered.

Tony Zilka, 205 Washington St, The Dalles

Mr. Zilka stated investments will come back in multiples, especially with housing. Downtown housing will flatten out those up and down curves. The more people you have downtown, the more vibrant the downtown will be, no matter what happens with the economy.

Chair Long asked the Board if they would like to continue to review proposals as a group, or direct staff to draft a scoring mechanism that weights local applicants.

Board Member Bailey stated instead of local or non-local, how about measuring against what meets the mission of our organization.

Board Member Richardson said he was against national chains as opposed to an entrepreneur. I think Diana might have a point. Define our mission as diverse businesses and residences, rather than a definition of locals.

Ms. Hanlon added she is aware that people want ground floor retail, yet it is exceptionally difficult to secure ground floor retail. She will pursue it proactively and aggressively, but there is a limit on the kind of public match available toward cost as well as a limit on the type of qualified tenants. Layering on limitations and regulations makes the task challenging.

Chair Long stated staff had direction and she would like to bring this back as an Action Item at the next regular meeting. If the Board is not ready, action can be deferred. It is more important to get this right than to pass it quickly.

DRAFT