
MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING

April 18, 2023

5:30 p.m.

City Hall Council Chambers
313 Court Street, The Dalles, Oregon 97058
Via Zoom / Livestream via City Website

PRESIDING: Darcy Long, Chair

BOARD PRESENT: Staci Coburn, Scott Hege, Tim McGlothlin, David Peters, Dan Richardson, and Shanon Saldivar, one position vacant

BOARD ABSENT: Ellen Potter

STAFF PRESENT: Director and Urban Renewal Manager Joshua Chandler, City Attorney Jonathan Kara, Secretary Paula Webb

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Chair Long led the Pledge of Allegiance.

APPROVAL OF AGENDA

Chair Long noted the Election of Officers should be struck from the agenda.

It was moved by Hege and seconded by Peters to approve the agenda as amended. The motion carried 8/0; Coburn, Hege, Long, McGlothlin, Peters, Richardson, and Saldivar voting in favor, none opposed, Potter absent, one position vacant.

APPROVAL OF MINUTES

It was moved by Peters and seconded by Coburn to approve the minutes of March 21, 2023 as submitted. The motion carried 8/0; Coburn, Hege, Long, McGlothlin, Peters, Richardson, and Saldivar voting in favor, none opposed, Potter absent, one position vacant.

PUBLIC COMMENT

None.

PRESENTATION

Steve Light, Freebridge Brewing, 710 E. Second Street

Mr. Light is the owner and operator of Freebridge Brewing, located in the historic Mint Building. He stated Freebridge Brewery is an award winning craft brewery and family-friendly public house. With financial assistance from the Agency, Freebridge will be able to expand, provide additional seating, and diversify the menu, resulting in increased revenue. Presentation is Attachment 1.

Mr. Light said that although they occupy a mixed-use building, this proposal would not qualify for the Agency's Incentive Program. Although they currently occupy a mixed-use building, the proposal does not provide an additional residential unit, which would qualify for the grant.

Manager Chandler noted this presentation is a request for additional funding, outside of the Incentive Program. Additionally, Mr. Light could apply for the \$50,000 grant, but is requesting assistance for the remaining amount.

Chair Long clarified the Incentive Program identified items the Board wanted to incentivize. It is not meant to exclude any project presented to the Board. She added the applicant is not attempting to secure an Incentive Program grant, but is exploring options.

Manager Chandler clarified the original requested amount was \$150,000 through the Incentive Program; 70% would be provided by the Agency. The Incentive Program budget is \$2M this year, and will increase to \$2.7M next year. This year, the Incentive Program spent \$128,000 of the \$2M budgeted. He added the Tony's Building demolition and First Street Streetscape are budgeted separately.

In response to Board Member Coburn's inquiry, Mr. Light replied he had 30 days to move forward.

In response to Board Member Peters' inquiry, Manager Chandler replied he had the authority to approve \$50,000. The applicant would then return with a proposal.

Board Member McGlothlin stated this proposal meets all the criteria for Agency assistance.

Tim Schectel

Mr. Schectel purchased the building with a partner in 2005. Since that time, \$2M was spent on improvements with no funding assistance. The building is one of the finest examples of masonry, a compilation of basalt and brick.

Board Member Hege asked if the project was financially feasible without funding. Mr. Light replied something had to be done, but without funding improvements would be made on a much smaller scale.

Board Member McGlothlin added the building was constructed during the gold rush as a U.S. Mint. The building deserves to be preserved based on its historic value.

Chair Long asked for consensus to move forward. Board Member McGlothlin stated he was in favor. Board Member Richardson said he would like a percentage: 50 percent up to the total amount with no dollar limit.

City Attorney Kara said this program [Incentive Program] is not the exclusive vehicle through which anyone may seek funds from the Agency. The Agency's \$9M maximum indebtedness must be spent by 2029. The purpose of the Incentive Program was to increase convenience and expedite the process for anyone with a relatively smaller request.

Board consensus agreed to direct Staff to prepare a proposal with Mr. Light.

Board Member Hege questioned whether a project requiring 70% funding was feasible. Mr. Schectel replied major investments in the building were not related to a specific business. The projected improvements will enhance the structure as well as the business.

Mr. Schectel stated he would put funds up front, with the expectation of possible reimbursement from Agency funds.

Manager Chandler asked if there was consensus on the amount of funding available. Board Member Coburn stated she had expected to see actual numbers; her concern was the shortfall and high interest rates. Board Member Peters felt 50% was reasonable, if the proposed budget made sense. Board Member Richardson stated that was a healthy incentive.

Chair Long directed Staff to work with Mr. Light and return to the Board.

ACTION ITEM

Consideration and Approval of Urban Renewal Incentive Program Amendments

Manager Chandler provided the staff report. Presentation is Attachment 2.

This program was launched last August and has provided \$128,000. However, staff encountered some shortcomings and barriers to be addressed through amendments.

Manager Chandler referred to Step 2.j. of the Application and Approval Process. "Planning, Building Department, and/or Historic Landmarks Commission approval." He suggested removal of this item due to the burden and expense placed on an applicant prior to application for a grant. This requirement is covered under General Conditions, "Required Compliance. Applicant projects must comply with the City's zoning, design standards, land use and development ordinance, historic review (as applicable), and municipal code requirements..." The final sentence will be removed, "No person may simultaneously seek zoning and/or land use amendments for the property or project in question."

Adoption of this process has also changed. Rather than an Action Item, this item will require a Resolution.

Attorney Kara referred to Matching Fund Requirements, "Mixed-Use Projects. An applicant must demonstrate a matching investment of no less than 30% of the total Eligible Expenses for a Mixed-Use Project." To remain consistent, Attorney Kara recommended changing the first page of the application to read, "70% 30% matching grant funds required."

Board Member Hege expressed concern with the requirement of 30% matching funds. Attorney Kara replied the Agency would reimburse only eligible expenses, not the entire project. There are additional protections in place.

Manager Chandler clarified the current proposal is requesting funding separately from the Incentive Program. The Agency could impose additional requirements as needed.

Board Member Coburn inquired about the process to ensure a project was completed in the expected manner. Attorney Kara replied the Agency is on a reimbursement basis. There are mechanisms for instant repayment in the event of fraud. A final report is required within 30 days of project completion, identifying project expenditures and outcomes.

John Southgate, 88 S. Fourth Street, Independence, Oregon 97351

Mr. Southgate served in Portland and Hillsboro administering urban renewal programs. He was impressed with the work done by Staff. It is coherent, organized and legible. The program has suitable flexibility, and excellent safeguards.

Mr. Southgate noted one provision in the language, item (4) of Minimum Requirements states, "...real property must not be subject to any tax abatements and/or exemption (and/or other tax credits and/or property-related subsidies), unless the real property is a development receiving abatement from The Dalles Vertical Housing Zone." Southgate stated this provision precludes any other program such as energy tax credits or historic renovation tax credits. The provision is narrow and could preclude tax incentives that would not bear on the Agency's fiscal position, but would be important to the project's feasibility.

Attorney Kara replied this provision is to ensure the project remains on the tax roll. In the effort of compromise, the Agency could specify that this restriction only applies to tax abatements or credits that impact the property tax base. To the degree that there are credits or abatements that do not impact the property tax base, an allowance could be made to remove a barrier to development – but not at the expense of the tax base.

Board consensus was in agreement with Attorney Kara.

Lindsey Brady Giamei, 116 E. Second Street, The Dalles

Mr. and Mrs. Giamei own 116 and 201 E. Second Street. Mrs. Giamei was pleased with proposed changes to the Incentive Program, and felt there would be more forward movement with fewer barriers in the community.

RESOLUTION

Resolution No. 23-002 – A Resolution Amending the Columbia Gateway Urban Renewal Agency Incentive Program Guidelines

City Attorney Kara recommended alternative number two as the appropriate motion, considering the modifications to the guidelines as presented.

It was moved by Richardson and seconded by Hege to adopt Resolution No. 23-002, as modified in the meeting of April 18, 2023, a resolution amending the Urban Renewal Incentive Program Guidelines, effective April 19, 2023, as modified. The motion passed 7/0; Coburn, Saldivar, McGlothlin, Long, Peters, Richardson and Hege in favor, none opposed, Potter absent.

City Attorney Kara restated the revised amendments to the Guidelines in the agenda packet.

- Page 24 of 49: Under Step 2, Application Submission, section (j) relating to Planning, Building Department and HLC approval as a requirement of application submission. [This requirement was removed.]
- Page 28 of 49: Under General Conditions, Required Compliance. The Agency Manager mentioned removing the last sentence relating to seeking simultaneous zoning and land use amendments were no longer for the reasons indicated.
- Page 21 of 49: Change the mixed-use percentage from 70% to 30%.
- Page 28 of 49 [Required Compliance]: Added in "unless negatively impacting the tax base" language.

In addition, the Resolution authorizes the Agency's Manager to make those changes, if applicable, to the remaining documents associated with this Program.

STAFF COMMENTS / PROJECT UPDATES

Tony's Building

The Invitation to Bid is out. A walk-through was held today with approximately 12 contractors. An addendum will be posted in response to questions. The award will be presented at the June 20 Urban Renewal meeting. Manager Chandler expects the project to conclude by the end of October.

League of Oregon Cities

An online training is offered May 4, 6-8 p.m. If interested, please notify Manager Chandler. It will be hosted by former manager Alice Cannon and consultant Elaine Howard.

BOARD MEMBER COMMENTS / QUESTIONS

Board Member Hege asked how the Agency monitors their efforts. Theoretically, investments are made and property values increase. Is there a running tally of how investments are made, and how they related to the actual increase in value on the tax roll? Ideally, it would be nice to know these investments have increased the tax base by x.

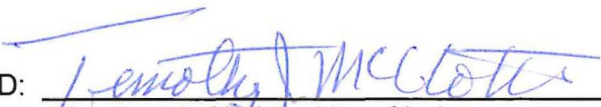
Chair Long replied efforts were made in the past. Over the years, the Agency has had several different forms with differing priorities. About a year ago, the Board determined to return to efforts which will increase the tax base. Our goal is to distribute the funds as soon as possible for worthwhile projects.

ADJOURNMENT

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

Meeting conducted in a room in compliance with ADA standards.

Submitted by/
Paula Webb, Secretary
Community Development Department

SIGNED: 
Timothy McGlothlin, Vice Chair

ATTEST: 
Paula Webb, Secretary
Community Development Department

Proposal for Urban Renewal Grant Funding

Current property conditions.

The property at 710 East Second Street is a historic landmark with a mixed use of an occupied 2-bedroom second floor residential unit, 4 occupied first and second floor office spaces, cellular switch including rooftop signal array, 2000 square foot brewery production space, and a 1000 square foot public house (pub) including a 300 square foot commercial kitchen. Its current tenants are FLI Landscape, Strategic Financial Planning, The Dalles Main Street, US Cellular, and Freebridge Brewing.

Description of proposed project.

The proposed permitted project will create a modern 900 square foot commercial kitchen attachment, 600 square feet of additional seating, exterior “ally access” shipping and receiving dock, additional electrical upgrades to existing supply, additional upgrades to natural gas lines, significant upgrades to the existing wastewater/sewage infrastructure as well as new effluent sewage installations to include a 200-gallon grease interceptor. Existing permitted and inspected to “cover” upgrades to the current facility, relevant to this project, are an additional ADA restroom, mop closet, and a 300 square foot prep kitchen that has floor coverings, electrical, plumbing, and natural gas upgrades already installed and ready for occupancy.

Freebridge Brewing (FB) will be the direct benefactor of this project. FB has been a tenant in the building for more than 7 years and a consistent employer in the community. This project will allow FB to expand current operations as well as realize new revenue streams which will create more livable wage jobs in the community. The first phase of the project is scheduled to begin immediately which will include the upgrades to electrical, natural gas, water/sewer, and demolition/excavation for exterior wastewater/sewer infrastructure. Due to the proposed scope of the project, the second phase will be largely dependent on the first phase completion. We are expecting the first phase to be completed by June 2023. The following phase will focus in the commercial kitchen addition which includes an expansive exhaust hood with fire suppression, concrete floor repair/ epoxy treatment and the installation of significantly upgraded commercial kitchen equipment that FB has already purchased.

Budget Narrative.

Preliminary construction cost estimates are current as of March 1, 2023. Nearly all of the contractors are from The Dalles, which is outlined in the attached project budget.

Freebridge Brewing has been preparing for this expansion since 2016. Wildfires, unimaginable winter weather, and a global pandemic created insurmountable setbacks for the project. This kitchen, plumbing infrastructure improvements, as well as nearly 1000 square feet of additional seating will allow Freebridge Brewing to realize annual revenue gains in the pub of more than 50%, production brewery revenue gains of 25%, and will require the immediate addition of 6 taproom/ kitchen staff members as well as 2 additional staff members in the production brewery. Preliminary construction cost estimates are current as of March 1, 2023. Nearly all of the contractors are from The Dalles and/or the greater Columbia Gorge region, which is outlined in the attached project budget. Steve Light, owner of Freebridge Brewing, will be the direct point of contact, on site daily, to oversee the project as well as manage the \$270,000 budget.

| Preliminary projected Costs as of 03/27/23 | Cost: | Provided by: |
|--|---|--|
| Loading Dock Improvements: Natural Gas: Relocate/New service Excavation and grading Truck Ramp improvements Concrete Steel work for stairs and railing Misc. and demo Outdoor lighting and security | \$1,000.00 \$9,000.00 \$18,000.00 \$5,000.00 \$3,000.00 \$4,000.00 | NW Natural Craig Triechel HD Dynamics The Dalles Ironworks estimated estimated |
| Plumbing Modifications: Interior and Exterior sewer line extension water line extension 200 gal. grease interceptor device. natural gas lines to new equipment | \$46,300.00 | Devco Mechanical |
| Commercial Hood and associated equipment: Commercial Hood and equipment installation: Misc. HVAC and fire suppression system | \$36,000.00 \$39,000.00 | Captiveaire Devco Mechanical |
| Concrete Floor Repairs and Surface protection: Resin epoxy repairs and surfacing | \$30,000.00 | Cascade Flooring |
| Electrical: all rough wiring and service equipment all wiring for new equipment and fixtures lighting | \$19,000.00 | East Cascade Electric estimated |
| Exterior Glazing 5 windows replaced Misc. | \$4,000.00 | |
| Core drilling for new lines Concrete cutting Carpentry Drywall and painting Wall surfacing Commercial | \$6,000.00 \$5,000.00 \$6,000.00 \$3,500.00 \$3,000.00 | estimated estimated estimated estimated estimated |
| Engineering Project management services Fire Life Safety survey | \$3,000.00 \$20,000.00 \$10,000.00 | estimated estimated Bell Engineering |
| Total Estimated Cost of Project: | \$270,800.00 | |



COLUMBIA GATEWAY URBAN RENEWAL AGENCY

TUESDAY, APRIL 18, 2023 | 5:30 PM

Urban Renewal Incentive Program

Background

- *Adopted: May 2022*
- *Launched: August 2022*
- *Program replaces five previously established programs*

Funding provided to date

- *\$128,000 / 4 properties*
- *Two applications in queue:*
 - *One requires land use review*
 - *One requires application review and upcoming Board approval*

Shortcomings/Barriers

Staff is currently in process of fine-tuning guidelines for clarity, objectivity, and legal sufficiency



Amendments

- *Project/Applicant Eligibility*
- *Application and Review Process*
- *Eligible/Ineligible Projects*
- *Funding*
- *Terminology*
- *Program Participation Requirements*
- *Administrator and Board Authority*



Amendments: *Project/Applicant Eligibility*

- *Project/Applicant Eligibility*
 - Current: Eligibility requirements are distributed throughout the guidelines document
 - Proposed:
 - "Minimum Requirements" consolidated in one list at the beginning on the document
 - Additional detail on eligibility added to the list
 - ??

 - ??



Amendments: *Process and Participation*

- *Application and Review Process*
 - *Current: Simple and brief process*
 - *Proposed: Additional detail; clearly describes what to expect throughout the process*
- *Participation*
- ??



Amendments: *Application & Review Process*

- ??
- ??



Amendments: *Funding*

- ??
- ??



Amendments: *Terminology*

- ??
- ??



Amendments: *Program Participation Reqs.*

- ??
- ??



Amendments: *Administrator & Board Authority*

- ??
- ??



Amendments: Terminology

- *Mixed-Use: More than one use? **OR** Commercial and Residential?*
- *Like-for-Like, Maintenance, Repairs, etc.: Same standards applied to all buildings/properties, not based on years of ownership*
- *Upgrades: Overall system upgrade, more intense use*
- *Reuse: Use of previously unused area of building/property*



Amendments: Funding

- *Funding Limit*
- *Disbursement*
- *Additional Funding*



Amendments: Funding

Funding Limit

- *Currently: "No project may receive greater than \$700,000 total"*
- *Agency is not obligated to fund up to the cap and has discretion on total funding for a project*
- *Funding cap limits Agency ability to fund unknown "game-changing" projects*
- *BOLI Public/Private Funding Cap*
 - *\$750k*
 - *SDCs not included*



Amendments: Funding

Disbursement

- *Clearly define*
- *50% down payment available*
- *Not until project is complete*

Additional Funding

- *Only mixed-use developments with 50+ dwelling units are eligible for additional funding*
- *Commercial development expansion in the area would be limited to only \$50k*
- *Should additional information be required for projects that exceed a certain amount (ex. \$500k)?*



Amendments: Eligibility

“Eligible projects must comprise one or more of the following:

- a. Restoration, reuse, or upgrades to historic buildings, including adapting historic or culturally significant existing buildings in the Area to new uses.
- b. Improvements leading to use and activation of ground-floor storefronts in the Area, which may include tenant improvements/build out, and core building improvements.
- c. 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.
- d. New mixed-use development incorporating residential units into the Area.
- e. Addition of new residential units into the Area.



Amendments: Eligibility

“Eligible projects must comprise one or more of the following:

- e. 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.
- f. Infrastructure upgrades (in association with other permanent building improvements) supporting the City's environmental/sustainability goals and adding property value to the Area.
- g. Quality exterior improvements or rehabilitation intended to restore or improve Area building exteriors and façade elements (such as doors, windows, porches, balconies, etc.).
- h. Demolition and redevelopment of blighted properties in the Area.
- i. Other permanent improvements and redevelopment aligned with Area and Agency goals as approved by Agency staff and Board.



Amendments: Ineligibility

“Examples of expenditures ineligible for Incentive Program funding include:

- General cleaning and maintenance
- Replacement of building materials
- Equipment or property acquisition
- Financing costs or debt
- Similar operating expenses



Questions/Comments/ Suggestions?

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