

**MINUTES**

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING**

December 17, 2024

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, Walter Denstedt, Scott Hege (arrived by 5:40 p.m.),  
Kristen Lillvik, Marcus Swift and Ben Wring

**BOARD ABSENT:** Timothy McGlothlin and Dan Richardson,

**STAFF PRESENT:** Director and Urban Renewal Manager Joshua Chandler, Economic  
Development Officer Dan Spatz, City Attorney Jonathan Kara,  
Secretary Paula Webb

**CALL TO ORDER**

The meeting was called to order by Chair Long at 5.31 p.m.

**PLEDGE OF ALLEGIANCE**

Chair Long led the Pledge of Allegiance.

**APPROVAL OF AGENDA**

It was moved by Coburn and seconded by Wring to approve the agenda as presented. The motion carried 6/0: Coburn, Denstedt, Lillvik, Long, Swift and Wring voting in favor, none opposed, Hege, McGlothlin and Richardson absent.

**APPROVAL OF MINUTES**

It was moved by Wring and seconded by Lillvik to approve the minutes of October 21, 2024 as submitted. The motion carried 6/0: Coburn, Denstedt, Lillvik, Long, Swift and Wring voting in favor, none opposed, Hege, McGlothlin and Richardson absent.

**PUBLIC COMMENT**

Eric Gleason, 704 Case Street, The Dalles

Mr. Gleason, owner of the Wing Hong Hai building on First Street, expressed his concerns about the current plan for the First Street project. He noted the historical significance of the Chinese building and the existing walls, which he believes should be retained.

Eric suggests that the current plan, which calls for the removal of historic walls, should be re-examined for aesthetic and historical improvements.

Board Member Denstedt questioned the necessity of First Street other than nostalgia. Mr. Gleason replied First Street provides the access to the storefront of his building, adding there is more than just nostalgia.

### **DISCUSSION ITEMS**

Economic Development Officer (EDO) Spatz stated the two discussion items tonight require no decisions, but revisit topics previously delayed due to Agency capacity issues. These were initially addressed eight or nine months ago but paused following the Council's approval of the substantial amendment on December 9.

#### **Property Rehabilitation Program: Proposed Modifications**

Economic Development Officer (EDO) Spatz provided the staff report.

Key proposed modifications include:

- **Consolidating Grant Categories:** Combine commercial and mixed-use grants into one category, increasing the funding cap to between \$150,000 and \$200,000. This simplifies administration and allows for larger-scale impact. However, this exceeds the current administrative approval cap of \$100,000. We seek guidance on whether to raise the cap, reduce proposed funding levels, or consider other adjustments. Larger amounts would still require review through a Development Funding Agreement.
- **Expanding Eligible Uses:** Current guidelines preclude funding for sprinkler systems and roof repairs. We propose allowing these as part of larger rehabilitation projects (e.g., adding a commercial kitchen or improving retail spaces). For example, a roof repair integrated into broader improvements could qualify for funding, but standalone repairs would remain ineligible.
- **Introducing Single-Family Residential Upgrades:** Add a new category for modest residential improvements within the urban renewal district, capped at \$25,000 with a 30% owner match. This aims to grow the tax base while enhancing housing stock.
- **System Development Charge (SDC) Payments:** Retain the current cap of \$10,000, with reductions for existing infrastructure where applicable.

These modifications aim to enhance the program's impact and address community needs. We welcome your feedback, whether tonight or in January, as we refine these proposals.

Board Member Hege questioned the single-family residential element. Under this new provision, the property owner would only provide a 30% match, with the Agency funding 70% of the project.

EDO Spatz replied that was correct. This approach will encourage participation and investment in improving housing stock, while requiring property owners to contribute to the project.

Board Member Hege added that the 30% match seemed quite small. If participants cannot contribute at least 50%, it is difficult to justify such a large investment from the Agency.

Board Member Coburn expressed concerns about the administrative approval cap and the need for more specific criteria in the guidelines.

Director Chandler noted this is the second version of the Incentive Program, which was brought back for additional clarity.

Chair Long shared feedback from Board Members Richardson and McLaughlin, who were absent, regarding the proposed increase in the Administrative Approval threshold. Historically, the Board preferred to keep this amount lower to maintain greater control over decisions and mitigate political pushback when administrative-level actions occur.

The Board had previously agreed that a project exceeding the threshold could be brought to a meeting for review or, at minimum, Board Members would be kept informed, similar to the process for a Development Funding Agreement. Chair Long invited feedback to gauge whether the Board still supports this approach or is open to reconsidering it.

Board Member Coburn expressed openness to raising the Administrative Approval threshold to some extent. She noted importance of avoiding situations where Board Members might be caught unaware of developments, as it is beneficial to remain informed and involved in the process. She also acknowledged the need to balance this oversight with allowing administrative staff the flexibility to perform their duties effectively. Coburn indicated he would be comfortable with an increase to around \$100,000.

Board Member Wring requested the number of projects hindered in the past. EDO Spatz replied it varied greatly.

Director Chandler cited The Dalles Inn as an example where \$50,000 was approved for engineering work related to a fire suppression system – not the system itself, but its engineering. While the intent of raising the approval threshold was to streamline processes, he acknowledged that the current limits have not significantly hindered progress.

EDO Spatz moved on to Development Funding Agreements. He discussed the criteria for Development Funding Agreements, including job creation, private investment, and return on investment. EDO Spatz proposed a point system for evaluating projects, with specific points assigned to each criterion.

Board Member Hege suggested a simple method for calculating return on investment based on the increase in property value on the tax rolls.

Chair Long expressed concern that the proposed modifications felt like a step backward. She noted that significant effort had gone into streamlining the Incentive Program to ensure it was forward-looking and maintained agency control. New proposals, such as incorporating point systems, seemed to reintroduce unnecessary complexity.

Director Chandler explained that the point system was proposed to reduce the amount of staff time required for projects like Basalt Commons, which had demanded significant effort. The goal was to create a process that would streamline funding agreements, making them more efficient without requiring extensive staff involvement.

Board Member Coburn suggested establishing a threshold as a straightforward method to prioritize projects.

#### Property Rehabilitation Program: Project Investment Strategy 2025-2029

EDO Spatz explained that the document presented was a conceptual draft for consideration. He emphasized that the listed projects were examples, not finalized selections, and had been included with the building owners' permission. Following the Substantial Amendment, an additional \$6.1 million in funding capacity had been granted, to be used alongside existing funds through 2029.

Spatz outlined two proposed tools for managing this funding: a project tracking table (2025–2029) and a tailored spreadsheet developed with Tiberius Solutions. The table included top-priority or ready-to-proceed projects, such as Basalt Commons, to illustrate their potential financial impact. The spreadsheet was designed to calculate maximum indebtedness (MI) and cash carryforward requirements automatically, flagging issues when thresholds were exceeded.

EDO Spatz highlighted the importance of using these tools to prioritize investments and ensure compliance with spending limits, administrative costs, and debt service obligations. Spatz cited examples of projects included for tracking purposes, such as Basalt Commons, the Mint, and the Maier Building, and described their potential impacts. He noted that changes to the project list could be made as details were finalized.

Spatz proposed demonstrating the tools in January to familiarize the Board with their functionality. He stressed that these tools would provide a structured approach to managing projects and expenditures over the next five years, ensuring that available funds were allocated responsibly.

Board Member Hege stated he was unsure if loans were used previously, adding they introduced a different element. He noted that loans would involve repayments, leading to funds returning to the Agency over time.

EDO Spatz replied MCEDD indicated willingness to manage a loan. EDO Spatz added he certainly would not want to take on loan management through the Agency.

Director Chandler explained that the primary goal was determining the best process moving forward. While \$6.1 million had been approved, those funds were not immediately available. Efforts were focused on understanding how the funding would unfold over the coming years and encouraging interested property owners to provide comprehensive information. This would allow for thorough assessments and inclusion in the project list, which was the purpose of the current exercise.

Chair Long acknowledged that the spreadsheet was a useful tool for maintaining organization. She then invited additional questions or comments.

Mary Hanlon, 215 E. 10<sup>th</sup> Street, The Dalles

Ms. Hanlon observed that a significant amount of money is granted without leveraging additional funds. She inquired if there was a process to use UR funds as a match for private sector grants. Hanlon suggested that requiring property owners to secure a loan first could serve as a baseline for financial due diligence. This would ensure that owners are financially stable, capable of providing financial documentation, and prepared to manage their projects effectively. The UR funds would then act as a matching contribution to support their efforts.

EDO Spatz stated that the next steps involve formalizing the process. This includes revisiting property owners who are ready to proceed, continuing ongoing discussions, and obtaining applications. Additionally, the process would involve inviting new applications to uncover any pending projects that may not yet be known.

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

None.

**STAFF COMMENTS / PROJECT UPDATES**

EDO Spatz noted the UR budget hearing will be held at the regular meeting on April 15, 2025, with adoption scheduled on May 20, 2025.

EDO Spatz provided updates on the Brownfield project, stating that the City received its contract from the EPA for the city assessment, which complements urban renewal efforts. The contract, valued at \$500,000 and running through 2028, is primarily for City projects, although it also includes permission to assess two county projects: the former RV park on the Hodges property and a parcel in Tygh Valley. The city is proceeding with procuring a qualified environmental professional (QEP) for the work.

Additionally, Spatz noted that MCEDD has a \$1 million Brownfield grant covering five counties, including Wasco County. He also shared news that Chenoweth Middle School was selected for an EPA Community Change grant, with a potential \$19.9 million to renovate the school into an Early Learning Center and Climate Resiliency Center. The project is led by Columbia Gorge ESD and Columbia Gorge Community College. While the selection has been made, the award process typically takes six to nine months, with the EPA's goal to finalize by January 17, 2025.

EDO Spatz requested and received a written report from Mary Hanlon on the Basalt Commons project providing an update on investment status.

Director Chandler addressed public comment regarding the walls for the First Street project, specifically the walls between Union and Court Streets. He explained that an assessment conducted in January 2022 concluded that the walls were failing and it was not recommended to keep them in place. The sidewalks, built on top of the walls, are sinking, particularly at the Baldwin Saloon, indicating structural failure. Removing the sidewalks would further impact the integrity of the walls.

Chandler emphasized that KPFF, the engineering firm, advised against retaining the walls, but acknowledged the potential adverse impact on the historical integrity of the Chinatown block, which is a nationally recognized archaeological site. An archaeologist is working with the State Historic Preservation Office (SHPO) on a permit to address this matter. While the walls could potentially be saved, KPFF would not guarantee their stability or endorse a design that keeps them intact.

The current design, which includes gabion walls, was determined by an internal team in January 2022, with little community input. Chandler noted that KPFF had reviewed various alternatives to the gabion walls but could not provide a timeline or cost for re-engineering because they did not know what the Board wanted. If the Board opts for a different wall design, it would require redesign, additional costs, and could delay the project beyond the current construction season.

Chandler invited the Board to provide direction on whether they would like staff to explore alternative wall designs, acknowledging Mr. Gleason's concerns while expressing the challenges of deviating from the current design.

Director Chandler provided additional options for the wall design, one of which involved adding a one-foot wide basket to the outside of the current structure, potentially filled with existing rock. This would require processing the rocks through a crusher to size them appropriately, which could be challenging due to the inconsistency in the materials – some walls are dry stack while others have mortar. However, if a large enough batch were processed, it might allow for a more uniform design.

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Another suggestion was to place an additional wall outside the gabion structure, with the potential to add a concrete veneer at a later date. Both of these options would increase the overall cost of the project.

Chandler noted that he had discussed five different wall scenarios with the engineers just last week. While the current design was the result of multiple internal discussions, the engineers are willing to explore alternative options if the Board requests further investigation.

Chair Long acknowledged that while Urban Renewal may not have additional funds available at the moment, it would make sense to design the project in a way that leaves room for future improvements. She emphasized the importance of considering the historic nature of the town, noting that if something is demolished now, it is lost forever unless steps are taken to allow for future improvements.

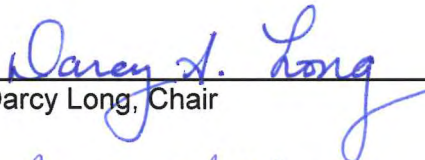
**ADJOURNMENT**

Being no further business, the meeting adjourned at 6:45 p.m.

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*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