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COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

December 17, 2024

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**

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Contact the City Clerk at (541) 296-5481 ext. 1119, or [amell@ci.the-dalles.or.us](mailto:amell@ci.the-dalles.or.us).

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. APPROVAL OF MINUTES – October 21, 2024
6. PUBLIC COMMENT – During this portion of the meeting, anyone may speak on any Urban Renewal subject. Five minutes per person will be allowed.
7. DISCUSSION ITEMS
  - A. Property Rehabilitation Program: Proposed Modifications
  - B. Property Rehabilitation Program: Project Investment Strategy 2025-29
8. BOARD MEMBER COMMENTS / QUESTIONS
9. STAFF COMMENTS / PROJECT UPDATES
10. ADJOURNMENT

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Meeting conducted in a room in compliance with ADA standards.

Prepared by/  
Paula Webb, Secretary  
Community Development Department

**SPECIAL MEETING**  
**MINUTES**

**COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING**

October 21, 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 (joined at 6:13 p.m.),  
Kristen Lillvik, Timothy McGlothlin, Dan Richardson, Marcus Swift and  
Ben Wring

**BOARD ABSENT:**

**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 Richardson to approve the agenda as presented.  
The motion carried 8/0; Coburn, Denstedt, Lillvik, Long, McGlothlin, Richardson, Swift and  
Wring voting in favor, none opposed, Hege absent.

**APPROVAL OF MINUTES**

Director Chandler noted under Board Member Comments and Questions, Board Member  
Richardson mentioned that three city councilors were part of the ad hoc committee. However,  
only one city councilor was involved, meaning the committee should have consisted of three  
Board Members. Board Member Lillvik noted four Board Members are part of the ad hoc  
committee.

City Attorney Kara stated the primary purpose of the minutes is to ensure the minutes are an  
accurate reflection of what was actually said. He offered the possibility of adding a footnote to  
clarify details, such as the correct number of members, and suggested that it might be easier to  
hold defer adopting the minutes that night to address this issue properly, as doing so after  
adoption would complicate matters.

Board Member Richardson suggested that adding the word "other" in brackets or parentheses after "three" would accurately reflect his intent, making it read "three other board members."

Chair Long agreed, suggesting it would be wise to decide the best way to accurately represent such details. She noted that since many people read the minutes without attending every meeting, it would be better to include a footnote or another corrective procedure.

It was moved by Richardson and seconded by McGlothlin to approve the minutes of September 17, 2024 as corrected. The motion carried 6/0; Coburn, Denstedt, Lillvik, Long, McGlothlin, and Richardson voting in favor, none opposed, Swift and Wring abstained, Hege absent.

### **PUBLIC COMMENT**

EDO Spatz directed attention to comments submitted by Todd Carpenter, Attachment 1.

### **DISCUSSION ITEM**

#### **First Street Project: Agency/City Project Cost Discussion**

Director Chandler presented the staff report.

During his presentation, he directed attention to a sketch (Attachment 2) which looked back at the constraints and opportunities of First Street. He explained the central area shown was initially designed as a pedestrian and bike connection to the river, featuring a sunken plaza with three different streetscaping alternatives considered. This initial brainstorming, dating back to June 2005, laid the foundation for the City's vision, much of which has since been implemented by the City and the Agency. While the current project does not follow the exact plan with the sunken plaza, Chandler emphasized that the First Street project still aligns with the spirit of the riverfront connection. He then pointed out the red area on the map, which represents the scope of the First Street streetscaping project from Union to Laughlin Street, including nearby major Agency projects. Director Chandler noted that these improvements were not random but part of a larger vision outlined in the early 2000s.

Chandler continued, the blue area on the map (Attachment 3) represents the existing streetscape, with the largest portion being the Second Street streetscaping project. This project extended through much of downtown, stopping near Lincoln Street. The dashed line marked an area near the Thompson Park sidewalk, where there is not full streetscaping but still pedestrian connectivity. Similar to the Second Street project, the First Street project also extended one half block north and south.

He mentioned Federal Street as the first streetscaping project, done before the 2000s, which tested elements like planter strips and trees, some of which have now matured. The Federal Street streetscaping connects to the Civic Auditorium and intersects with the maritime terminal, Union Street undercrossing, and Lewis & Clark Festival Park. Chandler also pointed to the Riverfront Trail, which connects to the Columbia Gorge Discovery Center and ties into the First Street streetscaping.

Chandler highlighted Mill Creek Greenway, another Agency project, and mentioned ongoing negotiations regarding its design and engineering. He discussed how the Federal Street Plaza and First Street streetscaping will enhance tourism, allowing visitors to walk through the downtown and reach the dock.

Finally, Chandler brought up the Mill Creek connector project behind the post office, a potential extension of the Mill Creek Greenway. Though still in early stages and requiring further discussions with the railroad, this path would provide a 15-foot-wide bike and pedestrian lane and connect to the larger system.

Director Chandler emphasized that the First Street project was not a random selection but part of a broader vision. He then introduced City Manager Matthew Klebes, who would provide the City's perspective.

City Manager Klebes echoed many of Chandler's points, reflecting on the origins and evolution of the First Street streetscaping project. He discussed two main philosophies guiding urban renewal agencies: one where the agency invests in public infrastructure to revitalize downtown and signal to businesses that the City is committed to its core services, and another where the Agency partners with private investment to boost development and tax base growth. Both approaches, while aiming to revitalize the downtown, carry risks, such as private investment not materializing after development of infrastructure.

City Manager Klebes explained that when the First Street project began, the City and Agency focused on strengthening the downtown's infrastructure, with a vision of reconnecting the community to the river. He emphasized the project's long history, noting the City's commitment to making it a reality through urban renewal. He also mentioned the City's role in supporting the project, including creating an ad hoc committee for the Federal Street Plaza and highlighting the connection between First Street, the Riverfront Trail, and the anticipated increase in bike tourism with the completion of the bike trail.

City Manager Klebes shared that the City's financial contributions to the project are limited due to existing infrastructure debt, though they are willing to assist. He explained that the Public Works department had made an effort to distinguish between infrastructure and streetscaping elements in the project's breakdown. For instance, foundational work below the sidewalk is considered part of the streetscaping, while elements like the water supply systems fall under infrastructure. However, he clarified that this breakdown was for analysis purposes, not an indication of what the City can contribute financially.

Chair Long emphasized that the reference to the "bonded obligation based on the 2009 plan" should be clarified, as it was stated somewhat passively. She pointed out that this bond from 2009 obligates the Agency to complete the streetscape project.

Board Member Denstedt noted that in order to move forward with the project, the Board must consider an additional \$6.1 million [added to the MI]. Without this funding, the First Street streetscape would not progress until another revenue source is found. He emphasized the urgency of the water main replacement and the safety concerns related to the sidewalk. He expressed that while there is no immediate urgency for streetscaping, there are other urgent needs.

### **ACTION ITEMS**

#### **Urban Renewal Plan Update, Substantial Amendment and Report**

EDO Spatz presented the staff report.

EDO Spatz called attention to the Sixth Street Bridge. In September, the City received a technical report from Oregon Department of Transportation (ODOT) focusing on the Sixth Street Bridge. It is an historic structure, but everything visible is actually not historic. The bullards, lights, and other parts were replaced in 2001, but urban renewal did not touch the underlying

structure of that bridge. According to the ODOT technical report, there are two “intolerable” items, regarding the structure and surface of the bridge. The report calls for replacement of the surface, and some type of action regarding the structure. The city is exploring legislative funding options for the Sixth Street Bridge, but the approach may need to change depending on the final cost estimate for the project.

Board Member Hege joined the meeting at 6:13 p.m.

Board Member Denstedt asked if Urban Renewal, the city, or a combination of both was to resolve the issue.

City Manager Klebes replied the Sixth Street Bridge is aging. ODOT’s earlier recommendation was to revamp and repair the bridge to extend its useful life. Recently, their recommendation changed to replacement of the bridge. The City had not anticipated the recommendation. As early as next month, the City will put out an RFQ or RFP for engineering services to evaluate the project and determine costs.

Board Member Denstedt stated the main reason we are talking about the bridge is because the City is unlikely to have funds to help with First Street or anything else on the Agency’s agenda. City Manager Klebes replied, “Correct.”

Board Member Hege said in discussions about the City’s potential role in First Street, he remembered there was funding the City could contribute to the project. He asked if that had changed.

City Manager Klebes replied one discussion looked at the Federal Street Plaza and improvements that may take place on Second Street. There were also very early discussions about the sidewalks along the City-owned First Street parking lot. Probably more solid is some in-kind staff contributions from the Public Works department for project management for First Street. Director Chandler added the City’s Development Inspector could assist the Agency with construction management, which would save a considerable amount of money.

EDO Spatz introduced Elaine Howard of Elaine Howard Consulting.

Nik Popenuk, Tiberius Solutions, who provided the financial analysis, joined Ms. Howard.

Ms. Howard presented the financial overview and next steps for the substantial amendment, Attachment 4.

Board Member Denstedt requested the amount of money that would be forfeited by the Fire District if the amendment passed, and if it did not.

Ms. Howard replied, if this does not pass in 2024, the Fire District would still have the \$214,000 impact.

Board Member Wring asked if other contributing districts expressed concerns with increasing the maximum indebtedness (MI). EDO Spatz replied staff would continue outreach, but had not received concerns as of this meeting.

Board Member Denstedt emphasized the current financial and operational challenges facing the Fire District. He noted that the District has an active bond used to purchase new equipment. He explained there is a strong desire to avoid seeking another bond after the current one is paid off. The District previously paid off its fire station bond and immediately pursued a new bond, but there is now reluctance to ask taxpayers for additional funding. The Fire District is reserving funds to ensure the ability to build another fire station and replace equipment as necessary.

Board Member Denstedt shifted focus to what he considered an urgent issue: a severe paramedic shortage. He noted that paramedics are leaving, creating a critical operational gap. He recounted a recent 24-hour shift with zero paramedics on duty, emphasizing the risks this posed to public safety. Denstedt stressed that addressing the paramedic shortage was a top priority for him. He warned that failure to resolve the issue could result in negative public relations and jeopardize the district's reputation.

Board Member Richardson acknowledged the importance of emergency responders showing up promptly when called, emphasizing that such services should remain a priority.

Board Member Richardson highlighted two points for consideration. First, he acknowledged the financial impact of the City's request, noting that the Fire District would contribute approximately \$742,000 over four years. Second, he noted the Google data centers would soon be contributing taxes. He estimated, based on conservative calculations, that Northern Wasco County Parks & Recreation would receive an additional \$250,000 annually beginning around 2025 or 2026, while the Fire District would gain approximately \$800,000 annually. These figures stem from efforts three years ago, where a group lobbied to ensure all districts would benefit from the data center revenues.

Chair Long asked if the Fire Board gave Board Member Denstedt direction for the vote, or if it was a personal choice. Denstedt replied the District wants Urban Renewal to sunset.

Board Member Swift expressed personal reservations about the First Street project but acknowledged the significant investment of over a million dollars, along with extensive staff time and effort. Recognizing that the project must move forward, Swift sought a positive perspective by focusing on its potential benefits.

Board Member Swift highlighted exciting developments, including the Mill Creek Greenway and Federal Street Plaza, and emphasized the opportunity to create safe, attractive, and convenient connections between the Riverfront Trail, Federal Street Plaza, and eventually the Mill Creek Greenway.

Board Member Swift affirmed support for the project, citing the Agency's mission and its positive impact on downtown businesses and the broader community. Acknowledging the mutual benefits of thriving businesses, a stronger tax base, and increased resources for parks and other community services, Swift noted urban renewal's past contributions to parks, such as projects at Thompson Park and Mill Creek Greenway.

Reflecting on initial skepticism, Swift shared how extensive conversations, board discussions, and research ultimately led to a change in perspective. He concluded by expressing confidence in the decision to move forward.

Board Member Hege explained that during a recent county meeting the topic was discussed, resulting in mixed opinions. One commissioner opposed the proposal, while two supported it. Additionally, the county staff generally expressed reservations. He wanted to ensure everyone was aware of the divided stance.

Board Member Coburn acknowledged that while the Port of The Dalles represents a smaller portion of the group compared to others, it takes its role in supporting local business seriously. She admitted initial reluctance toward the project months ago, particularly due to concerns that the current scope deviates significantly from the original plan agreed upon over 20 years ago. If the project were revisited today, the focus might have been different. However, given the current circumstances, Coburn emphasized the importance of addressing safety concerns, aging water infrastructure, and the potential to enhance the city's appearance along I-84.

Recognizing the potential benefits for the business community, Coburn expressed support for the proposal.

Board Member Lillvik thanked those who shared their opinions and engaged in discussions. While initially undecided due to the significant amount of money involved and recognizing that many agencies could use those funds in other ways, Lillvik highlighted the importance of supporting local business owners. She underscored the need to prioritize business community needs and announced support for the proposal.

Board Member McGlothlin concluded the passage of this is imperative to finalize the original mission of the Agency. He was in favor of the process.

Board Member Wring acknowledged having been undecided, aligning initially with concerns expressed by others, particularly about the potential funding impacts districts. Wring credited ongoing education from city representatives, personal research into alternative funding sources, and discussions with City staff for clarifying the financial landscape.

Board Member Wring noted the significance of new revenue streams, including substantial contributions from Google, which could mitigate concerns about financial losses to some districts. Emphasizing the City's need for improvements, Wring referenced the Federal Street Plaza project as an example of The Dalles deserving investments that enhance community spaces. The proposal was seen as an important final addition to urban renewal efforts before the program sunsets. Wring concluded by expressing appreciation for the collaborative discussion and a shift in perspective toward supporting the proposal.

## **RESOLUTION**

### **Resolution No. 24-004 – A Resolution Directing Staff to Commence the Substantial Amendment Process for Making Changes to the Columbia Gateway/Downtown Plan**

Move to adopt UR Resolution No. 24-004, a motion to have the Columbia Gateway Urban Renewal Agency forward the Columbia Gateway Urban Renewal Plan Substantial Amendment and Report to all impacted taxing districts, to The Dalles Planning Commission for its review of the Plan's conformance with The Dalles Comprehensive Plan, to the Wasco County Commission for briefing, and then to The Dalles City Council for a public hearing and vote on adoption.

It was moved by McGlothlin and seconded by Coburn to direct staff to proceed consistent with the provisions of ORS Chapter 457 Urban Renewal, to commence the process of approving a substantial amendment to the plan to add projects, revive the goals and objectives, add property under 20% cumulative of the original boundary, increase the maximum indebtedness and generally update the Plan in accordance with the Columbia Gateway Urban Renewal Plan amendment, attached as Exhibit A, and the report on the Columbia Gateway Urban Renewal Plan Amendment, attached as Exhibit B. The motion carried 8/0; Coburn, Hege, Lillvik, Long, McGlothlin, Richardson, Swift and Wring voting in favor, Denstedt opposed.

## **ACTION ITEMS (continued)**

### **Surplus of Agency Property**

Director Chandler explained that the Agency was addressing the surplus of property from the former Tony's building site. This task, typically routine and included in a consent agenda, was brought forward due to the historical significance of the property and its unique considerations. Director Chandler provided background on the project, noting that in November 2023,

demolition and hazardous material abatement were completed under a contract with Konell Construction. A cultural resource review, including an archaeological assessment, was conducted by Stantec Consulting Services in compliance with SHPO requirements. The site is now leveled and secured with fencing.

During the demolition, notable items were preserved: the Tony's Town and Country sign, a second sign from Tammy's Florals, and a historic leather and metal pulley system, believed to date back to the site's automotive use in the 1920s. These items were carefully packed and stored on City property. Although informal discussions had taken place regarding their future use, Agency staff determined that the items were no longer needed by the Agency.

Director Chandler outlined the disposal process, adhering to local contract review board rules, which allow for methods such as intergovernmental transfers, auctions, or donations. The City recently approved a similar surplus process for the Griffith Motors sign and plans to host a local auction targeting buyers within the 97058 zip code or Wasco County. The Agency will collaborate with the City to include the Tony's site materials in this auction process.

Staff recommended the Board approve the surplus of the Tony's property items. Alternatively, the Board could decline and provide direction for other uses of the materials.

Board Member Lillvik suggested this item be postponed until after conversations with the

Lillvik suggested postponing the decision until after the Federal Street Plaza design team meets with the architect. She proposed considering whether the Tony's Town and Country sign could be incorporated into the Plaza's design, preserving the site's history in its original location.

Board consensus was to postpone the decision and add it to the next agenda.

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

Board Member Richardson asked EDO Spatz if he would briefly review the Tony's lot RFEI during the meeting. He then commented that, based on the meeting materials, it seemed there would be a forthcoming discussion or suggested updates to the incentive program. EDO Spatz replied, correct.

Board Member Richardson proposed implementing a more formal method for calculating return on investment (ROI) for projects. He emphasized the importance of being thoughtful and careful with public funds while supporting entrepreneurs but suggested that a clear ROI calculation would provide greater accountability and insight.

EDO Spatz replied that the draft prepared for the incentive program had been put on hold for six or seven months, pending the current discussion. He noted that ROI is one of the topics covered in depth within the draft, with various approaches to justify it.

City Manager Klebes commented that he liked the idea of discussing the sign for Federal Street Plaza at the ad hoc committee. He noted the Agency would likely need to transfer ownership of the sign to the City. He suggested that it might be beneficial to surplus the sign first, even if it is ultimately moved to the City or incorporated into the Federal Street Plaza. This would allow flexibility in case the ad hoc committee decides to take a different approach.

City Attorney Kara agreed with the City Manager's approach. He explained that it makes sense for the Agency to surplus the property. If the Board intended to transfer the property to the City, this could be done through an intergovernmental agreement, especially if it was to be applied for a specific purpose, such as the Federal Street Plaza. He also suggested that since the matter



was on the agenda, it would be a good time for the Board to reconsider surplusing the property that evening.

It was moved by Swift and seconded by McGlothlin to approve the surplus of Agency property as described. The motion carried 8/0; Coburn, Denstedt, Lillvik, Long, McGlothlin, Richardson, Swift and Wring voting in favor, none opposed, Hege absent.

**STAFF COMMENTS / PROJECT UPDATES**

EDO Spatz provided a status report, starting with an update on the EPA Brownfield Grant, which is a half-million-dollar grant to the City of The Dalles. The team is finalizing contract language and anticipates starting the project around November. He mentioned that several projects are on hold for this grant.

Regarding the Tony's lot RFEI (Request for Expressions of Interest), EDO Spatz noted that three distinct proposals had been submitted. He refrained from providing further details until after the first meeting of the Advisory Committee, scheduled for November 12. He explained the proposals were diverse, included detailed budgets and cost analyses, and some of the information was proprietary.

The Advisory Committee includes Chair Long, Commissioner Hege, Andrea Klaas (Port of The Dalles Manager), Hannah Mapes (Studio Fit and Main Street board member), City Manager Klebes, Director Chandler, and himself. Spatz emphasized that the committee would guide the release of public information, and he would provide updates after their first meeting.

**ADJOURNMENT**

Being no further business, the meeting adjourned at 7:43 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

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**From:** Todd Carpenter <toddecarpenter@gmail.com>  
**Sent:** Monday, October 21, 2024 8:15 AM  
**To:** Dan Spatz <dspatz@ci.the-dalles.or.us>  
**Cc:** Gregory Price <gprice@cgcc.edu>; Chris Zukin <czukin@meadowoutdoor.com>; Michael Leash <mleash@tdhgi.com>; Yan Ma <yanxima168@yahoo.com>; William Bill Dick <billdick2@earthlink.net>; steve@freebridgebrewing.com; Lindsey Giamei <lindsey@thedallesworkshop.com>  
**Subject:** Re: Urban renewal board Monday, Oct. 21 - Substantial Amendment

Good morning, I was pulled into a meeting at my day job late this evening. I am going to do my best to attend remotely but I have put together a letter in support of the authorization to spend TIF revenues already scheduled for collection, terminating in 2029.

As you all know, I have just completed the third building of the Recreation project which was purchased by Urban Renewal several years ago. While voting to not authorize this spending and increasing tax revenue for our local government services (who do need this money) would give a percentage boost of their current revenue, it falls short of the revenue that would be gained by voting for this spending and using the money (to increase tax revenue even more) by investing further in urban renewal projects over the next 5 years.

The buildings which I have been involved in in the last several years at 209, 213, 215, and 219 have provided increased property taxes by tens of thousands of dollars over the next five years. I do not have the new number from 2023 but I can imagine the total amount would be somewhere between 50,000 and 100,000 dollars of increased taxes during that time.

In addition to the property tax revenue, these URAB investments have created jobs, have increased economic vitality, created an attraction downtown, created excitement, and have given service industry employees a feeling of satisfaction in being part of a community that values them. The investment has created something bigger than just the Urban Renewal program. It has helped develop our community.

By voting to spend this money and make a long term decision, the Urban Renewal Agency, which has over the last few years had some successes with the Granada, the recreation building, the national neon sign museum, the sunshine winery/mill, and other projects can continue to help build the community, increasing excitement and value for people who have decided that The Dalles is worth investing in. These projects do return value to the community, not only in increased long term property taxes for our government services but compounded by increased economic vitality and redistribution and reinvestments with that economic vitality, which in return creates more property tax revenue.

I am rambling now but...

Pointing to a specific project and saying "that didn't work" does not always consider the other aspects that the project may have helped create. I am not aware of the National Neon sign museum's property tax value. I have heard members of the community question projects the URAB has invested in like this one. My point if given the opportunity to educate them is, If we did not have the National Neon Sign Museum, we would not have had the Wall Dog/Northwest Mural Fest event, we wouldn't have reinvigorated the walking tours around the historic paintings

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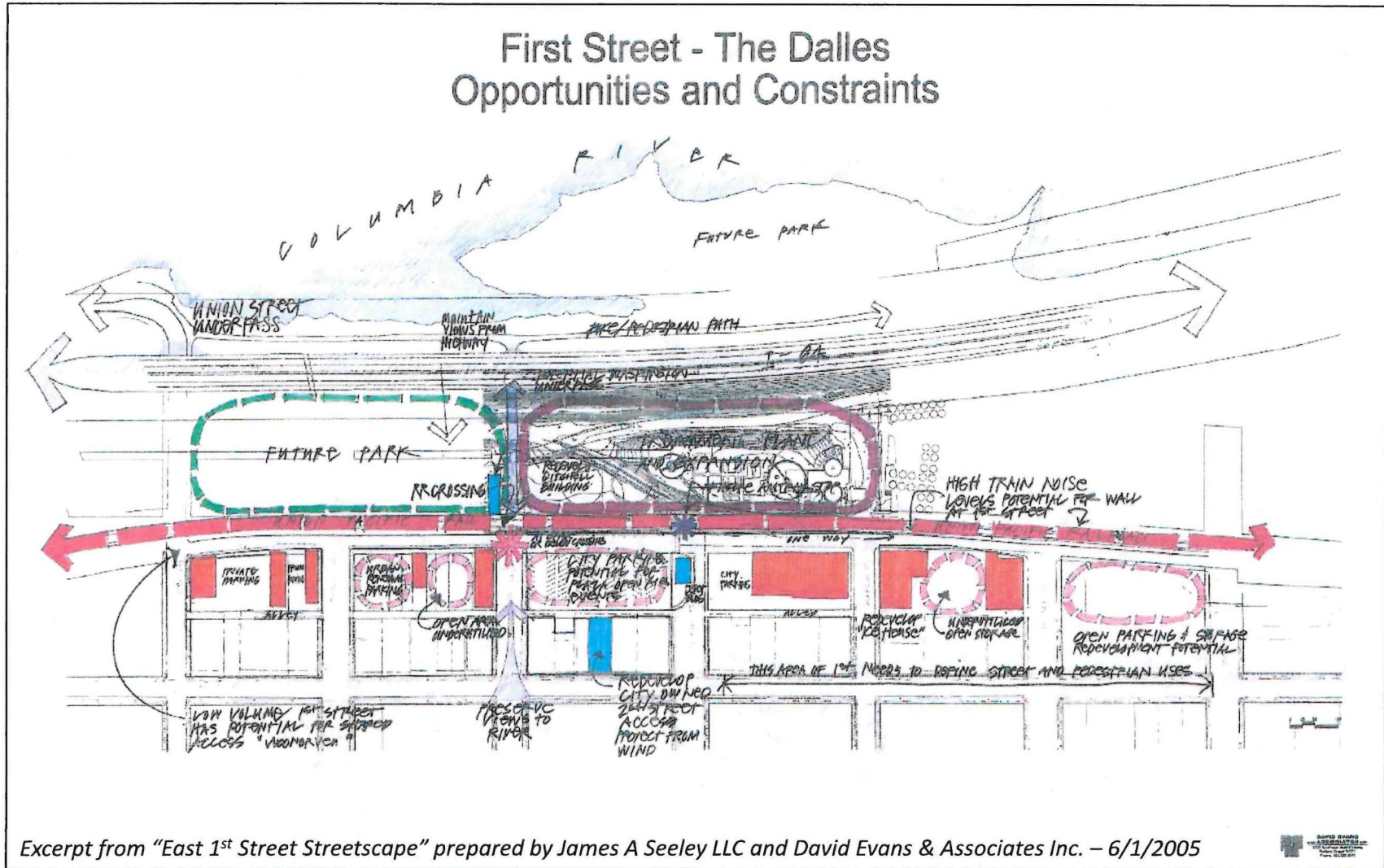
all over town that draw people to The Dalles and specifically brings them downtown. We would not have painters back every year, having fun, spending money, creating more spectacle and contributing to word of mouth across the country about our town. Without the National Neon sign museum, we also would not have the neon sign walking tours. This is just one example of an URAB project that added value not even imagined. This investment lead to increased economic vitality, building community and excitement, and creating advertisement for the town.

Voting to spend this money is the long-term play and it will be more beneficial in the long run for the community services we need to expand through property taxes. It will also be more beneficial for the entire community they serve.

Sincerely,

Todd Carpenter

Todd Carpenter  
PO Box 2688  
The Dalles, OR 97058  
Cell: 503-705-2889

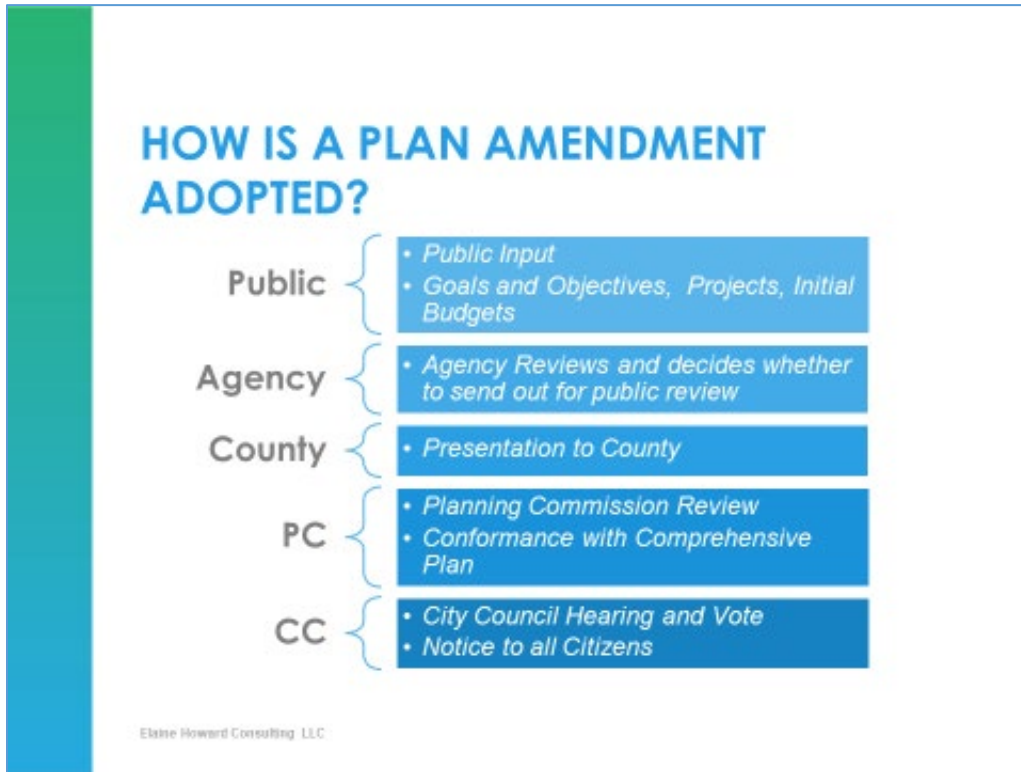




# COLUMBIA GATEWAY URBAN RENEWAL PLAN SUBSTANTIAL AMENDMENT 2024



1. Process
2. Plan and Report review
3. Financial overview
4. Next Steps and motion



## COLUMBIA GATEWAY URBAN RENEWAL PLAN UPDATES

1. Goals and Objectives
2. Projects
3. Increases Maximum Indebtedness
4. General updating



Completed project:  
Sunshine Mill

Elaine Howard Consulting LLC



Granada:  
Past and Future Project



Elaine Howard Consulting LLC



## PROJECTS

Continuation of building improvement projects in Plan.

New for 2024:

- *Basalt Commons: A mixed-use commercial and residential development at 523 East 3<sup>rd</sup> Street. Developer will demolish existing structure (a former auto dealer) and replace it with a five-story commercial and residential complex.*
- *Tony's Town & Country building acquisition, demolition and site rehabilitation.*
- *First Street reconstruction to include sidewalk replacement, street and sub-street reconstruction, tree plantings with irrigation, related infrastructure and public safety measures.*
- *Federal Street Plaza: Establish public plaza, green space and other improvements to create a community gathering space between First and Second streets. Urban Renewal to help leverage external resources such as state and federal grants by contributing toward local match.*

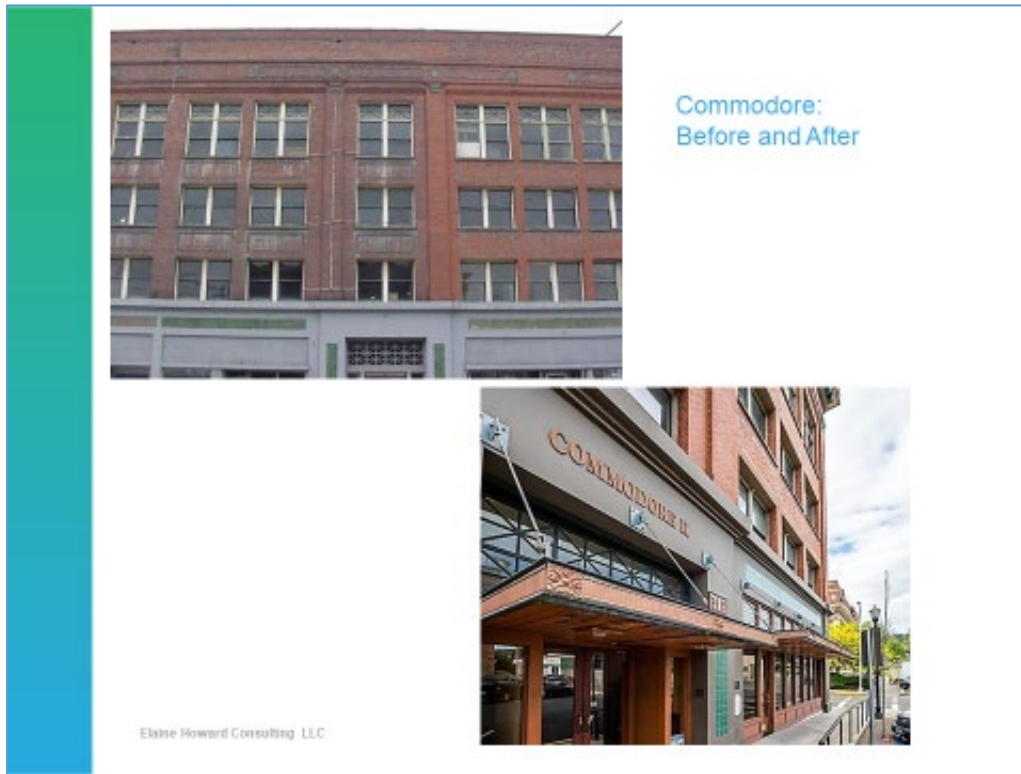
Elsie Howard Consulting LLC


## PROJECTS

Continuation of the Incentive Program with downtown property rehabilitation projects.



Elsie Howard Consulting LLC





<b>MAXIMUM INDEBTEDNESS</b>	
<b>Net TIF</b>	<b>\$ 8,528,981</b>
<b>Maximum Indebtedness</b>	<b>\$35,262,100</b>
<b>Capacity (2024\$)</b>	<b>\$10,949,304</b>
<b>Increase in MI of \$6,136,517 TIF Through FYE 2029</b>	
<small>Elaine Howard Consulting LLC · Tibertus Solutions LLC</small>	

## ESTIMATED PROJECT ALLOCATIONS

Expenditures	Constant 2024\$	Year of Expenditure \$
Incentive Program Projects	\$ (4,398,076)	\$ (4,695,901)
Gayer Building	\$ (12,000)	\$ (12,000)
Basalt Commons Development Agreement	\$ (730,000)	\$ (730,000)
Basalt Commons Incentive Program Funding	\$ (928,000)	\$ (928,000)
3rd/Jefferson Parking Lot Redevelopment	\$ (484,658)	\$ (484,658)
Parking Lot Resurfacing	\$ (100,000)	\$ (100,000)
First Street	\$ (3,200,000)	\$ (3,291,090)
Federal Street Plaza	\$ (700,000)	\$ (721,000)
		\$
Administration	\$ (285,347)	(316,257)
<b>Total Expenditures</b>	<b>\$ (10,838,081)</b>	<b>\$ (11,278,906)</b>

Elaine Howard Consulting LLC Tibertus Solutions LLC

## PROJECTED IMPACTS OF AMENDMENT ON TAXING DISTRICTS - GENERAL GOVERNMENT

FYE	Wasco County	Port of the Dalles	Northern Wasco Park & Rec	Mid Columbia Fire & Rescue	City of the Dalles
2025	-	-	-	-	-
2026	(287,318)	(13,561)	(45,939)	(141,919)	(203,750)
2027	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2028	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2029	(349,855)	(16,512)	(55,938)	(172,809)	(248,098)
<b>TOTAL:</b>	<b>(1,504,122)</b>	<b>(70,992)</b>	<b>(240,494)</b>	<b>(742,953)</b>	<b>(1,066,642)</b>

FYE	Wasco County Soil Conservation	4H & Extension Service District	Wasco County Library District	Subtotal Gen. Gov't
2025	-	-	-	-
2026	(16,892)	(16,892)	(45,946)	(772,216)
2027	(25,485)	(25,485)	(69,318)	(1,165,039)
2028	(25,485)	(25,485)	(69,318)	(1,165,039)
2029	(20,569)	(20,569)	(55,947)	(940,298)
<b>TOTAL:</b>	<b>(88,430)</b>	<b>(88,430)</b>	<b>(240,529)</b>	<b>(4,042,591)</b>

Elaine Howard Consulting LLC Tibertus Solutions LLC

## PROJECTED IMPACTS OF AMENDMENT ON TAXING DISTRICTS - EDUCATION

FYE	Columbia Gorge Community College	Columbia Gorge ESD	North Wasco School District 21	Subtotal	Total
2025	-	-	-	-	-
2026	(18,264)	(31,608)	(354,047)	(403,919)	(1,176,135)
2027	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2028	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2029	(22,239)	(38,488)	(431,110)	(491,836)	(1,432,134)
<b>TOTAL:</b>	<b>(95,610)</b>	<b>(165,470)</b>	<b>(1,853,456)</b>	<b>(2,114,536)</b>	<b>(6,157,127)</b>

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## PROJECTED IMPACTS OF NO AMENDMENT ON TAXING DISTRICTS - GENERAL GOVERNMENT

FYE	Wasco County	Port of the Dalles	Northern Wasco Park & Rec	Mid Columbia Fire & Rescue	City of the Dalles
2025	(433,262)	(20,449)	(69,274)	(214,008)	(307,246)
2026	(146,157)	(6,898)	(23,369)	(72,193)	(103,647)
<b>TOTAL:</b>	<b>(579,419)</b>	<b>(27,347)</b>	<b>(92,643)</b>	<b>(286,201)</b>	<b>(410,893)</b>

FYE	Wasco County Soil Conservation	4H & Extension Service District	Wasco County Library District	Subtotal Gen. Gov't
2025	(25,472)	(25,472)	(69,284)	(1,164,468)
2026	(8,593)	(8,593)	(23,372)	(392,822)
<b>TOTAL:</b>	<b>(34,065)</b>	<b>(34,065)</b>	<b>(92,657)</b>	<b>(1,557,291)</b>

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## PROJECTED IMPACTS OF NO AMENDMENT ON TAXING DISTRICTS - EDUCATION

FYE	Columbia Gorge Community College	Columbia Gorge ESD	North Wasco School District 21	Subtotal	Total
2025	(27,541)	(47,664)	(533,888)	(609,092)	(1,773,561)
2026	(9,291)	(16,079)	(180,102)	(205,471)	(598,294)
<b>TOTAL</b>	<b>(36,831)</b>	<b>(63,743)</b>	<b>(713,990)</b>	<b>(814,564)</b>	<b>(2,371,854)</b>

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## FULL PROJECTED IMPACTS ON TAXING DISTRICTS - GENERAL GOVERNMENT

FYE	Wasco County	Port of the Dalles	Northern Wasco Park & Rec	Mid Columbia Fire & Rescue	City of the Dalles
2025	(433,262)	(20,449)	(69,274)	(214,008)	(307,246)
2026	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2027	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2028	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2029	(348,855)	(16,512)	(55,938)	(172,809)	(248,098)
TOTAL:	(2,083,541)	(98,339)	(333,137)	(1,029,154)	(1,477,534)

FYE	Wasco County Soil Conservation	4H & Extension Service District	Wasco County Library District	Subtotal Gen. Gov't
2025	(25,472)	(25,472)	(89,284)	(1,184,488)
2026	(25,485)	(25,485)	(69,318)	(1,165,039)
2027	(25,485)	(25,485)	(69,318)	(1,165,039)
2028	(25,485)	(25,485)	(69,318)	(1,165,039)
2029	(20,569)	(20,569)	(55,947)	(940,298)
TOTAL:	(122,495)	(122,495)	(333,186)	(5,599,882)

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## FULL PROJECTED IMPACTS OF AMENDMENT ON TAXING DISTRICTS – EDUCATION

FYE	Columbia Gorge Community College	Columbia Gorge ESD	North Wasco School District 21	Subtotal	Total
2025	(27,541)	(47,664)	(533,888)	(609,092)	(1,773,561)
2026	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2027	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2028	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2029	(22,239)	(38,488)	(431,110)	(491,836)	(1,432,134)
TOTAL:	(132,442)	(229,213)	(2,567,445)	(2,929,100)	(8,528,981)

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## PROJECTED REVENUE SHARING

FYE	Mandatory Revenue Share	Voluntary Revenue Sharing	Total Revenue Sharing	Wasco County	Port of the Dalles	Northern Wasco Park & Rec	Mid Columbia Fire & Rescue	City of the Dalles
2025	-	-	-	-	-	-	-	-
2026	62,610	0	62,610	15,295	722	2,446	7,555	10,846
2027	194,204	0	194,204	47,442	2,239	7,585	23,434	33,843
2028	262,323	0	262,323	64,083	3,025	10,248	31,653	45,444
2029	332,320	360,310	692,630	169,202	7,988	27,054	83,577	119,989
<b>Total</b>	<b>851,456</b>	<b>360,310</b>	<b>1,211,766</b>	<b>296,022</b>	<b>13,972</b>	<b>47,331</b>	<b>146,218</b>	<b>209,923</b>

FYE	Wasco County Soil Conservation	4H & Extension Service District	Wasco County Library District	Columbia Gorge Community College	Columbia Gorge ESD	School District 21 North Wasco	Total
2025	-	-	-	-	-	-	-
2026	899	899	2,446	972	1,683	18,847	62,610
2027	2,789	2,789	7,587	3,016	5,219	58,460	194,204
2028	3,768	3,768	10,248	4,073	7,050	78,965	262,323
2029	9,948	9,948	27,058	10,755	18,614	208,500	692,630
<b>Total</b>	<b>17,404</b>	<b>17,404</b>	<b>47,338</b>	<b>18,817</b>	<b>32,566</b>	<b>364,773</b>	<b>1,211,766</b>

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## Next Steps & Schedule

1. Agency Meeting                      October 21
2. Taxing Districts                      October 22
  - Consult and Confer                45 days
3. Planning Commission                November 7
4. County Briefing                        TBD
5. City Council Hearing                  December 9
6. City Council Vote

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## STAFF RECOMMENDATION

Move to adopt UR Resolution No. 24-004, a resolution directing staff to commence the Substantial Amendment Process for making changes to the Columbia Gateway Urban Renewal Plan.

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CITY OF THE DALLES

**AGENDA STAFF REPORT**  
**AGENDA LOCATION: 7. A.**

**MEETING DATE:** Tuesday, December 17, 2024

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

**FROM:** Dan Spatz, Economic Development Officer

**ISSUE:** *Property Rehabilitation Program: Proposed Modifications*

**BACKGROUND:**

On December 9, 2024, The Dalles City Council unanimously approved Ordinance 24-1409, increasing the Maximum Indebtedness (**MI**) of Columbia Gateway Urban Renewal Agency (**Agency**) by \$6.1 million through a Substantial Amendment to the Columbia Gateway Urban Renewal Plan (**Plan**). The decision is subject to a 30-day referendum period, with challenge requiring signatures from at least 10% of registered voters. If no referendum occurs, the amendment becomes effective on January 8, 2025.

This approval followed a series of steps, beginning with the Agency Board's October 21, 2024, approval to seek City Council's endorsement of the Substantial Amendment via UR Resolution 24-004. In compliance with ORS 457.089, staff notified affected taxing districts on October 22, 2024, and presented the amendment to The Dalles Planning Commission, which confirmed its alignment with the Comprehensive Plan and approved PC Resolution 624-24 on November 7, 2024. Additionally, staff conducted briefings for the Wasco County Board of Commissioners on October 2 and December 4, 2024.

Following this process, Agency staff is presenting two separate items for Board consideration at tonight's meeting, including modifications to the Property Rehabilitation Program (referenced herein) and project investment strategies (described in Staff Report 7B).

When it was established in 1990, the Agency's intentional focus was on public infrastructure, ranging from a new wastewater treatment plant and "river water treatment plant" to pump stations, West Sixth Street Bridge improvements, underground utilities, traffic signals, pipelines and reservoirs. There were private projects as well, but these had a lesser role, with \$2 million for a "Property Rehabilitation Loan" program compared to more than \$20 million in public projects. This ratio evolved through the decades. While some public projects are still priorities, such as First Street reconstruction and Mill Creek Greenway, emphasis in recent years has been given to assisting private businesses. The Sunshine

Mill, which received a low-interest loan from the Agency, is one high-profile example, but there have been many others. In recent years, the adoption of the Incentive Program (IP) in 2022 expanded these investments by providing three types of grants to assist in property rehabilitation projects. In addition, a new investment tool, referred to as a Development Funding Agreement (DFA) was created in response to a request for assistance for the Basalt Commons project in 2023 and may continue as a funding mechanism for larger projects under limited circumstances. These private investments have a direct, positive impact on the tax base, differing from the longer-term, indirect but still beneficial impact of public infrastructure improvements.

Private investment programs have existed for many years as a function of the Agency and identified under an umbrella term, "Property Rehabilitation Grants and Agreements." This term carried over in the Substantial Amendment approved by The Dalles City Council December 9, and will be used as a continuing reference. This includes several components, some active today such as the IP and some referring to early initiatives such as "Land Assemblage." Of special relevance for current renovation projects in Downtown The Dalles is "Redevelopment of Unused and Underused Land and Buildings and other Civic Improvements," found in the Plan. This allows the Agency to "provide grants and low-interest loans for business, civic, residential, cultural, and tourist-related property to be developed, redeveloped, improved, rehabilitated, and/or conserved. Grants shall be made to for-profit, public, non-profit and civic organizations."

Until the Agency deferred IP projects this past summer, pending resolution of MI capacity constraints, staff had been working with several downtown building owners and businesses to encourage IP applications. Some applications had already been received when the program was placed on hold. These and several others are now pending.

In the course of these and other conversations, business owners advised staff of unintended constraints in the Agency's Property Rehabilitation Program as a whole, including but not limited to the IP program. At the same time, Board members questioned how staff are able to determine "return on investment," especially for larger grants. In response, earlier this year staff had drafted program modifications for Board consideration, but deferred that presentation, again pending resolution of the MI capacity challenge. Given City Council's approval of expanded spending authority December 9, staff have outlined the following recommendations to the Property Rehabilitation Program for Board consideration:

#### **Incentive Program (IP) modifications:**

- **Consolidated elements:** Feedback from subject property owners supports an expanded threshold for IP funding, and clarification of the distinction between Commercial and Mixed-Use categories. In response, staff proposes to consolidate Commercial and Mixed-Use into a single "Commercial" category, which may or may not include upper-story residential.
- **Administrative discretion:** Threshold for administrative approvals would increase from \$50,000 currently to either \$100,000 or \$150,000 (see note below). The intent is to recognize feedback from property owners regarding the sufficiency of grant amounts and expedite approvals process while reducing reliance upon DFAs, which require extensive administrative time in comparison with the IP.
  - **Note:** Current match requirements would remain unchanged: 50% for requests of up to \$50,000, and 30% for requests up to \$150,000.
  - **Note:** Projects exceeding the proposed \$150,000 discretionary threshold would be considered for a DFA as described below.

- **Note:** Agency Local Contract Review Board Rules set the Agency Manager’s discretionary threshold at \$100,000. IP award limit of \$150,000 would exceed that authority. The intent of higher award authority is to reduce reliance on DFAs. Staff are uncertain how to resolve this and invite the Board’s guidance.
- **Eligible uses:** Staff proposes to expand the list of eligible projects to include roof repair/replacement and installation of fire suppression equipment (typically sprinkler systems) for existing or proposed space when conducted as part of a larger renovation project. While façade restorations are often considered, these alone would not define a “larger project,” but could be one component. Other examples would be upper story residential or boutique hotels, street-level or basement retail, commercial kitchens, HVAC, seismic upgrades and utilities.
- **Single-family residential upgrades:** Staff receive continuing interest from owners of single-family residences within the District for assistance in minor improvements to increase home value or improve energy efficiency. Relatively few such properties are within the District, many contributing to some of the older housing stock within the city. Staff propose a new category for this purpose, limited to a one-time award not to exceed \$25,000, and not to be used for like-to-like replacements. Homeowner would be required to provide 30 percent match.
- **SDC payments:** *No change is proposed to the current program*, which is an incentive for new residential units. SDC offsets (payments) would be offered independently of other funding awards, with no change to current value limitation (up to \$10,000 per combined city and parks district SDCs).

**Development Funding Agreements (DFA):**

- **Scoring.** Staff proposes the addition of specific metrics and requirements in considering DFAs, and propose that a combination of these, evaluated in a points based system (similar to the selection process in Requests for Proposals and competitive grant applications) be applied:
  - **Job creation:**
    - One to five new permanent jobs created = 15 points
    - More than 5 permanent jobs created = 25 points
  - **Ratio of private investment:** This is comparable to the IP’s matching requirement. Points would be awarded as follows:
    - Direct private project as percentage of total project value:
      - Up to 49% = 5 points
      - 50-74% = 25 points
      - 75% or more = 50 points.
    - **Note:** Staff proposes that prior private investment, if appropriately documented by an accounting professional, and made no earlier than 10 years prior to a DFA application, be considered in awarding points. The intention is to recognize significant fiscal investments some local property owners have made in recent years, to such extent that these owners are not in a position to encumber significant new debt.

- **Relevant experience:** Demonstrated experience owning or operating retail business at least three years prior to application: 10 points
- **Return on Investment (ROI):** Urban renewal agencies apply various metrics to this topic. In a strong growth environment, there's a case to be made for monetary return on agency investment in a specific property through an increase in property value over a set period of years. (This was applied to Basalt Commons described above, with projected \$1.77 million ROI over 13 years.) This involves speculation and uncertainty; for instance, it's difficult for a county assessor to project the value of a given property even two or three years in advance, let alone 15 years or longer. More broadly, some agencies measure ROI by the overall valuation increase of a district as influenced by large-scale public infrastructure investments. This can certainly apply to the District, where current values exceeding \$150 million can be compared to original value of approximately \$25 million in 1990 – but, how much of that increase can be attributed solely to urban renewal?
  - Recognizing such uncertainties, staff proposes that anticipated property value be considered, but only as a minor criterion for points awarded. For example, if project is likely to increase appraised property value at least 5 percent over current value within 10 years: 15 points awarded. Staff continues to research this issue, with the goal of identifying an appropriate valuation goal to be incorporated in the final draft of program modifications.
- **Timely completion:** DFA projects must start construction within one year of Agency decision of award and must receive Certificate of Occupancy within two years of award decision, subject to Agency discretion. As advance requirement, recipients must provide assurance of compliance in the form of financial guarantee of performance. This could take the form of a “liquidated damages” amount to be negotiated and specified in each DFA agreement, payable to the Agency within a specified period of time following failure to perform.
- **Loans:** Staff recommend that the Agency reinstitute a loan program, as part of a grant/loan portfolio for DFA projects. This would follow the same guidelines as pertained to the Agency's original loan program, which was successfully used to renovate Sunshine Mill. A loan “buy-down” agreement also assisted with the Gayer and Honald buildings. Loan administration could be under contract to Mid-Columbia Economic Development District.

**Application process:**

As noted in the “MI Projects Investment Plan” staff report for the December 17, Board meeting, the Agency has limited resources for new projects even with expansion of spending authority (MI). Nevertheless, while several urban renewal private investments have been identified, consideration should not be limited to those which are known. There should also be a process for inviting new projects, recognizing that these will be subject to the same fundamental constraint of MI as applies to all projects, as revised by City Council on December 9.

With that in mind, staff proposes this process for identifying new projects:

- Staff will revise the current application form, reflecting any modifications approved by the Board. As is the case now, information and application form would be posted on-line.

- The Agency will issue a “Notice of Funding Availability each January.” This could use the same format as the Agency last used in 2023: A postcard mailed to all downtown property owners. It would note that applications would be accepted throughout the calendar year.
- Applicants would submit funding requests no later than 30 days prior to the following month’s Board meeting.
- Staff and two members of the Board, representing any of the taxing districts, would review any applications received for the preceding month and, if criteria are met, either award outright under the IP or bring to the Board as a DFA request.

The Project Investment Strategy staff report (7B), also being discussed tonight, includes a table of anticipated projects. Staff will revise this table regularly, including periodic report to the Board. New projects will be incorporated into this table upon approval, subject to available funding as determined by remaining MI capacity.

*Minimum points:* The maximum possible number of points awarded under the points-based scoring scenario proposed above is 100. Staff proposes that new projects must receive at least 75 points to be considered for funding; points may be awarded in any combination of the criteria described.

*The Board is invited to consider these projects and proposed policy modifications, as well as propose other projects, at the December 17 meeting.*

**PROJECT BENEFITS:**

Council approval of MI expansion provides an estimated \$10,949,303 for project investment between 2025 and 2029, concluding with District termination in 2029. (This amount includes committed but unexpended allocations made since July 2023.) The intent of this staff report is to help ensure provident, strategic investments that best fulfill the Agency’s mission of reducing blight, in the process increasing the District’s tax base.

The intent in presenting a list of specific projects is to help ensure that remaining Agency investments achieve the greatest possible benefit for the District and City. Investments should be highly visible, reduce blight, result in measurable gains to the tax base, and contribute to overall economic vitality. Investments should demonstrate the long-term value of urban renewal in contributing to community prosperity.

**COUNCIL ALTERNATIVES:** This is a discussion item. Staff is requesting Board input on the above-mentioned topics for inclusion with future modifications to the Property Rehabilitation Program.



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CITY OF THE DALLES

**AGENDA STAFF REPORT**  
**AGENDA LOCATION: 7.B.**

**MEETING DATE:** Tuesday, December 17, 2024

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

**FROM:** Dan Spatz, Economic Development Officer

**ISSUE:** *Property Rehabilitation Program:  
Project Investment Strategy 2025-29*

**BACKGROUND:**

Following the adoption of General Ordinance 24-1409 by The Dalles City Council on December 9, 2024, the Columbia Gateway Urban Renewal Agency (**Agency**) will be able to invest, in public and private projects, no more than \$10,949,304 between 2025 and 2029, an amount which includes Agency commitments made since July 2023. With an increase in Maximum Indebtedness (**MI**) of \$6.1 million, it is now incumbent upon the Agency to develop, with as much specificity as possible, a capital investment budget detailing how current and projected Tax Increment Financing (**TIF**) revenues will be expended beginning in 2025 and concluding in 2029.

One major investment, of \$1.7 million in Basalt Commons, was already recognized in the 2024 fiscal analysis. Several other projects, as identified in the table below, have not yet been committed but represent opportunities for the Agency to further fulfill its core mission of reducing blight within the Columbia Gateway Urban Renewal District (**District**), in the process growing the District's tax base.

This staff report offers additional detail on the projects identified in recent Agency presentations as an approximate schedule of initial investments; the list will be further informed by project readiness to proceed and any new projects presented. A second staff report, complementary to this one (7A), proposes modifications to the Agency's Property Rehabilitation Grant Program, with the intent of addressing certain investment barriers and disincentives identified by downtown business owners over the past 18 months. That staff report also describes a mechanism by which new projects will be presented for consideration on an annual basis. Staff propose that these two processes advance in tandem: the investment strategy and program modifications to ensure responsible deployment of expanded MI leading up to District termination in 2029.

In proposing a project schedule, staff are using an Excel spreadsheet developed by consultant Ali Danko, who helped prepare the 2024 fiscal analysis in preparation for the Substantial

Amendment. This identifies Agency commitments, TIF and other revenues, and debt service, allowing staff to track how expenditures and commitments affect MI each year until 2029. Anticipated projects can be added to the spreadsheet at any time and revised periodically to determine how they affect MI over the next five years. The spreadsheet also calculates required ending fund balance for each fiscal year, ensuring adequate reserves to meet debt service and other commitments such as administration, which are key to the annual Agency budget process.

The Substantial Amendment (General Ordinance 24-1409) was accompanied by a report which, among other components required under ORS 457.087, identified various projects to be completed through the Substantial Amendment. Potential private projects were not specified in the report, but rather included under the general category of "Property Rehabilitation Grants." The report identified total projected expenditure of \$4,695,901 for this purpose, providing a further limit on property rehabilitation projects described below.

### **Project Tracking Tools:**

Staff recommends that the Agency consider a strategy to formally track investments through 2029. The spreadsheet described above would be one of two tools for this purpose. A second tool is proposed below: this is a table showing prospective projects, divided by fiscal years as informed by the spreadsheet's ability to track MI and required fund balances. Both tools would be used in tandem, to be updated routinely.

The table below is largely presented by way of preliminary example for the December 17 meeting. It can and certainly will be modified, as new projects are added, other projects are dropped, and the basic order of projects shifts among fiscal years according to readiness to proceed, application submission dates, and above all, MI capacity and impact on ending fund balances.

The cost details for many projects are listed as "pending" because the application process was postponed until the Substantial Amendment request is determined. If the amendment were rejected, the Agency would lack the resources to move forward with most projects, except for those already committed, like Basalt Commons. Given City Council approval, staff will now reactivate the property rehabilitation program and invite applications.

Cost estimates are approximations, based upon recent discussions with building owners, to be confirmed as applications are received, and are expressed in constant 2024 dollars; total project values will include a 7% cost escalation factor for years following 2025. Projects are presented in approximate order of readiness to proceed, balanced by available resources: in some instances, it is not financially feasible to include all projects ready to proceed within the same year, since the total results in a negative ending fund balance for that year.

***Staff emphasizes that the sequence of projects is likely to change from year to year, as some projects drop and new ones are added.***

As a reminder, TIF revenue and MI capacity are not the same thing: TIF revenue is collected annually between 2025 and 2029, while MI represents the authority to spend those revenues up to a certain point and no further. In the table below, MI is presented at the end of each fiscal year, anticipating projected TIF revenues through 2029. Thus, MI at the end of 2025, for instance, does not reflect an available balance for 2026, but rather the overall spending limit which cannot be exceeded. Since the table refers only to property rehabilitation (both Incentive Program (IP) and Development Funding Agreement (DFA)) projects, it does not include other anticipated expenditures that still count against MI: Basalt Commons DFA (IP system development charges funding for Basalt Commons are reflected in the table); First Street reconstruction; East 3<sup>rd</sup> and Jefferson Streets parking lot; local match for Federal Street Plaza



state or federal grants; and administrative costs. The MI totals shown do reflect all of those expenditures.

Finally, certain projects below were identified by alphabetic reference in previous board reports. Staff have obtained building owners' permission, in several instances, to identify these by name. Where permission has not been granted, alphabetic references are unchanged. Board members are invited to review the sequence outlined here; staff will modify the project sequence to reflect Board direction, subject to MI and ending funding balance constraints for each year.

<b>Project</b>	<b>Project estimate</b>	<b>Urban Renewal</b>	<b>Other investment</b>	<b>Start</b>	<b>Adj. 7%</b>
<b>Sigman's Flowers / Oak Hotel</b>   200 E. 2 <sup>nd</sup> Street Four residential units, roof replace, façade, windows, first-floor retail	\$800,000	\$240,000	\$360,000 \$200,000	2025	\$800,000
<b>Basalt Commons</b>   523 E. 3 <sup>rd</sup> Street	\$29,000,000 (approximate)	\$918,382 (SDC only)	DFA, private finance	2025	Pending
<b>The Mint</b>   710 E. 2 <sup>nd</sup> Street Interior upgrades for brewery operations (commercial kitchen, other)	\$413,000 pending confirmation	\$232,000 pending discussion and confirmation	Pending	2026	\$413,000
<b>MI remaining FYE 2025: \$5,556,756</b>					
<b>Ending fund balance: \$1,988,569</b>					
<b>Last Stop / Scooper McQuade's</b>   209-215 E. 2 <sup>nd</sup> Street Upper story and façade: Phase I	Pending	\$700,000	Pending	2025	\$749,000
<b>Maier Building</b>   308 E. 2 <sup>nd</sup> Street Upper story apartment, façade, utility upgrade.	\$368,914	\$50,000	Pending	2026	\$394,914
<b>Vogt Opera House</b> (former Morin Printing)   308 Washington Street Façade, awning, tile, window glazing preparatory to retail tenant	Pending	\$50,000	Pending	2026	Pending

Project	Project estimate	Urban Renewal	Other investment	Start	Adj. 7%
<b>MI remaining FYE 2026: \$3,739,923</b>					
<b>Ending fund balance: \$1,154,108</b>					
<b>Last Stop / Scooper McQuade's</b>   209-215 E. 2 <sup>nd</sup> Street Upper story and façade: Phase II	Pending	\$800,000	Pending	2027	\$798,000
<b>Former US Post Office</b>   100 W. 2 <sup>nd</sup> Street Upper floor office renovation	Pending	\$50,000	Pending	2027	Pending
<b>317 E. 2<sup>nd</sup> Street</b> Event center, retail, commercial kitchen, fire suppression, roof repair	Pending	\$50,000	Pending	2027	Pending
<b>Project G</b>   E. 2 <sup>nd</sup> Street Retail facade	Pending	\$316,612	Pending	2027	\$316,612
<b>MI remaining FYE 2027: \$2,625,575</b>					
<b>Ending fund balance: \$1,015,958</b>					
<b>Project H</b>   E. 2 <sup>nd</sup> Street Retail facade	Pending	\$523,118	Pending	2028	\$653,000
<b>IOOF Building</b>   421 E. 2 <sup>nd</sup> Street Brick façade restoration, HVAC, restore historic windows and awning, roof repair	Pending	\$50,000	Pending	2028	Pending
<b>Project K:</b> Downtown retail HVAC, interior upgrades	Pending	\$50,000	Pending	2028	Pending
<b>Project M</b>   E. 2 <sup>nd</sup> Street Residential apartments	\$700,000	\$50,000	Pending	2028	Pending
<b>204 E. 2<sup>nd</sup> Street</b> Street-level retail, add second story to existing building for upper story residential	\$745,000	\$200,000	Pending	2028	\$900,000

Project	Project estimate	Urban Renewal	Other investment	Start	Adj. 7%
<b>MI remaining FYE 2028: \$1,562,222</b>					
<b>Ending fund balance: \$932,865</b>					
<b>Project M</b>   E. 3 <sup>rd</sup> Street Vacant structure; three story stone structure. Potential commercial.	Pending	Pending	Pending	2029	Pending
<b>Project N</b>   E. 3 <sup>rd</sup> Street Vacant structure; potential retail / residential	Pending	Pending	Pending	2029	Pending
<b>MI remaining FYE 2029: \$1,449,671</b>					
<b>Ending fund balance: \$1,449,671</b>					
<b>Total IP investment: \$4,280,112</b>					

**The submission process and award criteria for these and other projects are described in the Property Rehabilitation staff report.** This includes public invitation for projects not yet known to staff, monthly submission deadline, awards criteria, review by staff and Agency board, and proposed modifications to the Incentive and Development Funding Agreement programs. The Board will have opportunity at each meeting to propose changes in sequence. New projects will be incorporated into this table upon approval, subject to available funding as determined by remaining MI capacity and ending fund balance requirement.

**PROJECT BENEFITS:**

Incentive Program investments will help the Agency fulfill its mission of resolving blighted conditions in the District. Contributions will leverage private sector investments and grow the downtown tax base. Since formation of the District, overall tax value of the District has grown from \$25 million in 1990 to more than \$150 million today. While it is difficult to specify urban renewal’s precise contribution to this growth, it is important to remember how such investments as the maritime terminal, Union Street underpass, Sunshine Mill, Commodore, Brewery Grade roundabout, and nearly 70 other projects have contributed to the District’s vitality. An interactive map providing detail on all projects is posted to the Urban Renewal website.

**COUNCIL ALTERNATIVES:** This is a discussion item. Staff is requesting Board input on the above-mentioned topics to establish a project investment strategy for the Property Rehabilitation Program.

**Attachment:**

- A. Ordinance 24-1407: Report Accompanying the Substantial Amendment

# Report Accompanying the Columbia-Gateway Urban Renewal Plan Substantial Amendment 2024

This document remains in draft format until the City Council adoption of the Columbia Gateway Urban Renewal Plan Substantial Amendment 2024

Columbia Gateway Urban Renewal Plan Substantial Amendment 2024 adopted by the City of The Dalles by Ordinance No. 24-1409 | December 9, 2024

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## Definitions

This document makes references to ORS 457 as it exists in 2024. The majority of these definitions come from the Columbia Gateway Urban Renewal Plan.

AGENCY means the Columbia Gateway Urban Renewal Agency that, in accordance with the provisions of Chapter 457 of the Oregon Revised Statutes, is the Urban Renewal Agency of the City of The Dalles, Wasco County, Oregon.

AREA means that geographic portion of the City which encompasses the Columbia Gateway Urban Renewal District, an urban renewal area conceived pursuant to the provisions of ORS Chapter 457.

BLIGHTED AREAS means areas that by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community. A blighted area is characterized by the existence of one or more of the following conditions:

- The existence of buildings and structures, used or intended to be used for living, commercial, industrial or other purposes, or any combination of those uses, which are unfit or unsafe to occupy for those purposes because of any one or a combination of the following conditions:
  - Defective design and quality of physical construction;
  - Faulty interior arrangement and exterior spacing;
  - Overcrowding and a high density of population;
  - Inadequate provision for ventilation, light, sanitation, open spaces and recreation facilities; or
  - Obsolescence, deterioration, dilapidation, mixed character or shifting of uses;
- An economic dislocation, deterioration or disuse of property resulting from faulty planning;
- The division or subdivision and sale of property or lots of irregular form and shape and inadequate size or dimensions for property usefulness and development;
- The layout of property or lots in disregard of contours, drainage and other physical characteristics of the terrain and surrounding conditions;
- The existence of inadequate streets and other rights-of-way, open spaces and utilities;
- The existence of property or lots or other areas which are subject to inundation by water;
- A prevalence of depreciated values, impaired investments, and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered;
- A growing or total lack of proper utilization of areas, resulting in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety and welfare; or

- A loss of population and reduction of proper utilization of the area, resulting in its further deterioration and added costs to the taxpayer for the creation of new public facilities and services elsewhere.

CITY means the City of The Dalles, Wasco County, Oregon.

CITY COUNCIL or COUNCIL means the governing body of the City of The Dalles.

COMPREHENSIVE PLAN means The Dalles Comprehensive Land Use Plan including all of its policies, procedures and implementing provisions.

COUNTY means Wasco County, Oregon.

MAXIMUM INDEBTEDNESS (MI) means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness

ORS means Oregon Revised Statutes (State Law). ORS Chapter 457 is the chapter which regulates the renewal of blighted areas within the State of Oregon.

PLAN means the Amended Columbia Gateway Urban Renewal Plan, an Urban Renewal Plan of the City of The Dalles, Oregon.

REDEVELOPER means a party who acquires real property or receives financial assistance from the Urban Renewal Agency for the purposes of developing or redeveloping such property in conformity with the provisions of this Urban Renewal Plan.

REVENUE SHARING means sharing tax increment proceeds with impacted taxing districts as defined in ORS 457.470.

STATE means the State of Oregon including its various departments, divisions and agencies.

TAX INCREMENT FINANCING (TIF) means a method of financing indebtedness incurred by Columbia Gateway Urban Renewal Agency in preparing and implementing the Urban Renewal Plan. Such tax increment method is authorized by ORS sections 457.420 through 457.470 and provides that all or a portion of the tax proceeds, if any, realized from an increase in the taxable assessed value of real and personal property within the Columbia-Gateway Urban Renewal District above that existing on the County tax roll last equalized prior to the effective date of The Dalles City Council Ordinance approving the Urban Renewal Plan may be paid into a special fund of the Agency. Such special fund, if any, shall be used to pay the principal and interest on indebtedness incurred by the Agency in financing or refinancing the preparation and implementation of the approved Urban Renewal Plan including the administration of the Agency's activities.

TAX INCREMENT REVENUES means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

TAXING BODY means any authorized entity which levies ad valorem taxes within the boundaries of the Urban Renewal Area.

U.R. means "urban renewal" as in Urban Renewal Boundary, Urban Renewal Area, Urban Renewal Plan, Urban Renewal Report, etc.



URBAN RENEWAL PLAN means the Amended Plan for the Columbia Gateway Urban Renewal District --an Urban Renewal Area of the City of The Dalles, Oregon.

URBAN RENEWAL AREA means a blighted area included in an urban renewal plan or an area included in an urban renewal plan.

URBAN RENEWAL LAW means Chapter 457 of the Oregon Revised Statutes as same exists on the effective date of this Urban Renewal Plan or as same may be amended from time to time by action of the Oregon Legislature.

URBAN RENEWAL PROJECT or PROJECT means any work or undertaking carried out under ORS 457.170 and 457.180 in an urban renewal area.

URBAN RENEWAL REPORT or REPORT means the official report that accompanies the urban renewal plan pursuant to ORS 457.087.

## I. INTRODUCTION

The Report Accompanying the Columbia Gateway Urban Renewal Plan Amendment (**Report**) contains background information and project details that pertain to the Columbia Gateway Urban Renewal Plan Amendment (**Plan Amendment**). The Report is not a legal part of the Plan Amendment, but is intended to provide public information and support the findings made by the The Dalles City Council as part of the approval of the Plan Amendment.

The Report provides the analysis and contains the information required to meet the standards of ORS 457.087, including financial feasibility. These requirements include:

- A description of the physical, social, and economic conditions in the area and expected impact of the plan, including fiscal impact in light of increased services; (ORS 457.087(1))
- Reasons for selection of the plan Area; (ORS 457.087(2))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.087(3))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.087(4))
- The estimated completion date of each project; (ORS 457.087(5))
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired; (ORS 457.087(6))
- A financial analysis of the plan; (ORS 457.087(7))
- A fiscal impact statement that estimates the impact of tax increment financing (TIF) upon all entities levying taxes upon property in the urban renewal area; (ORS 457.0857(8)) and
- A relocation report (ORS 457.087(9)).

The relationship of the sections of the Report and the ORS 457.087 requirements is shown in Figure 1. The specific reference shown is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

**Figure 1. Statutory References**

<b>Statutory Requirement</b>	<b>Report Section</b>
ORS 457.087 (1)	X
ORS 457.087 (2)	XI
ORS 457.087 (3)	II
ORS 457.087 (4)	III
ORS 457.087 (5)	VI
ORS 457.087 (6)	IV,V
ORS 457.087 (7)	IV,V
ORS 457.087 (8)	VIII
ORS 457.087 (9)	XII



## II. THE PROJECTS IN THE AREA AND THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The following are new projects in the Plan:

- **Basalt Commons**: A mixed-use commercial and residential development at 523 East Third Street. Developer will demolish existing structure (a former auto dealership) and replace it with a five-story commercial and residential complex.

*Existing Conditions:* The existing structure does not have an economic use and is a blighting condition in the Area.

- **Tony's Building Site**: Acquisition, demolition and site rehabilitation / redevelopment of the former Tony's Town and Country building located at 401-407 East Third Street.

*Existing Conditions:* Following demolition of the previous structure, the site is leveled and shovel-ready for new development.

- **First Street Project**: Reconstruction of First Street between Union and Laughlin Streets to include sidewalk replacement, street and sub-street reconstruction, tree plantings with irrigation, related infrastructure and public safety measures.

*Existing Conditions:* The conditions of First Street are fully detailed in Section X(B)(4) of this document. It has deficient conditions and is a blighting condition in the Area.

- **Federal Street Plaza**: Establish public plaza, green space and other improvements to create a community gathering space between First and Second streets. Urban Renewal to help leverage external resources such as state and federal grants by contributing toward local match.

*Existing Conditions:* This is presently street right of way between First and Second Streets. This proposed community gathering spot does not exist.

### III. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONIES TO PAY SUCH COSTS

Figure 3 shows the costs of the projects in Fiscal Year Ending (FYE) 2024 constant dollars and the estimated year of expenditure dollars. These costs are also shown in “year of expenditure” costs, which assumes inflation of 3.0% annually. City staff provides cost estimates and are reviewed by City Council. These estimates are ballpark estimates and will be refined in the annual budgeting process with the acknowledgement of the limiting total cost factor of the MI. Different allocations may be made to different line items within the Plan.

The Plan assumes that the Agency will use other funds to assist in the completion of the projects within the Area. The Agency may pursue regional, county, state, and federal funding, private developer contributions, and any other sources of funding that may assist in the implementation of the programs.

**Figure 3. Estimated Project Costs**

<b>Expenditures</b>	<b>Constant 2024\$</b>	<b>Year of Expenditure \$</b>
Incentive Program Projects	\$ (4,398,076)	\$ (4,695,901)
Gayer Building	\$ (12,000)	\$ (12,000)
Basalt Commons Development Agreement	\$ (730,000)	\$ (730,000)
Basalt Commons Incentive Program Funding	\$ (928,000)	\$ (928,000)
Third/Jefferson Sts. Parking Lot Redevelopment	\$ (484,658)	\$ (484,658)
First Street Parking Lots Resurfacing	\$ (100,000)	\$ (100,000)
First Street Project	\$ (3,200,000)	\$ (3,291,090)
Federal Street Plaza*	\$ (700,000)	\$ (721,000)
Administration	\$ (285,347)	\$ (316,257)
<b>Total Expenditures</b>	<b>\$ (10,838,081)</b>	<b>\$ (11,278,906)</b>

Source: Tiberius Solutions with input from The Dalles staff

\* Urban Renewal investment in Federal Street Plaza is intended as local match for state, federal or other grant sources, in keeping with Urban Renewal Agency Goal J: *“To identify and actively pursue external grant and private resources in order to leverage the Agency’s financial resources to the maximum extent possible.”*

#### IV. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FYE 2029 are calculated based on projections of the assessed value within the Area and the consolidated tax rate that will apply in the Area.

The long-term projections for FYE 2025 and beyond assume an annual growth rate for assessed value in the Area of 3.0% plus anticipated new mixed-use development within the Area. These projections of growth are the basis for the projections in Figure 4 which shows the incremental assessed value, tax rates, and tax increment revenues each year, adjusted for discounts, delinquencies, and truncation loss.

The financial capacity of the Agency to fund projects listed in the Plan over the anticipated duration of the Plan should remain stable as it is projected that the Area will reach revenue sharing and that amount shared would create a buffer for the Agency if tax assessed values, and therefore tax increment collections, were lower than expected.

Gross TIF revenue is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is "tax rate times assessed value used divided by one thousand." The consolidated tax rate includes only permanent tax rates. General obligation bonds and local option levies are excluded, and will not be impacted by this Plan.

The narrative analysis for Figure 4 is shown below:

- "Total AV" is the estimated total assessed value of the Area on an annual basis.
- "Frozen Base" is the estimate of the assessed value of the Area at its formation.
- "Increment Applied" is the total assessed value minus the frozen base.
- "Increment Shared" is the amount that will be distributed to all taxing districts according to their permanent rate due to revenue sharing. In this Plan Amendment, the taxing districts are projected to begin revenue sharing in FY 2025/2026. The projections in the financial analysis in Figure 4 indicate the Agency will use the transition amount for determining the onset of revenue sharing. The transition amount is anticipated to be \$105,718,265. See Section VIII for a definition of revenue sharing and revenue sharing projections.
- "Tax Rate" is the total permanent rate levy for the Area.
- "Gross TIF" revenue is calculated by multiplying the tax rate times the assessed value used. The tax rate is per thousand dollars of assessed value, so the calculation is "tax rate times assessed value used divided by one thousand."
- "Adjustments" are calculated at 5% of the Gross TIF and are for discounts, delinquencies, and rate truncation.
- "Current Year Net" reflects subtracting the 5% adjustment factor from Gross TIF.
- "Prior Year Net" is the tax increment revenue that was delinquent the prior year and is paid by the assessor's office once it is received. It is estimated that this amount is 1.5% of total TIF.
- "Total TIF" is the amount of tax increment revenues estimated to be received by the Agency.

**Figure 4. Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues**

FYE	Total AV	Frozen Base AV	Increment Applied	Increment Shared	Tax Rate	Gross TIF
2025	130,795,062	25,076,797	105,718,265	-	17.4068	1,840,217
2026	134,391,927	25,076,797	105,718,265	3,596,865	17.4068	1,840,217
2027	141,951,845	25,076,797	105,718,265	11,156,783	17.4068	1,840,217
2028	145,865,181	25,076,797	105,718,265	15,070,119	17.4068	1,840,217
2029	149,886,424	25,076,797	85,018,856	39,790,771	17.4068	1,479,906
TOTAL:						8,840,773

FYE	Adjustments	Current Year Net	Prior Year Net	Total TIF
2025	(92,011)	1,748,206	25,355	1,773,561
2026	(92,011)	1,748,206	26,223	1,774,429
2027	(92,011)	1,748,206	26,223	1,774,429
2028	(92,011)	1,748,206	26,223	1,774,429
2029	(73,995)	1,405,911	26,223	1,432,134
TOTAL:	(442,039)	8,398,734	130,247	8,528,981

Source: Tiberius Solutions

**V. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED**

The MI of the Plan is increased by \$6,136,517. Pursuant to ORS 457.220 the MI may be increased by 20% of the original MI as adjusted by the inflation factor used in the original urban renewal report. This annual inflation factor was 3%. The original MI was \$14,227,353. The overall inflation factor used was 2.15659127 for an inflated MI of \$30,682,585. Twenty percent of this amount is \$6,136,517 as shown in Figure 5.

**Figure 5. Maximum Indebtedness (MI) Increase Calculation**

1-Jul	Inflation Adjusted MI	20% Limit	Inflation Index
1999	\$14,654,174	\$2,930,835	1.03
2000	\$15,093,799	\$3,018,760	1.0609
2001	\$15,546,613	\$3,109,323	1.092727
2002	\$16,013,011	\$3,202,602	1.12550881
2003	\$16,493,401	\$3,298,680	1.15927407
2004	\$16,988,204	\$3,397,641	1.1940523
2005	\$17,497,850	\$3,499,570	1.22987387
2006	\$18,022,785	\$3,604,557	1.26677008
2007	\$18,563,469	\$3,712,694	1.30477318
2008	\$19,120,373	\$3,824,075	1.34391638
2009	\$19,693,984	\$3,938,797	1.38423387
2010	\$20,284,803	\$4,056,961	1.42576089
2011	\$20,893,348	\$4,178,670	1.46853371
2012	\$21,520,148	\$4,304,030	1.51258972
2013	\$22,165,752	\$4,433,150	1.55796742
2014	\$22,830,725	\$4,566,145	1.60470644
2015	\$23,515,647	\$4,703,129	1.65284763
2016	\$24,221,116	\$4,844,223	1.70243306
2017	\$24,947,750	\$4,989,550	1.75350605
2018	\$25,696,182	\$5,139,236	1.80611123
2019	\$26,467,068	\$5,293,414	1.86029457
2020	\$27,261,080	\$5,452,216	1.91610341
2021	\$28,078,912	\$5,615,782	1.97358651
2022	\$28,921,279	\$5,784,256	2.03279411
2023	\$29,788,918	\$5,957,784	2.09377793
2024	\$30,682,585	\$6,136,517	2.15659127

Source: Tiberius Solutions



**Figure 6. Maximum Indebtedness (MI) Increase Amount**

<b>Maximum Indebtedness</b>	
Original MI	\$14,227,353
Original MI Inflated	\$30,682,585
20% of Inflated MI	\$6,136,517
MI prior to 2024 amendment	\$29,125,583
New MI as a result of 2024 amendment	\$35,262,100

Source: Tiberius Solutions

Figure 7 shows a summary of the financial capacity of the Area, including how total TIF revenue translates to the ability to fund projects in constant 2024 dollars, in five-year increments. Figure 8 shows more detailed tables on the allocation of tax revenues to debt service. Figure 9 shows potential allocations to projects, programs, and administration over time.

The Area is anticipated to complete all projects and have sufficient TIF revenue to terminate the Area in FYE 2029. If growth in assessed value is slower than projected, the Agency may not be able to complete all projects in the Plan. If growth in assessed value is more robust than the projections, it may take a shorter time period. These assumptions show one scenario for financing and that this scenario is financially feasible.

The remaining MI as of July 1, 2024 is \$4,812,786.88. The proposed substantial amendment will increase the MI by \$6,136,517, resulting in a total remaining maximum indebtedness capacity of \$10,949,303. This maximum indebtedness is reflective of dollars spent, not commitments allocated, such as specific development opportunities that are being considered. Those allocated commitments will count against the MI once the funds are expended.

The MI will be repaid through existing fund balance, future TIF revenues, and interest earnings. As of July 1, 2024 there was a beginning fund balance of \$6,377,593. The estimated total amount of future TIF revenues required to pay debt service on the remaining MI (including the new MI) including principal and interest is \$8,528,981 (this equals the impacts to taxing districts) and is from permanent rate tax levies. The sum of the existing fund balance, interest earnings and additional TIF revenue required for debt service is estimated to be \$14,954,479, which is greater than the amount of remaining MI due to the cost of debt service on outstanding borrowings (loans). This includes approximately \$4.0 million in formal debt (owed by the Agency to the city for a 2009 bond obligation) and \$10,949,304 in contract debt, reflecting current and projected MI should the Agency receive increase in MI of \$6.1 million as proposed. By definition in ORS 457.010, interest on debt is not counted against the MI.

**Figure 7. TIF Capacity of the Area in FYE 2024 Constant Numbers**

Net TIF	<b>\$ 8,528,981</b>
Maximum Indebtedness (MI)	<b>\$ 35,262,100</b>
Capacity of remaining MI (nominal \$)	<b>\$ 10,949,304</b>

Source: Tiberius Solutions

**Figure 8. Projected Revenues and Allocations to Debt Service, page 1**

	Total	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
<b>Resources</b>							
Beginning Balance		6,134,688	6,377,593	802,000	804,000	799,250	798,000
Interest Earnings	47,904	30,673	31,888	4,010	4,020	3,996	3,990
TIF: Current Year	8,398,734	1,690,318	1,748,206	1,748,206	1,748,206	1,748,206	1,405,911
TIF: Prior Years	130,247	26,689	25,355	26,223	26,223	26,223	26,223
Total Resources	14,954,479	7,882,369	8,183,042	2,580,439	2,582,449	2,577,675	2,234,124
<b>Expenditures</b>							
Debt Service							
Scheduled Payments							
Loan G - Not automated	(4,005,175)	(800,425)	(801,925)	(802,000)	(804,000)	(799,250)	(798,000)
Total Debt Service	(4,005,175)	(800,425)	(801,925)	(802,000)	(804,000)	(799,250)	(798,000)
Debt Service Coverage Ratio		2.15	2.21	2.21	2.21	2.22	1.79
Transfer to URA Projects Fund	(10,949,304)	-	(6,579,117)	(974,439)	(979,199)	(980,425)	(1,436,124)
Total Expenditures	(14,954,479)	(800,425)	(7,381,042)	(1,776,439)	(1,783,199)	(1,779,675)	(2,234,124)
Ending Balance		7,081,944	802,000	804,000	799,250	798,000	-

Source: Tiberius Solutions

## **VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT**

The schedule for construction of projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the Agency. Annual expenditures for program administration are also included.

The amount of money available for projects in nominal (i.e., year-of-expenditure) dollars for the Area is \$11,278,906 if MI expansion is approved. This includes the remaining proposed capacity for MI (\$10,949,304) and anticipated program income of \$329,602. Program income refers to any revenue other than TIF, and is not subject to the restrictions of MI. Program income is assumed to come primarily from loan repayments and interest earnings on non-TIF resources.

After accounting for assumed future inflation of 3.0% per year, the total amount of money available for projects in constant 2024 dollars would be \$10,838,081. See Figure 3 for the individual project analysis. The Agency's cost estimates are typically shown in constant dollars, so understanding how these cost estimates relate to the overall MI over the ensuing years is important to help the Agency to make projections on the allocation of funds throughout the life of the Area.

The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan. The following tables are prepared to show that the Area is financially feasible as required by ORS 457. It assumes completion of projects as funding becomes available.

**Figure 9. Programs and Costs in Year of Expenditure Dollars, Page 1**

	Total	FYE 2024	FYE 2025	FYE 2026	FYE 2027	FYE 2028	FYE 2029
Resources							
Beginning Balance		-	-	3,281,877	15,137	3,777	791
Interest Earnings	16,508	-	-	16,409	76	19	4
Transfer from TIF Fund	10,949,304	-	6,579,117	974,439	979,199	980,425	1,436,124
Bond/Loan Proceeds	-	-	-	-	-	-	-
Other Program Income	25,000	62,192	25,000	-	-	-	-
Loan Repayment	288,094	2,824	2,824	2,824	282,445	-	-
<b>Total Resources</b>	<b>11,278,906</b>	<b>65,016</b>	<b>6,606,941</b>	<b>4,275,550</b>	<b>1,276,857</b>	<b>984,221</b>	<b>1,436,919</b>
Expenditures (YOE \$)							
Incentive Program Projects	(4,695,901)	-	(1,021,382)	(309,000)	(1,166,990)	(874,160)	(1,324,369)
Gayer Building	(12,000)	-	(12,000)	-	-	-	-
Basalt Commons Development Agreement	(730,000)	-	(730,000)	-	-	-	-
Basalt Commons Incentive Program Funding	(928,000)	-	(928,000)	-	-	-	-
3rd/Jefferson Parking Lot Redevelopment	(484,658)	-	(484,658)	-	-	-	-
Parking Lot Resurfacing	(100,000)	-	(100,000)	-	-	-	-
First Street	(3,291,090)	-	(163,677)	(3,127,413)	-	-	-
Federal Street Plaza	(721,000)	-	-	(721,000)	-	-	-
Administration	(316,257)	-	114,653	(103,000)	(106,090)	(109,270)	(112,550)
<b>Total Expenditures</b>	<b>(11,278,906)</b>	<b>-</b>	<b>(3,325,064)</b>	<b>(4,260,413)</b>	<b>(1,273,080)</b>	<b>(983,430)</b>	<b>(1,436,919)</b>
Ending Balance		65,016	3,281,877	15,137	3,777	791	-

Source: Tiberius Solutions

**VII. REVENUE SHARING**

Mandatory revenue sharing targets are projected to be reached in this Amendment. Whenever an agency adopts a substantial amendment to increase MI, the Plan then turns into a Permanent Rate Plan which requires revenue sharing.

Revenue sharing means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the taxes from the incremental growth in the Area. The division of taxes of a Plan after a substantial amendment is limited to the greater of the 10 to 12.5% percent of the initial MI of the Plan or the transition amount. The “transition amount” is “the maximum division of taxes for a plan in the year in which the plan is first substantially amended to increase maximum indebtedness on or after January 1, 2010.”

The first threshold is when annual TIF revenues exceed 10% of the original MI of the Plan (\$14,227,353 x 10% is \$1,422,735). At the 10% threshold, the Agency will receive the full 10% of the initial MI plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold.

The second threshold is set at 12.5% of the MI is \$1,778,419 (14,227,353 x 12.5%). If this threshold is met, revenue for the Area would be capped at 12.5% of the MI, with all additional tax revenue being shared with affected taxing districts.

The transition amount in this Plan is \$1,840,216.70. This is greater than either the 10% or 12.5% thresholds, so is the amount used for the revenue sharing threshold. This amount is reached in the fiscal year this Plan is being amended, FY 2024/2025, so the revenue sharing begins in FY 2025/2026. This is implemented through filling out the UR-50 form for the County Assessor to indicate a specific amount of assessed value to be used when computing the tax increment revenues. That amount of value is projected to be \$105,718,265.

The MI is expected to be reached in FYE 2029, meaning the Agency is not projected to take the full division of taxes that year, but to underlevy for voluntary revenue sharing in the amount that exceeds the MI. The amount of assessed value to be shared with the taxing districts according to their permanent rate levy are shown below in Figure 10.

**Figure 10. Revenue Sharing Projections**

FYE	Total AV	Frozen Base AV	Increment Applied	Increment Shared	Tax Rate	Projected TIF Shared
2025	130,795,062	25,076,797	105,718,265	-	17.4068	
2026	134,391,927	25,076,797	105,718,265	3,596,865	17.4068	\$62,610
2027	141,951,845	25,076,797	105,718,265	11,156,783	17.4068	\$194,204
2028	145,865,181	25,076,797	105,718,265	15,070,119	17.4068	\$262,323
2029	149,886,424	25,076,797	85,018,856	39,790,771	17.4068	\$692,630
TOTAL:						\$1,211,766

*Note: A table projecting revenue sharing by tax district is provided as an attachment to this report with accompanying memo.*

### VIII. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of TIF of the MI, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the Area.

The impact of TIF on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. There are three separate sets of tables. The first set of figures (Figure 11 and Figure 12), show the impact of the proposed new MI. The second set of figures (Figure 13 and Figure 14), show the impact if no amendment is adopted, and the full existing MI is used. The third set of figures (Figure 15 and Figure 16), show the full impact of the existing MI and the proposed new MI.

North Wasco County School District 21 and Columbia Gorge Education Service District are not directly affected by the TIF, but the amounts of their taxes divided for the Plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of TIF, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. Columbia Gorge Community College is funded through a similar statewide fund, the Community College Support Fund (CCSF).

**Figure 11. Projected Impact of Amendment Only on Taxing District Permanent Rate Levies - General Government**

FYE	Wasco County	Port of The Dalles	Northern Wasco Park & Rec	Mid Columbia Fire & Rescue	City of The Dalles
2025	-	-	-	-	-
2026	(287,318)	(13,561)	(45,939)	(141,919)	(203,750)
2027	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2028	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2029	(349,855)	(16,512)	(55,938)	(172,809)	(248,098)
<b>TOTAL:</b>	<b>(1,504,122)</b>	<b>(70,992)</b>	<b>(240,494)</b>	<b>(742,953)</b>	<b>(1,066,642)</b>

FYE	Wasco County Soil Conservation	4H & Extension Service District	Wasco County Library District	Subtotal Gen. Gov't
2025	-	-	-	-
2026	(16,892)	(16,892)	(45,946)	(72,720)
2027	(25,485)	(25,485)	(69,318)	(1,165,039)
2028	(25,485)	(25,485)	(69,318)	(1,165,039)
2029	(20,569)	(20,569)	(55,947)	(940,298)
<b>TOTAL:</b>	<b>(88,430)</b>	<b>(88,430)</b>	<b>(240,529)</b>	<b>(4,042,591)</b>

Source: Tiberius Solutions

**Figure 12 - Projected Impact of Amendment Only on Taxing District Permanent Rate Levies – Education**

FYE	Columbia Gorge Community College	Columbia Gorge ESD	North Wasco School District 21	Subtotal	Total
2025	-	-	-	-	-
2026	(18,264)	(31,608)	(354,047)	(403,919)	(1,176,135)
2027	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2028	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2029	(22,239)	(38,488)	(431,110)	(491,836)	(1,432,134)
TOTAL:	<b>(95,610)</b>	<b>(165,470)</b>	<b>(1,853,456)</b>	<b>(2,114,536)</b>	<b>(6,157,127)</b>

Source: Tiberius Solutions

The following two figures show the projected impact to the taxing districts if the MI is not increased, but the full existing MI is used. The impacts in FYE 2026 are much less as the full MI is reached that year, so only a portion of the tax increment proceeds are available to the Agency.

**Figure 13. Projected Impact with No Amendment on Taxing District Permanent Rate Levies - General Government**

FYE	Wasco County	Port of The Dalles	Northern Wasco Park & Rec	Mid Columbia Fire & Rescue	City of The Dalles
2025	(433,262)	(20,449)	(69,274)	(214,008)	(307,246)
2026	(146,157)	(6,898)	(23,369)	(72,193)	(103,647)
TOTAL:	(579,419)	(27,347)	(92,643)	(286,201)	(410,893)

FYE	Wasco County Soil Conservation	4H & Extension Service District	Wasco County Library District	Subtotal Gen. Gov't
2025	(25,472)	(25,472)	(69,284)	(1,164,468)
2026	(8,593)	(8,593)	(23,372)	(392,822)
TOTAL:	(34,065)	(34,065)	(92,657)	(1,557,291)

Source: Tiberius Solutions

**Figure 14 - Projected Impact with No Amendment on Taxing District Permanent Rate Levies – Education**

FYE	Columbia Gorge Community College	Columbia Gorge ESD	North Wasco School District 21	Subtotal	Total
2025	(27,541)	(47,664)	(533,888)	(609,092)	(1,773,561)
2026	(9,291)	(16,079)	(180,102)	(205,471)	(598,294)
TOTAL:	(36,831)	(63,743)	(713,990)	(814,564)	(2,371,854)

Source: Tiberius Solutions

The following two figures show the full impacts to the taxing districts of the proposed MI increase and fully using the existing MI in this scenario, the final year of tax collections in FYE 2029 when the amount of collections is lower than the previous year due to reaching the full MI in that fiscal year.

**Figure 15. Projected Full Impact Taxing District Permanent Rate Levies - General Government**

FYE	Wasco County	Port of The Dalles	Northern Wasco Park & Rec	Mid Columbia Fire & Rescue	City of The Dalles
2025	(433,262)	(20,449)	(69,274)	(214,008)	(307,246)
2026	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2027	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2028	(433,475)	(20,459)	(69,308)	(214,112)	(307,397)
2029	(349,855)	(16,512)	(55,938)	(172,809)	(248,098)
TOTAL:	(2,083,541)	(98,339)	(333,137)	(1,029,154)	(1,477,534)

FYE	Wasco County Soil Conservation	4H & Extension Service District	Wasco County Library District	Subtotal Gen. Gov't
2025	(25,472)	(25,472)	(69,284)	(1,164,468)
2026	(25,485)	(25,485)	(69,318)	(1,165,039)
2027	(25,485)	(25,485)	(69,318)	(1,165,039)
2028	(25,485)	(25,485)	(69,318)	(1,165,039)
2029	(20,569)	(20,569)	(55,947)	(940,298)
TOTAL:	(122,495)	(122,495)	(333,186)	(5,599,882)

Source: Tiberius Solutions

**Figure 16 – Projected Full Impact Taxing District Permanent Rate Levies – Education**

FYE	Columbia Gorge Community College	Columbia Gorge ESD	North Wasco School District 21	Subtotal	Total
2025	(27,541)	(47,664)	(533,888)	(609,092)	(1,773,561)
2026	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2027	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2028	(27,554)	(47,687)	(534,149)	(609,390)	(1,774,429)
2029	(22,239)	(38,488)	(431,110)	(491,836)	(1,432,134)
TOTAL:	(132,442)	(229,213)	(2,567,445)	(2,929,100)	(8,528,981)

Source: Tiberius Solutions



Figure 17 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2030.

The “Frozen Base” is the assessed value of the Area established by the county assessor at the time the Area is established. “Excess Value” is the increased assessed value in the Area above the Frozen Base.

**Figure 17. Additional Revenues Obtained after Termination of Tax Increment Financing – FYE 2030**

Taxing District	Tax Rate	From Frozen Base	From Excess Value	Total
<b>General Government</b>				
Wasco County	4.2523	106,634	548,299	654,933
Port of the Dalles	0.2007	5,033	25,879	30,912
Northern Wasco Park & Rec	0.6799	17,050	87,667	104,717
Mid Columbia Fire & Rescue	2.1004	52,671	270,829	323,500
City of the Dalles	3.0155	75,619	388,824	464,443
Wasco County Soil Conservation	0.2500	6,269	32,235	38,504
4H & Extension Service District	0.2500	6,269	32,235	38,504
Wasco County Library District	0.6800	17,052	87,680	104,732
Subtotal General Government	11.4288	286,597	1,473,648	1,760,245
<b>Education</b>				
Columbia Gorge Community College	0.2703	6,778	34,853	41,631
Columbia Gorge ESD	0.4678	11,731	60,319	72,050
School District 21 North Wasco	5.2399	131,400	675,642	807,042
Subtotal Education	5.9780	149,909	770,814	920,723
<b>TOTAL:</b>	<b>17.4068</b>	<b>436,506</b>	<b>2,244,462</b>	<b>2,680,968</b>

Source: Tiberius Solutions

**IX. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA**

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base (FYE 2024 values), including all real, personal, personal, manufactured, and utility properties in the Area is \$25,076,797.

The total assessed value of the City of The Dalles in FYE 2024 is \$1,834,351,233<sup>1</sup>.

The percentage of total City assessed value in the urban renewal area is 1.45%, below the 25% threshold. ORS 457.160 (2)(b) states “For municipalities having a population of less than 50,000, according to the latest state census:

- A. The assessed value for the urban renewal areas of the plan, when added to the total assessed value previously certified by the assessor for other urban renewal plans of the municipality for which a division of ad valorem taxes is provided, exceeds a figure equal to 25 percent of the total assessed value of that municipality, exclusive of any increased assessed value for other urban renewal areas and without regard to adjustments made pursuant to ORS 457.435.”

The Area contains 323.7 acres (GIS calculation), including public rights-of-way. The City of The Dalles contains 4,437 acres. This puts 7.29% of the City’s acreage in an urban renewal area, which is below the 25% threshold. The four acres added in the 2024 amendment are map clean up and adding the full acreage of the Port parcel along the riverfront.

**Figure 18. Acreage Calculations Columbia-Gateway Urban Renewal Area**

	<b>Acres</b>	
Original Area Acreage	628.02	
20% of Original Acreage Addition Limitation	125.69	
Removals		
Second Amendment	(71.86)	556.16
Fifth Amendment	(238.04)	318.12
Previous Additions		
Eight Amendment – Sunshine Mill	1.662	319.78
10 <sup>th</sup> Amendment	1.77	321.55
2024 Amendment (17 <sup>th</sup> )	4	324.55
<b>Total Urban Renewal Acreage BY GIS in 2024</b>		<b>323.70</b>
<i>Remaining Capacity for Acreage Additions</i>	118.25	

Source: Compiled by Elaine Howard Consulting, LLC with data from Tiberius Solutions LLC, City of The Dalles

<sup>1</sup> Wasco County Assessor FY 2023/2024 SAL 4a and 4e Reports.

**Figure 19. Urban Renewal Area Conformance with Assessed Value and Acreage Limits**

	<b>Acreage</b>	<b>Assessed Value</b>
A. Columbia-Gateway Urban Renewal Area	323.7	\$25,076,797
B. Excess Value of Existing URA		\$102,217,667
C. Total Columbia-Gateway Urban Renewal Area		\$127,294,464
D. City of The Dalles	4,437	\$1,834,351,233
% of City Assessed Value =A/(D-B)	7.29%	1.45 %
% of City Acreage		

Source: Compiled by Elaine Howard Consulting, LLC with data from Tiberius Solutions LLC, City of The Dalles, and Wasco County

**X. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES**

***A. Physical Conditions***

**1. Land Use**

The Area measures 323.70 total acres in size, which is composed of 432 individual parcels encompassing 323.70 acres, and an additional 141.38 acres in public rights-of-way. An analysis of FYE 2024 property classification data from the Wasco County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the Area. By acreage, Commercial (50.44%) accounts for the most prevalent land use within the Area. This was followed by Exempt (33.75%). Detailed land use designations in the Area can be seen in Figure 20. Exempt properties do not produce property tax revenue and are owned by a governmental entity or a non-profit.

**Figure 20. Land Use in the Area**

<b>Land Use</b>	<b>Tax Lots</b>	<b>Acres</b>	<b>Percent of Acres</b>
Commercial	234	91.97	50.44%
Exempt	91	61.53	33.75%
Residential	80	12.40	6.80%
Industrial	10	9.65	5.29%
Miscellaneous	13	5.52	3.03%
Multi-Family	4	1.26	0.69%
<b>TOTAL:</b>	<b>432</b>	<b>182.32</b>	<b>100.00%</b>

Source: Compiled by Elaine Howard Consulting with data from the City of The Dalles

## 2. Comprehensive Plan Designations

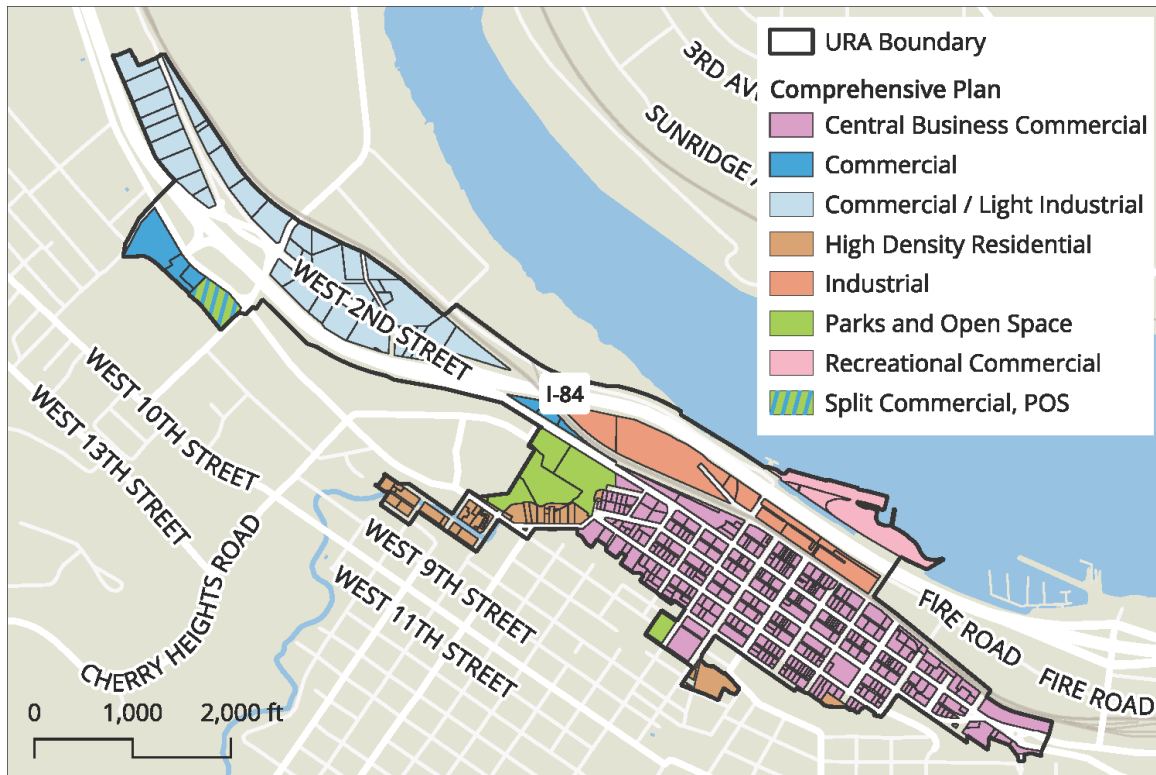
The most prevalent Comprehensive Plan designation by acreage in the Area is Central Business Commercial (35.73%). The second most prevalent Comprehensive Plan designation in the Area is Commercial / Light Industrial (27.31%). One parcel has a split designation, as shown in Figure 21. Detailed Comprehensive Plan designations in the Area can be seen in Figure 21 and Figure 22.

**Figure 21. Comprehensive Plan Designations in the Area**

Designation	Tax Lots	Acres	Percent of Acres
Central Business Commercial	317	65.13	35.73%
Commercial / Light Industrial	40	49.79	27.31%
Industrial	13	20.43	11.21%
Parks and Open Space	6	14.12	7.75%
High Density Residential	47	11.71	6.42%
Recreational Commercial	2	10.27	5.64%
Commercial	6	7.67	4.21%
Split Commercial, POSpace	1	3.20	1.76%
<b>TOTAL:</b>	<b>432</b>	<b>182.32</b>	<b>100.00%</b>

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of The Dalles

**Figure 22. Comprehensive Plan Designations**



Source: Tiberius Solutions

### 3. Zoning Designations

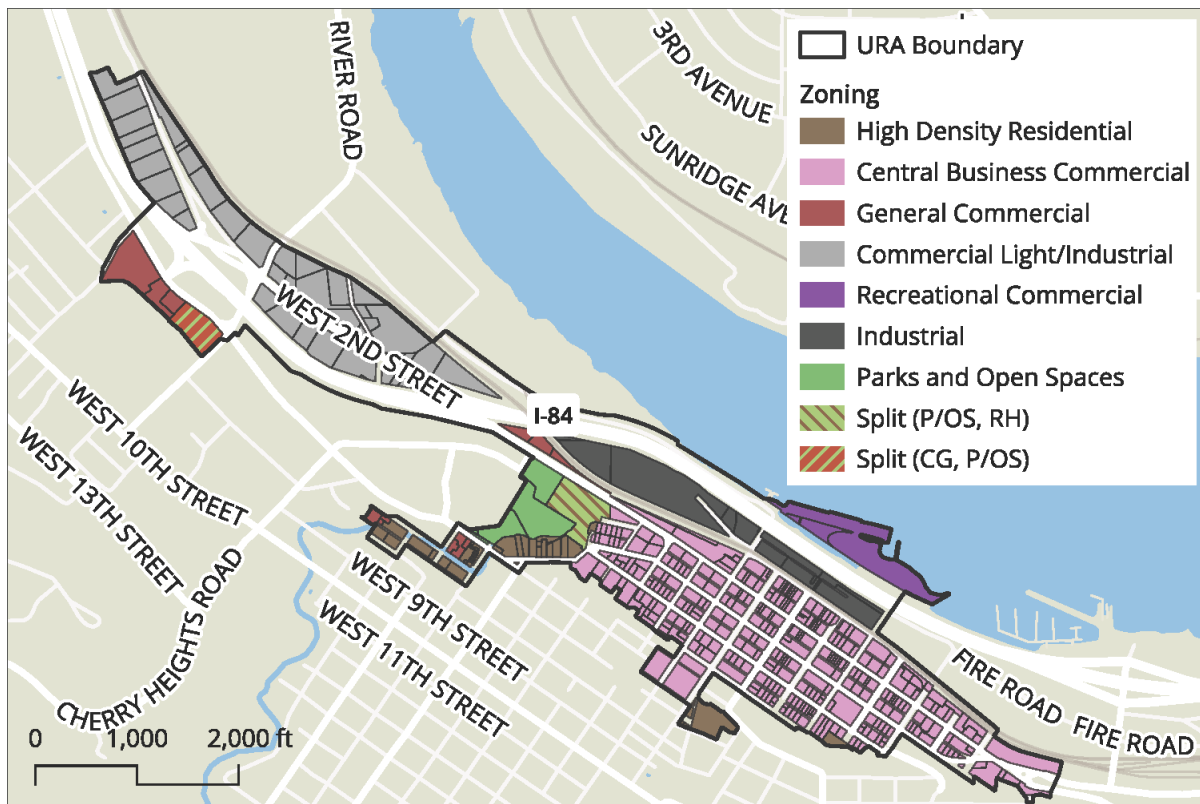
The most prevalent zoning designation by acreage in the Area is Central Business Commercial (36.34%). The second most prevalent zoning designation in the Area is Commercial / Light Industrial (27.31%). Two parcels have split designations, as shown in the table. Detailed zoning designations in the Area can be seen in Figure 23 and Figure 24.

**Figure 23. Zoning Designations in the Area**

Designations	Tax Lots	Acres	Percent of Acres
Central Business Commercial	318	66.26	36.34%
Commercial / Light Industrial	40	49.79	27.31%
Industrial	13	20.43	11.21%
Recreational Commercial	2	10.27	5.64%
High Density Residential	39	10.19	5.59%
General Commercial	13	9.07	4.98%
Parks and Open Spaces	5	8.31	4.56%
Split P/OS, RH	1	4.79	2.63%
Split P/OS, CG	1	3.20	1.76%
<b>TOTAL:</b>	<b>432</b>	<b>182.32</b>	<b>100.00%</b>

Source: Compiled by Elaine Howard Consulting with data from the City of The Dalles

**Figure 24. Zoning in the Area**



Source: Tiberius Solutions

## ***B. Infrastructure***

This section identifies the existing conditions in the Area to assist in **establishing blight in the ordinance adopting the urban renewal plan**. There are projects identified by the City of The Dalles in itemizing blighted conditions in the Area. **This does not mean that all of these projects are included in the urban renewal plan**. The specific projects that are included in the Plan are listed in Sections II and III of this Report, in the 2024 Plan Amendment and in the original Plan.

### **1. Storm**

- None

### **2. Sanitary:**

- In order to mitigate capacity deficiencies in a 24-inch diameter sewer along Laughlin Street to the Wastewater Treatment Plant, it is necessary for the city to construct a new 12-inch diameter parallel pipeline along the existing alignment.
- In order to mitigate capacity deficiencies in a 15-inch diameter sewer along Union and Second streets between First and Lincoln Street, it is necessary that the city construct a new 18-inch diameter replacement pipeline.

### **3. Water**

- In order to increase fire flow capacity in the city's water distribution network, it is necessary for the city to upgrade the line between Pentland Street and Highway 30 (West Second Street).

### **4. Streets**

- West Sixth Street Bridge may need to be replaced, as required by notice from Oregon Department of Transportation finding "intolerable" structural deficiencies which restrict access by emergency response vehicles.
- In order to improve traffic, pedestrian and bicyclist safety, it is necessary to improve turn lanes, realign approaches, extend northbound right turn and south-bound left turn lanes, and alter signal timings in the area of Webber, West Second, and West Sixth streets.
- In order to improve bicyclist safety, it is necessary to add a bicycle lane along West Second east of Hostetler Street within the District boundary extending to Webber Street.
- In order to improve bicyclist safety, it is necessary to add a bicycle lane along West Second Street from Lincoln to Webber Street.
- In order to improve pedestrian safety, it is necessary to add sidewalks along both sides of West Second Street from Lincoln to Webber Street.
- In order to improve traffic, pedestrian and bicyclist safety, it is necessary to install street lights, add a bicycle lane and conduct resurfacing and other improvements including sidewalk replacement along First Street from Union to Madison Street.

The City implements a Pavement Condition Rating program utilizing the subjective Good-Fair-Poor (GFP) Rating Method. Existing pavement conditions for City roadways, based on 2013 inventory data indicate that there are a number of streets that are designated as in poor condition, evidence of blighting conditions in the Area.

Conditions of First Street as documented in the *East 1st Street Streetscape Plan* prepared for the City of The Dalles in June 2005:

*“In preparing the 1st Street Streetscape the existing conditions and opportunities and constraints were identified to guide the development of alternative concepts to review with the community.*

*“Existing Conditions Images shows photographs of features in the streetscape study area. The two mainline railroad tracks of the Union Pacific Railroad, the City's Sanitary Sewer Treatment Facility, and the Cherry Growers Processing Plant dominate the north side of 1st Street. Within this area, at the foot of Washington Street, is the historic Gitchell Building owned by the City. The treatment facility is in the process of expanding to the west, and the vacant land between the Gitchell Building and Union Street is designated for a future park until a time when the treatment plant needs this area for future facilities. Currently, 34 trains per day travel through the study area.*

- *1st Street from Union Street to Washington Street has been constructed on fill material. The first floor of the buildings and the parking areas along this length are eight to ten feet below the grade of the sidewalk. The alleys from Union to Washington provide access to the lower levels.*
- *The land uses along 1st Street are commercial and industrial. The City owns three major parcels along 1st Street One is at the southeast corner of Court and 1st, which is a below-grade parking area for the Commodore Building. The second and third are the parking lots on the south side of 1st between Washington and Laughlin.*
- *Between Washington and Federal is the City's Transportation Center (former Train Depot) that is now used as a passenger bus terminal. There is currently no passenger rail service stopping at The Dalles.*
- *Between Federal and Laughlin is a warehouse facility with a loading dock that is on the right-of-way of 1st Street.*
- *On the southeast corner of 1st and Laughlin is the brick ice house (not in use). The parking area of the ice house is used for open storage.*
- *On the southwest corner of 1st and Jefferson is a commercial building used by various businesses.*
- *Between Jefferson and Madison, open storage and vehicle storage is the primary use.*
- *The alley is used primarily as the back door for buildings and businesses fronting on 2nd Street. The major exception is the City-owned arcade (now closed) between Washington and Federal that in the past has provided access from 2nd Street to the parking lot on 1st Street.” (pg 3)”*

A memorandum dated September 12, 2024 from Dave Anderson, City of The Dalles Public Works Director, states:



“The 1<sup>st</sup> Street Streetscape project has been identified in the CGURA Action Plan for many years. The City’s Transportation System Plan (TSP), which was updated in 2017, provided phased specifications for the downtown 1<sup>st</sup> Street corridor to improve the complimentary use and safety of the corridor to vehicular traffic and increased bicycle and pedestrian users. The TSP’s Capital Improvement Plan did not include any major maintenance or capital investments on downtown 1<sup>st</sup> Street because it was understood that CGURA would be undertaking the Project in the foreseeable future. The Project scope includes upgrading underground utilities – some dating from 1874 yet still in use – in this blighted area because construction of streetscaping improvements might cause the failure of these frail, end-of-life piping systems.

Of special urgency is the need to replace failing, elevated sidewalks between Union and Court streets. These sidewalks on the north side of First Street are placed on deteriorating concrete pillars, reinforced with steel. The concrete has eroded, exposing the steel reinforcement to the elements; consequently, the rusting steel is expanding, leading to further deterioration. Sidewalks are literally sloping down as a result. This situation continues around the First Street and Court Street sides of the Baldwin Saloon. Here, the obvious solution of backfill could lead to horizontal stress on the building’s basement foundation, an unacceptable risk. The engineering solution – steel pilings and vertical plating – will cost over \$1 million. This is a major element leading to the overall \$7 million project estimate, which also includes replacement of the fragile, iron water line described above. Another critical element of the project is construction of properly engineering retaining walls along First Street, allowing replacement of the failing sidewalks and support piers. First Street is built upon dry-set rock fill, compacted over time. The northern face of this fill simply slopes down to ground level, held in place by gravity alone. An engineered solution is required.”

**C. Social Conditions**

Only 6.8% of the acreage in the Area is a residential use as determined by the Wasco County Assessor. The social conditions identified below are for the City of The Dalles.

- The City of The Dalles has a population of 16,417 in 2023 according to the Portland State University Population Research data. The United States Census date reported an estimate of 15,786.
- There are 6,341 households in the city with 2.44 persons per household.
- The median value of an owner-occupied house is \$284,100.
- Eighty-six percent of the residents have a high school education and 23% have a bachelor’s degree or higher.
- Approximately 21% of the residents identify as Hispanic or Latino.
- The mean travel time to work is 14 minutes.
- The median household income is \$59,714 in 2022 dollars.
- Approximately 11% of the residents live in poverty.
- Race is shown in Figure 25.
- Age is shown in Figure 26.

**Figure 25. Race**

<b>Race</b>	<b>Percent</b>
White alone	82.9%
Black or African American alone	.3%
American Indian and Alaska Native alone	.3%
Asian alone	.5%
Native Hawaiian and Other Pacific Islander alone	.2%
Two or more races	12.0%
Hispanic or Latino	20.8%

Source: American Community Survey 2016-2020 Five Year Estimates

The Age in the Area figure below shows the breakdown of ages in the Area.

**Figure 26. Age**

<b>Age</b>	<b>Percent</b>
Under 5 years	5.7%
Under 18 years	23.1%
Between 18 and 65	51.4%
65 years and older	19.8%

Source: American Community Survey 2016-2020 Five Year Estimates

## D. Economic Conditions

### 1. Taxable Value of Property within the Area

The frozen base of the Area in FYE 2024 is \$25,076,797<sup>2</sup>. The excess value, or incremental value in FYE 2024 is \$102,217,667.<sup>3</sup>

### 2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Value Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Figure 27 shows the improvement to land ratios (I:L) for properties within the Area. Exempt properties account for 33.75% of the acreage. In the Area, 68 tax lots representing 9.17% of the acreage have I:L ratios less than 1.0. In other words, the improvements on these properties are worth less than the land they sit on. A reasonable I:L ratio for properties in the Area is 2.0. A little less than half of the tax lots in the Area, 234 of the 432 tax lots, totaling 44.31% of the acreage have I:L ratios of 2.0 or more in FYE 2024.

**Figure 27. Improvement to Land Ratios in the Area**

Improvement to Land Ratio	Tax lots	Acres	Percent of Acres
Exempt	91	61.53	33.75%
No Improvement Value	28	8.17	4.48%
0.01-0.50	27	4.21	2.31%
0.51-1.00	13	4.33	2.38%
1.01-1.50	13	7.28	3.99%
1.51-2.00	18	10.85	5.95%
2.01-2.50	15	8.03	4.40%
2.51-3.00	23	8.14	4.46%
3.01-4.00	30	13.30	7.29%
> 4.00	166	51.32	28.15%
Data Unavailable	6	4.77	2.61%
<b>TOTAL:</b>	<b>432</b>	<b>182.32</b>	<b>100.00%</b>

Source: Compiled by Elaine Howard Consulting with data from the City of The Dalles

<sup>2</sup> Wasco County Assessor Sal 4e FY 2023-24

<sup>3</sup> Ibid.

### ***E. Impact on Municipal Services***

The fiscal impact of TIF on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section VIII of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The new projects being considered in the Amendment for future use of urban renewal funding are for facilitating transportation improvements to allow for better connection (First Street project), to assist privately-owned development and redevelopment in the Area including residential development in historic downtown structures (Incentive Program), Tony's site development, and local match for grants to establish the Federal Street Plaza, creating a more vibrant and economically viable downtown. The use of TIF allows the City to add an additional funding source to the City of The Dalles' other funding sources to allow these projects to be completed.

The financial impacts from tax increment collections will be countered by future economic development, creation of additional housing opportunities in The Dalles and, in the future, adding increases in assessed value to the tax base for all taxing jurisdictions, including the City.

### **XI. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN**

The reason for selecting the Area is to provide the ability to fund projects and programs necessary to cure blight within the Area. The outcome of implementing these projects is anticipated to be an increase to the economic growth in The Dalles by providing infrastructure improvements inside the Area and to assist with economic development.

### **XII. RELOCATION REPORT**

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The Agency will comply with all applicable state law in providing these potential benefits.