

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

January 21, 2025

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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1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. ELECTION OF OFFICERS
6. APPROVAL OF MINUTES – December 17, 2024
7. PUBLIC COMMENT – During this portion of the meeting, anyone may speak on any Urban Renewal subject. Five minutes per person will be allowed.
8. DISCUSSION ITEMS
 - A. Property Rehabilitation Program: Proposed Modifications
9. BOARD MEMBER COMMENTS / QUESTIONS
10. STAFF COMMENTS / PROJECT UPDATES
11. ADJOURNMENT

Meeting conducted in a room in compliance with ADA standards.

Prepared by/
Paula Webb, Secretary
Community Development Department

MINUTES

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD MEETING

December 17, 2024

5:30 p.m.

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

- PRESIDING:** Darcy Long, Chair
- BOARD PRESENT:** Staci Coburn, Walter Denstedt, Scott Hege (arrived by 5:40 p.m.), Kristen Lillvik, Marcus Swift and Ben Wring
- BOARD ABSENT:** Timothy McGlothlin and Dan Richardson,
- STAFF PRESENT:** Director and Urban Renewal Manager Joshua Chandler, Economic Development Officer Dan Spatz, City Attorney Jonathan Kara, Secretary Paula Webb

CALL TO ORDER

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

PLEDGE OF ALLEGIANCE

Chair Long led the Pledge of Allegiance.

APPROVAL OF AGENDA

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

APPROVAL OF MINUTES

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

PUBLIC COMMENT

Eric Gleason, 704 Case Street, The Dalles

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

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

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

DISCUSSION ITEMS

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

Property Rehabilitation Program: Proposed Modifications

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

Key proposed modifications include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property Rehabilitation Program: Project Investment Strategy 2025-2029

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

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

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

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

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

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

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

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

Mary Hanlon, 215 E. 10th Street, The Dalles

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

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

BOARD MEMBER COMMENTS / QUESTIONS

None.

STAFF COMMENTS / PROJECT UPDATES

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

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

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

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

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

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

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

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

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

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

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

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

ADJOURNMENT

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

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



AGENDA STAFF REPORT
AGENDA LOCATION: 8. A.

MEETING DATE: Tuesday, January 21, 2025

TO: Chair and Members of the Urban Renewal Agency Board

FROM: Dan Spatz, Economic Development Officer

ISSUE: *Property Rehabilitation Program: Proposed Modifications*

BACKGROUND:

The deadline for a petition referendum challenging General Ordinance 24-1409, as approved by The Dalles City Council on December 9, 2024, to increase the Urban Renewal Agency’s (**Agency**) Maximum Indebtedness (**MI**) through a Substantial Amendment to the Columbia Gateway Urban Renewal Plan (**Plan**), was January 8, 2025. By this deadline, no referendum was filed. Therefore, the amended Plan is now in effect, providing the Agency with immediate and continuing additional resources to conduct public and private projects within the Columbia Gateway Urban Renewal (**District**).

Staff presented two items for Board consideration at the December, 17, 2024 meeting, including: proposed modifications to the Urban Renewal Property Rehabilitation Program (referenced herein) and a process for tracking project investments and their cumulative impact on MI between now and District termination in 2029. In particular, staff requested the Board’s guidance on proposed modifications to the Rehabilitation Program. Tonight’s staff report seeks to incorporate that guidance. Following Board feedback tonight, staff propose to present a final version for Board adoption at the February Board meeting.

Program Background and Current Policy

The Property Rehabilitation program has existed in various forms since at least the late 1990s, with specific reference as a grant and loan program in the 2009 Substantial Amendment. Subsequent revisions led to the adoption of the “Incentive Program” (**IP**) in 2022, with additional modifications in early 2023. Also, in 2023, the Agency established the Development Funding Agreement (**DFA**) as a tool to assist larger projects. Both the IP and DFA collectively comprise the Property Rehabilitation program referenced in the 2024 Substantial Amendment. Although DFA requirements are established on a project-by-project basis, the IP program was designed to provide a more streamlined review process of eligible projects.

Overall guidelines for the current IP are as follows. A list of allowable and prohibited costs are attached (**Attachment A**).

- Commercial grants: Up to \$50,000 with 50% match.
- Mixed-Use: Up to \$150,000 with 30% match. Only eligible for projects that include the development of at least one new housing unit. More than 50 units eligible for additional funding.
- New residential: Up to \$10,000 System Development Charge (**SDC**) payments per new unit of housing upon building permit issuance.

Proposed modifications

As noted above, the “Property Rehabilitation” reference in the amended Plan comprises the Incentive Program and Development Funding Agreements. These are treated separately in the following proposed modifications. Fiscal references, such as percentages of project costs and valuation increases, are suggested for Board consideration.

Incentive Program (IP):

Commercial (consolidating the Commercial & Mixed-Use programs):

- Combining both the Commercial grant and the Mixed-Use grant into one grant, with the addition of at least one new housing unit no longer required.
- Increasing the grant limit to \$200,000 with 30% match.
 - Current Policy: \$50,000 for Commercial and \$150,000 for Mixed-Use.
- Administrative approval for requests up to \$50,000 with no return on investment (**ROI**) requirement.
 - No change from current policy.
- Board approval required for requests of \$51,000 to \$200,000, with basic ROI requirement
 - Current Policy: ROI not explicitly required; no change in approval requirements from current policy.
- Basic ROI required for requests of \$51,000 or more, per Wasco County Assessor’s estimate of improved value. (*Example*: Property owner proposes a \$100,000 renovation. Staff would confer with Assessor to obtain estimated post-renovation value of the property). Project should no less than five percent to the property’s taxable value in tax year following project completion.
 - Current Policy: ROI not explicitly required
 - Board has requested some level of ROI analysis with previous IP proposals
- Roof repair/replacement allowed as an eligible IP project expense as a portion of the request if the anticipated cost of such repair/replacement constitutes no more than 50% of overall project cost and occurs in conjunction with the total project. (Entire project, if conducted in phases, must be completed within time specified in the approved application.)
 - Current Policy: Roof repair/replacement are not eligible expenses of the current IP; however, were provided with previous Property Rehabilitation grants.
- Fire suppression (sprinkler) installation allowed as an eligible IP project expense as a portion of the request if the anticipated cost of such installation constitutes no more

than 50% of overall project cost and occurs in conjunction with the total project. (Entire project, if conducted in phases, must be completed within time specified in the approved application.)

- Current Policy: Fire suppression systems are only eligible IP expenses for “new or reused” spaces rather than existing uses. No clear definition of “reuse” within the IP guidelines may create ambiguity in application.
- If roof repair/replacement and fire suppression (sprinkler) installation are proposed as part of the same project, the combined cost of these two components must not exceed 75% of the total project cost.
 - Addition to current policy.

Single-Family Residential Upgrades:

Staff is proposing a new grant category within the IP program, applied to residential structures within the District.

- Up to \$25,000 with 50% match with limit of one award per property.
- Electrical and plumbing upgrades allowed (no fixtures).
- No like-for-like replacements.
- Roof repair/replacements only if cost does not exceed 50% of larger project cost and must occur in conjunction with other renovation.
- Project must be completed within one-year of application approval unless extension granted.
- Structure must be owner-occupied.
- Demonstration of ROI not required.

SDC Payments:

SDC offsets (payments) would be offered independently of other grant funding awards, with no change to current value limitation (up to \$10,000 per new housing unit; combined City and Northern Wasco Parks and Recreation District SDCs).

Development Funding Agreements (DFA):

As noted earlier, the Agency introduced the DFA tool in 2023 in response to a funding request for the Basalt Commons mixed-use development, valued at an estimated between \$26-\$29 million. The DFA was used to address the funding gap for this project while remaining under the \$750,000 limit on publicly subsidized funding for prevailing wage expenses, as set by the Oregon Bureau of Labor and Industries (BOLI). Transformative projects like Basalt Commons often require additional funding support beyond what the IP alone can provide, and such requests may be evaluated on a case-by-case basis. From an administrative perspective, the question becomes one of scale: At what point is a DFA project large enough to justify the staff time required, versus smaller, more manageable projects supported through the IP? At this point, the Agency has yet to establish comprehensive standards for DFA requests. Staff recommends the following minimum standards/requirements as a baseline for considering future DFA project requests.

- Non-refundable administrative fee of \$1,000 to initiate consideration of a DFA request. Subsequent agreement would be contingent upon due diligence and Board approval.

- Award may take the form of a grant, loan, or combination of both.
- Project must create at least five permanent family-wage jobs, to be documented in annual report submitted to the Agency for the first five years following project completion.
- Application must be accompanied by an operational pro forma demonstrating sustainability over a minimum five-year projection.
- Agency investment must not exceed 10 percent of total project value.
- SDC offsets up to \$10,000/new residential unit in addition to grant or loan.
- Grant/loan amount subject to Board approval.
- Project must demonstrate anticipated return on Agency investment as calculated by the applicant in communication with Wasco County Assessor:
 - Value of development x tax rate = annual return, adjusted for Vertical Housing Tax Zone (VHTZ) / Multi-Unit Property Tax Exemption (MUPTTE), determines number of years to investment's full return.

Loans:

The Agency has historically offered loans, the largest being for the Sunshine Mill. In that case, the Agency had acquired the property and loan was made to the developer for ultimate private acquisition. In this revision, staff propose only that the option of loan (either direct or through a buy-down of commercial interest rates) be left open for future consideration. The terms and conditions would depend upon the project and the Agency's due diligence of the applicant. Staff do not recommend a return to property acquisition by the Agency; loans would only be considered for private property ownership.

- Direct loan by Agency or buy-down through commercial lender
- Directed loan would be managed by MCEDD or another external entity.
- Rate and other terms negotiable by project
- Agency does not purchase real estate; property ownership required

Timely completion: DFA projects must begin construction within one year of Agency decision of award and must receive Certificate of Occupancy within a time period to be specified in the agreement.

Liquidated damages: Recipients must provide financial guarantee of performance in the form of a "liquidated damages" clause, with amount and timeframe to be negotiated in the agreement.

Revised Property Rehabilitation Application Process:

- Staff will revise the current Incentive Program application form, reflecting any modifications approved by the Board. Information and application posted on-line.
- The Agency will issue an annual "Notice of Funding Availability" through printed notice to property owners within the District.
- Applications accepted throughout the calendar year.
- Applicants submit funding requests no later than 45 days prior to the following month's Board meeting.

- Staff review applications and either award outright as described above or bring to the Board for UP or DFA consideration.

BOARD ALTERNATIVES: This is a discussion item. Staff is requesting Board guidance on the above-mentioned topics and bring a final revision for consideration at the February Board meeting.

Attachment:

- A. Urban Renewal Incentive Program Guidelines

Urban Renewal Incentive Program GUIDELINES



The Columbia Gateway Urban Renewal Incentive Program (**Program**) was created to provide funding for building and property owners for the purposes of improving, rehabilitating, and/or developing eligible properties located within the Gateway/Downtown Urban Renewal Area (**Area**). The Agency aims to incent redevelopment of unused and underused land and buildings to meet the goals of the Columbia Gateway/Downtown Urban Renewal Plan (**Plan**), including investments that increase property values, place underused properties into productive condition, remove blight, and bring new opportunities for business and residential growth to the area.

Generally, the Program comprises three grant types based on the nature of the proposed project:

Commercial Projects: *Up to \$50,000*

- 50% matching grant funds required

Mixed-Use Projects: *Up to \$150,000*

- 30% matching grant funds required
- Must include the addition of no less than one new housing unit
- Mixed-use projects with more than 50 dwelling units may be eligible for additional funding

New Residential Projects: *\$10,000 / new housing unit*

- SDC payments for new housing applied at building permit issuance
- Not to exceed \$10,000 per new unit
- May be applied in combination with other new units

Program Requirements

Minimum Requirements

To be eligible for Program funds, the following minimum requirements must be met:

- (1) The subject real property (**Property**) must be located within the Area;
- (2) Applicant must be the Property's current owner or must obtain the owner's prior written consent on the Application;
- (3) Applicant must not be delinquent on any City accounts (e.g., utility accounts) and real property taxes concerning the Property must be paid in full at the time of Application submission and all fund disbursements. If the Applicant is not the Property's current owner, both the Applicant and owner must not be delinquent on any City accounts and be current on their real property taxes;
- (4) The Property must not be subject to any tax abatements reducing its assessed market value (including, without limitation, tax credits, property-related subsidies, or any other tax exemption); provided, however, the Property may receive tax abatement or subsidies from The Dalles Vertical Housing Development Zone without impacting its eligibility under this Program;
- (5) The project for which Program funds are sought must be an Eligible Project meeting and seeking to advance Plan goals and objectives; and
- (6) Applicant must timely apply for Program funds on Agency's then-current Program application and in such manner as the Agency Manager (**Administrator**) may then prescribe.

Eligible Projects

- Development of new residential units.
- Restoration, reuse, or upgrades to historically listed buildings, including adapting historic or culturally significant existing buildings in the Area to new uses. Such improvements must first receive Historic Landmarks Commission approval prior to Application submission.
- Temperature or ventilation system upgrades (e.g., HVAC); however, *like-for-like* replacements are ineligible.
- Interior and exterior infrastructure upgrades (e.g., plumbing, mechanical, electrical, sidewalk, drive-approaches, etc.).
- Parking lot improvements.
- Permanent improvements for upper floors of existing Area buildings to make the space usable (if not currently in use).
- Demolition in conjunction with redevelopment of blighted properties.
- Safety and accessibility improvements (e.g., ADA access improvements, elevator installation, architectural lighting, seismic reinforcement systems, etc.).
- Fire suppression systems for new or reused spaces; however, fire suppression systems for existing uses are ineligible.
- Façade improvements, as follows: exterior storefront or other façade improvements on a building primarily used for commercial purposes located in the Area for which an Applicant requests funds, including: (i) restoration of masonry, brickwork, and/or wood and metal cladding; (ii) installation of new or replacement of existing replacement and/or repair of architectural features; (iii) installation of new or replacement of existing awnings; (iv) installation of new or replacement of existing exterior lighting; (v)

installation of new or replacement of existing gutters and downspouts; (vi) installation of new or replacement of existing windows; (vii) entranceway modification and/or implementation of safety features; (viii) structural support for façade only; (ix) new construction for façade treatments; (x) painting of exterior walls when repairs to siding are made or part of new construction of the façade; and/or (xi) construction and installation of bike racks.

- Design or engineering work leading to permanent and physical improvements.
- Other permanent improvements and redevelopment aligned with Area and Agency goals as approved by the Administrator or Agency Board (as applicable), unless listed as an Ineligible Project.

Ineligible Projects

- Projects completed prior to grant funding award.
- Projects on land exempt from property taxes or otherwise by an Applicant or owner exempt from property taxes (e.g., non-profit organizations).
- General cleaning.
- Maintenance and *like-for-like* replacements.
- Roof repairs or replacements.
- Fire suppression systems for existing uses.
- Real property acquisition.
- Equipment acquisition
- Financing costs or debt and other similar operating expenses.
- Flooring.
- Interior electrical and plumbing fixtures.
- Paint and painting.
- Landscaping.
- Security system upgrades.
- Other non-permanent improvements or redevelopment not aligned with Area and Agency goals as denied by the Administrator or Agency Board (as applicable).

Application and Approval Process

All Applicants are encouraged to contact Agency Staff to discuss project overview, assess eligibility, and funding availability. The general Application process and review process includes:

Step 1. Preliminary Review. Each Application will be reviewed by the Administrator in order of receipt. The Administrator will complete a preliminary review of each Application and conduct whatever investigation the Administrator deems necessary or appropriate to determine whether the Application is complete, the statements made therein are true and accurate, and compliance with these Guidelines. If, after a preliminary review, the Administrator determines the Application does not include all required documentation and/or information, the Administrator will return the application and notice the Applicant in writing of the deficiencies. Subject to the terms and conditions contained in these Guidelines, if the Administrator determines the Application is complete, the Administrator will either (i) review the Application in accordance with **Step 3(a)** or (ii) submit the Application to the Board for review and evaluation (along with the Administrator's recommendation) in accordance with **Step 3(b)**.

Step 2. Application Submission. Complete and submit an Application (available on the Agency's webpage). Each Application must contain the following:

- (a) Application date and the Applicant's name, address, contact information, and signature of the Applicant's authorized representative;
- (b) Project narrative;
- (c) Plans and specifications;
- (d) Project schedule;
- (e) Project budget, including identification of the amount of funds requested and the purpose(s) for which the funds will be used. The project budget must detail the revenues and expenses for the total cost of the proposed project, including both requested funds and other revenue sources (non-program funds) and include quotes for Eligible Expenses. The budget must not include costs incurred prior to Application submission and/or costs for the Application's preparation, development, and/or submittal;
- (f) Information concerning the Property, including ownership information and legal description;
- (g) Title report to determine the extent of any existing liens or other encumbrances impacting the Property;
- (h) Certification the Applicant will comply with the provisions of these Guidelines and all other documents relating to the Program (**Program Documents**) and will, promptly after notification of an award of Program funds, execute and deliver the Program Documents to Agency in form and substance acceptable to Agency;
- (i) Current property tax information for the Property; and
- (j) All other information and/or documentation the Administrator deems necessary or appropriate to enable Agency to review the application and determine eligibility for the Program funds.

Step 3. Review Type.

- (a) **Small Projects – Administrator Review.** Applications deemed complete by the Administrator and requesting **\$50,000.00 or less** will be reviewed and evaluated by the Administrator. The Administrator will determine whether to approve the application and award Program funds or deny the application. The Administrator may approve, approve with conditions, or deny an Application. Notwithstanding anything contained in these Guidelines to the contrary, the

Administrator may not award Program funds in an amount exceeding \$50,000.00 under any Application.

- (b) Large Projects – Board Review. Applications deemed complete by the Administrator and requesting **more than \$50,000.00** will be reviewed and evaluated by the Agency Board. The Agency Board will determine whether to approve the application and award Program funds or deny the application. The Agency Board may request additional documentation and/or information to render a decision on any Application. The Agency Board may approve, approve with conditions, or deny an Application.

Step 4. Evaluation. Applications (and the amount of funds provided) will be evaluated based on criteria established by the Administrator or Agency Board from time to time, including, without limitation, the following:

- (a) Eligible Expenses. Each Application will identify the specific expenses for which Program funds are sought and will be used. Priority may be given to certain types of expenses, including requests for Program funds to assist with land use fees, building permit fees, material and supply expenses, and such other fees, costs, and expenses concerning project development and construction.
- (b) Housing. For purposes of Mixed-Use Projects and New Residential Projects, the type of housing to be constructed may be considered, including whether there exists a shortage of certain types of housing (e.g., multi-family housing) within the Area, the percentage of units contained within the subject project to be offered as affordable, or whether the project addresses Agency's housing needs as identified in Agency's or City's housing needs analysis or then-current housing goals.
- (c) Applicant History. An evaluation of whether the Applicant has previously received funding under the Program and the Applicant's compliance with the provisions of these Guidelines.
- (d) Public Participation. Agency may review certain applications in a public Agency Board meeting. Agency may provide weight to the public's recommendations of concerning any Application.
- (e) Funding Priorities. Agency may provide preference to projects addressing more than one Agency priority, which Agency priorities are identified under **Eligible Projects**.

Step 5. Decision. The Administrator or Agency Board (as the case may be) will issue a letter to the Applicant noticing them of their Application review determination. If an Application is denied (in whole or in part), the letter will identify the basis for that denial. In connection with the Administrator's or Agency Board's Application review process, the Administrator and Agency Board will act reasonably, in compliance with all applicable federal, state, and local laws, regulations, and ordinances, and in a manner the Administrator and Agency Board reasonably believe in Agency's best interests. The decision of the Administrator and Agency Board on any given Application will neither set any precedent nor bind future decisions of the Agency.

Funding

Annual Appropriation. Available Program funds will be determined and subject to appropriation each fiscal year by resolution of the Agency Board. The amount of financial assistance may be increased or decreased at any time by Agency Board resolution. The Agency Board may limit or elect not to provide funding for the Program in any fiscal year. If Program fund requests exceed available Program funding, the Administrator and/or Agency Board will determine Program participation based on what the Administrator and/or Agency Board determines to be in Agency's best interests. Financial assistance under the Program will be based on availability of funds at the time of Application submission and, if applicable, any subsequent fiscal year(s). Notwithstanding anything contained in these Guidelines to the contrary, Agency is not be obligated to provide Program funding if sufficient funding is not then available.

Grant Funding. Subject to the provisions of these Guidelines, Agency may grant Program funds to an Applicant for an Eligible Project in an amount requested in the Applicant's application. Program funds must be used for Eligible Expenses concerning Eligible Projects and for no other purposes. Notwithstanding anything contained in these Guidelines to the contrary, Agency may grant less than the fund amount requested in the subject Application if Agency deems necessary or appropriate. Agency may condition any grant award on, among other things Agency deems necessary or appropriate, the Applicant contributing matching funds or resources toward the Eligible Project.

Grant Disbursements. Notwithstanding anything contained in these Guidelines to the contrary, grant funds will be disbursed for Eligible Expenses incurred for Eligible Projects: (i) after the award is granted and approved by the Administrator or Agency Board, as applicable and (ii) all Program Documents identified in these Guidelines are fully executed in form and content acceptable to Agency. Grant funds will be disbursed on a reimbursement basis in one lump sum or installments. The Recipient is responsible for timely submitting to Agency actual receipts and verification of the Recipient's Eligible Expenses.

Recipients receiving Commercial or Mixed-Use Incentive Grant funds may request the Agency consider a disbursement prior to Project completion to cover a portion of Recipient's mandatory or cost-prohibitive down-payment or up-front costs relating to the Project's approved construction expenses (**Necessary Funds**). Recipients must attach an executed agreement between Recipient and their contractor certifying and justifying why Necessary Funds are required before contractor's necessary performance, in which case the Agency, in its sole discretion, may elect to (a) provide a disbursement covering up to one-half of Recipient's Necessary Funds and (b) conditioning that disbursement on Recipient's execution of any appropriate Security Documents.

Matching Fund Requirements. In addition to all other eligibility requirements and/or conditions identified under these Guidelines, an Applicant must demonstrate the ability to meet these fund-matching requirements to be eligible for Program funds. Funds from any other Agency or City program will not be used to satisfy any fund-matching requirements required under these Guidelines.

- *Commercial Projects.* An Applicant must demonstrate a matching investment of **no less than 50%** of the total Eligible Expenses for a Commercial Project.
- *Mixed-Use Projects.* An Applicant must demonstrate a matching investment of **no less than 30%** of the total Eligible Expenses for a Mixed-Use Project.

Additional Funding Eligibility for Mixed-Use Projects with More than 50 Dwelling Units. At the discretion of the Agency Board, Applications for a Mixed-Use Project Grant with more than 50 dwelling units may be eligible for funding exceeding the grant cap of \$150,000 (contingent upon funding availability). The Agency Board's discretion on such eligibility shall be based on whether such a project is in Agency's best interest. Interested Applicants must contact Agency Staff prior to applying for additional funding.

Program Participation Requirements

Investment Readiness. Agency may request a title report on the Property subject to City Attorney review. Agency may deny Grant funding based on the title report and/or the number of liens on the property. Grant recipients are required to complete a Form W-9 as a vendor of the City/Agency and are fully responsible for all taxes associated with the Grant.

Restriction Period. As a condition to receiving Program funds, projects must continue to satisfy the eligibility requirements contained in these Guidelines, including continuing to be an Eligible Project for a period of 15 years, commencing on the date the final disbursement of Program funds occurs (**Restricted Period**).

Program Documents. In addition to any other conditions identified under these Guidelines, an Applicant must enter into and sign all then-applicable Program Documents as a condition to receiving any Program funds. Program Documents will contain terms and conditions acceptable to Agency, including: (i) disbursement procedures; (ii) conditions to disbursement of Program funds; (iii) timeframe within which funds must be expended; and (iv) Security Documents, including restrictive covenants and conditions (including deed restrictions) Agency determines necessary or appropriate to ensure the continued eligibility of the Eligible Project in accordance with these Guidelines. Program Documents will contain terms and conditions Agency determines necessary or appropriate. The Recipient must timely pay and perform all Recipient obligations under the Program Documents.

Security. If Agency deems necessary or appropriate, a Recipient's obligations to Agency under the Program Documents may be secured and/or evidenced by such trust deeds, security agreements, assignments, Uniform Commercial Code financing statements, certificates of title, subordination agreements, guaranties, and all other documents and/or instruments Agency may request and/or require from time to time (in form and substance acceptable to Agency) to grant, preserve, protect, perfect, and ensure the Recipient's performance of its obligations under the Program Documents (**Security Documents**).

Certification. During the Restricted Period, the Recipient will maintain such documentation and information necessary to demonstrate the subject project satisfies and continues to satisfy the eligibility requirements identified under these Guidelines. For all projects, the Recipient will certify to Agency, in form and content satisfactory to Agency, the project meets the eligibility requirements upon transfer, including any sale, conveyance, exchange, gift, lease (excepting a tenant lease in the ordinary course), encumbrance, and/or foreclosure of an encumbrance, regardless of whether occurring voluntarily or involuntarily, by operation of law, or because of any act or occurrence of the project and on or before January 1 of each year during the Restricted Period.

Property Tax Abatement and/or Credit Restriction. Except in the case of certain developments abated or subsidized by The Dalles Vertical Housing Development Zone, projects pursuing Program funding upon real property subject to any tax abatements reducing its assessed market value (including, without limitation, tax credits, property-related subsidies, or any other tax exemption) are ineligible to receive Program funds, including projects pursuing Low Income Housing Tax Credits and/or abatements relating to non-profit or other tax-exempt status occupancy. For all other types of projects, properties funded with Program funds may not also receive such tax abatements reducing their assessed market value for the duration of the Restricted Period, and such receipt will result in immediate disqualification under these Guidelines.

Project Completion and Final Report. Recipient will complete (or cause to be completed) the Eligible Project expeditiously and in a timely and good workmanlike manner. The Eligible Project will be completed in compliance with all applicable federal, state, and local laws, regulations, and ordinances. Within 30 days after project completion, the Recipient will provide a final report, in form and content acceptable to Agency, identifying project expenditures, outcomes, and such other information requested by Agency to verify compliance with these Guidelines.

General Conditions | Additional Details and Restrictions

Agency's Commitment. Agency Staff are committed to facilitating high-quality reinvestments in the Area by providing customer service and partnership with the development community. We welcome inquiries and can offer information and insights on elements of a successful Application.

Required Compliance. Applicant projects must comply with the City's zoning, design standards, land use and development ordinance, historic review (as applicable), and municipal code requirements.

Disqualification. If, during the Restricted Period, a project ceases to qualify as an Eligible Project, the Recipient will repay all Program funds disbursed to Recipient by Agency immediately upon Agency's demand, plus interest at the statutory interest rate on a judgment from the date of disbursement.

Denial, Repayment, and Appeal.

- (a) *Grounds for Denial.* Agency may deny an application for Program funds due to: (i) the Application is incomplete and/or fails to meet the requirements under these Guidelines; (ii) fraud, misrepresentation, and/or false statement(s) contained in the Application, willful withholding of information, and/or incomplete disclosure concerning any matter required to be furnished in connection with the subject Application; (iii) failure to satisfy the eligibility requirements under these Guidelines, including disqualification; (iv) failure to comply with any applicable federal, state, and/or local laws, regulations, and/or ordinances, and/or any agreement with Agency; or (v) any other reason determined by the Administrator or Agency Board as not reasonably in the Agency's interest to support.
- (b) *Remedies.* In addition to any other remedy available to Agency, Agency reserves the right to demand immediate repayment of all Program funds (or any portion thereof) disbursed if the Recipient violates the provisions of these Guidelines and/or any Program Documents. The remedies provided here are not exclusive and will not prevent Agency from exercising any other rights and/or remedies available. Agency will be entitled to collect from any Recipient violating and/or otherwise failing to comply with these Guidelines and/or Program Documents Agency's attorney fees and all other fees, costs, and expenses incurred by Agency to carry out these Guidelines.
- (c) *Appeal.* Any Applicant may appeal to the Agency the Administrator's decision to deny grant funding if (i) the Application is deemed complete, (ii) the Administrator denies (in whole or in part) the requested grant funds, and (iii) the appeal is filed in writing with the Administrator within 10 days of the denial. The Administrator will submit the appeal to the Agency Board at its then-next regular meeting and the Agency Board will review the Application *de novo* but the Administrator will present a Staff Report with the basis for the Administrator's denial of the Application. The Agency Board's decision (on appeal or otherwise) is Agency's final decision.

Miscellaneous

Interpretation. All pronouns contained in this Resolution and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word *or* is not exclusive. The words *include*, *includes*, and *including* are not limiting. Any reference to the Plan, these Guidelines, or a particular law, statute, rule, regulation, code, or ordinance includes the law, statute, rule, regulation, code, or ordinance as now in force and hereafter amended. The Plan will control if a conflict between these Guidelines and the Plan occurs.

Amendment, Severability, and Errors. These Guidelines amend, replace, and supersede the all previous iterations of these Guidelines in their entirety, and supersede and replace all ordinances, resolutions, and/or policies in conflict with these Guidelines. The provisions of this Guidelines are severable. If any section, subsection, sentence, clause, and/or portion of these Guidelines is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (i) yield to a construction permitting enforcement to the maximum extent permitted by applicable law and (ii) not affect the validity, enforceability, and/or constitutionality of the remaining portion of these Guidelines. These Guidelines will be in full force and effect from and after its approval and adoption.

Area Map

Properties within the Columbia Gateway / Downtown Urban Renewal Area are eligible for consideration.

