



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA

COLUMBIA GATEWAY URBAN RENEWAL AGENCY BOARD

Meeting Conducted in a Room in Compliance with ADA Standards

Tuesday, May 16, 2017

5:30 pm

City Hall Council Chambers

313 Court Street

The Dalles, Oregon

- I. CALL TO ORDER
- II. ROLL CALL
Scott Baker, Staci Coburn, Taner Elliott, John Fredrick, Steve Kramer, Darcy Long-Curtiss, Linda Miller, Chuck Raleigh and John Willer
- III. PLEDGE OF ALLEGIANCE
- IV. APPROVAL OF AGENDA
- V. APPROVAL OF MINUTES – March 21, 2017
- VI. PUBLIC COMMENTS for items not on the agenda
- VII. PRESENTATION: Jill Amery, Wasco County Assessor/Tax Collector
- VIII. PUBLIC HEARING
Public Hearing to receive testimony regarding Proposed Fiscal Year 2017-18 Columbia Gateway Urban Renewal Agency Budget
- IX. RESOLUTION
Resolution No. 17-001 Adopting the 2017-18 Fiscal Year Budget for the Columbia Gateway Urban Renewal Agency, Making Appropriations, and Authorizing Expenditures
- X. ACTION ITEM
Consideration of Amending Property Rehabilitation Grant and Loan Programs to add a Demolition Grant Program
- XI. STAFF COMMENTS
Next Meeting Date: June 20, 2017
- XII. BOARD MEMBERS COMMENTS OR QUESTIONS

XIII. EXECUTIVE SESSION

- A. Recess to Executive Session in accordance with ORS 192.660(2)(e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions.
- B. Reconvene to Open Session
- C. Decision following Executive Session

XIV. ADJOURNMENT



COLUMBIA GATEWAY URBAN RENEWAL AGENCY

CITY OF THE DALLES

AGENDA STAFF REPORT

AGENDA LOCATION: VIII

Meeting Date: May 16, 2017

To: Honorable Chair and Members of the Agency Board

From: Angie Wilson, Finance Director

Subject: **Public Hearing on Columbia Gateway Urban Renewal District Approved Budget for FY17/18 as Required by Oregon Budget Law, and Consideration of Resolution No. 17-01 Adopting the FY17/18 Budget for the Columbia Gateway Urban Renewal Agency, Making Allocations, and Certifying a Request for Maximum Tax Revenue to the County Assessor.**

BACKGROUND

The Agency Budget Committee reviewed the proposed budget and approved that budget on April 18, 2017. The Urban Renewal Agency Board will hold the required Public Hearing on May 16, 2017, and will consider the proposed resolution adopting the budget on that same agenda.

BUDGET IMPLICATIONS

At this time staff has a recommendation for change to the budget approved by the Urban Renewal Budget Committee. Staff identifies that Beginning Fund Balance will be less due to not receiving funds that were proposed in the 16/17 Budget. Staff asks that we reduce the beginning fund balance from \$1,470,583 to \$1,150,583 and to change the loan principal payment from \$329,701 to \$649,701.

If the Board determines that additional changes are necessary, Oregon Budget Law allows a governing body, prior to final adoption, to make changes to a fund approved by the Budget Committee in the amount of \$5,000 or 10% of the operating portion of that Fund, whichever is greater. The operating portion includes the Personnel, Materials & Services, and Capital Outlay categories, but does not include Interfund Transfers, Contingencies, or Unappropriated amounts. If the changes the governing body wishes to make are greater than these limits allow, another Public Hearing must be held on June 13, 2017, with the required published notices, prior to adoption.

URBAN RENEWAL BOARD ALTERNATIVES

1. Staff recommendation: *Hold the Public Hearing and Move to Adopt Resolution No. 17-001 Adopting the Fiscal Year 2017-2018 Budget for the Columbia Gateway Urban Renewal Agency, Making Allocations, and Certifying a Request for Maximum Tax Revenue to the County Assessor.*
2. Make changes to the approved budget, subject to the limitations and requirements described above, and adopt the budget as amended.

RESOLUTION NO. 17-001

**A RESOLUTION ADOPTING THE FISCAL YEAR 2017-2018
BUDGET FOR THE COLUMBIA GATEWAY URBAN RENEWAL
AGENCY, MAKING ALLOCATIONS, AND CERTIFYING A REQUEST
FOR MAXIMUM TAX REVENUE TO THE COUNTY ASSESSOR.**

WHEREAS, the Urban Renewal Budget Committee, on April 19, 2017, solicited public comment on the proposed budget and approved a balanced budget for FY17/18; and

WHEREAS, in accordance with State Law, the Urban Renewal Board of Directors held a Public Hearing on the approved budget on May 16, 2017; and

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

Section 1. Adoption of the Budget for FY17/18.

The Board of Directors of the Columbia Gateway Urban Renewal Agency hereby adopts the budget for Fiscal Year 2017-2018 in the total of **\$4,519,282**, now on file in the office of the City Finance Director.

The amounts for the Fiscal Year beginning July 1, 2017 and for the purposes shown below are hereby appropriated:

Capital Projects Fund (200)	
Columbia Gateway Urban Renewal Operations	\$ 2,913,906
Debt Service Fund (210)	
Debt Service	\$ 1,605,376
Total Appropriations, All Funds	<u>\$ 4,519,282</u>

Section 2. Certifying to County Assessor.

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

PASSED AND ADOPTED THIS 16th DAY OF MAY, 2017.

Voting Yes: _____

Voting No: _____

Absent: _____

Abstaining: _____

AND APPROVED BY THE CHAIR OF THE BOARD THIS 16th DAY OF MAY, 2017.

SIGNED:

ATTEST:

Taner Elliott, Chair

Paula Webb, Planning Secretary



IMPROVING OUR COMMUNITY

COLUMBIA GATEWAY URBAN RENEWAL AGENCY

City of The Dalles

AGENDA STAFF REPORT
AGENDA LOCATION: X.

Meeting Date: May 16, 2017

To: Honorable Chair and Members of the Agency Board

From: Steven Harris, AICP, Urban Renewal Manager

Subject: **Property Rehabilitation Loan and Grant Programs**

BACKGROUND

Currently the Urban Renewal Agency offers five different loan and grant programs available to business and property owners. The five programs, summarized below, are intended to assist in the rehabilitation and reuse of structures within the boundaries of the urban renewal area:

Historic design and restoration program – provides grants for professional architectural and engineering services. Grant award amounts are limited to \$3,000.

Redevelopment of unused and underused property program – consists of two elements, a redevelopment and restoration loan interest subsidy program and a blighted property demolition loan program.

Civic improvement grant program – provides grants to community groups to pursue civic-oriented projects.

Façade improvement grant program – provides grants for building façade improvements for commercial structures. Under certain situations residential structures are also eligible for grant awards.

Fire suppression system program – provides grant funds to upgrade or retrofit fire suppression systems in mixed-use buildings. Grant funds may only be applied to the residential portion of the structure.

DISCUSSION

The subject of this report is the possible modification of the Blighted Property Demolition Loan Program with the inclusion of a grant program component. As stated in the program guidelines, *“The Agency will provide loans for the demolition of buildings contributing to blight if the demolished building is to be replaced by a new building with a design approved by the (staff) design review team or the Agency.”* The current loan program has not been utilized as envisioned when established. Although established as a loan program, since 2014 staff has informally modified the program to include grants in addition to the loans. Such modification it was believed would encourage interest in the program; however no demolition loans or grants have been approved during this time.

Therefore staff is requesting that the Board formally consider amending the demolition loan program to include a grant award alternative. Staff suggests the following guidelines for the Board’s consideration:

Proposed Demolition Grant Program Guidelines

- Grant award amounts – maximum of \$40,000
- Project eligibility would be the same as that required for loan program
- If the new building construction is complete and certified for occupancy or use within three years of the date of the approval of the grant, 50% of the applicant match requirement will be reimbursed. (The demolition loan program allows for the forgiveness of the loan principal if the new building is constructed and occupied within the three year period.)
- Pre-demolition costs may fund up to 50% of the grant award amount.

<u>Grant Amount</u>	<u>Applicant Match Requirement</u>
Less than \$10,000	25% (e.g., \$2,000 match required for \$8,000 grant)
\$10,000 to \$20,000	50% (e.g., \$8,000 match required for \$16,000 grant)
\$20,001 to \$40,000	100% (e.g., \$30,000 match required for \$30,000 grant)

(See attachment for suggested guidelines language.)

FINANCIAL IMPLICATIONS

The financial implications of the proposed demolition grant program are unknown at this time. However, as noted above there has been minimal interest in the demolition loan program for the past few years. If approved, funding for the demolition grant program would be sourced from the Property Rehabilitation account that funds the other loan and grant programs. This account has been funded at \$200,000 for FY 2017/18.

Urban Renewal Agency Board Alternatives

1. Staff recommendation: *Move to approve staff's recommendation to amend the Urban Renewal Agency's Property Rehabilitation Program with the establishment a demolition grant program.*
2. Move to decline the request.
3. Move to provide staff direction with direction as appropriate

Attachment

Demolition Grant Program – Suggested Guidelines

II. Redevelopment of Unused and Underused Property Program

B. Blighted Property Demolition Loan and Grant Program

The Agency will provide loans and grants for the demolition of buildings contributing to blight if the demolished building is to be replaced by a new building with a design approved by the design review team or the Agency.

Blighted Areas are defined in the Urban Renewal Plan in section 203. As part of that definition, one of the conditions that characterize a blighted area is defined as follows:

- A. *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:*
 1. *Defective design and quality of physical construction*
 2. *Faulty interior arrangement and exterior spacing*
 3. *Overcrowding and a high density of population*
 4. *Inadequate provision for ventilation, light, sanitation, open spaces, and recreational facilities*
 5. *Obsolescence, deterioration, dilapidation, mixed character or shifting of uses*

Eligible projects:

If the applicant can show that the building contributes to blight as defined above, and the Agency determines that the building contributes to blight, a loan or grant may be made to pay for the cost of demolition of the building. All projects exceeding ~~\$15,000- \$10,000 annual~~ cost to the Urban Renewal program will require ~~review by the Advisory Committee and~~ approval by the Agency Board. All other projects will be reviewed and approved by a three-person staff design review team appointed by the City Manager. The project must meet the following qualifications:

1. The cost of renovating the existing building is more than the cost of replacing the building.
2. The applicant plans to replace the building with a new structure.
3. The design for the new building is approved by the Agency.
4. If new construction is not planned immediately after demolition, the property must be leveled and cleaned so as not to continue to contribute to blight.

5. If this program is used to subsidize the demolition, the new construction is not eligible for interest subsidy under the Redevelopment Loan Program.
6. The building to be demolished cannot be designated as an historic building in an historic district unless the demolition is approved by the Historic Landmarks Commission.
7. The Project must be located inside the Urban Renewal Area.

Loan Terms and Conditions

1. The loan will have a term of not more than three years with a single payment due of principal and interest at the due date.
2. The loan will have a fixed interest rate equal to two points less than the prime rate at the date of the loan.
3. A mortgage will be placed on the property to secure the loan.
4. If the new building construction is complete and certified for occupancy or use within three years of the date of the approval of the loan, the loan principal will be forgiven, and only the interest will be due.

Grant Terms and Conditions

1. Maximum grant amount of \$40,000.
2. Grant request for up to \$10,000 require a 25% match
(e.g., \$8,000 grant request, requires a \$2,000 match)
3. Grant request for \$10,001 - \$20,000 require a 50% match
(e.g., \$16,000 grant request, requires a \$8,000 match)
4. Grant request for \$20,001 - \$40,000 require a 100%
(e.g., \$30,000 grant request, requires a \$30,000 match)
5. If the new building construction is complete and certified for occupancy or use within three years of the date of the approval of the grant, 50% of the applicant match will be forgiven
6. Pre-demolition costs may fund up to 50% of the grant award amount.