

CITY of LA GRANDE
Urban Renewal Advisory Commission Regular Session
Tuesday, January 16, 2024
5:30 p.m.

City Hall Council Chambers

You can view the Work Session on Facebook Live at the following link:

www.facebook.com/CityofLaGrande

AGENDA

In accordance with the Oregon Public Meetings Law, Advisory Commission Regular Sessions are open to the public; however, no public comments will be entertained during this Session. If you are unable to access the meeting via the Facebook link above and need to make other arrangement to view the meeting, please contact City Staff at rstrope@cityoflagrande.org by email or by calling (541) 962-1309 not later than 5:00 pm the day prior to meeting.

1. CALL TO ORDER/ROLL CALL

2. AGENDA APPROVAL

Chairperson asks if there are any additions or changes to the Agenda

3. CONSENT AGENDA

a. Consider: Approving the Minutes of the February 10, 2023 Minutes.

4. PENDING BUSINESS

5. NEW BUSINESS

a. Election of Chair and Vice Chair

b. Discuss and review proposed changes to the Call For Projects

6. ECONOMIC DEVELOPMENT DIRECTOR COMMENTS

7. STAFF COMMENTS

8. COMMISSION COMMENTS

9. ADJOURN

Department Secretary

CITY OF LA GRANDE
COMMISSION ACTION FORM

Commission Meeting Date: January 16, 2024

COMMISSION ACTION: CONSIDER CONSENT AGENDA

MOTION: I move that we accept the Consent Agenda as presented.

OR

MOTION: I move that we accept the Consent Agenda as amended.

EXPLANATION:

A Consent Agenda includes routine items of business with limited public interest, which may be approved by one Motion of the Commission. Any Commissioner may, by request, remove any item of business from the Consent Agenda.

a. Consider: Minutes of the February 10, 2023, Regular Session

COMMISSION ACTION (Office Use Only)

- Motion Passed
- Motion Failed

Recessed: _____

Work Session: _____

Other: _____

Action Tabled: _____
Vote: _____

CITY OF LA GRANDE

URBAN RENEWAL ADVISORY COMMISSION

Regular Meeting

Friday February 10, 2023

2:00 p.m.

La Grande City Hall
1000 Adams Avenue

MINUTES

COMMISSIONERS PRESENT:

Roxie Ogilvie, Chair
Alana Carollo
Rickie Jo Hickey

COMMISSIONERS ABSENT EXCUSED:

Matt Scarfo
Lauren Babcock

STAFF PRESENT:

Timothy Bishop, Economic Development
Director
Robert Strobe, District Manager
Kendra VanCleave

DISCUSSION/DISPOSITION

CITIZENS PRESENT:

CALL TO ORDER/ROLL CALL

AGENDA APPROVAL

STROPE commented there were changes to the Agenda to elect a new chair and vice chair.

HICKEY made the Motion to retain the current officers. Roxie Ogilvie as Chair and Matt Scarfo as Vice Chair, with CARROLLO providing the Second.

USC: Unanimous

CONSENT AGENDA:

CAROLLO made the following Motion, with OGILVIE providing the Second.

MOTION: I move that the Minutes of the March 9, 2022 be approved.

MSC: Unanimous

PENDING BUSINESS:

NONE

NEW BUSINESS

- a. Discuss proposed changes to the Call For Projects policy

STROPE commented one of the items City Council/ Agency has looked for years is whether or not to keep the Traded Sector program in place as it's

been. During the retreat this year, it was proposed taking the \$200K budgeted for Traded Sector and taking the \$225 budgeted for the Business Park CFP to combine those dollars and modify the CFP policy and Traded Sector policy to separate the business park from the current CFP to leverage a greater investment for a project. Currently the CFP considers projects at the business park separately from everything else. Typically, there may be one project for the business park during a cycle and by removing the business park from the CFP and modifying the traded sector, we may be able to respond to an opportunity at any time during the year. Additionally, it retains the URAC and URA involvement in the review of an application.

STROPE continued there are two things that need to be done for this meeting. One is to clean up some language regarding the business park CFP and extract the intent for the business park CFP to be separate and two to modify the traded sector policy for property specific to the business park.

CALL OR PROJECTS POLICY CHANGES

- Page 1 (C) (4) - removing the eligibility for projects in the Business Park and that it would be considered under a separate program.

CAROLLO asked with the change will there be impact to the funding pool. STROPE responded currently there is 225K in the CFP/Business park and under the current policy you can't use those funds for other CFP projects. This change takes out that separate funding and into the new traded sector policy.

- Page 3 (6) (iii)- clean up language from bid to quote.
- Page 4 (6) (vi) - under the business viability and project readiness clean up the bid to quote language, add verbiage to say "up to 5 points" and include verbiage to say "Well developed" for business plans.

CAROLLO asked about the well-developed business plan in the policy and if there will be a checklist. STROPE responded it is at the discretion of the URAC/URA.

OGILVIE asked if there is a definition or criteria for a well-developed business plan. STROPE responded no that it is intended that way. If a business plan comes in that is well thought out vs. a business plan that is very vague, it allows a range for scoring rather than just "check a box".

BISHOP added that staff will work with applicants with their application.

- **Page 6 (D) (11-14)** - removed the interior work as allowed and made it clear that HVAC systems required as part of major renovations.
- **Page 6 (E) (10)** - added the removal and replacement of existing interior improvements and removed including but not limited to in order to make it clear what is prohibited.
- **Page 7 (G) (2)** - removed the reference to the business park and majority of work performed by Union County vendors/contractors.
- **Page 8 (G) (10)** moved the “lien section” away from the sale of the property item number to its own item number. Also clarified any type of property tax relief resulting in any reduction of the Agency’s property tax revenues shall be due.

CAROLLO introduced the following Motion, with **HICKEY** providing the Second.

MOTION: I move to recommend the Agency revise the Call For Projects Revitalization policy as discussed.

USC: Unanimous

b. Discuss and review proposed changes to the Traded Sector Policy

TRADED SECTOR/BUSINESS PARK CALL FOR PROJECTS BUSINESS ATTRACTIVE INCENTIVE PROGRAM

STROPE commented the yellow highlight throughout the document matches the language in the Call For Projects Policy. **STROPE** continued with the following changes:

- **Page 1 (B)** - added the filling of the business park, added attracting traded sector and the intent is to use as a recruitment tool and for new construction.
- **Page 2 (5)** - removed startup businesses will not be considered. Added for projects that meet the current traded sector criteria could be eligible for higher level of funding.

STROPE commented under this section there needs to be some discussion on types of businesses. Is the group of with a good definition

of traded sector or identify a list of traded sector businesses

OGILVIE commented over the years traded sector businesses have changed and would rather not have a list, but have a good definition. CAROLLO and HICKEY agreed.

BISHOP commented the current definition in the policy on traded sector is a fairly standard definition.

OGILVIE asked if there could be an exception in the definition to include exporting to all counties that border Union County be acceptable. STROPE with up to 500K to spend on a project the intent is if the only market is Baker, Union, and Wallowa county that makes it more regional and not traded sector. The definition doesn't necessarily exclude regional marketing, it states 50% of the sales need to be out of the bordering counties.

HICKEY asked if the counties could be identified. STROPE responded he will list out the bordering Counties.

- Page 3 (6) -needs discussion from group if project is proposing to locate downtown it is not to displace current retail/commercial use that drive foot traffic.

Downtown is not defined, but the Central Business Zone is essentially the beginning at Adams at City Hall down to Hemlock encompassing the Jefferson and Washington properties corridor.

There was consensus from the group to leave the original language.

CAROLLO asked if it should say retail comma or retail commercial. STROPE responded change it to retail use or other uses and remove commercial.

- Page 4 (E) - same language from CFP policy here.
- Page 5 (G) (1) - funding information needs group discussion.

STROPE commented the funding amount is capped at 500K for a project and it must create at least 3 new jobs. This amount was chosen based on what is currently available at 425K with the traded sector and CFP business park budgets.

Under traded sector:

STROPE stated the use of Union County vendors/contractors was removed. BISHOP commented certain projects may require tech specific contractors that aren't available here. Other language staying the same is the owner/development must contribute at least 2/3 of total project cost.

STROPE commented there is a new section drafted regarding the amount of funding shall be on case-by-case basis for a project to receive over 100K (combination of job creation and project cost).

The group discussed what combination of job creation vs. cost could be supplemented in order to receive over 100K. Currently as drafted a 500K project has to create 3 jobs they get 100K in funding.

The group discussed creating a rubric or graphic to show layout with project cost on one axis and the jobs created on another axis to create a sliding scale.

HICKEY commented the longevity of a business is important, hopefully that being 3 years. Also, would want to know that money is going to keep coming in and the taxes are being paid, if a project is awarded 500K. Maybe it should be based on taxes and not project value.

STROPE commented if we go back to the taxes discussion and the 5-year claw back language, if you sell the business they have to repay. By taking 5 years divided by 5 starting with 500K funding, that is 100K a year to recoup in terms of tax revenue. At \$18 per 1000 (levy rate) a 5.5 million project is roughly \$90K in tax revenue to the district. Example (5 million project divided by 1000 = 5000 x \$18= \$90K a year in tax revenue). If a 5-million-dollar project comes in and creates 3 jobs they can get \$500K in funding.

STROPE added he can build a model of the graphic with the sliding scale of project cost vs. jobs.

There was consensus from the group on the formula concept.

Under Non- traded sector new construction:

STROPE commented for a non-traded sector new construction at the business park it would be limited to 100K in funding and using the criteria in current CFP.

- Page 6 (10) fixing lien language.

STROPE asked group if the claw back language should be added for job creation promised. There was consensus from the group to add language for a claw back. STROPE will wordsmith some language.

STROPE commented he will take the notes from this meeting and refine into a draft that will go before the Agency and structure it so URAC is invited to participate on March 1st. Additionally, STROPE commented he will send out the draft prior to the meeting to the URAC.

HICKEY introduced the following Motion, with OGILVIE providing the Second.

MOTION: I move to recommend Agency approval of the Traded Sector policy revisions as discussed.

USC: Unanimous

ECONOMIC DEVELOPMENT
DIRECTOR/DISTRICT MANAGER COMMENTS

BISHOP commented there should be a robust Call For Project cycle for this year.

STROPE commented on the Council Retreat summary. They are looking at status quo on the under levy. How it might shift is whether or not if the Agency wants to use the Agency initiated project money for 1 out of the following 4: 1. Bohnenkamp Building 2. The Fire Museum. 3. Say no don't use money and keep it. 4. Not use it and eliminate the program which would allow to under levy more. Expect Agency to decide on 1 out of the 4. Additionally, STROPE stated will be sending out the levy letters to the taxing jurisdictions next week of the intent to under levy.

STROPE stated there was discussion about continuing the streetscape, but will not do that in the coming year however, Main Street is working on it and may have a proposal in the following year.

COMMISSION COMMENTS:

HICKEY commented she attended an Arts Commission meeting and they asked if the Façade Grants will pay for murals. STROPE indicated no the Façade Grant wouldn't cover murals.

BISHOP commented that next week Main Street and the Landmarks Commission are meeting for a training for Main Street on the Façade Grant program so Main Street can get more engaged and be an advocacy for that program.

CAROLLO commented the Valley Insurance building received funding from the Call For Projects and they

moved. BISHOP responded that the project withdrew due to construction costs and they have moved to the old Umpqua building on Adams Ave.

There being no further business to come before this Regular Session of the Commission OGILVIE adjourned the meeting at 4:03 p.m. The Commission is scheduled to meet again at the joint meeting with the Agency.

Respectfully Submitted by:

Kendra Van Cleave, CEDD Department Secretary

DATE APPROVED: _____

URAC / Agency Feedback from 2023 CFP and Thoughts for 2024

Following the July 2023 Special meeting to review and award this years CFP grants, Agency and URAC members were asked to submit their thoughts regarding how the process went and to offer any suggestions for improvements to the process.

Staff has reviewed this feedback and the proposed changes to the CF Policy and application process reflect this feedback.

A summary of URAC and Agency members responses is outlined below.

I think the format works well with the scoring submitted in advance and the break to finalize the points awarded. Also the fully funding of the highest rated projects first and the URAC voting with equal standing as the Agency seem to really be working well. Scoring and the outcomes went well.

Business viability and readiness:

Should this be scored by staff?

Should elements like business plan and professional project renderings be required elements but not scored here?

Bids and estimates should be required but should carry no point value by themselves. Perhaps they could be part of the plans and drawings criteria.

Plans and drawings should continue to be one of the scoring criteria used to assign points.

we need a business viability and project readiness section for scoring. However, we could make it a little more open-ended in some areas. As discussed, a business plan is probably not necessary for this. We do want to know the business is local, has been viable/successful and the plans fit with the overall business. Points assigned to plans and drawings will possibly make an applicant put more thought into the presentation and scope of the project, which in turn will help the team understand and visualize what the applicant is proposing.)

Business plans and evidence of being able to complete the project should still be a requirement.

I'm in favor of requiring detailed business plans where appropriate and a statement of how many years the business has been in operation (and under current ownership)

Feel we were harsh on applicants about business plans.

It is definitely a needed component but we may need to give more subjective guidance to the applicant and the team about what we are looking for in a business plan.

Longevity of a business should weigh heavily when talking about a business plan.)

If we automate the 25 points, perhaps it is worth considering increasing the discretionary points to 50 or 60 rather than 40 to give a little more sway to worthy projects which might not otherwise meet the threshold for funding

I think a lot of the 25 points can be "automated" -- they either submit it or they don't, and they either get 5 points (satisfactory) or zero points (unsatisfactory). I think awarding partial points on these items can be a bit tedious and perhaps too subjective

Firming up language for consequences of owners who receive funding.

Require consent and acknowledgment by property owners concerning consequences of property sale and especially liens.

I think we do need a letter from the owner, if the owner is not also the business owner, giving consent and support to the proposed changes.

Blight

Blight should be scored by the staff only, but pictures should be provided and explanations given to the team concerning the score.

Leave blight scores up to the staff - I think they have a better idea of judging it than most agency members, especially if they take the time to visit and evaluate the property.

The way the scoring rubric is weighted in this section really feels too simplistic.

I feel that before and after pictures of past projects (Evermine) that have been completed provide an idea how applicants follow through on projects.

I am hopeful that these are not discouraged by the team

Overall, I thought the process went well!

I thought this year's CFP was the best I have ever participated in. I don't think we need to change much.

We want to know that the project has reasonable financing. Since the CFP funds are not paid until work is done (reimbursed), I don't see the real risk to the city. The purpose is to make improvements that allow for business growth and it doesn't really matter what business occupies the space, so long as it is occupied. Even if the business fails, others will move in if the space is ready.

I would advocate for extra points for improving accessibility (ADA bathrooms, ramps, elevators, etc).

I think we should score for plans, drawings, bids, etc. because it shows the project readiness, the business' commitment to the project, viability and gives us an idea of what is actually planned.

Overall, I felt confident with the choices and process

Staff recommendations

Administratively find a way to respond to contractors who repeatedly do work without a permit.

Clarify language about change of ownership or sale resulting in change from grant to loan payable at time of sale. How does this work if the tenant was the applicant and received the grant, not the property owner?

Of particular concern is language regarding frequency that applicants can apply for CFP and /or façade grant each? Can projects apply for both separated by ??months/years. Should there be a maximum dollar amount for all Urban Renewal programs? Should language and limits be consistent in both policies? Currently is not.



La Grande Urban Renewal Agency (URA)

(Revised March 1, 2023)

“Call for Projects”

(Revitalization Incentive Program)

A. Geographic Scope:

Within the Urban Renewal District. (See Map, Exhibit A)

B. Purpose

The purpose of this policy is to direct resources within the Urban Renewal District to revitalize the La Grande Central Business Zone with the primary goals of improving the exterior of historic buildings, and providing new opportunities for locations of high-traffic retail businesses, which could include any of the following: improving accessibility issues, streetscape projects and building renovations. Additionally, the Agency will invest in public/private development partnerships throughout the District including facilitating the development of commercial and industrial parts of the District to create jobs and income which will provide economic support to the Central Business Zone as well as developing upper floor residential within the downtown.

C. General Criteria

- 1) Subject property(ies)/ project(s) must lie within the Urban Renewal District’s “Geographic Scope” referenced in Section A.
- 2) Current or prospective owner(s) or developers representing owner(s) with consent, must be willing and agreeable to undertake a building/ property restoration, redevelopment or development project.
- 3) Once projects are evaluated and ranked per criteria in Subsection 6, available funds will be allocated to projects in order of ranking, highest to lowest, with projects receiving the full amount requested until the funding is exhausted (see Sections G (1) and G (2)).
- 4) Projects located in the La Grande Business and Technology Park will not be eligible for funding under this program and will be considered under a separate program. However, the application form and criteria in this policy may be used to evaluate projects at the La Grande Business and Technology Park.
- 5) All projects submitted for URA funding consideration must conform to one or more projects or goals stated in the La Grande Urban Renewal Plan of 1999.
- 6) When considerations for project funding are being made, the following criteria will serve as guidelines to help evaluate and when appropriate, rank applications:

- i. Preference will be given to projects that have a positive impact on the Central Business Zone (CBZ) (60 Points scored by Staff)

Impact on Central Business Zone	
Criteria	Total Possible Points 60
Traded Sector Business any location	50
Retail inside CBZ	45
Commercial Business outside CBZ	40
Commercial inside CBZ	35
Retail Business outside CBZ	30
Housing/Residential ONLY located inside the CBZ	25
Additional points for: Occupying building in CBZ that has been vacant for more than six months	10
Additional points for: Occupying building that has been vacant for more than twelve months	5

- ii. Preference will be given to projects that can demonstrate the mitigation, reduction, or removal of blight. Undeveloped and/or bare land shall not be eligible for points under this preference category. (30 Points Scored by ~~Agency~~ ~~with recommendation from~~ Staff)

Points for Blight	
Description of Blight	Total Possible Points 30
Potential hazard to environment or public and/or structure is unfit to occupy	30
Extensive Exterior damage to property, including structural impacts that don't rise to the level of unfit for occupancy	25
Combination of Exterior and Interior damage, deterioration, and/or dilapidation beyond the purely aesthetic	20
Property has been vacant more than five years but no other blight	15
Slight damage to exterior of property only	10
Damage to Interior of Property only	5

- iii. Preference will be given to projects with higher levels of private investment compared to public funding from any source. In calculating this, all project costs shall be considered, including elements which are not eligible uses of funds such as certain housing elements. (30 Points Scored by Staff)

Private Investment to Public Dollars	
Private Investment (excluding all public funds from any source)	Total Possible Points 30
Over \$150,000	30
\$125,001 to \$150,000	25
\$100,001 to \$125,000	20
\$75,001 to \$100,000	15
\$50,001 to \$75,000	10
\$25,001 to \$50,000	5
Less than \$25,000	0

- iv. Preference will be given to projects with higher Return on Investment based on all project costs prepared by a licensed contractor in the form of a quote, estimate, or bid. **No points will be awarded for this category if the quotes, estimates, or bids are not from a licensed contractor.** (50 Points Scored by Staff)

Return on Investment	
Total Project Cost	Total Possible Points 50
Total Project Cost of 500,000+	50
Total Project Cost of 400,000	40
Total Project Cost of 300,000	30
Total Project Cost of 150,000	20
Less than 150,000	10

Commented [TB1]: Should this be a sliding scale 1 point per \$10,000 above \$150,000 ?

Commented [RS2]: We could do that I think. Rounded down to the nearest 10,000

- v. Preference will be given to projects that provide additional upper floor residential dwelling units in the Central Business Zone. (15 Points Scored by Staff)

Development of Upper Floor Residential in the CBZ	
Description	Total Possible Points 15
Add points for each of the following that apply:	
Create 5+ New Dwelling Units	15
Create 3-4 New Dwelling Units	10
Create 1-2 New Dwelling Units	5

- vi. Preference will be given to projects with high ~~Business~~~~project~~ Viability and readiness to commence as determined in the sole discretion of the Agency. An established business that is well-capitalized, has completed construction plans, actual contractor bids or binding quotes, and a business/~~project~~ plan would receive maximum points. (~~25-15~~ Points Scored by Agency)

Business Viability and Project Readiness	
Description	Total Possible Points 21 5
Add up to five points for each of the following that apply:	
Well-developed Business Plan included with application	5
Binding quotes or formal bids from licensed contractors as opposed to estimates	5
Project is well-capitalized (as evidenced by letters of credit, cash vs pre-approved loan, etc.)	5
Business in existence or applicant has a successful track record of five or more years	5
Professionally prepared construction plans and drawings	5

- vii. Preference will be given to projects based on an overall evaluation of the project following the Staff presentation of all projects as determined in the sole discretion of the Agency. (~~540~~65 Points Scored by Agency)
- viii. Projects initiated by the City of La Grande or the La Grande Urban Renewal Agency are exempt from these criteria.
- 7) If in the downtown, the project must include an active ground-floor ~~Retail~~ “storefront” to encourage retail ~~commercial~~ use or other uses that will drive additional foot traffic downtown. For projects that are not retail, the applicant should identify how the project will increase foot traffic to meet this criteria this criterion.
 - 8) A third-party developer may represent the property with owner’s consent.
 - 9) Any past-due fines, taxes, fees or outstanding violations of local ordinances or permits must be addressed prior to any financial participation from the URA.
 - 10) Project applicant must enter into an agreement with the URA for performance.
 - 11) Any funds disbursed by the URA will be considered a reimbursement based on qualifying expenses submitted by the applicant unless other arrangements are made at the time of agreement.
 - 12) The applicant’s financial need, or lack thereof, will not be considered as part of the evaluation of the application. (the applicant must be able to meet the required match).
 - 13) Funding decisions will not be based on whether or not a project has been started or completed prior to award, provided the project has been determined to be eligible for funding under this policy. Applications submitted “out of cycle” (in accord with section C. 14 below) and/or projects underway that have otherwise met the criteria for funding consideration will be treated with equal merit to those projects that are under consideration which have not yet started.
 - 14) Projects may commence prior to funding award, **at the applicant’s risk**, but only after a written application has been submitted and the District Manager deems the application complete. The applicant acknowledges that submission of the grant application does not

Commented [TB3]: Confirmed by staff in staff report no score

Commented [RS4]: I think this entire section should be moved to required items with the exception of the five years in business. That one probably should be part of discretionary points.

Commented [TB5]: That makes sense. Do we move all 25 points for business viability to discretionary as well?

Commented [RS6]: I would, see additional thought in later comment

Commented [TB7]: This would allow us to take into account the property owners track record if they are redeveloping the project for a new tenant that may not be identified yet.

bind the URA in any way and that funding cannot be approved more than one fiscal year following the submission of the application.

- 15) If projects are in the Historic District or otherwise are under the purveyance of the Landmarks Advisory Commission, projects must:
- i. Receive approval from the Commission prior to any final grant award.
 - ii. Follow “The Secretary of the Interior’s Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings.”
 - iii. Follow any and all standards and guidelines prescribed by the City of La Grande, to include the 2022 Commercial Historic District Design Standards or its successor.

D. Allowed uses of funds

- 1) Professional design and engineering services, provided the project is completed within the terms of the agreement.
- 2) Project must comply with all relevant local, state and federal laws and codes.
- 3) Exterior façade renovations, to include:
 - i. Windows
 - ii. Doors
 - iii. Storefronts
 - iv. Awnings
 - v. Alley-facing entrances
 - vi. Painting and cleaning
 - vii. Masonry repair, restoration or cleaning
 - viii. Appropriately repairing, restoring or replacing of cornices, entrances, doors, windows, decorative details and awnings
 - ix. Sign removal, repair or replacement
 - x. Building identification
 - xi. Critical maintenance, structural or code compliance
 - xii. Restoration projects, including removal of slip sheathing or other treatments
 - xiii. Roofs & roof repair
- 4) Accessibility issues, to include elevators and associated equipment.
- 5) Streetscape improvement projects.
- 6) Site-related infrastructure.
- 7) Work required for Building Code compliance.
- 8) New site development, new construction.
- 9) Mitigation, reduction or removal of blight.
- 10) Housing/residential elements of a project outside the Central Business Zone would ONLY be eligible for funding IF AND ONLY IF the improvements are on upper floors of a project that included improvements to ground floor RETAIL. Housing/residential projects on upper floors above existing retail outside the Central Business Zone would not be eligible unless the retail space was also being improved.
- 11) Housing/residential projects located in the Central Business Zone would be eligible for funding only if they are located on upper floors above commercial or retail uses and provide additional dwelling units.

- 12) Permanent improvements that have a life span greater than ten years and are not considered tenant improvements.
- 13) Improvements are required due to structural changes such as removing walls.
- 14) Replacement or upgrade of major mechanical, electrical, plumbing, and HVAC systems required as part of major renovations.

E. Prohibited uses of funds

- 1) Refinancing existing debt.
- 2) Marketing property for re-sale.
- 3) Conversion of downtown ground-floor uses to other than retail, entertainment or food & beverage.
- 4) Except as allowed in D. 10) and D.11) above, housing/residential elements of a project including but not limited to improvements on upper floors of a project that include improvements to ground floor commercial and stand-alone housing/residential projects would not be eligible for funding.
- 5) Payment of taxes, fines or fees current or delinquent.
- 6) Payroll of employees related to the developer or associated businesses, unless involved in the construction phase of the project.
- 7) Cleaning unless it is required as part of an otherwise allowable use of funds.
- 8) Inappropriate restoration activities.
- 9) Inappropriate or non-approved design or materials.
- 10) Interior improvements unless directly related to an approved exterior project or part of a needed and approved structural or accessibility improvement project which require the removal and replacement of the existing interior improvements.
- 11) Carpeting and floor coverings.
- 12) Interior painting.
- 13) Removable fixtures, appliances, furnishings, cabinetry, etc.
- 14) Professional design and engineering services except as part of an approved project.
- 15) Working capital.
- 16) Financing of inventory.

F. Applicant Criteria

- 1) Proposals may come from tenants, owners of buildings or third-party developers; if other than the owners, an authorization letter from owner(s) must accompany the proposal/application, acknowledging the provisions in article G: 10 - 14 below, and specifically acknowledging the duty of the owner to pay back any funds distributed by the Agency to the applicant, even if the applicant is not the owner, if the owner sells or transfers the property to a third party within 5 years of the distribution as set forth in Article G:10, ~~1) must accompany proposal/ application.~~
- 2) Approved projects should be ready to begin within six (6) months of funding award notification and shall be completed within twenty-four (24) months of application, unless an extension is granted.
- 3) Applicants must enter into an agreement with the URA and work with City/URA on their project.

Commented [WB8]: I think there are two ways of protecting the Agency. The first is to make the owner of the building a co-applicant for purposes of the claw back provisions only. The other is as you set out but also the letter should require the owner to specifically acknowledge Article G.10 and that if the owner sells or transfers the real property without the consent of the Agency within the first five years, then the Owner agrees to reimburse the Agency for all funds at closing or transfer. I understand the language generally has the owner acknowledge that provision but I imagine a few owners will gloss over it and specifically calling it out could avoid issues down the road. It may be worth drafting a form letter for the owner to sign in the case of a tenant/developer applicant.

- 4) Applicant cannot have any outstanding or unresolved fine, fee, permit, lawsuit or infraction with the City of La Grande.
- 5) Any agreement or application extensions may only be granted by the District Manager or the URA. All granted extensions will be reported to the URA.
- 6) Any deviations from initial submittals must be approved by the District Manager.

G. Funding Information

- 1) Projects should have a minimum total cost of \$10,000:
 - i. City of La Grande Urban Renewal funding limits: 50% of eligible costs, up to \$50,000; \$75,000, if a majority of work performed is done with Union County vendors/contractors.
- 2) Funding for projects is capped at \$75,000.
- 3) Private building owner(s)/tenant(s)/developer(s) must contribute at least 1/2 of total project cost; contributions may come from commercial lenders or other sources, including grants or loans from other agencies on applicant's behalf.
- 2) Local funds may at times be augmented by outside sources, such as State of Oregon grants.
- 3) Funds will be disbursed on a reimbursement basis ONLY; accurate and timely receipts are required to receive funds from the URA.
- 4) All required permitting must be completed prior to commencing work. Any work completed without first obtaining the required permit(s) shall not be eligible for reimbursement and shall result in a reduction of the grant award in an amount determined at the sole discretion of the District Manager. [It is the responsibility of the applicant to convey this requirement with contractors and to confirm required permits have been issued prior to work being done.](#)
- 5) Projects with grant awards exceeding \$25,000 are eligible to receive a progress payment once the project is 50% complete. The amount of the payment shall be based on the pro-rata completion percentage. The percentage of the project completed will be determined by the District Manager. Additional progress payments may be made at the discretion of the District Manager up to a maximum of 75% of grant award.
- 6) Funds will only be disbursed on a reimbursement basis and on completion of the project unless they qualify for a progress payment as described above. In order to be deemed complete, all work must be finished, any City required site improvements completed, and final inspections completed and approved and if applicable, a final occupancy permit granted by the Building Official. Temporary occupancy permits do not satisfy this requirement.
- 7) For projects requiring an occupancy permit, if the property is occupied without first receiving either the final occupancy permit or a temporary occupancy permit, the contributions of the URA will be considered a loan and the full amount of any and all URA funds disbursed shall become due and payable to the URA immediately upon notification by the District Manager.
- 8) The URA will make every effort to provide timely disbursements upon receipt of complete applications and proof of appropriate expenses.

Commented [TB9]: We've discussed doing away with this local contractor requirement due to challenges finding local contractors during and post pandemic. Should we do that now and make the maximum award amount up to \$75,000

Commented [RS10]: I think so, perhaps we add language to the discretionary points that references the Agency may want to reward businesses which have been around for 5 or more years and use local contractors. We would need to adjust the application to make those questions that are highlighted. Maybe the URAC has additional ideas regarding language to help guide the award of the discretionary points?

- 9) The URA will have the ability to make loans in addition to, or in place of, grants at its discretion.
- 10) Real property related to the project may not be transferred or sold within five (5) years from the date of the project completion and final disbursement of funds. In the event of a sale, the contribution of URA funding will be considered a loan and the full amount of any and all URA funds disbursed shall become due and payable to the URA immediately upon said sale or transfer. Projects initiated by the City of La Grande or the La Grande Urban Renewal Agency would be exempt from this provision.

Commented [TB11]: Possible question for Wyatt. If claw back provisions are activated by building sale or other property tax incentives but the tenant and not the owner was the applicant/recipient of funds who is liable for repaying funds.

Can we recover funds from property owner if the grant was awarded to the tenant?

If tenant received award and completed the work and then property sells is the applicant forced to repay because their landlord sold the building?

Commented [RS12]: We should talk to Wyatt about this.

- 11) Funds disbursed under this program may not be combined with Building Façade Grant funds related to the same project at the same time (during a 12-month period) and site location, but may be combined with other Urban Renewal funding programs.

- 12) Properties are eligible for funding in more than one funding cycle, subject to the following limitations:

- a. Not more than \$150,000 in total CFP funding in a rolling five-year period.

- b. One application per funding cycle per property.

- a.i. For properties with multiple storefronts, each storefront shall be considered separately eligible provided the application is limited to a scope of work exclusive one storefront/business and is clearly a unique project which has no nexus to another application at the same property. Factors included in determining eligibility could include but not be limited to different business owners, non-adjacent storefronts, and separate addresses.

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- 13) If the property owner received any property tax abatement, property tax credit, or any other form of property tax relief (including special assessments) for the property related to the project resulting in any reduction of the Agency's property tax revenues, or if the use of the property is changed resulting in the property not being subject to City property taxes within five (5) years from the date of the final disbursement of funds, the contributions of the URA will be considered a loan and the full amount of any and all URA funds disbursed shall become due and payable to the URA immediately upon receipt of the property tax abatement or credit notification. This requirement DOES NOT apply to Federal or State Tax Credits that do not reduce the Agency's property tax revenues.

- 14) Liens may be placed on properties receiving URA benefits for amounts up to the full grant amount at the discretion of the URA and/or the District Manager.

H. Application and Approval Procedure

- 1) A letter of intent describing the project including the specific physical improvements proposed, completed budget form with estimated costs, and the intended use of the property. Conceptual drawings, construction plans, and cost estimates should be provided if available, but are not required to submit the letter of intent. Letter of intent deadlines will be established by the District Manager and this requirement may be waived at the discretion of the District Manager. A pre-application meeting may be required prior to submitting an application that could include: the Economic

Development Director, Building Official, City Planner, and a representative from the Landmarks Commission, if appropriate.

- 2) Application must be on a project intake form provided by the URA and must include all necessary and required supporting documentation so as to fully satisfy all of the above-stated criteria to be deemed complete. Project applications may be submitted digitally (Adobe Acrobat, Microsoft Word, Microsoft Excel, Microsoft PowerPoint or JPEG image files are acceptable formats) by email or as hard copies hand-delivered or mailed to City Hall. Faxed copies will not be accepted.
- 3) Application must be submitted not later than the date established by the District Manager as the cutoff for consideration each fiscal year, typically not later than ~~April 15th~~ [May 25](#) to be considered for funding. Approved projects will normally receive funding approval effective on July 1st.
- 4) Any and all of the following bodies may be involved in the approval and/or review of a project:
 - i. City of La Grande/URA staff.
 - ii. La Grande Landmarks Advisory Commission.
 - iii. La Grande Main Street Design Committee.
 - iv. La Grande Urban Renewal Advisory Commission.
 - v. La Grande City Council/ Urban Renewal Agency.
 - vi. La Grande Planning Commission.
 - vii. State of Oregon Main Street program.
 - viii. State of Oregon Historic Preservation Office.
- 5) All funding requests will be copied to select City staff depending on the type of application, but at a minimum to the Community Development Director.
- 6) All funding requests will require La Grande Urban Renewal Agency approval at a public meeting.
- 7) Upon receipt of a complete application, applicants will be notified within thirty (30) days of project application completeness.
- 8) Applications may be modified or approved with conditions.
- 9) City/URA staff, upon request of the applicant, will provide technical assistance and resources to applicants to help ensure successful completion of applications.
- 10) City/URA staff will review applications and provide a staff report which shall include comments regarding how the application meets the criteria required in this policy and conformance with the Urban Renewal Plan.
- 11) The Agency members will have at least fourteen days to review the packets and may submit specific questions to staff regarding individual applications *during the first seven days*. This will allow staff to request answers from the applicants and provide the questions and answers to all reviewers.
- 12) The Staff and Agency will score projects based on the application using the identified preference criteria in section C. 4) above. Total points for each application will be provided by Agency to Staff not later than *three working days* prior to the joint special session. Once submitted, the scoring cannot be changed.
- 13) The Urban Renewal Agency shall conduct a special meeting to consider the funding applications and evaluate the applications using the following sequence:

- a. Introductions and roll call of Agency.
- b. Staff report and presentation of each project.
- c. Agency discussion and individual scoring—following the presentations, the Agency members will discuss the projects and share any information that may have been gained by individual Agency members through site visits, contact with applicants, Staff, and/or members of the public. Following the discussion, Agency members will individually award up to ~~40~~50 points per project using forms provided and turn them in to Staff.
- d. Break—during the break the Staff will compile the scores and order rank the projects.
- e. Agency deliberations - The Staff will display the spreadsheet showing the project scoring and funding amounts allocated as prescribed in Section C. 3. The Agency will then vote to approve the funding. (Actual funding is contingent upon budget adoption).
- f. No public comments, or comments by applicants will be entertained during the special meeting.

14) Projects which do not receive grant funding or do not receive the full amount funded may be withdrawn by the applicant and resubmitted without penalty in the next funding cycle as if it is a new project.

~~14~~15) Projects which receive partial funding and are not withdrawn may proceed and reimbursement for eligible work shall be reflective of the funding received and the scope of the project completed as determined by the District Manager.

~~15~~16) Additional Funding Requests: The URA shall not consider any requests for funding increases to approved project funding resulting from cost overruns or changes in the project that are not an increase in the scope of the project including but not limited to changes in materials or contractors. The URA may consider additional funding requests at the next funding cycle, at which time the application shall compete as if it were a new project, for unforeseen conditions encountered or increasing the scope of the project for items including but not limited to expanding the project to include additional square footage or adding new features that were not part of the original application.

~~16~~17) Reductions in project scope: Minor reductions in the scope of the project may be approved by the District Manager without a reduction in awarded project funding. Any reduction exceeding 25% of the scope of the project or \$150,000 of the total project cost, whichever is less, must be approved by the Agency and may result in a reduction in the amount awarded on a case-by-case basis.

I. Submittal Requirements:

- 1) All submissions must be accompanied with the following information:
 - i. A letter of intent to include: Contact information for project and building owner, building address, project description, complete budget form, concept drawings and cost estimates (if cost estimates are available at the time letter of intent is submitted).
 - ii. Applications shall include:
 - a. Building owner name & contact information.

- b. Project applicant name (if different from above) & contact information.
- c. Letter of authorization from building owner, if owner is not applicant, [authorizing the application and acknowledging that they accept the restrictions outlined in Section G items 10-14 of the policy.](#)
- d. If the project will not be occupied by the applicant, a Letter of Intent from business owner committing to occupy the space once the project is complete, or a detailed recruitment plan including the type of tenant(s) being recruited.
- e. Building address.
- f. Building historic name, if known.
- g. Current photograph of the building & historic photos, if available.
- h. Funding amount requested.
- i. Detailed project budget, on an attached sheet to include expenditures and sources of funds.
- j. Detailed narrative and/or visual description of project.
- k. Detailed conceptual project floor plan/drawings and site plan.
- iii. Current building use, including tenant (not residential) names and contact information.
- iv. Project timeline.

Commented [TB13]: We discussed asking Wyatt to weigh in on this with some draft language for a sample /template letter

- 2) The submitted application and proposal for the project, once accepted as the final concept, shall become and wholly remain the property of the City/URA. The City/URA will retain the reproduction rights to use images of the artwork to prepare and distribute marketing materials, web site materials or for any other use in promotional materials.

Approved by the Urban Renewal Agency March 1, 2023, this policy is effective immediately and applies to all projects funded after this date, regardless of application submission date.

Robert A. Strope
District Manager

Exhibit "A"
La Grande Urban Renewal District

