

CITY OF LA GRANDE

Urban Renewal Agency and Urban Renewal Advisory Commission Joint Special Session

July 10, 2023

Council Chambers
La Grande City Hall
1000 Adams Avenue

MINUTES

AGENCY MEMBERS PRESENT:

Justin Rock, *Mayor*
David Glabe, *Mayor Pro Tem*
Corrine Dutto, *Agency Member*
Nicole Howard, *Agency Member*
Mary Ann Miesner, *Agency Member*

AGENCY MEMBERS ABSENT EXCUSED:

Molly King, *Agency Member*
Denise Wheeler, *Agency Member*

URBAN RENEWAL ADVISORY COMMISSION MEMBERS:

Alana Carollo
Rikki Jo Hickey
Roxie Ogilvie
Matt Scarfo

COMMISSION MEMBERS ABSENT EXCUSED:

Lauren Babcock

STAFF PRESENT

Robert Strobe, *District Manager*
Stacey Stockhoff, *City Recorder*
Timothy Bishop, *Economic Development Director*

ROLL CALL

Mayor ROCK called this Joint Special Session of the Urban Renewal Agency and Urban Renewal Advisory Commission to order at 6:00 p.m.; Roll Call was taken; and a quorum was determined to be present.

NEW BUSINESS

- a. Consider: Funding Approval, 2023 Call for Projects Applications

CONFLICT OF INTEREST/DECLARATIONS

None

STAFF REPORT

Mayor ROCK requested the Staff Report.

Timothy BISHOP, Economic Development Director

BISHOP stated that the Urban Renewal Agency advertised that it would be accepting applications for grant funding under the Fiscal Year 2023-2024 discretionary Call for Projects Program with applications due by May 26, 2023. The Agency received nine (9) complete applications. The adopted budget for this program contained \$350,000 for projects that were not located within the La Grande Business and Technology Park. Based on the applicants'

stated project values, the total value for these nine (9) projects was \$1,754,469 with total of \$589,916 in grant funding requested. Staff attributes the increase in the number of projects and the size of projects to additional staff outreach and the ongoing recovery from COVID-19.

BISHOP noted that the Agency approved the current policy for this program on March 1, 2023, which stated "Once projects were evaluated and ranked per criteria in Subsection 6, available funds would be allocated to projects in order of ranking, highest to lowest, with projects receiving the full amount requested until the funding is exhausted."

BISHOP noted that following the Staff presentation, Agency/URAC members would discuss the projects and share any information that may have been gained by individual Agency/URAC members through site visits, contact with applicants, Staff and/or members of the public. Following the discussion, Agency/URAC members would individually award up to 40 points per project using forms provided and turn them into Staff. During the break, Staff would compile the scores and order rank the projects. Staff would display the spreadsheet showing the project scoring and funding amounts allocated as prescribed in the Call for Projects Policy Section C. General Criteria 3. The Agency/URAC would then vote to approve the funding. No public comments, or comments by the applicants would be entertained during this Agenda Item. Following Agency and URAC discussions, the Mayor would ask for a motion to approve project funding as discussed or the projects may be awarded funding by individual motions.

The Agency and URAC were reminded they were not obligated to award the full \$350,000 of budgeted funds. Given the Budget had been adopted, funding for approved projects would be available upon funding approval. Applicants with approved funding would be required to enter into a funding agreement with the Agency and comply with all provisions of the Policy and the Agreement prior to receiving funds.

BISHOP presented the following projects:

Becky's Burger Barn, LLC

- ❖ Applicant Name: Becky Royal-Boyd
- ❖ Location: 1702 N Spruce

Project Description:

- This project includes window replacements, painting, tree removal, partial roof replacement, and landscaping improvements.

Project Highlights:

- Project meets the key objective of developing unused and underused properties, while also supporting the expansion of a local business.
 - This building has been vacant for 3 years.
 - Project will reduce blight by addressing a combination of interior and exterior damage that will be repaired or improved as part of this application.
- Total Project Cost: \$ 63,246
 - URA Funding Request: \$ 31,623
 - Maximum Eligible Funding: \$ 31,623

Eastern Wheelworks, LLC

- ❖ Applicant Name: Sean Lerner
- ❖ Location: 711 Adams Avenue

Project Description:

- Renovation and adaptive reuse of the former gas station located at 711 Adams Avenue to facilitate the expansion of Eastern Wheelworks, a local business that makes custom mountain bike wheels.

Project Highlights:

- Install new electrical, plumbing, and HVAC systems.
 - New interior walls.
 - Replace glass with new tempered glass.
 - Site improvements including ADA access, asphalt and sidewalk repair and new landscaping.
- Total Project Cost: \$199,086
 - URA Funding Request: \$ 75,000
 - Maximum Eligible Funding: \$ 75,000

Evermine Labels Building

- ❖ Applicant Name: Williamson & Williamson, LLC
- ❖ Location: 1124 Washington Avenue

Project Description:

- This is a new scope of work at the Former Elks Building, now Evermine Labels. The project is a reconfiguration of the Washington Ave entrance to the building replacing the curved driveway with a new outdoor patio.

Project Highlights:

- Building entry will be replaced and the existing overhang that extends over the driveway will be repaired and repainted.
 - Project activates the building by creating an outdoor patio bringing the front of the building forward and reconnecting to the sidewalk enhancing the street scape continuity and walkability of this block.
- Total Project Cost: \$170,360
 - URA Funding Request: \$ 75,000
 - Maximum Eligible Funding: \$ 75,000

In regards to a section on the application that was not fully printed off, GLABE asked for clarification of the intended use of the Building/Property, to which BISHOP confirmed that the future use of the front section of the building would be to house a coffee shop and Oregon history bookstore. This would be a later renovation after the completion of the current scope of work for the outdoor patio and entryway.

HOWARD suggested to not include information or pictures of other previous projects in the binder because she felt it could be misleading, to which GLABE stated that he liked that they were included. BISHOP stated that in the future, they would consider leaving these types of pieces out of the binders for less confusion.

In response to MIESNER's question regarding the overhang that covers the driveway, BISHOP stated that the existing overhang would only be repaired where needed and then repainted.

GLABE asked if the outdoor patio would be open for public use, to which BISHOP answered yes. The intent of this space would be to hold public gatherings, drink coffee, read a book, etc. OGILVIE added that the owners have had this vision since the beginning of the renovations, this was only a step in the process.

Final Cut Pizza & Pub

- ❖ Applicant Name: Joe and Jamie Cox
- ❖ Location: 2104 Island Avenue

Project Description:

- The project includes new siding and paint on front façade, renovated patio space, new exterior lighting, ADA restrooms, and expansion into adjacent space. The project also includes site improvements in the parking lot.

Project Highlights:

- New siding and paint on front façade.
- Renovated patio space and exterior lighting.
- Business expansion into adjacent space.
- Parking lot repairs including crack filling, sealing, and new striping.
- Total Project Cost: \$150,466
- URA Funding Request: \$ 75,000
- Maximum Eligible Funding: \$ 75,000

MIESNER asked if the applicant had purchased the other side of this building, to which BISHOP confirmed that the applicant was the tenant and did not own the building. They currently lease the space for their business and would take on the lease for the other half of the building only if they move forward with the scope of work.

In response to GLABE's question regarding the lease arrangement, BISHOP stated the owner of the building had signed off on the application and they were also the main source for the private investment for this project. BISHOP was unclear on the timeline of the lease arrangements.

JC Woodworks/Countertop Solutions

- ❖ Applicant Name: Sam Jacobson
- ❖ Location: 1415/1417 Jefferson Avenue

Project Description:

- Repair and repoint deteriorating brick and install 3 windows.

Project Highlights:

- This property is located in a particularly blighted section of downtown.
- This project repairs and restores a historic downtown building in a way that maintains the historic character of the original building while accommodating a new use.
- Total Project Cost: \$ 66,586
- URA Funding Request: \$ 33,293
- Maximum Eligible Funding: \$ 33,293

A discussion was held regarding the location of the windows that were to be repaired that were in the scope of work.

In response to MIESNER's question, BISHOP confirmed that the applicant had previously applied and received a CFP Grant around 2018, which was for an expansion into the tile shop area of the building.

For clarification, DUTTO asked if the application was for the business or the residence, to which BISHOP stated this application was to repair the building. There was brick work to be repaired on all four sides of this building. He confirmed that the owners lived in the front right-side section of this building. The back side of the building housed the tile shop which was connected to the original business space for the woodworking shop.

GLABE asked about the history of the building and what criteria for the preservation process did this building fall under, to which BISHOP confirmed the location of this building was outside the local historic district; therefore, the Landmarks Advisory Commission would not be involved in preservation decisions. The building was over fifty (50) years old which qualified to be listed as a historic building and was consistent with the other historic architectures on Jefferson Street.

CAROLLA asked for clarification on the scope of work, which BISHOP further explained which areas of the building were to be repaired.

NK West Storefront

- ❖ Applicant Name: Steve Widmyer
- ❖ Location: 1204 Adams Avenue

Project Description:

- This project will complete the build out for the one remaining retail storefront in the NK West building. This space was never finished during construction and remains an empty shell.

Project Highlights:

- This property is located on Adams Avenue and will complete the redevelopment of the NK West building and create a new retail business in the heart of downtown.
- This space in the NK West building has vacant since the building was constructed. This project will bring the ground floor occupancy on this building to 100%.
- The project includes mechanical systems, electrical, fire suppression, and HVAC since none currently exist in the space and the addition of these systems constitute a major renovation.
- Total Project Cost: \$258,792
- URA Funding Request: \$ 75,000
- Maximum Eligible Funding: \$ 57,403

Reed & Associates Insurance

- ❖ Applicant Name: Kevin Reed
- ❖ Location: 904 Adams Avenue

Project Description:

- The renovation and adaptive reuse of the former Community Bank building. The interior renovation work to accommodate the new owner/tenant was completed prior to the CFP application and those costs of \$34,722 are not eligible costs.
- The project includes replacing the freestanding Community Bank sign, resurface the parking lot, enclosing the existing drive through lane as new office space, and repainting the building exterior.

Project Highlights:

- This project will renovate and reuse an existing downtown building to house a new business relocating to La Grande.
- The project redevelops a property that has been vacant/underutilized for over a year.
- Total Project Cost: \$158,305
- URA Funding Request: \$ 75,000
- Maximum Eligible Funding: \$ 61,791

Rodeway Inn La Grande

- ❖ Applicant Name: All American Inn OR LLC/Erik Ogaard
- ❖ Location: 402 Adams Avenue

Project Description:

- Repair and renovation of the Rodeway Inn Motel that was damaged by a fire in December of 2021.

Project Highlights:

- The project includes filling in the swimming pool to create parking; installation of new PTAC units, new gutters, and soffits; replacing burned water heaters, attic insulation and all building electrical; adding new high efficiency LED lighting; and painting the building.
- While the project is outside of downtown core this property is part of the main entry corridor to downtown from the first exit off of Interstate 84 and serves as a gateway to downtown.
- Total Project Cost: \$315,553
- URA Funding Request: \$ 75,000
- Maximum Eligible Funding: \$ 75,000

DUTTO asked if the fire damage was covered through the applicant's insurance carrier, to which BISHOP stated yes. The insurance amount received was reflected in the amount of private investment.

Valley Insurance

- ❖ Applicant Name: JR Price and Associates, Inc.
- ❖ Location: 1215 Adams Avenue

Project Description:

- Renovation of the former Umpqua Bank building. Project includes a major reconfiguration to convert from the former single tenant use as a bank to a multi-tenant use including Valley insurance and three additional leasable offices.

Project Highlights:

- This includes exterior paint and replacement of non-functioning HVAC systems as supported by formal bids, and new signage.
- This property is located on Adams Avenue and will be renovated to house multiple tenants.
- This space had been vacant for 11 months.
- Total Project Cost: \$372,075
- URA Funding Request: \$ 75,000
- Maximum Eligible Funding: \$ 59,000

In response to CAROLLO's question regarding the project costs listed on the application for Valley Insurance, BISHOP confirmed that these costs would be funded by the applicant.

A discussion was held in regards to private information that was included as part of the application process. It was suggested to remove certain private information from the packet process in the future and Staff could verify this information in-house. It was also suggested to remove the points from this section to the discretionary points section.

A discussion was held in regards to the purpose of the Business Plan that was included in the application and how different each Business Plan was filled out for each of the applicants.

If the Agency wanted to change how some of the points were tallied in this section, depending on how subjective the criteria was, STROPE stated that they could move some of these points to the Overall Discretionary Total, which was currently up to 40 points. He explained how the 40 Discretionary Points worked for each project.

In regards to Reed & Associates' application, OGILVIE stated that the scope of work included enclosing the existing drive through lane to expand the office space, which she considered a remodel and not a renovation. After reading through the Policy, she commented that this part of the project was questionable for the use of Urban Renewal funds because she felt it was not a renovation, to which a discussion was held regarding the difference of interpretation of the meaning of remodel and renovation. BISHOP explained why Staff approved the scope of work on this project, comparing it to The Local's project that was awarded funds last year for similar work performed.

AGENCY DISCUSSION

In regards to the NK West Project that would build out a new retail space, HICKEY was concerned that their choice of a retail tenant might not be very viable in our area as well as thrive in this space for the five (5) year benchmark, to which GLABE noted that was something he thought of also, however the Agency could not dictate who could go into that space.

A discussion was held regarding how the five (5) year benchmark would be handled in the case of a business failing if the applicant was not the property owner. STROPE indicated that the intent of the policy was to prevent flipping properties and gave the example of Tropical Swirls which received URA funding to improve the building, and though a number of businesses has cycled through the property, the ownership remained the same and the increased value of the building improvements benefit the District. It was noted that in the case of a multi-tenant building, a business could receive URA funding and the property could be sold with the business remaining, and it may be helpful to tweak the policy to allow for this to occur without triggering repayment of the funds.

In regards to the NK West Project, CAROLLO asked for clarification on replacing the storefront windows, to which BISHOP explained that the window replacement was not included in their proposal but the current Land Development Code Ordinance required 10% value be allocated to bring nonconforming elements into compliance with current code which meant that the storefront glass needed replaced to clear glass to bring the project up to code compliance.

STROPE gave a brief overview of how the scoring system worked once all scores have been collected.

In regards to the Eastern Wheelworks Project, CAROLLA asked if the Brownfields Assessment had been done, to which BISHOP answered yes and there was no further contamination to be remediated.

CAROLLA communicated her disappointment that the Rodeway Inn Project included filling in the swimming pool.

SCARFO expressed his opinion on what elements to consider when issuing individual scores.

With the Rodeway Inn closed for business and not collecting Transient Room Tax (TRT), DUTTO conveyed that this project would be a bonus to complete.

RECESSED

Mayor ROCK recessed the meeting at 7:06 p.m. to allow the Agency Members to score the applications and submit their scoring to Staff.

RECONVENE

Mayor ROCK reconvened the meeting at 7:17 p.m. and invited Staff to present scoring results.

District Manager STROPE presented the results from the Staff and Agency scoring.

AGENCY DISCUSSION

A discussion was held regarding the Staff scores and the average scores given to the projects by the Agency and options on the breakdown of funding for each project and the potential business growth that takes place each year. The project scores were presented as follows:

Non-Business Park Applicant(s)				
Project Name	Staff Scores	Agency Average Scores	Total Score	Funding Amount
Becky's Burger Barn	50	52	102	0
Eastern Wheelworks	85	81	166	\$75,000
Evermine Label Co.	71	62	133	\$75,000
Final Cut Pizza and Pub	55	57	112	0
JC Woodworks	50	40	90	0
NK West Building	85	53	138	\$57,403
Reed & Assoc. Insurance	65	48	113	\$8,597
Rodeway Inn	99	86	185	\$75,000
Valley Insurance	103	56	159	\$59,000
Business Park Applicant(s)				
None				

MOTION

The following Motion was introduced by HICKEY; HOWARD
Second:

Motion: I move approval of funding for the Call for
Projects in the amounts as discussed.

VOTE

MSC: 9-0 (Yes: ROCK, GLABE, DUTTO, HOWARD,
MIESNER, CAROLLO, HICKEY, OGILVIE, and SCARFO; No:
None)

DISTRICT MANAGER COMMENTS

STROPE stated he would send an email to the Agency and
URAC members asking for their opinion to any changes to
the policy which could be discussed further at a future
meeting.

AGENCY MEMBER COMMENTS

None

There being no further business to come before this Joint Special Session of the Agency and the Urban Renewal
Advisory Commission, Mayor ROCK adjourned the meeting at 7:29 p.m.

ATTEST:

APPROVED:

Stacey M. Stockhoff
City Recorder

Justin B. Rock
Mayor

APPROVED: _____