



Legislation Text

File #: 15-477, Version: 3

Adaptive Reuse/Building Rehabilitation Program Grant for 615 High Street

RECOMMENDED ACTION (Motion):

This proposed grant request is \$150,000 for the property located 615 High Street submitted by Ben James (owner/applicant). Staff requests that the Urban Renewal Commission consider staff's approval of a grant award for the project of \$112,500 at this time, with the potential of awarding the additional \$37,500 when the applicant provides documentation to City staff showing that 25% of the leasable space is being used for non-office space, (i.e. retail and/or restaurant) which complies with City zoning code.

BACKGROUND:

This fiscal year, the Oregon City Urban Renewal Commission set aside \$200,000 into an Adaptive Reuse/Building Rehab program to encourage investment and upgrades to private property by encouraging significant rehabilitation that improves the value of existing commercial property and supports the highest and best use of commercial property within the Urban Renewal District.

The program is a matching grant intended to fund a limited number (one or two) medium- to large-scale internal rehabilitation (non-facade) projects. A typical project will be a combined minimum of \$100,000, with a maximum offer for any one project of \$150,000. Particular emphasis and priority is placed on rehabilitation projects that incorporate mixed-use elements, consist of quality construction and add value to the urban renewal area. There are two application periods throughout the fiscal year, one in July and the second in January (should funds still be available).

Mr. James purchased this building in June 2014 with the intent of occupying 30% of the space and leasing the remainder. His owner occupied space and another 10-15% of the building, which consists of common use and circulation areas, will be renovated for immediate occupancy. The remainder will be finished to a warm shell suitable for tenant improvements. This building is the backdrop to the Municipal Elevator and one of the first views when entering the city from the Arch Bridge. It is listed in the city's Historic Resource Inventory as a "Modern Commercial" structure. The applicant was awarded a \$40,000 Storefront grant on June 17, 2015 for exterior improvements that will keep with the mid-century style.

Grant funds for this project will be used for significant renovations to make it tenable for up to 21 new employees (as estimated by applicant). This building currently sits vacant and currently not suitable for habitation. Following remediation existing concrete will be sand blasted and remained exposed where possible; floors will be stained concrete; a new guardrail system consisting of vertical stainless steel cables and steel handrails will installed in the upper lobby and connect to the lower lobby; millwork will be added as accent walls, doors and trim finish; and walls will framed, dry walled and painted. Recessed lighting and LED rope lighting will be added. Common areas that include restrooms, trash room and mechanical/electrical rooms, common hallways and lobbies are included

in these renovations. Mechanical, electrical and portions of the plumbing systems will be upgraded to support a diverse range of tenants. At the time the application was submitted the owner was in discussions with a high scale restaurant though no agreement is currently in place.

A staff site visit and review was conducted for this application using the worksheet and project evaluation matrix included in the application information packet. As part of the review process, an application must obtain an average score of 70% or higher in order to be considered and the staff review of this application resulted in an average score of 83%. The Grant Review Committee unanimously agrees that the project is a quality project, not only in materials and design, but also significantly increases the value of the building and overall area. Additionally, it will bring back jobs lost since the building has been vacant over the years. The basis for the 25% holdback (\$37,500) as proposed by the review committee is to assure that this project does indeed include a mixed-use component based on noted discussions between the applicant and potential restaurant tenant, which have not be finalized.

This proposed project for a high profile building on the Promenade would provide economic development through jobs, as well as an increased tax basis within the Downtown Urban Renewal District. In addition, the applicant notes that within the next five years the vision for the property is to build over the existing parking area with two additional floors of leasable space for tenants based on market conditions.

BUDGET IMPACT:

Amount: \$150,000

FY(s): 2015-16

Funding Source: Urban Renewal Adaptive Reuse Rehab Program