



**Board of Directors**

- Mayor**  
Kenneth L Woods, Jr.
- Director**  
Michael Schilling
- Director**  
Nancy Adams
- Director**  
Carlos Barrientos
- Director**  
Larry Briggs
- Director**  
Kirsten Collins
- Director**  
Kim Fitzgerald
- Director**  
Micah Jantz
- Director**  
David Shein
- Director**  
Debbie Virden

**Urban Renewal Agency  
Board of Directors Agenda**

**Kenneth L. Woods, Jr., Presiding  
Monday, November 4, 2024  
Immediately following the 7:00 pm City Council Meeting  
Dallas City Hall, 187 SE Court St. Dallas, OR 97338**

All persons addressing the Agency will please use the table at the front of the Agency. All testimony is electronically streamed and recorded via the City of Dallas YouTube Channel:

<https://www.dallasor.gov/community/page/dallasyoutube>

- CITY STAFF**
- City Manager**  
Brian Latta
  - Asst. City Manager**  
Emily Gagner
  - City Attorney**  
Lane Shetterly
  - Fire & EMS Chief**  
April Wallace
  - Police Chief**  
Tom Simpson
  - Economic & Community Development Director**  
Charlie Mitchell
  - Public Works Director**  
Gary Marks
  - Library Director**  
Mark Johnson
  - Finance Director**  
Cecilia Ward
  - City Recorder**  
Kim Herring

|    | ITEM  | RECOMMENDED ACTION |
|----|---|--------------------|
| 1. | ROLL CALL   |                    |
| 2. | Approve minutes of the September 16, 2024 Urban Renewal Agency Board of Directors Meeting p.2 | MOTION             |
| 3. | 791 Main Street Project Update p.3  |                    |
| 4. | Building Improvement Grant File No. 24-05 Gather Food Park, 144 Washington Street p.115       | MOTION             |
| 5. | Building Improvement Grant File No. 24-06 Marlene Cox, 905 Main Street p.123                  | MOTION             |
| 6. | ADJOURNMENT   |                    |

**MEETING MINUTES**

**DALLAS DEVELOPMENT COMMISSION  
URBAN RENEWAL AGENCY BOARD OF DIRECTORS  
Monday, September 16, 2024**

1 The Dallas Development Commission Urban Renewal Agency Board of Directors met on  
2 Monday, September 16, 2024 at 7:59 pm with Mayor Kenneth L. Woods, Jr. presiding.

3 **ROLL CALL**

4 **Directors Present:** Director Michael Schilling, Director Nancy Adams, Director Carlos Barrientos,  
5 Director Larry Briggs, Director Kirsten Collins, Director Kim Fitzgerald, Director David Shein and  
6 Director Debbie Virden

7 **Directors Excused:** Director Micah Jantz

8 **Also present were:** Mayor Kenneth L. Woods, Jr., City Manager Brian Latta, Assistant City  
9 Manager Emily Gagner, Fire and EMS Chief April Wallace, Deputy Police Chief Jerry Mott,  
10 City Attorney Lane Shetterly, Public Works Director Gary Marks and City Recorder Kim Her-  
11 ring.

12 **APPROVAL OF August 19, 2024 MEETING MINUTES**

13 Director Adams made a motion to approve the minutes. Director Shein seconded the motion. The  
14 vote was taken and the motion passed with a vote of 8-0.

15 **Building Improvement Grant File No. 24-04 World Gym Functional Medicine and Well-**  
16 **ness Center, 124 Court Street**

17 Mr. Latta presented the staff report. Director Schilling made a motion to approve the Building  
18 Improvement Grant File Number 24-04 for World Gym Functional Medicine and Wellness Cen-  
19 ter at 124 Court Street in an amount up to \$6,209, and authorize the city manager to prepare the  
20 grant agreement. Director Briggs seconded the motion. The vote was taken and the motion  
21 passed with a vote of 8-0.

22 **ADJOURNMENT:** 8:08 pm


Read and approved this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

\_\_\_\_\_  
Chair Kenneth L. Woods, Jr.

\_\_\_\_\_  
Brian Latta, City Manager



**DALLAS DEVELOPMENT COMMISSION  
URBAN RENEWAL AGENCY  
STAFF REPORT**

**MEETING DATE:** November 4, 2024  
**AGENDA ITEM NO.** 3  
**TOPIC:** 791 Main Street project update  
**PREPARED BY:** Charlie Mitchell  
**APPROVED BY:**  City Manager

**RECOMMENDED ACTION:**  
N/A – for information only.

**BACKGROUND:**  
In June of 2023, the Agency officially purchased the property at 791 Main Street, the site of the former Bank of America. The Agency purchased this property for the purposes of facilitating future redevelopment and reuse of the site to add tax increment and new investment in the downtown and to add economic vibrancy to a key downtown location that has long been vacant and neglected. Earlier this year, the Agency engaged the services of a consultant team, Forum Placemaking, to assist staff and the community with public engagement, design and market feasibility. The Scope of Work provided by the consultant calls an approximately 12-month project, which includes several meetings with the Agency and with the URDAC, as well as stakeholder interviews, a community survey and community meetings.

The principal consultant, Brian Vanneman, will present to the Agency an update on the work performed to date and will discuss what may lay ahead for the project.

**SUMMARY TIMELINE:**

|                        |                                      |
|------------------------|--------------------------------------|
| June – July 2024:      | Building demolition                  |
| June 2024 – June 2025: | Design/ market analysis phase        |
| 2025-26:               | Developer solicitation               |
| 2026-28:               | (Estimated) Construction could begin |

**FISCAL IMPACT:**  
Excluding property purchase, approximately \$195,000 has been spent on the project thus far. The budget for the design phase is \$120,000, of which around \$58,000 has been spent to date.

# Project Context and Dallas' Vision



Project Site

## Draft Vision for the Property

Based on the outreach conducted to date by the project team, the following points have emerged as parts of the Dallas' vision for a future building at 791 Main Street:

- A multi-story, mixed-use building, with restaurant or retail uses on the ground floor, and lodging (hotel) or housing above.
- A timeless, high-quality, well-designed building that is compatible with the surrounding historic district.
- Attract more people and activity downtown, and continue to revitalize downtown Dallas.
- An economic asset, for example, by generating tax revenue on the site and catalyzing investment elsewhere in downtown.
- An iconic gateway into downtown.
- A place for both locals and visitors.

Take the survey! Visit the project website at: [dallasor.gov/ecd/page/791-main-st-project](https://dallasor.gov/ecd/page/791-main-st-project)  
Or scan the QR code at left.



# Downtown



Dallas City Park & Delbert Hunter Arboretum and Botanical Garden (0.4 miles)

Dallas Days and Festivals (street closures and event areas)

Farmers Market



View of Project Site

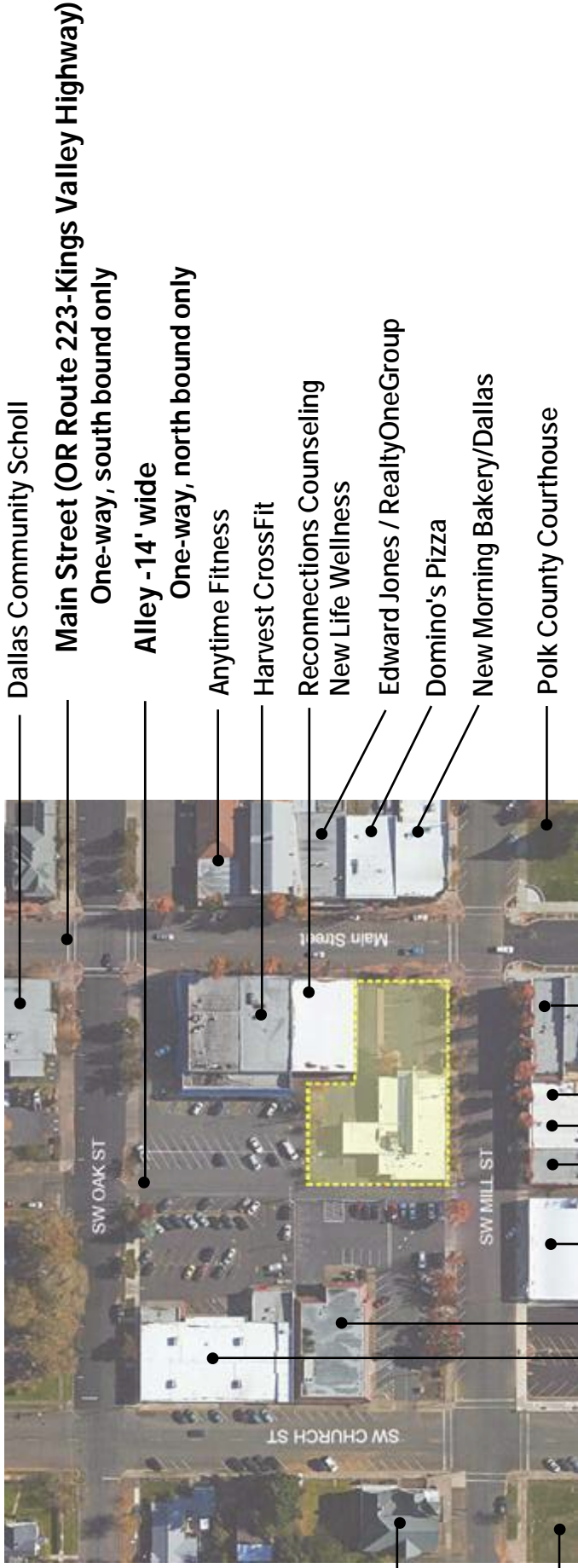


Across from Project Site



Mural facing Project Site

# Project Context and Dallas' Vision



- Dallas Community Scholl
- Main Street (OR Route 223-Kings Valley Highway)  
One-way, south bound only
- Alley - 14' wide  
One-way, north bound only
- Anytime Fitness
- Harvest CrossFit
- Reconnections Counseling  
New Life Wellness
- Edward Jones / RealtyOneGroup
- Domino's Pizza
- New Morning Bakery/Dallas
- Polk County Courthouse



South side of SW Mill St.  
(across from proposed site)

- First American Title
- Cedar Salon & Lash Bar
- Elegant Floral
- Parkside Self Defense

- Senior Center
- Dallas Evangelical Church
- House of His Presence
- US Post Office
- Polk County Offices



# Project Context and Amenities

Dallas Amphitheater



Dallas City Park & Delbert Hunter Arboretum and Botanical Garden (0.4 miles)

**Food & Drink**  
bars  
restaurants

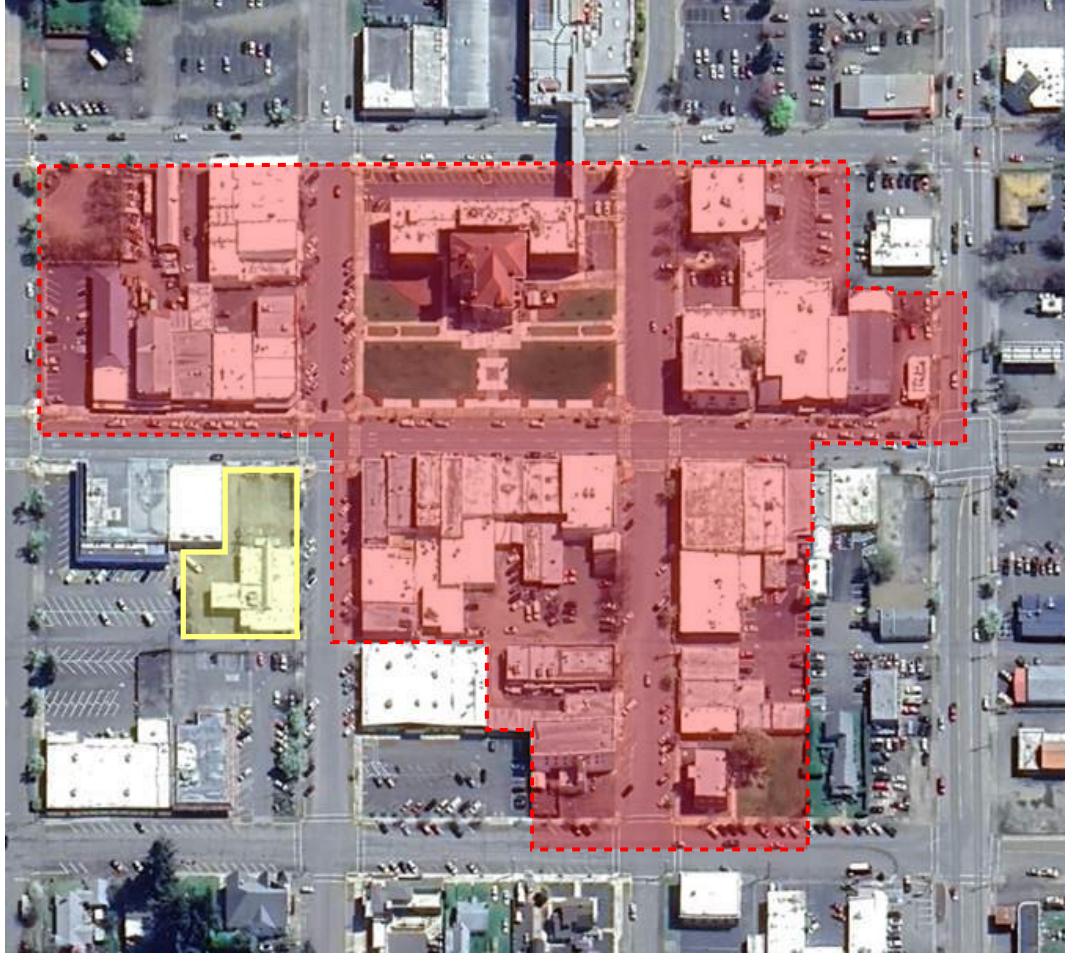
**Shopping**  
retail

**Fitness**  
gyms  
martial arts

**Civic**  
city hall & offices  
post office  
county library  
event space

**Churches**

# Historic District



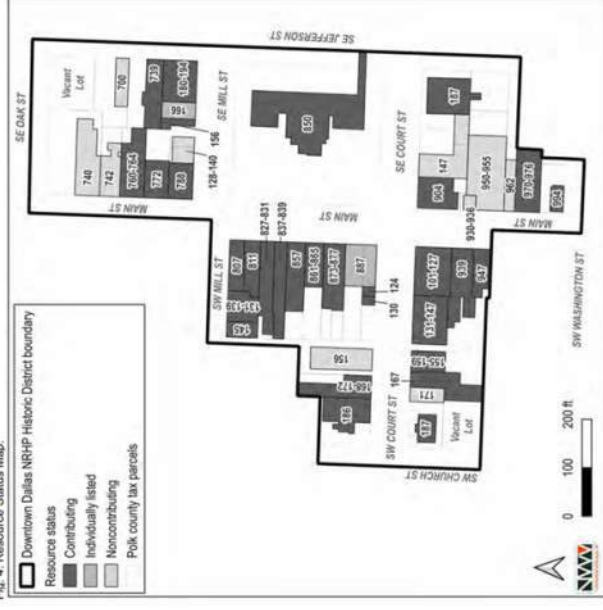
Dallas City Bank Building

Original building at 791 Main Street Site

Photo circa 1930. Building probably built c. 1910.



Fig. 4. Resource Status Map.





# Potential Site Design Features

Future buildings at 791 Main Street could have many different design features, regardless of how the upper floors are used.

Ground floor  
Retail/commercial space.



Ground floor  
Restaurant.



Outside Dining



Outside Dining  
on the Mill St. sidewalk



Wine tasting room  
featuring the wines of Polk County.



A plaza that is open to the  
public.



Rooftop Deck.



Space for  
community gatherings.



Widening the sidewalk to  
match the design on the  
south of Mill St.



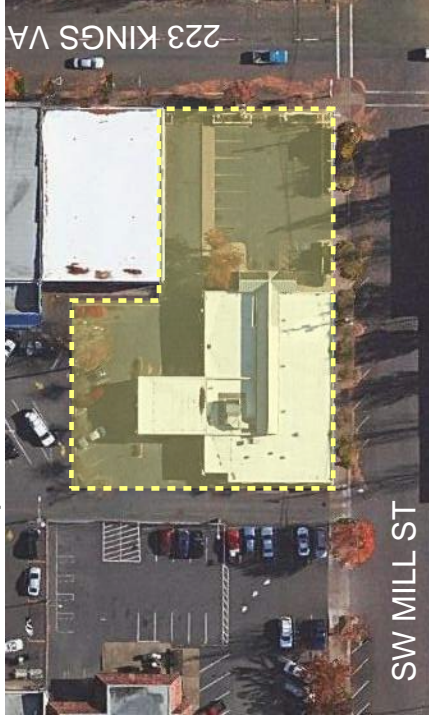
Public access to the mural  
on north side of the  
property.





# Comparable Projects

Project Site | Dallas, Oregon



Atticus Hotel | McMinnville, Oregon



Monmouth Commons | Monmouth, Oregon

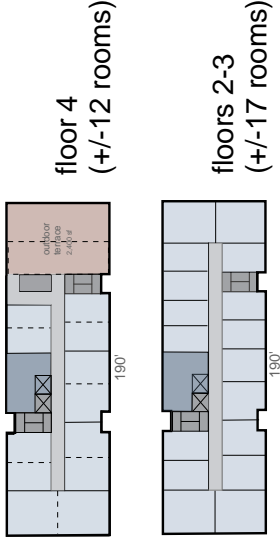
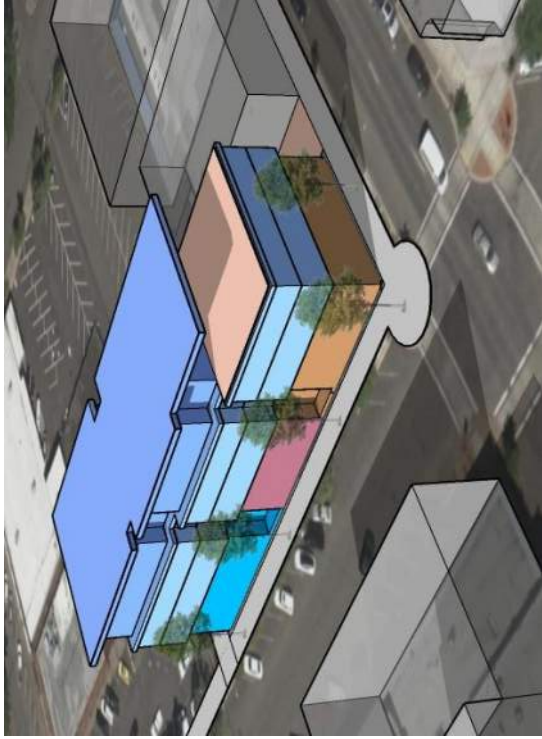


The Independence Hotel | Independence, Oregon



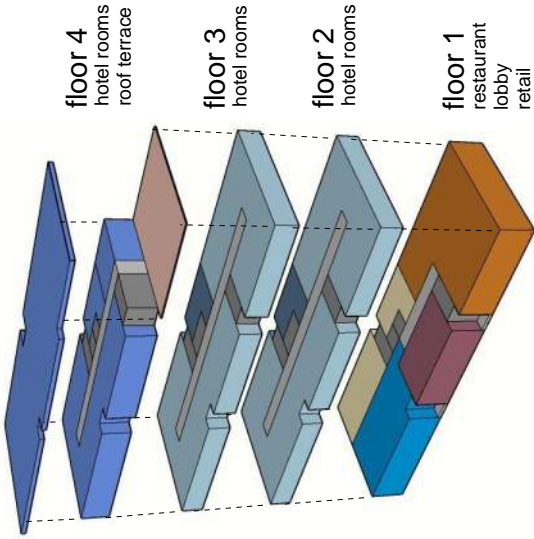


# Option 1A: Boutique Hotel, Four Stories



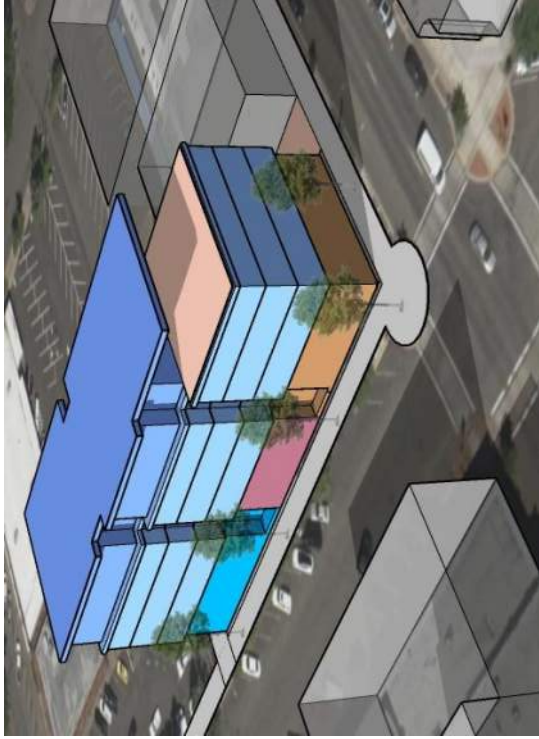
- 12 rooms / 4 flr.
- 17 rooms / 3 flr.
- 17 rooms / 2 flr.
- 0 rooms / 1 flr.
- 47 total units**

off-street parking  
18 stalls; .38 stalls/unit



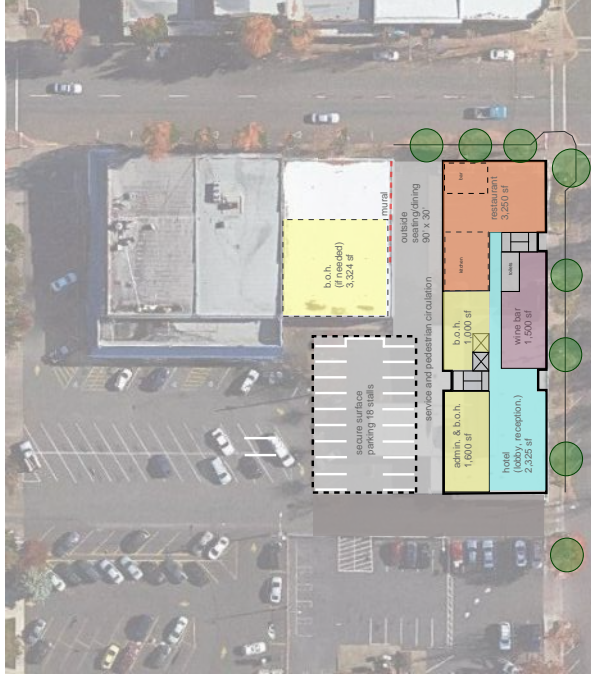
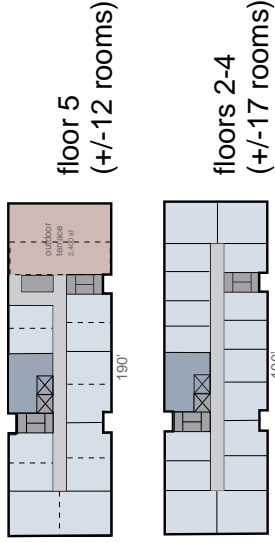
Scale = 1"=100' @ 8.5x11 print  
Scale = 1"=50' @ 17x22 print  
2024

# Option 1B: Boutique Hotel, Five Stories



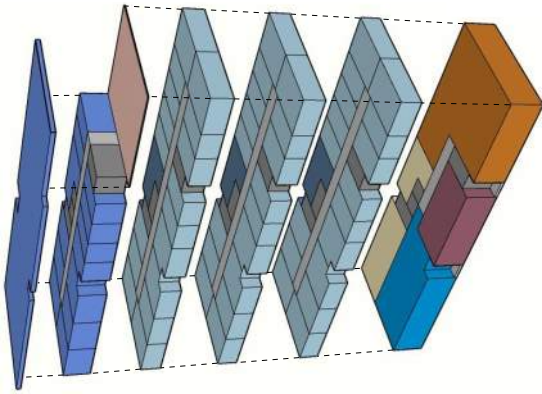
- 12 rooms / 5 flr.
- 17 rooms / 4 flr.
- 17 rooms / 3 flr.
- 17 rooms / 2 flr.
- 0 rooms / 1 flr.
- 63 total units**

off-street parking  
18 stalls; .28 stalls/unit

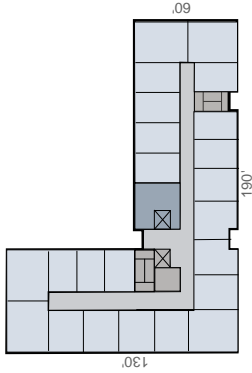


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Scale = 1"=50' @ 17x22 print  
2024

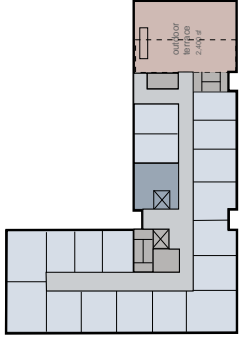
- floor 5**  
hotel rooms  
roof terrace
- floor 4**  
hotel rooms
- floor 3**  
hotel rooms
- floor 2**  
hotel rooms
- floor 1**  
restaurant  
lobby  
retail



# Option 1C: Boutique Hotel, Five Stories, L Shape



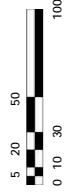
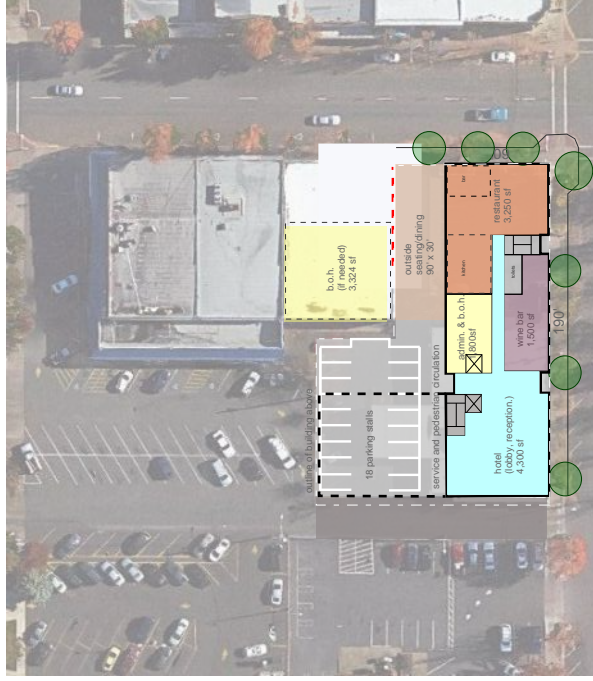
typical floor  
(+/- 23 rooms)



top floor  
(+/- 18 rooms)

- 18 rooms / 5 flr.
- 23 rooms / 4 flr.
- 23 rooms / 3 flr.
- 23 rooms / 2 flr.
- 0 rooms / 1 flr.
- 87 total units**

off-street parking  
18 stalls; .20 stalls/unit



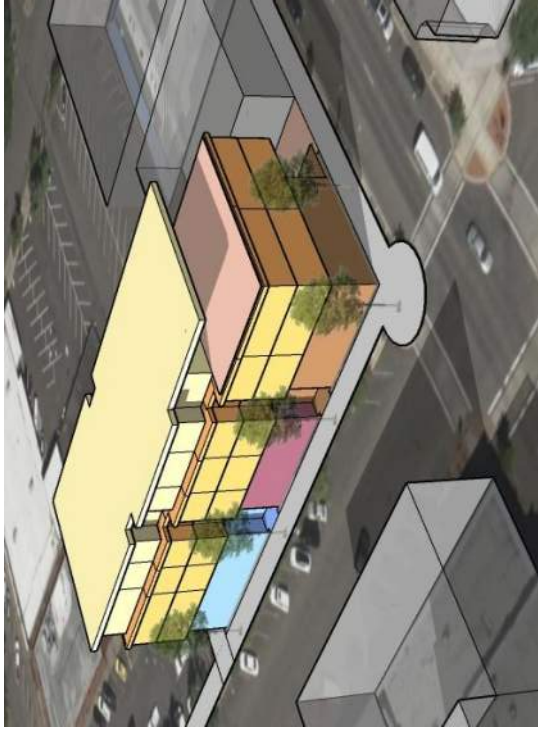
Scale = 1"=100'  
@ 8.5x11 print

2024



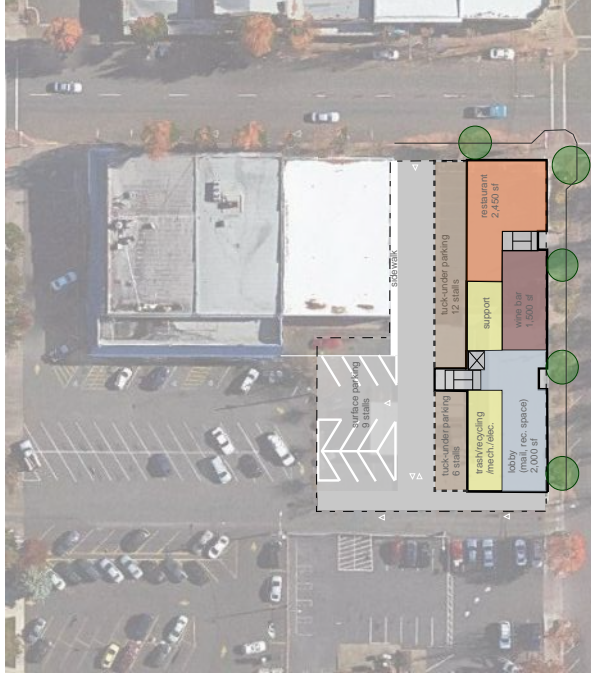
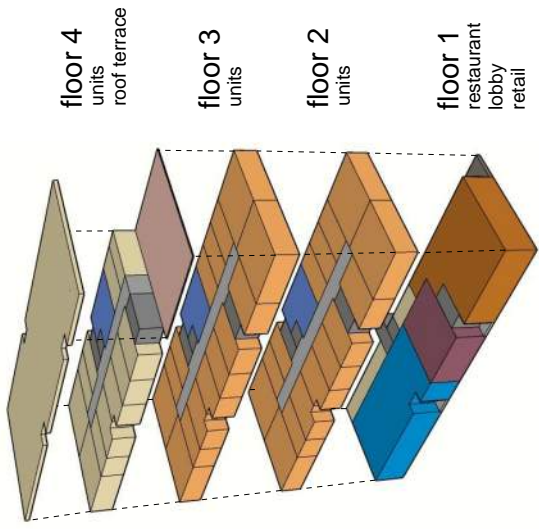
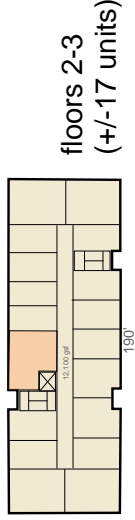
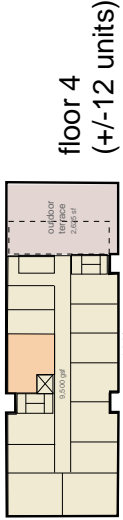


# Option 2A: Housing, Four Stories

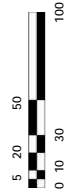


12 units / 4 flr.  
 17 units / 3 flr.  
 17 units / 2 flr.  
 0 units / 1flr.  
**47 total units**

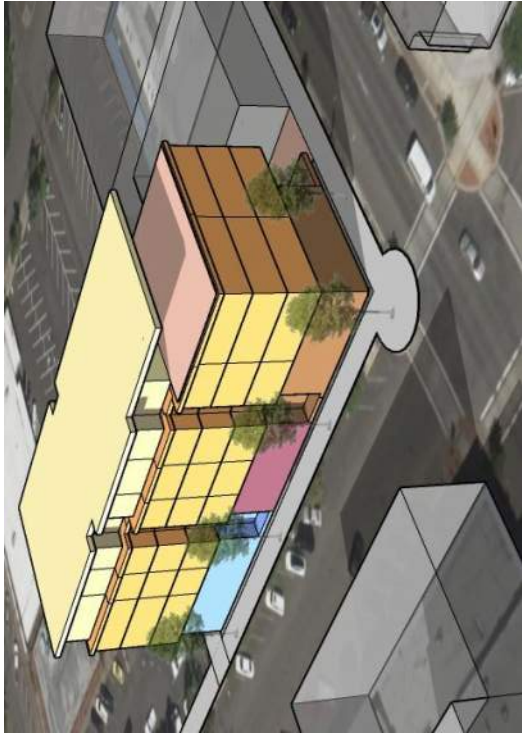
*off-street parking*  
 27 stalls; .57 stalls/unit



2024

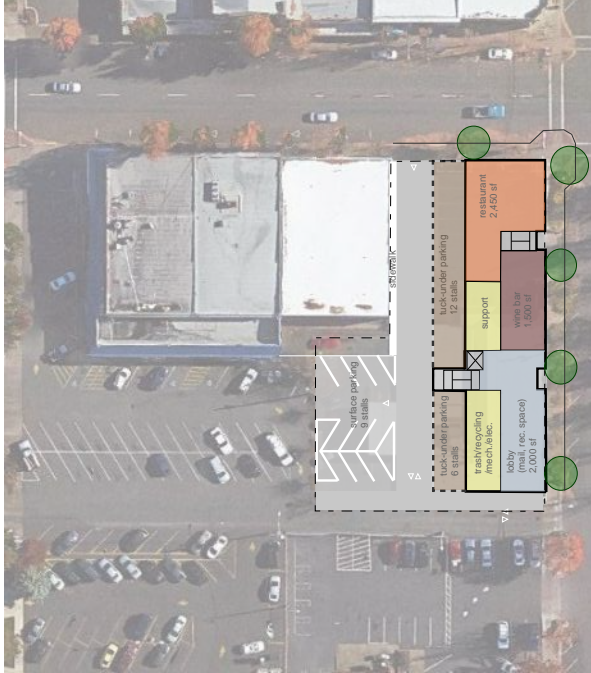
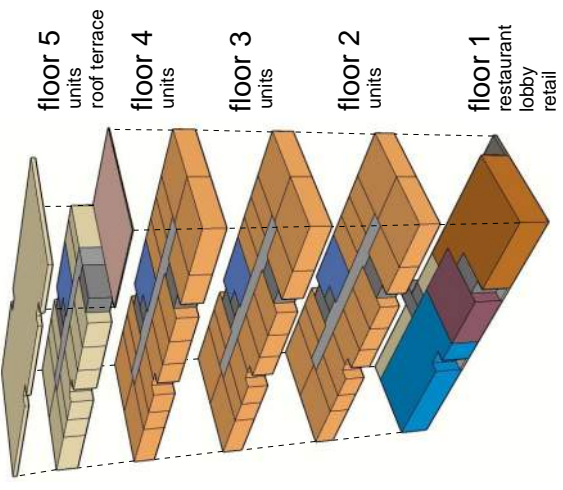
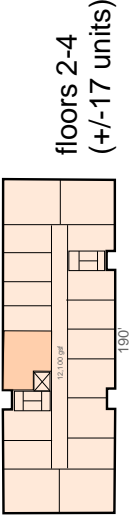
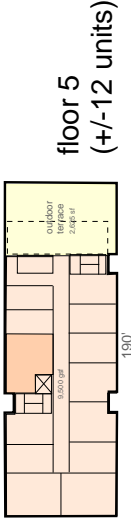


# Option 2B: Housing, Five Stories



- 12 units / 5 flr.
- 17 units / 4 flr.
- 17 units / 3 flr.
- 17 units / 2 flr.
- 0 units / 1flr.
- 63 total units**

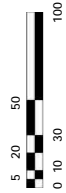
off-street parking  
27 stalls; .42 stalls/unit



2024

Scale = 1":100'  
@8.5X11 print

Scale = 1":500'  
@17X22 print





# Option 3: Dallas Wine Village



- Up to 16 food carts
- Beer & Wine tent
- Outside seating/dining
- 24 off-street parking spaces
- Additional on-street parking and potentially shared off-street parking on nearby properties

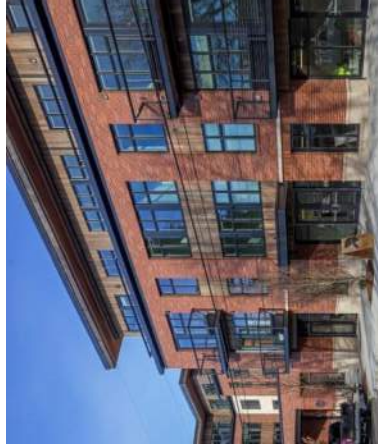


Scale = 1":100" @8.5x11 print  
 Scale = 1":50" @17x22 print  
 2024



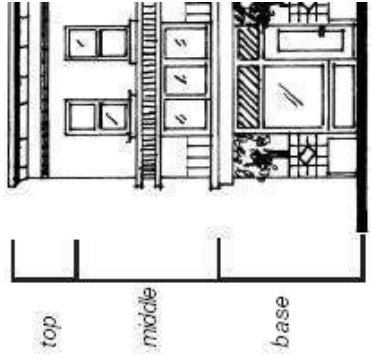
# Design Compatibility

One part of the preliminary vision for the site is that future buildings at 791 Main Street should be “**compatible with the surrounding historic district.**” In terms of building design, which of the following buildings do you think would be compatible with the historic surroundings and an acceptable addition to Downtown Dallas?



## Historic Downtowns – Design Features

Tripartite Design (Base, middle, top) with tall ground floor.



Angled/corner entrance



Large windows on ground floor



Signage that extends from building facade



Awnings that extend for shade, signage and rain protection



# Project Schedule

(Subject to Change)

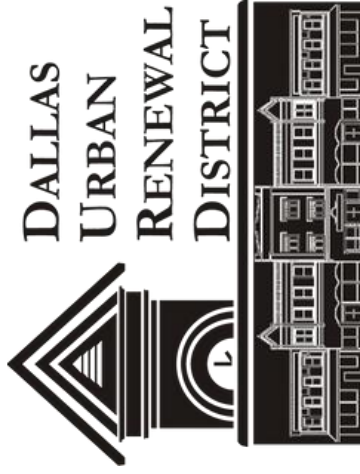
| Jun  | Jul | Aug | Sep | Oct | Nov | Dec | Jan '25 | Feb | Mar | Apr | May |
|--|-----|-----|-----|-----|-----|-----|---------|-----|-----|-----|-----|
| <b>Understand</b><br><i>Figuring out what's going on.</i>  |     |     |     |     |     |     |         |     |     |     |     |
| ★  |     |     |     |     |     |     |         |     |     |     |     |
| Site Visit   |     |     |     |     |     |     |         |     |     |     |     |
| <ul style="list-style-type: none"> <li>▪ Project Kick Off and Stakeholder Interviews</li> <li>▪ Zoning/Regulatory Review</li> </ul>  |     |     |     |     |     |     |         |     |     |     |     |
| ★  |     |     |     |     |     |     |         |     |     |     |     |
| Asterisks indicate key in-person events.   |     |     |     |     |     |     |         |     |     |     |     |
| <b>Explore</b><br><i>Trying out ideas, exploring options for the site.</i>   |     |     |     |     |     |     |         |     |     |     |     |
| ★  |     |     |     |     |     |     |         |     |     |     |     |
| Vision & Preliminary Design Diagrams   |     |     |     |     |     |     |         |     |     |     |     |
| <ul style="list-style-type: none"> <li>▪ Preliminary Design Concepts</li> <li>▪ Online Survey</li> <li>▪ <b>Public Open House</b></li> <li>▪ URDAC Meeting</li> <li>▪ UR Agency Meeting</li> <li>▪ Engineering Review</li> </ul>   |     |     |     |     |     |     |         |     |     |     |     |
| <b>Decide</b><br><i>Picking the option the community likes best.</i>   |     |     |     |     |     |     |         |     |     |     |     |
| ★  |     |     |     |     |     |     |         |     |     |     |     |
| Refined/Preferred Design Concepts  |     |     |     |     |     |     |         |     |     |     |     |
| <ul style="list-style-type: none"> <li>▪ Refined Design Concepts</li> <li>▪ Developer Outreach</li> <li>▪ Market Analysis</li> <li>▪ Online Survey</li> <li>▪ <b>Public Open House</b></li> <li>▪ URDAC Meeting</li> </ul>   |     |     |     |     |     |     |         |     |     |     |     |
| <b>Implement</b><br><i>Making it happen.</i>   |     |     |     |     |     |     |         |     |     |     |     |
| ★  |     |     |     |     |     |     |         |     |     |     |     |
| City Authorizes Developer RFQ/RFP  |     |     |     |     |     |     |         |     |     |     |     |
| <ul style="list-style-type: none"> <li>▪ Prepare Developer Request for Proposals (RFP) or Request for Qualifications (RFQ).</li> <li>▪ URDAC and UR Agency Meetings</li> <li>▪ Market Site and RFQ/RFP to Developers</li> <li>▪ Review Developer Submittals</li> <li>▪ Select Preferred Development Partner</li> </ul> |     |     |     |     |     |     |         |     |     |     |     |

# Your Thoughts Please!



- Is the vision statement shown on the Open House Boards tonight consistent with your vision for 791 Main Street in the future?
- What are you most excited about seeing at the 791 Main Street site in the future?
- Which of the four design options do you like best and why?
- What else do you want the project team to know?

# 791 MAIN ST. COMMUNITY SURVEY SUMMARY



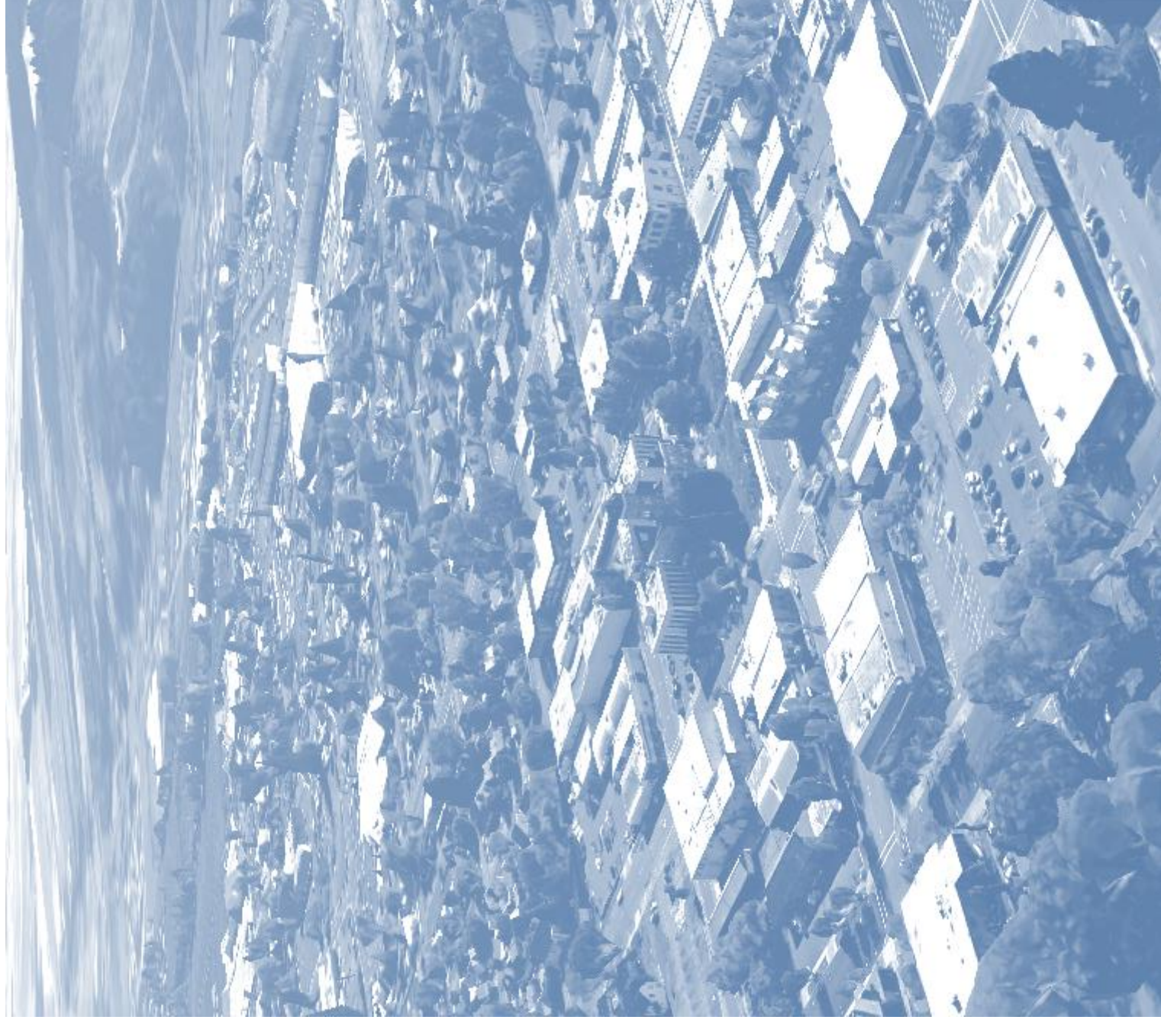
LRS Architecture  
Ethos Hospitality



# Introduction

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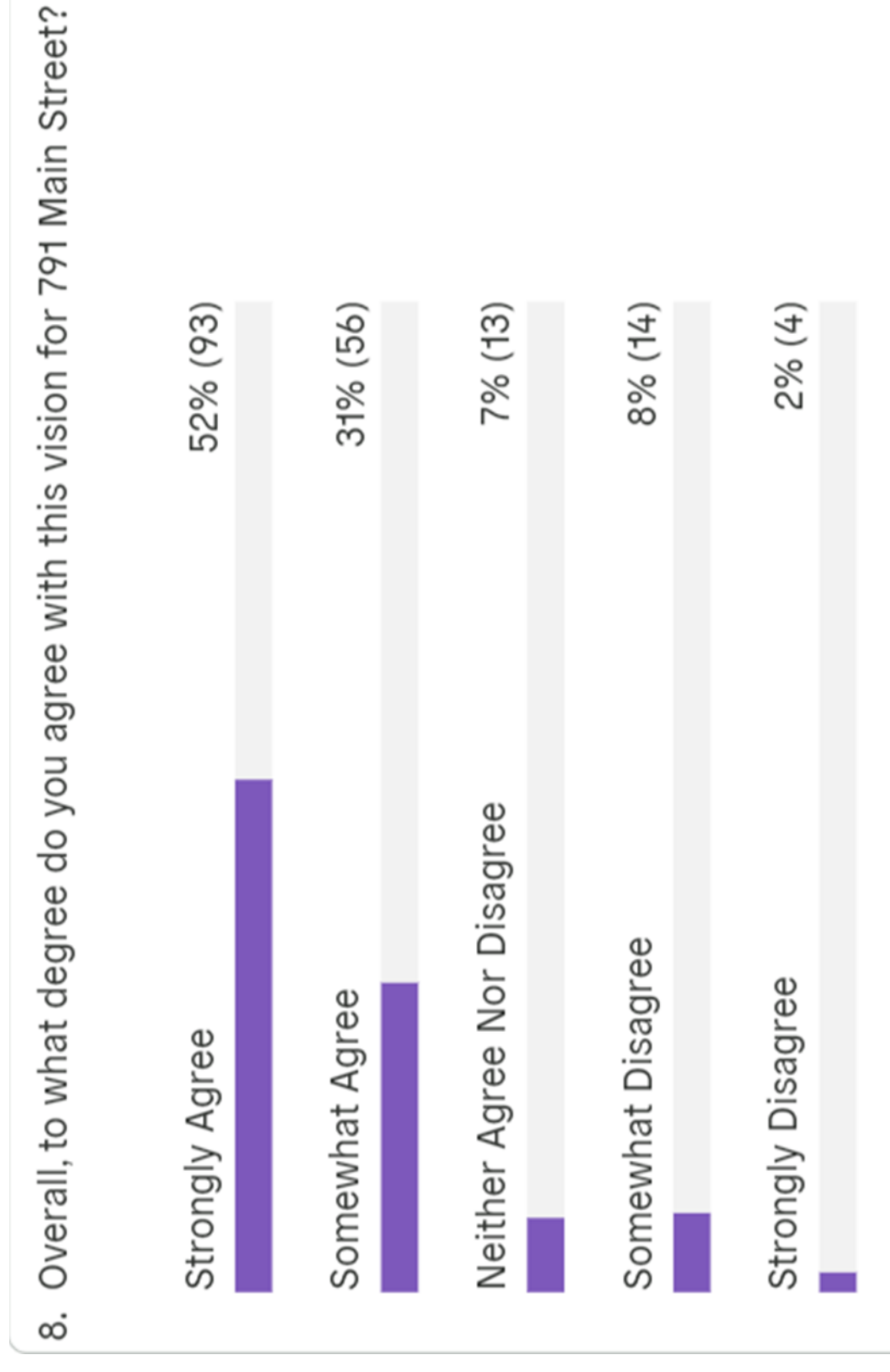
- From August 21 to September 18, 2024, the City hosted an online survey about the 791 Main Street project.
- **This presentation summarizes the main results of the survey.**
- The purpose was to get the public's opinions about various aspects of the project, including the project vision, specific uses within future buildings on the site, design concepts, design features, and other issues.
- **184 respondents** completed the survey, which is similar to the response levels the City has had for other surveys on important projects. (Note that not all respondents answered all questions, in which case the number of responses is less than 184. In some cases, respondents were allowed to provide multiple answers to questions, so the total number of responses exceeds 184.)
- The questions were prepared by the City and consultant Forum Placemaking, based on site design concepts prepared by LRS Architects.
- The City and consultant team also gathered other feedback for this project via a **public open house, stakeholder interviews, and a presentation to the URDAC.**



# Vision Statement Feedback

- Survey respondents were provided with the following six vision statements for what a future building at 791 Main Street could be:
  - A multi-story, mixed-use building, with restaurant or retail uses on the ground floor, and lodging (hotel) or housing above.
  - A timeless, high-quality, well-designed building that is compatible with the surrounding historic district.
  - Attract more people and activity downtown and continue to revitalize downtown Dallas.
  - An economic asset, for example, by generating tax revenue on the site and catalyzing investment elsewhere in downtown.
  - An iconic gateway into downtown.
  - A place for both locals and visitors.

**83 percent of respondents either strongly agreed or somewhat agreed with this vision statement.**





# Vision Statement Feedback

Which of the following statements best reflects your vision for 791 Main Street?

Pickup to three.

Most popular:



Be a place for both locals and visitors.



Also popular:



Be a timeless, high-quality, well-designed building that is compatible with the surrounding historic district.



Be an economic asset, for example, by generating tax revenue on the site and catalyzing investment elsewhere in downtown



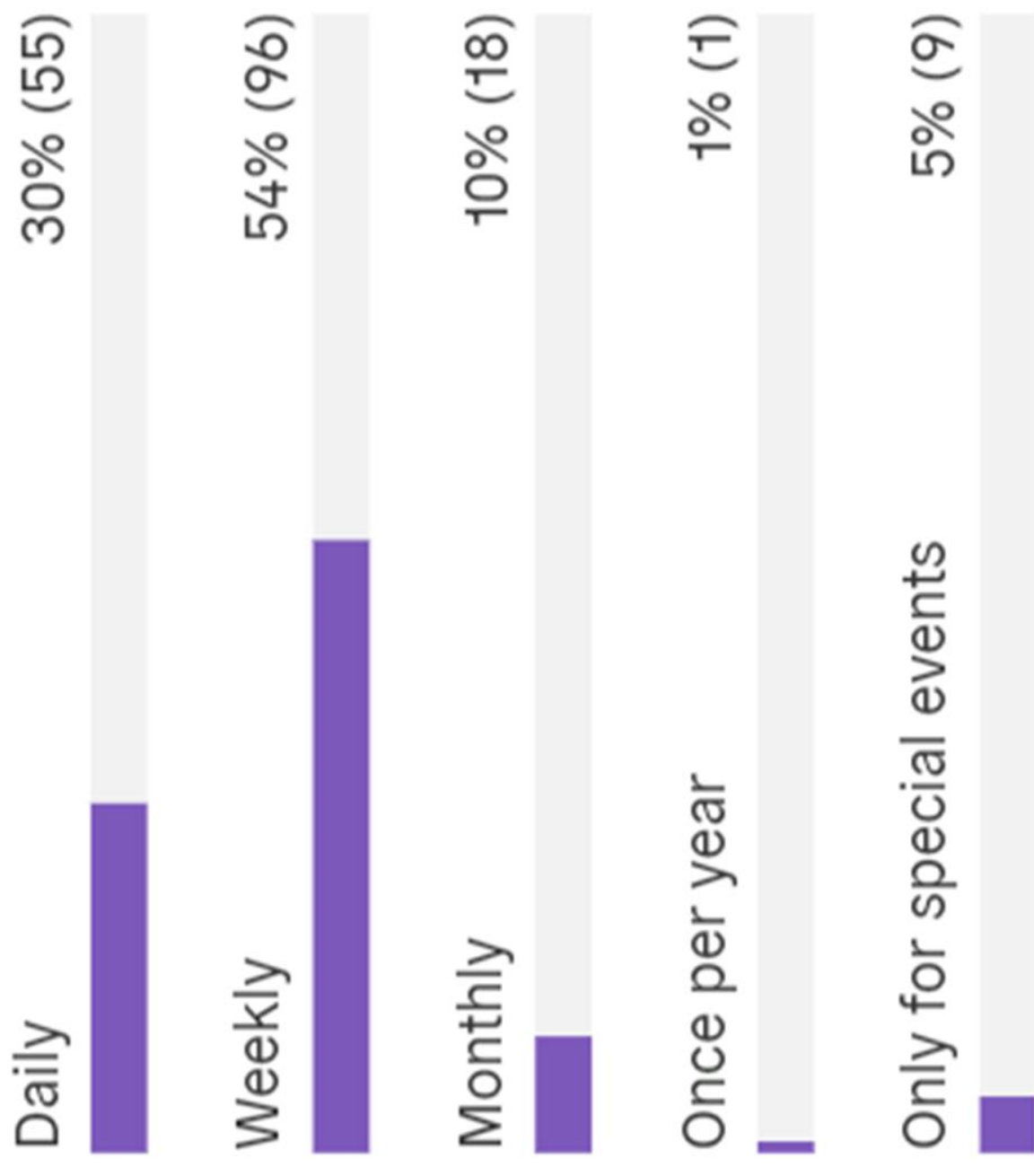
Serve as an iconic gateway into downtown.



# Downtown Visitation

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I go to Downtown Dallas:



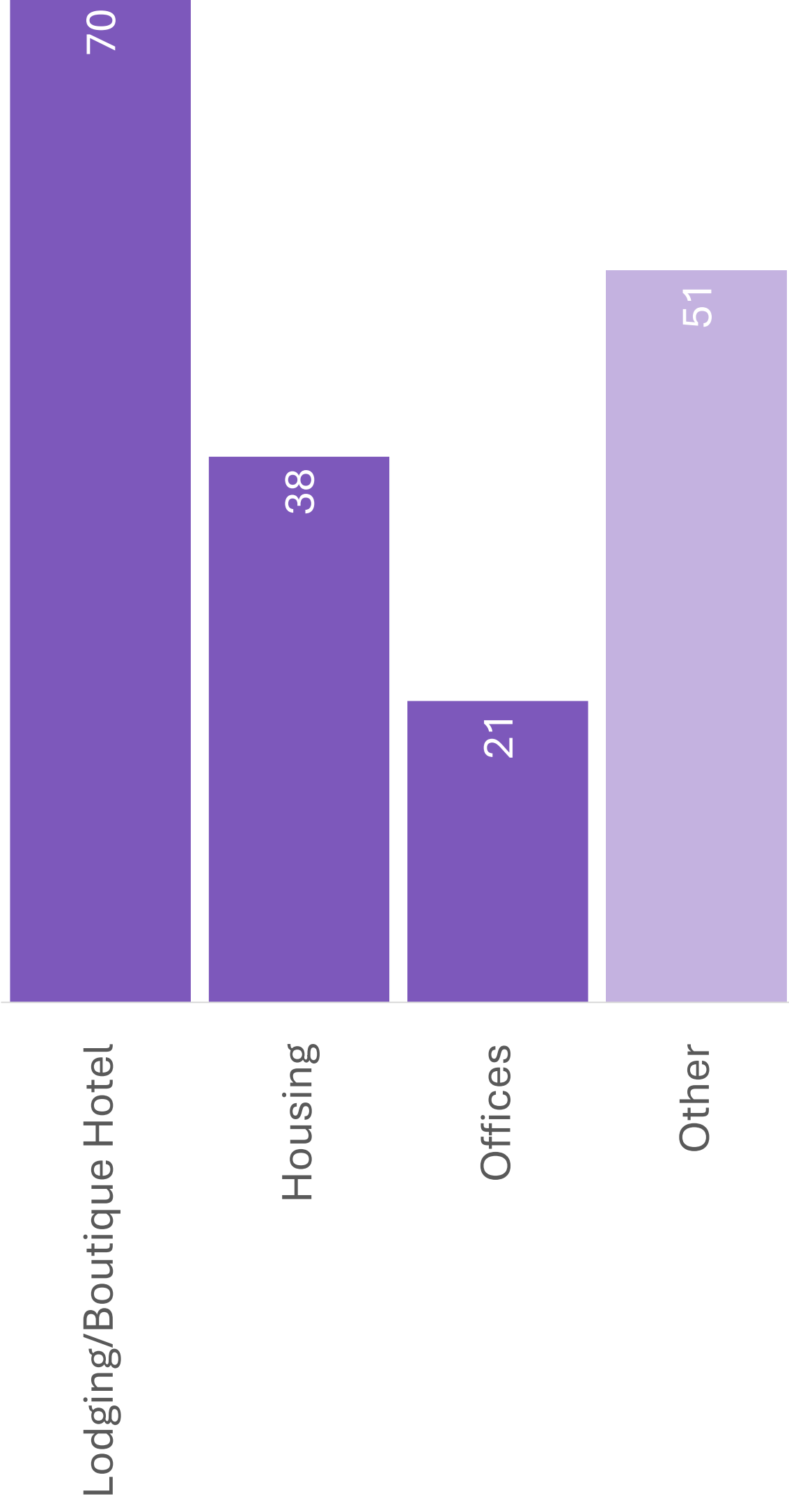
# Building Uses

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Which of these uses would you prefer to see on the upper stories of a future building at 791 Main Street?

Lodging is the preferred use for upper stories, by a significant margin; lodging is about 84% more popular than housing.

Other uses are also desirable; however, the types of other uses provided by participants ranges widely.



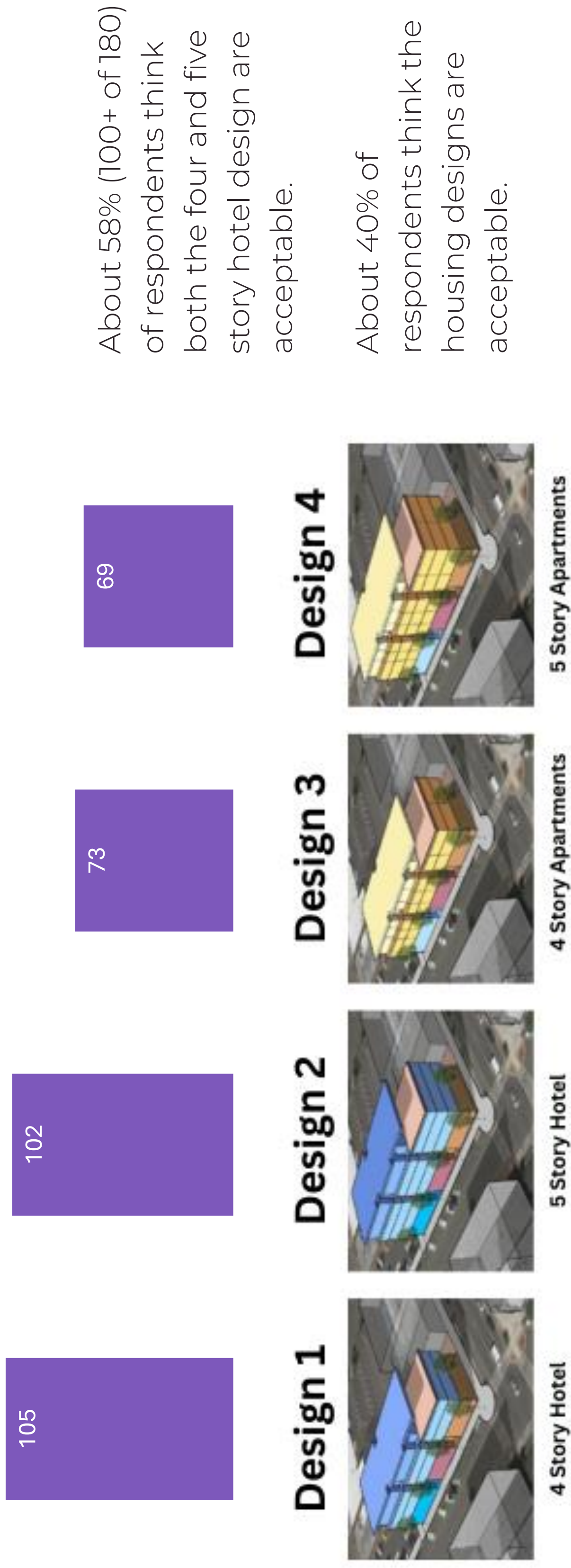
# Best Design Concept?

Q13: “Which of the preliminary design concepts shown above best matches what you would like to see at 791 Main Street? (Pick one.)”



# Acceptable Design Concepts?

Q14: “Which of the preliminary design options shown above would be *acceptable* to you at 791 Main Street?”



About 58% (100+ of 180) of respondents think both the four and five story hotel design are acceptable.

About 40% of respondents think the housing designs are acceptable.



# Site Design Features

Participants were provided with images of the potential features shown below, representing the types of features that site could include once it is redeveloped.

Ground floor  
Retail/commercial space.



Ground floor  
Restaurant.



Outside Dining



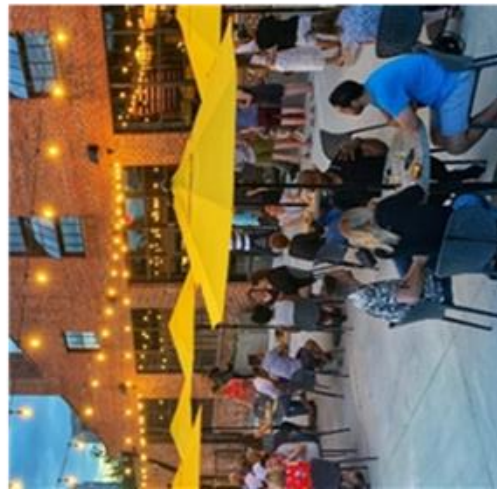
Wine tasting room  
featuring the wines of Polk County.



Outside Dining  
on the Mill St. sidewalk



A plaza that is open to the  
public.



Rooftop Deck.



Public access to the mural on  
north side of the property.



Widening the sidewalk on Mill  
to match the design on the south side of  
Mill Street (shown below).

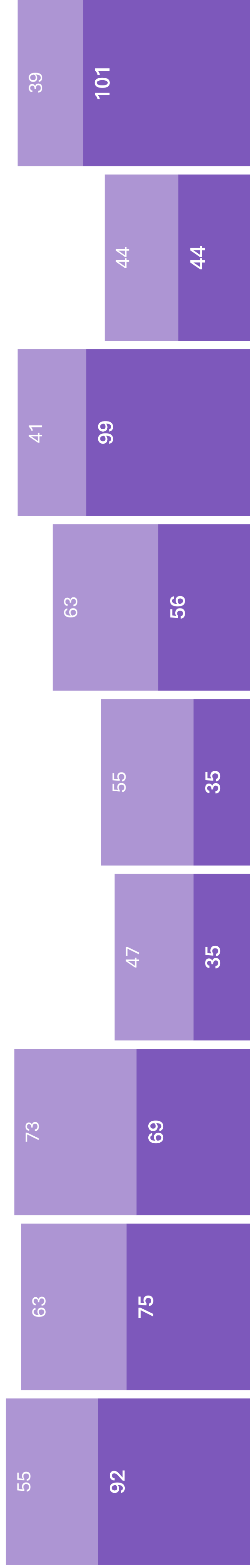




# Site Design Features

Should the feature shown above be included in a future building at 797 Main Street?

■ Yes, definitely
 ■ Yes, this would be nice to have, but not necessary



Ground floor Retail/commercial space.



Ground floor Restaurant.



Outside Dining



Wine tasting room featuring the wines of Polk County.



Outside Dining on the Mill St. sidewalk



A plaza that is open to the public.



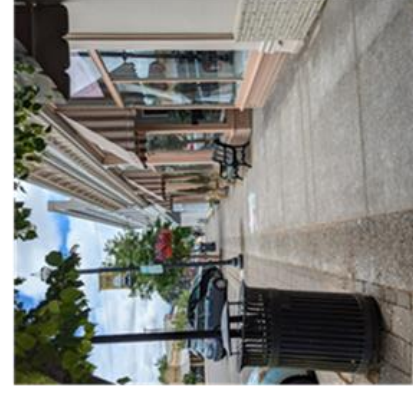
Rooftop Deck.



Public access to the mural on north side of the property.



Widening the sidewalk on Mill Street (shown below) to match the design on the south side of Mill Street.

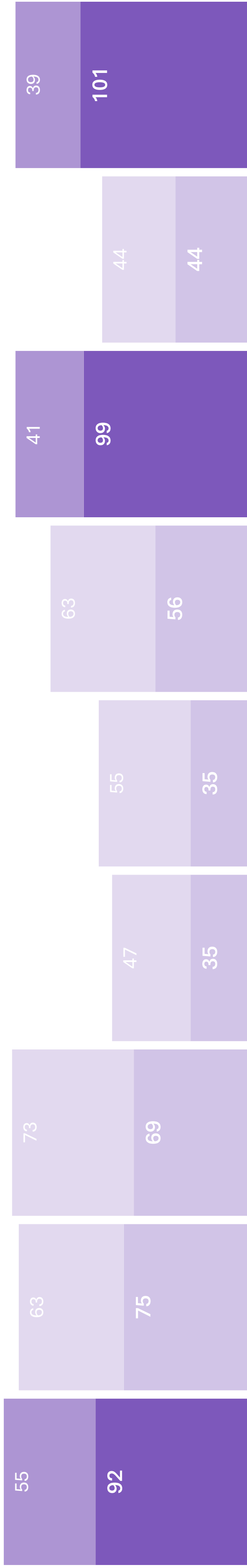




# Site Design Features

Respondents think the most important features to include are ground floor retail/commercial space, a rooftop deck, and widened sidewalk on Mill Street.

■ Yes, definitely     ■ Yes, this would be nice to have, but not necessary



|                                       |  |                          |  |                |  |   |  |   |  |                                     |  |               |  |   |  |  |  |
|---------------------------------------|--|--------------------------|--|----------------|--|---|--|---|--|-------------------------------------|--|---------------|--|---|--|--|--|
| Ground floor Retail/commercial space. |  | Ground floor Restaurant. |  | Outside Dining |  | Wine tasting room featuring the wines of Polk County. |  | Outside Dining on the Mill St. sidewalk |  | A plaza that is open to the public. |  | Rooftop Deck. |  | Public access to the mural on north side of the property. |  | Widening the sidewalk on Mill Street to match the design on the south side of Mill Street (shown below). |  |
|---------------------------------------|--|--------------------------|--|----------------|--|---|--|---|--|-------------------------------------|--|---------------|--|---|--|--|--|

Top 3

Top 3

Top 3

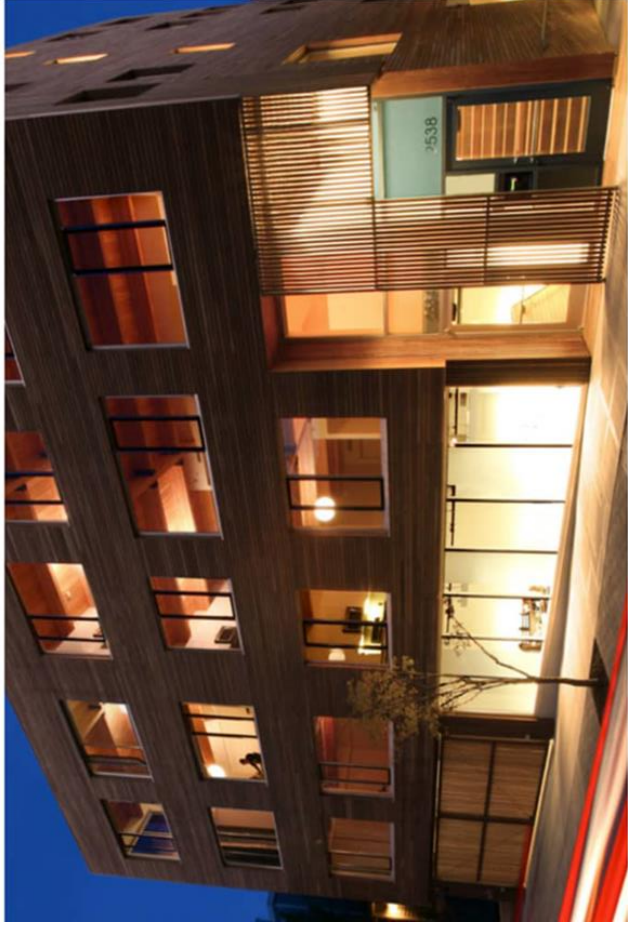
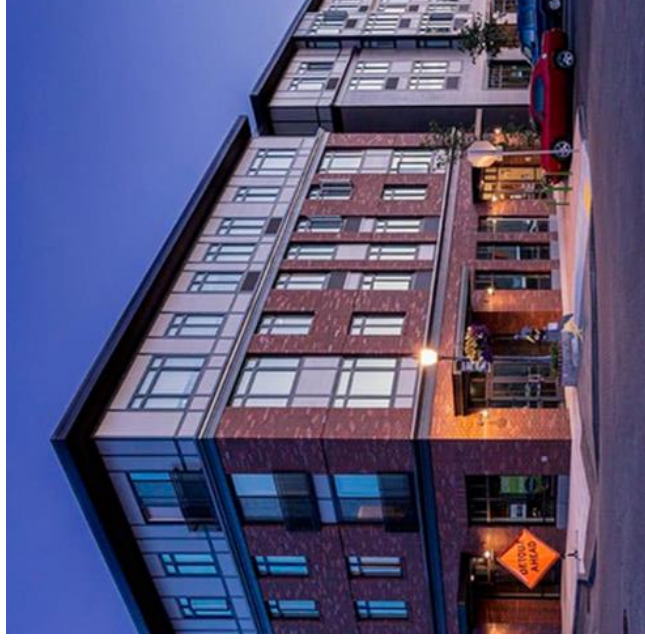


# Compatibility

---

One part of the preliminary vision for the site is that future buildings at 791 Main Street should be “compatible with the surrounding historic district.”

Questions 25 to 29: “In terms of building design, which of the following buildings do you think would be compatible with the historic surroundings and an acceptable addition to Downtown Dallas?”



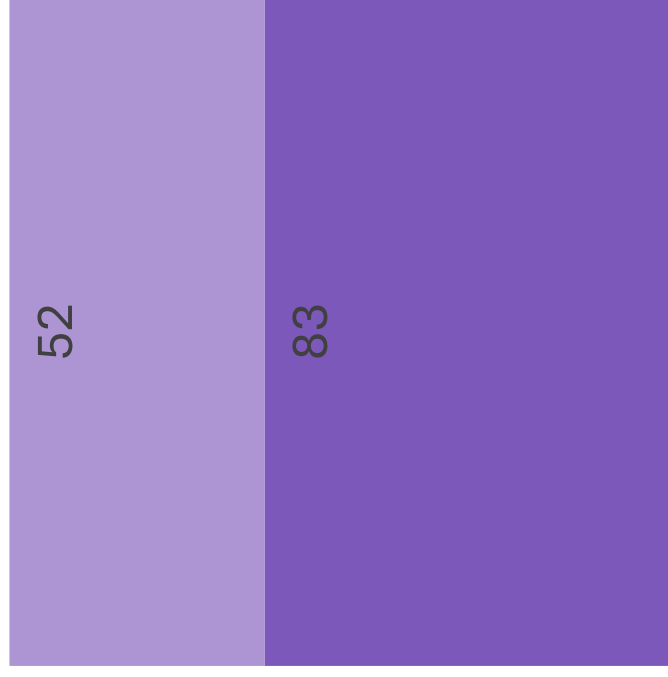


# Compatibility

The chart below shows the number of respondents that view each building as either very or somewhat compatible, and the percent (e.g., 73% of 184 respondents view the building at left as either very or somewhat compatible.) Dallas residents clearly see the Atticus Hotel, shown at left and located in Downtown McMinville, as the most compatible. About 45% of respondents see a range of different design styles and materials as “compatible,” including some “modern” design (image 2) and high-quality wood (2 and 4).

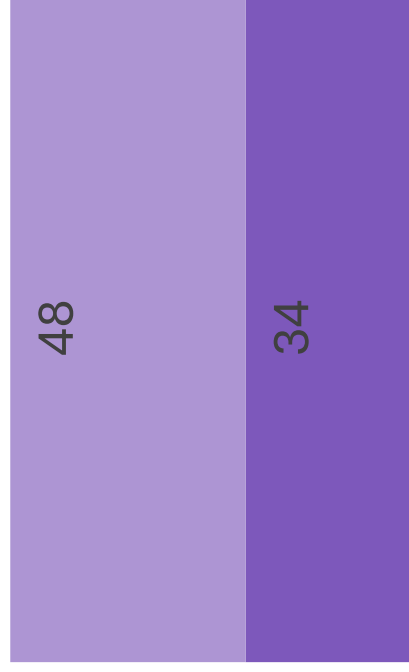
■ Very compatible ■ Somewhat compatible %

73%



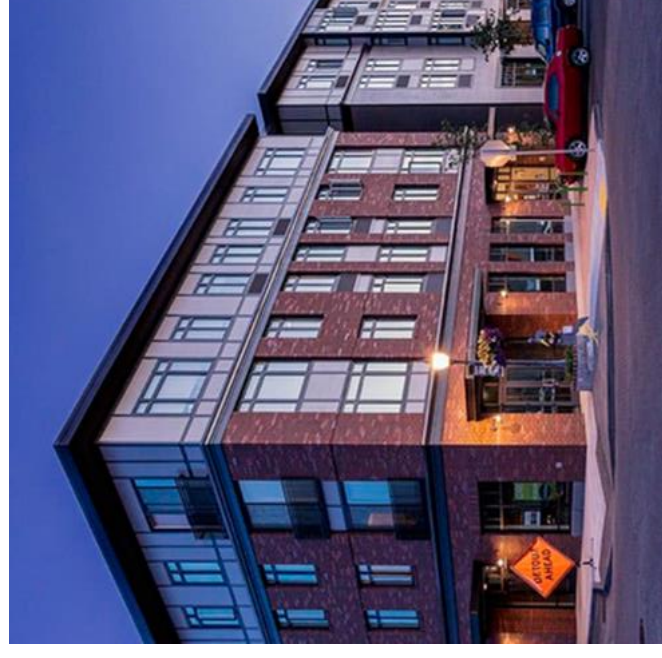
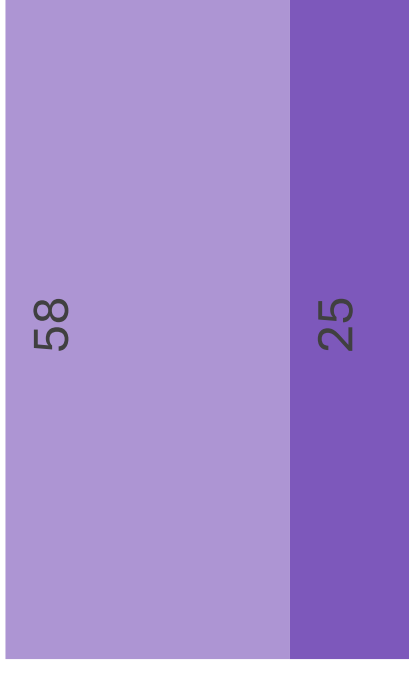
1

45%



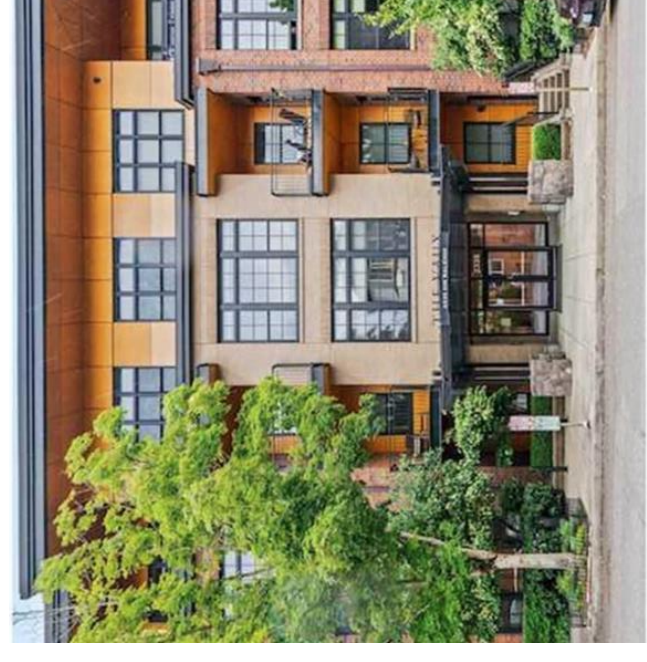
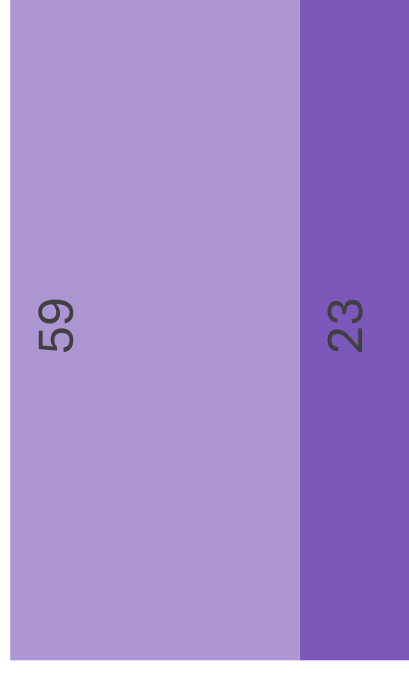
2

45%



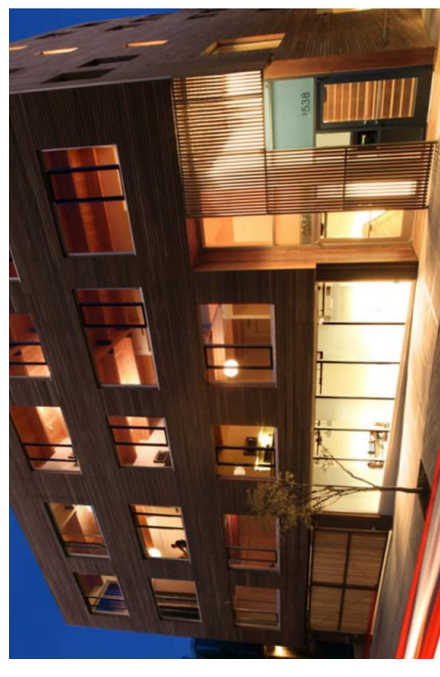
4

45%



4

20%



13

# 791 MAIN ST. COMMUNITY SURVEY SUMMARY



Forum Placemaking

LRS Architecture  
Ethos Hospitality



**DRAFT**



791 Main Street

# Hotel and Housing Market Analysis

October 24, 2024



Forum Placemaking  
LRSArchitecture

Ethos Hospitality  
PBS Engineering



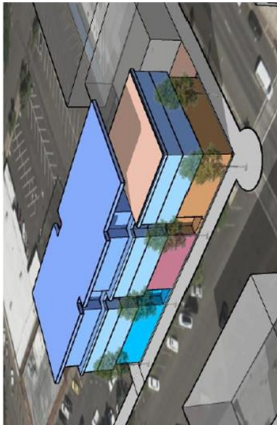
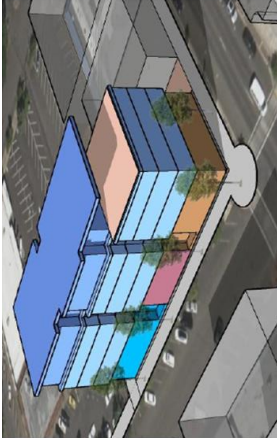


# Contents

- Introduction and Executive Summary
- Hotel Market Analysis
  - Strengths
  - Challenges
- Housing Market Analysis
  - Strengths
  - Challenges
- Conclusions and Recommendations

# Executive Summary

# Site Development Options

Throughout the summer of 2024, the team’s analysis focused on four different design options, shown below. As of October 2024, several additional options are being studied (not shown below).

| Option 1A   | Option 1B  | Option 2A   | Option 2B  |
|---|--|---|--|
| Hotel<br>4 stories  | Hotel<br>5 stories   | Housing<br>4 stories  | Housing<br>4 stories   |
|  |  |  |  |
| Hotel Rooms<br>or Apartment Units   | 63   | 47  | 63   |
| Parking Stalls  | 18   | 27  | 27   |
| Parking Ratio<br>(Stalls/Unit)  | 0.4  | 0.6   | 0.4  |



# Building a mixed-use hotel on the site will be challenging, but it is within the “margin of effort.”

## Key Strengths

- Dallas’ community vision
- Worldwide tourism interest in the Willamette Valley
- Developer interest in hotels in Willamette Valley
- Metrics achieved and targeted (ADR, Occupancy, and RevPAR) at other boutique hotels, particularly the Atticus and planned Downtown Dayton hotel
- Unique wineries, historic downtown, Baskett Slough, and other amenities in Dallas and Polk County

## Key challenges

- High interest rates and stringent lending standards
- Low occupancy at Independence Hotel, particularly for weekly/business travel, occupancy decreased further following WOU enrollment declines.
- Downtown Dallas is not yet a tourist destination



The city should be able to attract a quality hotel developer to the site, but staff and consultant effort, investments, and patience may be necessary.

# Building mixed-use housing on the site will be challenging, but it is within the “margin of effort.”

## Key Strengths

- Dallas is growing rapidly, and many of the new residents are middle and upper-income households.
- Dallas has high levels of white collar employment, 65+ aged households, and 1 and 2 person households.
- Recent downtown, mixed-use housing projects have been completed in Independence, Monmouth, Canby, and other small- and mid-size cities in Oregon.

## Key Challenges

- Mixed-use, infill, podium projects cost more and therefore require higher rents in order to pencil.
- Dallas’ current rents, and the rents at recent housing projects in Independence, are significantly lower than developers would expect for a new project at 791 Main Street.
- Dallas has relatively few households in their 20s and 30s—the primary rental housing age groups.
- More than 700 apartment units are planned for Dallas between 2024 and 2030. This significant new supply could drive down rental rates and increase vacancies.



The city should be able to attract a quality mixed-use housing developer to the site, but staff and consultant effort, additional public investments, and patience may be necessary.

# Our conclusions and recommendations for the site and downtown Dallas include:

- Building either mixed-use housing or a hotel on the site will be challenging. Hotel development will probably be somewhat more difficult.
- Nonetheless, the City should aggressively market the site to development teams via in 2025, via direct outreach and a Request for Qualifications (RFQ). An RFQ and marketing are a part of the consultant team’s current scope of work. The City should seek proposals from developers of mixed-use hotel and housing projects, and potentially developers with other concepts for the site such as a “wine village”.
- The ideal development team may need to include one or more well-capitalized and/or local equity investors with patient capital, following the model in Dayton and other locations.
- A future hotel at 791 Main Street should celebrate the best of Dallas, Polk County, and Willamette Valley, by considering how to incorporate themes such as the unique Courthouse Square, cross laminated timber, birding and butterflies, quilting, Cynthia (an original name of Dallas) or Zephyria (the western wind, e.g., of the Highway 22/Van Duzer wine corridor).
- The City should take a big-picture and long-run view of its return on investment.
- Additional city investments vis-à-vis the site may be required in the near term (see “incentives” below), but over the long term, the City can get a large return on its investments, via future lodging and property taxes, other taxes and fees, tourist and/or resident spending, downtown revitalization, etc.
- The City should be prepared to use various incentives and tools in order to attract developers and make development feasible.
- The City should combine redevelopment of 791 Main Street with other efforts that can encourage ongoing revitalization and reinvestment throughout Downtown Dallas, including continuing to adaptively reuse historic buildings, attracting desirable businesses to downtown, making downtown more family-friendly, and evaluating how use of Courthouse Square can be maximized.



# Methodology

- Team
  - Brian Vanneman, Forum Placemaking
  - Eric Aebi, Ethos Hospitality
  - Bob Boileau, LRS Architecture
  - 90+ years of experience, including built hotels, housing, and other projects
  - Active in Pacific Northwest real estate development and urban planning industries, \$500+ million in completed public-private partnerships
- Outreach / Engagement
  - Interviews with local stakeholders
  - Online Community Survey – 180 respondents
  - Public Open House, September 4
  - Interviews with hotel and housing developers
- Data sources
  - US Census, Travel Oregon, STR, Costar, Social Explorer, other
  - Tours of projects in Monmouth, Independence, McMinnville, elsewhere

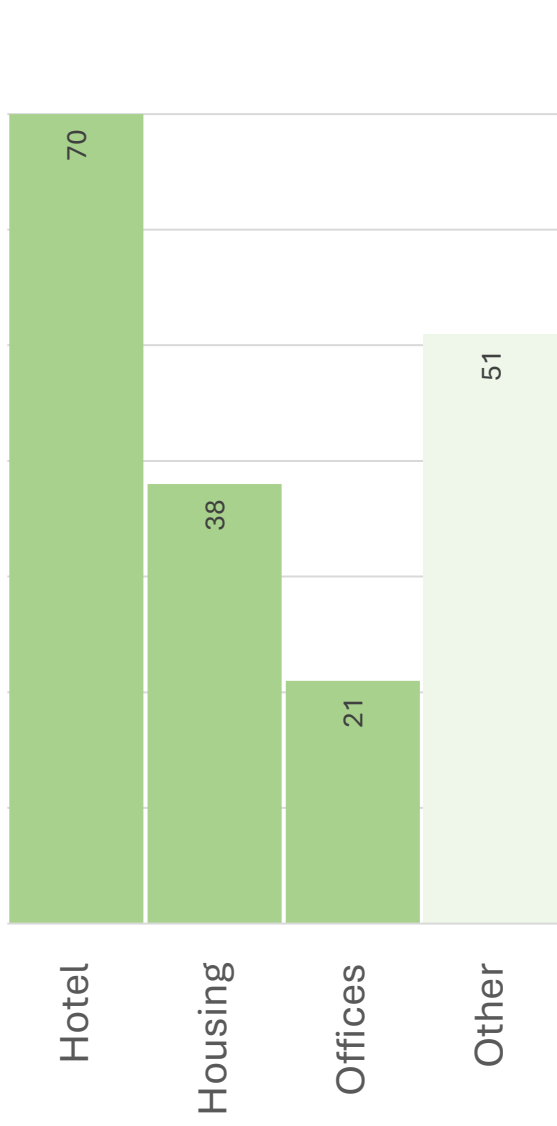
# Hotel Market Analysis



# **Strengths** Of the Market and Site For a Future Hotel Project

# A hotel at the site is the top choice of the Dallas community.

Which of these uses would you prefer to see on the upper stories of a future building on 791 Main Street?



Source: City of Dallas online survey, September 2024.

Compared to other uses on the site, a hotel has several distinct advantages.

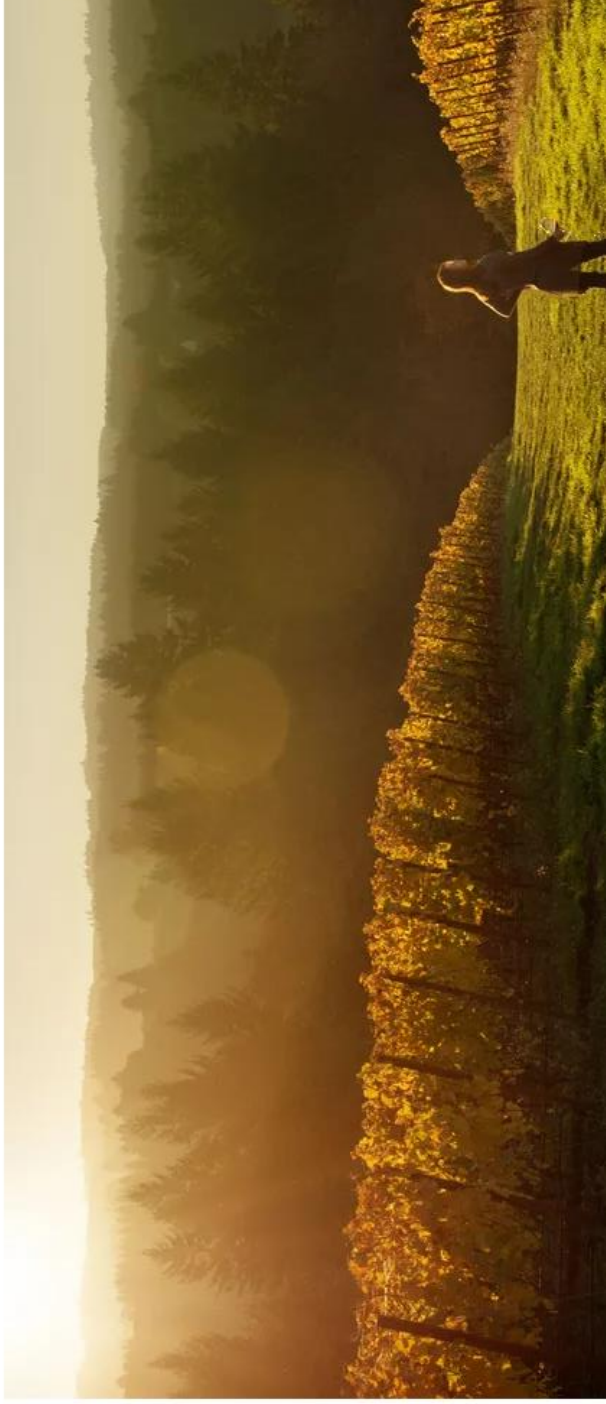
|  | <b>Hotel</b><br>Above Active<br>Ground Floor | <b>Housing</b><br>Above Active<br>Ground Floor |
|--|--|--|
|  | 40 to 60 rooms                               | 40 to 60 units                                 |
| Community Vision                       | Top choice                                   | Second choice                                  |
| Fiscal Impacts                         | Property Tax                                 | Property Tax                                   |
|  | Lodging Tax (TLT)                            | -  |
|  | Impact Fees,<br>Utility Tax, Others          | Impact Fees,<br>Utility Tax, Others            |
| Spending                               | \$\$\$                                       | \$\$   |
| Ground Floor Restaurants<br>and Retail | Likely                                       | Possible                                       |
| Educational Potential<br>(Chemeketa)   | ▼  |  |



Travelers from around the country and around the world are increasingly traveling to the Willamette Valley to taste wine and have an exceptional experience.

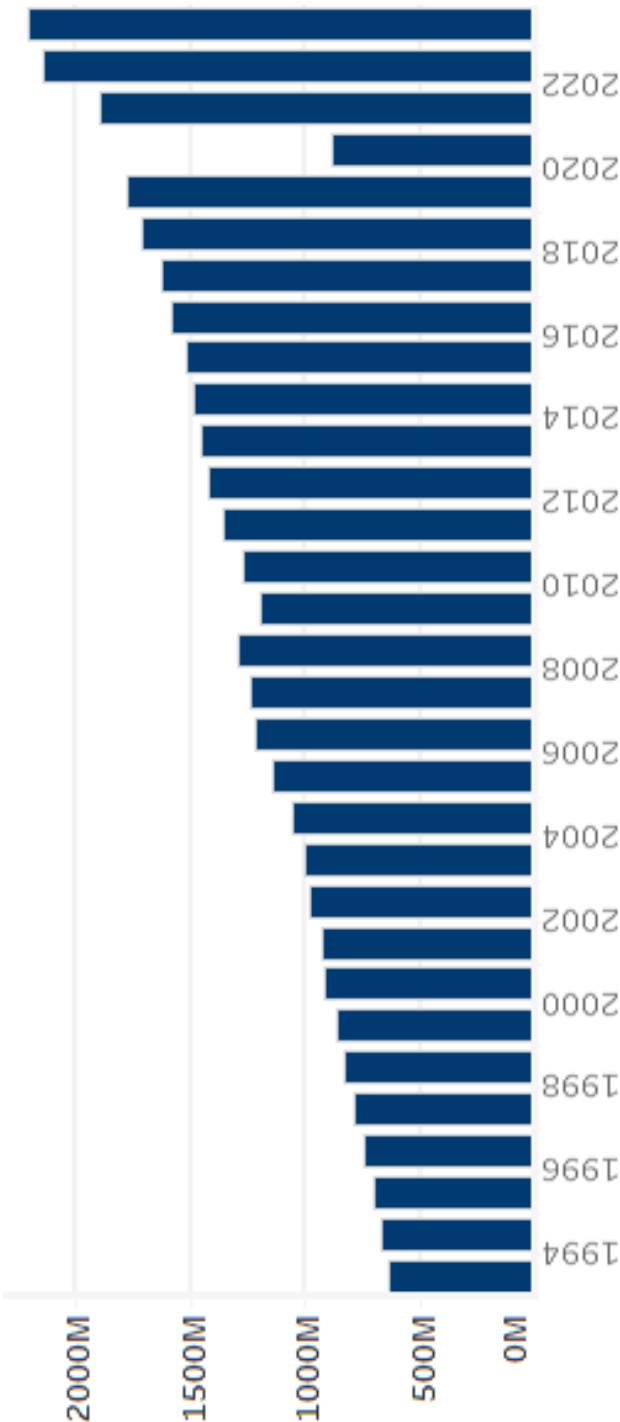
## **Time magazine adds Oregon's Willamette Valley to 2023 list of World's Greatest Places**

*The list called the Willamette Valley "the next Napa," praising the area's impressive and extensive winery scene.*



Travelers from around the country and around the world are increasingly traveling to the Willamette Valley.

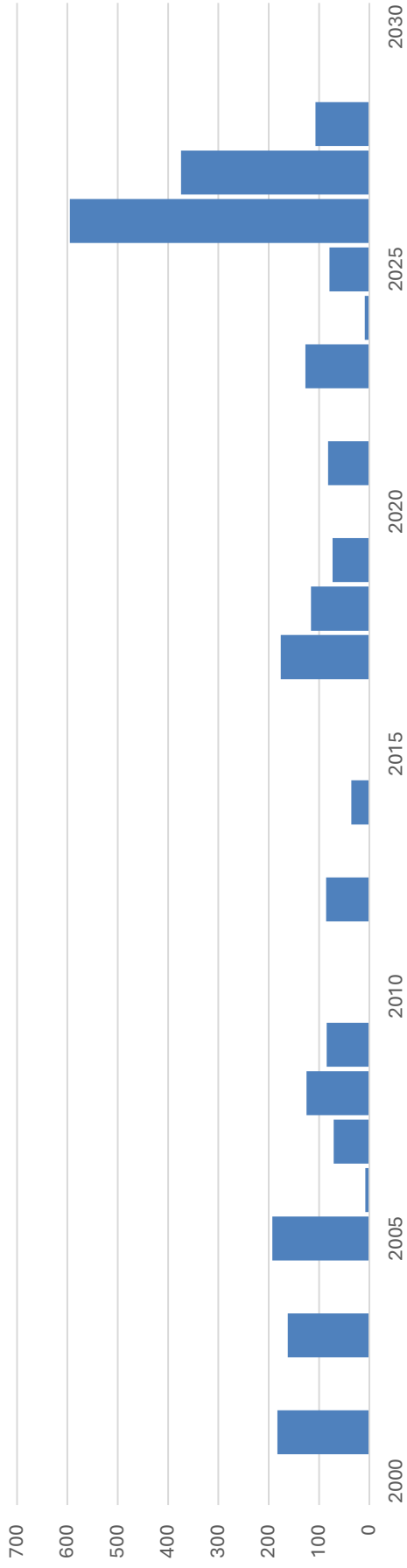
**Visitor Spending on Accommodations, Willamette Valley Region**



Source: Travel Oregon, <https://www.travelstats.com/dashboard/oregon>

# A hotel development boom is underway in the Willamette Valley, in response to increased interest in visiting Oregon’s wine country.

Number of Hotel Rooms Built by Year in Polk, Benton, Marion, and Yamhill Counties, 2000 to 2030

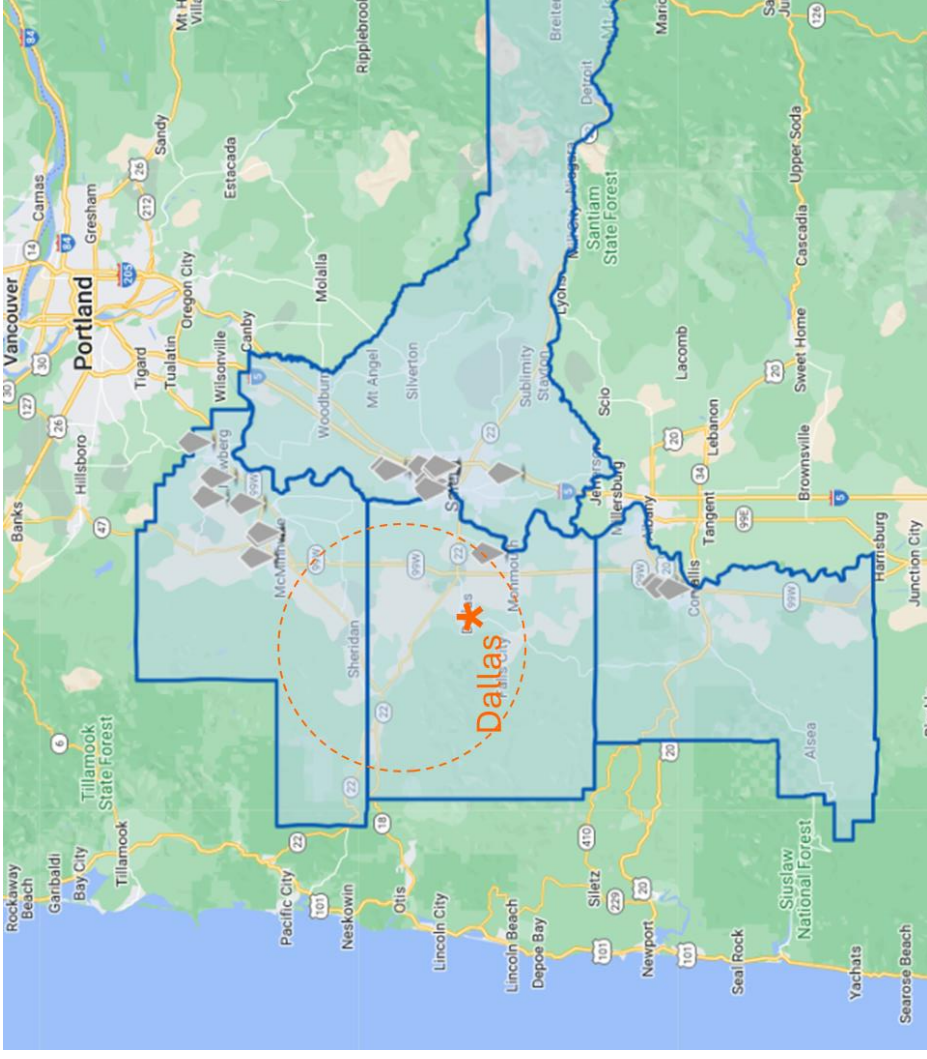


Source: CoStar.



Despite all the hotel development that has taken place over the past decade, no new hotels have been added between McMinnville and Independence, i.e., in Southern Yamhill and Northern Polk Counties.

Hotels Built 2014 to Present, Including Under Construction and Planned  
Polk, Benton, Marion, and Yamhill Counties



Source: CoStar.

There are numerous unique, independent hotels located in Oregon that offer special local experiences and significantly outperform “commodity” franchise hotels.

Atticus room rates are \$440/night for king rooms in November 2024.



- Small-City Boutique Hotel Comp Set
- Atticus Hotel, McMinnville
  - The Independence, A Trace Hotel
  - Holman Riverfront Park Hotel Salem, Tapestry Collection by Hilton
  - Headlands Coastal Lodge & Spa, Pacific City
  - The Oxford Hotel, Bend
  - Cannery Pier Hotel & Spa, Astoria
  - The Ocean Lodge Cannon Beach

# A new, luxury hotel is planned for Downtown Dayton, Oregon, with room rates (ADR) around \$300 per night.

This planned hotel illustrates several important points about hotel development in the Willamette Valley.

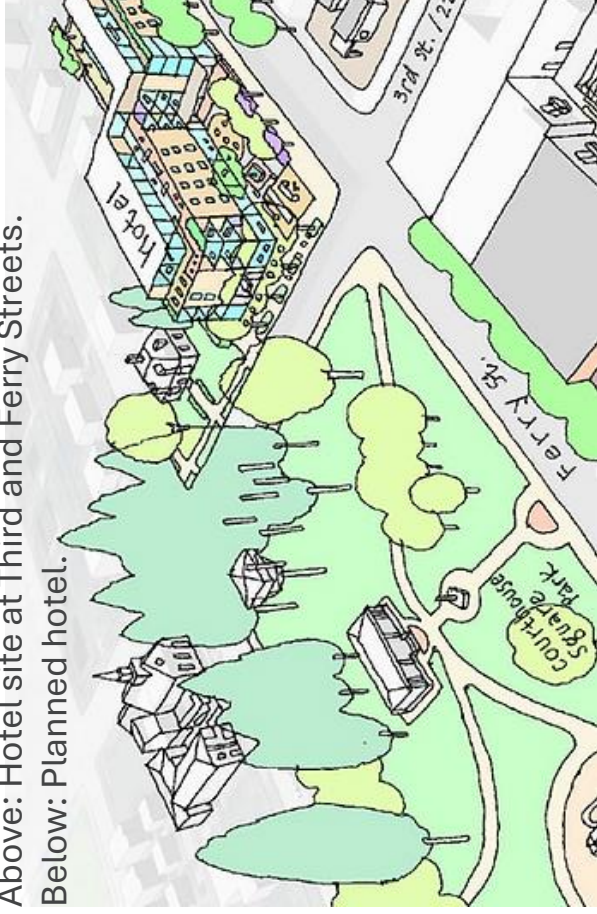
First, there is significant developer interest at a range of hotel classes, from midscale to luxury. Developers appear willing to make a bet on historic downtown locations that are not yet established as tourist destinations. Dayton is not that much closer to Portland (55 vs 70 minutes to Dallas), and Downtown Dayton does not have the historic character of Dallas.

However, this hotel benefits from the unwavering support—financial and otherwise—of Bill Stoller, a wealthy entrepreneur and winemaker based just minutes from downtown Dayton.

Source: Interviews;  
<https://www.spokesman.com/stories/2020/may/04/great-northwest-wine-oregon-vintner-stoller-rescue/>; <https://www.hughdev.com/projects>



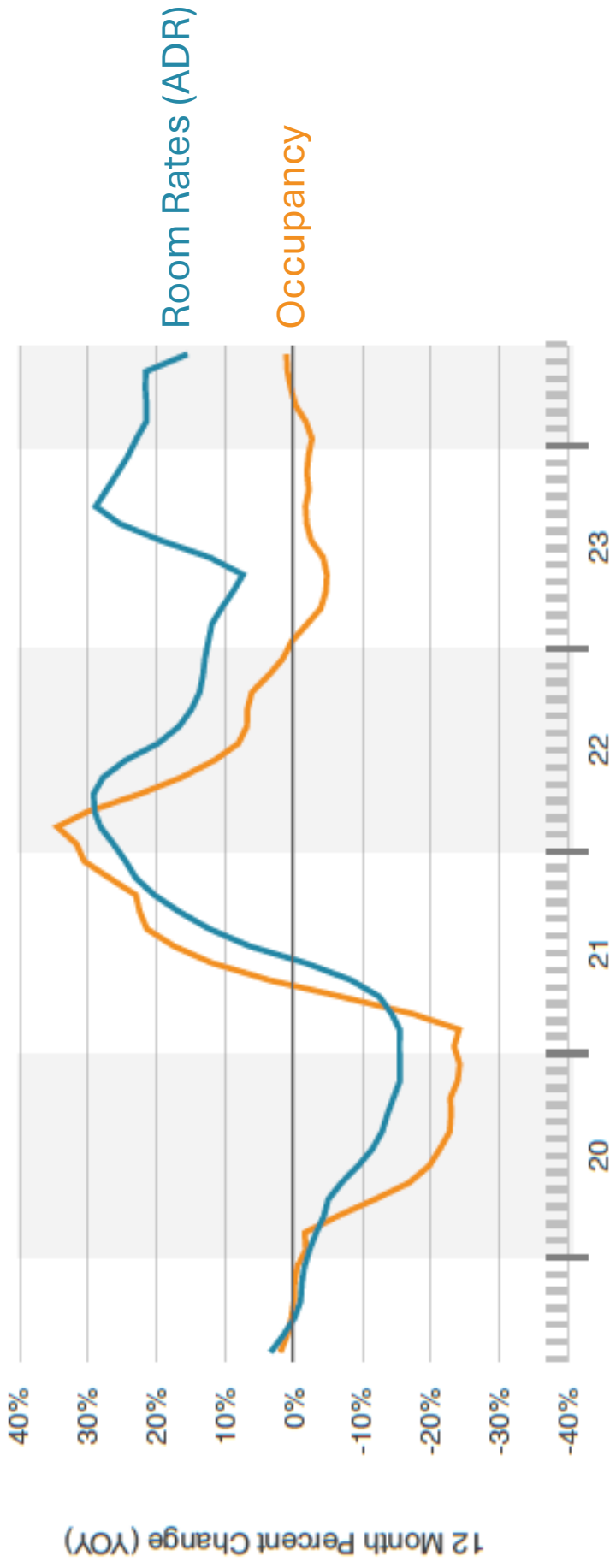
Above: Hotel site at Third and Ferry Streets.  
Below: Planned hotel.





Room rates (ADR) have grown consistently for the boutique hotel comp set. In 2021, 2022, and 2023, ADRs grew by more than 10% annually.

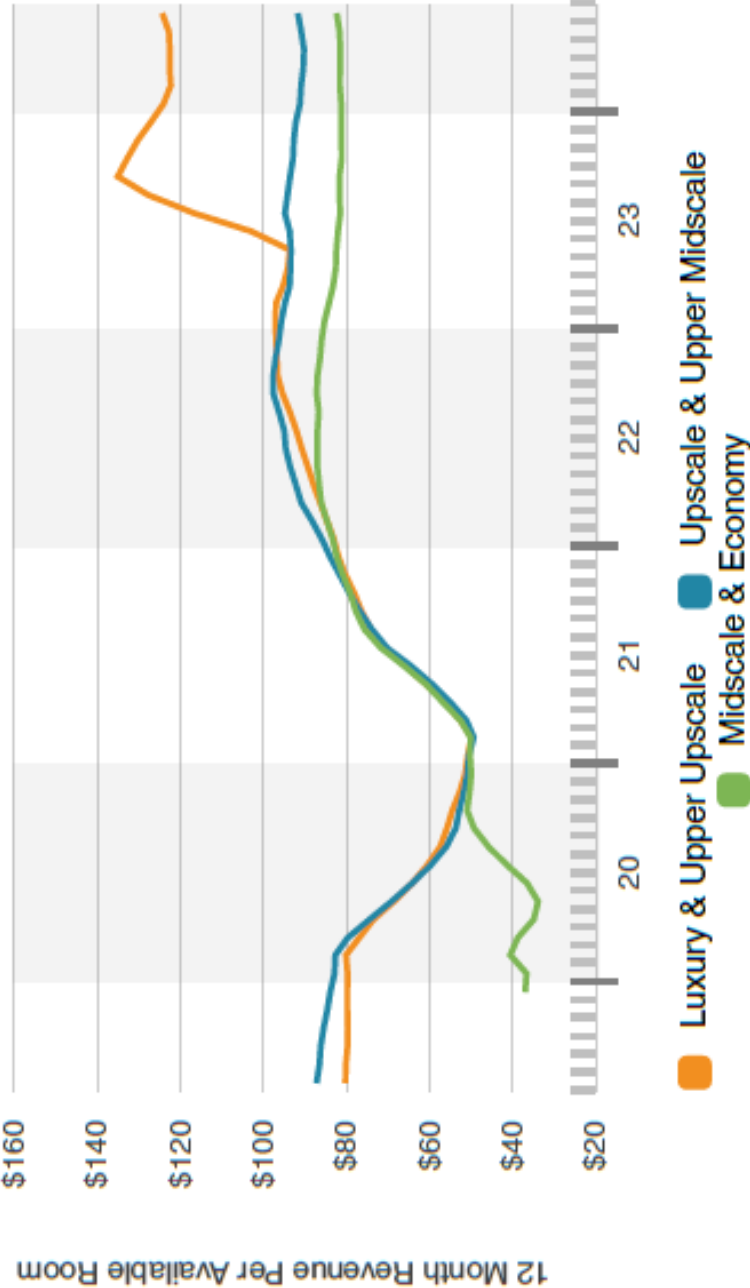
Occupancy and ADR Change for Small City Boutique Hotel Comp Set



Source: CoStar

Revenue per available room (RevPAR) has increased in the boutique hotel comp set, especially for the hotels in the luxury category.

Revenue per Available Room by Class for Small City Boutique Hotel Comp Set



# Using the key metrics for the Small City Boutique Hotel Comp Set generates a reasonable ROI for the Dallas site.

|                                      |                                 |                                   |   |                                      |
|--------------------------------------|---------------------------------|-----------------------------------|---|--------------------------------------|
| 12 MO OCC RATE<br>Prior Period 59.7% | 12 MO ADR<br>Prior Period \$157 | 12 MO REVPAR<br>Prior Period \$93 | MARKET SALE PRICE/ROOM<br>Prior Period \$149K | MARKET CAP RATE<br>Prior Period 7.8% |
| 60.4%<br>+1.1%                       | \$186<br>+19.0%                 | \$112<br>+20.2%                   | \$167K<br>+11.9%                              | 8.1%<br>+0.3%                        |

|                                |                          |
|--------------------------------|--------------------------|
| INVENTORY ROOMS                | UNDER CONSTRUCTION ROOMS |
| 439<br>Prior Period 439<br>+0% | 0<br>Prior Period 0<br>- |



Boutique Hotels are popular among hotel and hospitality managers and investors worldwide.

- Personalized Service
- Authentic Experience
- Unique Identity
- Local Integration



There are multiple hotels located in the Salem area that are targeting wine tourists, along with business and family travel.

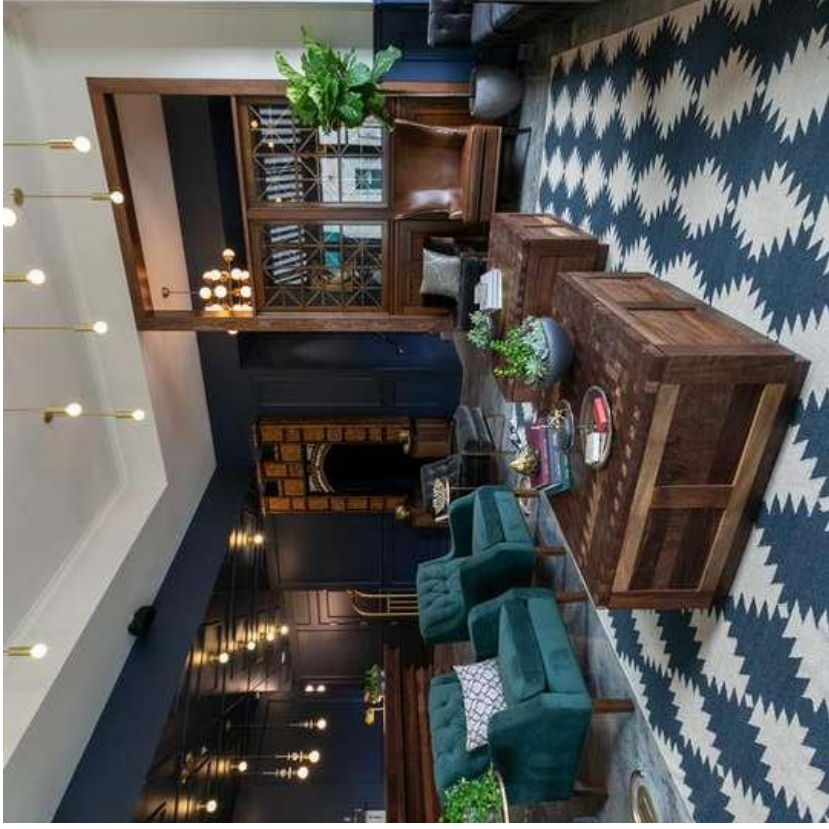
Salem Region Comp Set:

- Best Western Plus Mill Creek Inn
- Residence Inn Salem
- Hampton by Hilton Inn & Suites Salem
- Holman Riverfront Park Hotel Salem, Tapestry Collection
- Grand

Boutique Hotels are popular among hotel and hospitality managers and investors worldwide.

Salem Region Comp Set:

- Best Western Plus Mill Creek Inn
- Residence Inn Salem
- Hampton by Hilton Inn & Suites Salem
- Holman Riverfront Park Hotel Salem, Tapestry Collection
- Grand





In 2023, Salem airport began offering commercial flights to the San Francisco, Los Angeles, and Las Vegas metro areas. Dallas is now accessible via the Portland, Salem, and Eugene airports, I-5, and OR highway 22.



SEPT. 19, 2024

In The News

Class of 2025

WNBA

Hillsboro semiconductors

Oregon Remembrance Project

Elk Fountain

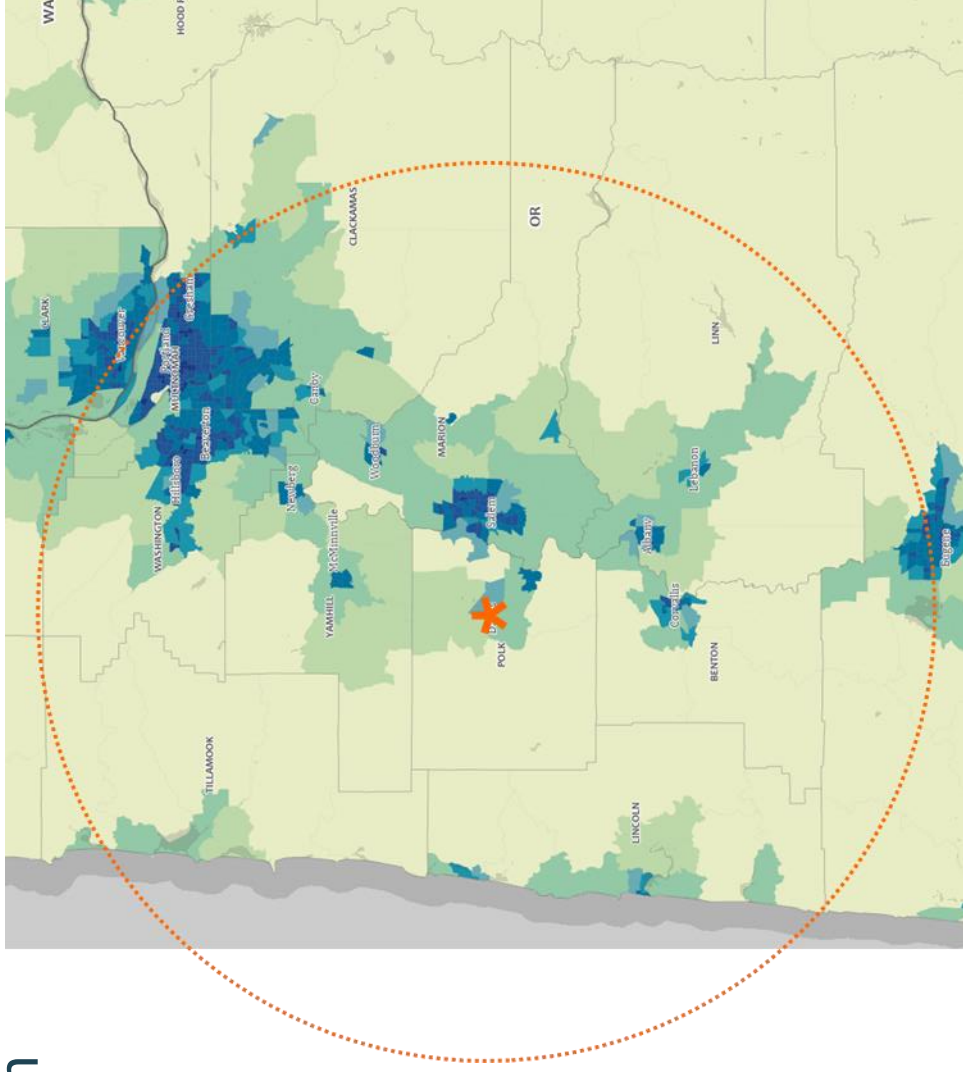
## After 15 years, commercial flights return to Salem



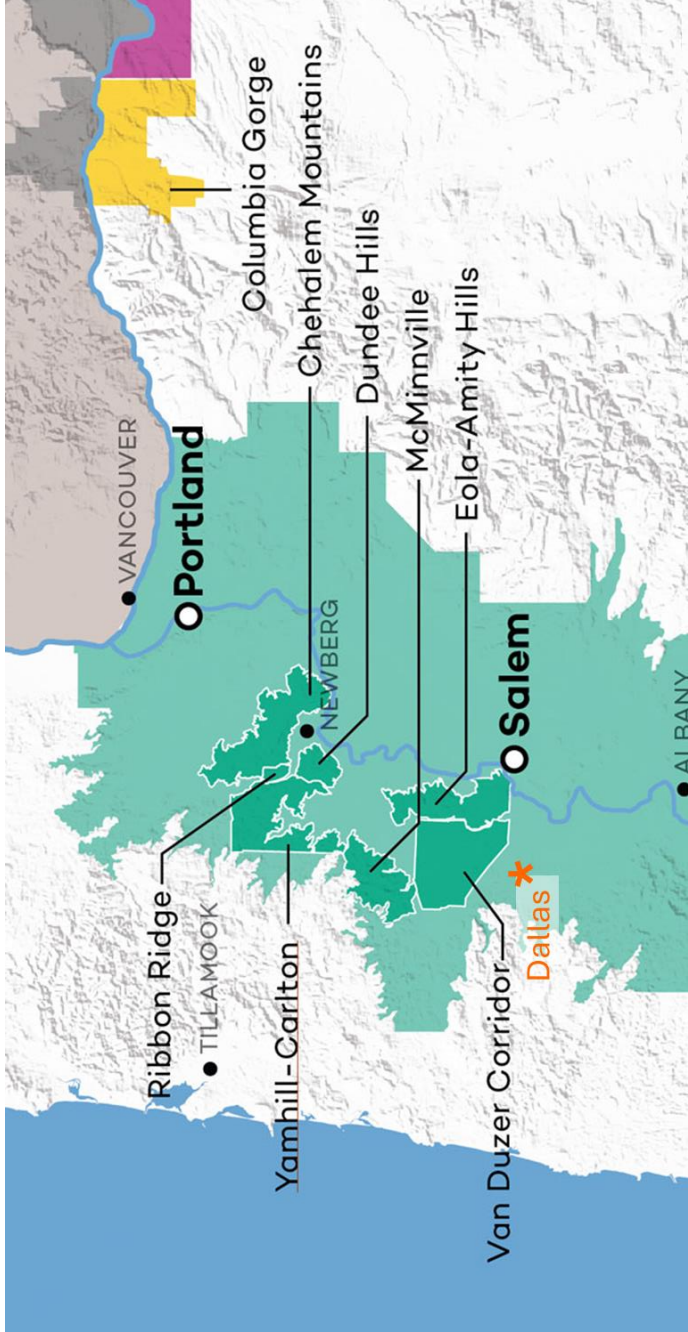
Dallas is just over 1 hour from Portland; about 20 minutes from Salem; and in an excellent position to attract travelers from Washington, California driving north; and from residents of Bend and Central Oregon driving to the coast.

Dallas is located within 60 miles of a majority of the State of Oregon’s population, including the Portland and Salem metro regions. Eugene, including EUG Airport, is just over 60 miles away.

## Population Density of Areas located within 60 miles of Dallas

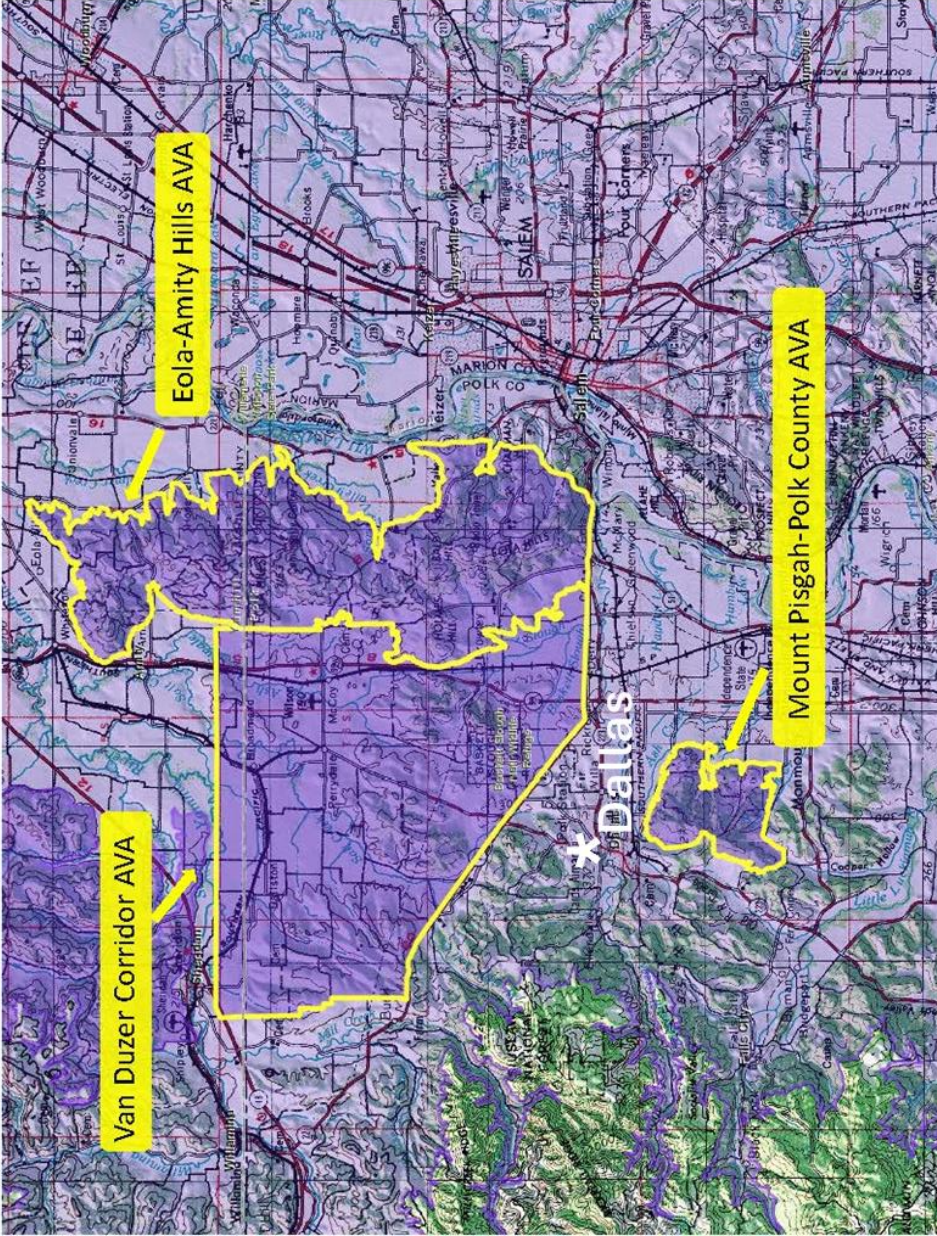


Dallas is the closest city to the wineries of the Van Duzer Corridor AVA, and therefore a hotel and restaurant in Dallas can feature the best of this wine growing area.



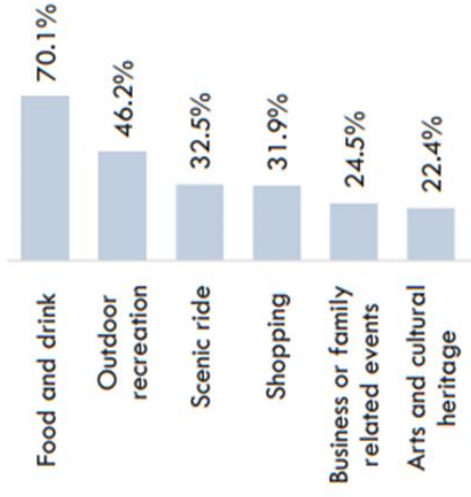


Dallas is just a few miles from the Mount Pisgah-Polk County AVA, formed in 2022. The Mount Pisgah AVA includes three wineries: Ilahe, Open Claim Vineyards, and Amelie Robert Estate.



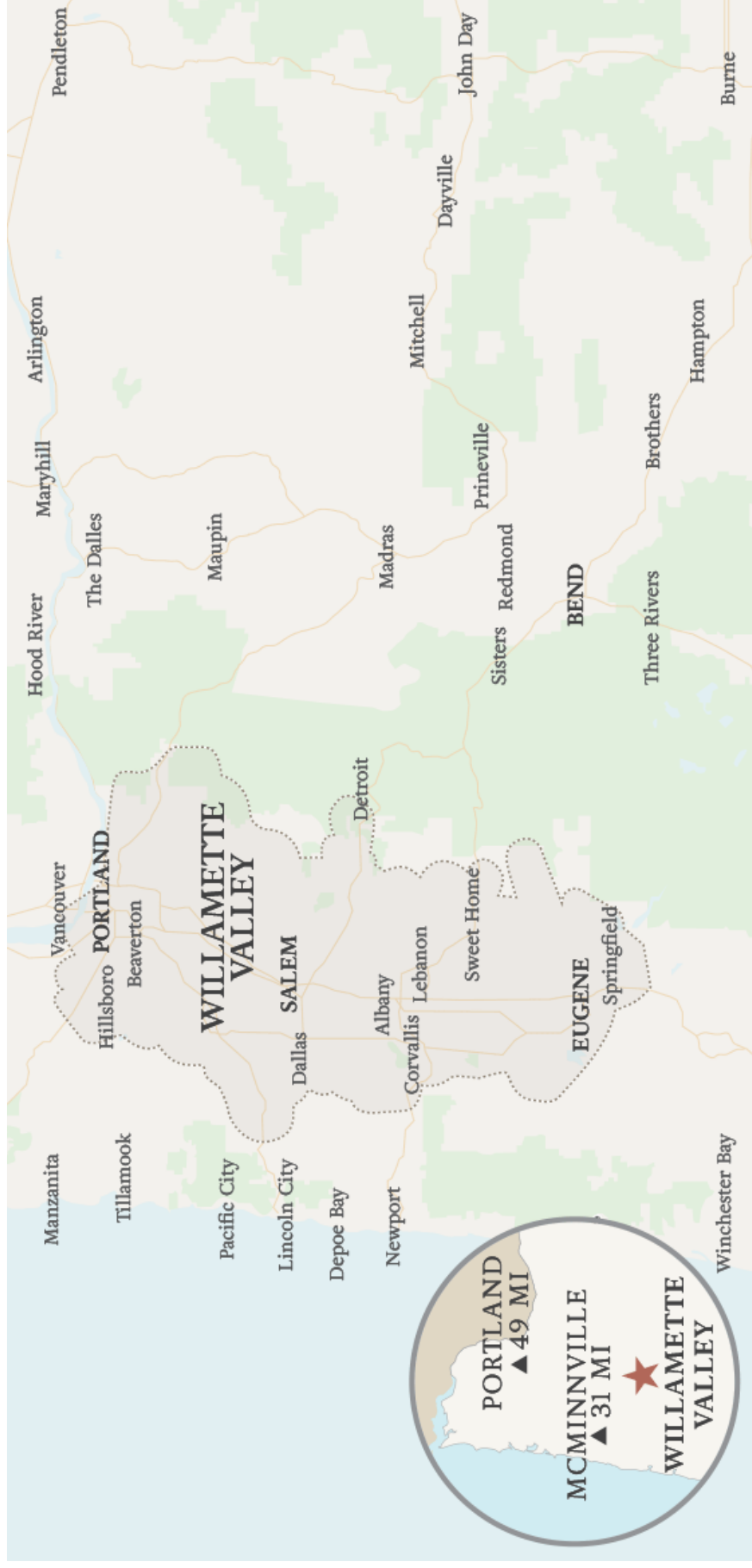
Some of the other major tourist attractions in Polk County—particularly bird- and butterfly-watching at Baskett Slough National Wildlife Refuge—appeal to the same demographic groups that enjoy wine tasting—older, higher income, more highly educated travelers.

## Top Activities of Visitors to the Willamette Valley





Oregon Land use laws make development outside of cities difficult or impossible. Therefore, hoteliers are looking for well-located sites in cities.





Downtown Dallas is unique, beautiful, and historic.



Dallas has two limited-service existing hotels, but they do not serve travelers seeking unique wine, food, outdoors, and cultural experiences; they would not be directly competitive with a new hotel at the subject site.





Many other western cities have become extraordinary wine tourism locations—McMinnville, Walla Walla, Sonoma, Healdsburg. While this transformation takes time, it can happen in Dallas too.



Downtown  
Walla Walla



# Challenges Of the Market and Site For a Future Hotel Project



A hotel and other types of development will face several critical development feasibility issues, some particular to this location:

- Achievable room rates (Average Daily Rates or ADR)
- Occupancy.
- Significantly reduced availability of financing and more stringent financing terms.
- Higher costs of borrowing (higher interest rates).
- Greater need for equity.
- Construction cost escalation.



The Independence Hotel has reportedly struggled, despite its location overlooking the Willamette River, in closer proximity to Salem and I-5, and in a downtown with more tourist attractions.

Some of the key issues at the Independence seem to have been:

- Relatively high fixed costs (e.g., management) compared to small size
- Occupancy below 60%, kept low by Covid and then enrollment drops at WOU.
- Independence is not as well known as Salem and other wine country destinations.
- High cost of construction.

Dallas’ relatively small employment base will make filling rooms on Monday through Wednesday nights difficult.

Downtown Dallas is not yet a well-known tourist destination, and does not have the same level of restaurants, stores, events, and other amenities as other locations such as McMinville.



At about a half-acre, the site can only accommodate some of the parking required, and it probably cannot accommodate a hotel of more than 80 rooms.

The State of Oregon’s prevailing wage rate laws, administered by BOLI, limits the ways that the City can support development of a hotel.

# Building a mixed-use hotel on the site will be challenging, but it is within the “margin of effort.”

## Key Strengths

- Dallas’ community vision
- Worldwide tourism interest in the Willamette Valley
- Developer interest in hotels in Willamette Valley
- Metrics achieved and targeted (ADR, Occupancy, and RevPAR) at other boutique hotels, particularly the Atticus and planned Downtown Dayton hotel
- Unique wineries, historic downtown, Baskett Slough, and other amenities in Dallas and Polk County

## Key challenges

- High interest rates and stringent lending standards
- Low occupancy at Independence Hotel, particularly for weekly/business travel, and following WOU enrollment declines
- Downtown Dallas is not yet a tourist destination



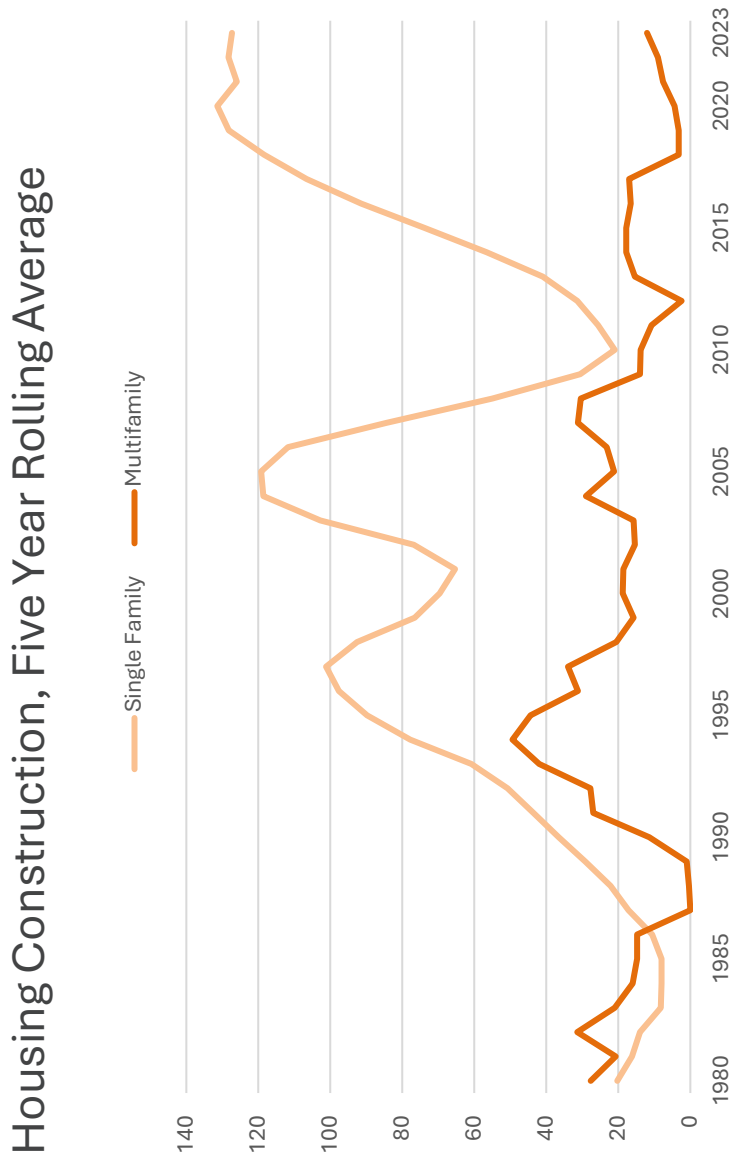
The city should be able to attract a quality hotel developer to the site, but staff and consultant effort, investments, and patience may be necessary.



# Housing Market Analysis

# **Strengths** Of the Market and Site For a Future Mixed-Use Housing Project

Dallas has been growing rapidly, particularly due to single family home development.

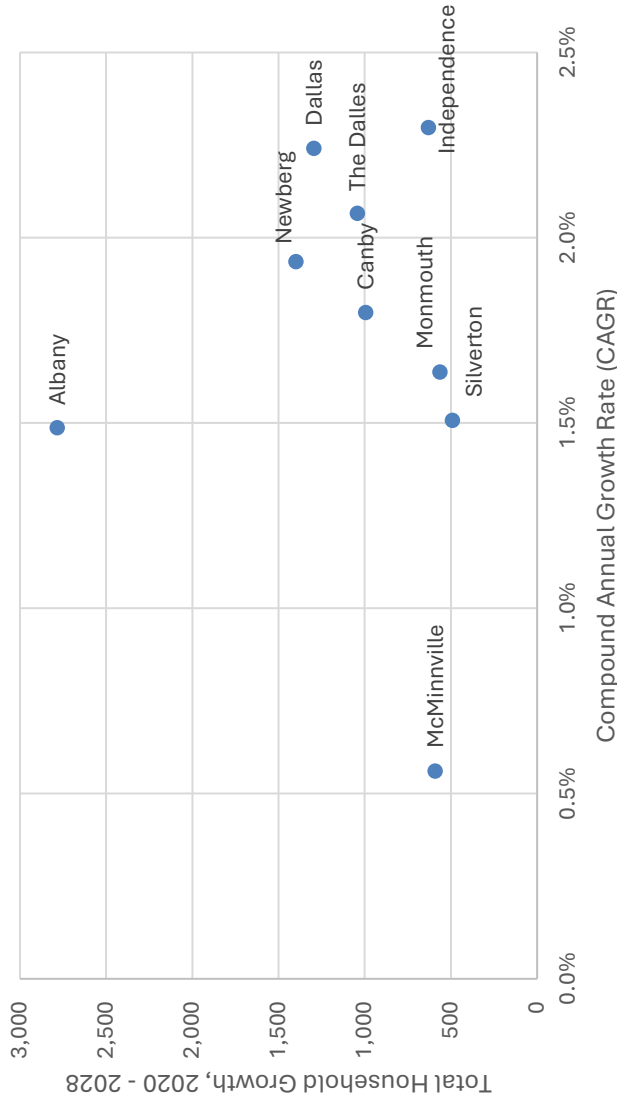


Source: HUD (U.S. Department of Housing and Urban Development), State of the Cities Data Systems (SOCDS), <https://www.huduser.gov/portal/datasets/socds.html>



Dallas is projected to continue to grow rapidly.

## Projected Household Growth: Annual Growth Rate and Total Growth, 2020 to 2028



Source: Social Explorer ([www.socialexplorer.com](http://www.socialexplorer.com)). Social Explorer provides a range of demographic data and mapping tools, including access to the US Census and other public and private data sets.

Dallas has several demographic attributes that are desirable for apartment development, including higher-income households, a large share of white-collar employees, small households, and a large share of retirees.

According to the analysis by the Brookings Institution (“Who Lives Downtown”) and various other market analyses, residents of new, market-rate downtown housing projects predominantly exhibit the attributes shown below. In many cases, Dallas’ population exhibits these attributes, which developers will generally see as positive for development at 791 Main Street.

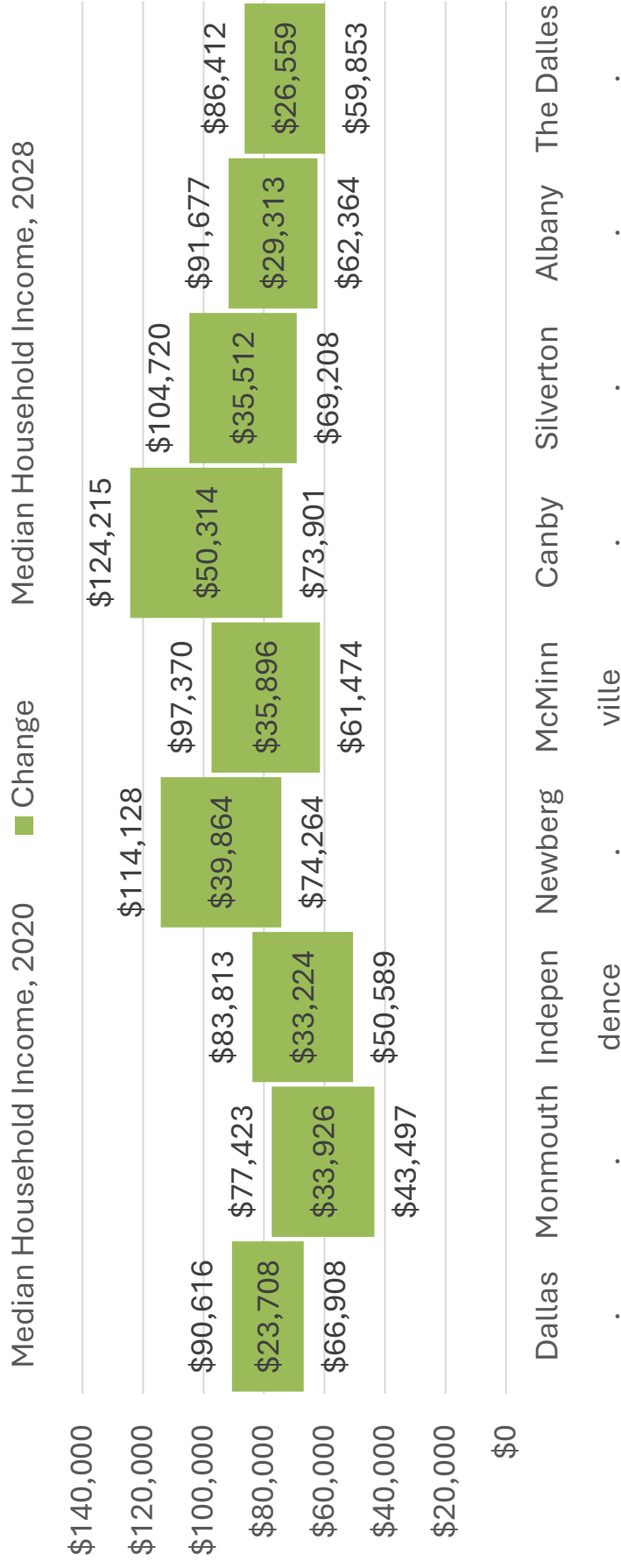
Residents of new, market-rate, downtown housing projects typically have the following attributes:

- Middle to higher income households
- 1 and 2 person households
  - Fall within one of these age groups:
    - College students
    - Young adults, e.g., ages 25 to 34
    - Seniors, e.g., ages 65+
- Be employed in white collar jobs, including professional services, finance, science, technology, government, healthcare, and related fields

Source: *Who Lives Downtown, Brookings Institution*,  
<https://www.brookings.edu/articles/who-lives-downtown/>

# Household incomes in Dallas are increasing.

## Change in Median Household Income, 2020 to 2028



Source: Social Explorer, Forum Placemaking.

A large share of Dallas’ households are employed in white collar jobs, which is correlated with interest in downtown housing.

### White Collar and Blue Collar Jobs, Comparison Cities

| Employment   | Polk County |          | Yamhill County   |         | Willamette Valley |       |           | Wasco Cty |            |
|--------------|-------------|----------|------------------|---------|-------------------|-------|-----------|-----------|------------|
|              | Dallas      | Monmouth | Indepen<br>dence | Newberg | McMinn<br>ville   | Canby | Silverton | Albany    | The Dalles |
| White Collar | 72%         | 77%      | 60%              | 71%     | 68%               | 67%   | 71%       | 69%       | 70%        |
| Blue Collar  | 28%         | 23%      | 40%              | 29%     | 32%               | 33%   | 29%       | 31%       | 30%        |

Source: Social Explorer, Forum Placemaking.



A large share of Dallas’ population is aged 65+, indicating a strong potential for age-restricted or senior housing downtown.

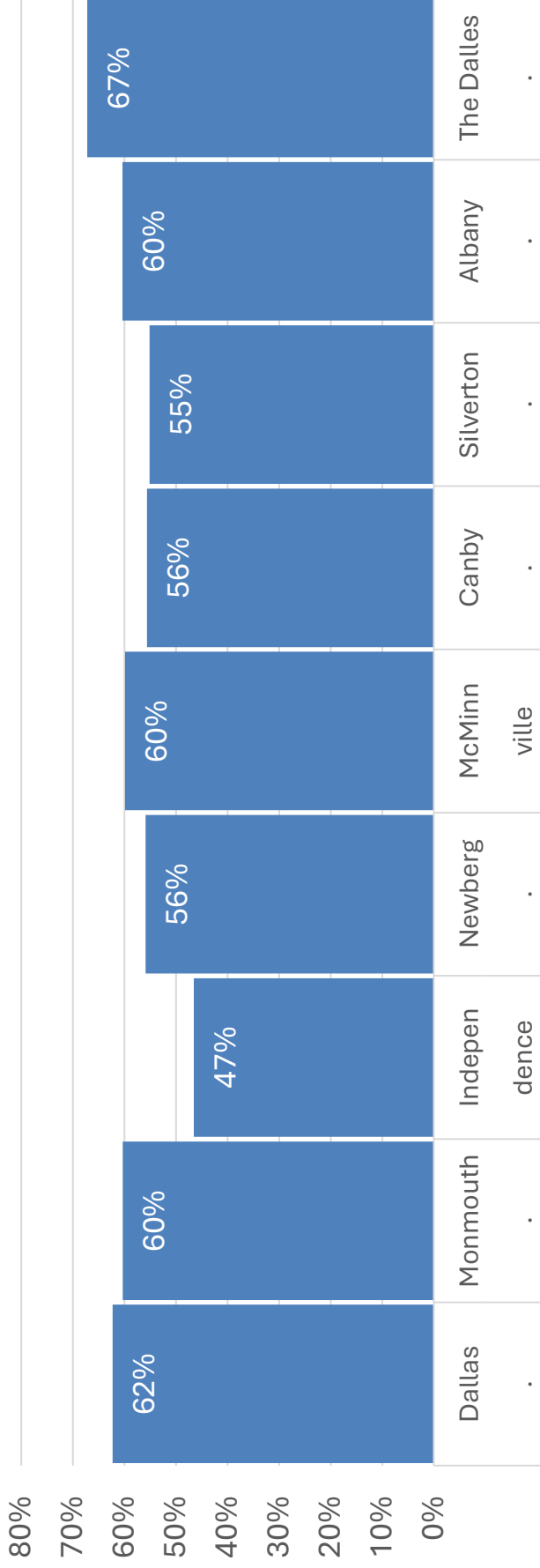
### Age Categories of Households, Dallas and Comparison Cities

|   | Polk County |            | Yamhill County   |            |                 | Willamette Valley |            |            | Wasco Cty  |  |
|---|-------------|------------|------------------|------------|-----------------|-------------------|------------|------------|------------|--|
|   | Dallas      | Monmouth   | Indepen<br>dence | Newberg    | McMinn<br>ville | Canby             | Silverton  | Albany     | The Dalles |  |
| 0 to 17                                       | 20%         | 22%        | 26%              | 23%        | 22%             | 22%               | 28%        | 25%        | 23%        |  |
| <b>18 to 24 Years (Student Housing)</b>       | <b>12%</b>  | <b>27%</b> | <b>19%</b>       | <b>13%</b> | <b>11%</b>      | <b>8%</b>         | <b>5%</b>  | <b>8%</b>  | <b>8%</b>  |  |
| <b>25 to 34 Years (Prime Rental Apt. Age)</b> | <b>13%</b>  | <b>15%</b> | <b>12%</b>       | <b>17%</b> | <b>11%</b>      | <b>12%</b>        | <b>13%</b> | <b>14%</b> | <b>14%</b> |  |
| 35 to 65 (Lower propensity of apt resident)   | 32%         | 25%        | 34%              | 34%        | 35%             | 40%               | 39%        | 37%        | 35%        |  |
| <b>65+ (Senior Housing)</b>                   | <b>23%</b>  | <b>10%</b> | <b>10%</b>       | <b>14%</b> | <b>20%</b>      | <b>18%</b>        | <b>16%</b> | <b>16%</b> | <b>20%</b> |  |

Source: Social Explorer, Forum Placemaking.

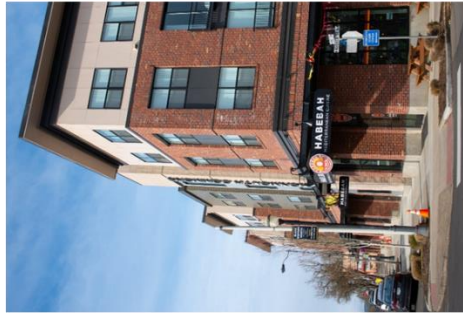
62% of all Dallas households have 1 or 2 people.  
 Small households are more likely to live in downtown housing.

1 and 2 Person Households as a Share of All Households



Source: Social Explorer, Forum Placemaking.

# Downtown housing projects have been built in other small cities in the Willamette Valley.



Monmouth  
Commons



Osprey  
Point,  
Independence



Independence  
Landing  
Apartments



The Dahlia  
Apartments,  
Canby

---

Built on city-owned land,  
with city support.

# **Challenges** Of the Market and Site For a Future Mixed-Use Housing Project



The project envisioned for 791 Main Street—a four- or five-story, mixed-use podium project—is more expensive to build than the two- and three-story walkup apartments common in Dallas.

Developers will require higher rents to make such a project pencil.

#### Wood Frame

##### Walk Up Apartments

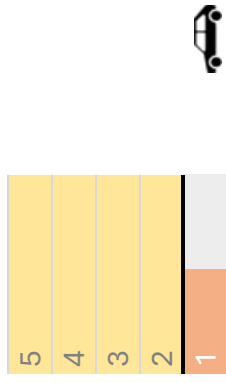
Surface parked with stairwells



#### 4 over 1, Midrise Podium

##### Apartments

Surface parked with elevator(s)



#### Cost Premiums:

- Ground floor retail, including tenant improvements, venting
- Concrete Ground Floor Podium
- Post-tensioned slab
- Elevator(s)
- Enclosed stairwells
- More interior hallways/common area
- Potentially, add'l foundation work
- Costly mobilization on urban sites

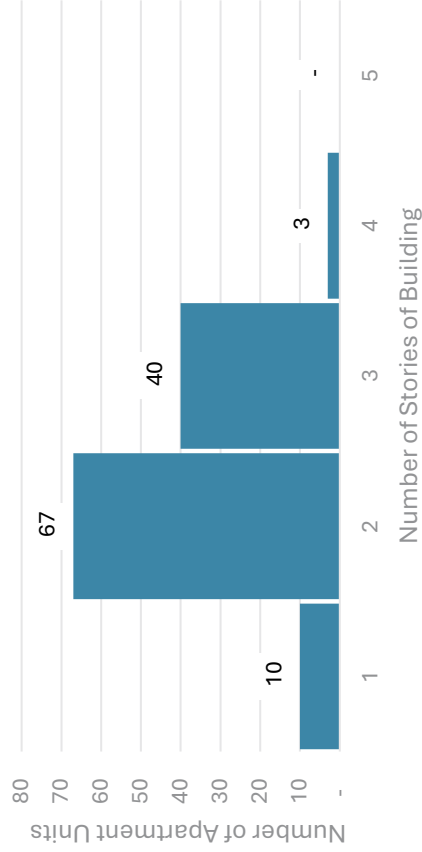
~ \$275,000+ cost per unit  
not including land

~ \$350,000+ cost per unit  
not including land

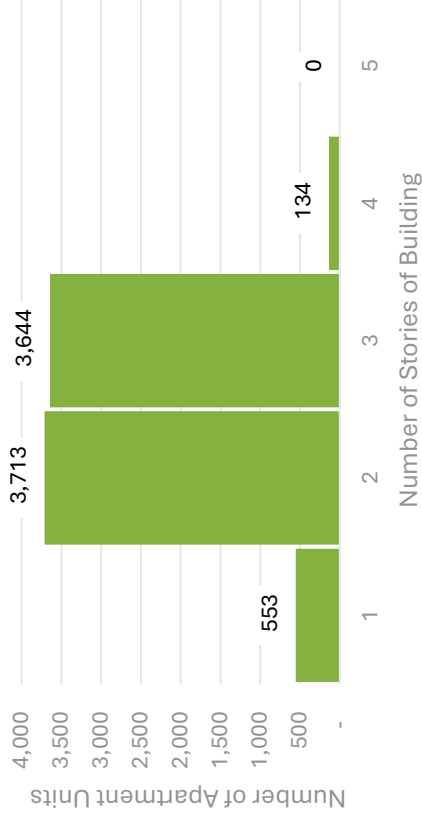
Of the 120 apartment buildings built in Dallas and the comparison cities since 1980, 3 have been four or more stories.

Of the 8,044 apartment units built in Dallas and the comparison cities since 1980, 134 units have been in buildings of four or more stories.

Number of Apartment Buildings Built by Building Height, 1980 to 2023, in Dallas and Comparison Cities, Market Rate Only



Number of Apartment Units Built by Building Height, 1980 to 2023, in Dallas and Comparison Cities, Market Rate Only

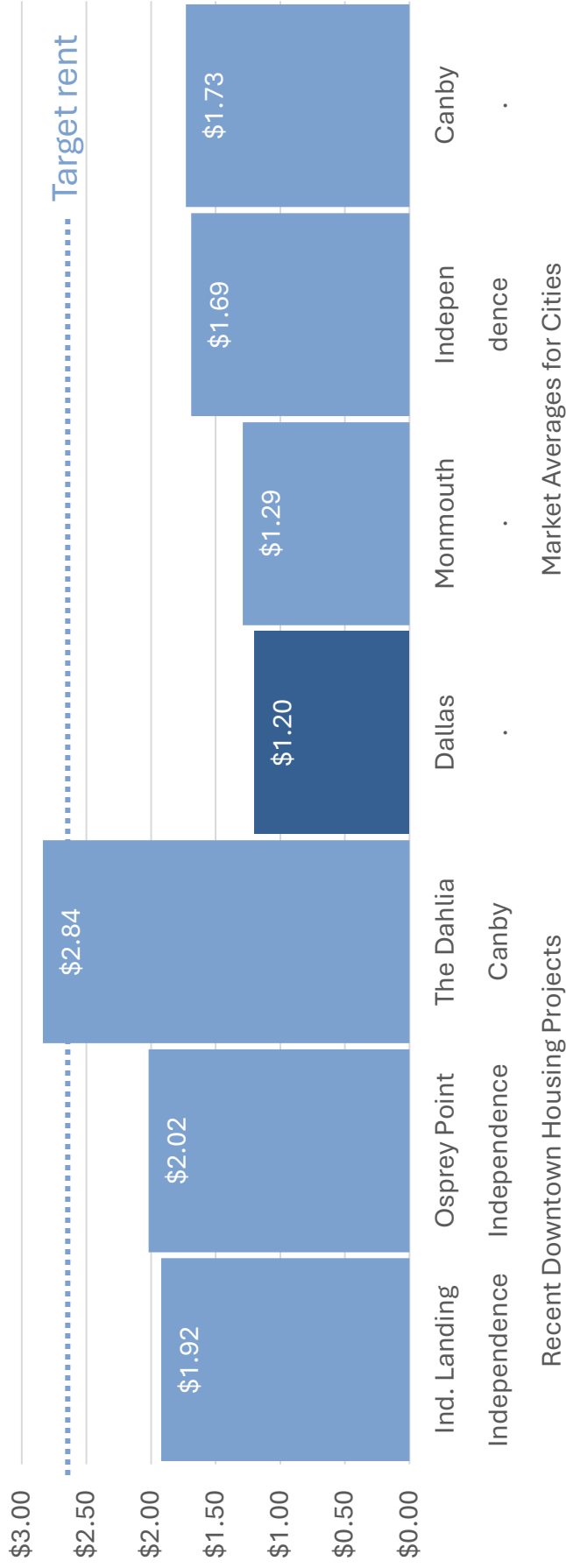


Source: CoStar, Forum Placemaking.

# Apartment rents in Dallas are below what most developers will expect at 791 Main Street.

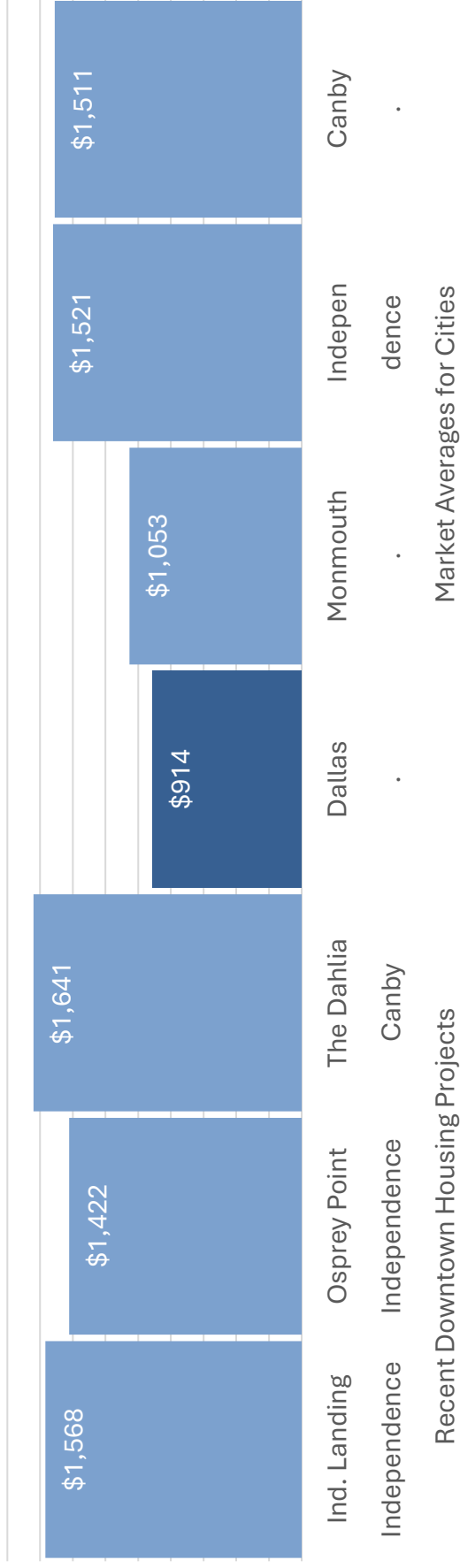
Apartment developers interviewed in 2024 indicate that they would look for a target rental rate of about \$2.75 per square foot per month in order to generate an acceptable rate of return. This equates to a monthly rent of \$1,510 for a 550 square foot studio apartment.

Rent Per Square Foot for All Apartment Units, Recent Projects and Citywide Averages



# Apartment rents in Dallas are less than those in comparable cities.

## Monthly Rent for 1 Bedroom Apartments, Recent Projects and Citywide Averages





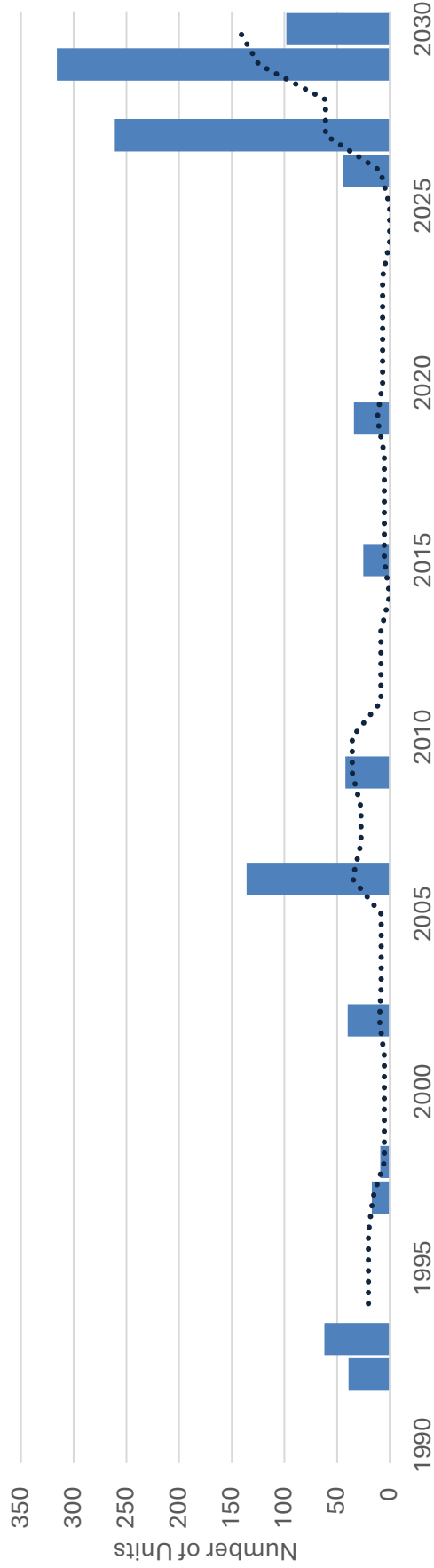
Dallas does not have a large number of young households in their 20s and 30s—the primary rental housing age group.

|   | Polk County |            | Yamhill County   |            |                 | Willamette Valley |            |            | Wasco Cty  |  |
|---|-------------|------------|------------------|------------|-----------------|-------------------|------------|------------|------------|--|
|   | Dallas      | Monmouth   | Indepen<br>dence | Newberg    | McMinn<br>ville | Canby             | Silverton  | Albany     | The Dalles |  |
| 0 to 17                                       | 20%         | 22%        | 26%              | 23%        | 22%             | 22%               | 28%        | 25%        | 23%        |  |
| <b>18 to 24 Years (Student Housing)</b>       | <b>12%</b>  | <b>27%</b> | <b>19%</b>       | <b>13%</b> | <b>11%</b>      | <b>8%</b>         | <b>5%</b>  | <b>8%</b>  | <b>8%</b>  |  |
| <b>25 to 34 Years (Prime Rental Apt. Age)</b> | <b>13%</b>  | <b>15%</b> | <b>12%</b>       | <b>17%</b> | <b>11%</b>      | <b>12%</b>        | <b>13%</b> | <b>14%</b> | <b>14%</b> |  |
| 35 to 65 (Lower propensity of apt resident    | 32%         | 25%        | 34%              | 34%        | 35%             | 40%               | 39%        | 37%        | 35%        |  |
| <b>65+ (Senior Housing)</b>                   | <b>23%</b>  | <b>10%</b> | <b>10%</b>       | <b>14%</b> | <b>20%</b>      | <b>18%</b>        | <b>16%</b> | <b>16%</b> | <b>20%</b> |  |

While apartment development has been relatively slow in Dallas, more than 700 apartment units could break ground between 2024 and 2030—a significant increase in the rate of development.

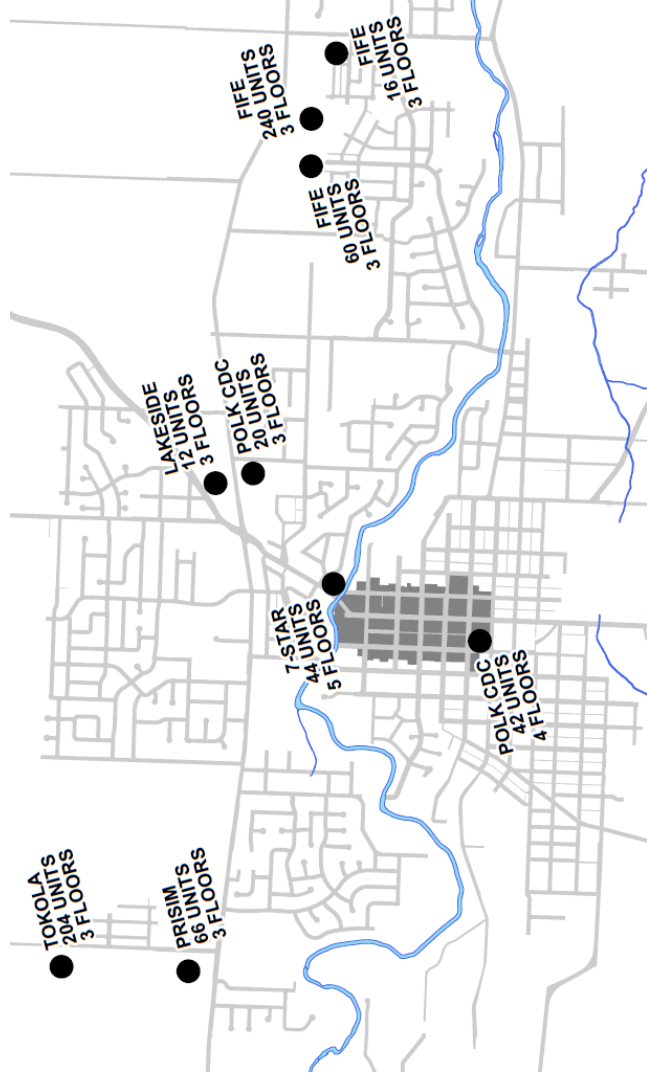
Apartment Units Built in Dallas by Year

■ Apt. Units      ..... 5 per. Mov. Avg. (Apt. Units)



Source: CoStar, Forum Placemaking.

# Approved and Proposed Multifamily Developments, City of Dallas



| Project Name                        | Type       |            | Affordable |            | Market |            | Total |            |
|-------------------------------------|------------|------------|------------|------------|--------|------------|-------|------------|
|                                     | Market     | Affordable | Units      | Units      | Units  | Units      | Units | Units      |
| 7 Star Apartments                   | Market     |            | 0          | 44         |        | 44         |       | 44         |
| Mill Station (Polk CDC)             | Affordable |            | 57         | 0          |        | 57         |       | 57         |
| Tokola Apartments                   | Market     |            | 0          | 204        |        | 204        |       | 204        |
| FIFE Apartments                     | Market     |            | 0          | 316        |        | 316        |       | 316        |
| Lakeside Apartments                 | Market     |            | 0          | 12         |        | 12         |       | 12         |
| Ellendale Ave Apartments (Polk CDC) | Affordable |            | 20         | 0          |        | 20         |       | 20         |
| Prisim Apartments                   | Market     |            | 0          | 66         |        | 66         |       | 66         |
| <b>Total</b>                        |            |            | <b>77</b>  | <b>642</b> |        | <b>719</b> |       | <b>719</b> |

Source: City of Dallas, Forum Placemaking.

# Building mixed-use housing on the site will be challenging, but it is within the “margin of effort.”

## Key Strengths

- Dallas is growing rapidly, and many of the new residents are middle and upper-income households.
- Dallas has high levels of white collar employment, 65+ aged households, and 1 and 2 person households.
- Recent downtown, mixed-use housing projects have been completed in Independence, Monmouth, Canby, and other small- and mid-size cities in Oregon.

## Key Challenges

- Mixed-use, infill, podium projects cost more and therefore require higher rents in order to pencil
- Dallas’ current rents, and the rents at recent housing projects in Independence, are significantly lower than developers would expect for a new project at 791 Main Street
- Dallas has relatively few households in their 20s and 30s—the primary rental housing age groups.
- More than 700 apartment units are planned for Dallas between 2024 and 2030. This significant new supply could drive down rental rates and increase vacancies.



The city should be able to attract a quality mixed-use housing developer to the site, but staff and consultant effort, investments, and patience may be necessary.



# Conclusions And Recommendations

Building either mixed-use housing or a hotel on the site will be challenging. Hotel development will probably be somewhat more difficult.



# Nonetheless, the City should aggressively market the site to development teams via in 2025, via direct outreach and a Request for Qualifications (RFQ).

The City should solicit interest from both hotel and housing developers, and potentially developers with other concepts for the site.

Potential site uses:

- Hotel
- Housing
  - Market rate apartments
  - Workforce / middle income housing
  - 55+, age restricted housing
  - Senior housing
  - Co-living
  - Short term rentals, combined with hotel or housing
- Ground Floor tenants
  - Restauranters
  - Wine Tasting
- Other TBD

... the City should simultaneously seek proposals from mixed-use housing developers, and potentially developers with other concepts for the site.

### Housing



### “Dallas Wine village”





The ideal development team may need to include one or more well-capitalized and/or local equity investors with patient capital.

- Dallas Retirement Village
- Willamette Valley Vineyards
- King Estate Winery
- Bledsoe | McDaniels Winery - Willamette Valley (Drew Bledsoe)
- Atticus Hotel developers

A future hotel at 791 Main Street should celebrate the best of Dallas, Polk County, and Willamette Valley.



Branding ideas:

- Zephyria
- “Meet me at the square.”
- Timber / Mill / Cross Laminated Timber
- Fender’s Blue Butterfly
- Birding
- Quilting
- Cynthiana (Original name of Dallas.)

# The City should take a big-picture and long-run view of its return on investment.

Additional city investments may be required in the near term.

A long-term view recognizes that benefits can include reinvestment in *many* downtown properties, more employment, more visitors and TOT tax, more vitality downtown, etc.

# The City should be prepared to use various incentives and tools in order to attract developers and make development feasible.

Including the following:

- Getting ready: Community surveys and support, site massing study, market analysis, outreach.
- Zoning that allows the desired uses.
- Identifying multiple pieces of the development puzzle, including developers, investors with patient capital, and potentially hotel managers, restaurateurs, etc.
- Attracting innovative capital sources such as philanthropies, CDFIs, crowd funding, and impact investors
- Land value write down
- Enterprise Zone (already in place)
- Vertical Housing Development Zone
- Investing in downtown sidewalk and infrastructure improvements that are consistent with existing plans
- Impact fee deferrals, reductions, credits, or waivers
- TLT dedications
- CPACE
- CDFIs
- Philanthropies such as OCF and the Ford Family foundation
- Ensuring that the project does not trigger prevailing wage rates

However, the City will need to be cognizant of the \$750,000 cap on public investments before prevailing wage rates are triggered.



# The City should combine redevelopment of 791 Main Street with other efforts that can encourage ongoing revitalization and reinvestment throughout Downtown Dallas.

- Continuing to attract desirable businesses to downtown – restaurants, small vendor mall, bookstore, grocery store, clothes, etc.
- Making downtown more kid- and family-friendly, which many participants in the online survey see as a key shortcoming for downtown.
- Evaluating ways to make the Courthouse Square—including the landscaped and hardscaped areas—more welcoming and active. This could include adding places to sit, dine, play games (e.g., chess, bocce, horseshoes, cornhole), find shade, or a water feature. The square is a lovely and tremendous asset, but it does not provide the day-to-day useability of downtown parks such as Main Street Park in Monmouth. We recognize that modifying the square could be controversial and could not happen without strong support from the County.
- Using new tenants to fill existing storefronts and drive building renovations and upgrades.
- Taking advantage of the Historic Tax Credits that are now available to property owners because of the historic district designation.
- Continuing to use and refine the Storefront improvement grant program.

**DRAFT**



791 Main Street

# Hotel and Housing Market Analysis

**Draft**



Forum Placemaking  
LRSArchitecture

Ethos Hospitality  
PBS Engineering

# Appendices

# Dallas has a large share of median and higher income households.

## Household Income Categories in Dallas and Comparison Cities

|                      | Polk County |          | Yamhill County |         |             | Willamette Valley |           |        | Wasco Cty  |  |
|----------------------|-------------|----------|----------------|---------|-------------|-------------------|-----------|--------|------------|--|
|                      | Dallas      | Monmouth | Independence   | Newberg | McMinnville | Canby             | Silverton | Albany | The Dalles |  |
| Less than \$25,000   | 18%         | 26%      | 14%            | 12%     | 19%         | 16%               | 17%       | 14%    | 19%        |  |
| \$25,000 to \$49,999 | 21%         | 15%      | 20%            | 14%     | 20%         | 11%               | 20%       | 21%    | 21%        |  |
| \$50,000 to \$74,999 | 16%         | 19%      | 17%            | 19%     | 18%         | 17%               | 14%       | 19%    | 20%        |  |
| \$75,000 to \$99,999 | 13%         | 14%      | 19%            | 13%     | 13%         | 12%               | 15%       | 16%    | 15%        |  |
| \$100,000 or More    | 32%         | 26%      | 29%            | 43%     | 31%         | 44%               | 35%       | 30%    | 25%        |  |

Source: Social Explorer, Forum Placemaking.



# The site is located in Dallas' Enterprise Zone.

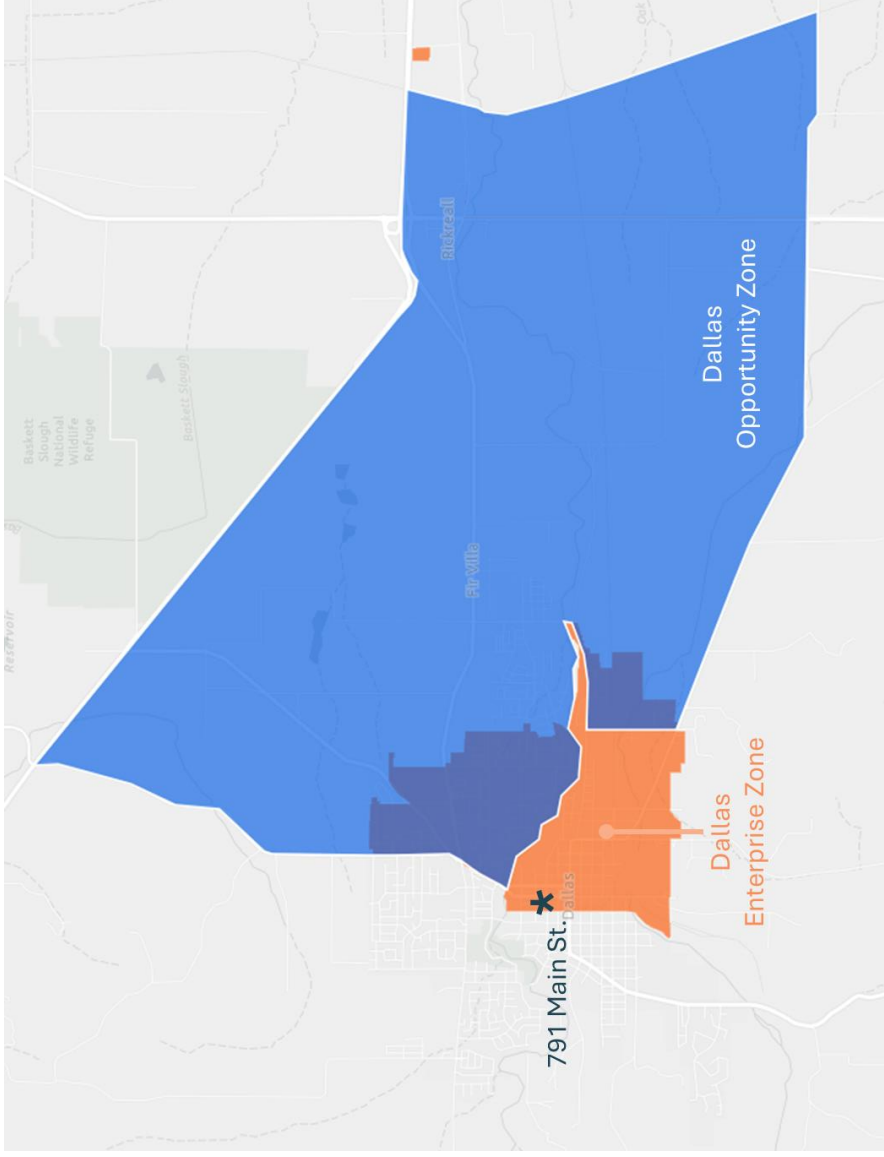
The site is in an Enterprise Zone and therefore a hotel could be partially exempt from property taxes for three to five years.

Because the site is located in Dallas' enterprise zone, a new hotel at the site would be eligible for a three-year property tax abatement. A new hotel could also petition for a five-year abatement, though this would have to be approved by the City.

Hotels are eligible in some or all of 47 of the 76 statewide zones. According to the State, hotels are eligible in Dallas' enterprise zone.

In order to qualify for the enterprise zone, projects must create jobs and invest at least \$50,000.

A housing/mixed-use project likely would not be eligible for tax abatement via an enterprise zone.



## Memorandum

DATE: October 25, 2024

TO: Brian Vanneman—Forum Placemaking

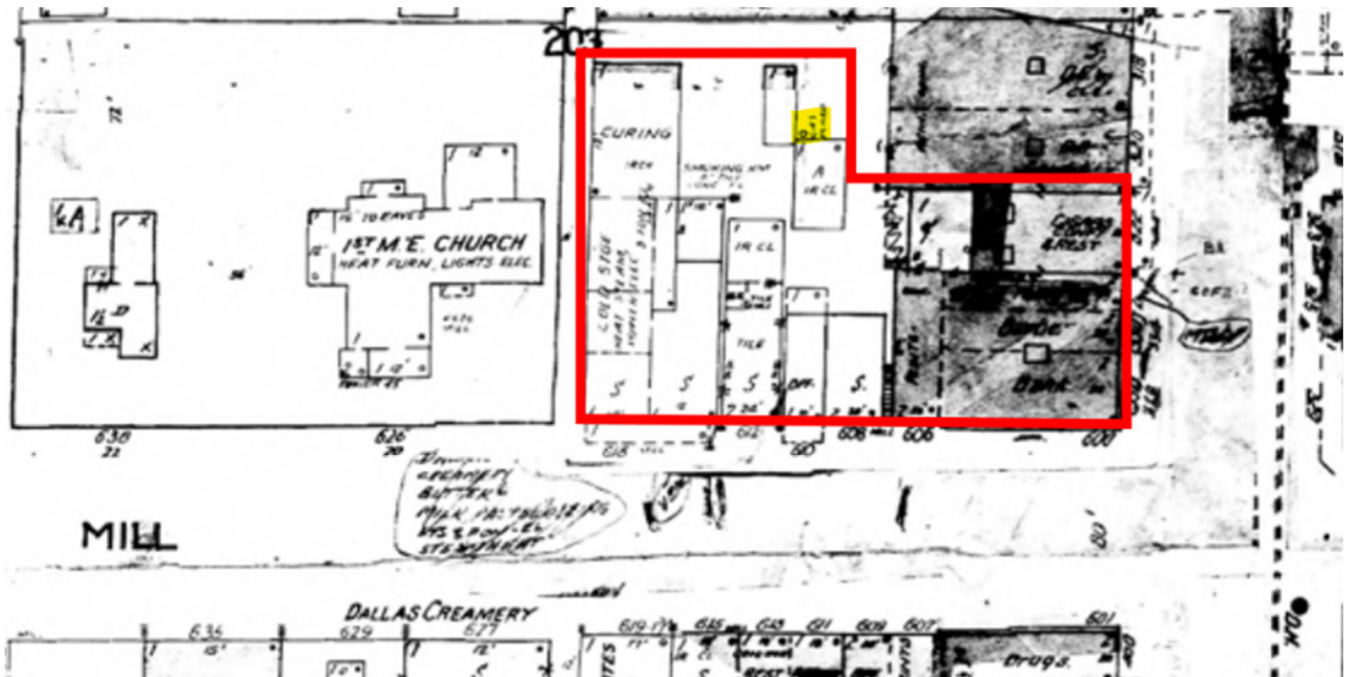
FROM: Scott Shumaker—PBS Engineering and Environmental LLC

PROJECT: 74465.000, Dallas 791 Main Street

REGARDING: Site Development Feasibility Review

### GENERAL SITE HISTORY

- The Site is in the downtown business district of Dallas, Oregon, and has been commercially developed since the late 1800s. Based on historical records, the Site was occupied by numerous commercial businesses from the late 1880s through the 1980s, including various retail stores, a billiards and saloon hall, a barber, a bank, a restaurant, and various offices. Based on a Phase 1 Environmental Site Assessment (ESA) performed by SLR in 2022, the 1950 Sanborn Fire Insurance Map depicted a gas pump in the north-northeast portion of the Site. **See Figure 1 and Appendix F.**



**Figure 1. 1950 Sanborn Fire Insurance Map.**

- The most recent active use of the Site was as a Bank of America branch office that was built in 1986. The bank was vacated in 2020, and the site was cleared in July 2024. The bank building, concrete slab, and aboveground features were removed from the site. The asphalt pavement was left intact.

## GEOLOGY AND HYDROGEOLOGY

- The near-surface geology in the Site vicinity is characterized by the presence of Pleistocene terrace gravels, described as weathered gravels in lower terraces bordering alluvium.
- Shallow groundwater is present in the Site vicinity. The estimated local groundwater flow direction is toward the northeast and Rickreall Creek. In 2018, Arcadis gauged three monitoring wells at the Site and reported depth to groundwater between 8.5 and 15 feet below ground surface (bgs). Depth to water measurements by Apex in March and September 2020 ranged between 8.88 and 12.60 feet bgs.

## ENVIRONMENTAL

- **The site received a No Further Action (NFA) conditional determination from the Oregon Department of Environmental Quality (DEQ), dated May 19, 2023. See Appendix A for a copy of the determination letter.**
  - Phase II ESA studies characterized the site for soil contamination in 2016 and 2018. The site was added to DEQ’s Leaking Underground Storage Tank (LUST) database in 2018 (LUST #27-18-1348).
  - Additional site investigations occurred in 2020. Petroleum hydrocarbons and ethylbenzene, both occurring in petroleum products, were found in several areas of the Site in the soil and groundwater that will be subject to the requirements of a Contaminated Media Management Plan (CMMP). See **Figure 2** for the locations. Note that soil gas results collected beneath the demolished Bank of America building did not exceed occupational vapor intrusion limits.

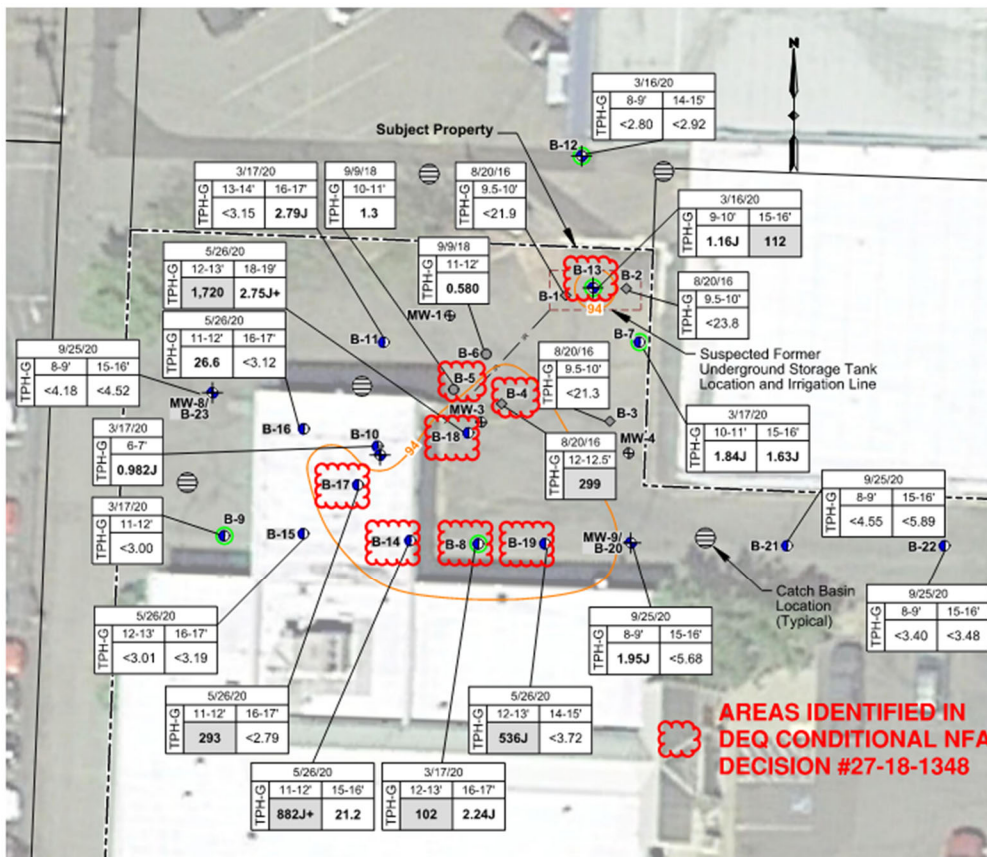


Figure 2. Apex Site Map.

- **The Site is subject to a CMMP prepared by Apex, dated July 19, 2022. See Appendix B for a copy of the CMMP.**
  - Development of ground-floor residential housing is restricted, per DEQ’s *conditional* NFA. If the owner elects, the land use restrictions may be removed based on additional evaluation specific to the proposed end use. This would entail further evaluation of vapor intrusion characterizations of the area to be developed to demonstrate if the current conditions are acceptable.
- or-**
- The owner could provide mitigation that would allow ground-floor residential housing by providing a vapor removal system.
  - **Is the owner protected from risk for environmental harm caused during construction or building occupancy, if the owner follows the CMMP?** *There are no guaranteed risk protections provided by the State DEQ. The site was cleaned up to the standards of the state and fully documented. If petroleum contamination is encountered, the owner would be responsible for disposal. Even though it is below cleanup levels, petroleum-contaminated soil would need to be taken to the landfill—soil may not be taken off site and used as general fill. The developer should include reasonable costs for some soil management in the development budget. In our experience this would not be an obstacle to redevelopment assuming that the redevelopment does not include underground parking or storage which would significantly increase costs for soil disposal and potential groundwater mitigation.*

## STREETS AND FRONTAGES

- The eastern site frontage on Main Street was improved in 2013 with parallel street parking. See **Appendix C** for a typical plan and section of the improved frontage.
- The southern site frontage on SE Mill Street is expected to accommodate *new* sidewalk improvements with angled or parallel parking like the frontage improvements constructed by the City of Dallas (City) in 2015 to the south side of SE Mill Street. See **Appendix D** for an example of these improvements. Note the City will *not* want to use permeable concrete as was constructed on the south side.

The current SE Mill Street right-of-way (ROW) width is 80 feet. If the sidewalk is to be widened to match the south side (12.5 feet), the resulting curb-to-curb width would be 55 feet. Typical *minimum* curb-to-curb width for 45-degree two-way parking with a 2-foot bumper overhang would be 55 feet and allows for a 24-foot-wide drive aisle with angled parking. This width may not meet local expectations for driving aisle spacing, with a specific example of Court Street at 80-foot ROW identified as “too narrow” by some city residents. An alternative idea is to provide a wider sidewalk with parallel parking on the north side of the street, which would leave ample room for driving lanes.

- To the west is a public alleyway. Although no improvements are required, PBS anticipates the new owner may wish to widen this alley to provide enhanced access to the northern portion of the site. The City is supportive of this idea. The widened alley area would either be in a new access easement or a dedicated ROW; this needs to be negotiated with the City.
- The northeastern portion of the site faces an existing building with a mural, and the northwestern portion of the site is a surface parking lot.

## UTILITIES

The site is served by all basic utilities required for redevelopment. See the utility summaries and **Figures 3 through 6** below.





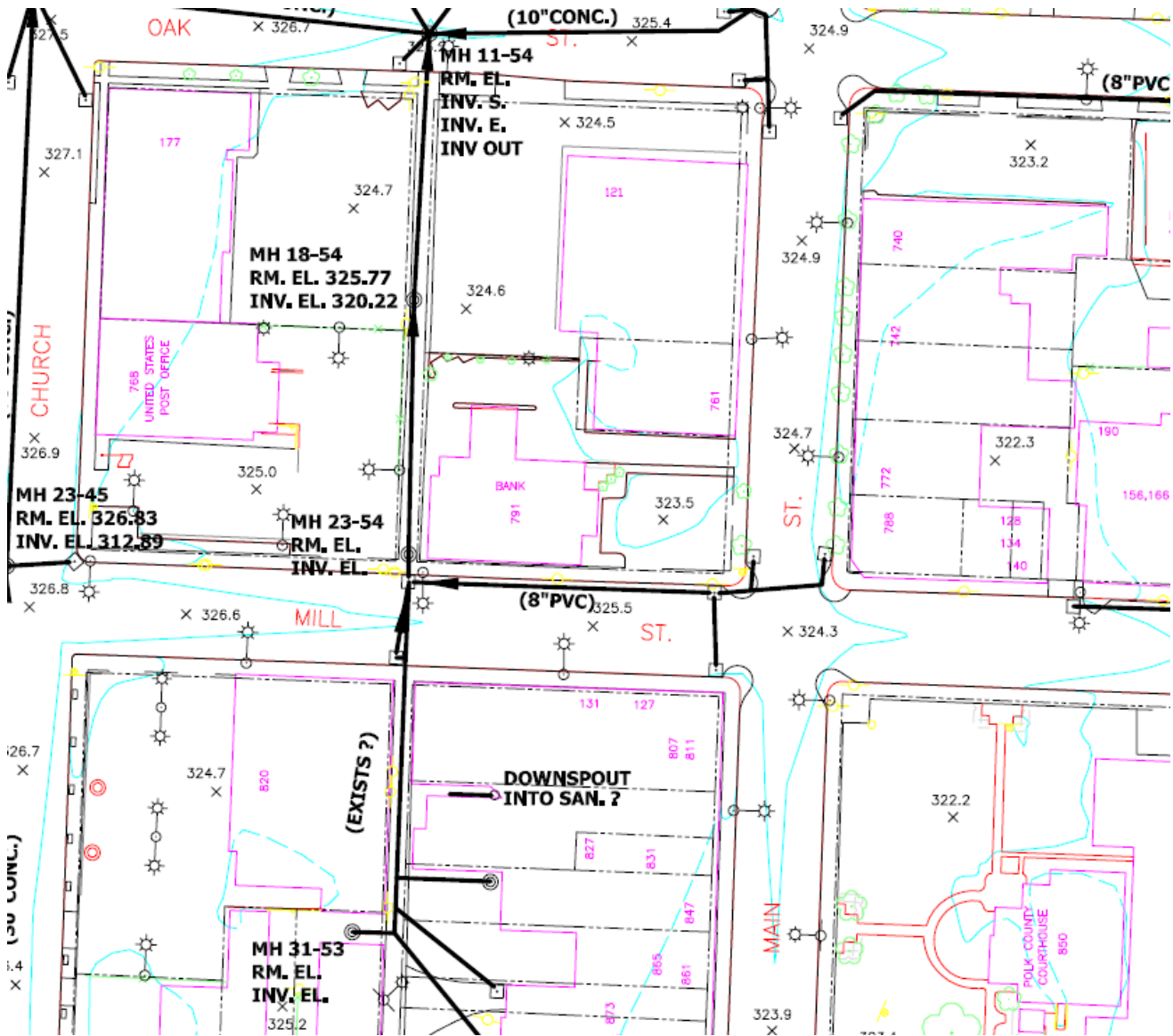


Figure 4. Existing storm.

**Sanitary Sewer**

- The existing sewer main (depicted in green in Figure 5) is in SE Mill Street and the public alleyway to the west. The main is 6 inches in diameter and the service lateral sizes are unknown.

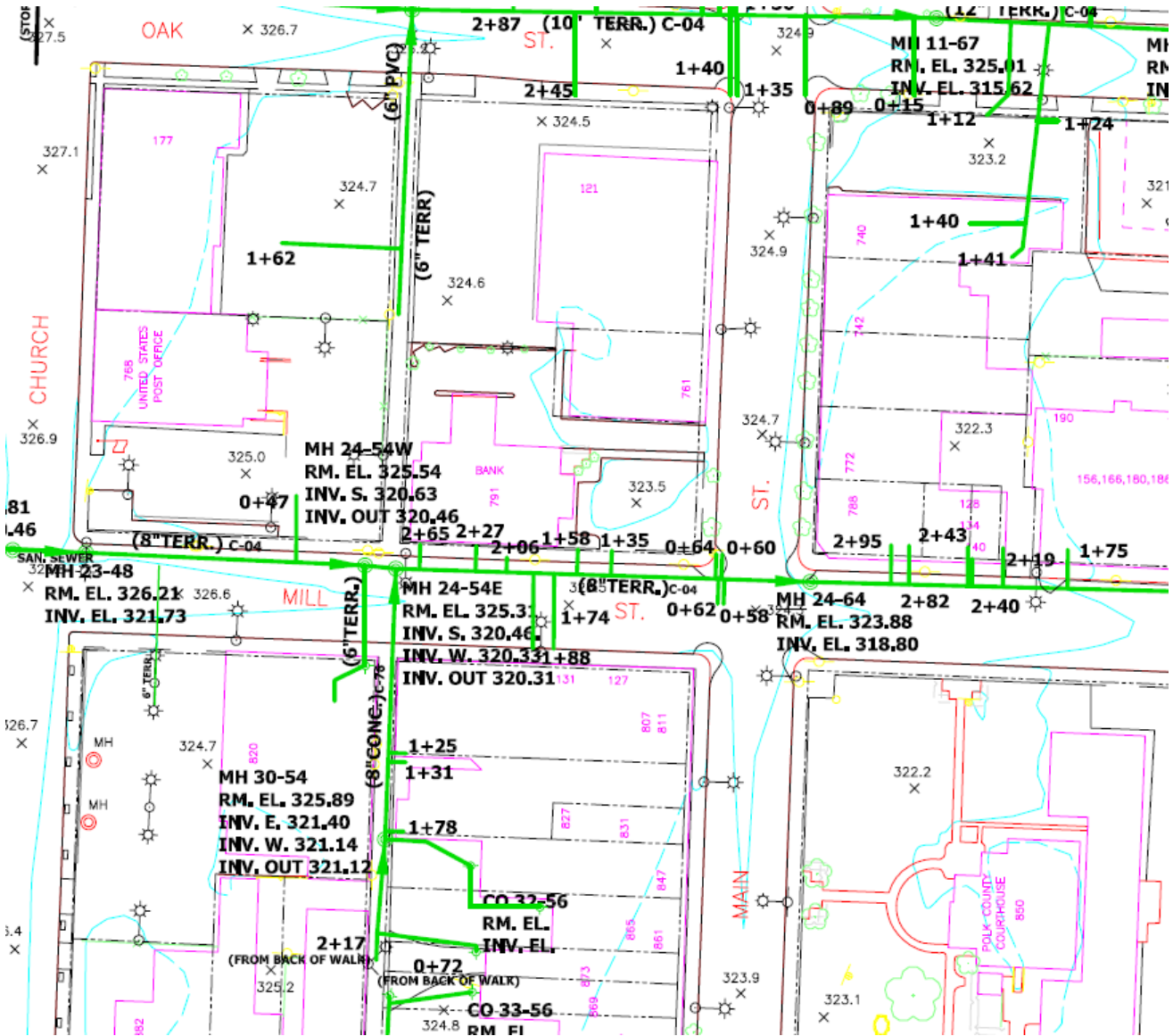


Figure 5. Existing sanitary sewer.

**Water**

- Existing water mains (depicted in blue in Figure 6) are located in SE Mill and Main Streets. Multiple service laterals serve the site; the size is unknown but thought to be ¾" service lines.

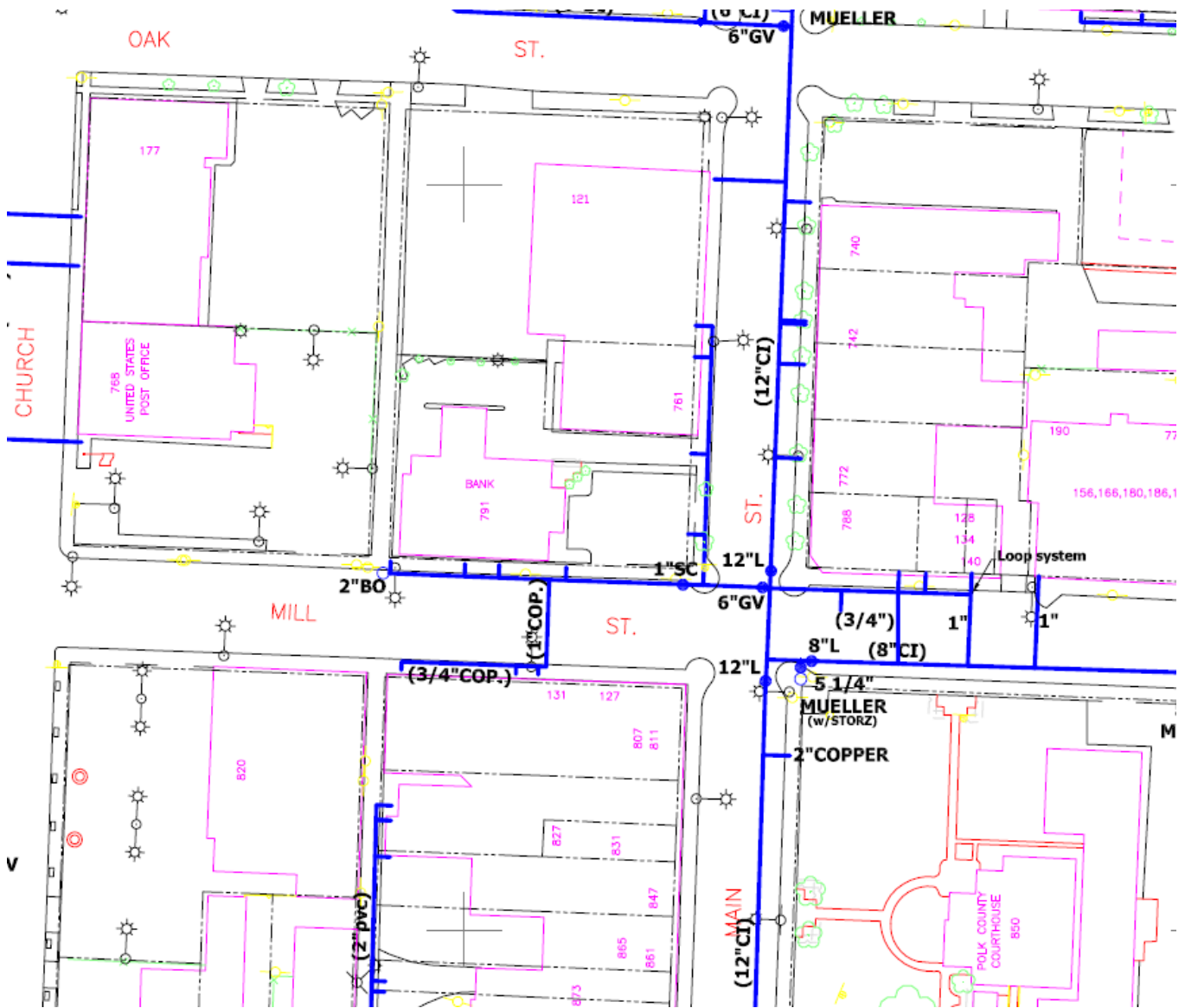


Figure 6. Existing water.


- Attachments:
- Appendix A: 2023 DEQ NFA
  - Appendix B: 2022 APEX CMMP
  - Appendix C: 2013 Main Street Plan
  - Appendix D: 2015 Mill Street Plans
  - Appendix E: 2024 Storm Design Manual
  - Appendix F: 1884–1950 Sanborn Fire Insurance Maps

sast:l





**CITY OF DALLAS  
DALLAS DEVELOPMENT COMMISSION  
URBAN RENEWAL AGENCY  
STAFF REPORT**

**MEETING DATE:** November 4, 2024  
**AGENDA ITEM NO.** 4  
**TOPIC:** Building Improvement Grant – 144 SW Washington Street  
**PREPARED BY:** Tyler Ferrari  
**APPROVED BY:**  Brian Latta, City Manager  
**ATTACHMENTS:** A – Application Materials

**RECOMMENDED ACTION:**

Staff recommends the Urban Renewal Agency approve the grant application as submitted

**BACKGROUND:**

The Building Improvement Grant program was created by the Urban Renewal Agency in early 2021. The City has received an application from Gather Food Park, the owner of the property.

The applicant proposes replacing the current roof with a new roof on the building to meet the new uses inside of the building.

The approval criteria for a building improvement grant are:

1. The applicant must be the property owner or a tenant with permission from the owner.
2. No outstanding bills, fines, or other payments associated with the applicant. This includes any bills, fines or other payments associated with a property owned or managed by the applicant that is not part of the application.
3. The building and its tenants shall have all necessary permits to operate in the designated space.
4. The project must meet all state and local building codes and zoning requirements.
5. Projects must be located in the Dallas Urban Renewal Area and must result in permanent improvements to commercial buildings. Residential uses may exist on floors above the street level, but residential uses on the street level are not eligible.
6. The project and property are not tax exempt.

Staff's Analysis

The applicant is the owner of the property. All taxes and bills to the city are current. The applicant will be required to obtain the necessary permits. The project is within the Downtown Urban Renewal District and will result in a permanent improvement to a commercial building. The projects and property are privately owned and are not tax exempt.

The application satisfies all of the approval criteria.

Staff recommends approval up to the amount of \$8,100.00 as requested by the applicant.

**SUMMARY TIMELINE:**

9/12/2024 – Application received

11/4/2024 – Agency to consider Building Improvement Grant request.

**FISCAL IMPACT:**

\$8,100.00, if approved.

**RECOMMENDED MOTION:**

I move to approve the Building Improvement Grant file number 2024-05 Gather Food Park at 144 Washington Street in an amount up to \$8,100.00, and authorize the city manager to prepare the grant agreement.

# Survey Form Response

## Survey Name: Survey Form Response

### 1. Business Name or Building Address (If Vacant)

144 SW Washington St Dallas OR 97338

### 2. Please enter your contact information

Name: Jaiden Novasio , Title:  
Roles: Main Contact  
Contact Details: info@gatherfoodpark.com

### 3. Project Address

144 SW Washington St Dallas, OR 97338

### 4. Mailing Address (If Different)

PO Box 1000 Dallas, OR 97338

### 5. Who is the Applicant?

Owner

### 6. If answered "tenant" above, please provide the building owner's contact information

### 7. If answered "tenant" above, please provide the building owner's consent to apply for this project

8. Estimated Project Start Date

2024-10-28

9. Estimated Project End Date

2024-11-04

10. Please provide a general description of the overall project

Completely new roof replacement.

11. Will you be using a contractor for this project?

Yes

12. If yes to the above, please input the contractor's contact information.

Name: Madera Quality Construction, Title:  
Contact Details: MaderaQualityConstruction@gmail.com

13. Please attach the following: 1) Photo(s) of the proposed project area 2) Estimates for items and contractors 3) A drawing/sketch/illustration of the proposed improvement - PLEASE PLACE ALL ATTACHMENTS INTO ONE PDF FILE. MISSING ATTACHMENTS WILL RESULT IN THE DELAY OF YOUR APPLICATION

Estimate, Photo of Project Area and Rough Sketch Edit of Proposed Improvement. .pdf

14. Total Project Cost

16,200 USD



15. Total Amount Requested (Max of \$15,000)

8,100 USD

16. By typing your full name below, you agree that the information provided is accurate and correct to the best of my knowledge

Jaiden Novasio

# Madera Quality Construction

# ESTIMATE

1075 4th St Independence OR, 97351  
 maderaqualityconstruction@gmail.com  
 503-917-1546

CCB # 232240

**BILL TO**

**Estimate No:** #INV000157

Sam Owre  
 Sos Builders  
**Job Site:** 148 SW Washington Dallas  
 OR 97338

| DESCRIPTION   | QTY | UNIT PRICE | TOTAL    |
|---|-----|------------|----------|
| Tear off roofing, clean all debri, and install new asphalt 30yr architect malarkey roofing (includes two 4x8 plywood incase of rot repairs) |     |            | \$13,750 |
| Remove old fascia and replace with new 2x6 forest trim fascia boards  |     |            | \$2,450  |
|   |     |            | 0.00     |
|   |     |            | 0.00     |
|   |     |            | 0.00     |
|   |     |            | 0.00     |
|   |     |            | 0.00     |
|   |     |            | 0.00     |

|                        |       |
|------------------------|-------|
| SUBTOTAL               | 00.00 |
| DISCOUNT               | 0.00  |
| SUBTOTAL LESS DISCOUNT | 0.00  |
| TAX RATE               | 0.00% |
| TOTAL TAX              | 0.00  |
| SHIPPING/HANDLING      | 0.00  |

Thank you for your business!

**NOTE:** Incase of more damage or need of repairs there will be an additional cost

**Quote Total \$16,200**

# Current Condition






# Example of New Roof







**CITY OF DALLAS  
DALLAS DEVELOPMENT COMMISSION  
URBAN RENEWAL AGENCY  
STAFF REPORT**

**MEETING DATE:** November 4, 2024  
**AGENDA ITEM NO.** 5  
**TOPIC:** Building Improvement Grant – 904 Main Street  
**PREPARED BY:** Tyler Ferrari  
**APPROVED BY:**  Brian Latta, City Manager  
**ATTACHMENTS:** A – Application Materials

**RECOMMENDED ACTION:**

Staff recommends the Urban Renewal Agency approve the grant application as submitted

**BACKGROUND:**

The Building Improvement Grant program was created by the Urban Renewal Agency in early 2021. The City has received an application from Marlene Cox, the owner of the property.

The applicant proposes conducting a seismic retrofit of the building to meet current seismic standards so that the second floor of the building can be safely occupied.

The applicant previously received a Building Improvement Grant in 2021 in the amount of \$50,000 for the first phase of this project, which included asbestos abatement, seismic bracing, roof repair, and masonry tuck pointing. This application is for the second phase of the project.

The approval criteria for a building improvement grant are:

1. The applicant must be the property owner or a tenant with permission from the owner.
2. No outstanding bills, fines, or other payments associated with the applicant. This includes any bills, fines or other payments associated with a property owned or managed by the applicant that is not part of the application.
3. The building and its tenants shall have all necessary permits to operate in the designated space.
4. The project must meet all state and local building codes and zoning requirements.

5. Projects must be located in the Dallas Urban Renewal Area and must result in permanent improvements to commercial buildings. Residential uses may exist on floors above the street level, but residential uses on the street level are not eligible.
6. The project and property are not tax exempt.

Staff's Analysis

The applicant is the owner of the property. All taxes and bills to the city are current. The applicant will be required to obtain the necessary permits. The project is within the Downtown Urban Renewal District and will result in a permanent improvement to a commercial building. The projects and property are privately owned and are not tax exempt.

The building is currently vacant and has also been awarded an Oregon Main Street Revitalization Grant in the amount of \$200,000 for restoration work once the seismic work is completed.

The application satisfies all of the approval criteria.

Staff recommends approval up to the amount of \$14,999.00 as requested by the applicant.

**SUMMARY TIMELINE:**

9/16/2024 – Application received

11/4/2024 – Agency to consider Building Improvement Grant request.

**FISCAL IMPACT:**

\$14,999.00, if approved.

**RECOMMENDED MOTION:**

I move to approve the Building Improvement Grant file number 2024-05 Gather Food Park at 144 Washington Street in an amount up to \$14,999.00, and authorize the city manager to prepare the grant agreement.

# Survey Form Response

## Survey Name: Survey Form Response

### 1. Business Name or Building Address (If Vacant)

904 Main/115 Court St, Dallas, oregon

### 2. Please enter your contact information

Name: Penny Marlene Cox, Title: owner  
Roles: Main Contact  
Contact Details: latitudeone@hotmail.com, 503 917 9243

Name: Michael Cox, Title: owner  
Roles: Main Contact  
Contact Details: latitudeone@hotmail.com, 503 420 9936

### 3. Project Address

904 Main St., Dallas, Oregon

### 4. Mailing Address (If Different)

11140 Orrs corner Rd., Rickreall, Oregon

### 5. Who is the Applicant?

Owner

### 6. If answered "tenant" above, please provide the building owner's contact information

### 7. If answered "tenant" above, please provide the building owner's consent to apply for this project

8. Estimated Project Start Date

2024-10-28

9. Estimated Project End Date

2024-12-23

10. Please provide a general description of the overall project

Seismic upgrade to second story, approximately 5,000 sq. ft.

11. Will you be using a contractor for this project?

Yes

12. If yes to the above, please input the contractor's contact information.

Name: Guillermo Wrghtman, Optimum Seismic, Title: client relations manager  
Contact Details: gwrightman@optimumseismic.com,

13. Please attach the following: 1) Photo(s) of the proposed project area 2) Estimates for items and contractors 3) A drawing/sketch/illustration of the proposed improvement - PLEASE PLACE ALL ATTACHMENTS INTO ONE PDF FILE. MISSING ATTACHMENTS WILL RESULT IN THE DELAY OF YOUR APPLICATION

904 Main St- Construction Proposal - 08-26-2024.pdf

14. Total Project Cost

375,000 USD



15. Total Amount Requested (Max of \$15,000)

14,999 USD

16. By typing your full name below, you agree that the information provided is accurate and correct to the best of my knowledge

Penny Marlene Cox agrees that information is accurate and correct



Oregon Contractors License #  
240995

5508 S. Santa Fe Avenue  
Vernon, CA 90058  
T: (323) OPTIMUM (678-4686)  
F: (323) 605-0309  
optimumseismic.com

### CONSTRUCTION CONTRACT

This Construction Contract between Owner and Contractor (the “Contract”) is made as of August \_\_\_\_, 2024 (the “Effective Date”), by and between Marlene Cox, trustee of the PMC Living Trust (“Owner”) and Optimum Seismic, Inc., a California Corporation (“Contractor”), for the following project (the “Project”).

**Owner:** Marlene Cox, Trustee  
PMC Living Trust

**Address:** 11140 Orrs Corner Rd  
Rickreall, OR 97271

**Contractor:** Optimum Seismic, Inc.

**Address:** 5508 S. Santa Fe Ave  
Vernon, CA 90058

In consideration for the mutual promises contained in this Contract, Owner and Contractor (each a “Party” and collectively, the “Parties”) agree as follows:

**1. Description of Work and Project.**

1.1. The Contract. The “Contract Documents” form the “Contract” and consist of: (1) this Contract; (2) Exhibit A – Plans; (3) any amendments issued after the Effective Date; and (4) written orders for changes and extra work signed by Owner.

Description of Work. Contractor will furnish all work, labor, tools, equipment, materials, supervision, scheduling, coordination, and contract administration necessary to construct and complete in a good, expeditious, and workmanlike manner the seismic improvements described in the Plans attached as **Exhibit A** (the “Work”) to the Project, which exhibit is incorporated in the Contract. The Project includes seismic improvements to an existing unreinforced masonry building consisting of two stories located at 904 Main St, Dallas, OR 97338. Owner represents that it owns, leases, or otherwise has the legal right to authorize Contractor to perform the Work.

1.1.1. Structural observations and all engineering support are included in the Contract Price, as laid out in Sections 2.1 and 2.2 of this Contract.

1.1.2. Contractor will paint all new installations and new stucco finishes to match the existing color of the building to the closest possible color match. Structural observations and all engineering support are included in the Contract Price.

1.2. Plans. The Work will be constructed according to plan sets approved by the City of Dallas, Oregon (“City”), and subject to changes due to field conditions discovered during

Construction. Contractor may make changes to plans at its sole discretion, if necessary, as long as such changes are approved by the Engineer of Record and comply with requirements of the applicable building codes.

1.3. Tenant Habitability Plan. If Owner requests, Contractor will assist Owner to prepare a Tenant Habitability Plan, but Contractor assumes no liability regarding the Tenant Habitability Plan. Owner acknowledges that to the extent Contractor provides any assistance related to tenant coordination, that assistance is provided as a courtesy and Contractor assumes no responsibility for property management or tenant management.

**2. Contract Price and Payment.**

2.1. Contract Price. The Contract Price is a fixed sum for the Work to be performed under this Contract, totaling \$375,000.00 (the “Contract Price”), which may be increased or decreased by Change Orders signed by Owner and Contractor.

2.2. Payment. Owner shall make progress payments towards the Contract Price on the dates and in the amounts shown:

|   |             |
|---|-------------|
| Payment 1 - Contract Execution                | \$35,000.00 |
| Payment 2 - Week 1 of Construction            | \$55,000.00 |
| Payment 3 - Week 2 of Construction            | \$55,000.00 |
| Payment 4 - Week 3 of Construction            | \$55,000.00 |
| Payment 5 - Week 4 of Construction            | \$55,000.00 |
| Payment 6 - Week 5 of Construction            | \$55,000.00 |
| Payment 7 - Week 6 of Construction            | \$55,000.00 |
| Payment 8 - City’s Signoff of Structural Work | \$10,000.00 |

Payments are due upon Owner’s receipt of Contractor’s invoice. Owner shall pay a 1.5% monthly service charge for any invoice not paid within 14 days. If the City’s signoff on structural work (progress payment No. 8) is delayed due to insufficient installation of gas shut-off valves or other compliance issues unrelated to Contractor’s Work, then payment of the full contract balance will become due within ten (10) days after completion of structural work per Exhibit A.

2.3. Loans and Financing. Owner acknowledges and agrees that its obtaining a loan for a portion or all of the Contract Price is not a condition precedent to payments due under this Contract, and that Contractor is not providing financing for the Project, or in any manner assisting Owner to obtain a loan, or referring Owner to any person who may loan or arrange a loan for all or a portion of the Contract Price.

**3. Exclusions from Contract Price.**

3.1. Taxes and Assessments. Owner is responsible for paying all taxes, fees, assessments, and charges required by public agencies, including without limitation any increase in assessed value

based on the Work. All taxes incurred by Contractor, including without limitation commercial activity taxes, building or operating permits, land use fees or assessments, and excise taxes, are additional expenses that Owner will reimburse to Contractor outside of the Contract Price.

3.2. Permits. Unless otherwise specifically provided in the Contract, Contractor will obtain all building permits, and Owner will pay Contractor, in addition to the Contract Price, for all required building permits and all inspection fees for inspections required by permitting agencies.

3.3. Dry Rot, Structural, and Termite Damage. Any repairs or changes required due to dry rot, termite damage, or preexisting structural damage discovered during or after demolition are excluded from the Contract Price and will entitle Contractor to a Change Order as allowed in Section 8.

3.4. Seismic Gas Shut-Off Valve. The expense to provide and install a seismic gas shut-off valve is excluded from the Work and the Contract Price. Owner is responsible for providing and installing a seismic gas shut-off valve, if required. Owner acknowledges that delay in installing a required seismic gas shut-off valve may delay final City approval and completion of the Work.

3.5. Hazardous Materials. Hazardous Materials are excluded from the scope of the Work and the Contract Price, as outlined in Section 9.

**4. Commencement and Completion.**

4.1. Start Date. Contractor will begin work on a date to be agreed on by Contractor and Owner in writing, but no later than October 15, 2024.

4.2. Approximate Completion Date. Contractor will perform Work diligently to completion and, in all events, will substantially complete the Work within ten (10) weeks after commencement, subject to permissible delays as described in Section 7, below.

5. Standards. The seismic improvements to be performed will comply with the minimum standards for mitigating life safety hazards that may result from the effects on existing unreinforced masonry buildings as defined by the applicable City or state building codes. The purpose of these improvements is to comply with the building codes and to reduce the risk of death or injury from a seismic event, but not necessarily to prevent all loss of life, injury, or seismic-related damage. Contractor does not warrant or guarantee the overall reduction in the risk of seismic-caused damage to the Project from a seismic event. Performance of the Work will require Contractor to open trenches, which will remain open during a portion of the Work. Owner acknowledges that open trenches increase the risk of damage to a structure from an earthquake or seismic event while the trench is open.

6. Right to Stop Work. Contractor may stop work on the Project if any amount due from Owner is not paid to Contractor when due under this Contract, including without limitation any payment for extra work. If such nonpayment occurs, Contractor may suspend the Work and keep the job idle until all outstanding payments are received. In such an event, Owner will be responsible for payment of Contractor's delay and remobilization costs associated with suspending the Work.

7. Delays Beyond Contractor's Control. Owner shall excuse Contractor for any delay in



completion of the Work caused by the following:

- (1) Acts of God, including but not limited to wind, rain, flood, storm, landslide, subsidence, and seismic event;
- (2) Acts of Owner or Owner's agents, employees, or independent contractors;
- (3) Inclement weather;
- (4) Labor troubles, slow-downs, strikes, or union activity causing reduction in productivity;
- (5) Acts of public utilities or governmental, quasi-governmental, or public bodies, including without limitation inspectors or plan-checkers' review and approval of plan revisions due to field conditions;
- (6) Changes requested by Owner;
- (7) Owner's failure to make payments when due;
- (8) Owner's failure to promptly process change orders;
- (9) Embargoes on materials;
- (10) Delays in transportation;
- (11) Unforeseen or differing site conditions, including but not limited to Hazardous Materials; or
- (12) Other causes beyond the reasonable control of Contractor, its employees, or its subcontractors.

**8. Change Orders.** Any work requested or required to be performed that is outside the scope of the Work of this Contract will be performed only under a valid Change Order, which will adjust the Contract Price and the time to complete the Work. Any request by Owner for work outside of the scope of the Work must be made in writing by Owner to Contractor. If Owner fails to reject a change order request from Contractor within seven days, Owner will be deemed to have accepted the terms thereof. Any repairs or changes required due to dry rot, termite damage, or preexisting structural damages discovered during or after demolition are excluded from the Contract Price and will entitle Contractor to a Change Order for any additional or different Work arising from those conditions.

**9. Hazardous Materials** Contractor shall, as required, hire hazardous materials testing subcontractors, and the cost of such will be directly reimbursed to Contractor immediately upon submission to Owner of an invoice from the hazardous materials testing subcontractor. If hazardous materials are identified, and abatement is required, Contractor will assist Owner in obtaining quotes from abatement contractors, and Owner shall select and hire one of those abatement contractors to perform required abatement work. Any delay in the time to complete the Work related to hazardous material testing or abatement will be considered a permissible delay as described in section 7 (Delay Beyond Contractor's Control) above. To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Contractor, Subcontractors, and agents and employees of any of them from and against claims, damages, losses, and expenses, including but not limited to attorney's fees, arising out of or resulting from the presence, removal, and abatement of hazardous materials or substances in the Project if in fact the material or substance presents the risk of bodily injury or death, and has not been rendered harmless, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), except to the extent that such damage, loss, or expense is due to the fault or negligence of the party seeking indemnity. If, without negligence on the part of the Contractor, the Contractor is held liable by a government agency for the cost of remediation of a hazardous material or substance on the Project solely by reason of performing Work as required by the Contract

Documents, the Owner shall reimburse the Contractor for all cost and expense thereby incurred.

**10. Insurance.**

10.1. Contractor Insurance. Contractor maintains insurance on its operations with the following coverages:

- (1) Worker’s compensation as required by law;
- (2) Commercial general liability insurance covering all operations, with policy limits of at least \$1,000,000 per occurrence and \$2,000,000 in the aggregate; and
- (3) Automobile liability insurance, if using company vehicles to perform the Work, with policy limits of \$1,000,000.00 in the aggregate for bodily injury and property damage.

10.2. Property Insurance. Owner will purchase and maintain continuously through the duration of the Project property insurance in the amount of the Contract Price for the Work (as may be adjusted by Change Order) written on an All-Risk builder’s risk policy form covering at least fire, theft, vandalism, collapse, earthquake, flood, windstorm, falsework, and debris removal. Owner will identify Contractor as a named insured on the policy.

10.3. Losses. If any portion of the Work is destroyed or damaged by any occurrence covered by any property insurance, Owner will pay Contractor for all Work in progress or completed as of the date of the occurrence, plus twenty-five percent (25%) for profit and overhead costs. At Owner’s option, this Contract may then be terminated under such circumstances, or the Work may be rebuilt with adjustments to the Contract Price, scope of Work, and schedule. Owner’s obligations under this Section are not limited by the insurance requirements set forth in this Contract.

10.4. Subrogation Waiver. Owner and Contractor waive all rights against each other and any of their respective subcontractors, agents, or employees for damages caused by any covered peril or other causes of loss to the extent covered by the worker’s compensation, automobile, commercial general liability, or property insurance applicable to the Work, except such rights as they have to proceeds of such insurance policies. The applicable insurance policies will provide such waivers of subrogation by endorsement or otherwise.

**11. Progress Payments and Final Payment.**

11.1. Progress Payments. Progress payments are to be made weekly pursuant to Section 2.2, above. No partial payment may be considered acceptance or approval of any Work, nor a waiver of defects in the Work.

11.2. Final Payment. When Contractor considers the Work to be complete, Contractor will notify Owner. Within fifteen (15) calendar days after receiving the notice, Owner will either accept the work or notify Contractor of Work yet to be performed under the Contract. Upon Owner’s acceptance of the Work, Owner will make final payment to Contractor of all amounts due to Contractor, including retainage, within seven (7) calendar days.

11.3. Retainage. Owner, Contractor, and any first-tier subcontractor may withhold as

retainage from each progress payment an amount equal to not more than five percent (5%) of the Contract Price of the Work completed. Pursuant to ORS 701.435, Contractor reserves the right to submit to Owner and any lender, and Owner and the lender will accept, a surety bond in lieu of all or any portion of the retainage required under this Contract.

11.4. Interest. Owner will pay interest at the rate of one percent (1%) per month on the final payment due to Contractor. Interest will commence eight (8) days after Contractor has completed and Owner has accepted the Work. Interest will run until the date when the full amount of the final payment is tendered to Contractor. If Owner does not accept the Work or does not notify of Work yet to be performed within the time allowed, interest will commence eight (8) days after the end of the fifteen (15) day period for Owner to review the Work.

11.5. Contractor Paying Subcontractor. When Contractor pays a subcontractor in full, including the amount Contractor withheld as retained, Owner will pay Contractor, out of the amount that Owner withheld from Contractor as retainage, a sum equal to the amount of retainage that Contractor paid the subcontractor. Contractor will notify Owner when Contractor pays a subcontractor in full and Owner will, within fifteen (15) days after receiving the notice, pay Contractor the amount due. Interest on the amount due is at the rate of one percent (1%) per month, commencing fifteen (15) days after Owner receives notice of Contractor’s full payment to the subcontractor.

**12. Dispute Resolution.** Upon one Party’s notification of a dispute to the other Party, Contractor and Owner will meet promptly and attempt to resolve the dispute. If unsuccessful, or if a meeting does not occur within fourteen (14) days after receipt of the notification of a dispute, then the Parties will follow the Early Neutral Evaluation or Mediation process in Section 12.1 prior to the initiation of any action or proceeding, whether in litigation or arbitration, as more particularly described below.

12.1. Early Neutral Evaluation. Upon notification of a dispute before completion of the Work, Owner and Contractor will make a good faith effort to resolve the dispute through the following Early Neutral Evaluation process..

12.1.1. Evaluator. The Parties will select a disinterested third party (“Evaluator”) with expertise in the design and construction of similar projects. Nothing disclosed by any Party nor any evaluation made by the Evaluator may be admitted in any subsequent arbitration or litigation. The Evaluator will be considered as a mediator and the Early Neutral Evaluation will be considered a mediation process governed by Oregon law, including the protection of mediation communications.

12.1.2. Performance Claims. In all disputes concerning performance claims, the Evaluator will render an assessment of the dispute, which the Parties will use to structure a framework for settlement, or, at a minimum, to streamline the issues that will ultimately be settled, arbitrated, or litigated as set forth below. To facilitate resolution, each Party will prepare a position paper setting forth the material bases for its position. Each Party will also provide a short presentation before the Evaluator, which may be delivered in person or by teleconference or videoconference. The Evaluator will decide whether the other Party may attend a Party’s presentation, but the decision will apply equally to both Parties. After the presentations, the Evaluator will identify areas of agreement, forecast liabilities, and establish, if applicable, a range for liability and potential settlement.

12.1.3. Costs Associated with Early Neutral Evaluation. The Parties will equally share administrative costs and fees of the Evaluator for the Early Neutral Evaluation proceedings, but each Party will be responsible for its own expenses otherwise incurred.

12.1.4. The Parties will not be required to participate in Early Neutral Evaluation for a period greater than thirty (30) calendar days, commencing from the date the Parties select Early Neutral Evaluation, unless otherwise agreed upon in writing by the Parties

12.2. Mediation. Upon notification of a dispute occurring after completion of the Project, and as a condition precedent to any litigation (except for emergency relief or to foreclose a construction lien as required by law), all claims, counterclaims, disputes, and other matters in question between the Parties arising out of or relating to this Contract or breach of this Contract will first be submitted to non-binding mediation.

12.2.1. Initiating Mediation. Either Party may initiate mediation by providing written notice to the other, together with a list of three proposed mediators within thirty (30) days of service of the notice of the dispute. The other Party may select one of the three proposed mediators. If the other Party fails to select one of the mediators, or otherwise participate in or pay for its share of the cost of the mediation, or if either Party fails or refuses to agree to one of the mediation dates suggested by the mediators, then either Party will be free to initiate litigation with respect to the dispute.

12.2.2. Costs Associated with Mediation. Each Party will pay one-half of the fees and expenses of the mediator and any mediation service, and will bear its own attorney fees and expenses in connection with the mediation.

13. **Time of the Essence.** All time limits stated in this Contract are of the essence, and failure to comply with them is a material breach of this Contract. Unless otherwise expressly stated, all references in this Contract to “day(s)” means calendar days.

14. **Cleanup.** Contractor will keep the Project free from accumulation of debris, waste materials, or rubbish caused by its operations. On completion of the Work, Contractor will remove all debris, waste materials, rubbish, and surplus material caused by its operations from Owner’s property. Contractor will thoroughly clean the work area, leaving it in a neat and clean condition.

15. **Assignment.** Neither Party may assign this Contract or its rights under this Contract, or delegate its duties under this Contract, without the other Party’s written consent, with the exception that Contractor may subcontract portions of the Work. Any attempted assignment or delegation without the other Party’s written consent is void.

16. **Marketing and Advertising Rights.** Owner grants Contractor license to post marketing signs and banners on the building subject to the Work, and to make and use photographs and videos of the building for marketing and advertising purposes.

17. **Compliance With Applicable Law.** Each Party will comply with all federal, state, and local laws applicable to the Work and the Project, and all regulations and administrative rules established pursuant to those laws.

18. **Notice.** Any notice required or permitted under this Contract will be deemed given if it is in

writing, addressed to the other Party’s representative identified on page 1 of this Contract, and delivered to that person via U.S. Mail, certified or first-class postage prepaid, or by overnight delivery service, fees prepaid, with proof of delivery. For purposes of U.S. Mail, delivery will be presumed five (5) days after being properly deposited in the mail. Either Party may change the person or address for receipt of notices by providing written notice to the other Party.

**19. Integration.** This Contract constitutes the entire agreement of the Parties. No other agreements, oral or written, pertaining to the Work exists between the Parties. This Contract can only be modified by an agreement in writing signed by authorized representatives of both Parties.

**20. Limitation of Liability.** In consideration of the relative risks, costs, and financial exposure to Contractor, Owner agrees to limit the liability of Contractor for all liability, regardless of whether contractual, tort, negligence, strict liability, or otherwise, for all claims or causes of action arising from or relating to this Contract and Contractor’s performance of the Work, to a maximum aggregate of the Contract Price paid by Owner to Contractor under this Contract. In no event will Contractor be liable for any consequential, incidental, or indirect damages.

20.1. Liability from Fire. Owner acknowledges that stucco is a fire retardant, and that the Work will require stucco removal, which may make the Project more susceptible to the risk of fire until the stucco is replaced. Owner understands this risk and further understands that Owner is responsible for removing or monitoring all other flammable materials under its control, or its tenants’ control, in those areas during performance of the Work.

**21. Governing Law.** The laws of Oregon, without regard to conflict-of-laws principles, govern all matters arising under or relating to this Contract, including its construction, interpretation, and enforcement.

|  |   |
|--|---|
| <p><b>Owner</b><br/> <b>MARLENE COX, TRUSTEE PMC</b><br/> <b>LIVING TRUST</b></p> <p><b>By:</b> _____</p> <p><b>Its:</b></p> <p><b>Date:</b></p> | <p><b>Contractor</b><br/> <b>OPTIMUM SEISMIC, INC.</b><br/> a California corporation</p> <p><b>By:</b> _____<br/> Ali Vahdani, P.E.</p> <p><b>Its:</b> President, CEO</p> <p><b>Date:</b></p> |
|--|---|



EXHIBIT A  
PLANS