



DIRECTOR'S REPORT

TO: Columbia River Gorge Commission
FROM: Tom Ascher, Planner
DATE: July 1, 2009 for July 14, 2009 meeting
SUBJECT: Economic Development Loan Request W09-0166
APPLICANT: Fun Country, Inc., represented by Mike and Lisa Erland

Action Requested:

Staff recommends the Commission certify loan request W09-0166 for \$212,000, submitted by the Fun County, Inc., as consistent with the purposes of the Scenic Area Act and Management Plan.

Background:

Section 11(c)(1) of the Columbia River Gorge National Scenic Area Act (P.L. 99-663) and Commission Rule 350-120, require the Commission to certify that all activities undertaken under a National Scenic Area economic development loan or grant are consistent with the purposes of the Act, the Management Plan, and any applicable land use ordinance adopted pursuant to the Act. Commission Rule 350-120-030 requires the Commission's Executive Director to prepare a report on each certification request received by the Commission. This is the Executive Director's Report for certification request W09-0166. The request will be heard at the July 14, 2009 Gorge Commission meeting at the Discovery Center in The Dalles, Oregon.

Project Description:

Fun Country is a power sports retailer located on West 2nd Street in The Dalles, OR. Fun Country's plan is to construct a new 8,600 square foot showroom and warehouse at their current location, and to make improvements to their existing building to expand their service department. The applicant estimates that their staff will increase from 8 FTE to 13.5 FTE over the next three years. The total project cost is \$494,450. The Oregon Investment Board approved a \$212,000 National Scenic Area economic development loan at its June 17, 2009 meeting. Other funding will be provided by the original owner of the parcel, and Fun Country, Inc. itself.

Criteria for Certification

Consistency With The Purposes Of The National Scenic Area Act:

The purposes of the Act are to: 1) protect and provide for the enhancement of the scenic, cultural, recreational, and natural resources of the Columbia River Gorge, and 2) to protect and support the economy of the Columbia River Gorge area by encouraging growth to occur in existing urban areas and by allowing future economic development in a manner that is consistent with the protection of the resources of the Gorge. The project provides needed infrastructure for growth of an existing business located within The Dalles urban area.

Section 11(c)(2) of the Scenic Area Act states that economic development funds may not be used to relocate a business from one community to another. No business relocation is involved. The proposed loan would support growth of an existing business located within an urban area.

Section 11(c)(3) of the Scenic Area Act states that economic development funds are not to be used for program administration. The proposed loan funds only construction. No program administration is to be funded by the loan. The project is consistent with this section of the Scenic Area Act.

Section 11(c)(4) of the Scenic Area Act states that economic development funds are to be used "only in counties which have in effect land use ordinances found consistent by the Commission and concurred on by the Secretary." The proposed loan funds would be used in Wasco County, which has in effect an ordinance found consistent by the Commission and concurred with by the Secretary.

Conclusion: The subject loan is consistent with the purposes and the provisions of Section 11(c) of the Scenic Area Act.

Consistency With The Management Plan:

The subject loan would be used to enlarge the commercial space of an existing business. Management Plan economic development policies (Management Plan, Economic Development, Goals, pg. III-53 - 56) support the goals and strategies in the Economic Development Plan, written by the Washington and Oregon Investment Boards. Oregon's economic development strategy includes goals to create and retain jobs in urban areas. This project supports the expansion of an existing business which will enable it to increase staff. The subject loan would be used for activities consistent with the goals of the Economic Development Plan.

Conclusion: The subject loan is consistent with applicable provisions of the Management Plan.

Consistency With Land Use Ordinances:

The project supports construction of a commercial building and expansion of an existing business located in The Dalles urban area. No Scenic Area ordinance land use approval is required for this project because it is located entirely within an urban area.

Conclusion: This project is not required to be consistent with Scenic Area land use ordinances because it is located entirely within an urban area.

Recommendation:

Staff recommends the Commission certify the loan request from Fun Country, Inc. (W09-0166) as consistent with Scenic Area Act and Management Plan.