

CITY OF ALBANY  
CITY COUNCIL (WORK SESSION)  
Municipal Court Room  
Monday, September 26, 2011  
4:00 p.m.

**MINUTES**

**CALL TO ORDER**

Mayor Sharon Konopa called the meeting to order at 4:02 p.m.

**ROLL CALL**

Councilors present: Councilors Dick Olsen, Jeff Christman, Bill Coburn, Floyd Collins, Bessie Johnson, and Ray Kopczynski.

Councilors absent: None.

**BUSINESS FROM THE PUBLIC**

There was no business from the public.

**ECONOMIC DEVELOPMENT STRATEGY DISCUSSION**

City Manager Wes Hare said the staff memo was put together in response to discussions about economic development. He used a white board to illustrate that each time an idea is presented to the City, they try to consider all the other community players that would be impacted. In the case of economic development, the City is just one partner in the community. Other partners include: federal agencies, hospitals, counties, Albany Downtown Association (ADA), Oregon State University (OSU), Council of Governments (COG), state economic development, Albany Visitors Association (AVA), Linn Benton Community College (LBCC), Albany Millersburg Economic Corporation (AMEDC), Albany Chamber of Commerce (ACC), businesses, Greater Albany Public Schools (GAPS), and the Historic Albany Revitalization Project (HARP).

On the dais were two documents: Labor Market Information from *Worksource Oregon* (see agenda file) and an e-mail from William Summers, Workforce Analyst/Economist, to Management Assistant/Public Information Officer Marilyn Smith (see agenda file).

Hare said his recommendations are stated on page 3 of the staff memo. The recommendations include having AMEDC take the lead to coordinate economic development for the community.

Pam Silbernagel from COG, and John Pascone from AMEDC, presented information about economic development to the Council in May. They considered the “big picture” for a healthy community, and getting money in that wasn’t in the community before.

Silbernagel said that when she asked the Council in May what a good indicator would be, the Council replied that jobs was the primary target; both up-scaling quality of current jobs and attracting new jobs. Silbernagel said the next step is for the Council to discuss their vision of how this will be done.

Silbernagel said that Hare’s suggestions in the staff memo are good. She wants to discuss the Council’s focus. What does a future economy look like, especially in terms of small business? What types of jobs do they want to attract? What do they want to see down the road?

Hare said, there have been some significant efforts in the community, particularly in infrastructure, to prepare for future businesses and to work with existing businesses.

Michael Waldock, the Historic Albany Recovery Program (HARP) Team Leader, reported that HARP takes the initiative for new ideas. They use interns assigned to projects and each project has a godparent in the community.

Waldock played a short video about HARP in which the project godparents introduced themselves (copy of video in the agenda file.)

Waldock said that HARP is dependent on the community. The office is at 201 1<sup>st</sup> Avenue. People are welcome to call or visit. He said that people do walk in with ideas.

Silbernagel led the Council in a discussion. The questions posed were: what is economic development? Who are the partners? What do they provide? How do we count or measure impact?

Councilor Floyd Collins said he sees the value in attracting, maintaining, enhancing, and growing businesses. He suggested they add utilities to the list of partners.

Hare reminded the Council that Barbara Bessey from LBCC's Small Business Development Center (SBDC) Program made a request for assistance for small business development a few months ago. The Council chose to delay that discussion until now.

Konopa thinks Albany needs an expanded commercial base.

Councilor Ray Kopczynski works at the employment office. He has seen the number of jobs available in the community increase. Silbernagel said they are also seeing that trend in small business lending.

Councilor Jeff Christman agrees that they should work with the other partners, but it is important that the Council has oversight of the \$4 million. They need to make sure that the jobs being created are within the City of Albany from a tax standpoint, and also for other growth and potential possibilities. He wants the Council to concentrate on how to work with other agencies to attract jobs to Albany.

Hare said a good example is that right now there is a significant Albany business that wants to expand. They are considering staying in Albany and are looking for a low interest loan. The only unanswered question is, how much. They will want some sort of response soon as to whether the Council is interested in creating a low interest loan fund. This could retain jobs in Albany and increase investment in Albany. They would add 20 additional jobs at \$40,000 annually. Hare supports this opportunity.

Kopczynski said it is the same sort of thing that is done with Central Albany Revitalization Agency (CARA) funds.

Silbernagel started a list of possible evaluation criteria for loans, such as: the number of jobs, wages, if it is inside city limits, traded sector jobs, etc. Discussion followed.

Councilor Bill Coburn doesn't want to put conditions on it at this point. He thinks parties should come and talk to the Council if they have an idea.

Silbernagel suggested that they consider giving some boundaries to City staff so that there is a way to say no, outside of the media's eye. Konopa agreed that there should be a policy to administer the program.

Christman is concerned that if they choose hard, firm criteria it could mean missing out on a huge opportunity. For example, Microsoft started out of a garage. He thinks we can have some framework, but not too many. They should consider wages and city limits, but he doesn't want them incorporated into a policy.

Hare suggested creating a review process to indicate how the priorities are set, but keep the review process as open as possible. This is the same method CARA uses and generally they have experienced good success from this type of process.

Kopczynski agreed. He said, flexibility is key.

Silbernagel explained that businesses need to make decisions in 30 day timeframes, so the process should be expedient.

Collins added the list of criteria: what is the investment back to the community in taxes, and what is the availability of utilities.

Collins agrees with Christman that it should be in the city limits; but if it were a regional facility based on their size, it should also be considered. Another criteria is the amount of the funding gap, and if the gap is at the front end or tail end of the project. Another consideration is how long the jobs will be here.

Pascone said there could be variables based on each particular project. Pascone said for the existing business Hare referred to, there is a lot of competition for the site and they are looking all over the world. He would like to keep them in Albany. He said, we should maximize our dollars. Discussion followed.

Silbernagel added "risk" to the list of criteria.

Christman is not in favor of giving forgivable loans. The rest of the Council concurred.

Hare said the Council needs to address LBCC's request for \$20,000 for the Small Business Development Center (SBDC) Program. In his opinion, it builds goodwill and interagency cooperation. The downside is risk, in that the businesses this goes to support may not be successful. He does not think it is an unreasonable one-year investment.

Konopa agrees that one year is reasonable. The program has been successful so far but she does not want Albany to provide its ongoing support.

Hare said Corvallis used to support it with funds they received as a Metropolitan Planning Organization (MPO). Albany may have the opportunity to be an MPO. He said, Albany could fund them for one year until getting the MPO status clarified, then look at it again next year.

Staff will prepare a resolution of support for the SBDC Program.

Silbernagel asked the Council if they are ready to have this conversation with other players and if so, who?

Pascone thinks the time is good to start this. AMEDC will be doing a business survey again and the time is right for this discussion.

Kopczynski thinks they should talk to all the partners in the beginning to make sure they are not duplicating efforts (in the community).

Collins supports using a rapid response team with a collaboration of agencies.

Konopa likes having all the agencies involved in the rapid response but wants the Council to make the decisions about the PepsiCo Settlement money, because they need to be careful with that one-time resource. Collins agreed that the rapid response team would not be making the decisions about money, but rather they would be available to answer questions. Discussion followed about the role of the rapid response team.

Christman thinks it is important that the group is not too large. He is protective over who is in the group because ultimately, the Council is responsible to the citizens for how the PepsiCo Settlement funds get spent.

Silbernagel asked if the Council wants to focus on "quality-of-life" agencies or "trade" sector agencies to be part of the group. The Council was generally supportive to start with the "trade" sector agencies; not to exclude the "quality-of-life" agencies, but to figure out where they might fit in, with the focus being on the "trade" sector jobs.

#### POLICE AND FIRE FACILITIES UPDATE

Hare said, how much we allocate to economic development has an effect on what we do with two large capital projects: the police and fire facilities.

##### *Fire Department*

Fire Chief John Bradner said that after their last presentation to the Council, the consultants, ZCS Engineering, told Bradner that they would be negligent if they were to recommend having a building with a large footprint on a small piece of land. Their discussion then turned to putting a small substation downtown and putting a larger station at a new location. The idea is presented in the staff report as the Existing Fire Station 11 Split Facility Review, on page 4. The staff report asks for Council approval to perform consultant services related to this option.

Christman said he is not sure what they would be getting for the \$8,000-10,000 cost for the study. Bradner said they have not yet done a thorough seismic evaluation. They have shared initial reactions about the seismic condition of Station 11, but they have not performed a detailed evaluation to see if it makes sense to rehabilitate or build new. Also the fee would include looking at additional sites for the fire station.

Christman asked, can we skip the portion where they evaluate the structure seismically, and instead have them start looking for other property? This might save money.

Hare said, we should settle on a site that provides what we need for several years-out, rather than trying to do two separate sites.

Kopczynski pointed out that if they had a substation at the current location downtown, they would still have to do an additional station elsewhere.

Hare said he met with the GAPS Superintendant and they are not very interested in selling off a part of Central School.

Councilor Dick Olsen thinks they should get another assessment of the cost to rehabilitate Station 11. Hare said that they did that already: the original study in 2000 was just for seismic retrofit, not including asbestos removal, American with Disabilities Act (ADA) access, electric, or power, and it cost just under a million. Those costs would increase the 2.5 to 4 times by now. When ZCS evaluated the 2000 report they concurred with that, believing it would be about \$4.5 million to retrofit the building now. Hare said there also remains the problem of access in and out of the station, with fire engines blocking traffic. It will only get worse as traffic on that street increases.

Olsen said he is concerned about historic Albany. Discussion followed about options for getting property near Station 11.

Bradner said that two engineering firms have already said that to restore Station 11 would be like constructing a new building inside the old building, thus reducing the usable space. Staff is already critically cramped there, so having a smaller footprint just exacerbates the problem.

Christman said ZCS has already said that the downtown site won't work and have considered the other options in the downtown area, and they say it is not feasible. He asked, so why would we spend more money to have them try to force it to fit there?

Hare asked, how much more money does the Council want to put in to looking at another site outside of downtown, versus continuing to consider the current downtown site with its limitations? We have spent \$20,000 so far for a preliminary analysis and they said that that site is difficult to meet the goals that we identified for them. It is a cost-benefit decision for the Council.

Konopa asked, have we considered looking at moving equipment out of Station 12 and into the bus barn, and moving the bus barn elsewhere? Bradner said they considered moving the bus barn about ten years ago when Collins was the Public Works Director. They decided it wasn't a good option. Discussion followed.

Christman pointed out that even if those ideas worked at Station 12, it doesn't resolve the problems at Station 11. Christman doesn't like the split-facility idea (Option 1) in the staff report and Central School is not interested in selling property (Option 2); so he thinks they should save money by not pursuing them further. He supports Option 3, to find another location to build. It is a better use of the money.

Olsen described a Seattle Fire Department that had been restored. He wants staff to find out what Seattle did to restore their building.

Hare pointed out that the concerns at Station 11 are more than just seismic. There is also roof and electrical issues.

#### *Police*

Hare said staff needs direction for police facilities. There is a plan for construction, they have the land, and they are ready to go. He thinks it can be done for approximately \$8 million. He recommends writing a design-build contract for a budget within that range.

Collins doesn't think they can build both police and fire facilities and wants to know what the priority is between the two, but feels they can't do that evaluation until they have firm decisions about Fire Station 11. He wants to know the site and the cost for the fire facility, then he can make a decision between the two.

Coburn said, if that's the case then he wants to have a short timeframe so that the Council can take advantage of the construction market window right now.

The discussion will continue at the September 28, 2011, Regular Session.

#### COUNCILOR COMMENTS

Councilor Bessie Johnson is going to the League of Oregon Cities (LOC) conference and hopes more of the Councilors can attend. It provides good networking and learning opportunities.

Collins said the farewell service for the late Councilor Ralph Reid Jr. will be at 11:30 a.m. on Thursday at the Airport.

Konopa said that she and Urban Renewal Manager Kate Porsche are going to meet with the members of the Eagles Lodge to dispel some rumors.

Konopa has been appointed by Governor Kitzhaber to be on the Rapid Rail Council to look at rapid rail instead of high speed rail. She wants to make sure it stays on the Union Pacific line.

#### CITY MANAGER REPORT

There was no report.

#### ADJOURNMENT

There being no further business, the Work Session adjourned at 6:21 p.m.

Respectfully submitted,

Mary A. Dibble, MMC  
Deputy City Clerk

Reviewed by,

Stewart Taylor  
Finance Director