



APPROVED: July 19, 2006

CITY OF ALBANY
Central Albany Revitalization Area
Advisory Board
City Hall Council Chambers, 333 Broadalbin Street
Wednesday, June 21, 2006
5:15 p.m.

MINUTES

Advisory Board Members present: Lisa Bartel (arrived at 5:19 p.m.; departed at 6:59 p.m.), Jeff Christman, Ray Hilts, Doug Killin, Gordon Kirbey, Sharon Konopa, Chuck McLaran, Chris Norman, Dick Olsen (arrived at 5:26 p.m.), Cordell Post (arrived at 5:23 p.m.), Ralph Reid, Jr., Stella Reimers, and Kim Sass

Advisory Board Members absent: Bessie Johnson

Staff present: Code & Policy Analyst Melanie Adams, Building Official Blaine Brassfield, Economic Development Director Dick Ebbert, City Manager Wes Hare, Fire Chief Kevin Kreitman, and Administrative Assistant I Tracy Swett

Others present: Approximately 17 others in the audience.

CALL TO ORDER

Chair Chris Norman called the meeting to order at 5:17 p.m.

ROLL CALL

APPROVAL OF May 17, 2006, MINUTES

Board Member Kim Sass moved to approve the minutes, as written. Board Member Ray Hilts seconded the motion, which passed 11:0.

SCHEDULED BUSINESS

Business from the Public

Brass Ring Carousel Report

Wendy Kirbey, 2135 22nd Place, requested the carousel be given a piece of property. She said the project is at a crossroads where securing a piece of property is imperative to the project's future. The site committee has looked at several locations and selected a desired location that the committee believes is the best fit for all involved.

Kirbey reported the Brass Ring Carousel has worked very hard over the last few years. They have received some grants, and 22 animals have been sold overall. The carving studio has completed three animals, with ten others to be completed in the near term.

The project secured a 1909 carousel mechanism from the National Carousel Association, which will cost about \$92,000 to restore. Mechanisms cost about \$250,000. Kirbey introduced Bill Ryals who reviewed the site proposal.

Bill Ryals, 935 Jones Avenue NW, is a site committee member and the project architect. He reminded the Board of his appearance before them about two and a half years ago with a grand plan for the carousel. Since that presentation, the carousel project was approached by the Dentzel family who are interested in establishing a national carousel museum here in Albany. He now has a more modest proposal that is more realistic and in line with what the project can afford.

Ryals projected a picture of the downtown area on the overhead (Exhibit A, in agenda file). The blue area with the circle is the Farmers' Market parking lot and the site the carousel site committee has selected. Ryals said the original plan included this site, but had a pier projecting into the Willamette River. Time, budget, and practical challenges have required the project be scaled back, however, the committee still liked the location.

Ryals said there is a deeply held opinion that the carousel project belongs downtown and is part of its revitalization. It is an extension of the vision to bring life and vitality back into downtown Albany. One thing Albany needs to attract riverfront development is something to draw people. Ryals believes the river, the historic nature of the buildings in the core, and the addition of the carousel and the museum would provide that draw.

He said the strip of land along the river belongs to the community. This property is the connector to the river. Any development on that site should be low profile and not restrict public access to the river. It also connects Monteith Park with other riverfront amenities. Building the carousel on this location would fit that vision.

In addition to the property itself, there are other issues that need the City's assistance. Ryals projected a close up picture of the property on the overhead (Exhibit B, in agenda file). He said the riverbank is eroding and there are some serious issues regarding safety during the next flood event. In addition, there are exposed sewage and storm drainage pipes in the area that need attention. Locating the carousel at this site would pose the question of whether the City is willing to proactively invest in this area to secure its future or wait until an event forces action.

The other challenge is the railroad tracks and the right-of-way. He said the carousel group would ask the City's assistance to determine what happens to those tracks and right-of-way.

Norman asked if the request was specifically for the location indicated by the overheads, as well as assistance in determining the impacts and/or costs associated with the challenges Ryals had highlighted. Ryals said yes.

Ryals projected a picture that showed the building in relation to other developments in the area (Exhibit C, in agenda file). He said the building will be about two stories with a green roof. The Brass Ring Carousel plans to raise over \$3 million to build the building. This request is for the City to commit to the carousel and place this area on its agenda to ensure the challenges of the site are addressed.

Norman asked if Ryals had researched the Crandall plan. Ryals said yes. He said the Crandall plan envisioned the lower portion of this property as public access to the riverfront. Ryals said this plan fulfills that vision.

MOTION: Board Member Stella Reimers moved that the CARA Advisory Board request the City Council to consider the Brass Ring Carousel's proposal. Hilts seconded the motion.

Norman asked if everyone was familiar with the Crandall plan. He explained the plan's vision included a public space with an attractor on this site that would serve as an anchor for Broadalbin's western termination.

Board Member Jeff Christman asked if the Brass Ring's timeline for completion was still 2010. Kirbey said yes. Ryals said in order to keep within the timeline, fundraising is problematic without a dedicated location and a statement of support from the City.

Board Member Chuck McLaran said when CARA was established, public opinion was that there was no progress in the area for several years. He thinks great progress has been made downtown up to this point and the carousel would be another project to continue the revitalization of downtown.

Sass asked who would ultimately own the carousel. She thought that question should be answered for both fundraising efforts as well as when asking for a commitment from the City. Ryals agreed, but said an answer was not yet available. The carousel group is currently a non-profit organization that will raise the funds to build the building. There are several options for continued maintenance and operation, one of which is to sell the property back to the City of Albany for a nominal fee to ensure its maintenance and continuation as a public amenity.

Ryals said in addition to final ownership, the project should support itself. The building will have approximately 25,000 square feet of space that will include the carousel, the museum, a large gift shop, and rental event spaces in the hopes that the project might be self-sustaining.

Kirbey said the committee is currently studying the best solution for long-term ownership and maintenance by researching other carousel projects throughout the United States. She said many projects start out as non-profit 501C3 organizations which then gift the carousels back to their respective cities. Kirbey said that model does not always work well. The committee is looking at alternatives. She mentioned the carousels in Chattanooga, Tennessee and Missoula, Montana are both citizen owned and operated. Kirbey said an answer would be determined by the time the property transaction is finalized.

Board Member Dick Olsen said part of the Crandall plan was to have a focus point at both ends of Broadalbin. The courthouse anchors the eastern end with a beautiful building. He wondered if this building would be comparable to the standard the courthouse has set. Kirbey said yes, the building will be beautiful.

Olsen asked if the proposed building would be large enough to house the extensive Dentzel collection. Ryals said it would be unlikely the entire collection would be housed in the museum. Kirbey said to keep the museum new and exciting, exhibits would be rotated, with pieces not on exhibit to be kept in offsite storage. Olsen said he thought that would be a problem. In his experience, people who travel to a museum often have a specific interest. If the pieces are not on exhibit, visitors will be disappointed. Kirbey said there will be a large enough exhibit to peak the public's interest. The Dentzels have built carousels for over 30 years. It would be difficult to house the entire collection.

ACTION: Board Member Lisa Bartel called for the question. A vote was taken, and the motion passed 13:0.

Fire/Life Safety for Mixed Use Occupancies

Building Official Blaine Brassfield said he was requesting two actions from the Board. The first regards the issue of CARA providing additional financial assistance toward costs associated with the fire sprinkler requirement that Brad Jordan faces with rehabilitating his building to a mixed-use property. The second action is a request that CARA add the fire sprinkler requirement within its conditions for grant funding when required by the Building Code.

Brassfield said he has always supported CARA's mission with regard to the rehabilitation of downtown buildings, including early consultation to identify challenges and requirements. He has always tried to look at downtown remodels with the minimum codes in mind, including life safety issues in this area. Fire Chief Kevin Kreitman has reminded Brassfield of the need for additional life safety upgrades. The minimum standards do not always require life safety upgrades.

He said building codes did not exist at the time the buildings were built. He said that creates problems today, including buildings that encroach on property lines, property lines that have penetrations from one property to the next, open attics and basements between properties, wall penetrations, and un-reinforced masonry walls. All these issues increase the fire risk throughout the downtown.

Brassfield said he has been torn between the requirements of the minimum code, which he is charged to enforce, and the life safety requirements, which are typically only applicable to new construction. Several months ago he changed his policy and started looking at mixed-use buildings from a life safety standpoint, resulting in the fire sprinkler requirement in most cases. Mixed-use buildings are typically a commercial business downstairs with residential units on the upper floor. He also advised Council of this policy change at a work session in October 2005.

Kreitman said Brassfield and he have discussed the capabilities, risks, and challenges faced by the Fire Department should a fire ignite downtown. Many of the buildings have false ceilings, where fires can burn without detection. Another problem is the types of furnishings. With petroleum-based synthetic fibers, fires burn hotter and quicker.

The Fire Department's mission is to "prevent and protect from harm." One of the first priorities when responding to a fire is life safety. If the potential exists for a rescue, the first task fire personnel address is making sure everyone is out of the structure, safe and accounted for.

When dealing with residential quarters above a first floor, it creates additional concerns for the department. Personnel also have to address extension of the fire, protecting exposures, as well as potential for rescues.

He said most people think fires start at night. He referenced some pictures on the overhead that depicted a fire in Kansas City's historic downtown with structures very similar to those in Albany (Exhibits D through F, in agenda file). The fire started at 2 p.m., involved ten to fifteen fire departments, and destroyed seven structures.

A second fire included in a handout (Exhibit G, in agenda file) occurred in Lincoln, Nebraska. The fire started in a commercial occupancy at noon. There were seven apartments above the commercial use and there was a rescue which delayed their response to the fire itself. Twenty-one

units responded. Kreitman noted that for a 21-unit response in Albany, every fire department in both Linn and Benton counties would have to respond.

If the same structure were built today, the fire sprinklers would be required. From Kreitman's perspective, it is very easy to see the need for life safety upgrades for downtown buildings given their age and the additional risks to the public and his personnel.

Brassfield added that the new Code came out about one and a half years ago, which specifically requires sprinklers in new mixed-use structures. Code agencies both nationally and collectively have decided by experience that mixed-use occupancies have a greater life safety risk than other types of building occupancies.

Norman thanked Brassfield for his support to the CARA Board's revitalization efforts. He asked if fire sprinklers would be required only on the second floor residential use or the entire building. Brassfield explained the buildings are considered hazardous as they currently exist. When a residential second story is added, it creates a hazard in both the upper and lower floors. To minimize the danger, Brassfield is requiring the entire building be sprinkled when the new component or a new use is added that results in a mixed-use designation. Norman asked if an owner has to install sprinklers in the lower floor if only the upper floor was rehabilitated. Brassfield said yes, adding the system would likely be overcome by a fire and would not be sufficient to allow people to evacuate if sprinklers were only installed in the upper floor.

Hilts said it was his understanding that the Jordan building had not yet been completed for the funding allocated. He wondered what the plans were to occupy the upstairs. If the building owner did not plan to occupy the upstairs, then CARA should not fund the fire sprinkler installation.

Brassfield said a building permit application was recently submitted for this building. Hilts asked the type of occupancy for the second floor. Brassfield said residential. Hilts said the cost of sprinkling the building could be added to the rent. Brassfield said Jordan began planning this project a few years ago when fire sprinklers were not a requirement. Code requirements are reviewed at the time the building permit application is submitted. Jordan recently applied for the building permit, which triggered this requirement. Brassfield said he thought Jordan had been planning on installing sprinklers in the upper floor residential use, but the entire building is now required to be sprinkled because this project changes the use to mixed use.

Board Member Gordon Kirbey asked if the fires Kreitman referenced included buildings with sprinklers. Kreitman said no. Kirbey asked where the additional water would come from to sprinkle the area's buildings. Brassfield said there is a 4-inch line in 1st Avenue. Whether that line will be sufficient is unknown until an engineer reviews the Jordan project specifics. Staff thinks it should be adequate, but a line can be run from the street to the building as needed to provide water for the sprinkler system. Kirbey asked if the existing line would be sufficient for the other buildings along 1st Avenue should sprinklers be required at some point in the future. Kreitman said portions of 1st Avenue have a 10-inch line until about the Flinn Block. The 4-inch line runs to about Ellsworth and then becomes a 10-inch line again. The Flinn Block is already sprinkled. Looking at the size of the other buildings, the line is likely sufficient between the Jordan building and the Flinn Block to support the other buildings in the area.

Brad Jordan, 201 1st Avenue, said plans have been ready, but within the last couple of weeks the fire sprinkler requirement for the entire building was enforced. He was already planning to do the second floor. He is not prepared to do the entire building given the increased cost. The preliminary estimate for sprinkling the entire building is approximately \$50,000, which cannot be

added on to rent. Reimers asked if \$2.50 per square foot sounded right. Jordan said \$2.00 to \$2.50 per square foot. Reimers asked if he would have to install a backflow use valve. Jordan said that depends on what the Building Official and Fire Department require. Reimers said that is a large added expense. Kreitman said he believes that is a requirement from Public Works.

Brassfield said there are several costs involved. There is the cost of coming from the street to the building, the cost of a double-check valve and a vault, and the sprinkler system itself. Jordan said the numbers he has are rough estimates. The cost of going from the street to the building is \$20,000 to \$25,000.

Reimers said life safety should be the highest priority with urban renewal, however the Council needs to understand the true cost to the property owner. The Board and Council needs to be educated on the true costs of this requirement before endorsing it.

Christman said there are two distinct recommendations that should be dealt with separately. The first is a recommendation to the Agency to adopt sprinkler requirements. Action on this could be taken tonight. The other item cannot be addressed since there are no firm costs associated with the Jordan building for a recommendation to be based on.

Norman said at the beginning of the rehabilitation program, the Board identified some public misconceptions to upper-floor redevelopments, including installation of fire sprinklers and elevators. From a cost standpoint, Norman is concerned that this affects not only the renovated space, but the unrenovated space as well. The cost of that may vary, but depending on the size of the building it could be prohibitive to future projects. Norman also agreed with Reimers' point about safety being a priority.

Reimers said Jordan was an exception since the initial proposal was done at a time when sprinklers would not be required. She said if that was a requirement at the time, Jordan probably would not have proceeded with the project. Jordan agreed. Reimers added that Jordan is now well into the project and needs CARA's assistance to move forward.

Norman asked Brassfield if the recommendation was to install sprinklers in all residences. Brassfield said if the sprinklers are required by the Code. Norman asked if the upper floor is renovated, sprinklers must be installed in the entire building. Brassfield said yes, if it is residential upstairs and commercial downstairs. If the use is commercial on both floors, he would look at that from the standpoint of whether the hazard is increased by the rehabilitation project. Norman asked whether sprinklers would be required if Jordan wanted to put offices on the second floor. Brassfield said it is not a mixed-use occupancy then, so staff would consider whether the hazard level increased due to the intensified use.

Board Member Ralph Reid, Jr. agreed with Christman's suggestion. He said safety is important, but the cost may be prohibitive. It will be a barrier to redevelopment. If CARA adopts the findings to require sprinklers, CARA will need to fund the requirement since property owners do not have money to do it. He said the annual sprinkler inspection is an additional cost not yet mentioned. He questioned whether the downtown infrastructure could support the requirement since most of downtown has 4-inch and 2-inch water lines.

Hilts questioned whether CARA's role was to recommend requiring sprinklers since they are a Code requirement. Board Member Cordell Post agreed. Brassfield said Hilts was correct, he requested CARA acknowledge the requirement in its conditions of funding so that future property owners are aware sprinkler installation may be required by the Code. He said if CARA does not

deal with this up front and funding is approved on a project, the property owners will not become aware of the requirement until they submit for building permits, repeating Jordan's predicament.

MOTION: Hilts said he understood the request being made of CARA is that the Agency assists with funding the sprinkler installation for the Jordan Jewelers building, as well as for future projects. Given the request is for all future projects, Hilts moved that until the Board receives more information from Jordan, the Board not proceed with funding awards until cost estimates are received. Reid seconded the motion.

Board Member Doug Killin agreed that the costs need to be known, but feels the Jordan building is key to the downtown area. It is the first building viewed as one comes across the Highway 20 bridge. He would like to encourage the group and Jordan that CARA fund this request.

Reimers said safety is important and should be prioritized over painting a building. She is concerned with the cost and whether CARA should fund the total cost or partially fund it with the property owner. She questioned how the public would view this kind of money being spent on private enterprise. She agreed that Jordan is a special case since this was unexpected. She agreed with Reid that it did not make sense to require sprinkler installation if the water main capacity was not adequate. Would this mean the City would need to install new water lines throughout downtown?

Bartel said she understood that fire sprinkler installation was now a Code requirement that would be enforced from now on. She asked if the Jordan building was grandfathered. Brassfield said no, having a grandfathered status would mean that Jordan could rehabilitate the second floor without sprinkler installation throughout the building. Bartel asked Hilts to clarify his motion.

Hilts said the intent of his motion was to address the funding request for the Jordan building, as well as for future projects. Bartel said that is not what being asked for; staff is asking that when funding is awarded in the future, the applicant is notified that fire sprinkler installation is now a Code requirement. Hilts said that may be the case, but in the agenda materials have a different request than Bartel's interpretation. Norman asked what materials Hilts referred to. Hilts said "item b." Bartell said that item is in the June 15, 2006, memo from Dick Ebbert to the CARA Advisory Board. Norman said that differs from Brassfield's memo. Discussion followed.

AMENDMENT TO THE MOTION: Hilts amended his motion to move that the CARA Advisory Board delay action on the funding request until Jordan comes back with definite figures; that future projects understand they be subject to fire sprinkler requirements; and the Board will then look at future funding of this requirement on an individual basis. Reid agreed to the amended motion.

Killin said that covers both requests.

Brassfield said Jordan would like to move ahead with his project. One way CARA could enable that is to put a cap on the maximum funding it would allocate to the project.

Bartel said CARA has allocated all funds for this fiscal year. Christman said there are funds available as of July given that the new fiscal year starts in a week. He said with the changes that were made during the budget review, there are available funds.

Christman said there are two distinct issues being handled with one motion. He thought it would be more appropriate to handle each action with separate motions. Post agreed, he would like to use the format on page three of the agenda packet with two separate motions.

MOTION WITHDRAWN: Hilts withdrew the motion, Reid approved.

McLaran said Jordan started his renovation in good faith, CARA applauded his action, and now the rules are changing. Jordan is caught in the middle. The question is whether Jordan stops his project because he cannot afford to proceed, or CARA provides the assistance to move forward.

MOTION: Post said the second request is just a notice requirement. He moved that the CARA Advisory Board recommend that the CARA Agency adopt a requirement that the installation of fire sprinklers be a condition for receiving CARA funds. Bartel seconded the motion.

Norman said language might need to be added to clarify when this condition would be effective.

AMENDMENT TO THE MOTION: Bartel added a friendly amendment to the motion, a requirement that the installation of fire sprinklers be a condition for receiving CARA funds, *if required by the Code* to the motion. Post agreed.

Norman asked when the policy changed. Brassfield said the new Code took place 18 months ago. His policy for reviewing these cases changed prior to last October. He discussed the change with Council at an October work session. Norman asked if this was the first CARA-funded project impacted by the policy change. Brassfield said yes. Norman asked why the issue did not come before the Board until now. Brassfield said the building permit application was received after the policy changed, triggering the requirement and the need for the discussion.

ACTION: A vote was taken, and the motion carried unanimously.

Killin suggested a small group of the Board or a staff member investigate and authorize funding since time is of an essence on Jordan's project. Norman said the appropriate group would be the Downtown Building Revitalization Subcommittee.

MOTION: Killin moved that the Downtown Building Revitalization Subcommittee be authorized to investigate and award funding toward the cost of installing sprinklers in the Jordan building. Hilts seconded the motion.

Olsen asked for a timeline on the request. Jordan said he is ready to start right now. Norman asked where Jordan was in securing bids for this work. Jordan said he has received rough estimates, but final costs depend on the Building and Fire Department requirements. He said the maximum would be around \$50,000.

Norman asked how fast staff could give Jordan the information he needs to refine cost estimates. Brassfield said Jordan needs to have the calculations performed to verify the street water line is adequate to provide service to the sprinkler system.

Reimers asked what happens if the water line is not adequate. Brassfield said the calculations have to be done, but if the line is found to be inadequate, a larger line would need to be extended to area.

Olsen asked if staff would expect the property owner to fund the cost of the larger water main. Brassfield said the \$50,000 estimate would be the total cost Jordan could be facing, including going out to the street. Olsen asked if staff thought to charge Jordan for all expenses. Brassfield said either Jordan or CARA could pay. Olsen said it may be the City's responsibility to provide adequate water mains, especially given the City's requirement. He did not think the property owner should be responsible.

Bartel asked if it was realistic to debate responsibility when Jordan is in a position where he needs to move forward with his project. She said if the City determines it is responsible, Jordan could ask to be reimbursed. In looking at the financial statement, CARA has \$160,000 in the program to be spent. Once Jordan performs the calculations, the committee can review the bids and staff's responses. It can be handled expediently to allow Jordan to continue the project.

Olsen said it will be too expensive for property owners or CARA to pay to sprinkle buildings for future projects, resulting in a halt to downtown redevelopment. Regarding the Jordan funding request, he suggested the Board and Agency should award funding now.

Board Member Sharon Konopa said she agreed with awarding funding, but she is concerned with the precedent the Board might set by fully funding the project. She would like the subcommittee to recommend a policy on funding for sprinklers for future projects. She thought it should be a matching type grant.

McLaran agreed with Konopa that it should be done that way in the future, but Jordan is special. Jordan did not walk into his project with knowledge of this requirement. If CARA funds the total costs for this case, it would not set a precedent.

Killin said the motion has changed considerably during discussion, and restated his original motion.

Norman asked what the City policies were with regard to the City main being inadequate. He asked if it would be prudent to have staff research and come back.

City Manager Wes Hare gave the history of how this request came to the Board. He said Brassfield came to him on the issue of fire sprinklers with regard to the Pix Theater project. At the time, Hare did not believe the project could be held to the requirement since the building permit had already been issued. Brassfield came to Hare again two months ago with the Jordan issue. The building permit had not yet been issued, which made it different than the Pix Theater project. At that time, Brassfield suggested CARA might be able to help fund the associated cost. Hare thought that was reasonable as long as Jordan was held harmless since the City had given its word in the past that the project could go forward without sprinklers. Given the cost estimates, he recommended the Board authorize up to \$50,000 be spent to complete the project. He did not think it would set a precedent.

Norman said the way the rehabilitation program works is that CARA does not fund the entire project. There is always a match component. Konopa asked if a policy could be set for future projects. Norman said the subcommittee could look at it.

Post asked if there was \$50,000 to be spent. Hare said yes. Christman said yes, with a movement of funds to the Downtown Building Revitalization budget. He said the estimate of cash through October 2006 showed only \$40,000 in the program.

Norman said there was discussion of a maximum amount, but that was not part of the motion currently on the floor. Olsen asked if Killin would consider amending his motion. Killin said he was concerned with setting a funding cap of \$50,000, and asked what would happen if the subcommittee finds the cost is \$51,000. He also indicated the subcommittee would be authorized to fund the project without the Board's consent. Discussion followed.

Bartel left at 6:59 p.m.

AMENDMENT TO THE MOTION: Post proposed a friendly amendment to the motion that the subcommittee be authorized to spend up to \$50,000 for the installation of sprinklers at the Jordan Jewelers building. Killin accepted the amendment, as did Hilts.

Olsen asked if the subcommittee was still involved in the funding award. Post said no. Hare said the Agency is the only body that can approve funding. The Board could move to have the subcommittee look at it and recommend funding to the Agency, but he suggested that the motion should be as Post's amendment stated, with the Board recommending that the Agency allocate up to \$50,000 for this project.

ACTION: The motion passed 11:1, with Reid opposed.

Committee Reports

Downtown Revitalization

Kirbey provided a project update from the property owner of the Flinn Block project: engineering is in process; the façade of the Thai restaurant will be renovated; exterior painting will be started the end of July; roof bids have been received and negotiations are ongoing; window and façade rehabilitation will be completed by Allen Nelson; and vendor and material research is ongoing for the skylights.

Kirbey said he recently spoke with Larry O'Heer regarding his plans for the second story above Oregon Sew ~ Vac. O'Heer was looking for general information about the grant and loan program. He indicated to Kirby that regardless of CARA's funding availability, he will be moving forward with his redevelopment project.

Finance Committee

Christman summarized CARA's financial statement dated April 30, 2006 (Exhibit H, in agenda file). He reviewed page one of the sheet, stating the bottom line as of April 30, 2006, was \$236,739. He said the difference between this statement and the March statement is the elimination of the REA funding commitment.

He said the last page shows a balance of \$40,000 available in the grant and loan program. Any additional funding would need to be transferred from the ending fund balance to the grant and loan program. He thought the transfer could be handled once final costs for Jordan's project are determined.

Norman said his last page says the grant and loan program has \$160,000 available. Discussion followed. Christman said it appears the spreadsheets distributed to board members from what he received.

Administrative Assistant I Tracy Swett said a possible reason the spreadsheets differ is that \$115,000 in loan funding became available again since Jordan declined his loan. She added that

she did not see a funding award for the Manley buildings on page four. Konopa said there was money allocated to the Flinn project on the third page. Swett said perhaps the discrepancy reflects that only a portion of the funding was available in the current fiscal year, and more will be allocated with the upcoming fiscal year. Ebbert thought that might be correct. Discussion followed. Christman said the \$40,000 should be correct with all of the grant and loan commitments, regardless of which fiscal year the commitment will be funded from.

Reimers asked why the spreadsheet was out of date. Christman did not know. Discussion followed. Ebbert committed to getting the Board current figures for the next meeting. Konopa asked which fiscal year the Jordan allocation would come from. Ebbert said next fiscal year.

Staff Issues

RFQ Status Report

Hare reported that he and Ebbert met with Telos President Dave Glenney last week who was the sole responder to the RFQ. The next step is for Glenney to submit a proposal. As part of the proposal, the City strongly recommended Glenney contact other developers with interest in the area. Glenney indicated an interest in following that recommendation.

The next step in the process will be submission of a redevelopment proposal, although the scope is unknown.

Brownstone Project Update

Ebbert said the recent fire impacted progress, but the project is moving forward. In addition, he has spoken with representatives from ODOT Rail about determining the future of the railroad tracks in the area and whether relocation is a possibility given funding.

Hare said the fire also caused wash out to the riverbank that exposed utility infrastructure along Brownstone's property. Staff is looking at how best to repair and the associated cost.

Ironworks Project

Glen Rea, 644 Spyglass Court, updated the Board on his project and the challenges he has encountered. Shortly after groundbreaking, construction ran into some contaminated soil characterized by a strong smell. He said testing has commenced and they have been able to determine it is likely a petroleum contamination. Rea said that is one of the easier contaminations to deal with. In addition, they found indication of lead contamination that was recently determined to be a non issue.

Norman asked when the project could proceed. Rea said the project has to get certified from Department of Environmental Quality (DEQ) so they are on a no further action process. DEQ has agreed to accelerate the process.

Scott Lepman Contract Extension

Ebbert said he talked with Scott Lepman who said he submitted plans to the City's Building Division about two weeks ago. He will be holding off on construction for a year to allow the carousel committee the continued use of the space to finish the mechanism.

Ice House Update

James Hackett, 1250 Queen Avenue, heads up the Linn-Benton Housing Authority (LBHA). He updated the Board on the Ice House project. Since CARA committed funding to the project in

July 2003, LBHA has unsuccessfully applied to the state three times for funding to build the building. They will be applying again this August.

The original plan was for two floors of office space, three floors of senior apartments, and a parking structure. Since that time, there have been various modifications. The current plan, in partnership with Phil Hedrick of Cascade Housing Group, is for one floor of offices and four floors of senior apartments. Given the reduced number of offices, he believes surface parking would be adequate.

Norman asked if LBHA owns the lot. Hackett said yes.

Konopa asked who would own the senior residences. Hackett said it would be a tax credit partnership. The investor owns ninety-nine percent and receives a tax credit, while LBHA would own the remaining one percent and manage the property.

Sass asked if the pocket park remained part of the plan. Hackett said yes.

Norman asked if a dollar amount was specified. Hackett said CARA had approved \$50,000 toward project development costs, \$77,500 toward construction of the promenade, and \$7,500 for the pocket park. Norman asked what would happen if state funding is not received. Hackett said his Board has determined if the state denies funding again, it will likely try to sell the property. Norman asked how competitive the funding process is. Hackett said the process is very competitive, with funding approved for one out of every three applications received.

Konopa asked if the building will be for low-income housing with vouchers. Hackett said the LBHA administers the Section 8 Housing Choice Voucher Program, which is a rental assistance program to help people pay rents when leasing from private landlord. Tax credit funding comes in to subsidize construction costs to help keep rents low. A deed restriction is then signed to maintain rents at a certain rate.

Oregon Furniture Mart/Chuck Swoboda

Chuck Swoboda, 104 1st Avenue, updated the Board on his rehabilitation project. He said new engineering was completed in April. The engineering was for seismic upgrades related to the needed placement of steel to surround the new storefront windows. He is in the process of getting bids for the steel installation now.

Norman asked Swoboda to go into more detail on the windows. Swoboda said he is trying to put the windows back into the second floor to resemble the original façade of the building prior to the Frager remodel in 1948 or 1949.

Norman asked Swoboda about the status of interior. Swoboda said there were originally six apartments which will be converted to one large apartment, one “office” apartment, and a small retail space. A fire-rated stairwell has been constructed from the basement to the roof.

Reimers asked if Swoboda would be required to sprinkle the building under the new Code. Swoboda said the building already has sprinklers, but there were upgrades and alarms required that cost about \$14,000.

Ebbert asked if Swoboda had a construction timeline. Swoboda said his lowest bidder did not give a timeline, but he wants to complete the project by the end of this summer.

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Norman asked if Swoboda could describe the look of the finished façade. Swoboda said most of the bays currently covered with plywood will have large windows, except for about six inches where concrete can be seen now. He noted the concrete damaged the underlying bricks beyond repair. He hopes to cut bricks and apply them to the concrete to cover it up.

Swoboda gave board members a written description that indicated more detail about the project and its status (Exhibit I, in agenda file).

BUSINESS FROM THE ADVISORY BOARD

None.

NEXT MEETING

The next meeting of the CARA Advisory Board was scheduled for Wednesday, July 19, 2006, at 5:15 p.m. in Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Norman adjourned the meeting at approximately 7:36 p.m.

Submitted by

Reviewed by

Signature on file

Signature on file

Tracy Swett
Administrative Assistant I

Dick Ebbert
Economic Development Director

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