



CITY OF ALBANY
Central Albany Revitalization Area
Advisory Board
City Hall Council Chambers, 333 Broadalbin Street
Wednesday, August 16, 2006
5:15 p.m.

MINUTES

Advisory Board Members present: Chris Norman, Kim Sass, Stella Reimers, Lisa Bartel, Cordell Post, & Gorden Kirbey, Mayor Chuck McLaran, Councilors Dick Olsen, Doug Killin, Sharon Konopa, Bessie Johnson, and Jeff Christman

Advisory Board Members absent: Ray Hilts and Ralph Reid, Jr.

Staff present: Economic Development Director Dick Ebbert and Administrative Assistant Shirley Lindsey

Others present: Approximately 15 others in the audience.

CALL TO ORDER

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

ROLL CALL

APPROVAL OF THE JULY 19, 2006, MINUTES – Cordell Post moved and Gorden Kirbey seconded that the Minutes be approved as written. Motion carried unanimously.

SCHEDULED BUSINESS

Business from the Public

Marc Manley, the Flinn Building, 222 1st Avenue West (he identified it as Albany's newest "hot spot"). Manley indicated that they believe this morning's fire in the Flinn Building started in the kitchen portion of the Thai Restaurant, went forward into the dining area, and up into the second floor. Manley said the Fire Department responded incredibly quickly; estimated the problem, got it under control very quickly, apparently within moments of when it could have consumed the entire building. Sprinklers upstairs were activated and started putting out about 100 gallons or so of water a minute, helping to suppress the fire.

Manley indicated that the Thai Tip restaurant is trashed - or the kitchen is. There are perforations in the floor up to the second floor and some other damage; they are getting a sense of it right now in the rest of the building. There is a lot of smoke that went through the entire building space, affecting most of the businesses in the building. There was some minor water damage at spots other than the restaurant. He noted it is a mess, it is a problem, but it could have been a lot worse, and they certainly are very appreciative of everyone's support and offers of assistance. In response to a question about the time of the fire, Manley thought the call went in about 4:20-4:30 a.m.

Post asked where this left their current itinerary for the work scheduled to be done. Manley indicated that painters had been scheduled to begin today (8/16), and he asked them not to plan on painting because of the need for the insurers and investigators to be able to finish their work, so they will be coming back within the next day or so. The roof work will be postponed for a couple of days as well, since the roof had been scheduled for replacement beginning immediately. Windows are being rehabbed. Everything has been progressing on

time up to today. Although things are on hold during the investigation while the insurance people work, they want to get back on track as soon as possible. To a question about the mall businesses, Manley noted that the current tenants will not be allowed into their businesses at this time. Manley has already engaged a Disaster Restoration company and an electrician, and he also indicated that the mall is now full of tenants. The disaster restoration people are hoping to get an analysis of what is needed to be done, and he is hoping to get people back into their businesses by early next week, but will need approval from the Fire Department first.

Chair Norman invited Committee reports.

CAROUSEL COMMITTEE. **Wendy Kirbey**, 2135 32nd Place, reported that in the last two weeks their committee met with the site committee and went looking at a piece of property, where the Saturday Market is located. She indicated that the group has come to the conclusion that there are some obstacles that need to be overcome before any additional decisions are made. They think just a stand-alone area for the Carousel with no parking would not be good. Because they felt they could use some input, they called the Parks & Recreation Director, Ed Hodney, and he graciously agreed to meet with them. The group did some brainstorming and came to the conclusion that they needed to look at the bigger picture about what they could do in that area, although it may put them back a little before going forward.

They thought they would come to this group (CARA) and see if perhaps there was a way to hire someone to come in and do a study to see if they can come up with some other ideas and suggestions (i.e., the possibility of using the Senior Center, the piece of property where the Craft Store is, etc.). Hodney and the committee thought that a study might be appropriate, and Hodney suggested that he might be able to come up with some funds, and thought perhaps CARA would be willing to do so as well. The committee thinks the study would be a good idea. They want to do this right, and they think that something stand-alone would not be to their advantage in the future. Wendy invited Ed Hodney to add his comments.

Ed Hodney, Parks & Recreation, City of Albany. Ed indicated that for some time the discussion has been that the larger the footprint of space that you can bring into an initiative like this, the more likely it is that you are going to be able to resolve or address a broader set of issues and interests. As Wendy said, the parking lot and the Carousel project just as a *stand-alone* kind of self-contained initiative presents a number of challenges besides itself, and doesn't necessarily accommodate everything that needs to be built to support the Carousel. So – the group played a “what if” game - with no commitments at all. What if...not just the parking lot, but the parking lot and surrounding spaces were pulled into this mix, and all the puzzle pieces moved around differently. Wendy had mentioned the Senior Center, and Hodney noted that, for some time now, he has suggested that if there was an alternative way to address senior services in this community - and the seniors have been a part of the conversation for some time - then the building could be used for other public services – again, part of the “what if” game...

Hodney thinks that what he and the committee talked about is taking a giant step back, starting a broader public conversation involving more interests than just the Carousel interests. If the group could address not only the need for the Carousel and how to support that, but look at senior interests as well, look at the use of the riverfront, Monteith, and the activities that occur there, and address parking issues which, before this, really haven't been addressed in talking about the Carousel project, it would be much better for all concerned. Hodney's view is that it seems that if we don't do a broader approach and pull more parties to the table, we would not only doom the Carousel project, but probably will doom any other possibilities.

Hodney also noted that there is a developer out there who responded to the RFP the City issued earlier who is interested in doing things in this area and that we might be able to involve him in looking at all of the issues. It is going to take someone to help us start a conversation and begin to draw things on paper as to how we might package all of these interests in some creative way that, prior to now, we have not been able to do. He also reminded everyone that the Crandall plans really envisioned something bigger for that area than just a parking lot development occurring down there, so this idea is not actually new, we just need to take a next step. To that end, he thought he might be able to allocate some funds from his budget to support beginning to look at the big picture, if they could also obtain support from other areas.

Chair Norman asked to clarify whether we are looking at the overall Monteith/Senior Center parking lot areas as changing, evolving, and incorporating this Carousel project, as well as some other public space or some other change of use of the Senior Center?

Hodney indicated probably all of the above, and that the Senior Center is a public space, there for public uses, and what we define as public uses – right now, is primarily senior services. If senior services could be delivered elsewhere - and there have been conversations for a very long time – about the inadequacy of that location and the eventual inadequacy of the square footages devoted to senior services, Hodney continued, what if they could find another place to do that, and it would provide a longer term solution to the City's need to serve seniors.

If that could happen, that building could become available for other purposes – what would they be, asked Hodney. Maybe support services for the Carousel; to contain the mechanism next to the Senior Center and to take part of the parking lot instead of the whole thing, and then relocate the Carousel office in the Senior Center, and have the seniors be happy relocated to a new and larger facility. Hodney noted that this is all in the realm of dreams, but shows the need to look at the bigger picture.

In response to a question about whether the new CARA staff member coming on board might be able to serve that purpose, Hodney clarified that we need is someone who can bring all the interested parties together, get them started talking, identify the needs of all of the parties involved, try to begin getting something down on paper, and help the parties figure out what might be the best way to proceed. He was not sure who that might be. He did not know who or what skills CARA is hiring or what attributes that person might have or what skills CARA is looking for, but he knows what is needed: A person that can facilitate a public conversation process over a period of months, to be able to articulate the ideas, package them in scenarios that could play out, and then help them over a period of time involve all the stakeholders and other interests, and then assist them to draw consensus into two or more scenarios that could be pursued. Ed also mentioned that it is a little scary to talk about other uses for the Senior Center. In fact, the seniors have talked about using other places, but we are not close to any kinds of decisions.

Dick Olsen posed a question about timing regarding the Denzel collection and museum pieces, and about possible setbacks in the schedule. Wendy indicated she had forgotten to mention the Denzel collection. Three of the Carousel Committee members are going to go to California to talk with Mrs. Denzel to find out exactly what her vision is and to what she is planning to give us, and that will, in effect, determine how large a piece of property and building we will need. The question has been asked over the phone a couple of times, but they feel it would better for it to be done face to face. Mrs. Denzel and all of her children will be there in November for her 80th birthday, and the family thought that would be a great time for the members of this committee to be there to hear from everyone what the plan might be.

Wendy asked to go back to the discussion about the Senior Center. The Committee does not want to uproot the Senior Center and they do not want to cause problems. The committee just wants to be sure they do this right. Some of the problems they have in Salem and also in Missoula are because they didn't look at the long range picture, so this committee feels it is important for us to do this right from the start. Wendy indicated that the Committee really does not think that property down there is quite big enough for what we need to do.

Director Ebbert mentioned that the next logical step is to have the Carousel Committee sit in with the meeting he will be trying to arrange for the 7th or 8th of September with the Telos group. Ebbert thinks that they need to know what the vision is for all of this - all the way from Monteith to Bowman Park. Wendy said they would have someone there.

Olsen asked what the tie in is for having this meeting. He thought that with Mrs. Denzel approaching her 80th birthday, this timeframe might need to be sooner rather than later. Ed indicated there was no timeframe – he just thinks this conversation needs to be over a period of months, not years. With the collection, it needs to be sooner than later. He doesn't think it will take all that long once someone is identified to guide the conversations and process with all the stakeholders. If it had been done previously, he thought we would be in a better position now, but that did not happen.

Motion: Sharon Konopa moved that the CARA Board support financially with Parks & Recreation a consultant to come and get the process rolling. Post asked about a dollar limit to be put on it... Konopa noted that a dollar limit was hard to do. Hodney interpreted that what Wendy was really looking for was support for the right next step to take. Konopa asked if it would be prudent to wait until after the proposed Sept. 7 meeting before assigning support in dollars. Director Ebbert agreed that we will need to know the scope before assigning monetary support. Chair Norman indicated that since no second was made, the motion would not go forward. Consensus of the group appeared to support the analysis that hiring a consultant to provide guidance and suggestions was a good idea.

FLAG POLE RESTORATION: Rick Rogers, DAA. Downtown Albany Association Director Rick Rogers noted that the Flag Pole is currently being sanded for painting. Rogers issued a formal invitation to the entire CARA Board to participate in the Dedication ceremony for this historically renovated Flag Pole on Thursday, August 24, at 6:45 p.m. He indicated that 2nd Street will be closed for a short time, and that Mayor McLaran and Senator Peter DeFazio will be doing the dedication. The Bagpipers from Portland will be providing musical accompaniment and entertainment. Full military color guard from each military service will be hopefully be present.

Rogers acknowledged large donations from several local businesses: Selco Credit Union, The Eagles, The American Legion, and NW Natural. Rogers was very pleased that Albany will now have a beautiful Flag which flew over the Nation's capitol on July 21 of this year that will begin flying here on August 24. Rogers noted that he hoped all of the Board members would take time to join in for this dedication ceremony.

Staff Issues:

Streetscape Project closeout: Guy Mayes, City of Albany Special Projects Coordinator, spoke about the three issues raised previously on the Streetscape Project. He noted that there are several issues he is working on resolving.

1. **One Way signs.** Signs on the street sign poles are very small. The Municipal Code traffic section charges that all signs are to be consistent size throughout the City, hopefully, an MUTCD, standard sign. It involves an extension on the tops of the poles. He is taking a look at that.
2. **Electrical Boxes:** Mayes confirmed that we are having problems with the electrical boxes located next to each tree; some are not working. Some condensation (rain) that has occurred has ruined several of the boxes. He said they are trying to find some new boxes that are more weatherproof; they will be replacing five with what is said to be a better brand to see if they work through the next winter rains. Chair Norman asked if the boxes were covered under Warranty. Mayes replied that they were not – they are industry standard, so the contractor will not pay to fix them. He does not believe that there is anything for which the contractor would be responsible. He also indicated that we are having the same problem with the above ground boxes. He estimated that they are about \$500 to \$600 per box, labor and materials, and it includes an extension cord that is made available to use for the trees or lights that is above ground so that we don't have to open the box each time of use. Mayes noted that the contractor, Mr. Rogers, ABA, was given authority to select and purchase industry standard items, so we cannot ask him to take responsibility.
3. **Flower Basket Holders:** There has been some discussion about relocating the hanging arms that are off kilter by a quarter turn. He has talked with Mr. Rogers and they will continue to talk. Mayes has released payment to the contractor, so there is nothing more there, it would be either go back to the existing contractor or decide to do something else.

Bessie Johnson asked what the original specifications on those poles for the lights & flower baskets were. Mayes responded that they are the same direction as the ones at City Hall and the Train Depot. They are being hung perpendicular to the lane of travel. At Two Rivers, they are parallel to the street. Mayes also commented on the ones he saw in Europe are perpendicular to the street and higher. There was a question about the height of the Sterenberg lights, which were specified and came fixed with the bracket arms cast and fixed. The ones at the Multi-Modal station are clamped on and can be moved or changed, raised or lowered as you wish.

The ones in Two Rivers were added after the lights were installed; they are clamp on added after the fact. They were “architect’s choice” to obtain those that met specifications, and he was to decide how they would be hung.

Finance Committee:

Recommendations from the City Attorney:

City Attorney Jim Delapoer was not available to attend tonight’s CARA meeting. Dick Ebbert noted that Delapoer had reviewed and interpreted some areas of concern; he read Delapoer’s Memo which provided some direction and a request for the CARA Board to consider a Resolution he had prepared regarding the approval of grant or loan funds by the CARA Advisory Board. Director Ebbert read the entire Resolution into the record (see attached copy of Memo). A question was posed about a minor wording discrepancy in the body of the Resolution, but Director Ebbert pointed out that the important part of the Resolution was the final paragraph, which he read again for these Minutes:

“THEREFORE, BE IT RESOLVED by the Central Albany Revitalization Agency that any recommendation of the CARA Advisory Board to grant or loan CARA funds shall be deemed tentative and not a final recommendation until such time as City staff notifies the CARA Advisory Board that they have completed their review of the tentatively approved grant or loan and reported back to the CARA Advisory Board such matters as they deem relevant for consideration. Following this staff review, the CARA Advisory Board shall affirm, modify, or reverse its prior loan/grant recommendation and shall forward that recommendation to the CARA Agency for final action (see final signed copy attached to the file copy of these Minutes).

A question arose as to whether there were two Resolutions, one for Agency and one for the Advisory Board. Chair Ebbert re-read the final copy of the Resolution that this group is being asked to approve (text above). Chair Norman asked for comments about the Resolution. Post asked what ‘staff review’ would consist of, why we needed staff review, and was the CARA Board going to act more like a bank in underwriting these loans, or do things as they have been in the past? The intent, noted Ebbert, is not to become a bank. Ebbert thought Delapoer also included a phase about legal review because it is needed. It was noted that credit checks need to be done, particularly on CARA loans. Otherwise, this group has nothing that would guarantee that funds would be repaid. Post also inquired about whether we currently do title reports, and Ebbert indicated that we do.

Reimers asked if this would slow down the process and by how much, since CARA wanted to get these done as quickly as possible. She indicated she was not opposed – just asking the question. By the time Delapoer looks at it and the staff looks at it, there was concern that it would add months to the whole process. Ebbert responded that he anticipated perhaps one month delay, or one meeting, or 30 days, once it was established. Post asked if this could be made a part of the initial process. A question was asked about how much time and effort this group wants to put into these. Post inquired as to how many applications are filed vs. funded? Ebbert estimated that about 30% of the applications filed don’t go anywhere – for a variety of reasons. Chair Norman noted that a smaller request can go through Gorden’s group, so it should be able to come back with approval from them in just a couple of weeks. It could go back to staff, back to Gorden, and then be ready for the meeting two weeks down the road. Reimers asked how this has been done before. Ebbert indicated it just takes time.

Ebbert indicated that with the Pix, it involved two separate properties, and two tax lots they didn’t own. It took about an additional 60-70 days extra just to get that portion of it alone done. They moved forward as quickly as possible on the grant side. Every project is going to be different. Ebbert thinks Delapoer wants to protect the group.

Post asked if the Resolution would be retroactive – what about Jordan and Manley? Ebbert responded that he did not think we could do it retroactively. Both of those are taken care of and have had backgrounds and credit checks and promissory notes. Gorden indicated that the only one that we might want to follow through on would be Pix Theatre, since those items have not been done on that request for funding. Ebbert indicated he would not agree, and that Swaboda was one which might apply. Swaboda is asking for more funding and the Board does not yet know how the money he has been given has been used, and questioned whether the Board is going to ask for new credit checks. Several others may apply, with Swaboda being only one.

Discussion ensued about the monies being given and how CARA wants to proceed. No consensus was requested. Christman asked about whether credit checks were actually done, and were title searches done. What positions are we (CARA) in? Using the Flinn Building, for instance, what position is the Board in with the loan? He thinks these are very prudent issues that we need to consider. McLaran indicated that he knows what we are doing now, but he thinks Delapoer wants to codify it so that everyone will know what the procedures are.

Mayor McLaran **moved** that the Advisory Board recommend adoption of the Resolution to the CARA Agency. Lisa Bartel **seconded** the motion. Discussion ensued. Post asked if this was an Agency or Board Resolution? It was agreed that this group would be making a recommendation to the Agency.

Finance Director Susan Busbice noted that we are about to have new auditors who will ask questions about how these loans and grants are handled, and we have nothing memorialized to date and no standardized forms, contracts, or term sheets to use. The process is very loose and she thinks the point needs to be made to all of the Board that it has a fiduciary responsibility when giving public funds to local businesses, or anyone. It is quite alright for the Board to decide it wants to handle something a different way than its normal procedures, but that decision needs to be made in an open session with discussion in the meeting and in the minutes that say, we as a Body, have decided for these reasons to go away from a particular written policy. That way, the Board is assured and the public is assured that you are handling funds in the right manner.

Busbice indicated that because some of the documents she had read today might get the City into a banking regulation problem, and it is her view that we just need tighten up all of the forms and processes. She doesn't think anything would apply to Mr. Manley. She suggested the Finance Committee meet shortly, define a list of procedures, and bring them back to the Board at the next meeting. Then, we could get Mr. Manley's money to him, we would just get it under all the right terms, conditions, and formats.

Kim Sass observed that we (City) already give loans and grants to historic homeowners in the area, and she asked what the policies are on that, and asked Susan if she could show those policies to our (CARA) Finance Committee. Busbice indicated that she had not seen any of those historic loan documents and would have to look at them. Sass noted that Busbice should review all of the City processes, not just this group's, to which Busbice agreed.

Director Busbice noted that there is quite a differentiation that Councilor Christman could explain to this group between a commercial loan, a residential loan, and a grant, and that she thinks it is time for the group to revisit how they have set those up in the past because there has been confusion among staff about whether something is a grant or a loan.

She also expressed concerns that CARA gives a loan to fund a 50% match on a grant. Where, in fact, CARA gives the total amount of money. She indicated that CARA needs to address the fact that they are giving funds to a 50% match and the receiver is not putting anything into the project. She suggested that we may need to back up and look at this as "gap" financing. Busbice pointed out that this is certainly appropriate to Mr. Manley, since he has put a great deal of money into the project. She pointed out that if you can borrow \$50 to borrow \$100, that's a good deal – but it means we are financing 100%, so the person receiving funding doesn't have any money to lose – **we** are the only ones that do have. She thinks that this has just evolved over time and now is a good time to stop and just shore up before we have a new auditor taking a look at our procedures.

Mayor McLaran indicated to Kim Sass that it may be that historic loans come through the Community Development Department. Busbice noted that they do, and they are federally funded, and that there are a number of requirements in order to meet those federal requirements. So, they are simply not just giving that money indiscriminately; but that Sass's suggestion was an excellent one. Busbice indicated that she does need to go and look at exactly what those requirements are.

Chair Norman asked, for clarification, if the Resolution that the Board is talking about, and recommending as opposed to passing, does not necessarily include the discussion about the matching loan and grant criteria we are currently under. Is that correct? Busbice answered, yes. Norman then clarified that would be a separate discussion for the finance committee to take a look at and report back to the full group.

Councilor Bessie Johnson expressed concern with how we are giving money, and being sure we are getting it back. She asked how many loans we have now. Busbice responded that currently, there are two loans – one for Vintage Furniture and the second to the Mexico's. She clarified that Willamette Community Bank is not a part of the grant/loan program because it went to a developer. It was considered differently, as opposed to the CARA Grant/Loan Program. The question was posed - with these loans, are payments deferred? Busbice responded affirmatively. It was clarified the bank payment is deferred until 2008.

Johnson asked about the terms of the loans. Busbice responded that for Vintage Furniture – five years at 4%. Jeff Mexico – five years at 6.5%. No payments have been made on any of the loans. In response to the question about any that are due, Busbice noted that all are deferred. Willamette Community Bank – deferred seven years. Both Vintage Furniture and Jeff Mexico's loans are deferred for five years.

Councilor Johnson indicated that she thinks Jim has proposed a very wise suggestion and Resolution. She noted they (the CARA Board) have never seen a document with terms or anything and thinks this is a very wise way to go. Chair Norman indicated he had not heard anything from anyone else noting opposition to the suggested Resolution, and he had not heard anything else negative other than the time it might take to process.

Post expressed his concern about funds for Mr. Manley, noting that he did not want to hold those up, especially now. He still wanted to know if these criteria would be retroactive. Director Ebbert suggested that was not what was being said. CARA just needs to be sure this is all done on the right forms, do appropriate term sheets, and lay it out so we really know how it is tracking. That is one of the things we (CARA) have been lacking, that and having a contract that looks like a contract, not just a letter with signatures at the bottom.

Killin observed that the Manley loan had already been finalized and signed and that it would be very difficult to do anything retroactive because of that. Ebbert & Busbice both agreed that there were no signatures on anything yet; Manley has not signed anything to date. Terms of payment, amounts to be granted, and a loan have all been approved by this Board and the Agency, but CARA doesn't have a Contract as yet. Busbice suggested that she is saying CARA needs to get his information on the right forms and get it set up properly.

Finance Director Busbice indicated that she doesn't think it will take long to get our forms into a standardized format so that every time we are looking at a grant or a loan, we know what the standardized form it is going to be. Then, if there is something unusual or odd about a specific request, they can immediately come back to the Board if the scenario needs review, and if the Board wants to go outside the established procedures, then staff needs to make that happen. Busbice noted that we seem to have the chicken before the egg; we have approved things, and then staff is running around behind trying to make everything happen.

Director Busbice reiterated that one of the documents she saw today may be in violation of some banking lending laws, and she doesn't want to get the Board in trouble with the feds over some of our lending practices, especially when they can be standardized to meet all the rules and regulations. Board members noted their appreciation for her stand on that issue and for keeping them out of trouble.

Chair Norman then called for a vote on the motion to approve the Resolution and recommend it to the CARA Agency. The motion was approved unanimously.

(Lisa Bartel left at 6:15 p.m.).

RFQ Progress Report:

Director Ebbert has had conversations with Telos Development Co., and they are wanting to meet right after Labor Day, so he is hoping for the 7th or 8th of September to get their group together with property owners and City staff to talk about the overall project, see what we have on the table, and see how all these things might fit. And now, obviously, we will want to include the Carousel project as part of their mission and vision for the waterfront, too.

Ebbert indicated he was going quickly to his number two item and then turn the podium over to Glen Rea to talk about the Iron Works Project a little bit.

Ebbert noted that he has visited with Duane Wilson of RCM Homes a couple of times this week. They had hoped to be pulling permits within 30 days on their project. They are running into a formidable snag that doesn't surprise anyone, the BNSF railroad. They have been dealing with this since February. They can't get any kind of a commitment from the railroad, even whether it is a yes or a no. They need a definite answer, even if it is a no, then they will design around it. Ebbert stated that his challenge for the week is to deal with that. It is costing money every month just to sit there. In response to a question, Ebbert indicated that the Union Pacific Railroad has no problem with signing off on the project, just the other railroad group (BNSF) that won't decide or provide a commitment. Ebbert then invited Glen Rae to speak.

Glen Rea, 644 Spyglass Court. Iron Works Project: They are moving forward. They had a groundbreaking ceremony a couple of months ago, and then stopped abruptly after moving about fifty feet, due to finding some contaminated soil. They decided to go ahead and move forward, and are doing some of it on good faith, and some of it because David Reese has a very complex program going for his project. Rea noted that it is important that they make progress. He happened to talk with David Reese today, although they have not talked much during the past few weeks due to busy schedules. As Rea was driving through Grants Pass, he and David - who was also in Grants Pass on business - were talking on their cell phones to each other from different parts of town.

Design: They don't have a complete picture yet, so will plan to come back next month and hope by then to be able to give a more comprehensive report. He stated that they are in the process of completing all the infrastructure work. That part will be done this month, he thinks, and then they are pulling all the permits and will start on the construction again. Rea has a thought about the contaminated soil and the problems it creates. He thought they were being very diligent and careful in their environmental studies, but it didn't quite cover it all. He noted that he wants to get the overall funding finished.

Rea indicated there are some resources that are not available to a contractor, but are to the City, especially through Economic Development, that could be very helpful. Rea thought that after going through this experience, he felt it would be helpful if there were some kind of contingency funds that could be funded essentially by economic development. There are two funds to use in working with Brownfield Development in a city in places like this that are vitally important in downtown areas. One is a no interest loan and a second one he was unsure of, but noted that it could be extended over a longer period of time at repayment.

If there is was contingency fund for which CARA had established resources, then it would not slow down or stop a project. Rea noted they came pretty close to stopping. Rea also indicated they had a way of managing the problems and DEQ was very helpful. Independent developers who don't have a lot of experience working with DEQ may find these problems overwhelming, and DEQ is assuming we are going to have additional problems on the riverfront project. Rea suggested that maybe CARA might want to consider some kind of contingency fund that would allow it to tie into State resources that could still be wrapped back into a project. It would keep the project going forward, saving time and money for all involved.

Ebbert asked Rea to talk about the marketing they are doing. Rea indicated that they have established two websites, but have held back a little on content. There is fencing around the site, and signs referencing the website, as well as graphics and other sponsorship things. They are getting ready to do more marketing as soon as they finish the infrastructure work, tear down the little building, get the construction fencing up, and can start advertising from that standpoint. They were also talking with Dick about some of the banners and flags that could be added. Director Ebbert indicated that Matt Harrington is acquiring the banners, and they decided to move to a metal banner with a plastic vinyl cover it because it is a little more durable and they felt it would hold up better on a fence than a fabric banner corner would, especially with the possibility of vandalism that often plagues construction sites. They are also using the new rainbow type of logo for Jordan and Manley's projects for 30 days or so, with the plan to get the logo's scattered around so people can see them.

Post – Asked Rea what the websites were. Rea indicated that one is **RiverfrontIronworks.com** and one other that he could not come up with the name of on the spot. Post asked if the townhomes are up for sale and has there been interest? Rea said, yes, there has been a lot of interest, about three have been sold, but he has not pursued it intently because with fluctuation of costs, he needs to come up with a price first so that they can be sure everything is covered.

Rea noted that he has a number of things that need to be done first, the green side of the homes and the environmental side of the homes, and getting all those prices down so that he is asking a price that will work out, but he indicated that he is very pleased with the mechanical system that they will be offering, and somewhat advanced mechanical system that they will be using; they know what that will cost, so will now be able to wrap up and begin to advertise.

Konopa indicated that she had heard more comments about that project and people wanting to move there than anything else in a long time; that many people have indicated they are ready to move out of North Albany and other areas of town and move downtown. Rea indicated he has heard some of the interest, as well.

Sprinklers and Meeting with City staff:

Chair Norman introduced the sprinklers issue and a recent meeting with the City staff and the subcommittee of the CARA Advisory Board. Chair Norman indicated he thought that at the last meeting, he was one of the most vocal people who was concerned about what this was going to mean for downtown development, how was this going to play with downtown business owners, and was anxious to meet with the City staff to talk about these issues. The group talked with Blaine (Brassfield), Melanie Adams, and Kevin (Kreitman) about two very different issues. He indicated that this morning they learned more about the sprinkler issue (referring to the Flinn Building fire).

Norman continued with the observation that fire sprinklers in historic buildings are a “gotta have;” that’s the new Code and the way it reads and has to be. The fire people have to look at what is being done in a space, what the use is, and that will determine whether sprinklers are required.

Gorden indicated that they have a motion from their committee to add sprinklers to the list of funded items and to increase the cap in instances where they are required. There is no monetary recommendation, because it looks like that will be considered on a case-by-case basis. The criteria that the Board is looking at and what the group could fund would include sprinklers. Chair Norman indicated that Gorden’s committee would look at a project presented to them; at the list of needs, and now the sprinklers would be a part of the project’s needs. A question was posed as to whether anyone coming before the CARA Board looking for a second floor remodel, would be told at that time that they have to sprinkle? Norman indicated they would not be **told**, but it would come up. The criteria to be used by the City involves several items, including a change in use, then sprinklers will be required.

Stella Reimers indicated that the whole conversation at the last meeting was that they were not changing the use in the Thai Restaurant, but we see now why they were being required. Chair Norman indicated in the meeting with City staff, they learned that the sprinklers had been required for many, many years and he referred to a document from many years ago that stated that sprinklers were required in this building and it had been an ongoing problem throughout the intervening years. There was a question about why sprinklers had not been required previously and why the people involved at that time were not required to install them well before now. Norman also reported that sprinklers apparently were an issue during the walk through last fall, but not as big an issue as the electrical upstairs. The question really became the time span in which Mr. Manley was expected to get these sprinklers in place.

Post observed that this was beyond CARA’s purview, and this group just needs to decide if they are going to fund them. Post then **moved** that the Advisory Board give people the opportunity to apply for funds to put in fire sprinklers when they come to the CARA Board. The motion was seconded by Bessie Johnson. A question to clarify how to accomplish that was posed.

Chair Norman clarified that this motion was generic to all the projects, although this was germane to Mark's project because of the cap and the funding CARA wanted to give him. Post indicated he thought those should be separate motions. He thought another motion was needed to increase the cap. The information from the minutes of Gorden's subcommittee meeting regarding the proposed motion was read. Gorden clarified that the motion was from the committee to the Board. Post said his motion was only to add sprinklers to the package. Some discussion ensued, and the **motion was passed unanimously**.

A second item, pertaining to Mark Manley, was referred to from the minutes; a recommendation that CARA fund up to \$26,000 in the form of a grant to fund the sprinklers needed for the Thai Restaurant. Post moved to do so, Bessie Johnson seconded. A question was posed about the insurance on the restaurant area, and Chair Norman noted that Manley's insurance policy might include being able to bring the building up to Code within the conditions on his policy. It was suggested that the action on the motion be postponed until this group knows the extent of the insurance coverage and renovation information was received. Post then withdrew his motion as did the second. Because of some confusion about the extent to which the Flinn Building was sprinkled, a clarification was offered that the rest of the building already had sprinklers.

Director Ebbert indicated that Manley may be seeking from the Board the willingness to assist if that assistance is needed after the insurances and other things are known. Chair Norman indicated that it seems right now that there may be some things that we might not have to fund. Ebbert indicated that Manley still has not reached the maximum on his loan and still has several thousand dollars available. It was observed that the events of the morning may put a different light on everything and that CARA needs to hold off and wait until Manley identifies what he actually needs.

Ebbert suggested that the Board might want to have Gorden touch base with Manley and plan to report back at the next meeting. Director Ebbert had a tour of the fire damaged areas this morning with Kevin Kreitman, and since Chief Kreitman was present at the meeting, he invited him to talk about what happened. Director Ebbert observed that he believes what happened with the Flinn building was exactly what Chief Kreitman said would happen when fire broke out in the kitchen, the direction it went, the damage that was created, and how it was stopped virtually in its tracks by Kreitman's people.

Kevin Kreitman, Fire Chief: Kreitman gave a first-hand view of the fire in the Flinn Building. Kreitman indicated that he had not had a chance to go home and change since the fire this morning and apologized for his appearance. Kreitman stated that they were very fortunate, both with his crews and the passerby who called in the alarm when he detected smoke from the building. He indicated that the first alarm came at about 4:30 a.m. via a call from the young man riding his bike in the area, who then went back and helped the only occupant (owner of the Thai Tip restaurant) out of the building safely.

After receiving the call, the first engine came to the site, called in a second alarm, and then proceeded to attack the fire, since they had four people on the engine, which enabled them to begin taking action. The first alarm crew did not detect anything from the front of the building, but found black smoke coming from the back, whereupon they called in the second alarm, allowing resources from surrounding areas to be called in. Departments from Adair, Corvallis, and other areas sent engines to assist. However, due to the quick action, the fire was held in the main area and did not spread to the entire building or block. Kreitman observed that we were very lucky today.

Kreitman described the sequence of events. The fire in the restaurant got in to the floor joists, they had a drop ceiling in the restaurant, then it got into the tin ceiling above that. There is about an 8 foot difference in the Thai Restaurant ceiling height. The floor joists above the Thai Restaurant run all the way through the Flinn Building to the brick wall. They had heavy smoke on the first and second floors. Usually, where the smoke is traveling, if they cannot get in there and stop it, that is where the fire is going. It was burning in the void space where there were no sprinklers. There was heavy fire there. The crews getting inside were able to hit the seat of the fire really heavily. Kreitman described that it looked like they got some really good steam production there and when you walk in the building now on the first floor, on the east wall, you can see smoke stains where it came down from the steam.

Kreitman indicated that the sprinklers did not activate until after they were there working the fire. The crews got into the second floor and they actually had to do an evacuation. There was smoke in the apartments in the structure to the west and they had to make sure there was an evacuation of the residents, and to make sure they didn't have extension through that wall, because getting smoke through there meant there were penetrations there, which they should not have had. They actually had some water go into the Old Town Café, even though it looks like there are two brick walls there between the buildings. So, that told them that there were breaches through there at some point. They actually had fire that traveled through past the wall where the Thai restaurant is, so if you go up to the mezzanine, you will see some of the tin is discolored where it was traveling through. He noted that if they had five more minutes or longer delayed notification of the fire, they probably would have had quite a bit of fire in the void space between the floor, and by the time it came out, it probably would have overrun the sprinkler system in the rest of the building. Kreitman indicated that we would probably have seen a collapse of that first floor and then the rest of it. He again indicated they were very fortunate.

Kreitman also noted that this was a different item than they had been discussing with the others, in that when the building was originally sprinkled, there was not an access from the Thai Restaurant into the Mall portion and, for whatever reason, it was never sprinkled. Kreitman observed that the initial thought was that the wall went through and that there were no joists open in the new area.

Kreitman thinks it was about 1979 when the problem was first identified that something needed to be done in the building. He also noted that there have been several business owners over the intervening time, and it looks like there was probably something missed, so the work was never done. Kreitman also talked about the risks involved and the possibility that in a situation like this, the sprinklers could be overrun. He also indicated that this fire appears to be accidental and that it most likely was electrical related.

A question was asked about why the difficulty with the woman trying to get out. Kreitman said that she had to go through a long narrow area going right through the fire and smoke, there was a lot of storage in there, and apparently she had a hard time with what appeared to be an old door that was unable to be opened – some kind of old screen type door that just would not move. He noted that the young passerby was responsible for allowing the restaurant owner to escape unharmed.

To a question about whether there was major structural damage to the Thai Restaurant and would it be able to be rehabbed, Kreitman said that the kitchen area was severely damaged, but Manley had hoped to renovate in there at some point in the future anyway. He had a structural engineer come in and it looks like structurally there was concern about the basement, otherwise, it looked like it could be rehabbed.

Kreitman was asked if there was damage to the Ames Building next door, to which he responded there was some minor smoke damage, but nothing significant and they were back in business this afternoon. Kreitman was thanked for his update.

Gorden reported on two other downtown projects. One was Swoboda, who has requested additional funds, and the committee felt that they needed to do a walk through to review what had been accomplished with the funds already appropriated and used by him to be sure that the project was being completed as agreed before a new allocation of funds was made. A question about the end date for that project had Gorden stating that it was about six months, but that the group had given him a six month extension. There was brief discussion about the pace of downtown projects.

There also needed to be clarification of whether there would be a new contract or what occur with Mr. Swaboda's new request. Olsen asked if there was an way to see if Mr. Swaboda was abiding by the terms of the contract – had it defined what needed to be done in a specific time period. Ebbert indicated that there very definitely are criteria and they are required to indicate what items they are going to renovate by providing a list. From that list, you put more precise terms into what the contract will say.

Ebbert also indicated that he thought what Director Busbice was saying was exactly this very point. We need to have a term sheet to show exactly what they are going to have done at the end of the day and a timeline. Ebbert also agreed that extensions can and should be granted, because there are many circumstances beyond the owners

or project's control. Olsen asked if those projects are basically done then before they come and ask CARA for more money. That was the point of this discussion, that Gorden's committee will check that out.

Gorden said that the other project they had received an application for was from Larry Heer on the Oregon Sew and Vac Building where he is currently aggressively doing upgrade and remodeling. He presented an application to us with a list which covered all of those activities to the tune of \$93,000, but he only asked for \$40,000, and said he could cover \$75,000 on his own. So, the committee is a little confused about what he is asking for and is going back to him to ask what specifically he is asking the group to do.

NEXT MEETING

The next meeting of the CARA Advisory Board is scheduled for **Wednesday, September 20, 2006, at 5:15 p.m.** in Council Chambers. (Councilor Reid asked that at future meetings, the Chair consider using the microphone.)

ADJOURNMENT

Hearing no further business, Chair Norman adjourned the meeting at approximately 7:03 p.m.

Submitted by

Reviewed by

Signature on File

Signature on File

Shirley Lindsey
Administrative Assistant

Dick Ebbert
Economic Development Director

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