



APPROVED: January 17, 2007

**CITY OF ALBANY**  
**Central Albany Revitalization Area**  
**Advisory Board**  
**City Hall Council Chambers, 333 Broadalbin Street**  
**Wednesday, December 13, 2006**  
**5:15 p.m.**

**MINUTES**

Advisory Board Members present: Chris Norman, Cordell Post, Gordon Kirbey (arrived 5:55 p.m.), Doug Killin, Ray Hiltz (left 6:08 p.m.), Sharon Konopa, Bessie Johnson, Jeff Christman, Ralph Reid, Jr., Stella Reimers, Dick Olsen, and Chuck McLaran

Advisory Board Members absent: Kim Sass

Staff present: City Manager Wes Hare, City Attorney Jim Delapoer, Economic Development Director Dick Ebbert, Urban Renewal Coordinator Kate Porsche, and Administrative Assistant Teresa Nix

Others present: Approximately 12 others in the audience

**CALL TO ORDER**

Chair Chris Norman called the meeting to order at 5:15 p.m.

**APPROVAL OF THE NOVEMBER 15, 2006, MINUTES**

**MOTION:** Cordell Post moved to approve the November 15, 2006, minutes as presented. Ralph Reid, Jr., seconded the motion, and it **passed** unanimously.

**SCHEDULED BUSINESS**

Business from the Public

**Wendy Kirbey, 2135 22<sup>nd</sup> Place**, advised that a proposal will be coming forward next month to purchase property for the Carousel. In response to inquiries from the Board, she advised that the request will be for about \$300,000 for purchase of a building across from the post office on First Avenue (formerly a craft and floral business).

Report from City Attorney Jim Delapoer Regarding Funding Appeal from Larry Heer/Al Holman

City Attorney Jim Delapoer drew attention to his written opinion, previously distributed. He said he did not participate in any of the meetings referenced in the background materials and his opinion is based on the written information available. He stated that individual members cannot bind the bodies of which they are members and that CARA is within its rights to deny the subject application if it so chooses. He stated that the

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issue of gap funding is referred to repeatedly in CARA background documents, that CARA has indicated it wants to make the most of its limited funding, and that the applicant-signed certification makes clear that completed work is not eligible for CARA funding. He said CARA has indicated that it wants to ensure that work funded is consistent with the overall vision and that it includes review by the Landmarks Advisory Commission. By his review, he said that the Landmarks Advisory Commission did not provide input into the work done to date. He suggested that, if CARA does decide to grant all or part of the request, it conclude that a mistake was made in the handling of this application to avoid setting a precedent which may result in additional applications for work that has already been completed. He offered to answer any questions.

Norman said the Board should address whether the decision to deny funding was based on correct information and whether anything has changed since that decision. Ray Hilts said he was not present at the last meeting but had submitted written testimony which he understands was not put into the record. He said he previously voted to deny this request because he thought no procedures were followed. However, based on conversations he has had with Subcommittee member John Pascone, he now feels that some funding should be granted.

Stella Reimers recalled her comment at the last meeting regarding the possibility of coming to a compromise on this issue. She said it is important to be fair and to make the process as easy as possible on property owners. She said she sees mistakes made on both sides and it is inconceivable to her that staff did not visit the site and communicate better with the applicants.

Economic Development Director Ebbert stated that the applicants first applied for funding in 2004 but later decided not to pursue that funding due to program restrictions. The paperwork signed by the applicants clearly stated that completed work would not be reimbursed. He said that the second application did not include a request for funds and that staff has no reason to visit or monitor projects for which no funds are requested.

Dick Olsen inquired about the timing of the improvements and Al Holman approached.

**Al Holman, 405 Second Avenue SE**, stated that work on the back stairs began on August 15 and was completed August 28, 2006. In response to further inquiries from Olsen, he stated that the May 2006 application included the stair work, that the application was reviewed by the Subcommittee who made a recommendation for funding in the amount of \$60,000, and that the Subcommittee understood that a completion date of September 1, 2006, was necessary to accommodate the lessee. He said the original proposal to the Subcommittee was for a \$35,000 grant, and he suggested a compromise allocation of that amount.

Olsen said he now has a new understanding of this case. Hilts said he feels he has new information that would change his vote. Jeff Christman said the first application was withdrawn, the second application was incomplete, and the work was done prior to any funding being approved. He referred to the statement from City Attorney Delapoer that individual members cannot commit dollars on behalf of their organization and said he thinks the Board needs to follow the procedures in place.

Norman expressed concern about funding projects after work is completed due to the inability of CARA and the Landmarks Advisory Commission to influence projects downtown. In response to an inquiry, Urban Renewal Coordinator Kate Porsche said that the Landmarks Advisory Commission has indicated that it only reviewed the back staircase. It did not review any of the other work, nor was it aware of an application for CARA funds.

Sharon Konopa said the certification clearly states that work done before commitment of funds is ineligible for assistance and that commitment was never received by the applicant.

**MOTION:** Konopa moved to reaffirm the previous decision to deny funding requested for this project. Doug Killin seconded the motion.

**Ed Schultz, 130 First Avenue W,** introduced himself as a representative of the applicants. He expressed concern about the word *commitment* and what that might mean to people who are not familiar with the system. He advised that this is not a completed project and that the applicants expect to spend an additional \$72,000. In response to an inquiry from the Chair, Schultz said that work still to be done will include a new front door, awning, second floor windows, and painting the front and sides of the building. Norman said that sounds like a separate application, and Schultz said it would be helpful to give the applicants an indication of whether that work would be eligible for funding.

Post said he will support the motion, but he hopes the applicants submit a new application as soon as possible. He said improvements to this building would be great for downtown. Killin urged the applicants to submit a new application as soon as possible and urged CARA to support it if appropriate. Porsche said she would help the applicants to complete the application so that it can be included on the January agenda.

Olsen spoke against the motion. He said that he is pleased that the owner is upgrading and he thinks the fact that they were trying to get the work done so a tenant could move in creates an extenuating circumstance.

Holman recommended that CARA appoint a contact person for applicants to call for assistance. The Chair noted that Kate Porsche is now serving in that role.

The motion **passed** by a vote of 8 to 3 with Kirbey abstaining.

Yes: Norman, Post, Killin, Konopa, Johnson, Christman, Reid, McLaran

No: Hiltz, Reimers, Olsen

### Subcommittee Reports

#### **Finance Subcommittee**

Christman distributed and reviewed *CARA General Fund as of 9/30/06; CARA Grant, Loan and Developer Partnership Commitments as of 9/30/06; and CARA Grant, Loan and Developer Partnership Commitments as of 12/1/06*. He noted that the latest spreadsheet shows a negative fund balance for the Grant/Loan Program and that the Subcommittee recommends a transfer of \$100,000 from the CARA General Fund to cover that shortfall.

**MOTION:** Christman moved to recommend that the CARA Agency transfer \$100,000 from the CARA General Fund to the CARA Grant/Loan Program. Post seconded the motion, and it **passed** unanimously.

#### **Downtown Building Revitalization Review Subcommittee**

McIntosh Architectural Assistance Grant: Porsche advised that this applicant decided not to pursue purchase of the Book Bin building after receiving repair estimates ranging from \$400,000 to \$900,000.

Nieland Additional Funds: Gordon Kirbey briefly reviewed the request.

**MOTION:** Killin moved to recommend that the CARA Agency approve a request for \$938 in grant funds for an awning at The First Round Bar & Grill in addition to the \$1,000 previously granted. Post seconded the motion, and it **passed** unanimously.

Work in Progress and Goals/Strategic Planning Discussion

Urban Renewal Coordinator Porsche gave a presentation on *CARA Five-Year Review and Forward Planning* (Attachment A). She reviewed the 2006 Tax Increment, the Change in Assessed Values (an increase of 21 percent over five years), CARA Project Review, Return on Investment, Factors to Consider, Tax Increment vs. Livability, Project Review - Livability, Open Projects, TELOS Update, SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis, CARA Revenue Projections, Staff Goals, Projects in the Queue, Financial Projections, Areas of Focus, Initial Focus Area, Downtown Positives and Challenges, Downtown Possible Projects, Downtown Riverfront Positives and Challenges, Riverfront Possible Projects, East Waterfront Positives and Challenges, East Waterfront Possible Projects, and Staff Recommendations. Open projects include Swoboda/Furniture Mart, Flinn/Ames Building, Jordan Jewelers, Olde Towne Café/Camas Creek Antiques, and Ironworks. TELOS has confirmed it will not be the overarching developer for the riverfront due to concerns related to tax credits. Staff recommendations included creation of a consistent process for applicants, public involvement, development of review criteria for all projects, and revision of the guidelines to reflect CARA priorities.

Reimers asked if there is any opportunity to extend the boundaries of the urban renewal district. City Manager Wes Hare responded that the combined area of Albany's two urban renewal areas most likely approach the maximum allowed.

Norman stated that Astoria and other communities have been able to improve perception by focusing on one small area and that new construction is the way to add tax increment. He said he would like to consider areas in the downtown core suitable for new construction (i.e., the J.C. Penney parking lot), the potential of the waterfront and issues related to the railroad, and what is important to the Board as it goes forward.

Killin said it is important to stand back and look at the bigger picture, the bigger possibilities. He said CARA is almost to \$1 million income, which will allow it to borrow a substantial amount of money. Porsche advised that the bonding capacity is 10 percent; therefore, CARA would be able to get about \$10 million in bonds.

Olsen said he has talked to property owners on the riverfront who would like to make improvements, but who don't quite know what to do. Norman noted that there is a riverfront group that has been meeting to ensure that improvements will compliment one another. Porsche agreed to ensure that all property owners are engaged in the process.

Brief discussion followed regarding issues associated with the railroad, the usefulness of information that would be gained from a railroad study, and the \$150,000 anticipated cost of that study. The Chair initiated brief discussion regarding marketing to potential developers.

Hare advised that the City was approached by ODOT Rail, which suggested a study to look at removing the railroad from the downtown area. One response was received to an RFP put out by the City in partnership with ODOT Rail, but ODOT decided that was not sufficient and that it wanted to reexamine the project before putting out a new RFP. Hare said the state has indicated that Mr. Lepman will not be required to do the crossing improvements, but that is not yet confirmed. He stated that there is great potential on the waterfront, that interested parties are having ongoing meetings, and that he thinks it will be possible to blend opportunities in that area with efforts in the downtown.

It was agreed to continue discussion at the next meeting. It was noted that there will be a full agenda in January, and members should be prepared for a longer than usual meeting.

Staff Updates and Issues

None.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board is scheduled for Wednesday, January 17, 2007, at 5:15 p.m., in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Norman adjourned the meeting at 7:00 p.m.

Submitted by,

Reviewed by,

*Signature on File*

*Signature on File*

Teresa Nix  
Administrative Assistant

Dick Ebbert  
Economic Development Director