



APPROVED: February 21, 2007

CITY OF ALBANY
Central Albany Revitalization Area
Advisory Board
City Hall Council Chambers, 333 Broadalbin Street
Wednesday, January 17, 2007
5:15 p.m.

MINUTES

Advisory Board Members present: Chris Norman, Kim Sass, Stella Reimers, Cordell Post, Ray Hilts, Gordon Kirbey, Doug Killin, Dick Olsen, Dan Bedore, Sharon Konopa, Bessie Johnson, Jeff Christman

Advisory Board Members absent: Ralph Reid, Jr.

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

Others present: Approximately 27 others in the audience

CALL TO ORDER

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

APPROVAL OF THE DECEMBER 13, 2006, MINUTES

MOTION: Cordell Post moved to approve the December 13, 2006, minutes as presented. Ray Hilts seconded the motion, and it **passed** unanimously.

SCHEDULED BUSINESS

Business from the Public

None.

Subordination of Ironworks Loan

This item was withdrawn from the agenda as it is no longer an issue.

Goals/Strategic Planning Discussion

Urban Renewal Coordinator Kate Porsche gave a power point presentation on CARA Forward Planning. She said setting priorities will allow CARA to make decisions in an organized and holistic manner which could save time and money later, will assist in the decision-making process, and will help to eliminate "second guessing" down the road. She said she hopes that tonight the Board will 1) review and/or redefine its area of

focus (downtown, downtown waterfront, east waterfront, other areas); 2) create a consistent review process and application process (i.e., a design review subcommittee to help to ensure a common look and feel for projects, a new policy related to gap funding, a revision of the policy for approval of grants and loans, a change to the Downtown Review Subcommittee to possibly oversee small grant fund dollars, and an increased staff presence to better prepare applicants); and 3) consider ideas “outside the box” (i.e., the creation of a small grant fund with an annual or semiannual competitive process).

Chair Norman initiated discussion about the area of focus, noting that the idea is to focus efforts so that they have a visual impact.

Stella Reimers said CARA has worked hard on the downtown and the waterfront is now coming along with several projects; however, she does not want to forget the smaller businesses on the fringe of the urban renewal district, especially those that employ people. Sharon Konopa agreed and said she would like to consider requests on a case-by-case basis so that, for example, funding could be considered if a request comes forward to help improve a blighted area. Ray Hilts said he thinks the downtown, downtown waterfront, and east waterfront should all be priority areas. Kim Sass spoke in support of identifying a focus area but with some dollars earmarked for smaller requests from other areas. Jeff Christman said he thinks it is important to identify a focus area in order to prioritize when presented with multiple projects. Doug Killin said he would not want to ignore a good project that was submitted by someone outside of the focus area, and he would like to encourage projects that are going to bring in major private investment. Dan Bedore suggested that the focus be on one area now and perhaps on another area next year. Chair Norman said CARA has been focusing on the downtown core and great things have happened there. He said that the question is whether there is momentum enough for the core to sustain itself or whether changing the focus area may cause a loss of momentum. He said that if two equal projects were presented, it would make sense to him to keep momentum in areas where CARA has already invested.

Porsche advised that the Public Works Director has said the City Council will be approached for approval to use Street Fund dollars to fund the rail study along Water Avenue.

Dick Olsen referred to previous comments that, in order to maximize funding ability in the long run, CARA should consider projects that will result in increased tax increment. He said CARA should be prepared to invest in the east riverfront to help investors there move forward, while also taking advantage of opportunities downtown which may not be there later. Bessie Johnson stated that she agrees with comments regarding a desire to clean up blighted areas, that she does not want potential applicants to think CARA won't consider their project if it is outside of a particular focus area, and that she would need to hear more about an account for smaller projects before making a decision. Christman said he agrees that all four of the areas listed should remain on the radar screen, but he thinks they should be prioritized to assist in making decisions when there are two or more competing projects being submitted for a defined amount of money. Killin asked whether it could be as simple as setting a primary focus of the east waterfront but keeping the process open to other applicants.

Konopa commented that, for the past five years, CARA has considered each project as it came forward. She said she finds it difficult to set a priority for the east waterfront when there are still projects to be done downtown; she would prefer to consider each project based on available dollars and investment for urban renewal. Norman said he does not want to base decisions on the current budget year but would like to consider the long-term. He said that CARA's focus area has been downtown, but the east waterfront has since become important due to a number of reasons. He said he would like the Board to make a concerted decision to retain the current focus area, to change focus to another area, or to not have a focus area.

Olsen said he would like additional information about Water Avenue infrastructure costs.

Transportation Systems Analyst Ron Irish said staff needs to work with ODOT Rail to determine details related to rail crossings and access on Water Avenue. He said that decisions must also be made about street improvements, curb width, on-street parking, sidewalks, etc., and cost estimates would be very difficult at this point. Olsen said he would still like to see an estimate of infrastructure costs, and Porsche agreed to provide rough estimates, noting that more accurate numbers will be available after the rail study is done. She noted that the idea behind the focus area is to aid in the decision-making process. In that spirit of clarity and process around decisions, she said that City Attorney Jim Delapoer will present two resolutions for consideration.

City Attorney Jim Delapoer distributed a proposed resolution establishing a policy for review of an applicant's financial need for CARA funding. He said this would establish a policy to provide "gap funding" to bridge the gap between what the applicant could accomplish and what CARA would like to achieve. He stated that setting such criteria would help to support CARA decisions, that it would aid in the decision-making process, and that it would not prevent funding a desirable project with small need if one came forward.

Delapoer distributed and reviewed a proposed resolution, which would replace CARA Agency Resolution No. 2006-4, and which stipulates that final action to approve or deny an application shall be made by Agency resolution due to the fact that a judicial review would be improved if decisions are explained by a resolution which contains findings supporting the action. He said if someone feels wronged by a CARA decision, they could ask for a court review. He said that when courts review local government decisions, they look to the written record. He said that if there is not a clear record, decisions may be hard to defend.

Reimers said efforts have been made to keep the CARA process as simple and expedient as possible, and she asked how much time this would add to the process. Delapoer acknowledged that he is proposing to add a layer of process, but he reiterated that a clear record of the reasons behind decisions could prevent a lot of time trying to later defend those decisions. In response to an inquiry from Porsche, Delapoer said Council could briefly convene CARA and adopt resolutions after Council meetings when the agenda allows.

Norman asked if other urban renewal agencies are using the gap funding criteria, and Delapoer responded affirmatively. Norman asked about the level of detail the applicant would be required to provide, and Delapoer said a small level of detail might be in order for a small request; the applicant could just be asked to explain why funding is needed. Porsche reviewed her discussions with an urban renewal consultant who stated that he strongly recommends that urban renewal agencies use gap funding criteria in order to stretch available dollars.

Christman asked how these policies affect the current grant/loan policy which was revised several months ago. Porsche responded that she does not think the resolutions would change that policy.

Post said he has some reservation regarding the first resolution because he does not think "need" is well defined. Brief discussion followed regarding the definition of need and how to determine whether the information submitted is accurate. Delapoer stated that it should be within the ability of the applicant to demonstrate need for funding. He said that it is not an exact science, and applicants will either convince the Board or they will not.

Norman clarified that need is just one of the criteria to be used, and he would like to be sure it is accurately defined. Reimers said the renewal district was formed to urge property owners to fix up buildings and to raise tax revenue; she is not sure that a project should be disqualified due to lack of financial need.

Delapoe said the Agency is getting more applications than it has funds to grant, and he anticipates challenges from disappointed property owners. He said that if need is going to factor into decision making, he would suggest that it be formalized. He said CARA decisions are subjective; and if a decision was made to fund a project that didn't have need but had other values, staff could write that into the resolution. Porsche added that the gap could come in forms other than an absence of funding, i.e., if costs are greater to develop in the way that CARA wants.

Christman said it is important to consider criteria beyond location and need, such as tax increment, CARA dollars as a percentage of the whole project, and how soon CARA will receive payback. Norman noted that CARA criteria are documented, and he suggested that they be made available for review.

MOTION: Hilts moved to approve the two resolutions as presented. Johnson seconded the motion.

Konopa spoke against the motion because of the need criteria in the first resolution. She said there are projects which may not have had financial need, but which probably would not have been done without the incentive of CARA dollars.

The motion **failed** by the following roll call vote of 6-6:

Yes: Norman, Killin, Sass, Olsen, Hilts, Johnson
No: Reimers, Bedore, Post, Konopa, Kirbey, Christman

MOTION: Post moved to approve the resolution repealing Resolution 2006-4 and requiring final action to approve or deny a grant or loan application be made by Agency resolution. The motion was seconded and **passed** unanimously.

MOTION: Killin moved to approve the resolution establishing a policy for review of applicant's financial need for CARA funding with the addition of a new item as follows: *4. The need of the applicant for funding or the need of the Agency for the development can satisfy the need criteria.* Kirbey seconded the motion, and it **passed** unanimously.

The Chair initiated discussion regarding the possibility of creating a new design review subcommittee. Porsche said this came up in discussions with Planning staff – the idea that CARA has concerns about what buildings will look like and has the potential to influence design through funding incentives. The new subcommittee would include representatives from CARA and the Landmarks Advisory Commission, some with architectural interest or expertise, to review proposed projects and give feedback as needed.

Johnson questioned whether the subcommittee would be qualified to review projects. Reimers said she thinks a design review subcommittee would overstep the bounds of CARA. She said the Landmarks Advisory Commission and Planning Commission have oversight, and she does not think subcommittee members would necessarily be qualified to approve designs. Porsche noted that the idea for this subcommittee was originated by Planning staff. Norman said CARA has been doing some design review; this would formalize that and provide a different skill set.

MOTION: Hilts moved to postpone the rest of this discussion in order to let audience members present their funding proposals. Johnson seconded the motion, and it **failed** by a vote of 2 to 10 with Hilts and Johnson voting yes.

Chair Norman said he is aware of the time, but these are important decisions which he does not want to rush.

Konopa stated that a design review subcommittee with representatives with an architectural background would be very beneficial. She said there could be a short review process to help ensure that projects that come into the urban renewal district are something to be proud of. Porsche said CARA has done a design review process for certain projects, and she would like to create continuity in the process. She said she has already had discussions with a resident professional (architect) who has expressed a willingness to serve on the subcommittee.

In response to inquiries from Bedore, the Chair clarified that the subcommittee would make recommendations to this Board, which then would make recommendations to the CARA Agency. The subcommittee would only make recommendations on projects that have applied for CARA funding.

MOTION: Konopa moved to go forward with a design review subcommittee as proposed. Sass seconded the motion.

Christman said he is in favor of a design review subcommittee, but he wants to be clear about what it can do and at what point the design is approved. He said he wants to avoid a repetition of a recent situation in which an applicant thought he had approval based on comments by subcommittee members.

The motion **passed** with a majority vote.

Sass spoke in support of setting aside a pot of money for smaller projects. Porsche said small fund allocations could be another opportunity to promote CARA, perhaps through a competitive process. Brief discussion followed.

MOTION: Bedore moved to earmark a set amount to put into a fund for smaller projects and to direct staff to bring back a budget and proposed process at a future meeting. Johnson seconded the motion, and it **passed** unanimously.

Porsche also agreed to provide the previously adopted review criteria and any other information requested via e-mail to facilitate further discussion about focus area(s).

Recess and Reconvene

The Board took a 10 minute recess and reconvened at 7:12 p.m.

Subcommittee Reports

Finance Subcommittee

City Manager Wes Hare said a review of the requests listed on the agenda raises the question of whether CARA has money to approve them. He stated that the Board does not have the full amount of cash on hand; however, urban renewal agencies do not typically pay as they go, but instead borrow and use increased tax increment to pay back the loan. He noted that CARA currently has a \$1.2 million bond with a \$130,000 annual payment, leaving plenty of borrowing capacity to fund additional projects if that is the desire. In response to inquiries, he added that the bonding process takes approximately 60 days, that CARA's borrowing capacity is about \$3 million to \$4 million, and that he is fairly confident CARA could go through a commercial lender to borrow against the tax increment of a large project if one came forward. Brief discussion followed.

Work in Progress

Porsche presented a CARA Project Overview, noting the major milestones met and current priorities for the Flinn/Ames Building, Jordan Jewelers, Oregon Furniture Mart, and Ironworks. In response to a question from Reimers, Porsche said CARA signs will be put up by Monday.

Reaffirmation/Action on Previous Motions for Funding Requests

River View Apartments (Ice House) (\$135,000), James Hackett, Executive Director, Linn-Benton Housing Authority, 1250 Queen Avenue, SE, said he generally agrees with the staff report with a couple of exceptions. He showed several slides of the proposed project, River View Place Affordable Senior Apartments. He reviewed the history of the project, noting that the 2003 and 2004 applications were not selected by the state for funding, that a local architect was then engaged to revise the building design, that the 2005 application was still not selected, that the Housing Authority's funding was cut so that it no longer needs the previously identified amount of office space, that CARA received an update as to the status of the project and changes to the design on June 21, 2006, and that the 2006 application was then approved for state funding. He said City staff suggested changes to the design, including windows which appear to be double hung, a stucco-type finish, and a flat roof. He stated that he is willing to make the windows look double hung, but they need to slide open for safety reasons; that he would prefer to retain the proposed siding as opposed to stucco; and that he feels the proposed roof would fit the surrounding area better than a flat roof design. He said staff has also requested that the project be submitted for design review, but he would be uncomfortable going into design review at this late date, having already gone to the state and committed to a construction schedule.

In response to an inquiry from the Chair, Porsche said suggestions on design elements were made in a meeting with City Planning staff and the applicant's consultant which was held due to concerns from members of the public about the scale of the building. In response to inquiries from the Board, Hackett said the design calls for a flat roof with a mansard facade and that the flat roof may have been suggested due to concerns about height. He further responded that decisions about use have not been finalized, that there will be some office space and some commercial space, and that it would be preferable to rent out any unused space to entities which provide services to the residents. He advised that the project is not subject to Landmarks Advisory Commission review because the property was petitioned out at the time of establishment, that the plan calls for more than enough parking for the intended uses, and that the state requires a 50-year affordability agreement. Porsche added that the City review process is underway.

Reimers asked if this project could go forward without CARA funding. Hackett said it would be difficult to do so because tax credits were based on the committed funding. He noted that the pocket park, the walkway, and the transit shelter are all items beyond what was in the original plans. Christman asked if the building would still be built if CARA did not fund those improvements. Hackett said that would be a question for City Planning, but he does not think it would likely be approved without those amenities.

Porsche noted that this is a reaffirmation of a previous commitment. She said she thinks a design review subcommittee can be put together quickly, and she would strongly recommend that the project go through a design review process. She noted that this will be the tallest building in Albany and that the previously reviewed design has changed. Hackett said he is ready to proceed and that this process would delay architectural work. Brief discussion followed.

MOTION: Kirbey moved to reaffirm the funding for River View Apartments in the amount of \$135,000, contingent upon design review. Konopa seconded the motion.

Christman said this motion is unnecessary because CARA already committed to fund this \$135,000. He said he would like to direct staff to review all CARA paperwork to determine if there were other commitments made. Norman noted that the initial pledge was based on the previous design. Porsche said she has reviewed the files and discovered three previous commitments, including this one, the Lepman/Willamette Seed Building, and the Carousel.

Reimers inquired whether the Board could deny this reaffirmation, ask the applicant to initiate a new application and go through the design review process, and allow the applicant to request additional money if design changes were requested. Porsche responded affirmatively.

The motion **passed** 11 to 1, with Reimers voting no.

Manley/Flinn Block Finalization of Sprinkler Request (\$28,806), Marc Manley, 6030 NW Primrose Street, thanked CARA for its support and said the project could not have been done without it. He referred to previous discussions about the sprinklers and advised that replacement will not be covered by insurance. Porsche noted that the Board had been about to vote on this just before the fire at the site and that Manley has now provided additional information including bids.

MOTION: Post moved to approve payment of up to \$28,806 for this request. Johnson seconded the motion, and it **passed** unanimously.

Presentation of New Funding Requests

Lepman/Willamette Seed Building (\$758,886 Developer Partnership)

Scott Lepman, 100 Ferry Street NW, referred to his letter dated January 10, 2007. He distributed and reviewed additional information regarding the history, proposal, project, and value. He then reviewed the building design.

In response to an inquiry from the Board, Lepman said the request includes funding for one rail crossing. Porsche said Lepman has agreed to orient his building in a way that will allow for consideration of the rail crossings in a more holistic way. She said ODOT has the right to request a rail crossing, and funding for that is included in the request. Reimers said she would have a hard time voting to approve funding for a rail crossing that may or may not be needed. Killin noted that the motion could direct that those funds not be dispersed unless needed.

In discussion, Lepman talked about the differences between condominiums and apartments, noting that the liability insurance is about \$600,000 for the former, about \$60,000 for the later. He said the plan is to plat this for condominiums and to test the market, but the Board should be prepared for apartments. Olsen asked if efforts would be made to salvage the timbers, and Lepman responded affirmatively.

In response to an inquiry from Christman, Porsche acknowledged that rail costs will not be known until after the rail study is done. Lepman said he was under the impression that the City would resolve the rail issue over the last year, but that was not done. He said he previously made a decision to allow the use of his building to store the carousel mechanism, but this project would require that to be removed. He said he is looking for input on whether CARA would like the mechanism to stay in his building or would like him to go forward with this project. Porsche added that Public Works has advised that the rail crossing will likely happen concurrent with development on Water Avenue. She noted that she is requesting that every project undergo design review.

Carousel (\$300,000 Grant)

Wendy Kirbey, 2135 21st Place SE, and Bill Riles, 935 Jones Avenue NW, addressed the Board. Ms. Kirbey distributed an informational brochure and expressed appreciation for this funding opportunity. She advised that the mechanism could be moved out of Lepman's building with about two weeks' notice. Ms. Kirbey said the Brass Ring carousel project was started in 2002 by a group of interested people. She reviewed the Brass Ring Mission Statement and History and Milestones, as detailed in the submitted business plan. She stated that 28 of the 52 animals have been adopted to date, that it is anticipated that \$387,000 will be raised through adoptions, that a donation of \$100,000 will be received as soon as a site is secured, and that an estimated 38,000 volunteer hours (equating to \$571,000) have been spent on the project. She said the Dentzel family collection contains some of the finest examples of carousel art in existence and Brass Ring organizers are working with the family to preserve them. She reviewed positive comments about carousels in other communities, including Missoula, Montana, and Pottstown, Pennsylvania. She stated that the Historic Carousel and Museum needs a home, that many sites were considered before this site was proposed, and that organizers would also like the City to gift them the parking area adjacent to the proposed site. She said the existing building on the site would be torn down and many parts would be recycled and reused. She said that the carousel would act as an anchor to the west end of First Avenue and create a strong synergy with downtown merchants and restaurants. She said it is envisioned that the building would be three stories tall and would house the carousel, museum, gift shop, snack bar, and public meeting space. The building would be sensitive to the historic architecture of the downtown area, and the completed project would aid in revitalizing the area, drawing tourists and carousel enthusiasts from around the world. She said that about one-third of the 70,000 first year visitors would be from out of town, and each would spend an estimated \$144 per day, not including lodging.

Bill Riles said this is where dreams meet reality. He said he is an architect and has done a lot of work in the Willamette Valley, including the Corvallis Riverfront. He said this \$275,000 property would have cost more than \$1,000,000 in Corvallis, due in part to people's perceptions. He said this is an exciting time, and the community has a great responsibility; what we do now will affect the future of the community. He said there is incredible potential to embrace the carousel and museum project and to create something very special.

In response to inquiries from the Board, Ms. Kirbey and Mr. Riles advised that the project is anticipated to be completed around 2010, that the current museum is a seed of what the eventual museum would be, that it would be easier to procure the Dentzel collection if there was a firm commitment for financing, and that there may be short-term potential to rent out space but it will eventually be needed to accommodate museum growth. Brief discussion followed.

Sass noted that the business plan does not include operations funding. She said she wants this project to happen, but she wants to ensure that it will be self-supporting. Riles responded that the details are being worked out through the process.

Gordon Kirbey said he will abstain from discussing and voting on this issue due to his relationship with Ms. Kirbey.

Olsen asked if a 99-year lease with the City would meet the Dentzel family requirements, and Riles responded that it probably would.

Porsche said this project is clearly a great livability project. She said it would not create tax increment, but urban renewal is also about making palpable changes to the community. She suggested that approval be subject to a design review process.

Viper NW (Two tax lots) (\$60,000 per lot = \$120,000 total matching grants)

Guy Delude, 1216 SE Jackson Street, said he is the sole owner of Viper NW and of the two lots referenced, both of which are affected by the need for expansion; the company also leases property across the street. He said Viper NW is a manufacturing company and in-house capabilities including precision laser cutting, turning, sheet metal fab, completing and testing subsystems. He said that his customers are primarily in the Portland Metro area and Silicon Valley, with additional national, international, and some local sales. He reviewed the history of the company, which was founded in 1985 and which he has owned since 1996. He said he currently employs 45 people with an average pay of \$45,000 per year. He said his community involvement includes sponsorship of the award-winning West Albany High School robotics program. He said Viper NW is realizing success in Albany and prefers to expand its facilities rather than move; however, as the project budget was developed, costs are well above the available financing. He said much of the overrun is attributable to code requirements and site conditions. He said benefits of the proposed project for Albany include existing and new taxable personal property, increase in taxable real property, and more than 12 new family wage jobs. In response to inquiries from the Board, he reviewed the proposed site plan.

Porsche said this is a great opportunity in terms of economic development, and it would be paid off in ten years of tax increment. She asked that any approval be made contingent upon design review.

Labor Temple Building (two tax lots) (\$60,000 matching grant and \$125,000 loan = \$120,000 total matching grants and \$250,000 total loans)

Tim Smith, 222 SE Third Street, said Kate Porsche has been very helpful and positive. He said he purchased the project site with the thought of turning the building into office space, but after researching the history of the building, he decided to try to return it to its original use of apartments. He showed photos of the site, noting that the foundation has been raised and replaced with the approval of the Landmarks Advisory Commission. He said there is still a lot of work to be done, and he has run into problems related to cost and lack of appraisals. He said he wants to refurbish this to a high quality and to build to condominium standards. He said he also purchased the lot adjacent to this site and would like to build a new building with parking underneath and with a joint agreement for parking for both buildings. He said he envisions the new building to look like it has been there as long as the original. He said he thinks this is a good opportunity for CARA to support a nice development that will be an asset to the community. In response to inquiries, he said there would be four units in the existing building, roughly 1,000 to 1,200 square feet, with an anticipated rent of \$1,000 to \$1,200 per month. Brief discussion followed regarding access.

Hilts expressed concern about approving a new building on the empty lot. In response to inquiries, he said he is concerned about setting a precedent. Several Board members noted that new development would result in increased tax revenue.

Porsche said she is intrigued by this project in that it addresses historic preservation and new construction which are good for tax increment. She suggested that approval be predicated on design review. Bedore said this area includes properties that could use improvement, and this project may spur additional projects.

Dr. Hews (127-131 Broadalbin SW) (proposed project)

Porsche advised that Dr. Hews has met with the Downtown Review Subcommittee and is in the process of putting together bids and a proposal for CARA. This is for information only at this time.

The Chair asked if members would like to move forward with deliberations and funding decisions or would like to postpone that to a time certain, perhaps just before the City Council meeting next Wednesday. He said he is ready to proceed, but these are important decisions which he does not want to make out of expedience.

Konopa suggested that deliberations and funding decisions be held next week, just prior to the City Council meeting. Post agreed, noting that this meeting has already run for more than four hours. Olsen suggested a different meeting time, when there would not be the time constraints caused by a scheduled Council meeting. Reimers said she would like to move forward tonight while the Board is freshly informed. Killin agreed.

MOTION: Konopa moved to continue the meeting to next Wednesday, January 24, 2007, 5:15 p.m. Post seconded the motion, and it **failed** by the following roll call 4-8 vote:

Yes: Bedore, Post, Konopa, Johnson
No: Norman, Killin, Sass, Olsen, Reimers, Hilts, Kirbey, Christman

Deliberation and Funding Decisions

Chair Norman requested that deliberations for each item be held to 15 minutes to ensure that all requests are addressed this evening. Olsen said he thinks a decision needs to be made regarding whether or not to do additional bonding. He added that the Board has still not addressed the amount that will be needed for infrastructure on Water Avenue. Economic Development Director Dick Ebbert noted that bonding carries substantial fees, and he suggested that, if CARA decides to go for a bond, it consider something larger than the immediate need. He acknowledged that there is a fair amount of infrastructure work on Water Avenue that will have to be planned for, but he would not suggest bonding for those expenditures. In discussion, it was noted that the bonding process takes about 60 days, that CARA has a bonding capacity of more than \$3 million, and that it would be possible to borrow against future tax increment if a great project came along.

Lepman/Willamette Seed Building

MOTION: Hilts moved to approve the Lepman/Willamette Seed Building request for a \$758,886 Developer Partnership with the stipulation that the project undergo design review and abide by all requirements of the City. Killin seconded the motion.

Olsen said he is in favor of the project; however, he got the impression that Mr. Lepman would not mind putting it off for year or so until the rail study has been done and the carousel mechanism has been relocated. Mr. Lepman responded that he has already put this project off for a year with the hope that the City would resolve the issues with the railroad, but that has not occurred. He said he thinks applying for a permit would force the issue, which needs to be addressed for anyone who wants to develop on the north side of the railroad tracks.

Christman acknowledged that the rail issues have not been resolved; however, he said that the City has been making efforts in that regard and trying to force the issue could have bad results. He said he would prefer to see an expiration date put on any funds committed for the rail crossing.

Olsen initiated discussion about coordinated planning for the area and said he thinks it would be smart to postpone this project. Johnson said the applicant has already postponed the project, and she does not want to make him wait longer. She that the same issues will probably still be there at a later date, but building prices will be higher. Ebbert said he would argue against postponing this project. He noted that ODOT Rail has indicated a willingness to work with City to resolve issues. Brief discussion followed.

The motion **passed** unanimously.

Carousel

MOTION: Reimers moved to fund the Carousel request for a \$300,000 grant and to grant a 99-year lease for the adjacent City-owned parking area.

It was noted that a decision to lease the parking area is outside of the purview of this body.

The motion was **withdrawn**.

MOTION: Reimers moved to fund the Carousel request for a \$300,000 grant. Johnson seconded the motion.

Porsche suggested that the Board consider attaching a lien as a way of securing the property. Post suggested that CARA take a trust deed or other lien, to be determined by the City Attorney, in the amount of \$300,000 to secure the City's interest. Olsen initiated discussion about the possibility of the City buying the property and granting CARA a 99-year lease. Wendy Kirbey stated that it would be more difficult for the Carousel to get grant funding if it does not own the property. She added that the group would accept under those conditions if CARA felt it was the only way it could fund the project.

The mover and seconder accepted as a **friendly amendment** the addition suggested by Post, that CARA take a trust deed or lien to secure the City's interest. The amended motion **passed** unanimously with Kirbey abstaining.

Viper NW

Reimers recused herself from discussion and decision on this request. Killin said this project would contribute both jobs and tax increment. Norman commented that this site is within the renewal district boundary but is significantly outside of the focus area.

MOTION: Killin moved to approve the request. Post seconded the motion, and it **passed** unanimously with Reimers abstaining.

Labor Temple Building

MOTION: Bedore moved to approve the request. Killin seconded the motion.

In response to an inquiry from the Chair, Hilts said his previously expressed concerns have been addressed.

The motion **passed** unanimously.

Staff Updates and Issues

None.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board is scheduled for Wednesday, February 21, 2007, at 5:15 p.m., in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Norman adjourned the meeting at 10:30 p.m.

Submitted by,

Reviewed by,

Signature on File

Teresa Nix
Administrative Assistant

Signature on File

Dick Ebbert
Economic Development Director