



CITY OF ALBANY
Central Albany Revitalization Area
Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, July 18, 2007

MINUTES

Advisory Board Members present: Chris Norman, Dan Bedore, Jeff Christman, Ray Hilts (left at 6:10 p.m.) Doug Killin, Gordon Kirbey, Sharon Konopa, Ray Kopczynski, Dick Olsen, Ralph Reid, Jr., Kim Sass (left at 6:35 p.m.)

Advisory Board Members absent: Bessie Johnson, Cordell Post, Stella Reimers

Staff present: City Manager Wes Hare, City Attorney Jim Delapoer, Economic Development Director Dick Ebbert, Urban Renewal Coordinator Kate Porsche, Public Works Permitting & Development Services Engineer Jeff Blaine, Planner II Janet Morris, Administrative Assistant Teresa Nix

Others present: Approximately three others in the audience

CALL TO ORDER

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

APPROVAL OF MINUTES

June 20, 2007

MOTION: Doug Killin moved to approve the June 20 minutes as presented. Dan Bedore seconded the motion, and it **passed** unanimously.

SCHEDULED BUSINESS

Business from the Public

None.

Subcommittee Reports

Finance Subcommittee

Budget Update: Jeff Christman briefly reviewed CARA General Fund Revenues and Expenditures; CARA Grant, Loan and Developer Partnership Commitments; and CARA Accounting - Expenditures as of June 30, 2007, as detailed in the staff report.

Cash Flow Update: Christman commented that the information to be presented by Urban Renewal Coordinator Porsche has been reviewed and agreed to by the Finance Subcommittee. Porsche reviewed the Cash Flow Estimate and Analysis for Fiscal Years 2007-2008 and 2008-2009, as detailed in the staff report. She said that the Finance Subcommittee has recommended that no additional commitments be considered until the new loan proceeds come in on October 15, 2007. She advised that, in conversations with the City Attorney and Finance Director, staff has identified that much of the funding for RCM Homes can be paid over a ten-year period in the form of SDCs, which would free up additional funds for use in the interim. In

response to an inquiry from the Chair, Porsche said the interest rate over the ten-year period would be approximately 6.9 percent, which could be far outweighed by gains in tax increments on other projects. There was general agreement by the Board to proceed with paying the SDCs for the RCM Homes project over a ten-year period. Brief discussion followed regarding the anticipated cash flow and the probability that decisions will become more difficult as request amounts outweigh available funds. Porsche advised that there may be an opportunity to use some of the cash on hand as leverage to borrow additional funds. She will be bringing additional information forward at a later date.

Borrowing Update: Porsche advised that an RFP has been sent out and several lenders have expressed interest. Proposals are due back on July 30, and a resolution to authorize borrowing will be on the August agenda.

Small Grant Subcommittee

Porsche advised that, due to limited cash on hand, she would like to shift the process so that advertisements for small grants will go out in August, requests will be considered in September, and payments will be made after the loan proceeds come in on October 15. There was general agreement.

Revised Design Review: Riverview Place Apartments

Porsche drew attention to the staff report outlining a collaborative discussion at a meeting with architect Don Johnson, City Planner Janet Morris, George Crandall, and Linn Benton Housing Authority representatives James Hackett, Phil Hedrick, and Paul Johnson. She distributed and reviewed a revised site plan reflecting the agreed upon changes, including a decision to turn the building 90 degrees to face Third Avenue, elimination of the cantilever, a change of fencing from chain-link to wrought-iron, a change from a mansard roof to a simple cornice, and changes to the parking and bus stop location. Dick Olsen questioned the need for fencing, noting that the rest of the area seems to get along fine without security fencing. It was noted that the post office does have fencing, as do all federal facilities.

MOTION: Ray Hilts moved to accept the revised design for the Riverview Place Apartments. Ray Kopczyński seconded the motion.

Christman initiated discussion about the financial implications of the motion. Porsche said that she understands that the applicant will come back in October with a request for additional funds at which time CARA would make that decision. Christman expressed concern about what might happen if CARA approves the revised design but then chooses not to grant additional funding. Brief discussion followed.

Phil Hedrick, 3300 NW 185th, Portland, addressed the Board. He asked that, if CARA decides not to grant additional funding, it at least allow the applicant an opportunity to make some cost-cutting changes to the design plan, such as changing some of the interior first floor space to an outdoor common area, allowing for a single entryway off of Third Avenue, and/or bumping the 100-foot setback to allow for additional parking. Norman noted that the parking issue would not cut costs. In response to inquiries from the Chair, Hedrick stated that he will be requesting additional funds in October and that engineering changes would not make up the total cost difference between the old and new designs. In response to an inquiry from Christman, Hedrick said the project will go forward regardless of whether CARA grants additional funds.

James Hackett, Director Linn Benton Housing Authority, 1215 Queen Avenue SE, recalled his discussion with this Board last January at which time he indicated that the project could be built without CARA funds but that it could not then be built as CARA wanted it. He said CARA has now requested design changes to meet standards that were adopted after the initial funding was granted. In the spirit of cooperation, the applicant has made the design changes and will now ask that CARA pay for those changes. He requested that the motion on the table be revised to include a commitment to pay for the additional costs.

In discussion, Porsche said the applicants have indicated that they will request an additional \$235,000. She said she would like time to review and analyze a detailed breakdown of those costs before CARA commits any additional funds.

In response to an inquiry from Olsen, the applicant indicated that about \$45,000 has been allocated for the fencing which George Crandall requested. Porsche said it is her belief that Crandall preferred no fencing and only requested that the fence be wrought iron if the applicant insisted that fencing was needed. Brief discussion followed.

Bedore said he thinks it is important to at least consider additional funding for this building if CARA wants it to meet the design guidelines. He requested that the developer provide additional detail regarding the additional funding request as soon as possible.

MOTION TO AMEND: Hilts moved to amend the motion to accept the revised design for the Riverview Place Apartments and to consider additional funding for this project when all of the facts have been presented. Kopczynski seconded the motion. The amended motion **passed** by a vote of 8 to 3 with Christman, Olsen, and Reid voting no.

Public Works Permitting and Development Services Engineer Jeff Blaine said that staff was directed to bring back Municipal Code language changes to address encroachment into the right-of-way. He asked if Council members of the Board still want to consider that issue, now that the cantilevers have been eliminated from this project. City Attorney Delapoer noted that he was unable to participate in this discussion due to a conflict of interest in that his firm represents Linn Benton Housing Authority. He suggested that the issue be tabled indefinitely, to be addressed if and when it comes up again, at which time he would have the opportunity to provide advice in his capacity as City Attorney. Council members of the Board agreed to table the issue.

Planner Janet Morris noted that the new layout still includes balconies overhanging Third Avenue. City Manager Wes Hare advised that a policy and resolution related to overhangs will be coming forward for Council's consideration.

Discussion of CARA Funding of Blighted Residential Properties

Porsche said a question has arisen regarding whether CARA should consider providing funding to eliminate blight in specific single-family residences. She reviewed the pros, cons, and factors to consider, as detailed in the staff report, and invited questions.

Killin noted that staff is recommending that either the Urban Renewal Agency or a trusted nonprofit should retain ownership of properties to be improved. He asked why loans and grants could not be provided to individual homeowners. Porsche said a transfer of ownership is sometimes needed in order to induce change and that she would envision this as a friendly exchange at fair market price. Konopa said public agencies would be more likely to keep an accurate accounting of exactly how the dollars are being spent. City Attorney Delapoer said that providing grants and loans to individual homeowners would create a greater risk of misapplication of funds and/or would require higher staffing costs to prevent misapplication.

Norman noted that the Board has previously expressed concern about complexities associated with CARA becoming involved in real estate transactions. He said he understands comments from the editor of the *Albany Democrat-Herald* and others regarding the need to fix up blighted residences, but he is not sure if CARA is the appropriate funding source. Brief discussion followed. In response to inquiries, Porsche stated that, absent CARA funds, it does not appear that the residence at 532 Baker Street SE is likely to be improved.

Olsen said part of CARA's mission is to work on blighted areas. He said upscale housing has been invited into the area, and he asked if it is acceptable to expect that it be placed next to blighted areas. He said he feels the City has forced the issue with the house at 532 Baker Street SE so that it is now impossible for the owners to upgrade it on their own. He referred to concerns that assisting this one residence would open CARA up to similar requests, and he noted that each request would be considered on its own merit and considering available funds, as has been done with nonresidential applications. Konopa said another option for City Council consideration might be to use the City's Housing Fund for this particular residence. Brief discussion followed. The Board requested that Porsche bring back additional information on potential criteria for residential grants and loans, as well as experiences other urban renewal districts have had in this area.

BUSINESS FROM THE BOARD

Porsche advised that the CARA Agency will be asked to consider changing its name to the Albany Revitalization Agency (ARA) because the City is on the verge of creating a second Urban Renewal District in the Oak Creek Area and because municipalities may only have one governing agency over all Urban Renewal Districts. In response to inquiries, she advised that there will not likely be a need for an advisory board for the Oak Creek district and that ARA would oversee both districts.

NEXT MEETING DATE

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

ADJOURNMENT

Hearing no further business, Chair Norman adjourned the meeting at 6:48 p.m.

Submitted by,

Reviewed by,

Signature on File

Signature on File

Teresa Nix
Administrative Assistant

Kate Porsche
Urban Renewal Coordinator