



APPROVED: July 16, 2008

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, June 18, 2008

MINUTES

Advisory Board Members present: Chris Norman, Dan Bedore, Jeff Christman, Floyd Collins, Loyd Henion, Bessie Johnson, Gordon Kirbey, Sharon Konopa, Ray Kopczynski, Cordell Post, Ralph Reid, Jr., and Kim Sass

Advisory Board Members absent: Oscar Hult and Dick Olsen

Staff present: Urban Renewal Coordinator Kate Porsche, Administrative Assistant Teresa Nix

Others present: Three others in the audience

CALL TO ORDER

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

APPROVAL OF MINUTES

May 21, 2008

MOTION: Dan Bedore moved to approve the May 21 minutes as presented. Kim Sass seconded the motion, and it **passed** unanimously with Cordell Post abstaining.

SCHEDULED BUSINESS

Business from the Public

None.

Cash-Flow Update

Urban Renewal Coordinator Kate Porsche gave a brief verbal cash-flow update. She stated that CARA currently has approximately \$934,000 available. She will provide a more detailed update at the next meeting.

Funding Request: Baldwin Construction, Matching Grant \$20,000

Porsche drew attention to photographs of the site and surrounding areas submitted by Yohn Baldwin in response to requests made by the Board at the last meeting.

Yohn Baldwin, 1807 Marion SE, came forward to answer questions from the Board. He stated that the grant would help pay for sidewalks, landscaping, and asphalt required by the City. Landscaping will be planted to mitigate aesthetic impacts of the security fence. The asphalt is needed to address City parking requirements. In response to inquiries from the Board regarding the timing of the request, Baldwin explained that he had been planning improvements to the building for a couple of years and had been working with City staff on zoning and occupancy issues. His budgeting was insufficient to cover all of the City requirements, and staff recently indicated that CARA might help with some of the costs. He had not started the work at the time that he first contacted Porsche but has since had to proceed with some of the work in order to get it done prior to the busy time for his business.

Floyd Collins asked at what point a business remodel triggers a reassessment that would allow CARA to receive tax increment. Porsche said the assessor's office would likely do a reassessment once the inspections have been completed; additional taxes would likely be received in 2009. Baldwin clarified that he is not currently using the building and that he will not be allowed to move back in until he is issued a new certificate of occupancy.

Porsche stated that the professional services portion of the application is intended for applicants who require architectural assistance from Rob Dortignacq. Baldwin stated that he had misunderstood the intent of that line item and the amount listed refers to professional services he has already received. He affirmed that the services he has not yet completed are listed on page 16 of the application. They include landscaping (\$7,450), sidewalks (\$9,200), and asphalt (\$5,325) for a total of \$21,975.

Norman noted that CARA guidelines would allow for funding of up to 50 percent of the total amount of the uncompleted work. He said the question is whether the request meets CARA's objectives, goals, and criteria.

Sharon Konopa stated that the site is not in CARA's core area, but it is included in the CARA district. She said that she is not comfortable funding the landscaping or asphalt but she could support helping with sidewalk expenses.

Baldwin clarified that the landscaping would include the grass strip between the sidewalk and the curb, as well as a berm to mitigate aesthetic issues presented by the security fence.

Sass noted that the total cost for the uncompleted work is \$21,975. She suggested that CARA provide \$10,000 to be used for sidewalk expenses.

MOTION: Sass moved to provide a matching grant in the amount of \$10,000 to be used for sidewalk expenses. Bedore seconded the motion, and it **passed** by a majority vote with Ralph Reid, Jr., and Ray Kopczynski voting no.

Discussion: CARA Review Criteria

Porsche drew attention to the staff report and spreadsheet distributed in packets. She noted that the spreadsheet includes a proposed point system for staff to use to determine which projects come to CARA and for the Board to use as a decision-making tool. The proposed point system is meant as a beginning point for discussions.

Porsche distributed and briefly reviewed *CARA Projects by Status 6/18/2008*, *CARA Projects by % of Investment*, *CARA Projects by Tax Increment ROI*, *Table 2 Project Activities and Costs*, and *CARA Review Criteria Draft*. She showed several graphs on the overhead projector, including a graph indicating a steady increase in CARA tax increment from the beginning of the urban renewal district to the present, a graph showing that 64 percent of CARA projects are tax increment generating and that 36 percent are non-tax increment generating, and a graph showing a breakout by CARA funding types – historic, nonprofit, and tax increment generating.

Reid asked if the percentages in the graphs include the streetscape. Porsche said no; the analysis only includes businesses that have received funds. She acknowledged that inclusion of the streetscape would significantly increase the percentage of non-tax increment generating projects.

Collins said that he sees Table 2 as a guiding document. He suggested that a submitted project could be reviewed against the table to determine whether it is qualifying. If so, it could then be determined what category the project falls under, how much CARA has already done in that category, and whether more needs to be done in that category. He said he would prefer loans that are forgivable with certain criteria rather than grants.

Bessie Johnson suggested that the Board think about moving forward on a downtown parking structure. She said there is already the beginning of a parking problem in the area, and she thinks it is important to take care of current and future parking issues.

Norman stated that he would like to consider which projects CARA has participated in that have made a big impact. One project is the Jordon building, which is the first thing that people see when they come off the bridge. He asked what other projects might be done that would make a big impact and whether the Board wants to consider any property acquisition.

Konopa said First Avenue is what comes to her mind when asked about accomplishments in the urban renewal district. She said that good things have been done in this core area which are leading to things like the new restaurants coming in. She said she likes the idea of a point system and agrees that weight should be given to projects in the focus area.

Porsche said that she has done some research on parking structures and found that costs generally run between \$7,000 and \$33,000 per parking space. Roseburg constructed a parking structure with the thought that businesses would come, and they are now in debt for a structure that is not highly used. She said the tax increment will continue to increase, and she thinks it would be good to plan and prepare for a parking structure as a long-term project.

Porsche stated that urban renewal districts often target funds toward specific buildings or specific types of businesses. One key building might be the St. Francis Hotel. Types of businesses that might be considered could include a pharmacy or grocery store. Sass said that there are two pharmacies within walking distance of downtown. She said these types of businesses will come to the area when it is profitable to do so.

Jeff Christman agreed. He said the potential profitability of a grocery store is based on the number of houses in a geographical location. He thinks it is important not to build infrastructure until it will be used. He agreed that the St. Francis Hotel would be a good project, but he would prefer to encourage development as opposed to having CARA acquire the building. He said that he likes the idea of a point system, but he feels the weight may need to go more toward developer assistance.

Norman agreed that CARA cannot dictate what the market will support. Loyd Henion said that timing is everything – there will be a time when a parking structure, grocery, and pharmacy are needed; and the market will dictate these developments as more people move downtown. Brief discussion followed.

Norman said that his goal for tonight is to identify ways for staff to better preview projects that come before CARA, using a point system, a project table, or some combination thereof.

Bedore suggested that consideration be given to funding infrastructure to assist developers. Collins said that he supports that concept. He said that CARA needs to be aware of potential bottlenecks that are stopping development and consider whether it wants to help in those areas.

Bedore stated that parking downtown is already somewhat inconvenient and that people coming to eat at the restaurants are not going to want to park several blocks away. He thinks additional parking will be needed

sooner than some people think.

Sass suggested that the City consider a partnership with Linn County to develop parking on the property across from the Library. She related conversations she has had with fire officials who have a vision of relocating Fire Station #1 near the river. The Station could be constructed to resemble an old fashioned station and could include a fire museum, adding to the cultural richness of the town.

Porsche reviewed the proposed point system and explained how she came up with the draft numbers using aspects CARA has considered in the past. She noted that the spreadsheet shows how current projects would rate using the proposed point system.

Konopa suggested that the point system should give more weight to severe blight. She said perhaps points could be taken off of the target area or target project category which is similar to the focus area.

Bedore agreed that elimination of blight is undervalued on the spreadsheet and stated that the points given to job creation are also relatively low. He said the matrix seems heavy on housing, and he thinks there should be more emphasis on mixed use. He said that job retention might be another way to increase points for economic development activities. Norman stated that CARA does not really have the means to determine what a business will do in terms of job creation or retention.

Christman noted that some projects of value would not rate very high using the proposed point system. For instance, Viper NW would receive only 30 out of 150 points. If the threshold was set at 40 points, for example, a project like Viper NW would not even come before CARA. Gordon Kirbey said that it is his opinion that Viper NW is one of the best projects CARA has participated in. He thinks the point system needs to be flexible enough that this type of project would come forward.

Konopa noted that many of the projects that CARA has supported do involve job creation. She asked what would help Porsche determine which projects should come forward. Porsche said she is looking for a tool that empowers her to say that certain projects do not meet CARA's criteria. She affirmed that it would be helpful if CARA were to establish a minimum threshold of points as part of this tool. Norman asked if there would be an appeal process. Porsche said that there should probably be one established.

Collins suggested that Porsche provide information about the criteria used by other urban renewal districts. Porsche noted that the Salem district has stringent criteria and funds are allocated when applicants meet those criteria. The Board focuses more on policy setting than individual funding decisions. She agreed to do more research on the criteria used by other urban renewal districts.

Collins noted that businesses are more likely to come to Albany if CARA retains the flexibility to move quickly. Norman agreed that this has been identified as one of CARA's strengths.

Porsche invited Board members to submit suggested changes to the proposed point system. She will look for patterns and come back with a revised proposal.

Henion said that the spreadsheet is a good start, and he expressed appreciation for the good work done by staff.

Staff Updates and Issues

None.

BUSINESS FROM THE BOARD

Kirbey said that the new Italian restaurant on First Avenue has added energy and activity to the downtown area, especially in the evening hours.

Norman said that he has been Chair of this Board for several years. He suggested that the next meeting agenda

include a discussion and possible nominations for a Vice Chair, with the goal of that person taking over as Chair in the fall.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board will be held on Wednesday, July 16, 2008, 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

Kate Porsche
Urban Renewal Coordinator