



CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, July 16, 2008

MINUTES

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

Advisory Board Members absent: Oscar Hult and Kim Sass

Staff present: City Manager Wes Hare, Finance Director Stewart Taylor, Transportation Analyst Ron Irish, Urban Renewal Coordinator Kate Porsche, and Administrative Assistant Teresa Nix

Others present: Seven others in the audience

CALL TO ORDER

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

APPROVAL OF MINUTES

June 18, 2008

MOTION: Dan Bedore moved to approve the June 18 minutes as presented. Ralph Reid, Jr., seconded the motion, and it **passed** unanimously.

SCHEDULED BUSINESS

Business from the Public

Michael Kinney, 1231 Sherwood Place NW, said that he is an Albany Area Habitat for Humanity ReStore volunteer and advisory board member. He introduced store director Jackie Saling and advisory board member Mike Baylor. He said the CARA grant of over \$62,000, along with community donations, has allowed the ReStore to open with a savings to the organization amounting to the cost of providing a Habitat for Humanity home. He expressed appreciation to CARA for their assistance.

Cash-Flow Update

Urban Renewal Coordinator Kate Porsche drew attention to the cash-flow update distributed in the packets. CARA has approximately \$887,000 available for project funding. She advised that she will be meeting with the Finance Director to talk about CARA's line-of-credit status. There may be an opportunity for CARA to establish another line of credit if it so chooses. She will report back after that discussion.

Funding Request: David Johnson, Developer Partnership, \$302,750

Porsche drew attention to the staff report. She advised that David Johnson, developer of the Wheelhouse project, is requesting a developer partnership to assist with costs of bringing sewer and water lines up Jackson Street. The lines would serve his property, as well as the property owned by Scott Lepman.

David Johnson, 421 Water Avenue NE, expressed appreciation for the funds previously provided by CARA. He said that he feels like an early explorer on this project. He was surprised with the cost to bring utilities and infrastructure to the site. He stated that, although Lepman does not yet have a project ready to go, it makes sense to bring in sewer, water, electricity, and storm drains for both pieces of property at the same time. He said that costs associated with the railroad crossing and Water Avenue improvements are still unknown.

Floyd Collins noted that the cost of boring a private water line is considerably more than the cost of open cutting a public water line. He encouraged Johnson to have his engineers talk to staff about the possibility of this being a public water line, in which case the railroad would come in and lift the track for cutting. Johnson said that his estimates are based on boring because that is the worst case scenario. He noted that his request is for a “not to exceed” amount and that CARA would only reimburse him for actual costs. He said that the railroad crossing issue is unresolved. The City Manager has encouraged him to proceed and see what the railroad does.

City Manager Wes Hare said that the City will meet with the railroad on July 29 and that one issue of discussion will be the extension of utilities. A bigger issue will be who would pay for any required safety improvements to the crossings. The City’s position is that there is no need for crossing improvements for the kind of development that will be going in. If improvements are required by ODOT Rail, the City believes they would be the responsibility of the railroad. The City cannot guarantee an outcome, but it is working to reduce developer costs and risks. Hare said that he is very supportive of this request.

Porsche said she will discuss Collins’ suggestion with the Public Works Director.

In response to inquiries from Christman, Johnson said that he expects it will take a year or more to fully lease the building. The project would not be in jeopardy if it takes longer.

MOTION: Bedore moved to approve the request for funding not to exceed \$302,750. Post seconded the motion.

Christman said that he supports the motion. He noted that the summary of project costs and return provided in the staff report is based on both the Johnson and Lepman properties. He understands the intent, but the Lepman project is not before CARA. He would like the calculations to be based on this project alone. Porsche agreed to recalculate the summary for the file.

In response to an inquiry from Ray Kopczynski, Johnson said that none of the inquiries he has received from potential tenants have been from businesses currently located in Albany.

The motion **passed** unanimously.

Funding Request: Glen Rea, Short-Term Loan, \$240,000

Porsche advised that, after distribution of the staff report, she spoke with urban renewal consultant Jeff Tashman about the possibility of CARA assisting Glen Rea with a short-term bridge loan. Tashman was clear that urban renewal dollars cannot be used for this purpose because the project has already been built. She has explained the situation to Rea. She asked Council members of the Board to consider other creative ways that the City or other community organization may be able to assist Rea bridge the gap until all of the units are sold.

Discussion: CARA Review Criteria

Porsche said that she took the Board’s previous input and incorporated it into the decision criteria matrix distributed in packets. She reviewed the changes and requested feedback.

Collins asked if Porsche had checked with other urban renewal districts regarding their decision criteria. Porsche recalled that she provided information last month about Salem’s urban renewal district. Many districts target specific lots and then put out an RFP for development. Most districts do not operate as CARA does, but that is not to say that CARA should operate differently.

Post said that he would like to see a definition for *sustainable building*. He asked how job creation could be

verified or confirmed. Porsche noted that Kim Sass had asked that the sustainable building definition not be specific to LEEDs, but perhaps some of the same concepts could be utilized.

Collins stated that, if funding was provided as loans rather than grants, CARA could require verification on the number of jobs created and have interest penalties if the number is lower than was presented. This is similar to the process used in the Enterprise Zone.

Bedore expressed concern about creating additional bureaucracy. Norman said that job creation may be something CARA does not want to quantify. Christman said that he thinks job creation should be on the matrix but maybe it should carry a set point amount rather than points based on number of jobs.

Porsche suggested the possibility of having a separate point system and threshold for economic development projects. Konopa said that she likes that idea. Norman agreed that it is difficult to compare economic development and historic restoration. Bedore suggested that CARA individually consider any economic development projects that come forward.

Porsche clarified that she envisions the point system as an initial filtering system and that CARA has not decided to use the point system for decision making. Several Board members expressed support for using the point system as a way for staff to filter projects that come to CARA rather than as a decision-making tool.

Norman initiated discussion about the focus area. Discussion followed regarding the possibility of placing different levels of priority or funding different percentages of projects based on their location.

Hare said that he has a concern with CARA officially designating a focus area. The urban renewal district is a legal entity, and he is not sure that the Board should state that one area of the taxing district has priority. He suggested that Porsche get more information on this issue. It was noted that CARA does have the right to establish criteria about the projects it will fund.

Hare complimented the Board on its good work. He said that it is rewarding to see how effectively the group works together, the thought that goes into decisions, and the quality of the decisions that are made.

Post suggested that Porsche talk to Tashman and/or City Attorney Delapoer about the concept of a focus area. He would like to keep that as a criterion if it is allowable. Bedore stated that eliminating a project based solely on its location does not appeal to him; he would like to eliminate that criterion. Olsen agreed with Bedore, noting that Viper NW is a good example of a worthwhile and unique project that was outside of the focus area. Porsche agreed to research this and report back.

Norman initiated discussion about the criterion regarding elimination of blight. Post said that this is one of the most nebulous criterion presented. Bedore said that he thinks the issue of blight could be left to the judgment of the Board. Konopa said she thinks blight should be included in the criteria. Norman noted that blight has always been part of the decision criteria. He recalled that some of the early documentation may have included information about what constitutes blight. Porsche agreed to look for that information.

In discussion, Porsche clarified that she is attempting to develop filtering criteria that would allow her to bring in quality projects. She noted that she has received feedback from the Board that it has difficulty denying requests and that she is trying to take on some of that burden. Kopczynski said that he thinks CARA has worked with applicants whose projects did not meet the criteria until they made revisions that made them acceptable. Konopa stated that the Board gave Porsche direction to come up with a point system, and she has done a great job without much direction.

Porsche initiated discussion about the criterion of people attractor. She said she envisions downtown as an area with restaurants, art galleries, etc. It was noted that CARA has encouraged specific types of business such as restaurants. Collins suggested that the market should decide what types of businesses locate downtown. Bedore said CARA members have an idea of what they want downtown, but it may not need to be defined in the decision criteria. Norman stated that, if CARA succeeds in making the area attractive for the types of businesses it wants, the desired development should come.

Porsche initiated discussion about whether to include criteria related to residential development. She said

residential was a previous goal; but, with the 160 units provided by RCM homes, she wonders whether the Board would now prefer to focus on mixed use. Bedore said that he supports mixed use.

Porsche will revise the criteria based on input and report back.

Staff Updates and Issues

Porsche said she will be preparing staff reports for two possible policies for the Board's consideration.

The first policy for consideration relates to properties that CARA funds that are later put up for sale. There is currently nothing in the contract that prevents recipients from selling their properties. Porsche would like to provide an analysis, including the possibility of providing all funding via forgivable loans with specific criteria.

The second policy for consideration would make funding recipients responsible for coming in every three months to show photographs, discuss progress, and answer any questions from the Board.

Porsche said that the deadline for applications for the next round of small grant allocations is July 21. The Small Grant Subcommittee will have a recommendation for consideration at the August 20 CARA meeting.

Porsche showed a folder she provides to applicants for blighted single-family residential grants. The folder includes a press release, application, map, and her business card. The deadline for applications for this funding cycle is August 8. This issue will also be on the agenda for consideration at the August 20 meeting.

BUSINESS FROM THE BOARD

Norman asked for an update on Second Avenue streetscape improvements. Porsche said that she has worked with Rick Rogers to map out where items will go and that she will be working with Public Works staff to place an order next week.

Norman said that he will continue in his role as Chair until January 2009. He would like to have nominations for Vice Chair in August or September with the goal of that person stepping in as Chair in January.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board will be held on Wednesday, August 20, 2008, at 5:15 p.m., in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Norman adjourned the meeting at 6:40 p.m.

Submitted by,

Reviewed by,

Signature on File

Signature on File

Teresa Nix
Administrative Assistant

Kate Porsche
Urban Renewal Coordinator