



APPROVED: November 18, 2008

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, October 15, 2008

MINUTES

Advisory Board Members present:

Chris Norman, Dan Bedore, Jeff Christman, Floyd Collins, Loyd Henion, Oscar Hult, Gordon Kirby, Sharon Konopa, Ray Kopczynski, Cordell Post, Ralph Reid, Jr., and Kim Sass

Advisory Board Members absent:

Bessie Johnson, Dick Olsen

Staff present:

City Manager Wes Hare, Community Development Director Greg Byrne, Urban Renewal Manager Kate Porsche, and Administrative Assistant Teresa Nix

Others present:

Nine others in the audience

CALL TO ORDER

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

APPROVAL OF MINUTES

August 20, 2008

MOTION: Ray Kopczynski moved to approve the August 20 minutes as presented. Dan Bedore seconded the motion, and it **passed** unanimously.

SCHEDULED BUSINESS

Business from the Public

None.

Cash-Flow and Borrowing Update and Economic Impact Discussion

Urban Renewal Manager Kate Porsche distributed an *Economic Update*, dated October 15, 2008. She reviewed impacts to CARA from the downturn in the economy as detailed in the handout. She stated that tightening credit markets impact borrowing ability, that the limits imposed by Measure 50 actually help to cushion the fall in market values, and that the percent of tax revenue collections is not expected to be significantly impacted in the next year. The tightening of credit in the private sector appears to be causing a reduction in the number of funding requests coming forward. The Board may want to consider a change to a more traditional Urban Renewal approach with a focus on infrastructure improvements. The Financial Advisor has recommended that CARA wait for the markets to stabilize before applying for another bond. CARA has approximately \$300,000 available at this time.

Porsche provided a status update on RCM Homes. RCM has reworked their site plan using input from CARA Architect George Crandall. The revised site plan is much improved; it has opened up the river area and allows for more vistas to the river. Marketing for the units should begin in about a year when it is hoped that the market volatility will have settled down. Porsche will discuss a drawdown schedule with RCM and report

back.

Project Update – Swoboda/Oregon Furniture Mart

Porsche drew attention to the staff report distributed in the packets.

Chuck Swoboda, 104 First Avenue E, stated that all work in the CARA contract has been completed. A final smoke detector inspection will be done tomorrow, and the building will then be ready for final inspections.

In response to inquiries, Swoboda said that the windows on the west side are done. The financing was too tight to bring the windows around to the north side at this time, but that is what he would like to do eventually. Once the permits are signed off, all four floors will be open to the public. He hopes to replace the awnings above the second story at some point. Porsche noted that Swoboda has fulfilled his obligations for the CARA contract which requires completion of the storefront on the west side and occupancy permits for the second and third floors.

Funding Request – Smith/Third Avenue Townhomes

Porsche drew attention to the staff report distributed in packets. She recalled that CARA had previously committed a \$250,000 loan and a \$120,000 grant to Tim Smith for a two properties on Third Avenue SE. Smith's plan was to renovate and restore the historic apartments on the first floor of one of the properties and to build six townhomes on the adjacent vacant property. Smith has not been able to follow through on the Third Avenue Townhomes portion of his project due to changes in lending practices; he has put that lot on the market. Smith has completely drawn down the loan, but he has not made any draws against the grant.

Porsche said that she has discussed the situation with Smith and recommends a restructuring of his package as follows: that CARA accepts back the commitment for a \$120,000 grant in exchange for releasing Smith from the obligations of building the Third Avenue Townhomes on the vacant lot and that CARA extend Smith's time frame six months to allow him to complete work on the historic apartment building.

Cordell Post recused himself from deliberations and decision on this issue based on attorney-client privilege. He does not represent Mr. Smith.

In response to inquiries from the Board, Porsche said that Smith is in the homestretch of completing the historic apartments and she anticipates that it will be completed within the six-month extension time. She understands that Smith is working with the Landmarks Advisory Commission on a design for the upper backside of the building.

MOTION: Kopczynski moved to accept the restructuring of Smith's funding package as proposed. The motion was seconded and **passed** unanimously. Post was recused.

Funding Request – Crabtree Automotive (\$75,000 Matching Grant)

After much discussion, Norman recalled that the Board directed that staff reports include recommendations on funding requests. This is the first request that has come forward since that direction was given.

Porsche said that the applicant has been great to work with and tried to find ways to comply with CARA's criteria. However, after careful consideration and as detailed in the staff report, staff has determined that the project does not meet CARA's goals in a substantial enough way to justify approving the request. She offered to answer any questions.

Post commented that the subject property falls squarely in the definition of blight. He is glad to see that someone will fix it up and make use of it.

In response to an inquiry from Kim Sass, Porsche advised that the applicant did propose to give the City an easement to extend Periwinkle Path. Although she appreciates this sort of creative thinking when it comes to projects, the Parks & Recreation Director has indicated that the City has no plans to extend the path on the west side of Hill Street because there would be no place for an outlet.

Sharon Konopa said that she recalls previous discussion about the potential of placing a pedestrian bridge over the railroad tracks, but that was cut due to funding. She suggested that Porsche talk to Guy Mayes.

Paula and Kent Connaghan, 845 29th Avenue SW, came forward. Ms. Connaghan said that she has been watching the work that CARA has been doing and she is excited to be in the CARA boundary. She made several points in support of the proposal, including the following:

- The southeast area was included in the CARA boundary because of a desire to see that area cleaned up and revitalized.
- CARA has funded other projects which did not meet all of the CARA objectives. Viper NW only fulfilled criteria related to job creation. Hydration Technology only filled objectives related to sustainability.
- The staff report indicated that benefit to the general public would not be “as great,” and she questioned to what that refers. She asked whether the creation of five new auto technician jobs is less beneficial than seven minimum wage restaurant jobs, whether the public need is not as great in the southwest corner of the CARA District as it is in the core area, or whether an increase in auto repair shop time is less important than the creation of a theater in the core.
- It is unclear what number of jobs and what level of wages meet CARA criteria for job creation. CARA has funded other projects which provided fewer jobs or jobs at lesser wages than this proposal.
- The merits of this project include elimination of blight, the creation of five new jobs, the possibility of several additional new jobs in the future, and partnering with LBCC to hire students coming out of its training program.
- Assistance is needed at this time due to City requirements related to exterior upgrades, removal of the existing parking lot, and landscaping and irrigation, all of which must be done before occupancy, as well as the expense to relocate the property line in order to accommodate tow trucks.
- This application meets the criteria as well as other requests that CARA has supported. The applicants would be willing to grant an easement if the City ever decides to extend Periwinkle Path.

In response to an inquiry from Kopczynski, Connaghan said that the cost of the projects required by the City before occupancy will exhaust their cash reserves. Kopczynski asked if the applicants would consider a loan rather than a grant. Connaghan said yes.

In response to inquiries from Norman, Connaghan said that the gap is for required improvements that they had not planned to do until after they had generated some income. She said that this location was chosen because it is a good location with good visibility, and it is set up well for their business. The site is about double the size of their current location.

Sharon Konopa asked if any part of the landscaping is in the public right-of-way. Connaghan said that the vine-covered concrete wall that runs width of property has to be cut down to six inches. She does not know if the wall is in the public right-of-way.

In response to inquiries from Floyd Collins, Connaghan said that the required improvements are included in her cash flow protections, but she did not anticipate that these costs would have to take place before occupancy. The matching funds from the Small Business Administration (SBA) are contingent upon CARA funding. She would have to ask the SBA if funding would still be available if the CARA funds were in the form of a loan. Collins said he would support this if the grant request were converted to a loan request. This would allow CARA to help eliminate blight and provide needed cash flow to the applicant.

MOTION: Bedore moved to approve conversion of the Crabtree Automotive grant request to a loan request in the amount of \$74,620, to be negotiated by Porsche in accordance with standard CARA terms. The motion was seconded.

Brief discussion followed regarding possible terms and timing of the loan.

AMENDED MOTION: Bedore amended the motion so that there will be no payment due for the first five years, followed by a five-year payback period. The amended motion **passed** unanimously.

Several Board members expressed appreciation for the recommendations in the staff report which helped to lead the discussion and decision-making process.

Staff Updates and Issues

Porsche said that CARA members have expressed a desire to set aside an entire meeting to review what it has been spent on each category in the CARA plan and to consider how to best focus future expenditures. It was agreed to schedule that discussion for the November 19 meeting.

Porsche said that RCM Homes has extended an invitation for interested CARA Board members to take a field trip to the Portland area to see the types of development it is doing in that area. Brief discussion followed regarding the value of taking field trips to see current and potential projects.

BUSINESS FROM THE BOARD

Bedore expressed appreciation to the CARA Board, the Albany Downtown Association, and staff for all of the efforts that led to Albany being accepted into the Oregon Main Street program. He said that CARA's involvement in revitalizing the downtown was a valuable part of these efforts.

Norman said that he does not plan to reapply when his CARA term ends on December 31, 2008. He said the CARA Board has done amazing things since its founding and he appreciated the opportunity to have served.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board will be held on Wednesday, November 19, 2008, at 5:15 p.m., in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Norman adjourned the meeting at 6:30 p.m.

Submitted by,

Signature on File

Teresa Nix
Administrative Assistant

Reviewed by,

Signature on File

Kate Porsche
Urban Renewal Manager