APPROVED: January 11, 2012

CITY OF ALBANY
Albany Revitalization Agency
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, December 14, 2011

MINUTES

Agency Members present:	Jeff Christman, Bill Coburn, Floyd Collins, Bessie Johnson, Sharon Konopa, Ray Kopczynski, and Dick Olsen
Agency Members absent:	None
Staff present:	Urban Renewal Manager Kate Porsche

CALL TO ORDER

Chair Floyd Collins called the meeting to order at 7:15 p.m.

APPROVAL OF MINUTES:

November 16, 2011

Agency Member Ray Kopczynski moved to adopt the ARA November 16, 2011, minutes. Agency Member Jeff Christman seconded the motion, and it passed 7-0.

Letter from Linn County Commissioners

Collins explained that this is an added agenda item as the Agency received a letter at 4:00 p.m. that afternoon, which was also sent to the local newspaper, from the Linn County Commissioners commenting on three issues of the Agency's agenda.

City Manager Wes Hare addressed the first component: asking the City to tax less than the full amount allowed for the ARA area and use reserves for expenditures and bonding. He said the letter contained inaccurate information.

Addressing points in the letter, Finance Director Stewart Taylor said that the amount that would be available if the Agency chose not to levy the full tax amount is much less than the letter indicates because of compression and that collection of taxes has been at only 93 percent. The primary reason for the revenues is to fund projects and pay debt obligations. He explained that the current year budget includes payments for three bonds and a line of credit, totaling $697,000. The expectation is that in the current year there will be a drawdown of the rest of the available line of credit and CARA will take out a long-term bond of $5,000,000. There will be a $200,000 semiannual payment, or $400,000 per year. The remaining balance would be $300,000. If the City chose not to levy, it would only see $100,000.

Taylor addressed the reserves saying that in the ARA Budget, it is a form of budget strategy. There are a number of projects included in the Agency budget; an estimate of their combined balance is created for the budget document and housed in a reserve line item. After June 30, a transfer of actual balances takes place to the individual projects. So, during the budget it shows as a single item with a combined number. The division that happens after June 30 provides a more accurate and transparent cost of each project.

Collins said that it is important to clarify those numbers with Linn County.

The second paragraph of the letter asked the Agency to consider appointing someone from another taxing district to the CARA Advisory Board. Kopczynski said he planned to appoint a representative from another taxing unit.

Collins said they are willing to have discussions with the Commissioners, but they object to how they received these comments.

SCHEDULED BUSINESS

Business from the Public

Tom Cordier, 2240 Park Terrace NW, urged the Agency not to take on any more debt. He said, stop acting like venture capitalists. He feels they are putting the taxpayers at risk. He suggested the Steelworkers go to their national union for the money they need. He thought the finished part of the "Promenade" benefited very few people and doesn't want it expanded. He said that when they start to talk about the Carousel, it is the same kind of inappropriate spending. He doesn't believe a passion for carving is a reason to spend $1,000,000 on the Carousel building. He feels these are crony capitalistic projects with no benefits to the city. He asked the Agency to take a poll to see if the public really wants a Carousel.

John Robinson, 2500 Del Rio Court SE, asked the Agency to slow down on projects as far as the approval process goes. He has questions that he is not sure have been answered. The perception is that they are in a rush to hand out this money. He asked for more time to review the details of the projects. He said Lepman is asking for 22 percent funding, when the average has been 8.6 percent. Innovative Housing is asking for double the average. There is no staff comment about being cautious. He is also concerned about the 34-year payback. He would like to see a spreadsheet on the projects. The Woodland Square costs included relocation of people and mobile homes, etc., but only $100,000 was allocated for dealing with those problems. Seems to him the City is putting money down on a project that will be worth half of its value when it is done.

Jim Clausen, 1448 Geary Circle, #3, said regarding the costs for Woodland Square, that the buildings are costing too much. The private sector could get it done for so much less. He said the example of what happened with the Wheelhouse shows there is no value there. It has only one resident and is costly to get into. He is concerned about the Carousel costs and the finished part of the Promenade hasn't added the foot traffic the Council anticipated.

Mike Quinn, 4455 Sunset Ridge NW, said that just because people didn't come to the previous meetings doesn't mean they don't have a right to voice their opinions now. He hoped that the Agency appreciated the people who came to speak tonight. He believes the Woodland Square project costs too much. He said he could do it for half the price. He visited the Salem Carousel and 80 percent of the visitors brought their children and never visited another downtown Salem business. He wants the Agency to consider that and what other people have said tonight. It may be the same people that show up, but others don't come because they don't think they will be heard.

Christman reminded the audience that there is nothing on tonight's agenda regarding the Carousel.

Adoption of Resolutions

Western Oregon University Development Foundation (Friends of the Jensen), 431 First Avenue W ($50,000 grant)

MOTION: Kopczynski moved to adopt the resolution establishing a final action on the Western Oregon University Development Foundation's (Jensen Arctic Museum) request for $50,000 matching grant funds for the property know as 431 First Avenue West. Johnson seconded the motion.

Collins asked if this resolution had been discussed and recommended by the CARA Advisory Board. Urban Renewal Manager Kate Porsche said yes, it is based on the Advisory Board's recommendation.

VOTE: A vote was taken on the motion and it passed 6-1, with Christman voting no. The resolution was designated ARA Resolution No. 2011-30.

Thad Olivetti, 409 First Avenue W ($42,500 forgivable loan)

MOTION: Olsen moved to adopt the resolution establishing a final action on Thad & Sharon Olivetti's 409 First Avenue SW LLC's request for $42,500 forgivable loan funds for the property know as 409 First Avenue SW. Konopa seconded the motion, and it passed 6-1, with Kopczynski voting no. The resolution was designated ARA Resolution No. 2011-31.

Linda Poris, 301 First Avenue W ($26,775 forgivable loan)

MOTION: Olsen moved to adopt the resolution establishing a final action on the Linda Poris's request for $26,775 forgivable loan funds for the property known as 301 First Avenue West. Konopa seconded the motion and it passed 7-0. The resolution was designated ARA Resolution No. 2011-32.

United Steel Workers, 1224 Santiam Hwy. SE ($240,000 as a $140,000 forgivable loan & $100,000 grant)

MOTION: Olsen moved to adopt the resolution establishing a final action on the United Steel Workers Local 6163's request for a $140,000 forgivable loan and a $100,000 grant for the property known as 1224 Santiam Hwy. SE. Konopa seconded the motion.

Johnson asked if the property is taxable. Porsche said yes, it is taxable.

VOTE: A vote was taken on the motion, and it passed 5-2, with Christman and Kopczynski voting no. The resolution was designated ARA Resolution No. 2011-33.

Woodland Square (Innovative Housing), 1415 Salem Avenue SE ($1,450,000 forgivable loan)

MOTION: Christman moved to adopt the resolution establishing a final action on Innovative Housing, Inc.'s, request for a $1,450,000 forgivable loan for the property known as 1415 Salem Avenue SE. Coburn seconded the motion.

Olsen said this project will remove a long-standing eyesore. He believes it is worthwhile.

Coburn believes this project is what an Urban Renewal Agency should be doing. He thinks Robinson and Quinn brought up some valid points and would like the applicant to address them.

Julie Garver, representing the applicant, Innovative Housing, Inc., said the per-unit-costs are a little over $130,000. Costs depend on the building and type of site. The costs are in line with similar projects and will have to be justified to state officials. Oversight is required when doing a government project. They will be having a lot of people watching over the costs. The private investor will be investing $7.3 million.

Kopczynski asked, will the money be leaving our area? Garver said they are committed to 15 percent of the total project to stay in the community. Above that, out of the total $10,000,000, hundreds of jobs and millions of dollars will circulate in the community during and after the project is finished. Maintenance, etc. will be subcontracted with locals. There will be a mix of subcontracting considering the costs. The General Contractor lives in Albany.

Konopa asked about the money for relocation. Garver said the $100,000 actually goes directly to the people. Other related costs, like demolitions, handling of asbestos, etc. are not in that number.

City Attorney Jim Delapoer reminded the Agency and the public that this is not a public hearing; so the Agency isn't required to open the discussion up to the audience.

VOTE: A vote was taken on the motion, and it passed 7-0. The resolution was designated ARA Resolution No. 2011-34.

Broadalbin Promenade, Second to Third Avenue SW ($510,000 public improvement)

Collins said that this is the project that the Linn County Commissioners were referring to in the fourth paragraph of their letter (in agenda file).

MOTION: Johnson moved to adopt the resolution establishing a final action on the Broadalbin Promenade Second Block (Second to Third Avenue SW) with expenditures not to exceed $510,000. Konopa seconded the motion.

Konopa said that this project has been on hold for many years, it is a key part of the Central Albany Land Use Transportation Study (CALUTS), falls within the CALUTS boundaries, and was identified as a potential Central Albany Revitalization Area (CARA) project.

Collins thinks the timing is wrong for this project.

Konopa said that this is the type of public project that CARA should be supporting.

VOTE: A vote was taken on the motion and it passed 4-3, with Christman, Collins, and Coburn voting no. The resolution was designated ARA Resolution No. 2011-35.

Report

Scott Lepman: 406 Denver Street SE ($48,423 loan)

Porsche explained that the original request from Mr. Lepman was for a forgivable loan. The CARA Advisory Board asked that it be converted to a traditional loan at cost plus one percent. Lepman feels a traditional loan isn't as helpful for him and is requesting that it be converted back to a grant. If that doesn't happen, he doesn't want to do the project.

Coburn is uncomfortable making a decision without Advisory Board input. He wants to take it back to the Advisory Board to reconsider the request with the new input from the applicant.

MOTION: Konopa moved to refer this issue back to the CARA Advisory Board. Johnson seconded the motion, and it passed 7-0.

BUSINESS FROM THE AGENCY

Porsche reminded the audience that the CARA Advisory Board holds meetings the third Wednesday of every month and everyone is welcome to attend.

NEXT MEETING DATE

The next regular meeting of the ARA Agency is scheduled for Wednesday, January 18, 2012.

ADJOURNMENT

There being no other business, the meeting was adjourned at 8:17 p.m.

Respectfully submitted by,

Betty Langwell

Betty Langwell, MMC
City Clerk

Reviewed by,

Kate Porsche
Urban Renewal Manager