



APPROVED: January 15, 2014

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, November 20, 2013

MINUTES

Advisory Board Members present: Russ Allen, Rich Catlin, Bill Coburn, Loyd Henion, Bessie Johnson, Rich Kellum, Sharon Konopa, Ray Kopczynski, Danon Kroessin, Dick Olsen, Mark Spence

Advisory Board Members absent: Floyd Collins, Maura Wilson (both excused)

CALL TO ORDER

Chair Rich Catlin called the meeting to order at 5:15 p.m.

APPROVAL OF MINUTES

October 16, 2013

MOTION: Ray Kopczynski moved to approve the minutes as presented. Bessie Johnson seconded the motion, and it passed 11-0.

SCHEDULED BUSINESS

Business from the Public

Eric Howard, owner of Deluxe Brewing, 635 NE Water Avenue, said that the pathway on Water Avenue is very dark in the area of his business. The Parks & Recreation Director has indicated that the City would work with property owners to get lights along that pathway.

Economic Development & Urban Renewal Director Kate Porsche said that the City previously partnered with the Howards on their brewery and distillery business. Lights along the Dave Clark Path currently stop at the Wheelhouse, and bollard lighting will be added as part of the Edgewater Village project. This request would be for the area in between, from the Wheelhouse to the rail trestle. The Parks & Recreation Director has expressed a willingness to pay for half of the ongoing costs if the property owners will pay for the other half. If there is interest by the Board to help purchase the lights for this section of Water Avenue, staff will bring back a proposal for consideration.

Mark Spence said that he isn't sure that CARA should pay for this infrastructure expense. He would first want to clarify that the City has no plans to put lights on this section of the path, which would be surprising. In response to inquiries, Porsche clarified that the Dave Clark Path is public property and that the subject area is largely vacant except for this small business.

Bill Coburn said that the request is worth looking into but he doesn't think the property owners should have to pay for operating costs. He offered to talk with staff about potential money-saving arrangements with the power company. Porsche noted that Council will have a discussion about street lights at its work session on December 9.

There was general agreement that staff will present a proposal for consideration at the next meeting.

Funding Request: Novak's Hungarian Restaurant

Porsche drew attention to the application from Novak's Hungarian Restaurant for a Focus Area Loan in the amount of \$126,000 to remodel the former Broders Meat Market building on Second Avenue to restaurant space. The application and project evaluation grids are provided in meeting packets. Porsche said that, in her opinion, this is one of the best projects to come before the Board. It is a loan that would be paid back, it is a historic preservation project, and it will generate tax increment. The building has an interesting facade that has been covered over the years. The Novaks had worked with an architect on some interior plans but needed help on the exterior. CARA Architect Rob Dortignacq was engaged, and his letter is included in meeting packets.

Porsche said that having this restaurant open for breakfast, lunch, dinner, and Sunday brunch would be a draw to Second Avenue, expanding on the energy and vitality that has been occurring on First Avenue. The restaurant would be relocating and downsizing, so there would be no job creation; however, the move would allow them to remain in business, so it is a job retention project. The applicants would use local businesses for construction and supplies, as noted in the application. The applicant has received a state grant in the amount of \$20,000. Although the Board has had concerns about "double-dipping," she feels that this is a great layering of funds. The building is not on the historic tax freeze.

Karen Novak said that her family is excited about the project and plan to restore the building to its historical beauty. Novak's Hungarian Restaurant has been in business for 30 years. In order to stay in business, they will need to relocate and downsize.

Russ Allen said that he likes the application and he would love to see this building restored. He noted the application states that the Novak's current building is damaged. Novak said the roof was put on incorrectly when the building was constructed ten years ago, and they have had issues since. They are currently leasing.

Rich Kellum said that he has known the Novaks for more than 30 years but he doesn't think he has a conflict of interest. He said this is exactly what we need downtown – a restaurant that has a draw from all over the world. He asked if the dumbwaiter is floor level. Novak said the dumbwaiter will be on the ground floor and will be able to go up one floor and down one floor.

Coburn said that the Board has talked about encouraging the use of local contractors and multiple bids. Porsche noted that the application does mention the use of local contractors. Novak said that her family interviewed multiple contractors two years ago for a project that didn't go forward, and they liked one so well that they decided to use them when developing this project.

Coburn asked if the move would happen without a loan from CARA. Novak said that it would be much more difficult; the business has been struggling since 2007.

Spence said that this is a great project and great application. He thinks the application could be used as a model for others.

Dick Olsen showed two photos of the building from a book by Robert Potts – one from 1909 and another from 1930. Novak said they would be restoring the building to the original 1909 photo.

Kopczynski said the current state of the building is not in keeping with the historic nature of the downtown. Novaks has been a draw to the community for decades, and the move would draw customers to the downtown. The question is do we help retain this business in the community via relocation or potentially lose the business and the jobs and still have a blighted building downtown. He asked if the applicants can see this paying off, considering the smaller space and extra expense. Novak said the business would save about \$1,000 per month on the mortgage and loan payment over their current lease.

Kellum said that his only concern is parking. Porsche said there are a number of things that can be done to make the parking situation better for patrons of the restaurant, including a ten-minute loading zone in front of the building.

Spence referred to a newspaper article which referred to the Broders building as a blighted building. He clarified that it is a functional building, and it is not being treated as a blighted building.

MOTION: Kellum moved to approve the request. Henion seconded the motion, and it passed 11-0.

Review of Historic Homebuyer Program

Porsche said that staff has been working with the Landmarks Advisory Commission (LAC) on details for a new CARA Historic Home-Buyer Loan Program. She reviewed the draft program as detailed on the program sheet. The allocation for the program is \$70,000, but the LAC has suggested it be increased to \$80,000. It is proposed to be a quarterly competitive program with CARA loaning up to 20 percent of eligible costs for projects totaling at least \$40,000. The loan rate would be the ten-year treasury note rate plus 1.25 percent. Recipients would make interest-only payments as long as the house is owner-occupied, with a balloon payment due at sale or refinance of the property. Houses must be located in the Hackleman Historic District, must be built prior to 1946, and must not be on the state tax-freeze program. The idea is to incent rehabilitation and owner-occupancy of these historic homes.

Porsche reviewed the proposed process for this program. Applicants would work with the LAC, which would recommend a slate of projects for approval on a quarterly basis. CARA would review the projects based on scoring criteria which still needs to be developed. The final ten percent draw would be held pending final project review by the LAC.

Porsche read written comments from Board Member Wilson. She supports the program, but she is concerned that there may not be enough interest in the Hackleman Historic District and suggested opening up the program to pre-1946 properties anywhere within the CARA district in the third and fourth quarters.

Bill Ryals said that he volunteered to work on the LAC because it is difficult for people with smaller projects to hire professionals and navigate the requirements. This makes it difficult to convince people to do the right thing with historic buildings. The LAC has been reviewing how it can be more effective, utilizing a carrot approach to incentivize people to do appropriate restoration. This is an opportunity for the LAC to help CARA distribute funds, understanding that with all that is on its plate, it is not reasonable for the Advisory Board to review these smaller historic restoration projects in a thorough way. He noted that the program is proposed to be for new buyers which leaves a hole in terms of funding for those who are already in the historic district. He suggested the program go forward as proposed with consideration for expanded eligibility after the first year.

Kellum said he would prefer that applications be accepted from the entire CARA district sooner than proposed. Ryals said the decision to focus on the Hackleman area was made with the thought that we would see a bigger impact.

Coburn disagreed that the program should be extended to other areas if we don't get a response right away. He thinks it is reasonable to limit eligibility to the Hackleman Historic District for a one-year trial period. This gets back to comments he has made about focusing on specific areas in order to get more visible results.

Johnson said that she appreciates the comment that the LAC wants to use a carrot approach; she thinks making a more pleasant process is a great idea. Ryals said the LAC feels that it can better serve the community by making an easier process and providing more service.

Spence referred to the requirement that the first application must be made within 12 months of purchasing the property. He said that could be a tight timeline for someone who has never done a large project, and that we need to be clear when that 12-month timeline starts. Ryals agreed that projects often take longer than people realize and it would be a shame to have a project fail because of our own rules.

In response to an inquiry from Catlin, Ryals said that the overall project cost would include both interior and exterior work, but CARA funds could be used only for exterior work. Porsche noted that the proposed wording is tight in defining how CARA funds may be used.

Catlin said that a significant issue the LAC wrestles with is vinyl windows. Ryals agreed that this is a major issue; the LAC will be making a recommendation related to vinyl windows in the near future.

Catlin asked if an analysis was done on the potential pool of owner-occupied homes in the Hackleman District. Porsche noted that one of the goals is to turn rentals into owner-occupied homes. Ryals said the LAC is proposing to start with a fine sieve, knowing they may need to expand if there are not many applications.

Catlin said that exterior alterations not visible from the street are not subject to LAC approval, but they could have a big impact in terms of restoration. Porsche clarified that the proposed program does not exclude exterior improvements that are not visible from the street. Ryals confirmed that the goal of the program is to save structures and that would include improvements not visible from the street.

Catlin asked if there is a mechanism to monitor when an owner-occupied home becomes a rental. Porsche said loan recipients are required to provide proof of occupancy on an annual basis.

Catlin said that he wants to ensure the pool of potential applicants is large enough so that applications will come forward, whether that means expanding the territory, lowering the cost threshold, or extending the time since purchase requirement. He expressed appreciation to Ryals and the LAC for their work.

Kopczynski agreed with Coburn; he would like to keep the program to the recommended area for a defined period of time to give it time to grow.

Catlin suggested that staff track applicants who ask about the program but fail to qualify based on location.

Kellum spoke of a scenario where two people purchase historic properties and need to fix the facade – one in the Hackleman Historic District and another just across the street. The person in the Hackleman District qualifies for this funding and the opportunity may eventually spread. By that time, the person who purchased outside of the Hackleman District may have had their home for more than 12 months and therefore not qualify for the program.

Ryals said that with its limited time, the LAC felt it would be most effective to start with a focus on a targeted area and try to build momentum. Porsche noted that the Hackleman Historic District boundaries were drawn to include as many historic homes as possible.

MOTION: Olsen moved to allocate \$80,000 for the Historic Homebuyer Program. Henion seconded the motion, and it passed 11-0.

Porsche will bring back the idea of expanding the program for consideration after the first couple rounds of funding.

Staff Updates and Issues

Porsche said the City of Albany's annual Open House will be held on Monday, December 2, 5:30 p.m. Board members are invited to attend and to bring their families to this lovely event.

Following brief discussion, the Board agreed to cancel the December meeting. The next meeting is scheduled for January 15, 2014.

Porsche said that CARA has the budget authority to borrow \$3 million for public infrastructure projects. One idea is that this Board identify several potential projects and hold an open house to get public feedback about what infrastructure projects should be funded. It was agreed to discuss this further at the next meeting.

Porsche provided an update on projects from the Retail Refinement Plan.

- Staff is still in discussions with the Oregon Department of Transportation (ODOT) regarding the Lyons Street exit ramp (slip lane).
- Resurfacing of two downtown parking lots is complete. The lots were covered with a slurry seal, recognizing that it is not a permanent solution because repaving the lots would be expensive and the ultimate goal is to redevelop the sites. Catlin said he would like to see the lot between Ellsworth and Lyons Street done as well. Porsche agreed to bring that back for discussion in January.
- The Main Street Design Committee has been helping with the wayfinding signs project. The Committee and staff worked with a sign maker who provided schematics for the signs. A request for proposals will be going out soon.

Porsche said that, after a number of meetings with the property owners, the City Attorney's office is beginning the foreclosure process on the Labor Temple Building on Third Avenue.

Porsche said that the Albany Downtown Association determined that the purchase of tree lights would fit with the Albany Main Street program funds received from transient room tax. The ADA will not be using CARA funds for that purchase.

Porsche advised that Innovative Housing, Inc., was approved for this round of tax credits and expects to begin construction at Woodland Square in June.

BUSINESS FROM THE BOARD

Danon Kroessin related that he attended a house party in Eugene on Sunday where someone mentioned to him that Albany has a beautiful downtown. Konopa expressed appreciation for the comment, adding that she frequently hears positive comments about our downtown.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board is scheduled for Wednesday, January 15, 2014, 5:15 p.m., in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Catlin adjourned the meeting at 7:02 p.m.

Submitted by,

Reviewed by,

Signature on File

Signature on File

Teresa Nix
Administrative Assistant
Director

Kate Porsche
Economic Development & Urban Renewal