



APPROVED: April 16, 2014

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Tuesday, March 4, 2014

MINUTES

Advisory Board Members present: Russ Allen (left at 7:00 p.m.), Rich Catlin, Bill Coburn, Floyd Collins, Loyd Henion, Rich Kellum (left at 6:10 p.m.), Sharon Konopa, Ray Kopczynski, Danon Kroessin, Kevin Manske, Dick Olsen, Mark Spence, Maura Wilson

Advisory Board Members absent: Bessie Johnson (excused)

CALL TO ORDER

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

APPROVAL OF MINUTES

January 15, 2014

MOTION: Ray Kopczynski moved to approve the minutes as presented. Maura Wilson seconded the motion, and it passed 13-0.

SCHEDULED BUSINESS

Business from the Public

Economic Development & Urban Renewal Director Kate Porsche distributed written comments from Gordon Shadle [see agenda file].

Presentation of New Small Grant Requests

Allen & Associates Insurance (Michael Allen) (\$5,000)

Porsche briefly reviewed the small grant request for \$5,000 for work on a commercial building at 433 Third Avenue SE, as detailed in the written staff report.

Floyd Collins said that he has a relationship with the applicant through their church and, therefore, will not participate in the discussion and decision regarding this application.

Michael Allen, 433 Third Avenue SE, said that he believes the CARA program would be excellent to partner with to do some improvements to his building and hopefully encourage other property owners in the area to do the same. He said that he tried to combine the costs of the project into a refinance loan, but the loan terms would have required an additional and substantial down payment that he did not have available. He would use the CARA funds to do exterior improvements as described in the application.

Kopczynski asked if the down payment that the bank would have required was more than the portion of costs the applicant would pay for this project. Allen explained that he previously took out a project loan to do the heating/cooling system. He then attempted to take money out of the building to finance exterior upgrades; however, the bank wanted a second down payment for that loan, and he just couldn't do it.

Catlin asked if the applicant was able to get a second estimate as discussed in his e-mail exchange with staff. Allen said that he had requested an update on a bid that was prepared two years ago but that contractor has been difficult to reach. He said the bid in the application was from a reputable contractor who was quick to provide an estimate.

Bill Coburn said the review grid shows that the application failed to meet many of the criteria. Even though there are only two applications for this round of funding, he said, the standards should apply. He asked for further comment from staff. Porsche said that this is not a historic property and the request does not meet all of the evaluation criteria. However, it would be a cosmetic upgrade to a building on the east side of town and the small grants are intended for projects outside of the identified target areas. The question is whether the cosmetic change be enough to help bring up the neighborhood and create momentum for additional change. Porsche said that she doesn't have a strong opinion on the application.

Mark Spence asked the applicant if he thought that renovating this property would help kick-start improvements to the property adjacent to his which, he said, appears to be in worse shape than the subject property. Allen said that some structures in the neighborhood are being renovated and others need work; he hopes that by making improvements to his structure, others will follow suit.

Rich Kellum said that he was bothered by the small number of green dots on the quick review grid, as well as the fact that there was only one estimate provided. For those reasons, he would have a hard time supporting the request.

Brief discussion followed regarding the application, the evaluation criteria, and prior improvements to the building. The applicant clarified that the building is serviceable and that he will continue to invest in the property regardless of whether he receives this grant. He said he considered the grant program as a way to partner and make the improvements happen more quickly than they would otherwise.

Loyd Henion said he was concerned that only one bid was received and he would like to look at the building before voting on the application. Kopczynski questioned the need to hold off on a decision, noting that Advisory Board members had the opportunity to make a site visit prior to the meeting.

Borden Building (John Boock) (\$4,750)

Kellum said that he has a professional relationship with the applicant and, therefore, would not participate in the discussion or decision for this application.

Kellum left the meeting at 6:10 p.m.

Porsche briefly reviewed the request for \$4,750 to help to paint a portion of the historic Borden building on the waterfront, as detailed in the staff report.

John Boock said that he purchased this building because it was an iconic industrial building with historic significance. His original intent was that McMenamins would take over the building, but the recession hit and no big business has come in. He said he was fortunate to have a startup business, Deluxe Brewing Co., come into the building. He said that a tremendous amount of money has been put into the building. The grant would assist in painting the one remaining part of the exterior in order to help with the appearance of the building and create street appeal in the area.

Kopczynski noted that the application asks where else the applicant has looked for funding and that the answer given was "not applicable." Boock said that there may come a time when he will seek major funding to develop the building for other uses but he is trying to do the work out of pocket at this time.

In response to an inquiry from Collins, Boock said that he would like to do the work for the sake of appearance, to encourage others to do improvements, and to bring awareness to the area. If he doesn't receive the grant, it will be awhile before the exterior work gets done because he has to use his money for other needs.

Deliberation and Funding Decisions

Borden Building (John Boock) (\$4,750)

MOTION: Coburn moved to approve the grant request. Spence seconded the motion.

Coburn said that this is an area of town where CARA needs to focus efforts, and that the request meets many of the criteria that have been established.

Collins said that he appreciates there is a viable business at this location and that the applicant wants to attract more businesses but he thinks a loan makes more sense than a grant for this application. Brief discussion followed regarding the idea of establishing a small loan program.

The motion passed with 10-2, with Collins and Kopczynski voting no.

Allen & Associates Insurance (Michael Allen) (\$5,000)

Dick Olsen said that this block needs improvements that will encourage others to fix up their buildings.

MOTION: Olsen moved to approve the grant request. Kopczynski seconded the motion.

Wilson said there is value in improving the neighborhood but she thinks the subject building is decent looking and she doesn't think the improvements would make much of an impact to the neighborhood. She would prefer that the application come back next month with one or two additional bids.

Catlin said that continued investment in this area is important for a many reasons. He noted that CARA projects include signage advertising the program's involvement which may encourage others.

The motion failed 2-9, with Catlin and Olsen voting yes and Collins abstaining.

Catlin asked for a show of hands by those who support having the request brought back with an additional bid. A majority of the Advisory Board indicated support.

Planning for Discussion of Infrastructure Projects

Porsche drew attention to the written staff report. She noted that the Advisory Board previously discussed using cash on hand to fund private/public partnerships and borrowing for public infrastructure projects. This year, there is budget authority to borrow \$3.1 million. She said that the Advisory Board discussed ways to prioritize public projects and the potential of holding a public forum where citizens could share their thoughts. Staff was asked to bring back a short list of public projects that would be feasible at this time. The staff report includes the *CARA Urban Renewal Plan Report Table 2* with public infrastructure projects highlighted, the top five public projects from the 2009 open house survey, and a list of six feasible projects which are provided as a starting point for discussion. She reviewed each of the six projects as detailed in the written staff report: Water Avenue Improvements, Albany Square, Downtown Streetscape, Main Street Area Streetscape, Willamette Riverwalk, and Thurston Canal Walkway. She requested feedback on which projects the Advisory Board feels are a priority for inclusion in the public meeting.

Kopczynski said that he was glad to see the Downtown Streetscape for Second and Third Avenues is on the list. He would like to see that combined with the Street Redevelopment project, but it is important to mesh improvements with the Capital Improvement Plan and what the City may already be planning.

Collins agreed that it is important to coordinate improvements with the CIP and other plans so that CARA doesn't fund projects that are later torn up for street improvements.

Russ Allen said that CARA funds should supplement what the City is doing and should not be used so the City has more money in the budget to do work outside of the CARA district. Porsche agreed; she said the idea is to select projects that will drive investment in the area.

Konopa said there are limited funds in the Street Fund and part of the conversation when CARA was created was that the program could help replace needed infrastructure. She said that Water and Sewer Funds paid for most of the Broadalbin Street improvements and those funds could potentially be used for a portion of future improvements.

Allen clarified that he is not opposed to the use of CARA funds for public infrastructure and that he understands the City has to prioritize street improvements. He would not want to see a project not be prioritized in the CIP because it is in the CARA district.

Spence said that he believes there are statutory limitations how CARA funds can be spent and, for him, there is a bright line between CARA projects and items in the CIP.

Allen left the meeting at 7:00 p.m.

Henion said that it may be good to have a joint conversation on how best to coordinate CARA and CIP projects. Porsche said staff has had that conversation and Public Works staff felt that the Water Avenue improvements for the area east of the bridges could be a good fit with the CIP. She could do additional research based on the Advisory Board's feedback.

Catlin asked if the cost estimates attached to the projects in Table 2 have been updated. Porsche said that there would be a nearly 50 percent increase in the estimates based on today's dollars.

Wilson asked about the wisdom of dividing the money into different areas and perhaps diluting the overall effect versus having a two- or three-year focus into one area before moving on to another. Porsche said there are examples where other communities have concentrated on a finite area with the idea of making a palpable change that incents people to locate or invest in the area. Her thought is that a targeted investment can pay off. The challenge for policy makers is that they may have to turn down other viable projects to do that. Brief discussion followed.

Olsen said the First Avenue streetscape was a success and he would like to see the second phase (Second and Third Avenues) included in the public discussion.

Collins said that it would be important to ensure that water rights are allocated before moving forward with the Thurston Canal Walkway.

Wilson said that it may be good to proactively address overhead utilities, the #1 ranked project from the 2009 open house survey.

Collins noted that the \$3.1 million in the budget was generated 18 months ago based on anticipated tax increment. Porsche affirmed that the real number may be higher; she will provide additional information at the next meeting.

Kevin Manske said that downtown streetscape improvements are important but that consideration should be given to where to get the most value. He said that the impetus for growth seems to be around Water Avenue, and he supports focusing efforts in that area. He did not think the Thurston Canal project rose to the level of the other projects.

Olsen said that he likes the canal projects but thinks they should be done later rather than now.

Kopczynski said that his priorities are as follows: Water Avenue Improvements, Downtown Streetscape, Main Street Area Streetscape, and Willamette Riverwalk.

Collins said that he would like to allow public input on any of the projects. Henion agreed.

Wilson asked if it would be possible to delete the words “promenade” and “esplanade” from the urban renewal plan. She felt that those terms have served to cloud the intent of the projects. Porsche said that the Advisory Board could recommend by motion that the Albany Revitalization Agency make that change by resolution.

MOTION: Wilson moved to direct staff to draft a resolution to change “promenade” to “sidewalk extension or improvements” and change “esplanade” to “canal safety and improvements”. Konopa seconded the motion, and it passed 9-2, with Catlin and Kopczynski voting no.

Catlin said that he has heard soft support for a shortened list and soft support for putting all items on the table for public comment. Porsche agreed to bring back a proposed agenda for further consideration.

Staff Updates and Issues

Porsche said that Scott Lepman has been a CARA partner in the past with the Jefferson Loft apartments and rehabilitation of apartments on Sixth and Montgomery. He recently made her aware of a potential project that does not fit well into the funding categories that have been established. Tonight, she would like feedback on whether the Advisory Board would direct staff to do some analysis and bring a proposal for consideration at the next meeting.

Scott Lepman gave a slide presentation. He showed photos of the previous projects for which he received CARA funds. He said that the former Fortmiller Funeral Home at 420 Third Avenue is in foreclosure and scheduled to be auctioned on April 16. If the Board is interested in helping with the project, he will talk further with the banks. He showed photos of the interior and exterior. He distributed and reviewed information regarding the property history and proposed accessibility changes [see agenda file]. He said that this would be a unique opportunity to develop residences in the downtown area close to shopping and employment. Two banks are interested in the project, each of which would restrict additional debt on the property. He said that he is not seeking a loan; he is interested in a grant or forgivable loan.

Lepman said the building does not meet present standards in design and appeal and it is no longer competitive in the market except at a low rent rate. He said most of the buildings in Downtown Albany that do not get renovated suffer from incurable functional obsolescence, meaning the renovation costs are greater than the contribution in value to the property. He said the change in use would require the following improvements: installing a sprinkler system, installing two ADA ramps, and complying with the ADA, structural and seismic engineering, asbestos and lead based paint abatement, new electrical, new plumbing, energy analysis for weatherization, and replacement of exterior siding and windows. His intent in obtaining a grant or forgivable loan is to make the renovation economically feasible. He asked if the Advisory Board would consider an application to allow for the renovation of this property to nine residential apartments and two offices.

In response to inquiries from the Advisory Board, Lepman said that he doesn't know the assessed value but the real market value of the building is about \$400,000. He believes that the value after improvements would be about \$800,000. The building is about 3,500 square feet. His plan would bring the building back to its original appearance.

Following brief discussion, there was general agreement to consider a more detailed proposal at the next meeting.

Lepman encouraged Advisory Board members to contact him to arrange a site visit. Porsche noted that a visit by a quorum of the Advisory Board would require public meeting notice.

BUSINESS FROM THE BOARD

There was no additional business from the Board.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board is scheduled for Wednesday, March 19, 2014, 5:15 p.m., in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Catlin adjourned the meeting at 8:04 p.m.

Submitted by,

Reviewed by,

Signature on File

Signature on File

Teresa Nix
Administrative Assistant
Director

Kate Porsche
Economic Development & Urban Renewal