



APPROVED: September 17, 2014

**CITY OF ALBANY**  
**Central Albany Revitalization Area Advisory Board**  
**City Hall Council Chambers, 333 Broadalbin Street SW**  
**Wednesday, July 16, 2014**

MINUTES

Advisory Board Members present: Russ Allen, Rich Catlin, Floyd Collins, Loyd Henion, Bessie Johnson, Rich Kellum, Sharon Konopa (left at 6:30 p.m.), Ray Kopczynski, Danon Kroessin, Dick Olsen

Advisory Board Members absent: Bill Coburn (excused), Kevin Manske (excused), Mark Spence (excused), Maura Wilson (excused)

CALL TO ORDER

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

APPROVAL OF MINUTES

June 18, 2014

MOTION: Ray Kopczynski moved to approve the June 18 minutes. Rich Kellum seconded the motion, and it passed 10-0.

SCHEDULED BUSINESS

Business from the Public

There was no business from the public.

SBDC Small Business Management Scholarship Request

Economic Development & Urban Renewal Director Kate Porsche drew attention to the written staff report. She reviewed the request from the Linn-Benton Community College (LBCC) Small Business Development Center (SBDC) for a scholarship program for their Small Business Management (SBM) course. A sponsorship amount of \$2,100 per person was requested to cover the cost of the \$2,300 program except for a \$200 fee, which would be paid by the participant. Staff and the SBDC proposed that CARA create a fund for the current budget year in the amount of \$42,000, which would allow 20 businesses from within the CARA boundary to participate. Funds would be paid on a reimbursement basis as people signed up and participated in the program. Porsche said the proposal met the goals of CARA Objective #50, Business Retention & Recruitment.

Porsche said that questions had come forward regarding other funding that the SBDC receives from the City. She distributed and briefly reviewed a memo from Planner Anne Catlin, regarding Community Development Block Grant (CDBG) funds allocated to the SBDC in FY2013-14 and FY2014-15.

Marc Manley, SBDC Director, thanked the CARA Advisory Board for its courage in making decisions that have resulted in beautiful buildings downtown, as well as additional businesses that have brought new jobs into the City's core. He expressed appreciation for the City's support of the SBDC's programs. He said that since last year, the SBDC has helped 374 businesses in Linn and Benton Counties, many in Albany. The organization measures performance by feedback from the businesses regarding how much capital they were able to raise to help them grow their businesses, how much they were able to increase revenues, and how

many jobs they were able to create. Since last year, the program helped these companies raise \$4 million in new capital which resulted in increased sales in the amount of \$8 million and the creation of 82 new jobs. He reviewed the backgrounds and experiences of some of the business advisors in the SBM program, as well as success stories of some of the program's participants. He said that many people who start businesses are good at what they do but often do not know everything about running a business successfully; the SBM program helps to close those gaps. Manley reviewed the request as detailed in his written proposal and the written staff report.

Kellum agreed that business owners have expertise in their area but often don't know much about business; the challenge is to know when to pay someone else to do certain work. He said that small businesses are always underfunded. He thought that the correct venue for this request was not the CARA Advisory Board. He felt that it should be a citywide program and that it should be a loan rather than a gift.

Russ Allen said that the request appeared to meet the CARA goal of business development and retention. He said it would be great if every business in the City could participate in the program, but the Advisory Board's job is to redevelop the area within the CARA boundaries. He asked Porsche to speak further to how the request supports the CARA goal. Porsche said the request was for support of an educational program that has had pretty robust results for the people of Albany who have participated. She felt it was a strong candidate that would directly meet CARA Objective #50.

Allen asked if any thought had been given to the question of need. Porsche said that was an excellent question, but it had not been discussed.

Floyd Collins asked how many people had said they couldn't afford to participate in the program. Manley said that the organization often receives pushback on pricing and they do what they can to identify help. He explained a similar scholarship partnership that the SBDC had developed with the Oregon Department of Transportation (ODOT). He felt that the program provided benefits to both the businesses and the community.

Collins said that the program should be considered for all of Albany rather than just the CARA district. He felt that any assistance should be on a loan basis and payable only upon successful completion of the course. He asked if this would be an ongoing request. Manley said it was a one-time request at this time; however, if the program was found to be valuable, the Advisory Board might consider funding it again. In response to further inquiry, Manley reviewed other partnerships and funding for the program.

Kopczynski said that business owners may not have the background that is needed to make a business grow. He noted that CARA funding may only be used for businesses within the CARA boundaries. He said this is a phenomenal program which meets one of the CARA goals. He asked if it would be possible that ODOT and CDBG funding could be used for businesses outside of the CARA boundary with CARA funds to be used for businesses inside the CARA boundary. Manley said that was an interesting idea; he deferred to staff as to whether it would be possible.

Kopczynski said there should be a methodology to recoup and reuse the money if someone dropped out of the program. However, if they passed the program and were successful in retaining or building their business, then he thinks it was money well spent. Manley agreed that business retention is very important and that access to this program could help to keep existing businesses afloat. He said he would be willing to work with staff on some of these issues.

Kellum said he didn't think it was reasonable to give somebody something that they had the ability to give themselves over time. Manley said that business owners would get some benefits but the community would also benefit from having businesses grow and additional jobs in the community. Discussion followed.

Sharon Konopa said she had a few concerns, mostly over timing. She reviewed the history of City funding for the SBD program. The City was originally asked for a one-time contribution to keep the program afloat, and the Council said at the time that it did not want the City to fund the program ongoing. Subsequent

requests

were made for continued support and the decision was made to fund the SBM and the Micro-Enterprise Program out of CDBG funds. She said Council had not yet had any updates regarding the results of that funding. She said that it may be possible for CARA to assist with this program with some conditions, perhaps assisting distressed businesses within the CARA district.

Manley said that he would see to it that Council receives an update. He said that business owners in distress typically need more intensive assistance than this program could provide. The real impact to the community from this program would come from helping businesses to grow.

MOTION: Collins moved to deny the application and instruct staff to work with the applicant on a citywide approach that would not be a scholarship program but a revolving loan program. Kellum seconded the motion.

Allen said that he supported the first part of the motion but felt that the scholarship/loan issue would be addressed by the governing body that ultimately considers the request. Collins said the intent of the second part of the motion was to give guidance to staff.

Dick Olsen agreed with the idea that this should be a loan program or a revolving loan fund that could proceed into the future. He thought the CARA Advisory Board was the right body to consider the request if it was limited to the CARA area. Brief discussion followed.

Loyd Henion agreed that a citywide venue should probably consider this request, including the decision of whether it should be a scholarship or a loan program.

Catlin said that he felt the City should fully embrace the work of the SBDC. If the City was willing to commit to funding the program with economic development funds, he would be in favor of the motion. He suggested that the applicant bring this back to the Advisory Board if there did not appear to be citywide support for funding the program at the amount requested. Regarding the issue of loan vs. grant, he didn't know that it would be worth the administrative costs to have a loan program for these small amounts.

The motion passed 6-4:

Yes: Collins, Henion, Johnson, Kellum, Konopa, Kroessin

No: Allen, Catlin, Kopczynski, Olsen

#### Minimum Thresholds for Funding Requests

Porsche recalled previous discussions about creating a minimum threshold that applicants would have to meet before a request was brought forward to the Advisory Board. She drew attention to the Project Evaluation Grid in meeting packets. She proposed that projects be required to meet three of six key criteria: remedy blight, historic preservation, vitality/people attractor, geographic threshold, residential component, and new business/job creation. She reviewed examples of previous and potential applications and how they would have fared under the proposed guidelines. She requested feedback.

Kopczynski reviewed his criteria ranking as follows: attract new private investment/retain and enhance the value of existing investment; blight and preservation; vitality/people attractor.

Konopa said that having a minimum threshold would be very helpful. She thought that any appeal by an applicant should be heard by the CARA Advisory Board. In discussion, Porsche said that a minimum threshold would be very helpful to staff. She clarified that if an amazing project was proposed, staff would bring that forward even if it did not meet the minimum threshold. Brief discussion followed.

Konopa left at 6:30 p.m.

Catlin said that the role of CARA is to provide gap funding. He wondered if financial impacts should be one of the key criteria to be met before projects are brought forward. Collins suggested that financial impacts be added as a seventh key criteria, three of which must be met in order for a project to be brought forward.

There was general consensus to direct that staff bring back a draft policy for additional review.

#### August Meeting Date

Porsche said that she would be attending an economic development training course the week of the next regularly scheduled meeting. She offered potential alternative August meeting dates. Discussion followed regarding upcoming agenda items and related timing issues. It was agreed that staff would do an e-mail poll of the Advisory Board members to determine the next meeting date.

#### Staff Updates and Issues

Porsche provided the following updates:

- Innovative Housing, Inc., is nearly ready to close on their construction loan for the Woodland Square project.
- The Novak's are now working with a different bank on their funding package and say they are very close to approval.
- Scott Lepman has gone before the Landmarks Advisory Commission and has been working through design issues.
- A request for proposals is being finalized for the wayfinding signs project.

#### BUSINESS FROM THE BOARD

There was no additional business from the Board.

#### NEXT MEETING DATE

The next meeting of the CARA Advisory Board is to be determined.

#### ADJOURNMENT

Hearing no further business, Chair Catlin adjourned the meeting at 6:58 p.m.

Submitted by,

Reviewed by,

*Signature on file.*

*Signature on file.*

Teresa Nix  
Administrative Assistant  
Director

Kate Porsche  
Economic Development & Urban Renewal