



MINUTES

Monday, April 22, 2019
Work Session
Council Chambers, City Hall
Approved: May 22, 2019

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 4:00 p.m.

ROLL CALL

Councilors present: Mayor Sharon Konopa and Councilors Rich Kellum, Bessie Johnson, Alex Johnson II, and Dick Olsen

Councilors absent: Councilors Bill Coburn and Mike Sykes were excused.

BUSINESS FROM THE PUBLIC

There was none.

PROPERTY PURCHASE REQUEST

4:00 p.m.

Development Services Manager Matthew Ruetters handed out an aerial photo (see agenda file). He said the request to purchase comes from Frank and Charlotte Smith, who own property adjacent to City-owned property on the Calapooia River. The City's property is split by the river, and the piece on the west side is accessible only through the Smiths' property or from the river itself. The Smiths are concerned about people gaining access to the City property, building structures and campfires, and leaving trash. They have maintained that part of the City's property themselves for several decades.

Ruetters said issuing a license to occupy the property would be an alternative to selling it outright. The City can revoke a license with 90-day notice. The question with a license would be whether the Smiths have sole right to occupy or whether the property would remain open to people using the river.

Councilor Rich Kellum asked if there is any reason the City would need to use the property within any 90-day period. Ruetters said no.

Councilor Alex Johnson II asked if the Smiths planned to completely block access from the river. Ruetters said that is a question for the council to address. He asked if the council would like staff to come back with a license to occupy agreement, or whether they would rather consider selling. Konopa said if the City considers selling, any part that was part of the old dump ground should be checked for contamination, as the City could be held liable.

Kellum said he agrees with a license to occupy if we can stipulate that river users can stop and rest on their way, but not allow camping. Konopa said there are a lot of places to rest on the other side of the river. Kellum asked if the property is developable. Ruetters said it's all floodplain.

City Attorney Sean Kidd said normally a license to occupy wouldn't allow the City to police the area. We should consider adding the ability to police to the agreement. He said in order to sell the property, the City will have to work through a lot of issues with the Department of Environmental Quality.

Ruetters said staff will bring the council a license to occupy agreement at a future meeting.

VAN VLEET MEAT COMPANY GRANT REQUEST

4:13 p.m.

Economic Development Manager Seth Sherry said Van Vleet Meat is planning to expand and hire more employees. Economic Development staff is facilitating tonight's discussion at the request of Van Vleet. The loan Van Vleet is requesting would come from the Economic Development Opportunity Fund (Pepsi settlement funds). This funding project will be similar to the one for the Stack project.

Bill Ryals, 935 Jones Avenue NW, handed out copies of an email message (see agenda packet). He said Van Vleet contacted him about two years ago because their business was growing out of their available space. The site is an old one with a lot of deferred maintenance to the street and infrastructure. The City recently vacated the street to Van Vleet. The funding application is in two parts, a loan for the gap between the property appraisal and the projected development cost, and a grant for street and storm drainage improvements. Ryals said City staff has been "fantastic" to work with.

Bill Van Vleet, 7711 NE Logsdon Road, Corvallis, said Van Vleet Meat sells to independent restaurants within a 45-minute radius. The business started in 1978 and had five employees in 1983. Now they have to grow if they want to stay in business.

Korey Van Vleet, 675 SW 56th Street, Corvallis, said the new facility will have 8,500 square feet of cold storage, a four-bay loading dock, and energy-efficient lighting and HVAC. It will be more efficient to operate than the current facility, so they'll be able to stay competitive in the market. They expect to hire two to three new employees in the near future. They currently have 23 employees and offer family wages and benefits.

Ryals said the council is used to seeing him bring "fancy" projects for approval. He feels strongly about this project because the local economy needs a base – more than upscale restaurants and shops. The Albany Revitalization Agency (ARA) has declined to finance deferred maintenance, and the City has deferred maintenance on Ninth Avenue for decades.

Kellum asked, if the City offered a 6% loan, how long would the term be? Bill Van Vleet said 20 years. Johnson II asked if Van Vleet could offer collateral. Van Vleet said they would offer one of their properties. (Their building is on two properties.) They own it free and clear.

Kellum said he isn't sure what loan terms would be appropriate. He doesn't want to compete with local banks, but he does want to help Van Vleet. He would rather not do a grant. Ryals said a grant is a good idea because the infrastructure repair will benefit all the nearby properties, and the city's tax base will grow as they develop, too.

Councilor Bessie Johnson said she likes the idea of improving the whole area.

Konopa said she's hesitant to give grant funds because once that money is gone, it's gone. She asked if any part of the project could be done with CARA funding. Sherry said yes, the property is in the CARA district. Van Vleet chose to start with the council. Konopa asked how much is in the Economic Development Opportunity fund now. Sherry said about \$1 million. This request would use just over half of that.

Kellum said he's okay with loaning from the Economic Development Opportunity fund, because the money will be repaid. If we use this fund right, we could have the money forever. He asked Van Vleet, if the council loans the funds will that cause the bank to loan them less? Van Vleet said no.

MOTION: Johnson II moved to direct staff to come back with proposals for a loan of \$550,000, and for a loan of \$770,000, which would cover the requested grant amount as well. Kellum seconded the motion. The motion passed 4-0.

BUSINESS FROM THE COUNCIL

4:53 p.m.

There was none.

CITY MANAGER REPORT

There was none.

RECESS TO EXECUTIVE SESSION TO CONDUCT DELIBERATIONS WITH PERSONS DESIGNATED BY THE GOVERNING BODY TO CARRY ON LABOR NEGOTIATIONS IN ACCORDANCE WITH ORS 192.660(2)(d).

Konopa read the executive session script.

RECESS: The council recessed into executive session at 4:55 p.m.

RECONVENE: The council reconvened into regular session at 5:17 p.m.

ADJOURNMENT

There being no other business, the meeting was adjourned at 5:17 p.m.

Respectfully submitted,

Reviewed by,

Allison Liesse
Deputy City Clerk

Peter Troedsson
City Manager

Note: Staff handouts referred to in the minutes as (see agenda file) are available on the website in the "Staff Handouts" column.