



APPROVED: October 18, 2006

CITY OF ALBANY
Central Albany Revitalization Area
Advisory Board
City Hall Council Chambers, 333 Broadalbin Street
Wednesday, September 20, 2006
5:15 p.m.

MINUTES

Advisory Board Members present: Chris Norman, Kim Sass, Lisa Bartel, Ray Hilts, Cordell Post, Gordon Kirbey, Doug Killin, Sharon Konopa, Bessie Johnson, Jeff Christman, and Ralph Reid, Jr.

Advisory Board Members absent: Stella Reimers, Chuck McLaran, and Dick Olsen

Staff present: Economic Development Director Dick Ebbert, Assistant City Manager/Chief Financial Officer Susan Busbice and Administrative Assistant Teresa Nix

Others present: Approximately six others in the audience

CALL TO ORDER

Chair Chris Norman called the meeting to order at 5:20 p.m.

APPROVAL OF THE AUGUST 16, 2006, MINUTES – Sharon Konopa requested the following correction: Page 9, the third paragraph, change *Konopa* to *Sass*.

MOTION: Konopa moved to approve the August 16, 2006, minutes with the above correction. Bessie Johnson seconded the motion, and it **passed** unanimously.

SCHEDULED BUSINESS

Business from the Public

None.

Staff Issues

Iron Works Project: David Reese, 150 Calapooia Street, Suite A, provided an update. He said they have closed on the property and have worked out reimbursement details for the public improvements. Walls are being formed in the basement, he said, and decisions are being made regarding finishes. He said building permits for the town houses will be picked up in a day or two, the project is going forward, and it is exciting. Gordon Kirbey noted that the original plan did not include a basement. Reese said the project was originally envisioned as a slab-on-grade project; but after soft spots were found during the soil analysis and after weighing costs to excavate and fill in with rock, it was decided to put in a partial basement. The area will be used as a mechanical room and recycling center.

In response to inquiries from Chair Norman, Reese stated that the project is approximately four months behind the original schedule, that there are no tenants lined up for the office building at this time, and that he expects the construction and increasing activity levels to generate interest. In response to further inquiry from

the Chair, **Glen Rea, 644 Spyglass Court**, reviewed the specifications of the townhomes, noting that there will be seven units, each about 1,780 square feet, with a selling price of about \$280,000.

Jordan Project: Economic Development Director Ebbert said he took a tour last Friday, and he suggested that Board members also tour the project. He said he was impressed with the three upstairs units, which are larger than he had thought, with 11' ceilings and great views.

Flinn Block: Marc Manley, 222 First Avenue, provided a brief update on fire restoration efforts. In response to inquiries from the Board, he said there is no firm date for reopening the restaurant; restoration contractors are preparing bids for demolition of the fire-damaged materials in the restaurant, as well as smoke and odor remediation in the restaurant and offices. He said he hopes to provide additional information at the next meeting.

RFQ - Progress Report

September 21 Meeting with Telos Development and Property Owners: Ebbert reported on the meeting, which was attended by an architect, planner, and financial person from Telos Development, as well as area property owners and CARA Advisory Board Chair Norman. The purpose of the gathering was to share ideas and visions, he said, and Telos expressed appreciation for being able to hear the history of the area as well as the vision for the downtown area. Telos Development has done urban renewal projects in other areas, he said, and showed an interest in the ideas presented. Another meeting is scheduled for next month.

Ebbert noted that Telos did indicate that it would like some assurance that Water Avenue will be improved before building 90 condo units there, and the three property owners also expressed an interest in being able to provide input into the vision for Water Avenue. Norman added that it was good for the property owners to meet with Telos and share ideas and information. He said each owner is a piece of the puzzle and the actions of each will impact the others; working together will help to achieve the desired cohesiveness. He said it is encouraging that this project is starting to move, and he hopes it will now gain momentum.

Ebbert said property owners expressed concerns related to the railroad, as well as security issues associated with the ongoing vandalism. Norman noted that security issues are also of concern to the City and that things should improve once construction is done and eyes are in the area. Brief discussion followed.

Committee Reports

CARA Downtown Building Revitalization and Review Subcommittee

Gordon Kirbey referred to the application for assistance from Flinn Block LLC, included in packets. Chair Norman noted that the subcommittee recommendation was made before the restaurant fire, and he asked if estimates are likely to change. **Marc Manley, 222 First Avenue West**, advised that code-based sprinkler updates will probably cost about \$26,000; insurance coverage for required updates is capped at \$10,000. The bid for sprinklers will probably not change significantly, he said, but the fire has impacted the time line, and he would not mind if the Board wishes to defer until a reconstruction plan can be presented. It was agreed to defer discussion pending additional information.

Kirbey reviewed a recommendation for a \$17,500 loan to **Chuck Swoboda, Vintage Furniture**. He noted that Swoboda has received CARA grants and loans in the amount of \$107,500 and approval of this recommendation would bring him to the \$125,000 maximum. Chair Norman noted that some of the work for which funds have been dispersed has not yet been completed. Ebbert noted that Swoboda encountered some unexpected and significant seismic expenses, as well as time line issues with getting the welding done. Cordell Post said he drives by the site regularly, and he expressed concern about the pace of the improvements. In response to an inquiry from the Chair, Kirbey said the subcommittee discussed the work done to date and were assured that the applicant is doing all he can to comply with CARA guidelines and still

have a viable building; the recommendation passed by a vote of 5 to 0. Killin suggested that this decision be delayed for a month to see if progress is made at the site. Konopa expressed concern about committing additional funds with no time line for completion. It was agreed to hear all of the subcommittee recommendations before deciding on this one.

Kirbey reviewed a recommendation to approve up to \$60,000 in grant funding to **Larry Heer**, who has done an extensive remodel to the upper level of the Oregon Sew and Vac building. The remodel included code-based improvements, he said, including a second exit, fire grade walls, and a stairway. The applicant has completed most of the work, he said, noting that the recommendation is to approve up to \$60,000 in grant funds, subject to the applicant showing \$120,000 in expenditures. In response to inquiries from the Chair, Kirbey said sprinklers were not required in this building since there was no change of use and he is not aware of any seismic upgrades to the building.

Ebbert commented that urban renewal funds are typically used as gap financing, and one question to consider is whether this project could be done without CARA assistance. Bessie Johnson expressed concern about setting a precedence in funding projects that have already been done. Chair Norman added that CARA typically likes to have some control over projects it funds to ensure that they fit the vision for the area. In discussion, Kirbey stated that, as he understands it, the applicant began the work in 1996, but did not feel it was feasible to complete the project at that time based on some issues he had with the City.

MOTION: Ray Hilts moved to not approve this expenditure. Doug Killin seconded the motion.

Lisa Bartel noted that CARA will receive a benefit from this improvement in the way of property taxes and that, had the applicant come forward several months ago, funds would likely have been granted. Kim Sass noted that the streetscape work and supporting activities done to date likely made it viable for the owner to finish the project he had previously started. Bartel suggested that CARA express appreciation for the work done by the applicant and advise that funding may be available for any future projects. Ebbert noted that a renovation on the first floor of the Oregon Sew and Vac building, or another downtown building, may qualify for funding. It was agreed to send a letter to that effect.

The motion **passed** by a vote of 10 to 1, with Kirbey voting no.

Kirbey reviewed a recommendation to grant up to \$1,000 for 50 percent of the cost of a new awning for the **First Round Bar and Grill**. Kirbey said an issue came up during review of this request regarding participation in the Downtown Association Economic Improvement District (EID). He said the First Round building has a long history of opting out of the EID; however, the subcommittee did not feel it could base decisions on that issue retroactively. The subcommittee makes a separate recommendation that buildings within the subject area be required to participate in the EID in order to receive CARA funding.

Brief discussion followed regarding the EID, which is administered by the Downtown Association, and Chair Norman stated for the record that Rick Rogers, President of the Downtown Association, is also a member of the subcommittee.

MOTION: Cordell Post moved to recommend funding of up to \$1,000 for 50 percent of the cost of an awning at the First Round Bar and Grill. Lisa Bartel seconded the motion, and it **passed** by a vote of 10 to 1, with Ralph Reid, Jr., voting no.

The Chair returned discussion to the request from Vintage Furniture. Several Board members expressed an interest in holding further funding until progress can be seen at the site. Discussion followed regarding expectations and how they should be conveyed to the applicant.

Killin said he would be willing to consider further funding after the projects for which funding has already been distributed have been completed. Kirbey said the applicant cited seismic expenses as an issue, but he

does not know whether the entire \$60,000 request is associated with that unexpected expense. Bartel expressed concern that the project may not be completed if additional funding is not provided; Post said he does not think CARA funding should be based on that contingency. Chair Norman noted that it may be more cost effective to do the additional work while the walls are open. Jeff Christman said the purpose of CARA, as he interprets it, is to encourage and help where it can, and not to be an insurance policy for unexpected costs. He said property owners and investors must have some responsibility and accountability, and it is not unusual to encounter unexpected expenses in a project of this size. He said he agrees with comments that the existing project should be finished before additional funding is considered. In response to an inquiry from the Chair, Kirbey said the applicant appeared open and forthright about his experiences and seemed committed to the project. In discussion, questions arose about the original request from this applicant and the scope of work for which funding was dispersed.

MOTION: Lisa Bartel moved to delay discussion on the Vintage Furniture request for one month, pending receipt of additional information. Ralph Reid, Jr. seconded the motion.

Bartel asked whether the applicant could be asked to attend the next Advisory Board meeting. Chair Norman said the applicant has already talked with the experts on the subcommittee, and it may not be time effective to repeat those discussions with the full Board. Post suggested that the subcommittee talk with the applicant about possible milestones and time line. Staff agreed to provide a copy of the original application, to make a site visit, and to report on what has been accomplished at the site since the initial funding was dispersed.

Reid withdrew his second. Killin seconded the motion, and it **passed** unanimously.

Finance Subcommittee

Recommendation regarding CARA Agency grant and loan policy: Jeff Christman noted previous discussions about policies and procedures and a request that the Finance Subcommittee make a recommendation on this issue. He said the Finance Subcommittee, with help from staff and input from the City Attorney, drafted a resolution. He reviewed the draft *CARA Agency Resolution and Addition/Revisions to the Proposed CARA Agency Grant and Loan Policy*, outlined in a memo from Finance Officer Busbice, dated September 15, 2006.

Christman noted that Item 6 of the resolution should be revised to read: *All CARA Agency loans will be secured with personal guarantees from the applicants including shareholders, or members if applicant is a corporation or LLC. Trust deeds may also be required to provide adequate security to the CARA Agency.* He further noted that Item 7 should read that the maximum is *\$125,000 per tax lot*. Discussion followed regarding payback terms, as outlined in the staff memorandum, and Reid suggested that 7b and 7c be combined into one statement.

Christman reviewed new Item 14, as outlined in the staff memorandum, and Post noted that there should also be a new Item 15 which states that the applicant will be current on all property taxes and will be a member of the EID. Johnson asked that the item stipulate the owner be current on all taxes, including personal property taxes.

Discussion followed regarding the proposed EID membership requirement. Christman said the subcommittee did not discuss the merits of the EID but felt that if it is important to downtown, it is important to CARA.

MOTION: Christman moved to recommend that the Agency accept the CARA Agency Resolution with the changes proposed this evening. Post seconded the motion.

Christman said he thinks this moves CARA forward to handling things in more professional way. He thanked Ebbert and Busbice for their efforts.

Killin said he will support this motion, but he would like to see the final document before Agency approval.

The motion **passed** unanimously.

Johnson said it would be helpful to see original applications and contracts when considering second requests from applicants. Konopa asked that the financial report be heard before allocation requests on future agendas.

NEXT MEETING

The next meeting of the CARA Advisory Board is scheduled for Wednesday, October 18, 2006, at 5:15 p.m. in Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Norman adjourned the meeting at 7:33 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Administrative Assistant

Dick Ebbert
Economic Development Director