



APPROVED: March 19, 2008

**CITY OF ALBANY**  
**Central Albany Revitalization Area**  
**Advisory Board**  
**City Hall Council Chambers, 333 Broadalbin Street SW**  
**Wednesday, February 20, 2008**

**MINUTES**

Advisory Board Members present: Chris Norman, Dan Bedore, Jeff Christman, Floyd Collins, Loyd Henion, Oscar Hult, Bessie Johnson, Gordon Kirbey, Sharon Konopa, Ray Kopczynski, Dick Olsen, Cordell Post, Ralph Reid, Jr., Kim Sass

Advisory Board Members absent: None.

Staff present: City Manager Wes Hare, Urban Renewal Coordinator Kate Porsche, Administrative Assistant Teresa Nix

Others present: Approximately 10 others in the audience

**CALL TO ORDER**

Chair Chris Norman called the meeting to order at 5:17 p.m.

**APPROVAL OF MINUTES**

January 16, 2008

**MOTION:** Ray Kopczynski moved to approve the January 16 minutes as presented. Dan Bedore seconded the motion, and it **passed** unanimously.

**SCHEDULED BUSINESS**

Business from the Public

Rick Mikesell, 305 Salem Avenue SE, provided an update on the JC Penney building remodel. He has been cleaning out the basement and trying to determine the level of dry rot and water damage. He will be meeting with City staff over the next month to discuss several issues, including the void under the sidewalk, the alleyway, the parking lot, and the need for upgraded utilities for a restaurant. He said he will come to CARA with a full presentation after he has a better idea of the costs and issues. He introduced architect Bill Ryals.

Bill Ryals, 935 Jones Avenue NW, expressed appreciation to Urban Renewal Coordinator Kate Porsche for her assistance. He said the JC Penney building is very prominent and was the anchor tenant at the time it was built. Using the overhead, he showed photographs and graphics of the front and back of the building in its historic, current, and potential states. He reviewed the need for updated service access and utilities and stated that the back parking lot will be essential if this building and adjacent buildings are to be viable. He showed a potential streetscape plan on the overhead and said the developer will work with the City on a solution for the void under the sidewalk. If the developer is required to address that situation, he said that the most economical solution will not allow for the tree wells and other features shown in the streetscape plan. He reviewed potential interior layouts for each floor.

City Manager Wes Hare related feedback he has received regarding CARA's work. He said he talked with a colleague who advised that Downtown Albany was used as an example of a community doing positive things at an Oregon Economic and Community Development meeting. He added that he took a friend of his, who is originally from Russia and is now a city official in California, on a tour of Downtown Albany and received very positive feedback, particularly with regard to the Carousel project.

#### Appointment of CARA Advisory Board Member to the CARA Small Grant Subcommittee

**MOTION:** Gordon Kirbey moved to appoint Oscar Hult to the Small Grant Subcommittee. Bessie Johnson seconded the motion, and it **passed** unanimously.

#### Appointments to the CARA Small Grant Subcommittee

**MOTION:** Kirbey moved to reappoint Rebecca Bond and Rick Rogers to the Small Grant Subcommittee. Cordell Post seconded the motion, and it **passed** unanimously.

#### Budget and Cash-Flow Update

Porsche advised that CARA has just under \$1.2 million in available funds for grants, loans, and development partnerships over the next two years. She will provide a longer term cash flow analysis, including an estimate of tax increment and incoming loan payments, at the March meeting.

#### Lepman/Willamette Seed Building

Porsche noted that CARA previously directed staff to research any legal obligations to Scott Lepman with regard to the Willamette Seed Building. She distributed a letter from City Attorney Jim Delapoer to Lepman's attorney, Edward Schultz. The Board took several minutes to read the letter. Porsche summarized that the City Attorney has advised that there is no standing contract with Lepman and has suggested that staff be directed to work with him and his representative over the next 30 days in an attempt to reach an agreement on a new proposal.

Floyd Collins advised that he previously performed services for Mr. Lepman on this project; therefore, he will refrain from participating in these discussions.

Scott Lepman, 100 Ferry Street SW, expressed concern about issues related to development of this site and other sites on the north side of Water Avenue, particularly the rail crossing and unknowns about what will be required by ODOT Rail. He said he appreciates CARA's support, but he is reluctant to commit to a contract until these issues are understood. He said he will be meeting with City staff and David Johnson, who owns the property adjacent to his, to discuss these issues. Porsche said this meeting will take place within the next couple of weeks, and she will report back at the next meeting.

City Manager Hare added that ODOT Rail has previously indicated that the City would not be required to install crossing improvements unless it proposed to change a crossing. This statement has been used as a basis for assuming that redevelopment could occur on Water Avenue without the need to install expensive crossing guards. He said the crossings are not heavily used, and there is no logical reason that guards would need to be installed. He said it has been hard to get clear direction from ODOT Rail, and he understands the frustration regarding the lack of certainty.

#### Vaughan/532 Baker Street SE

Porsche summarized the staff report and the application for a \$25,000 grant to help offset the costs of historic rehabilitation of this property. Chair Norman said he would like to first consider whether CARA wants to consider funding single-family residential projects, which would certainly set a precedent. If a decision is made to go down that path, he said that it would be important to establish specific criteria.

Bedore stated that considering the scale of this project and its current condition, this rehabilitation will serve to clean up blight. He said that the house is worth saving and that this is a reasonable request which he will support.

Kirbey recalled that this building has been used to house multiple tenants in the past. Porsche advised that the house is zoned for single-family residential and that the previous multifamily use was not legal.

Jeff Christman said he is not opposed to providing some funding for single-family residential, but he feels that the first step is to define a process and to include a smaller dollar limit and a separate set of criteria. Kopczyński said it is within the Board's mandate to address residential blight and this could be a phenomenal project to showcase that part of CARA's mission. He agreed that a process should be defined, and he expressed support for starting that process.

Porsche reviewed a suggestion to establish a process similar to the Small Grant Subcommittee to include a separate pot of money and an annual or semiannual competitive grant process. Kim Sass expressed support for the idea and suggested that a separate group be assigned to review those requests.

Collins stated that, since the tax freeze on historic homes would prevent CARA from receiving any tax increment, it may be more appropriate to make assistance on single-family residential in the form of loans rather than grants. Porsche stated that it can be difficult to get financing to rehabilitate blighted historic homes and that a loan program might be very helpful.

Ralph Reid, Jr., expressed concern that subdividing CARA's limited funds will impact the ability to do streetscape and other projects that benefit the entire area. He said he cannot support this proposal.

Brief discussion followed regarding the life span of the urban renewal district. Porsche said the district will be in place until it has borrowed and paid back its maximum indebtedness of \$56 million. This is estimated to be in 2026-27. Several Board members recalled previous information that this was a 20-year district. Porsche agreed to research and provide additional information.

In response to an inquiry from Dick Olsen, Porsche acknowledged that the Baker Street house has a Notice of Order with an aggressive time line for rehabilitation. Olsen expressed concern about the impact of waiting to act on Vaughan's request.

Tim Vaughan, 1165 Hazel Street, Jefferson, addressed the Board. He reviewed the condition of the property when he acquired it and the work done to date. In response to an inquiry from the Chair, he said it would be fine if the Board makes a decision on his request next month.

There was general agreement to table this request and to direct Porsche to use the feedback provided to develop a proposed process for single-family residential projects to be considered at the next meeting. Brief discussion followed regarding how the tax freeze is handled when a property is sold. Porsche agreed to research and include that information in her analysis.

#### WDS/Book Bin Status

Porsche advised that Tim Smith, who was working with CARA on the WDS request, is no longer working for that firm. She also received information from the company's Web site that an audit was being conducted and that the Book Bin building was for sale. An investigation showed that WDS does not own the building and, subsequently, the purported owner of the building called and indicated that the building was not for sale. The City Attorney has recommended that staff send a letter to WDS requesting proof of ownership within two weeks. If proof is not provided, then he recommends that CARA revoke its grant and loan offer. The letter is drafted and ready to go out tomorrow. Brief discussion followed.

Hare said that one of the values of CARA is its flexibility to respond to opportunities. He said that there are processes in place to protect these public funds and he would not suggest encumbering resources to the point that they are no longer flexible and responsive to opportunity. Porsche added that due diligence processes currently in place include checking property ownership, liens on property, and credit reports and exist to better protect the public's funds.

### Project Review

Porsche reviewed *CARA Project Overview, February 20, 2008*, on the overhead. She noted that CARA currently has tax increment income of about \$975,000 per year. To date, CARA has spent about \$8.9 million on projects, including grants, loans, and developer assistance, as well as the Carousel project, low-income elderly housing, streetscape, and other projects. She showed before and after photographs and reviewed the status of projects as follows:

**Ames Building:** The owner is working with architect Rob Dortignacq on elevator placement options. He has completed the facade on the east side and is in early negotiations with a restaurateur.

**Flinn Building:** The owner is finishing the engineering drawings, lighting plan, and kitchen layout. Plans are moving forward to market the restaurant space.

**Oregon Furniture Mart:** The storefront windows on the west side, the second floor windows on the west and north sides, and the roof are done. The first and second floors are being sheetrocked, after which the owner will apply for certificates of occupancy. The CARA contract expired in January. Porsche suggested that the owner be asked to come back in March to formally request an extension.

In discussion, she advised that the contract allows CARA to revoke funding if work is not done within the time specified, but the Board has been willing to grant extensions in the past. She affirmed that this applicant has already been granted one extension. She said that he is doing a lot of the work himself and that he is making good progress. It was agreed to put this item on the next agenda.

**Cusick Bank Building:** The storefront is completed and a new high-end Italian restaurant is expected to open soon. Rehabilitation of the corner building is now underway.

**Sears Building:** Exterior painting, storefront windows, and the back gutters are done. The basement is cleaned and prepped and the owner is working with Dortignacq on a floor plan.

**Viper NW:** This project is in the final stages. Landscaping and fencing are still to be completed.

**Labor Temple Building:** The owner is working with the City Planning Department and Landmarks Advisory Commission on an additional egress from the basement floor. Final plans have been submitted for the Third Avenue Townhomes and there has already been buyer interest.

**Washington Studio Apartments:** Work is ongoing. The owner is gathering bids and getting permits for the phases that will involve CARA funds.

**Lanham Project:** The asbestos removal is completed, and painting is underway.

**Montgomery Park:** The office building is done, and most of it is rented out.

**Foundry Lofts Apartments:** The siding is up, and the interior plumbing and electrical are underway.

**Glen Rea Townhomes:** Three of the seven townhomes are sold, and the remainder are being aggressively marketed.

**Wheelhouse:** The design plans were reviewed by George Crandall, who expressed general approval. Crandall had one minor suggestion which was passed along to the owner. The walking path will be relocated by this October.

**RCM Homes:** The owners have reached an agreement with the railroad to purchase the small piece of property. The contract is set to close by the end of the month, and the owners are ready to begin site cleanup. The CARA contract has been drafted and reviewed by the City Attorney.

Staff Updates and Issues

Porsche provided an update on the Small Grant Subcommittee process. Applications will be brought to the Board for final approval in April.

Porsche said she has been considering ways to incorporate sustainability into CARA's processes. She said architect Bill Ryals suggested the possibility of setting aside a small pot of money to assist people through the process of having their buildings LEEDS certified. She offered to research this further and bring back additional information for consideration. Sass suggested that the process not necessarily be tied to LEEDS. In discussion, Hare briefly reviewed City efforts related to sustainability. Porsche will provide additional information on possible concepts.

**BUSINESS FROM THE BOARD**

None.

**NEXT MEETING DATE**

The next meeting of the CARA Advisory Board is scheduled for Wednesday, March 19, 2008, at 5:15 p.m. in the Council Chambers.

**ADJOURNMENT**

Hearing no further business, Chair Norman adjourned the meeting at 7:05 p.m.

Submitted by,

Reviewed by,

*Signature on File*

*Signature on File*

Teresa Nix  
Administrative Assistant

Kate Porsche  
Urban Renewal Coordinator