



NOTICE OF PUBLIC MEETING

CENTRAL ALBANY REVITALIZATION AREA ADVISORY BOARD

City Hall, Council Chambers

Wednesday, July 16, 2008

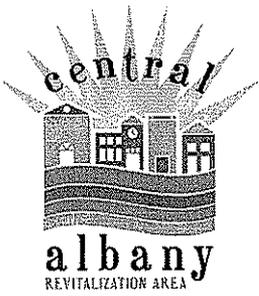
5:15 p.m.

AGENDA

1. CALL TO ORDER (Chair Norman)
2. ROLL CALL
3. APPROVAL OF MINUTES
➤ June 18, 2008. [Pages 1-5]
Action: _____
4. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. Cash-flow update. [Page 6] (Porsche)
Action: _____
 - c. Funding Request: David Johnson, Developer Partnership, \$302,750. [Pages 7-24] (Porsche/Applicant)
Action: _____
 - d. Funding Request: Glen Rea, Short-Term Loan, \$240,000. [Pages 25-28] (Porsche/Applicant)
Action: _____
 - e. Discussion: CARA Review Criteria. [Pages 29-30] (Porsche/Applicant)
Action: _____
 - e. Staff updates and issues. [Verbal] (Porsche)
Action: _____
5. BUSINESS FROM THE BOARD
6. NEXT MEETING DATE: *Next regular meeting Wednesday, August 20, 2008*
7. ADJOURNMENT

City of Albany Web site: www.cityofalbany.net

The location of the meeting/hearing is accessible to the disabled. If you need special accommodations to attend or participate, please notify the Human Resources Department in advance by calling (541) 917-7500.



APPROVED: _____

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, June 18, 2008

MINUTES

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

Advisory Board Members absent: Oscar Hult and Dick Olsen

Staff present: Urban Renewal Coordinator Kate Porsche, Administrative Assistant Teresa Nix

Others present: Three others in the audience

CALL TO ORDER

Chair Chris Norman called the meeting to order at 5:15 p.m.

APPROVAL OF MINUTES

May 21, 2008

MOTION: Dan Bedore moved to approve the May 21 minutes as presented. Kim Sass seconded the motion, and it **passed** unanimously with Cordell Post abstaining.

SCHEDULED BUSINESS

Business from the Public

None.

Cash-Flow Update

Urban Renewal Coordinator Kate Porsche gave a brief verbal cash-flow update. She stated that CARA currently has approximately \$934,000 available. She will provide a more detailed update at the next meeting.

Funding Request: Baldwin Construction, Matching Grant \$20,000

Porsche drew attention to photographs of the site and surrounding areas submitted by Yohn Baldwin in response to requests made by the Board at the last meeting.

Yohn Baldwin, 1807 Marion SE, came forward to answer questions from the Board. He stated that the grant would help pay for sidewalks, landscaping, and asphalt required by the City. Landscaping will be planted to mitigate aesthetic impacts of the security fence. The asphalt is needed to address City parking requirements. In response to inquiries from the Board regarding the timing of the request, Baldwin explained that he had been planning improvements to the building for a couple of years and had been working with City staff on zoning and occupancy issues. His budgeting was insufficient to cover all of the City requirements, and staff recently indicated that CARA might help with some of the costs. He had not started the work at the time that he first contacted Porsche but has since had to proceed with some of the work in order to get it done prior to the busy time for his business.

Floyd Collins asked at what point a business remodel triggers a reassessment that would allow CARA to receive tax increment. Porsche said the assessor's office would likely do a reassessment once the inspections have been completed; additional taxes would likely be received in 2009. Baldwin clarified that he is not currently using the building and that he will not be allowed to move back in until he is issued a new certificate of occupancy.

Porsche stated that the professional services portion of the application is intended for applicants who require architectural assistance from Rob Dortignacq. Baldwin stated that he had misunderstood the intent of that line item and the amount listed refers to professional services he has already received. He affirmed that the services he has not yet completed are listed on page 16 of the application. They include landscaping (\$7,450), sidewalks (\$9,200), and asphalt (\$5,325) for a total of \$21,975.

Norman noted that CARA guidelines would allow for funding of up to 50 percent of the total amount of the uncompleted work. He said the question is whether the request meets CARA's objectives, goals, and criteria.

Sharon Konopa stated that the site is not in CARA's core area, but it is included in the CARA district. She said that she is not comfortable funding the landscaping or asphalt but she could support helping with sidewalk expenses.

Baldwin clarified that the landscaping would include the grass strip between the sidewalk and the curb, as well as a berm to mitigate aesthetic issues presented by the security fence.

Sass noted that the total cost for the uncompleted work is \$21,975. She suggested that CARA provide \$10,000 to be used for sidewalk expenses.

MOTION: Sass moved to provide a matching grant in the amount of \$10,000 to be used for sidewalk expenses. Bedore seconded the motion, and it **passed** by a majority vote with Ralph Reid, Jr., and Ray Kopczynski voting no.

Discussion: CARA Review Criteria

Porsche drew attention to the staff report and spreadsheet distributed in packets. She noted that the spreadsheet includes a proposed point system for staff to use to determine which projects come to CARA and for the Board to use as a decision-making tool. The proposed point system is meant as a beginning point for discussions.

Porsche distributed and briefly reviewed *CARA Projects by Status 6/18/2008*, *CARA Projects by % of Investment*, *CARA Projects by Tax Increment ROI*, *Table 2 Project Activities and Costs*, and *CARA Review Criteria Draft*. She showed several graphs on the overhead projector, including a graph indicating a steady increase in CARA tax increment from the beginning of the urban renewal district to the present, a graph showing that 64 percent of CARA projects are tax increment generating and that 36 percent are non-tax increment generating, and a graph showing a breakout by CARA funding types – historic, nonprofit, and tax increment generating.

Reid asked if the percentages in the graphs include the streetscape. Porsche said no; the analysis only includes businesses that have received funds. She acknowledged that inclusion of the streetscape would significantly increase the percentage of non-tax increment generating projects.

Collins said that he sees Table 2 as a guiding document. He suggested that a submitted project could be reviewed against the table to determine whether it is qualifying. If so, it could then be determined what category the project falls under, how much CARA has already done in that category, and whether more needs to be done in that category. He said he would prefer loans that are forgivable with certain criteria rather than grants.

Bessie Johnson suggested that the Board think about moving forward on a downtown parking structure. She said there is already the beginning of a parking problem in the area, and she thinks it is important to take care of current and future parking issues.

Norman stated that he would like to consider which projects CARA has participated in that have made a big impact. One project is the Jordon building, which is the first thing that people see when they come off the bridge. He asked what other projects might be done that would make a big impact and whether the Board wants to consider any property acquisition.

Konopa said First Avenue is what comes to her mind when asked about accomplishments in the urban renewal district. She said that good things have been done in this core area which are leading to things like the new restaurants coming in. She said she likes the idea of a point system and agrees that weight should be given to projects in the focus area.

Porsche said that she has done some research on parking structures and found that costs generally run between \$7,000 and \$33,000 per parking space. Roseburg constructed a parking structure with the thought that businesses would come, and they are now in debt for a structure that is not highly used. She said the tax increment will continue to increase, and she thinks it would be good to plan and prepare for a parking structure as a long-term project.

Porsche stated that urban renewal districts often target funds toward specific buildings or specific types of businesses. One key building might be the St. Francis Hotel. Types of businesses that might be considered could include a pharmacy or grocery store. Sass said that there are two pharmacies within walking distance of downtown. She said these types of businesses will come to the area when it is profitable to do so.

Jeff Christman agreed. He said the potential profitability of a grocery store is based on the number of houses in a geographical location. He thinks it is important not to build infrastructure until it will be used. He agreed that the St. Francis Hotel would be a good project, but he would prefer to encourage development as opposed to having CARA acquire the building. He said that he likes the idea of a point system, but he feels the weight may need to go more toward developer assistance.

Norman agreed that CARA cannot dictate what the market will support. Loyd Henion said that timing is everything – there will be a time when a parking structure, grocery, and pharmacy are needed; and the market will dictate these developments as more people move downtown. Brief discussion followed.

Norman said that his goal for tonight is to identify ways for staff to better preview projects that come before CARA, using a point system, a project table, or some combination thereof.

Bedore suggested that consideration be given to funding infrastructure to assist developers. Collins said that he supports that concept. He said that CARA needs to be aware of potential bottlenecks that are stopping development and consider whether it wants to help in those areas.

Bedore stated that parking downtown is already somewhat inconvenient and that people coming to eat at the restaurants are not going to want to park several blocks away. He thinks additional parking will be needed sooner than some people think.

Sass suggested that the City consider a partnership with Linn County to develop parking on the property across from the Library. She related conversations she has had with fire officials who have a vision of relocating Fire Station #1 near the river. The Station could be constructed to resemble an old fashioned station and could include a fire museum, adding to the cultural richness of the town.

Porsche reviewed the proposed point system and explained how she came up with the draft numbers using aspects CARA has considered in the past. She noted that the spreadsheet shows how current projects would rate using the proposed point system.

Konopa suggested that the point system should give more weight to severe blight. She said perhaps points could be taken off of the target area or target project category which is similar to the focus area.

Bedore agreed that elimination of blight is undervalued on the spreadsheet and stated that the points given to job creation are also relatively low. He said the matrix seems heavy on housing, and he thinks there should be more emphasis on mixed use. He said that job retention might be another way to increase points for economic development activities. Norman stated that CARA does not really have the means to determine what a business will do in terms of job creation or retention.

Christman noted that some projects of value would not rate very high using the proposed point system. For instance, Viper NW would receive only 30 out of 150 points. If the threshold was set at 40 points, for example, a project like Viper NW would not even come before CARA. Gordon Kirbey said that it is his opinion that Viper NW is one of the best projects CARA has participated in. He thinks the point system needs to be flexible enough that this type of project would come forward.

Konopa noted that many of the projects that CARA has supported do involve job creation. She asked what would help Porsche determine which projects should come forward. Porsche said she is looking for a tool that empowers her to say that certain projects do not meet CARA's criteria. She affirmed that it would be helpful if CARA were to establish a minimum threshold of points as part of this tool. Norman asked if there would be an appeal process. Porsche said that there should probably be one established.

Collins suggested that Porsche provide information about the criteria used by other urban renewal districts. Porsche noted that the Salem district has stringent criteria and funds are allocated when applicants meet those criteria. The Board focuses more on policy setting than individual funding decisions. She agreed to do more research on the criteria used by other urban renewal districts.

Collins noted that businesses are more likely to come to Albany if CARA retains the flexibility to move quickly. Norman agreed that this has been identified as one of CARA's strengths.

Porsche invited Board members to submit suggested changes to the proposed point system. She will look for patterns and come back with a revised proposal.

Henion said that the spreadsheet is a good start, and he expressed appreciation for the good work done by staff.

Staff Updates and Issues

None.

BUSINESS FROM THE BOARD

Kirbey said that the new Italian restaurant on First Avenue has added energy and activity to the downtown area, especially in the evening hours.

Norman said that he has been Chair of this Board for several years. He suggested that the next meeting agenda include a discussion and possible nominations for a Vice Chair, with the goal of that person taking over as Chair in the fall.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board will be held on Wednesday, July 16, 2008, at 5:15 p.m. in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Norman adjourned the meeting at 7:00 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Administrative Assistant

Kate Porsche
Urban Renewal Coordinator

June 16, 2008 CARA Funds Available

Project	Grant	Loan	Total	Funds Balance
				\$ 1,972,200
Ironworks	\$ 73,000			\$ 1,899,200
David Johnson	\$ 442,000		\$ 442,000	\$ 1,457,200
(\$200K delayed until 2009 - TOTAL = \$642,000)				
Lanham	\$ 14,000		\$ 14,000	\$ 1,443,200
Manley	\$ 152,000	\$ 148,000	\$ 300,000	\$ 1,143,200
Marshall	\$ 20,400		\$ 20,400	\$ 1,122,800
Phillips	\$ 151,000		\$ 151,000	\$ 971,800
Bookbin	\$ 60,000	\$ 297,000	\$ 357,000	\$ 614,800
			\$ 1,284,400	\$ (669,600)
<u>December Analysis</u>				
Ironworks Credit for 2008-09 Rent Guarantee			\$ (180,000.00)	\$ 794,800.00
<u>RCM Homes SDC's</u>				
Free up SDC's (less 1 year reserve)			\$ (708,282.00)	\$ 1,503,082.00
<u>December Allocations</u>				
Manley - Flinn/Ames Elevator			\$ 165,000.00	
Olivetti - 240 1st Ave			\$ 158,475.00	
				\$ 1,179,607.00
<u>February</u>				
Mexico Early Loan Payoff			\$ (31,218.52)	\$ 1,210,825.52
<u>March</u>				
Return of Book Bin Funds	\$ (60,000.00)	\$ (297,000.00)	\$ (357,000.00)	
				\$ 1,567,825.52
<u>April</u>				
Habitat for Humanity	\$ (62,385.00)			
Hydration Technologies	\$ (162,270.00)			
JC Penny Building	\$ (742,000.00)			
JC Penny Sidewalk	\$ (5,700.00)			
				\$ 595,471
<u>May</u>				
Return of Lepman Funds	\$ 758,886.00			
Calapooia Brewing	\$ (55,000.00)			
Marshall Ph. II	\$ (18,637.00)			
Residential Funding	\$ (75,000.00)			
Throop	\$ (298,500.00)			
				\$ 907,219.52
<u>June</u>				
Yohn Baldwin	\$ (20,000.00)			
				\$ 887,219.52



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *Kate*
DATE: July 10, 2008, for July 16, 2008, CARA Advisory Board Meeting
SUBJECT: David Johnson Developer Partnership Grant Request

David Johnson, developer of the Wheelhouse project, is coming before you to discuss the possibility of a Developer Partnership to assist his project with the costs of bringing sewer and water lines up Jackson Street.

As you may recall, Mr. Johnson had come before you in late 2007 to request funds for his mixed-use project on the site of the old Buzzsaw restaurant. At that meeting, you agreed to enter into a partnership with him to assist with \$642,000 of his \$6.9 million dollar project. At the time we were talking with Mr. Johnson, funds had also been granted the adjacent property, owned by Scott Lepman, for the purpose of, among other things, assist with the costs of bringing water and sewer lines up the street which would make both lots buildable. Since that time, Mr. Lepman gave back his commitment for funds since he was not able to move forward in the timeframe he had originally anticipated. This change has left Mr. Johnson with the unanticipated expense of bringing the utilities up the street.

Proposal

Mr. Johnson is requesting your assistance in helping to fund the cost of bringing a water and sewer line up Jackson Street. His total request is for \$302,750. It is important to note that this amount benefits both his property and the property to the east, making them both development-ready. Because these public improvements would benefit both properties, I think it's important to consider the total possible benefit to CARA. Mr. Johnson's project is estimated to have a value of \$6.9 million, as mentioned earlier. If Mr. Lepman were to move forward with his project at some point in the future, it would have an estimated value of \$3.2 million, bringing the total estimated value for both projects to just over \$10 million.

Additionally, I'd like to point out that Mr. Johnson has specified that the amount requested will be considered a "not to exceed amount," which is to say that if the costs run higher, he will absorb them. Likewise, Mr. Johnson has stipulated that if the project runs less he will return any unused portion to CARA.

Finally, I'd like to point out that the portion of funds that had been allocated for Mr. Lepman's project for this same utility work equaled \$320,000. Interestingly, the main cost is borne by whoever it is that develops first. In this case, the \$302,750 will cover costs for both sites. Please see Mr. Johnson's attached application and report for more information.

Total Request: \$302,750 Developer Partnership for infrastructure improvements

Item #	Item	Description	Comments
A)	CARA Goal & Objectives	How does it further the CARA Goal and Objectives?	<p><i>CARA Additional Objectives:</i></p> <ul style="list-style-type: none"> ◆ Provide a safe and convenient transportation network that encourages pedestrian & bicycle access to and within the town center. ◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses. ◆ Provide an enriching environment and livable neighborhoods.
B)	Financial Impacts	What is the financial risk and financial benefit to CARA?	CARA has approximately \$880,000 left for the next year or so. This would bring the balance down to about \$580,000.
C)	Private Risk	Is this a "first-in" project or an untried type of development?	Though this is not technically a "first-in" project in the east waterfront area it is still fairly early in that area. Development is not yet happening on its own. This would be a new and different development for our waterfront and it should be noted that these funds benefit both lots.
D)	Gap	What is the "Gap" or need of the developer?	These costs were unanticipated by the developer since there were funds previously in place (from CARA), which would have completed this infrastructure work.

E)	Blight	Would it remedy a severely blighted building? How?	The Wheelhouse project overall would eliminate the vacant, dilapidated and vandalized old Buzzsaw restaurant and in its place put a four-story, architecturally-compatible office building with a large restaurant on the first floor. Additionally, the absence of utilities is considered a type of blight, which this part of the funding would specifically address.
F)	Vitality	Would it serve as a people-attractor or as an anchor for the initial focus area?	Yes. The restaurant and retail space on the first floor will be an attractant during working and non-working (i.e. evenings and weekends) hours. The office space will bring more working people to the area as well.
G)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	No.
H)	Adaptability	Would it be developed in a way that ensures it is well used over time	Yes. There is flexibility in how the first floor and upper floors could be used.
I)	Development Pattern	Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?	Yes. This project would bring a mixed-use component to our east waterfront area. Additionally it meets CARA's transportation objectives by relocating part of the pedestrian path to be along the water, thus creating a more straightforward path and creating continuity with the rest of the path.
J)	Sustainability	How does it meet the Governor's Objectives for Sustainable Communities? (Environmental, Economic Development, Community/Social)	This project would have an economic impact on the area by bringing more small business and professional businesses to the core of our city. Additionally, the creation of a large restaurant in the east riverfront is an upgrade for the community.

Here's a summary of the project costs and return:

Proposed CARA Investment	\$302,750
Total Project Value (both projects)	\$10,000,000
ROI on TIF	Year 7
CARA % of investment	9%
Ratio Public : Private \$\$	\$1 : \$10.58

KCP:ldh



Developer Partnership

APPLICATION

1. APPLICANT

Name: David Johnson, Ohanamula LLC _____

Address: 7885 NE Todd Dr., Corvallis OR _____

Zip Code: 97330 _____

Contact Name: David Johnson _____

Fax Number: 541-745-3567 _____ Email Address: djab12345@msn.com _____

Legal Form: Sole Proprietorship Partnership

Corporation: Profit Non-Profit

In which State are the incorporation and/or organization documents filed? Oregon _____

Social Security Number/Tax Identification Number: [REDACTED] _____

Birthdate: [REDACTED] _____

2. BUILDING/BUSINESS INFORMATION

Name: Wheelhouse _____

Address: 421 Water Ave NE _____ Zip Code: 97321 _____

Legal Description: _____

Property Tax Account Number: 0082996 _____

3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: _____

Contact Name: _____

Address: _____

Zip Code: _____

Phone Number: _____

4. AUTHORIZATION TO UNDERTAKE WORK:

If the applicant is not the owner of the property, provide written evidence that the owner authorizes this work to be undertaken. (Typically this is in the form of a lease or other written permission).

5. DESCRIPTION OF PROJECT

Our company proposes to build a twenty four thousand square foot, four story, multi-use complex. The first floor would include a restaurant overlooking the river and any additional space not occupied by the restaurant would be available for retail or professional offices. The top three floors would be class "A" office or professional services. The building would be design so as to fit into the Albany historic architecture. This project we will bring utilities into the site that are capable of covering the needs for this property and any proposed building on the lot to the east of Jackson Street. In addition Jackson street north of the Water Avenue will be upgrade as per the plans included so as to provide both vehicular access and pedestrian access to the sites and riverwalk.

6. ESTIMATED COST OF PROJECT:(S)

421 WATER AVE. WHEELHOUSE \$5,097,105.00 (BUILDING SHELL ONLY) ESTIMATED VALUE OF PROJECTS UPON COMPLETION: \$6,992,055.00 (INCLUDES BUILDING, TENANT IMPROVEMENTS, AND PERSONAL PROPERTY) Basis for valuation and value upon completion: Building cost estimates submitted by T. Gerding Construction of Corvallis Oregon. A licensed contractor.

521 Water Ave As per public records this project is estimated to cost \$3,200,000.00. The value of this project is only an estimate as no plans have been submitted for the project.

Total Cost of both projects serviced by this improvement. \$10,192,055.00

7. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? Chris Giggy of T. Gerding Construction prepared the Wheelhouse estimates. The estimates for the 521 Water Ave project are obtained from public records submitted by Scott Lepman to the CARA Board previously.

(If applicant prepared their own estimate, objective verification may be required.)

Address: P.O. Box 1082 Corvallis OR 97330

Phone Number: 541-753-2012 Email Address: cgiggy@tgerding.com

8. IN ADDITION TO THE PROPOSED IMPROVEMENTS, IS THERE OTHER WORK PROPOSED?

Yes No

ESTIMATED ADDITIONAL COSTS: \$

TOTAL ESTIMATED COST OF ALL WORK: \$

9. CONSIDERING THE LIST OF PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA

1. The new building would bring additional tax revenue to Albany
2. Utilities would be brought into this site and the eastern lot.
3. Jackson Street would be improved so as to make this project and the site to the east of Jackson Street more accessible for vehicles and pedestrians.
4. We would be removing a blighted building from the community. (The Buzzsaw building)
5. The walking and bike path would be rerouted along the river.
6. We would be bringing development to an area that is not being utilized in Albany.
7. The building would fit into the historic look of Albany.
8. We would create a gathering place for Albany residence that would keep them in the downtown after business hours.

9. The complex in conjunction with other developments in the area would encourage walking and bike riding rather than vehicular transportation.

10. AMOUNT OF MATCHING FUNDS

\$6,350,055

SOURCE OF MATCHING FUNDS: PERSONAL ASSETS

Is your funding for these: available today applied for unknown at this time

(CARA may withhold approval of this application until information satisfactory to CARA is provided.)

11. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION

ACCESS AND UTILITIES ARE NEEDED IN ORDER TO MAKE THIS PROJECT AND THE LOT TO THE EAST VIABLE. IN ORDER TO BRING UTILITIES ON TO THE SITE COSTLY BOARING AND TRENCHING ARE NEEDED TO CROSS WATER AVE AND THE RAILROAD TRACKS. IN ADDITION JACKSON STREET, NORTH OF THE RAILROAD TRACKS WILL NEED TO BE REBUILT AND UPGRADED TO ALLOW ACESS TO THE TWO SITES. THIS DUAL ACCESS IS NEEDED DUE TO THE CLOSURE OF RAILROAD CROSSINGS AT JEFFERSON STREET.

Assistance Requested - Check and complete applicable sections for requested assistance.

Professional Services – Design Assistance *(for projects such as street façade, interior layout, awnings, signs, seismic upgrades, interior wall alterations, etc.)*

{Maximum grant is \$10,000 per property with a 50 percent match by the applicant*}

Total amount: _____ Grant Amount Requested (50%of total amount): _____

Building Redevelopment Funding

Grant Amount Requested: \$302,750.00* _____ Loan Amount Requested: _____

Other Amount Requested: _____

Please Describe: _____

* The full amount may not be needed if cost to bring in utilities comes in at a lesser amount and if improvements to Jackson Street are simplified.

Certification

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Central Albany Revitalization Area (CARA) Agency and may require approval by the City of Albany Landmarks Advisory Commission or other entities. These entities may require certain changes or modifications before final approval and Commitment of Funds.
2. Commitment of Funds will not be processed until the Applicant satisfies all conditions.
3. Any work begun before receipt of a Commitment of Funds notice is ineligible for reimbursement.
4. Any work deviating from that detailed in the Commitment of Funds must be pre-approved in writing to be eligible for reimbursement.
5. While only proprietary information may be held in confidence outside of the public record, CARA will attempt to maintain all information provided in a confidential manner.
6. Originals of all materials prepared with CARA assistance belong to CARA and will be maintained in the public record.
7. Application must be completed in its entirety before being considered; if not, it will be returned for completion.
8. Staff is authorized to independently verify any and all information contained in this application.

If the Applicant is not the owner of the property to be assisted or if the Applicant is an organization rather than an individual, the Applicant is required to certify that she/he has the authority to sign and enter into an agreement to receive the assistance requested and to perform the work proposed. Evidence of this authority is attached and included as a part of this application by reference.

The Applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining CARA assistance and is true and complete to the best of the Applicant's knowledge.

[Signature]
Applicant's Signature

7/8/08
Date

Applicant's Signature

Date

Return to: City of Albany Economic Development Department
c/o Kate Porsche, Urban Renewal Coordinator
333 Broadalbin Street SW/ P.O. Box 490, Albany, Oregon 97321

FOR CITY USE ONLY

Date Received: 7/8/08 By: KCP Application Complete: Yes No

If no, comments: Report attached

Date application returned to applicant for completion: _____

Date application returned to City: _____

By: _____

Request for CARA Funding and Assistance
for Utilities and Road Improvements for The
Wheelhouse and Other Property Served by
Jackson Street Access
July 2, 2008



Submitted by: David Johnson, President, Ohanamula LLC
7885 NE Todd Dr., Corvallis, OR 97330
541-745-6302, 541-760-3750 Cell, 542-745-3567 Fax
djab12345@msn.com

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Introduction to the Jackson Street Improvement Project North of Water Avenue

The city of Albany would like to see the redevelopment of property along the waterfront side of Water Avenue. To date there has been no new developments and the area is covered with old abandoned buildings. In order to construct new buildings, extensive infrastructure work is required. All utilities now serving the existing structures are substandard or inadequate for present day needs. Accesses to the properties are in need of major upgrades as well. The job is further complicated by the Railroad running directly in front of each property. All utilities and accesses must cross over or under the Railroad. The burdens of these additional costs have made the development much more prohibitive.

While the community would like to see these areas improved it has proven time and time again to be unprofitable for a private party to take on all the cost for developing such sites. It is our proposal that CARA help fund the utilities and improvements to serve the two parcels accessed from Jackson Street.

With this help the first two parcels in the Water Avenue revitalization area will have a jump start towards completion. Once the first project is complete then others will follow. People will be drawn to the area and the surrounding downtown businesses. This can be clearly demonstrated with buildings along the Portland waterfront. Areas that were once populated with abandoned industry are now vibrant communities with multi use buildings all along the water. The end results are a healthy downtown with people spending time and money in the city.

Benefits of the Projects

When redeveloping an old area of town someone needs to take the first step. The person leading this project is like an early explorer. They never know what they will find and are faced with many difficult problems along the way. When the problems are solved it makes it that much easier for everyone that follows. By this we mean not just the developers, but also the city officials. Once someone shows it can be done others will follow. No amount of advertising or promotion can carry as much weight as a successful project. Developers generally do not like risky projects with lots of unknowns. This helps eliminate some of those concerns and brings additional projects to the area.

Water Avenue and the waterfront are not places that now look good or feel safe. People do not like walking through this area and completely avoid it at night. When you have an absence of good folks in an area things tend to move towards questionable activities. This area has seen plenty of this. Things such as drug dealing, transients camping out, graffiti, vandalism, and panhandling discourage business and use of what should be a nice area of town. This new project will open the area up and push the seedy activities out of the area.

A cleaned up area encourages people to use the bike path for walking, riding or just looking at the river. In turn they will then stop in at the local business and spend money. This all helps to keep the downtown busy and active after the normal 5 pm exodus that most cities see.

In conclusion redeveloping an old area is not easy. The first project has the hardest time, but if done successfully, other projects will follow and what were once abandoned buildings and industrial areas become new businesses, apartments, condos and restaurants that bring in taxes and attract folks to the downtown.

Projected Costs

On the next two pages you will find a cost breakdown and plans for the proposed Jackson Street improvements and common utilities for the two lots. Included in these plans are the following:

1. The utilities listed would be brought to the site and size so as to handle the needs of the surrounding lots.
 - a. Sewer
 - b. Storm Drains
 - c. Electricity
 - d. Water

2. Jackson Avenue North of the Railroad tracks would be upgraded in the following manor:
 - a. The existing road would be removed and new base put down to handle higher loads.
 - b. The road would be repaved
 - c. A sidewalk allowing access to the riverwalk would be added
 - d. All new street and traffic signs would be added as needed.
 - e. Curbs would be added
 - f. Landscaping and irrigation as needed
 - g. Lighting
 - h. Roadway markings as needed.

3. The riverwalk would be extended along the river in front of Jackson Street.

4. All engineering and permits as needed

5. Insurance for the project

6. Erosion control along the river

This project does not include any funds for railroad crossing, SDC funds, utility funds or Water Avenue improvements.

We feel that if fully funded this would allow both projects to proceed now or in the future with the lowest total cost. The hook up for the eastern lot would be simplified and cause little if any interruptions for neighboring properties in the form of digging up roads or shutting down utilities.



Jackson Street & Shared Cost Summary

ITEM DESCRIPTION	THE WHEELHOUSE PROJECT	
	COSTS TO BE SHARED	ADDITIONAL COST OF DEDICATED UTILITIES FOR NEIGHBOR
GENERAL CONDITIONS	\$8,200	\$1,370
BUILDING PERMITS & PLAN REVIEW FEES	\$1,900	\$300
LIABILITY & ALL RISK INSURANCE	\$2,850	\$450
EARTHWORK & EROSION CONTROL	\$24,810	\$0
UTILITIES		
SANITARY SEWER	\$4,800	\$1,400
STORM DRAINAGE	\$9,200	\$16,200
WATER SYSTEM & RR/STREET BORING	\$64,940	\$9,750
POWER CONDUITS & TRENCHING, & VAULT	\$10,720	\$3,150
SITE DEMOLITION	\$3,200	\$0
AC PAVING	\$11,480	\$0
PAVEMENT MARKINGS	\$1,650	\$0
C-CURBS	\$3,240	\$0
RIVER WALK		
PILINGS	\$14,050	\$0
STRUCTURAL STEEL FRAMES	\$4,920	\$0
HOLLOW CORE PLANKS	\$7,635	\$0
CONCRETE GRADE BEAMS & TOPPING SLAB	\$12,215	\$0
HANDRAIL	\$5,500	\$0
LIGHTING	\$7,040	\$0
SITE SIDEWALK	\$6,950	
LANDSCAPING / IRRIGATION	\$7,720	\$0
SUBTOTAL	\$213,020	\$32,620
PRE-CONSTRUCTION SERVICES & DESIGN FEES	\$12,249	\$1,876
CONTRACTOR FEE	\$15,977	\$2,447
CONSTRUCTION CONTINGENCY	\$21,301	\$3,262
TOTAL COST ESTIMATE	\$262,546	\$40,204

GRAND TOTAL OF COST ESTIMATE:

\$302,750

EXCLUDES:

Performance & Payment Bonds
 Special Inspections & Testing
 SDC Fees
 Public Utility Fees (including PP&L)
 Railroad Crossing and Water Ave Improvements

Requested Funds of the CARA Board

In the previous sections we have documented many aspects of this project, but now it comes down to what we are requesting from the CARA Board. In terms of money we would ask that CARA grant us \$302,750*. These funds would be used to cover the following aspects of the project:

1. Utilities would be brought in for both lots.
2. Jackson Avenue North of the Railroad tracks would be upgraded.
3. The riverwalk would be extended along the river in front of Jackson Street.
4. All engineering and permits as needed
5. Insurance for the project
6. Erosion control along the river

This project does not include any funds for railroad crossing, SDC funds, utility funds or Water Avenue improvements.

While it is easy to come up with a total cost for these items, it is very difficult to arrive at how the cost should be divided amongst the property owners. The first party into an area needs the entire infrastructure to be working in order for their project to proceed. The adjoining property owners may not need these things at the same time, so should they be burdened with half the cost? While the first person is bringing in his utilities the cost can be quite high, but the cost to add additional capacity for a neighbor is very small. Should this added expense be the burden for the neighbor?

We will leave it up to the CARA board to determine how they would like to apply tax revenue from the two projects to calculate ROI. The bottom line is that these improvements are needed, and they will benefit both lots and the city.

**This total is a not to exceed figure. If the actual billed amount comes in lower, the CARA board will only be responsible for the true cost of the improvements.*

Summary

Redeveloping an old area of the city is never easy. There are many problems and challenges to overcome for the lead parties. Once the way has been paved, the path for future development is much easier. The other issue on redevelopment that can be hard to handle, is the added expense of being the first. In many cases the infrastructure and utilities in an area are not up to par. This means that the first one in must take on all of these changes and upgrades to make their project possible. In turn the work they do benefits all the surrounding property owners in many ways.

In conclusion, the money we are asking for will go directly towards infrastructure that will benefit our project as well as the surrounding lots.

Thank you for your consideration of this proposal.

A handwritten signature in black ink, appearing to read 'David Johnson', with a long horizontal flourish extending to the right.

David Johnson
President, Ohanamula LLC



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *Kate*
DATE: July 10, 2008, for July 16, 2008, CARA Advisory Board Meeting
SUBJECT: Glen Rea Loan Request

Glen Rea, developer of the Riverview Townhomes project, is coming before you to discuss the possibility of a short-term bridge loan.

As you may recall, Mr. Rea and David Reece had previously come before to request funds for their three-phased project in our waterfront area. The project included the building of the Montgomery Park office building, the Ironworks lofts, and Glen's project, the 7-LEED certified townhomes along Water Avenue.

Proposal

Mr. Rea is requesting your assistance in helping to fund a short-term bridge loan. This loan would help "bridge" the gap that Mr. Rea is facing until all of the units are sold. He is requesting \$40,000 per townhome, or \$240,000. Mr. Rea proposes to have the loan be in place for no more than three years and would pay off the loan in \$30,000 increments as the first five townhomes sell, then would pay the remaining \$90,000 when the final unit is sold. Staff has suggested an interest rate of 6.9 percent, which is what CARA has typically charged for loans. Additionally, staff suggests a second lien on the units to secure the loan. Please see Mr. Rea's enclosed memo for more information.

Total Request: \$240,000 short-term loan

It is important to note a couple of things regarding this request. First, this request would be outside the "typical" funding package that you all have done, as it is not specifically for the construction of a building. While the funds would be used to fill a gap, the money would not be funding a new or additional project to the area. You would, though, be assisting one of our trusted partners in selling and finishing out a project that greatly benefits the area. You will have to consider the pros and cons of using your quickly-dwindling resources in this manner.

Mr. Rea will be at the meeting to discuss the project and answer questions you may have.

KCP:ldh

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RE: Riverview Townhomes

I believe that Riverview Townhomes represent the future of sustainable development in Albany. They introduce quality redevelopment of a significant community asset – the riverfront, and they provide for independent residential ownership of what I believe will be the hot new Riverfront District. Empirically the demand for a town home lifestyle has been growing in every market and it is reasonable to assume that it will grow in Albany too. The values added by the advanced green features also reinforce today's trend toward energy efficiency and healthy environments.

The project appears to be received favorably. It has generated a good deal of interest and I've had more than 20 qualified prospective buyers express interest. These prospects do not question the cost/value of the product and new appraisals continue to support a price of ±\$320,000. Compared to similar offerings in other markets they are an excellent value. But the town homes are so new to this market and the market has become so conservative that it generates a high degree of buyer anxiety.

Every week we seem to have 2 or 3 prospects in the sales queue and I keep thinking that once they start buying that the impasse will break. Meanwhile, I need to take action toward a temporary solution that will finish this project without wholesale discounting, which in this anxious market will only create a black hole and effectively devalue all of my progressive work. I am working with the bank to restructure the construction loan so I can lease town homes until the market improves. But I am exhausting my financial resources and I need a bridge loan.

Helping me to place these town homes in a longer-term rental and sales program is the also best option for CARA because the tenants will give additional live to the project, help carry the loan amounts, and ultimately support the highest tax value.

I owe the bank less than \$200,000 per town home and I have an additional ±\$60,000 per town home of my resources tied up. I need a low interest bridge loan, secured as a second to the bank loan, paid back as the units are sold over the next three years. A loan of \$240,000 or \$40,000 per town home will allow me to complete and stage the homes for rental (appliances, blinds, shelving, vacuum system, etc.), and to carry and to restructure part of my investment. The projected rental or leasing rates will pay interest and management. Assuming each home is sold with more than a \$300,000 net, the first \$250,000 will meet the release price on the first loan and the next \$30,000 would be CARA's release price on the first five units sold and the balance of \$90,000 would be the release price when the last unit is sold, as the bank would be paid off with the sale of the 5th unit.

I would greatly appreciate this loan. It gives me the breathing room to finish this project at the appraised value.

Sincerely,

Glen Rea

RE: APPRECIATION FACTORS

Riverview Townhomes offer three distinctive features:

- riverfront district redevelopment
- low maintenance town home lifestyle
- advanced green standards

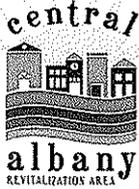
These features support active lifestyle choices, that are shared by: young empty nester's who are moving in from higher maintenance suburban homes, who want to travel more and / or live a new dream; young professionals who are starting out; single males and females who want security; early green lifestyle adapters; and people who value healthy lifestyle choices.

The factors that affect the appreciation rate of a Riverview Townhome are:

- growing market - historically the Mid-Willamette Valley grows at $\pm 3\%$ per year
- limited supply - the housing market has not been significantly overbuilt with an estimated ± 7 month supply
- revitalized neighborhood - the Riverfront District has the potential to become the hip new 'Sex in the City' neighborhood
- revitalized city center - new restaurants, boutiques, cultural activities, and music events in the parks
- limited homes feature a view of the Willamette River
- a central location with less need to drive
- the Riverfront Promenade is the sidewalk along Water Avenue
- low maintenance home maintained by a home owners association
- Riverview Townhomes still appraise for more than the listed price
- low energy use town home (approximately 50% more energy efficient than a home built to code)
- certified home - blower door (measured air exchange rates), duct test(leakage), HERR's rating (borrow more because of the energy savings)
- certified by Energy Star, Earth Advantage, and LEED for Homes
- improved durability• opportunity for a net-zero energy lifestyle
- opportunity for a carbon neutral lifestyle
- healthy environment - no and low VOC paints, hard surface floors, advance exhaust systems, whole house ventilation, built-in vacuum, high particulate filters

Real estate experts will tell you that the longer one lives in a home the more likely it is to appreciate significantly. Today the capital gains exemption for a home that you live in during two of the last five years may shorten the time

it takes for a house to appreciate - if more people are inspired to reinvest. The other factors that may enhance appreciation are listed above, and if - downtown Albany continues to revitalize, - the Riverfront District becomes a hip new neighborhood, - the cost of energy continues to rise, - living a healthy lifestyle becomes more important, - and the cost of home ownership and maintenance continue to rise, then it is probable that a Riverview Townhome will appreciate at a greater rate than the median home price in the Albany market.



TO: CARA Advisory Board
FROM: Kate Porsche, Urban Renewal Manager *Kate*
DATE: July 10, 2008, for July 16, 2008, CARA Advisory Board Meeting
SUBJECT: Decision Criteria Discussion

After last month's meeting, I've worked to update the criteria matrix with the suggestions I heard at the meeting. To summarize, I added weight to the economic development type projects so that they could pass the threshold. (Staff suggests the threshold equal around 75 points). I also heard back from one board member that they would like sustainable projects to be weighted higher. You will see these changes reflected in the attached matrix.

When I think about this possible new policy, what I am looking for is the means by which I can filter those projects interested in CARA funding early in the conversation with them. I want to ensure that you're hearing only the projects that are most consistent with your current goals. Now, keep in mind, the Small Grant Program is structured to be available for anyone who wanted to apply. Those people who don't meet the threshold for larger grants or loans would still be able to come to the SGS committee to be heard for a grant up to \$5,000.

Additionally, when thinking about the appeal process, here's one possible structure: In a scenario where an applicant doesn't meet that threshold but still insists on being heard (and is not satisfied with the possibility of a small grant), I propose that the applicant provide an initial memo for staff review. Then staff would package the applicant's memo along with any other pertinent information and a staff memo for your review. The applicant could then come before you to appeal for the right of their funding request to be heard. If approved by you, I would then work with the applicant to gather their normal information and bring before you at the next available meeting.

I think that's all I have for you now. At the meeting, I'd love any specific feedback on the criteria and would like to work through the outstanding items in the "to-do" column to iron this out. Let me close by saying that, though this is a lot of work, I really feel that you all will see the benefit when only the best projects, that is, those most aligned with your current goals are brought forward for your review.

KCP:ldh

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Criteria Draft

Criteria Discription	Possible Points	Notes	TO DO	How Our Projects would Stack up							
				Buzzsaw							
				RCM Homes	Johnson	Manley	Carousel	Phillips	marshall	Baldwin	viper NW
Project in focus area, either downtown or waterfront or specifically targeted area	30		Define "focus area"; another possibility -projects in core area eligible for \$\$ up to 10% of project cost, those outside onlt 5%	30	30	30	30	30	0	0	0
Sustainable Building	20	Historic preservation also considered sustainable building		0	0	20	20	20	0	0	0
Historic Building Preservation	20			0	0	20	0	20	0	0	0
Tax Increment ROI	20	<5 years = 20; <7 years = 10; <10 years = 5		10	10	0	0	10	20	5	20
Elimination of Blight	15		? Maybe 15 for Severe Blight (whole lot or building); 10 for significant (half the area or building); 5 for minor (cosmetics, defered maintenance, etc.) Blight can be structural, vacancy, or lack of infrastructure	15	15	10	10	10	5	5	0
People Attractor (Public space, restaurants or retail)	10		Outline the desired types of shops.	0	10	10	10	5	0	0	0
Enhancement of public areas	10	Does the project enhance the public's experience of the area? (Public space only)		10	10	0	10	0	0	0	0
Creation of residential (or mixed-use development?) units in the urban core	15	50+ = 10; 20-50 = 5; 5-20 = 3 points; 1-5 = 1 point OR 1 point per unit to 10 for rehab	Discuss: with RCM homes at the table, have we met this goal? Does it need to be a criteria? If we're adding in "Mixed-use" we need to define it--only on New const?	15	0	0	3	0	10	0	0
Job Creation	50	(two points per family-wage job) up to 25	Family-wage as defined by Linn Co?	0	0	0	0	0	0	0	50
Bring new business to Albany or retention of local business	10			0	10	10	0	0	0	0	10
	200			80	85	100	83	95	35	10	80
Has specific project been before CARA previously?	-5			75	75	75	75	75	75	75	75
				Suggested Cutoff for projects to be heard							