

## NOTICE OF PUBLIC MEETING

CENTRAL ALBANY REVITALIZATION AREA ADVISORY BOARD  
Council Chambers  
Wednesday, October 21, 2009  
5:15 p.m.

### AGENDA

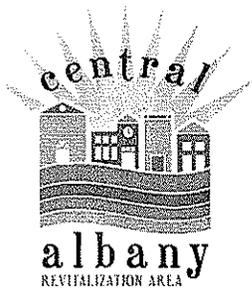
1. CALL TO ORDER (Chair Cordell Post)
2. ROLL CALL
3. APPROVAL OF MINUTES  
➤ September 16, 2009. [Pages 1-5]  
Action: \_\_\_\_\_
4. SCHEDULED BUSINESS
  - a. Business from the Public
  - b. Eaton Contract Extension. [Pages 6-8] (Porsche/Eaton)  
Action: \_\_\_\_\_
  - c. Albany Redevelopment, LLC Request to Change Reimbursement Processing Policy. [Pages 9-19] (Porsche/Delapoer)  
Action: \_\_\_\_\_
  - d. RCM Request to Restructure Grant. [Pages 20-21] (Porsche/Delapoer)  
Action: \_\_\_\_\_
  - e. Consider Elimination of Small Grant Subcommittee. [Page 22] (Porsche)  
Action: \_\_\_\_\_
  - f. Final Broadalbin Design. [Page 23 and PowerPoint] (Porsche/Crandall)  
Action: \_\_\_\_\_
  - g. Staff updates and issues. [Pages 24-28 and Verbal] (Porsche)
    - 1) Willamette Community Bank CARA loan repayment. [Pages 24-25]  
Action: \_\_\_\_\_
    - 2) BOLI determination regarding The Wheelhouse Project. [Pages 26-28]  
Action: \_\_\_\_\_
    - 3) Other updates and issues. [Verbal]  
Action: \_\_\_\_\_
5. BUSINESS FROM THE BOARD
6. NEXT MEETING DATE: *Next regular meeting Wednesday, November 18, 2009*
7. ADJOURNMENT

City of Albany Web site: [www.cityofalbany.net](http://www.cityofalbany.net)

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*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.*

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APPROVED: \_\_\_\_\_

CITY OF ALBANY  
Central Albany Revitalization Area Advisory Board  
Council Chambers, 333 Broadalbin Street SW  
Wednesday, September 16, 2009

MINUTES

Advisory Board Members present: David Anderer, Rich Catlin, Jeff Christman, Bill Coburn, Floyd Collins, Loyd Henion, Bessie Johnson, Gordon Kirbey, Sharon Konopa, Ray Kopczynski, Dick Olsen, Cordell Post, and Kim Sass

Advisory Board Members absent: Ralph Reid, Jr. (unexcused)

Staff present: Community Development Director Greg Byrne, Finance Director Stewart Taylor, Parks & Recreation Director Ed Hodney, Urban Renewal Manager Kate Porsche, Building Official Melanie Adams, and Administrative Assistant Teresa Nix

Others present: Approximately 14 others in the audience

CALL TO ORDER

Chair Cordell Post called the meeting to order at 5:15 p.m.

APPROVAL OF MINUTES

August 19, 2009

**MOTION:** It was moved, seconded, and **passed** unanimously to approve the August 19 minutes.

SCHEDULED BUSINESS

Business from the Public

There was no business from the public.

Broadalbin Promenade Design Costs

Urban Renewal Manager Kate Porsche reviewed the request for \$12,688 to begin design work for the Broadalbin Promenade pilot project, as detailed in the written staff report. In response to inquiries from the Board, she said that the goal is to present a final draft to the CARA Advisory Board for approval by the end of the year, to put the project out for bid in February, and to begin work as soon as possible next spring.

Jeff Christman said that he had understood the design work was further along; it is very important that construction be completed early next year since the downtown area is heavily used in the spring and summer. Porsche said that George Crandall's firm has completed the overarching design; the next phase is to finalize the details. Brief discussion followed.

**MOTION:** Ray Kopczynski moved to approve the request. Bessie Johnson seconded the motion, and it **passed** unanimously.

### Manley Request to Reallocate Funds for Flinn Mall Consolidation

Porsche drew attention to the staff report and reviewed Marc Manley's proposal that he have the option to reallocate \$25,000, slated for costs related to a commercial hood, to consolidation of the Flinn Block indoor mall into two large retail stores.

Gordon Kirbey said that there are currently vacant retail spaces downtown; he questioned whether there is a need to add two additional large retail spaces to the inventory.

Marc Manley, 222 First Avenue West, came forward. He expressed appreciation for the successful partnership he has with CARA. He explained that substantial work has been completed toward making Flinn Block West restaurant ready, but there are now several new downtown restaurants. He said that the Flinn Block Mall currently has small units that are not well positioned for long-term retail; larger spaces coupled with street visibility appear to be what retailers need to be successful. Brief discussion followed.

**MOTION:** Johnson moved to approve the request. Kopczynski seconded the motion, and it **passed** unanimously.

### Grant Request: \$42,506, Papa Murphy's

Porsche reviewed the request from Mark and Beth Hamlin for \$42,506 to assist with the construction of a new building for their business, Papa Murphy's. Finance Director Stewart Taylor has recommended that any commitment of funds be made contingent upon closing of the new CARA loan; the applicants understand that any funds committed for this project would not be available until early 2010. Porsche noted that the property has been tax-exempt; CARA's return on investment would occur in only 4.5 years.

Mark Hamlin, 548 Pacific Boulevard SW, came forward. He stated that the requested funds would be used for several unexpected items that have driven up the cost of this project, including asbestos abatement from the existing structure, relocation of a power pole, excavation of the parking lot and alley, and new construction of the alley.

Kim Sass suggested that the company get involved in the Albany Chamber of Commerce or the Albany Downtown Association. Hamlin noted that Papa Murphy's has done a lot of good work in the community. Kopczynski said that several plaques displayed at Papa Murphy's indicate support of local groups.

Bill Coburn asked about any plans to hire additional employees at the new facility. Hamlin said that he plans to increase business by 20 percent and expects to hire five to seven new employees.

David Anderer asked whether consideration would be given to sustainable building practices. Hamlin said that he is limited by franchise requirements; however, Papa Murphy's is a very efficient business, and there will be energy savings associated with new lighting, electrical systems, and a more efficient refrigeration system.

In response to inquiries from the Board, Community Development Director Greg Byrne said that it is typical that removal of the power pole and improvement of the alley would be the developer's responsibility. Brief discussion followed.

**MOTION:** Christman moved to approve the request contingent upon the closing of the next CARA loan. The motion was seconded, and it **passed** unanimously.

### CARA Blight Elimination Program Update

Building Official Melanie Adams gave an update on the CARA Blight Reduction Initiative (Salem/Harrison Neighborhood). Initial objectives were to connect with the neighborhood, establish a neighborhood vision and prioritize goals, and create focus groups to target projects that enhance and protect neighborhood values and assets. Focus groups were created to address landscape and gardening, political voice, maintenance and

painting, Code compliance, and junk and trash. Adams showed photos of projects that have occurred in the neighborhood and reviewed potential future projects. May 16 "Big Pickup" was a successful event that involved many volunteers. Efforts are underway to identify properties that may require targeted code compliance and that a solution for Woodland Park is moving forward.

Adams briefly reviewed the request for funds for a community garden. She said that goals of the project include bringing people to the waterfront, providing an amenity for future residential development at the RCM site, and providing a neighborhood gathering site/community center. She showed photographs of community gardens in Corvallis and reviewed the proposed garden plan and fencing options.

#### Proposal for Blight Elimination Project – Community Garden

Porsche drew attention to the written staff report. She noted that CARA previously approved \$50,000 for project work within the east side area of CARA. This request is to use \$20,000 of those funds for hard costs associated with the community garden.

**MOTION:** Kirbey moved to approve the request. Anderer seconded the motion.

Jeff Christman noted that the original request came forward due to a budget shortfall for Code Compliance staff. He expressed concern about authorizing \$20,000 of a \$50,000 budget for this project when many other areas need help in the area of blight elimination. Brief discussion followed. Porsche clarified that CARA allocated \$50,000 for Code Compliance staff costs and an additional \$50,000 for project work; the idea for a community garden came from a process with the neighborhood to identify project work that would drive change.

Anderer said that he feels community gardens can contribute to the quality of a community, encourage volunteer work, and become an integral part of the city. He noted that many of the volunteers who have been working on this project are present in the audience. He led a round of applause for their efforts.

The motion **passed** by a vote of 12 to 1, with Christman voting no.

#### Recess and Reconvene

After a brief recess, Chair Post reconvened the meeting.

#### CARA Overview and Discussion

Porsche recalled that background information was provided at a previous meeting. She gave a PowerPoint presentation that included the following information:

**Additional background information:** Porsche showed graphics showing CARA tax increment, the amount that assessed values within the CARA boundary have grown, projected vs. actual assessed value, and projected vs. actual borrowing. Regarding the ratio of public to private funds on projects, CARA has invested about \$8 million in partnerships to date; about \$65 million in private money has been invested. This does not include public projects like the streetscape.

**What other urban renewal districts are doing:** As part of a research project, Intern Michael Campbell has reached out to six urban renewal districts in Oregon: Portland, Salem, Medford, Bend, Tigard, and Keizer. The majority of funding in these districts has been used for public projects and nonprofit partnerships for low-income and senior housing. The current economic situation has resulted in developer financing issues. Portland is the only urban renewal district employing a system to evaluate proposed projects. Porsche showed graphics regarding public projects vs. private projects. She summarized information from Gregoor Passchier's work related to urban renewal as a tool for historic preservation, as well as information and recommendations from the Lakota Group report. She then summarized information from last year's CARA Advisory Board survey regarding future project direction.

**Public vs. private project spending:** Porsche reviewed strengths and weaknesses of public project spending vs. private project spending. Public projects provide benefits to the community at large, have high visibility, and align with previous research and recommendations. Public projects do not provide direct tax increment revenue, can divert focus from private projects and historic preservation, and provide minimal impact on job creation and business retention. Private projects provide benefits in the way of tax increment, private investment, attracting new businesses, and contributing to historic preservation. Private project funding minimizes progress on Albany and CARA plans and risks public perception that private enterprise wins and that these projects would occur even without CARA funding.

**Recommendations or things to think about:** Staff recommends that consideration be given to a combination of public and private project spending. This capitalizes on the strengths of both types of projects, allows for the potential for cost sharing with private enterprise, addresses existing private project commitments, and aligns with recommendations by the Lakota Group and George Crandall. Staff recommends that overarching goals moving forward include establishing a project/spending plan for \$4 million over approximately three to four years, creating success measurement benchmarks, and ensuring that the CARA renewal plan is central to the planning process. Projects could include the Broadalbin Promenade from Second Avenue to Water Street, the Albany Square, the Water Avenue intersection, and beginning the legwork for the Canal Esplanade.

Porsche suggested that the CARA Advisory Board hold a public open house in October to include a presentation of projects completed thus far, seek public input regarding CARA's direction, and provide information about the Broadalbin Promenade. The Board use data from the open house and information from a web based survey as it begins discussing projects and policy in November. The new line of credit is expected to close in December or January.

In discussion, Board members made the following points:

Floyd Collins said that he would like additional information about income and expenditures; he thinks it is important to know how the money has been spent, how it was planned to be spent, and if there has been a shift from the original plan. While he likes the idea of the canal esplanade, he understands that this will take a lot of water fund money and will not be done for several years. Porsche said that her recommendation is just to start mapping out the canal esplanade.

Post commented that it has always been hard for people to get loans to fix up the historic downtown buildings; it is now even harder to get conventional financing.

Kopczynski said that he would like for CARA to help more individual historical homes in the district like the Baker Street house. This can create a domino effect for improvements in the area.

Collins suggested that placards with CARA information be included in every project that CARA helps to fund.

Kirbey referred to staff comments about perceptions around private project funding and the possibility that those projects would be done anyway. He noted that very few serious renovations were done prior to formation of the urban renewal district. Post said that it is clear the effect that CARA money has had when walking down First Avenue.

Sharon Konopa said that it is important the Broadalbin Promenade is done right and that it is something to be proud of. Porsche said the projected \$250,000 per block for the Promenade is an educated estimate from Public Works staff.

Kirbey initiated discussion about the RCM project. Porsche reviewed staff conversations with RCM around market impacts on financing and condo sales and a possible new design for the site which includes simple townhomes and single-family cottages. RCM may request that CARA take over the first lien on the property until the construction loan is in place. A proposal will likely come forward next month.

Christman said that it is getting to the point in CARA's maturity that it may be good to identify target properties, probably in the downtown corridor, and see what is holding them back from redevelopment.

In response to an inquiry from Dick Olsen, Porsche agreed to check with Oscar Hult to see how Second Avenue business owners are feeling now that the street accoutrements have been installed.

Staff Updates and Issues

There were no additional staff updates or issues.

**BUSINESS FROM THE BOARD**

There was no business from the Board.

**NEXT MEETING DATE**

The next regular meeting of the CARA Advisory Board will be held on Wednesday, October 21, 2009, at 5:15 p.m., in the Council Chambers.

**ADJOURNMENT**

Hearing no further business, Chair Post adjourned the meeting at 7:35 p.m.

Submitted by,

Reviewed by,

Teresa Nix  
Administrative Assistant

Kate Porsche  
Urban Renewal Manager



TO: CARA Advisory Board  
FROM: Kate Porsche, Urban Renewal Manager  
DATE: October 15, 2009, for October 21, 2009, CARA Advisory Board Meeting  
SUBJECT: Staff Report – Eaton Request for Contract Extension

#### Request

Please see Mr. Eaton's attached request. He is proposing a one-year extension to his CARA Forgivable Loan contract.

As Mr. Eaton explains in his letter, there have been some unforeseen delays in the project. (Please see the attached letter for the details.) It is important to note, however, that the Eatons remain completely committed to the project and have a strong plan to keep it moving it forward.

You may recall that the Eaton project was one of the four Severely Blighted Residential Forgivable Loans that was approved in August 2008. Jacho and Emma Eaton had purchased and begun the process of a total rehabilitation of the historic Andrus House, aka the Keyhole house. The home, located in the 1600 block of First Avenue East is a historic contributing resource and one of the City's most unique properties.

#### Recommendation

Emma and Jacho have taken on a significant project and have run into unforeseen, but totally understandable, circumstances that have delayed the project. Staff feels that the Eatons have a strong plan in place to ensure that the project will move forward and that the repairs will be completed. The house is an important asset to the community and, in its current condition, severely blighted—the exact reasons the project funding was approved in the first place. For all of these reasons, staff wholeheartedly recommends approval of this one-year contract extension.

KCP:ldh  
Attachment

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To:  
Kate Porsche  
Urban Renewal Manager  
City of Albany

RE: Extension of Grant Deadline.

Greetings Kate and CARA Board Members,

We would like to request an extension of the completion deadline for the grant that you awarded us for the foundation repairs on the historic home at 1638 First Avenue East, the "Keyhole House". We request a one year extension of the completion date. The reason we request an extension that long is so that we can perform the work when the weather is dry enough to allow all of the work to be done continuously with better conditions for the equipment and materials that will be used to replace the foundation. This timeframe will also allow us to confirm that all preparatory work and financing are in place before the first brick in the foundation is removed.

Unfortunately our original deadline commitment was affected by a number of factors. We underestimated the time it would take to perform many of the preliminary tasks such as complete removal of interior elements to allow for structural engineering inspections and estimates. The architectural design, building/permit approval, Landmarks Advisory Committee approval, estimating and inspection that we had hoped to have done concurrently was in many cases not possible to do in the time frame we had expected. The largest reason that our timeline has lagged behind our original estimate is approval for the financing for the renovation loan that needs to pay for the amount above the work that you are helping us with. The conditions for loan approval call for the sale of our existing home at 425 Seventh Avenue Southwest. Our timing of putting our home on the market coincided with the catastrophic housing slump caused by the economic downturn.

Despite the delays and unfortunate economic conditions that have caused the schedule to languish far behind our estimates, we are still completely committed to finishing this project and preserving this home for another 115 years of use. There have been delays and "bumps in the road" as I said above. There has also been a lot of progress: architectural design is complete; building/permit approval has been obtained; Landmarks Advisory Committee approval has been obtained; new water and electrical service has been installed; weatherization to insure the home will not deteriorate further during the construction delay has been completed; interior elements have been removed and restoration of all of the existing interior trim is underway; renovation of an existing living space above the shop has been completed as a living space for us while construction is underway; and all of the approval is in place for the renovation financing pending the sale of our existing home. We currently have two offers in place on the sale of our home that will allow us to complete the financing hurdle that has had this process idled for so long. We anticipate that one offer or the other will result in a completed sale within the next several weeks. If not, the extension will allow us to complete the sale with others that have recently shown great interest in the property due to a price reduction. As

soon as the sale is complete we will finish the remaining steps to obtain the financing so that we can schedule the work to begin as soon as conditions are correct for it. No other work can begin until the foundation work is completed, so the portion that is applicable to the CARA grant will be the first job on the project list.

Thank you for your original grant to help us preserve this property, and for your consideration in extending the completion date.

Jacho and Emma Eaton



TO: CARA Advisory Board

FROM: Kate Porsche, Urban Renewal Manager

DATE: October 15, 2009, for October 21, 2009, CARA Advisory Board Meeting

SUBJECT: Staff Report – Albany Redevelopment, LLC’s, Request for Change in CARA’s Processing of Reimbursements Policy

### Background

As you may recall, Albany Redevelopment, LLC, is the company that has purchased the old Labor Temple Lodge and vacant lots to the east from Tim Smith in an effort to see the project through to completion. At the May 20, 2009, ARA meeting, the action was ratified to provide a total of \$120,000 to Albany Redevelopment, LLC—\$40,000 as a forgivable loan for the Labor Temple project and an \$80,000 forgivable loan for the development of the vacant lots into six townhomes.

Albany Redevelopment closed on the properties and began work on the Labor Temple Building. Shortly thereafter, they submitted expenses for their first draw. I want to pause here to refresh you on what our policy and process is for processing reimbursement draws:

1. Grantees complete work on the project. They receive and pay invoices for the work.
2. Once invoices are paid and proof of payment is available (quickest via on-line banking—they can simply print out their statement showing the amount coming out of their account; cancelled checks or credit/debit card receipts are also acceptable) the grantee submits to us a minimum of \$1,000 to be reimbursed.
3. We review all draws closely checking that each item has an invoice or itemized list showing what work was performed or what items were purchased and that each item has proof of payment, as outlined above—a process that ensures that only eligible items are paid for and that the people doing the work have actually received their payment. Please note that this level of due diligence is required by our Finance Department and, ultimately, by our auditors.
4. As soon as the draw is reviewed (this is usually just one-two days), a memo is prepared and the file is routed for the creation of the purchase order and the cutting of the check. The City processes three check runs per month on the 1<sup>st</sup>, 10<sup>th</sup>, and 25<sup>th</sup>; so when it is all said and done, grantees typically have their check within 15 days or so of dropping off their reimbursement request. With that said, depending on how holidays, vacation, etc., may fall, the timing may take up to 30 days (the amount of time stipulated in the contract); but this is rarely the case. Most businesses have found 30 days to be an exceptional turnaround time, and the Finance Department prides itself on this point.

While the first draw for Albany Redevelopment was being processed after I had completed my due diligence, I received a phone call from Mr. Rosenblatt concerned with the timing of the first check. During this call, I explained that, while the contract stipulates that we have 30 days to process the reimbursements, we do all that we can to expedite the process. Mr. Rosenblatt remained concerned about the 30-day turnaround explaining that it was negatively impacting their cash flow. He suggested that we pay the invoices directly to the contractors. I responded (after confirming with the City Attorney Jim Delapoer) that this was not an option as it opens up significant questions as to who was contracting with the workers and that would blur the lines of whether the project was the City’s project or a private project, thus raising Prevailing Wage issues.

At this point, Mr. Rosenblatt continued to impel me to find a way to process their future reimbursements prior to them having the proof that the invoice was paid. I explained that I don’t have the authority to change this policy and that he should contact the City Attorney directly, which he did. Mr. Delapoer explained to Mr. Rosenblatt that if Albany Redevelopment wanted to

see the policy changed they would need to take it up with the CARA Advisory Board. To that end, Mr. Rosenblatt has formally submitted a letter requesting that CARA change its policy on the reimbursement process—you will find that letter as *Attachment A*.

Shortly after the letter was received, I also received some correspondence via e-mail regarding that first draw. Please review the attachments: my original reply to Mr. Ward as *Attachment B*, as well as Mr. Rosenblatt's response to my e-mail as *Attachment C*, and finally, Mr. Delapoer's response to the string of communication as *Attachment D*.

#### Request

Attached you will find Mr. Rosenblatt's letter dated September 16, 2009. Mr. Rosenblatt is requesting a change that would allow them to draw money from their CARA Forgivable Loan prior to the work being done or prior to the time payment is made to the contractors so that they can use the CARA funding to pay the invoices directly, thus expediting the process.

#### Recommendation

The fundamental question at hand is does the CARA Advisory Board want to change their setup of draws from a reimbursement model to one where grantees have access to CARA funds and may use those funds to pay invoices directly?

Staff, the City Manager, Finance Director, and City Attorney feel very strongly that the reimbursement process is crucial to ensuring that these precious urban renewal dollars—ultimately taxpayer dollars—are used in an appropriate manner. Our process ensures that:

- **Only eligible items and expenditures will be paid for.** There is law that defines what urban renewal money can and can't pay for. Keeping this review internal ensures that only eligible, legally allowed expenditures will be made.
- **The people doing the work have actually received the funds.** Staff review of invoices after they have been paid (with proof of payment) ensures that CARA money has gone to the appropriate party. There are, sadly, examples of programs not requiring a reimbursement process where funds were inappropriately used to cover other expenses not related to the project. It is important to note that reimbursement is a common practice used not only by other urban renewal agencies, but by banks and lending agencies to ensure that the money going out the door is, indeed, going to the project and work it was planned for.

The two reimbursements thus far for Albany Redevelopment have been in the amounts of \$6,752.98 and \$5,111.91. In both cases, we turned these draws around as quickly as we could within the limit of 30 days set by the contract—a process that we have worked hard to streamline so that it is not onerous upon the grantees.

Specifically, the first draw was originally received on September 4, 2009. Documentation was missing, and the grantees were notified. Supporting documents were faxed September 15, 2009, so we could review the draw. The purchase order was prepared September 25, 2009 (a Friday). Since we had missed the check run for the 25<sup>th</sup> and we knew the grantees were anxious, we made the special request to cut a hand check (a single check cut outside of our three check runs) so that Mr. Ward could pick up the check in person on Monday the 28<sup>th</sup>. The Finance Department graciously agreed, and the check was ready for Mr. Ward on Monday the 28<sup>th</sup>—a 14-day turnaround time from when we received the appropriate documentation. The second draw was submitted received on October 7, 2009. The purchase order was created by October 9, 2009; and this check is set to be mailed on October 23, 2009—a 17-day turnaround.

It is important to note that because the reimbursement structure is a key element to our program it is brought up to applicants and discussed from the time of my first meeting with them. Mr. Ward, who made the application for Albany Redevelopment, was advised of this via conversations we had during the application process. Moreover, the contract signed by all principals of Albany Redevelopment (Mr. Rosenblatt, Mr. Ward, and their other partner, Mr. Warren Reed Goodman) clearly outlines the paradigm for reimbursement.

In more than fifty projects that CARA has partnered on, this is the first grantee to express that our process is a "tremendous burden" to them. Mr. Delapoer will be at the meeting to speak on this issue. He, the City Manager, Finance Director, and I feel strongly that the reimbursement process is essential to ensuring that our public funds are used appropriately and recommend that you deny Albany Redevelopment's request to change CARA's reimbursement policy.

KCP:ldh

Attachments 4

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THE DESK OF **RANDY ROSENBLATT**

ALBANY REDEVELOPMENT CO., LLC

P.O.Box 2093

Oregon City, Oregon 97045

Phone: 888-648-2444

Fax: 805-648-1444  
rrsb2000@yahoo.comVia Facsimile Only

September 16, 2009

CARA  
c/o Kate Porsche  
FAX: (541)917-7511Re: 222 3<sup>rd</sup> St. SE, Albany, OR  
Request to Streamline Payment Process

Dear CARA:

As you are aware, our company has contracted with CARA to complete construction of the Labor Temple Building on 3<sup>rd</sup> St. We continue to progress with the project, but have run into an issue that has caused a hardship on us in the early going.

Under the *Forgivable Loan Funding Contract*, in order for us to receive disbursement of loan proceeds, we must first present "copies of invoices or receipts and canceled payment checks", after which we must wait up to an additional 30 days to receive payment. In essence, this could take up to 60 days for us to recover reimbursement funds (the period of time it could take to get a canceled check from the bank, submit it to the city, and then wait for a reimbursement check to be drafted and disbursed.

This procedure has proven to be not only inefficient, but a tremendous burden on our cash-flow, which at the early stages of this project, is being run on a shoe string as it is. During these preliminary months, until our construction financing is finalized, we are having to foot the bills ourselves; for us to first have to pay the vendors and then wait around as much as two months to get reimbursed is straining our budget. It would be a tremendous relief if we could merely submit a bill which

would trigger getting a timely disbursement from the city. If verification were necessary, perhaps we could submit photographs of the work that is completed, or some other form of assurance, along with the payment request, so as not to place a burden on the staff.

We are not suggesting the city make direct payments to the vendors, which could trigger a whole other set of issues, but rather to us, who will make the individual disbursements when payments are due.

Is there any way we could streamline the existing policy to reflect our needs while still protecting yours? Would you consider amending our contract to address this issue?

We greatly appreciate the opportunity to work with your agency, and hope to continue fostering a cooperative and supportive relationship between us.

Thank you for your courtesy.

Very truly yours,

*\*\*signed RR\*\**

Randy Rosenblatt

C: Jim Delapor via e-mail

**Porsche, Kate**

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**From:** Porsche, Kate  
**Sent:** Tuesday, October 06, 2009 5:18 PM  
**To:** 'Alford Ward'  
**Cc:** rrsb2004@sbcglobal.net; Randy R.  
**Subject:** RE: 222 3rd Street

Don –

Wanted to get back to you with the specific answers to your questions. Please see my responses below in [brackets].

If you have any further questions, please feel free to contact me. I hope you find the information useful.

Best Regards,

-Kate

Kate Porsche  
Urban Renewal Manager  
City of Albany

Phone: (541) 497-6228  
Mobile: (541) 971-1506

 **Be Green. Please don't print this e-mail unless you really need to.**

This e-mail is a public record of the City of Albany and may be subject to public disclosure under Oregon Public Records Law. It is also subject to the State of Oregon Retention Schedule.

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**From:** Alford Ward [mailto:adwillcoregon@gmail.com]  
**Sent:** Friday, October 02, 2009 7:33 AM  
**To:** Porsche, Kate  
**Cc:** rrsb2004@sbcglobal.net; Randy R.  
**Subject:** 222 3rd Street

Hello Kate,

I trust all is well with you. The project is moving right along and funding is being arranged for the completion of the project. There are three items which are of some concern in regards to this project:

1. A title report was recently obtained from First America Title Company; the report showed that the city of Albany still had the \$250,000 lien on the property. This has been brought to my attention by the loan officer. I will follow up with the Title Company and can you check on your end.  
[KCP: I think Theresa has all she needs to finish this. If anything else is needed, just let me know.]
2. The city is in second position on the current \$40,000 forgivable loan. The new loan will require we pay off all liens on the property as it stands the \$40,000 shows as a lien on the property. We will need the city to subordinate the current \$40,000 forgivable loan in favor of the new loan for the 4 Plex. Can you check and see what you will need from us to facilitate this loan transaction

[In the past the title company has prepared a subordination agreement for us to review and execute.]

3. Finally, I have submitted two loan reimbursements request to your department, the first was not processed, the second was processed but only included \$2313 from the first request and about \$4,500 from the second request. I understand the city of Albany wanting to be cautious however we are currently working with limited funds until our loan is processed. What can we do to make sure that the requests are processed fully and in a timely manner? Given our current financial situation, the initial development stage is crucial and important in establishing momentum for this project. It would be nice to be in full stride once our funding has been obtained.

[Let me answer your questions one at a time:

First, as to why you were not reimbursed for the full amounts of your first two requests. There were a couple of different issues with those first two requests. In one case there was a missing invoice, in another case you had requested reimbursement for closing costs, but our money can only go for permanent improvements to the structure. This means that we cannot pay for any operating costs, ongoing utilities (though garbage dumpsters are okay). Below are details on the two items we did not reimburse and the reasons why:

Value Lumber – we received the cancelled check, but no invoice. Diana contact you asking if you could fax it over so she could include it, but, ultimately you indicated you were out of town and couldn't get it in, so we did not process this one. (\$2,043.00)

ADW, LLC – Both canceled checks were made payable to Lawyers Title and were for closing costs. I understand that the first time Diana contacted you she informed you that we would be unable to pay this as it was ineligible for reimbursement. (\$3,085.27)

With all of that said, the short answer is that, as stated in the contract, we require invoices and proof of payment for all draws, on all projects. This typically takes the form of an invoice or receipt that details the work and proof of payment in the form of debit or credit card receipt, cancelled check, or printed/online bank statement showing the exact amount having been paid. These requirements may seem stringent, but I'm sure that you can understand the caution we must take when using public dollars on projects.

To answer your second question, what you can do to make sure that the requests are processed fully and in a timely manner is to provide us with a well-organized request which includes the following: 1) coversheet summarizing the request total and listing the items (this is not a requirement, however, aids us greatly in reviewing the draw) 2) the proper invoices and proof of payment for each expense showing the amount billed and the amount ultimately paid. If we are missing either of these items we will not be able to reimburse for the item, no exceptions.

I hope this information is helpful. If you have other questions, please feel free to email or call. We are here to help make this as smooth as we can for you and want to get your reimbursements processed as quickly as possible. ]

---

**From:** Randy R. [rrsb2000@yahoo.com]  
**Sent:** Wednesday, October 07, 2009 1:07 AM  
**To:** Porsche, Kate  
**Subject:** Re: 222 3rd Street

Kate:

Thank you for your response to Don's inquiry. As I've communicated to you, we can appreciate the caution you must take in dealing with public funds, especially given the unfortunate history of this particular project. But it seems that you are invoking a new policy without notice or warning to us, and you are hamstringing our ability to remain financially liquid.

Your third paragraph is not consistent with the "Forgivable Loan Funding Contract" that you refer to.

in another case you had requested reimbursement for closing costs, but our money can only go for permanent improvements to the structure. This means that we cannot pay for any operating costs, ongoing utilities (though garbage dumpsters are okay). Below are details on the two items we did not reimburse and the reasons why:

...  
ADW, LLC – Both canceled checks were made payable to Lawyers Title and were for closing costs.

I have found no language in that contract that excludes reimbursement for "operating costs, ongoing utilities", closing costs, or title costs. In fact, paragraph 3 of that contract specifically allows reimbursement for costs associated with title issues, in this case, "closing costs".

Nowhere in that document does it state that reimbursement money "can only go for permanent improvements to the structure". Where does that language come from? Were we ever notified of that policy, if so, where or how? We have costs associated with this project that go beyond "permanent improvements", and we are expected to pay those bills just like all the others. We fully expect to be reimbursed for those various costs so as to keep our cash reserves flowing.

We have ongoing costs associated with this project that require immediate reimbursement if we are to continue moving forward. We are looking to the city to get us over the hump until our funding is complete. We have no intention to rip you or anyone else off, and with the heightened scrutiny you are requiring, such activity would be impossible anyway. As I stated in my earlier e-mails, we need you to be working with us on this project. For you to now be instituting policies which were never previously addressed seems arbitrary and capricious.

We would appreciate it if you would reconsider your stance on Don's second reimbursement request. And if Don hasn't already gotten the missing invoice to you concerning the Value Lumber request, he will do so immediately with hope that the reimbursement payment will be forthcoming soon.

Your efforts to facilitate this project are appreciated, and we hope to continue having a friendly and long-term relationship with you and the city.

Thank you again for your assistance and professional courtesy.

Best regards,

Randy Rosenblatt  
(805)648-2444 (office)  
(805)648-1444 (fax)  
(805)452-6759 (cell)



October 16, 2009

CITY ATTORNEY'S OFFICE

201 First Avenue West  
P.O. Box 40  
Albany, OR 97321-0014  
(541) 926-5504  
FAX (541) 926-7167

E-MAIL  
jd@longdel.com

James V. B. Delapoer  
City Attorney

F. James Healy  
Deputy City Attorney

Robert C. McCann, Jr.  
Deputy City Attorney

Andrew S. Noonan  
Deputy City Attorney

Kristen Sager-Kottre  
Deputy City Attorney

Matthew L. Jarvis  
Deputy City Attorney  
City Prosecutor

*Via Electronic Mail and Regular Mail*  
*rrsb2000@yahoo.com*

Randy Rosenblatt  
P.O. Box 2093  
Oregon City, OR 97045

**RE: 222 3<sup>rd</sup> Street; Albany, Oregon - Contract Issues**

Dear Mr. Rosenblatt:

This letter is written in response to your email to our Urban Renewal Manager, Kate Porsche, dated October 7, 2009. The tone of your email is needlessly adversarial. To suggest that Ms. Porsche is instituting new, ad hoc policies, in an arbitrary and capricious manner seems just a little paranoid and completely unwarranted. Because of the tone of the letter, I will be responding and future communications concerning contract interpretation issues should be addressed to my attention rather than Ms. Porsche.

The issue in question appears to be whether or not your enterprise is entitled to reimbursement for \$3,085.27 for payments made to Lawyer's Title associated with your purchase of the property in question. While you have provided copies of your checks to Lawyer's Title, you have not provided any documentation to indicate what these checks actually paid for. We have assumed from your email that they were associated with costs for closing your purchase of the property but they do not tell us any more than that. For example, where these expenditures associated with your decision to purchase Title Insurance? Did these expenditures include prorates for taxes? Clearly, sufficient detail was not provided. In addition, it is important to refer back to some precise language in the contract, specifically paragraph 2 which discusses the purpose of ARA loan funding. The paragraph, reads as follows:

"Borrower has submitted to ARA a residential forgivable loan application setting forth the purposes for and uses of ARA funding. The application is attached hereto, as *Exhibit A*, and by this reference incorporated herein. All representations made by Borrower in this application shall be deemed contractual obligations of Borrower, **and funds provided by ARA pursuant to this contract shall be used only for the purposes set forth in this exhibit.**" (Emphasis added)

Page Two  
October 16, 2009

Obviously, your application forms the basis of the ARA's decision to provide public funds to assist the project. In order that public funds only be used for their intended purpose, the language above makes the description of your project, as contained in your application, supremely important in determining whether or not subsequent reimbursement requests are authorized by the terms of the grant. In this particular case, your description of the project reads as follows:

“The forgivable loan will be used to subsidize the *repairs* on for the **Woods Apartment Building**.(sic) The \$40,000 forgivable loan will bridge the gap in costs to finish out the building and possibly install an elevator for an elderly home. Forgiveness of the loan would occur after the project is complete and the certificate of occupancy has been granted by the city of Albany.”(Emphasis added)

Clearly, your project description indicated that you were seeking public funds to help pay repair costs. Costs of purchasing the property, prorating taxes, title insurance, etc., while certainly understandable expenses, were not within the scope of your application and therefore, not within the scope of Ms. Porsche's authority to authorize reimbursement.

The portion of paragraph 3 of the contract to which you refer in your email does not apply in this instance. Not only have you not provided documentation to show that your expenditures to Lawyer's Title were limited solely to the listed items in paragraph 3(third bullet) but this section simply allows the ARA to deduct from your loan/grant the costs the agency has incurred in determining that your project is eligible for funding and that you are the appropriate applicant.

Your email also suggests that Ms. Porsche was subjecting your project to “heightened scrutiny.” This is simply not the case. Ms. Porsche is treating your requests for reimbursement with the same thoughtful attention that she applies to all requests for ARA funding. As it turns out, you are the first ARA funding recipient who has ever suggested that a contract authorizing reimbursement for repair expenses was sufficiently broad to justify payments associated with closing expenses on the purchase of the property to be repaired. You are also the first funding recipient who has objected to ARA's long standing policy requiring recipients to document the payment of eligible expenses and seek subsequent reimbursement from the agency. We understand that this process which, should take 30 - 60 days (we think 30 days, if you utilize on-line banking in order to provide quicker documentation) is not unreasonable especially given our limited staff resources and our understandable desire to make certain that public funds are used only for their intended purposes.

I understand that you are asking the agency to revise their procedures to accommodate your cash flow concerns. That matter will be addressed in an upcoming meeting on Wednesday, October 21, 2009, and while you are free to make your case to the agency,

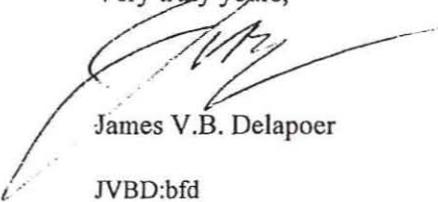
Page Three  
October 16, 2009

staff will not support this proposal. Your suggestion that the agency reimburse you merely upon receipt of a copy of your bill from an eligible material or service provider will not provide the agency with assurance that public funds will be appropriately spent and that the underlying property will not be made subject to mechanics' and materialmen's liens. Our long standing procedures are intended to assure that only eligible expenses are reimbursed, and that the workmen or material suppliers who are entitled to the funds have actually received them. The structure of our program does not envision that the agency begin making payments directly to workers or material suppliers because we expect the property owners to hire their own general contractors or to perform that function themselves. We do not want to become the party to whom such workmen or material suppliers look when their payments have been disallowed or not timely made.

Ms. Porsche advises me that this funding structure was explained to Mr. Ward, at length during the application process and is clearly memorialized in the agency funding documents which accompany the grant.

I am sorry if the terms of our grant are not satisfactory but I hope you will recognize that the citizens of Albany are giving you money to assist you with your project but that that gift must be given on terms acceptable to the public agency that administers this program.

Very truly yours,



James V.B. Delapoer

JVBD:bfd

cc: Kate Porsche  
Wes Hare

N:\The Firm\City of Albany\36-C.A.R.A\36-01, General CARA\letters\2009\randy rosenblatt ltr, 10-12-09.wpd



TO: CARA Advisory Board  
FROM: Kate Porsche, Urban Renewal Manager  
DATE: October 15, 2009, for October 21, 2009, CARA Advisory Board Meeting  
SUBJECT: Staff Report – RCM Homes Request to Restructure Grant

### Background

RCM Homes was granted a total of \$2.4 million to assist with the reimbursement of site cleanup, waterfront path enhancement, payment of SDCs, utility installation, and railroad crossings, if needed. Nine hundred thousand dollars (\$900,000) was expended to reimburse for work related to the site cleanup (a major barrier to development of the site), which has been completed.

Since 2008, when the contract was signed, we have been in communication with RCM working with them on the site plans and continuing conversations about the project.

At the time that the economy changed, it became clear that the original site plan, which called primarily for condominium units, would no longer be feasible. With that, we began conversations late last year, which have continued on throughout this year of how to make this project a win-win.

During those conversations, discussion about the structure of the CARA funding came up and a request was made to revisit the grant structure to create a better partnership and a stronger security interest for CARA. These discussions have taken place with RCM, the City Manager, City Attorney, and me. The proposed structure is outlined below.

### Request

RCM Homes is requesting that we revisit the structure of funding for the remaining \$1.5 million of grant funding. The proposal before you is to use the \$1.5M of committed funds to have CARA take over as the first lien-holder on the property. Currently, there is a first and second mortgage on the property totaling just under \$1.5M. We would use the urban renewal dollars to take out those mortgages and would create a forgivable loan on the property with a Trust Deed and Promissory Note, which would be personally guaranteed by Mr. Myers (owner of RCM) and his wife.

The forgiveness of the loan would be outlined in the contract, which would stipulate the following:

- Construction on the site will be broken into phases. Each phase will make up no more than 25 percent of the total site units.
- When construction of one phase begins, CARA agrees to subordinate only the portion of its funding proportional to the number of units being built. That is, CARA will only subordinate in phases, or small “bites”. For example, if in the first phase 20 percent of the units will be constructed, CARA will subordinate only 20 percent of the \$1.5 million, or \$300,000 to second position, so that the construction lender may take over in first position. (This is the common practice in building but will ensure that we have a security interest in the rest of the property—in this example, we still have our first trust deed for the \$1.2 million on the remaining property).
- When the build-out of the first phase is complete and the Certificate of Occupancy (COA) is granted, CARA will forgive that portion of its loan. Then the process begins again with the next phase until the project is complete.

Other items of note:

- The property has an assessed value of \$540,130. This forgivable loan would be made based on the current value of the land, the future value of the site, and the credit worthiness of the applicant. Staff, in coordination with the City Attorney, will document the full credit worthiness of RCM Homes and Mr. and Mrs. Myers (the personal guarantors) to ensure CARA's security interest is as safe as possible.
- Forgivable loan will have the terms of 4.85 percent interest with no payments due for approximately five years (or until build-out is complete and loan is forgiven).

Recommendation

Staff understands that this is a slightly different paradigm that what CARA has traditionally done in the past; however, it's worth noting that this is not an unusual course for urban renewal districts to take.

First, let's consider the strengths of this proposal. The arrangement that we have now is in the form of a grant, and we have no security interest in the property. This proposal would see the urban renewal district take the first lien on the property, a stronger position to be sure. The subordination of our loan would occur in phases, which will be 25 percent of the project or less. This ensures that the risk that is taken is minimized. Finally, we will continue to work with RCM Homes and will have a say in the site plan and design of the units, the majority of which look to be townhomes with some single-family detached "cottage" units—a site plan that we greatly prefer to the condominiums that had previously been proposed.

The weaknesses are these: In the existing structure, our money would have been paid out along the way, reimbursing for expenses as the project went along. This proposed structure will see the \$1.5M go out the door at the beginning of the process to procure the land. I want to note, however, that Mr. Myers is aware that this cannot happen until CARA closes on its next bond, which is slated to be in early 2010. Moreover, I think it's important to explain that in terms of cash flow, we have considered the \$1.5 million as "spent" even in the current structure. That is to say, it's not that we would have used this money for other projects in the mean time.

For CARA, this risk in this proposed structure comes at the point at which we subordinate to the construction loan and that risk remains until construction of that phase is complete and the COA is granted. We feel this risk has been mitigated by minimizing the size of the phases to ensure that the risk is being taken in smaller pieces.

Weighing the opportunity for the better security versus the new risks, staff feels that the proposed structure is a good one and an opportunity for us to have a security interest in the property significantly increases our position.

The City Attorney will be on hand to discuss this matter as well. He and I recommend approval of this request.

KCP:ldh



TO: CARA Advisory Board  
FROM: Kate Porsche, Urban Renewal Manager  
DATE: October 15, 2009, for October 21, 2009, CARA Advisory Board Meeting  
SUBJECT: Staff Report – Elimination of CARA Small Grant Subcommittee

#### Background

At the May 2009 CARA meeting, it was decided that small grants would be heard and decided by the full CARA Advisory Board on a trial basis, rather than being heard first by the CARA Small Grant Subcommittee. Both the spring and summer small grants were handled this way.

#### Request

Staff is requesting that the CARA Advisory Board eliminate the CARA Small Grant Subcommittee and simply review small grants at the Board level.

#### Recommendation

Though staff greatly appreciates the service of those who were on the CARA Small Grant Subcommittee, it seems that the process is simplified for staff—and, more importantly, the applicant—if the requests are heard directly by the CARA Advisory Board. This change eliminates the need for a second meeting for the applicant and a second set of materials to be prepared by staff.

Staff feels that the proposed structure would be more direct and streamlined for applicants and, therefore, recommends approval.

KCP:ldh

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TO: CARA Advisory Board  
FROM: Kate Porsche, Urban Renewal Manager  
DATE: October 15, 2009, for October 21, 2009, CARA Advisory Board Meeting  
SUBJECT: Staff Report – Broadalbin Promenade Review of Final Plans

I'm pleased to report that Crandall's firm expedited the design of the Broadalbin Promenade for our pilot project. We were provided with two options to review. I took those options around to the key stakeholders for their consideration and discussion. The plans were reviewed by:

- The Broadalbin Promenade workgroup (comprised of two Landmarks Advisory Commission members, the ADA Director, ADA President, City Planner II Anne Catlin, and Transportation Systems Analyst Ron Irish)
- Owners of the Vault 244 Bistro and Lounge—Mike, Lane, and Cathy Brown
- Owners of the Cusick Bank Building—Thad and Shannon Olivetti
- Craig Carnagey—Parks & Facilities Maintenance Manager
- Ed Hodney—Parks and Recreation Director

Through this process, there quickly emerged a preferred option. A small handful of changes were suggested, and those suggestions have been passed on to Crandall.

George Crandall will be down to present and review the final version of the Broadalbin Streetscape plan with you.

Staff wholeheartedly recommends approval of this final version and hopes you are as excited about it as the people who have reviewed it thus far as I am!

KCP:ldh

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**Willamette**  
COMMUNITY BANK

October 15, 2009

Central Albany Revitalization Area  
Kate Porsche – Urban Renewal Manager  
City of Albany  
Albany, Oregon 97321

RE: CARA Loan / Willamette Community Bank

Dear Kate:

On behalf of Willamette Community Bank, staff and Bank Board of Directors, I am pleased to enclose a check made payable to CARA for \$194,763.69 for payment in full from the original promissory note between our Bank (Borrower) and CARA (Lender) dated October 15, 2004.

When CARA granted our original loan request for \$200,000 it was done based on a solid business plan and our commitment to once again bring to the citizens of Albany a clear banking choice; a community bank that fully understood the importance of being financially sound and providing superior service that would build lasting relationships. Our focus then, as is it today, remains local – local people, local families and local businesses.

With the support from CARA, we now employ 19 full time employees and ended September 2009 with total assets of \$71,490M. During our six plus years in operation, it has been our distinct pleasure to assist many small business owners realize their dreams, in providing home ownership counseling and financing to our local residents, as well as assisting students heading off to college purchase their first vehicle.

Because you believed in us, and given the success we have achieved to date, we wanted to pay our loan off early thereby providing CARA with needed funds to support other businesses in getting their start. For it can truly be said, we believe in you and your mission.

Kate, please extend to the entire CARA Board our heartfelt thank you for believing in us and giving us an extraordinary opportunity to construct a beautiful building in downtown Albany and operate a community bank that we trust the City of Albany and CARA will remain proud of for years to come.

With Warmest Regards,

Dave Wood  
President / CEO  
Willamette Community Bank  
[dwood@willamettecommunitybank.com](mailto:dwood@willamettecommunitybank.com)  
Office – 541-926-9000 ext. 316  
Cell – 541-971-7878

CASHIER'S CHECK

6545

REMITTER WILLAMETTE COMMUNITY BANK

DATE 10-15-2009

96-688/1232

PAY TO THE ORDER OF CENTRAL ALBANY REVITALIZATION AREA \$194,763.69

THE SUM 194763 DOLS 69 CTS

DOLLARS



Willamette Community Bank  
Albany, Oregon 97321  
(541) 926-9000

*[Handwritten Signature]*

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# Oregon

Bureau of Labor and Industries

Brad Avakian  
Commissioner

October 15, 2009

RECEIVED  
OCT 15 2009

BY:.....

James V.P. Delapoer, Esq.  
Albany City Attorney  
P.O. Box 40  
Albany, OR 97321-0014

Re: Request for Determination – The Wheelhouse Project

Dear Mr. Delapoer:

On July 15, 2009, you submitted a request on behalf of the City of Albany ("City") for determination of whether the Wheelhouse project ("Project") will be subject to the Prevailing Wage Rate laws. I received sufficient information to make a determination on October 12, 2009, and based on that information, the commissioner hereby issues the following determination:

**FINDINGS OF FACT**

1. The Project is to be a privately-owned, multi-story office building and restaurant located at the intersection of Water Avenue and Jackson Street on the Willamette River. The project will not be occupied or used by a public agency.
2. The City's urban renewal agency awarded \$749,750 in two installments to the developer of the Project as part of the City's effort to revitalize the waterfront area downtown and increase its tax base.
3. The City relieved the developer of the obligation to construct temporary intersection improvements originally planned as part of the Project, and undertook, instead, to construct permanent improvements itself at a cost of \$235,000 granted to the City by the same urban renewal agency that granted funds to the Project.
4. Prevailing wages are to be paid on the intersection work, situated on the public right of way. The intersection improvements are intended to promote public safety and facilitate access to waterfront pathways and developments along the river as they occur over time.

**PORTLAND**  
800 NE Oregon St. Suite 1045  
Portland, OR 97232-2180  
(971) 673-0761  
Fax (971) 673-0762  
Oregon Relay TTY (800) 735-2900

**EUGENE**  
1400 Executive Parkway, Suite 200  
Eugene, OR 97401-2158  
(541) 686-7623  
FAX (541) 686-7980

**BEND**  
Worksource Bend  
1645 NE Forbes Rd. Ste 106  
Bend, OR 97701-4990  
(541) 322-2435  
FAX (541) 389-8265

**MEDFORD**  
119 N Oakdale Ave.  
Medford, OR 97501-2629  
(541) 776-6270  
FAX (541) 776-6284

**SALEM**  
3865 Wolverine St. NE, E-1  
Salem, OR 97305-1268  
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FAX (541) 276-5767



James V.P. Delapoe, Esq.  
October 15, 2009  
Page 2

## CONCLUSIONS OF LAW

1. The Project will use less than \$750,000 of funds of a public agency. Therefore, the definition of "public works" in ORS 279C.800(6)(a)(B) does not apply to the Project.
2. The adjacent intersection improvements are separate and distinct from the Project, and therefore, the cost of constructing those improvements is not included in the cost of the Project for purposes of ORS 279C.800(6)(a)(B).

## DETERMINATION

Based on the foregoing, the Prevailing Wage Rate laws, ORS 279C.800 to ORS 279C.870, and OAR Chapter 839, Division 025 will not apply to the Wheelhouse Project.

This determination is based on the agency's file as of the date of this determination. The commissioner may make a different determination if any of the project information is incorrect, or if the project or project documents are modified or supplemented after the date of this determination.

## REQUEST FOR RECONSIDERATION

After the commissioner issues a determination, the requestor or any public agency served with a copy of the determination may request that the commissioner reconsider the determination. A request for reconsideration must be submitted in writing to the Prevailing Wage Rate Unit, must include the reason or reasons for the request and any documents in support of the request, and must be received within 15 calendar days of the date the determination was mailed. A request for reconsideration does not toll the time period for requesting a contested case hearing on the determination.

## RIGHT TO A HEARING

The requestor and any person adversely affected or aggrieved by this determination are entitled to a hearing as provided by the Administrative Procedures Act (ORS 183.413 to 183.470) and ORS 279C. 817. If you want a hearing, the Bureau of Labor and Industries, Wage and Hour Division must receive your written request for hearing within 21 days from the date this notice was mailed. Hearing requests should be addressed and delivered to:

James V.P. Delapocr, Esq.  
October 15, 2009  
Page 3

Administrator  
Wage and Hour Division  
Bureau of Labor and Industries  
800 NE Oregon Street, Suite 1045  
Portland, OR 97232

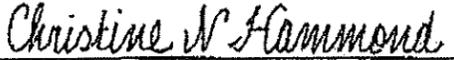
If a written request for hearing is not received within this 21 day period, your right to a hearing shall be considered waived.

If you request a hearing, you will be notified of the date, time and place of the hearing. You have a right to be represented by legal counsel at a hearing. However, if you are a government agency, corporation, partnership, or unincorporated association, you must be represented by either legal counsel or an authorized representative. If you request a hearing, you will receive information on Contested Case Rights and Procedures before the hearing. After the hearing, an order confirming, modifying or reversing this determination will issue. This determination shall remain in effect until the final order is issued.

If you request a hearing, but fail to appear at any scheduled hearing, you will have waived your right to hearing, and the commissioner may issue a final order by default. If the commissioner issues a final order by default, the agency file on this matter shall serve as the record for purposes of proving a prima facie case. You are not entitled to judicial review of this determination order unless you have made a timely request for a hearing.

Date: October 15, 2009

Brad Avakian, Commissioner  
Bureau of Labor and Industries

  
Christine N. Hammond, Administrator  
Wage and Hour Division