APPROVED: March 17, 2010

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
Council Chambers, 333 Broadalbin Street SW
Wednesday, February 17, 2010

MINUTES

Advisory Board Members present:	Rich Catlin, Jeff Christman, Bill Coburn, Floyd Collins, Bessie Johnson, Gordon Kirbey, Sharon Konopa, Ray Kopczynski, Dick Olsen, Cordell Post, and Ralph Reid, Jr.
Advisory Board Members absent:	David Anderer (excused), Loyd Henion (unexcused)
Staff present:	City Manager Wes Hare, Community Development Director Greg Byrne, Public Works Director Diane Taniguchi-Dennis, Civil Engineer III Chris Cerklewski, Urban Renewal Manager Kate Porsche, and Administrative Assistant Teresa Nix
Others present:	Approximately seven others in the audience

CALL TO ORDER

Chair Cordell Post called the meeting to order at 5:17 p.m.

APPROVAL OF MINUTES

January 20, 2010

MOTION: Ray Kopczynski moved to approve the January 20 minutes as presented. Dick Olsen seconded the motion, and it **passed** unanimously.

SCHEDULED BUSINESS

Business from the Public

There was no business from the public.

Request for $30,000 Matching Grant (Vault 244/Brown)

Urban Renewal Manager Kate Porsche drew attention to the written staff report and the request from Michael Brown for a $30,000 matching grant to assist in construction costs associated with the expansion of his business at 240 First Avenue West. Porsche noted that CARA previously granted $70,000 for construction costs for this business, which opened on September 15, 2009. Since that time, the business has become the unique, vibrant, upscale gathering place that had been envisioned. Staff recommends approval of the request.

Kopczynski drew attention to the following comment on the grant application: "It's not hard to get the money. It's difficult paying it back with interest along with our current debt." He questioned whether the cost of the expansion might be mitigated by increased business, and he questioned whether CARA should consider allocating this request as a forgivable loan rather than as a grant. Post noted the applicants do not own the building; this would likely impact their ability to get a security interest loan.

Floyd Collins drew attention to inaccuracies in the project costs and return calculations on page 4 of the staff report. Porsche apologized for the errors. Collins noted that the actual ratio would be about 1:3 and that George Crandall has previously recommended a rule of thumb ratio of 1:7. He asked to hear from the applicant regarding the necessity for this grant.

Michael Brown, 780 Scenic Drive NW, expressed appreciation for the previous $70,000 grant, without which Vault 244 would not be in business. He said that he had expected the primary income from the business would be from drinks; the public demand for food from the restaurant has exceeded his expectations. The chefs are doing an excellent job, but the space was not designed for the quality and quantity of food being produced. An adjacent portion of the Cusick Bank building has become available, and he would like to expand the kitchen in order to get food items out at quicker pace. Once the Broadalbin Promenade is complete, the expanded kitchen would allow for the same menu to be offered to customers outside; the current kitchen would allow for a very limited food menu outside. The expansion would allow for deliveries and garbage takeout to occur through the alley rather than through the side doors on Broadalbin. It would also provide storage and additional seating for reservations and larger groups. Brown said that CARA's help is needed in order for the expansion to pencil out; without the grant, he would not be able to do the expansion. He noted that the historic nature of the building requires expensive construction methods. He feels that the work he has done to date speaks to the fact that he will do what he says and that he will do it right.

In response to inquiries from the Board, Brown provided the following additional information:

- The work would begin immediately upon approval of the grant and would take no longer than three months. His own construction firm would do the work utilizing local employees and subcontractors.
- The private funds for this business are from a second mortgage on his home. This is what he is referencing on the application in the comment pointed out by Kopczynski.
- The space in question was previously going to be utilized by Blush Salon as a massage room which would have required full length privacy curtains. His proposal is for an open, lighted interior which will be visible from Broadalbin Avenue.
- He would be disappointed if the Broadalbin Promenade does not get built because he feels that it will be a great thing for Downtown Albany; however, this grant would still address needs related to an overwhelmed kitchen, additional seating, storage, and keeping trucks off of Broadalbin Avenue.
- The average wait on weekends is about one hour, and potential customers have tried to get in several times without success. When there is no seating at Vault 244, he tries to direct customers to other downtown restaurants. The expansion would allow for a better customer experience.

Bessie Johnson said that she appreciates the good work that Brown has done so far and the fact that he intends to maintain the integrity of the building. She said that the project has been an asset to downtown; she is in favor of the request.

Porsche noted that Blush Salon was previously granted $5,000, at least some of which was tied to its expansion into this space. There is a possibility that some of those funds will come back to CARA.

Collins noted that one of CARA's objectives is to attract a major anchor to bring people downtown. He noted that other downtown businesses appear to be staying open later, and he asked if Vault 244 might be serving as a smaller anchor to achieve the same objective.

Albany Downtown Association Director Oscar Hult stated that Vault 244 is an attractor and that business owners have told him that they are staying open later because of the restaurant activity. If the restaurant expands into the extra space, he said, it will result in greater frontage on the street and allow for additional tables on the sidewalk regardless of whether or not the Broadalbin Promenade goes forward.

Post commented that the Browns have done a very nice job and that the restaurant is beautiful. If this expansion does not occur, he said that the space may stay vacant for some time and that it is it likely that CARA would still eventually be asked for funds to help renovate the building.

MOTION: Johnson moved to approve the $30,000 matching grant for the Vault 244/Brown request. Bill Coburn seconded the motion, and it **passed** by a vote of 8 to 3:

Yes: Catlin, Christman, Coburn, Collins, Johnson, Konopa, Olsen, Post
No: Kirbey, Kopczynski, Reid

Final Review of Broadalbin Promenade Costs

Porsche gave a PowerPoint presentation which included a history of the Broadalbin Promenade concept first presented as part of the 1995 Central Albany Land Use and Transportation Study (CALUTS) and included as part of the Albany Square Plan. She showed before and after photos of the Cusick Bank Building, noting that the first step of upgrading the exterior space as a draw for key businesses has been a fantastic success. A desire to utilize the area for outdoor restaurant seating resulted in renewed conversations about the Broadalbin Promenade.

Porsche reviewed the timeline of discussions between April and September of 2009. The original concept was to do a one-quarter block improvement; the scope was changed to include the entire block between First and Second Avenues following a meeting between the CARA Advisory Board and the Landmarks Advisory Board (LAC), and the CARA Board approved the full block general design and directed staff to work with George Crandall to create a final design. The Promenade is listed as a specific and allowable urban renewal project. It was ranked fifth overall and first in the category of public space improvements at the recent community open house. The Lakota report states that the Broadalbin Promenade should be considered a priority project.

Porsche said that she has received inquiries from citizens asking why the City would spend money on this project when it is tightening its belt in other areas. She said that there is some confusion about urban renewal money and the fact that it is separate from the City budget. To that end, she has written an editorial that will run in tonight's newspaper explaining how urban renewal funds can and cannot be used. She said that the real question is if this project is the right project for CARA to fund at this time.

Regarding the cost estimates, Porsche noted that the original estimate for this work was $250,000; the refined estimate as detailed in the written staff report is $520,000. Public Works has agreed to cover $50,000 for waterline replacement, bringing the total CARA cost to $470,000. If the City Council would agree that the sewer line costs would be covered by the Sewer Fund, the total CARA cost would be $395,000. Staff recommends approval of funding and discussion about the sewer line costs.

Sharon Konopa asked if it would be more cost effective on a per foot basis to do two blocks rather than one. Civil Engineer III Chris Cerklewski said that staff has not made calculations on a two-block area; however, with any type of infrastructure construction, the cost per foot will generally be less when more is done. Two blocks of improvements would not result in a doubling of the costs.

Post said that he has a hard time understanding why $80,000 is budgeted for landscaping and irrigation of this one-block area and that he has a problem with CARA paying for sewer improvements that need to be done anyway. In response to his inquiries, Cerklewski said that the extra cost to make the four-foot curbside strip into a bioswale is about $7,500.

In response to an inquiry from Collins, Cerklewski said that the Parks & Recreations Department has agreed to take on responsibility for maintenance of the landscaping. The proposed irrigation has a higher initial cost but would result in lower ongoing maintenance costs.

Coburn said that he initially supported the proposed one-quarter block improvements. He still thinks that there are advantages to doing a one-quarter block pilot project; he cannot say he is favor of doing the full block improvements. Jeff Christman agreed; had the one-quarter block project gone forward, he said that it would be done and available for use this spring.

Johnson asked if it will look strange to have only one block of the Promenade completed. Porsche noted that this is intended to be a pilot project; the long-term goal is to create a Promenade from the river to the Courthouse.

Kopczynski asked if CARA has the funds available to pay for this project. Porsche advised that the $5 million line of credit is set to close on March 4. Of this, $1.5 million is committed to RCM Homes, leaving $3.5 million available for allocation.

Olsen questioned whether it would be better to have regular landscaping and a more traditional method of stormwater removal in order to provide additional space for seating. In discussion, Cerklewski said that the Crandall plan calls for a four-foot planter strip regardless of whether there is a bioswale. There is an expectation that the state will require cities to treat stormwater in the near future; the bioswale provides an opportunity to gain experience in that area.

Johnson said that CARA has been talking about this project for a long time; she feels it is time to go ahead.

MOTION: Johnson moved to approve the Broadalbin Promenade between First and Second Avenues as presented in the most recent proposal. Kopczynski seconded the motion.

Post asked for additional comment about the sewer improvements. Public Works Director Diane Taniguchi-Dennis stated that this would be a policy matter for the City Council. If the Council decided to pay for those improvements, her recommendation would be to utilize the Sewer Economic Development Fund.

Collins asked if sewer and water improvements would be necessary with a one-quarter block improvement. Cerklewski said that the waterline runs under the street in the area of the proposed sidewalk; replacement of the waterline would need to go forward. The sewer line is on the west side of the street; it is not proposed to be replaced but to be lined using trenchless technology.

Rich Catlin asked how much of the cost is attributable to the Crandall design. Cerklewski said that the cost for a regular sidewalk would be closer to $250,000. Most of the additional costs are due to the extra sidewalk width. Sidewalks last about 100 years, making them a long-term investment. Ralph Reid, Jr., said that the $250,000 cited as the cost for a standard block improvement does not include sewer and water improvements. Porsche said that is correct; a standard block with sewer and water would cost about $375,000. The real difference in cost between a typical standard block and that proposed is about $145,000.

Reid noted that the City of Eugene has had to rebuild its main street several times over the past years. He wants to be sure that the work done here will function properly and that it will not have to be redone five years down the road.

Olsen said that he has had a vision that Downtown Albany would provide an ideal set for someone wanting to make a period movie. He asked if the Landmarks Advisory Commission has considered the historic ambience of the proposal.

Hult said that the LAC's input at the joint meeting was to avoid bulbouts and things that would detract from historic perspective and that it was insistent on doing a full-block improvement. He hopes that, if CARA commits to this project, it does so with the intent on eventually doing the entire three-block area. Porsche noted that the LAC voted unanimously to approve the Crandall plan.

Collins said that there may be unintended consequences associated with doing a one-quarter block improvement. He asked about potential problems such as matching the grade of the existing street. Cerklewski said that no detailed analysis was done on a one-quarter block improvement; he assumes that there would have to be temporary trench patching to match the widened sidewalk and the existing sidewalk.

Konopa said that she thinks this project will be a great asset and will bring energy to the downtown. She said that this has been discussed for years and that the timing is right. CARA has the funds available and it may be a good time to get competitive bids. Many people throughout the community have expressed excitement about the Promenade. She personally would like to go forward with the entire three-block project, but she thinks that one block should be the minimum.

Catlin stated that the ADA Board is in favor of this project moving forward and that he supports the motion. He also hopes that good bids will come in given the economic climate.

Post said he will vote no; if he had assurance that the $75,000 sewer costs would be covered by another fund, he would be in favor. Brief discussion followed and Post noted that staff has indicated that the matter of whether the sewer costs would come out of the Sewer Fund would be a Council decision.

The motion passed by a vote of 7 to 4:

Yes: Catlin, Johnson, Kirbey, Konopa, Kopczynski, Olsen, Reid
No: Christman, Coburn, Collins, Post

ADA Request for Comprehensive Market Analysis

Porsche drew attention to the written staff report. She turned the floor over to CARA Advisory Board and Albany Downtown Association member Rich Catlin.

Catlin, Chair of the ADA Economic Development Committee, drew attention to a letter in the packet signed by ADA Board President Marc Manley and himself. Catlin stated that the Committee has been considering projects that it might suggest as CARA begins to think about how to spend its next round of funding. One possible project that has been discussed is the St. Francis Hotel – whether the downtown could support a hotel and whether the St. Francis would be the best location. Discussion has also centered on what businesses would attract citizens and contribute to a strong and vital "24/7" downtown. In considering what to propose, the Committee realized that this may be a good time to think about planning out into the future. There was consensus by the group that a market analysis would help to answer a lot of questions. He said that the letter goes into more detail about what a market analysis could do, but the Committee did not have sufficient information at the time to present a cost estimate or timeframe. Subsequently, some estimates were developed; however, it is thought that the bids may come in lower than estimated. The intent is that the study would include a comprehensive analysis for the downtown area, as well as a strategic analysis for the entire CARA area.

Porsche noted that the rough estimate presented in the staff report is approximately $150,000 – about $50,000 for an in-depth study of the downtown area and about $100,000 for analysis of the broader area. These numbers are based on conversations with representatives of the Main Street Program about the cost of a downtown analysis and uncertainties about costs associated with an analysis for the broader area and a possible residential needs analysis. It is hoped that bids would come in lower than estimated. Porsche proposed that, if the Board is agreeable to the concept, staff write a scope of work and put out a request for proposal (RFP) with bids to be brought back for consideration.

ADA Director Oscar Hult added that the Main Street Manager's best guess was that the downtown analysis would be in the $40,000 to $50,000 range. Post said that bids could be influenced by these estimates; he suggested that it makes more sense to ask for bids without providing estimates. He further suggested that $150,000 is a huge amount for this study. Porsche said that the RFP could be written in such a way that invites bids for the downtown area and for the full urban renewal area separately so that the Board would evaluate and decide value versus cost for both scenarios.

Collins said that he would want to include the entire district; there are important elements of the district outside of the downtown area.

Coburn said that he generally feels that the City hires too many consultants; he thinks that there is often expertise in-house to tackle issues. In this case, he said that there is expertise on City staff, the ADA, business groups, and the Chamber of Commerce. He said that this issue is not new or unique to the City of Albany; the basic concepts are generally the same for all Oregon cities. He does not think it is necessary to "reinvent the wheel" and he does not think a consultant would bring anything new or unique.

Porsche said that she has had conversations with Hult about whether some of this work could be taken on by staff or interns, as well as other creative ways to minimize costs. Regarding the St. Francis Hotel, she said that she has a dream of that again becoming a hotel, but she thinks it is necessary to first have data showing that the downtown could support a hotel.

Christman stated that, if it was economically viable to have a hotel downtown, there is an industry that would pursue that; his guess is that it is not viable at this time and that it would not make sense for CARA to buy that property. He said that $50,000 to $150,000 is a lot of money to pay for what is already known – that businesses like restaurants, entertainment, etc., will make the downtown more vibrant.

Catlin said that much of the benefit of a market analysis is having information available. An example cited in the letter is North Albany Village. Once a market analysis was done and the numbers hit the market, he said that the property was snapped up and a shopping center was built.

Johnson said that she can understand a hesitancy to pay for consultants, but the downtown does not have everything that is needed. There needs to be a variety of businesses that will draw people who will spend money and also people who don't have as much to spend. A consultant might help in advising what is needed to make the downtown more vibrant and busy on evenings and weekends.

Olsen said that he has questions about the viability of a parking center building, as well as some kind of grocery store within walking distance of downtown living spaces. He would like to hear from someone with the experience to give advice and answer some of these questions.

Reid said that there are a lot of residences being built in close proximity to downtown, but residents have to get in a car to get groceries, prescription drugs, or a reasonable pair of shoes. He stated that, if this process is going to go forward, he would want to hold it to the downtown core. He could support $50,000 for an analysis for the downtown core; he could not support $150,000 for an analysis of the entire district.

MOTION: Reid moved to authorize staff to put out an RFP for the downtown core only. Olsen seconded the motion.

Gordon Kirbey said that he thinks it is the job of the CARA Advisory Board to determine what is needed downtown; an afternoon of discussion between the Board and the ADA could accomplish what is needed. He does not see the need to spend this money for someone else to tell the Board what is needed downtown.

Konopa said a consultant may be able to determine what is missing and what can be done to go about bringing in the desired type of retail. She noted that $20,000 was appropriated for a retail strategy early in CARA's existence, but no one was hired to take on that project. She thinks that now is the time to have an analysis done and that it is important that it include a strategy to attract the desired businesses.

The motion **passed** by a vote of 6 to 5:

Yes: Catlin, Johnson, Konopa, Olsen, Post, Reid
No: Christman, Coburn, Collins, Kirbey, Kopczynski

Porsche asked if the Board would like the RFP to be structured in such a way as to also find out what it would cost to include the entire CARA district. Brief discussion followed. Christman stated that the motion was specific to the downtown area and that is what has been authorized; Post agreed.

Staff Updates and Issues

Porsche read a thank-you note to the CARA Advisory Board from Cecelia Babcock.

Porsche advised that the Labor Temple project has been slow to progress. She has been working with City Attorney Jim Delapoer to ensure that a conservative approach is taken to moving forward with that loan until the developers complete the Labor Temple project.

Porsche advised that the Bamboo Terrace on First Avenue has closed. A new restaurant with the same owners will be opening in March to be called First Burger.

BUSINESS FROM THE BOARD

There was no further business from the Board.

NEXT MEETING DATE

The next regular meeting of the CARA Advisory Board will be held on Wednesday, March 17, 2010, at 5:15 p.m. in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Post adjourned the meeting at 7:11 p.m.

Submitted by,

Teresa Nix
Administrative Assistant

Reviewed by,

Kate Porsche
Urban Renewal Manager