



## NOTICE OF PUBLIC MEETING

CENTRAL ALBANY REVITALIZATION AREA ADVISORY BOARD  
City Hall Council Chambers  
Wednesday, November 16, 2011  
5:15 p.m.

### AGENDA

1. CALL TO ORDER (Chair Cordell Post)
2. ROLL CALL
3. APPROVAL OF MINUTES
  - October 19, 2011. [Pages 1-4]
  - Action: \_\_\_\_\_
4. SCHEDULED BUSINESS
  - a. Business from the Public
  - b. Presentation of Competitive Grant Requests [Pages 5-7] (Porsche/Applicants)
    - 1) American Legion, 1215 Pacific Boulevard SE. (\$349,506 grant). [Pages 8-20]
    - 2) Friends of the Jensen, 431 First Avenue W (\$50,000 grant). [Pages 21-32]
    - 3) Scott Lepman [Pages 33-80 ]
      - a. 406 Denver Street SE (\$48,423 forgivable loan). [Pages 81-96]
      - b. 201 Second SE (Second & Baker) (\$749,000 forgivable loan). [Pages 97-140]
    - 4) Thad Olivetti, 409 First Avenue W (\$42,500 forgivable loan). [Pages 141-161]
    - 5) Linda Poris, 301 First Avenue W (\$26,775 forgivable loan or grant). [Pages 162-169]
    - 6) United Steel Workers, 1224 Santiam Hwy. SE (\$240,000 as a \$140,000 forgivable loan & \$100,000 grant). [Pages 170-180]
    - 7) Woodland Square (Innovative Housing), 1415 Salem Avenue SE (\$1,450,000 forgivable loan). [Pages 181-208]
    - 8) Broadalbin Promenade (\$1,020,000 public improvement). [Verbal]
  - c. Recess
  - d. Reconvene
  - e. Decisions on Competitive Grant Requests
    - 1) American Legion, 1215 Pacific Boulevard SE. (\$349,506 grant).  
Action: \_\_\_\_\_
    - 2) Friends of the Jensen, 431 First Avenue W (\$50,000 grant).  
Action: \_\_\_\_\_
    - 3) Scott Lepman
      - a. 406 Denver Street SE (\$48,423 forgivable loan).  
Action: \_\_\_\_\_
      - b. 201 Second SE (Second & Baker) (\$749,000 forgivable loan).  
Action: \_\_\_\_\_
    - 4) Thad Olivetti, 409 First Avenue W (\$42,500 forgivable loan).  
Action: \_\_\_\_\_
    - 5) Linda Poris, 301 First Avenue W (\$26,775 forgivable loan or grant).  
Action: \_\_\_\_\_
    - 6) United Steel Workers, 1224 Santiam Hwy. SE (\$240,000 as a \$140,000 forgivable loan & \$100,000 grant).  
Action: \_\_\_\_\_
    - 7) Woodland Square (Innovative Housing), 1415 Salem Avenue SE (\$1,450,000 forgivable loan).  
Action: \_\_\_\_\_
    - 8) Broadalbin Promenade (\$1,020,000 public improvement).  
Action: \_\_\_\_\_

- f. Staff updates and issues. [Verbal]  
Action: \_\_\_\_\_

(Porsche)

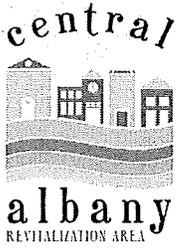
5. BUSINESS FROM THE BOARD

5. NEXT MEETING DATE: *Next regular meeting December 14, 2011*

7. ADJOURNMENT

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

*The location of the meeting/hearing is accessible to the disabled. If you have a disability that requires accommodation, 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, October 19, 2011**

**MINUTES**

Advisory Board Members present: Jeff Christman, Floyd Collins, Kate Foster, Loyd Henion, Bessie Johnson, Chuck Leland, Gordon Kirbey, Sharon Konopa, Ray Kopczynski, Dick Olsen, Cordell Post, Mark Spence

Advisory Board Members absent: Rich Catlin (excused), Bill Coburn (excused)

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

Others present: Approximately 6 audience members

**CALL TO ORDER**

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

**APPROVAL OF MINUTES**

September 21, 2011

**MOTION:** Ray Kopczynski moved to approve the September 21 minutes as presented. Chuck Leland seconded the motion, and it **passed** 12 to 0.

**SCHEDULED BUSINESS**

Business from the Public

Bill Sheretz, 794 Montclair Drive NE, said that he previously submitted a letter in support of American Legion Post 10's CARA application, and he is here to answer any questions. He said that Post 10 is the largest in Oregon with over 1,000 members and that it would draw a substantial population that might not otherwise come downtown. Urban Renewal Manager Kate Porsche said the letter and request will be in the packet and on the agenda in November.

In response to an inquiry from Floyd Collins, a representative from American Legion Post 10 reviewed funding-raising efforts to date, including an insert in area newspapers, proceeds from the regular Saturday breakfast, and donations from contractors and other American Legion Posts. Other than a donation bucket at the spaghetti feed and continental breakfast, there are no plans to do additional fund-raising this Veterans' Day. Collins commented that a lot of people come from out of town for the Veterans' Day parade and that may be a good opportunity for a fund-raising effort.

Recess to Take a Tour of Two Projects

Post recessed the meeting at 5:25 p.m. for a tour of the Keyhole House and the Labor Temple project. The meeting was reconvened at 6:15 p.m.

## Labor Temple Refinance

Porsche drew attention to the written staff report and reviewed the history of the project located at 228 Third Avenue SE. Last April, the project had slowed because the developers were having difficulty procuring a construction loan, and CARA agreed to step in with a loan of \$120,000 in the second lien position. The current contracts indicate that CARA would agree to subordinate to no more than \$176,000. Last month, Don Ward approached her to discuss the possibility of CARA subordinating its second lien to a new amount of \$235,000 to cover fees, back payments, taxes, and additional costs that were incurred during the project. She and the City Attorney have discussed three possible alternatives as detailed in the staff report – subordinate to the new amount, do nothing, or refinance the property.

City Attorney Jim Delapoer said that the three alternatives are well detailed in the staff report and he won't repeat that information. He said that he has no opinion about the value of the building and that rental buildings are often appraised by what they can generate in the way of income. He understands that three of the four units are rented and that the rent is about \$775 for each unit.

Delapoer said that if CARA did not agree to subordinate to a higher amount or to refinance the loan, the owners say this would increase the risk that the project will fail. If the project fails, CARA would need to pay off the current indebtedness as well as interest and foreclosure costs. Regarding the option of subordinating to a new amount, this would allow the owners to get the extra money they need, but at very high rates. If the owners would then default, the risk to CARA would be even greater. Regarding the idea of CARA refinancing the property, the appraised value is more than the combination of all of the debts including the additional money being requested. If CARA is in the first position and the owner did not make payments, CARA could foreclose and then either sell or rent the property. Staff's recommendation, as detailed in the staff report, would be to refinance the loan, resulting in a first lien in the amount of \$235,000 and a second lien in the amount of \$120,000, for a total of \$355,000. The appraised value is \$375,000. The loan would be at 11 percent interest which is high enough to economically incentivize the owners to get a conventional loan as soon as they are able to generate the required two years of stable rental income needed to do so. The CARA loans would be due and payable in three years.

Don Ward came forward. In response to inquiries from the Board, he said that three of the four units are rented and he does not foresee any problem renting the fourth unit when it is ready. An 11 percent loan is not attractive or comfortable, but he is willing to take that on for a limited time because he believes in the project and he is betting on its success. Delapoer noted that the loan from CARA would save the property owners points and loan fees in the amount of at least \$17,000.

Bessie Johnson said that she is comfortable with having CARA refinance the loan due to Ward's reputation and history with CARA and that she thinks the value when completed will be at least the amount appraised.

In response to an inquiry from Collins, Jeff Christman said that Option 3 makes sense from a lender's perspective; the other two options would put CARA in an unsecured loan position. Brief discussion followed.

**MOTION:** Loyd Henion moved to recommend Option 3 – CARA refinance of the property, as detailed in the staff report. Johnson seconded the motion.

In response to further inquiries from the Board, Ward said that he has a reciprocal parking agreement for the project with Davis Glass, he would plan to establish a rental pattern and get a conventional loan well before the three-year expiration date of the CARA loan, and he has been using income from the building toward the project, but there is much yet to be done including work required by the Landmarks Advisory Commission.

Kopczynski said he will vote against the motion. He doesn't think that CARA should be in the position of possibly being the landlord of this building. CARA has already put much money into this building, and he is in favor of cutting the losses and moving on.

The motion **passed** 10 to 2 with Kopczynski and Leland voting no.

## Policy Issues Discussion

Porsche drew attention to the written staff report which outlines several policy issues for discussion.

**Local Contractors and Materials:** Porsche recalled that, in January of this year, John Robinson presented an idea to require that Albany contractors be used on projects up to the amount of CARA assistance; a letter from Robinson is included in packets. Delapoer said that the question of whether CARA can require the use of local contractors as a loan condition and whether that could be defended if challenged is unclear. It is appropriate to add conditions that are reasonably related to CARA goals, but requiring the use of local contractors even if they are more expensive seems counterintuitive to getting the most redevelopment for CARA dollars. If local contractors are not more expensive, developers would likely prefer to use them. Rather than making the use of local contractors a condition of a loan, he would recommend that staff be directed to include a place in the application where applicants would identify economic benefits to the community. The use of local contractors or vendors could then be added to the mix as one of many elements the Board values in considering applications. Brief discussion followed.

**MOTION:** Leland moved to adopt Delapoer's recommendation. Sharon Konopa seconded the motion.

John Robinson came forward. He said that there is a reference on CARA's website to "increasing economic vitality" and that is what he is requesting. The use of local contractors would result in that money staying in Albany and turning over five to seven times. He said that the assumption that using local contractors would cost more is not true and that Albany has a pool of contractors to choose from. He said that CARA is not obligated to give money to anyone, that CARA funds are given on a reimbursement basis, and that he feels there is a way for CARA to have this as a condition of a loan. He suggested a two-pronged approach wherein loan recipients would be required to use local contractors for up to the amount of CARA funds and would be given a bonus amount for using only local contractors for the entire project. This would result in the CARA Board communicating that it is behind the community.

In response to inquiries from the Board, Mr. Robinson said that the approach laid out by the City Attorney seems less direct than what he is proposing, that he is requesting that CARA specify the use of Albany contractors, and that he does work in Lebanon and understands he could lose some of that work if the urban renewal district there implemented these procedures.

Kate Foster said she considers Linn County and Corvallis to be local; she thinks that limiting to Albany contractors could result in a limited pool and slowed projects. Robinson said there are many contractors in Albany. He said this first came to his attention when he noticed contractors from out of town at the JC Penney Building. Post stated that the JC Penney Building used many Albany contractors and that millions of dollars were spent on local contractors for that project. Robinson said he had not been aware of that.

The motion **passed** 12 to 0.

**Churches/nonprofits:** Porsche said that the question has been raised whether it is appropriate for CARA to fund projects for religious organizations. CARA has funded historic preservation projects for St. Mary's and Whitespires Church; there is nothing to preclude those types of projects. The question of how to evaluate nonprofit projects of any kind, based on their lack of return on investment, is another policy question. Collins said this goes back to his previous comments that CARA should not fund any nonprofit unless there are other social redeeming values that outweigh the loss of tax increment. Henion said that historic preservation is extremely valuable but he agrees that CARA should have clear criteria.

**Decision Making Grid:** Porsche drew attention to the draft project evaluation grid in packets. Based on the earlier direction, she will add the use of local contractors to the grid *[include place in the application where applicants would identify economic benefits to the community. The use of local contractors or vendors could then be added to the mix as one of many elements the Board values in considering applications.]* Another consideration would be whether to add specific references to the recommendations in Crandall's retail refinement plan. She invited input.

Kopczynski said that he would like to tighten up the requirements related to other financing. City Manager Wes Hare said that he once sat on a regional economic development organization which required applicants to show rejections by three banks; this was an exercise in futility because a bank will write a rejection letter on request. He said that, in trying to be a lender of last resort, it is very difficult to get proof that someone could not complete a project in some other way.

Mark Spence said that he doesn't like to think of CARA as a lender of last resort but as an attractor; that is why he feels that large public projects deserve priority. He shares the concern and thinks that some projects that have been funded would have been done without CARA funds.

Foster said that the term "highest and best use" in Item C could have different meanings. Collins said that it is staff's job to provide an analysis to help the Board make the best decisions; coming to a conclusion on what is the highest and best use is up to the CARA Advisory Board and Agency.

Porsche asked if the Board would like to add something to the matrix regarding Crandall's recommendation for first floor retail on First Avenue. In discussion, several Board members expressed approval for that addition. Porsche noted that this is a fluid process and the matrix can be changed in the future.

#### Staff Updates and Issues

Porsche referred to Robinson's comment that he was not aware the JC Penney Building had used local contractors. She has considered creating a questionnaire for the purpose of gathering data on projects. The results could provide information about the use of local contractors, job creation, how much historic space was saved, etc. She will bring this back at a future meeting. Post said that, anecdotally, he thinks the vast majority of projects use local contractors because it is cheaper.

Porsche reported that the Broadalbin Promenade pilot project won the Oregon Main Street Award for Outstanding Public Project of the Year.

#### BUSINESS FROM THE BOARD

None.

#### NEXT MEETING DATE

The next meeting of the CARA Advisory Board is scheduled for Wednesday, November 16, 2011, at 5:15 p.m. in the Council Chambers.

#### ADJOURNMENT

Hearing no further business, Chair Post adjourned the meeting at 7:34 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 *Kate*  
DATE: November 9, 2011, for November 16, 2011, CARA Advisory Board Meeting  
SUBJECT: Staff Report – Overview

This month you will be hearing and deciding up on the recipients for the competitive round of funding.

Coming before you will be eight requests totaling \$2,956,204 and the Broadalbin Promenade reconsideration, for total requests of \$3,976,204. Please see the attached Quick Review Grid for a snapshot of funding requests and how each project stacks up based on staff's review of the criteria.

In terms of cash flow, we are about \$300,000 short of being able to fund all of the requests (please see the attached "Competitive Round Public/Private Projects" for more details). Thus, you will have some tough decisions before you to decide which projects and in what amounts you will support.

In an effort to keep things moving along, we plan to allow applicants just a brief amount of time, five minutes, to present details on their proposals. Applicants will also be allowed a question and answer period after their five minutes in case any of you have questions or clarifications about the proposals. After the presentations and question and answer period, we will take a short break. Cookies and coffee will be on hand to sustain you.

We will reconvene, and you will begin your deliberation on the various projects. The goal is to make funding decisions on all of the projects Wednesday night. Due to people's holiday plans and the date of next month's meeting (December 14) which is followed that evening by a regular City Council meeting, there is a preference not to hold our regular meeting next month.

Please read the attached applications and evaluation grids. Because you reviewed and approved the evaluation grid, I've eliminated the written staff memo for each project and am just using the grid, pared with some narrative at the bottom of each evaluation, to assist you in your consideration of each project.

See you Wednesday night.

KCP:ldh

# CARA Project Quick Review Grid

Project	American Legion	Jensen Arctic Museum	Lepman Denver St.	Lepman 2nd and Baker	Olivetti	Poris	USW	Woodland Square, Innovative
<b>Evaluation Category &amp; Criteria</b>								
<i>Overall Goals</i>								
Further the Town Center Plan								
Development Pattern (Highest & Best Use)								
Blight								
Preservation								
Vitality/People Attractor								
Located in Retail Hotspot								
Sustainable Building								
Residential Component								
<i>Economic Development</i>								
Bring new business to Albany								
Additional Job Creation								
Local Labor and Materials								
<i>Financial</i>								
Proposed public funds	\$ 349,506	\$ 50,000	\$ 48,423	\$ 749,000	\$ 42,500	\$ 26,775	\$ 240,000	\$ 1,450,000
Private funds	\$ 1,856,929	\$ 250,000	\$ 278,642	\$ 2,641,212	\$ 42,500	\$ 26,775	\$ 760,000	\$ 9,158,436
<b>Total project cost</b>	<b>\$ 2,206,435</b>	<b>\$ 300,000</b>	<b>\$ 327,065</b>	<b>\$ 3,390,212</b>	<b>\$ 85,000</b>	<b>\$ 53,550</b>	<b>\$ 1,000,000</b>	<b>\$ 10,608,436</b>
% of CARA Investment	16%	17%	15%	22%	50%	50%	24%	14%
% Private Investment	84%	83%	85%	78%	50%	50%	76%	86%
Ratio-\$1 Public : Private \$	5.31	5.00	5.75	3.53	1.00	1.00	3.17	6.32
Tax Increment								
Tax Increment ROI	none	none	13 years	14 years	26	none	11 years	34 years

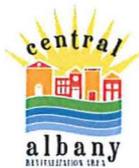
<b>Key</b>	
Meets Criteria	
Potentially or somewhat Meets	
Does Not Meet Criteria	

# Competitive Round Public/Private Projects

10-Nov-11

Project	Description	Amount
American Legion	Tenant improvements	\$ 349,506
Friends of the Jensen Arctic Museum	Tenant improvements	\$ 50,000
Lepman, 2nd and Baker	New construction apartments	\$ 749,000
Lepman, Denver St., Lepman	New construction infill	\$ 48,423
Olivetti	Exterior Improvements	\$ 42,500
Poris	Tenant improvements	\$ 26,775
United Steel Workers	Exterior Improvements	\$ 240,000
Woodland Square, Innovative Housing Promenade	Workforce housing <b>Two blocks</b>	\$ 1,450,000 \$ 1,020,000
		<b>\$ 3,976,204</b>

Cash available now	\$ 2,411,000
Eagles no-go now	\$ 775,000
	<b>\$ 3,186,000</b>
Less phase II for IHI (paid from future funding round)	\$ 497,500
<b>Total Cash available Now</b>	<b>\$ 3,683,500</b>
Projects requested	\$ 3,976,204
Difference	\$ (292,704)



# Project Evaluation Grid: American Legion

**Request: \$349,506 grant**

	Item	Description	Staff Analysis/Comments
<i>Overall Goals</i>			
A)	<p><b>CARA Goal &amp; Objectives:</b> The purpose of this CARA Plan is to eliminate blighting influences found in the CARA, to implement goals and objectives of the City of Albany Comprehensive Plan, and to implement development strategies and objectives for the CARA. The goal and objectives for the CARA have been defined as follows:</p> <p><b>CARA Goal:</b> To revitalize the Central Albany Revitalization Area by implementing the Town Center Plan developed through the Central Albany Land Use &amp; Transportation Study (CALUTS) using a citizen-driven process.</p>	<p>Does the project further the Town Center Plan?</p> <p>Which of CARA's objectives does the project meet?</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Provide a safe and convenient transportation network that encourages pedestrian &amp; bicycle access to and within the town center.</li> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Enhance and protect the community and environmental values of waterway corridors in the area.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>	<p>No, it is outside the area and scope of the Town Center Plan.</p> <p>This project meets the objective of "Retain and enhance the value of existing private investment and public investment in the area."</p> <p>Project does not appear to meet the remaining goals and objectives.</p>
B)	<p>CARA Planned Projects</p>	<p>Which project category and activity in the UR Plan does this project fulfill? (See CARA Project Activities document, or Table 2 of the UR Plan and Report)</p>	<p>Activity: <u>Property Redevelopment Assistance</u> described in plan as "Provide assistance &amp; support to developers including technical assistance, financing &amp;/or grants of joint-venture efforts <b>outside of the Downtown area.</b>"</p>
C)	<p>Development Pattern (Highest and Best Use)</p>	<p>Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?</p> <p>Is the proposed project desired in this location and the highest and best use of the property?</p>	<p>Yes.</p> <p><u>Zoning:</u> Community Commercial District <u>Comp Plan:</u> Commercial</p> <p>Yes. Community Commercial recognizes services as a typical use in this area.</p>
D)	<p>Blight</p>	<p>Would it remedy a severely blighted building? How?</p>	<p>No. This project is underway and is new construction. The new building replaces one destroyed by arson; one could argue that the burned-out building created blight.</p>
E)	<p>Preservation</p>	<p>Would it rehabilitate or sensitively redevelop a historic property?</p>	<p>No.</p>
F)	<p>Vitality/People Attractor</p>	<p>Does the general public benefit (i.e. restaurant, carousel, something they can go to, utilize)?</p>	<p>This is a veteran's organization, a private club with specific membership requirements of military service. It does accommodate events open to the public on occasion.</p>

G)	Retail Hotspot (1 <sup>st</sup> Avenue between Lyon and Calapooia)	Is the project located in the Retail Hotspot? If so, will the first floor use be active retail, as recommended in the Retail Refinement Plan?	No.
H)	Sustainable Building	Will the building be built using sustainable practices including LEED or others?	No.
I)	Residential	Is there a residential component? How many units?	No.
<i>Economic Development</i>			
J)	Bring new business to Albany	Will a new business open or come to Albany as a part of this project?	No.
K)	Job Creation	Will the project create additional jobs? How many, what types and what salary level?	No net gain as this establishment existed before.
L)	Local Labor and Materials	Has applicant specifically called out a commitment to use a certain percent or amount of local labor and/or materials?	None was specifically called out, but staff is aware they are using a local architect.
<i>Financial</i>			
M)	Ratio	Proposed public funds Private funds % of CARA Investment Ratio-Public \$:Private \$	\$ 349,506 \$1,856,929 16% 1 : 5.31
N)	Financial Impacts	What are the financial risks and/or financial benefits to CARA?	No tax increment benefit.
O)	Gap	What is the "gap" or need of the developer?	Insurance settlement was \$1,020,000. Cost of expanded new building = \$2,206,435.
P)	Private Risk	What is the risk for the developer? What is their skin in the game?	American Legion has firm fundraising of \$40K and a potential on the line for about \$1M more. They will need to continue their fundraising efforts.
Q)	Tax Increment	Will the project generate an increase in the assessed tax base? How much?	No, American Legion is a tax-exempt organization.
R)	Tax Increment ROI	Is the ROI on this project less than 5 years, less than 7 years?	None.

*Other Staff Comments:* First, staff feels that funding this project at the full amount requested is problematic since the project is a private club. Though staff supports the American Legion's veterans' services their community programs, it is difficult to recommend public funding for a project that isn't consistently open to the general public.

Second, the new building is already under construction, as you may have seen. The application asks for funding for pieces that are not yet begun or have yet be finished. Though the applicants would be able to comply with our requirement of only paying for work that has yet to be done, the project has already been designed and is partially built, leaving us without an opportunity to weigh in or apply our design guidelines. (A full set of plans are available at City Hall; just contact me.)

The American Legion should be commended for their outreach and various community efforts in Albany; they are an organization that makes a difference in the lives of our citizens. However, this request, with no potential for an increase in assessed value, on a structure that, though it may draw visitors, is ultimately a private club and which existed previously (i.e., not a new establishment) does not meet CARA's funding goals and objectives.



# CARA Funding Application

333 Broadalbin Street SW, Albany, OR 97321

## 1. APPLICANT

Name: American Legion Post 10 Albany Department of Oregon

Mailing Address: 129 NW First, Albany OR

Zip Code: 97321

Contact Name: James McCanlas Phone Number: 541-990-2641

Fax Number: 541-926-0428 E-mail Address: albanypost10@gmail.com

## 2. BUSINESS/BUILDING INFORMATION

Legal Business Name: American Legion Post 10 Albany Department of Oregon

Number of Years in Operation: 92 years

Legal Form: Sole Proprietorship  Partnership  Corporation  S-Corp  LLC

Profit  Nonprofit

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

Have you ever filed for bankruptcy? Yes  No

Project Address (if different than mailing address): 1215 Pacific Blvd., Albany OR 97321

Property Tax Account Number: 11-03W07AA/1700

Is the building a historic contributing resource? Yes  No

If so, is it on the historic property-tax freeze? Yes  No

## 3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: American Legion Post 10

Contact Name: James McCanlas

Mailing Address: 1215 Pacific Blvd., Albany OR Zip Code: 97321

Phone Number: 541-990-2641

## 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.) Applicant is the owner of the property

**5. DESCRIPTION OF PROJECT** *Please give a comprehensive description of project.*

\_\_To construct a 10,000 SF building to replace the former 10,312 SF building destroyed by fire and to reconfigure the existing parking lot. \_\_\_\_\_

**6. TIMELINE FOR COMPLETION OF PROJECT:**\_\_

Start of Design Contractor Hire, Permit Process	Nov 2010
Start Project, site work, 90% completion	Aug 2011-Oct 2011
All finishes 90% complete	March 2012
Certificate of Occupancy	Apr 15, 2012

**7. PROJECT COSTS**

**ESTIMATED COST OF PROJECT:**

\$ 2,206,435.00

**ESTIMATED VALUE OF PROJECT UPON COMPLETION:**

\$ 3,268,075

Basis for valuation and value upon completion: Basis for valuation and value upon completion: land valued at \$1,061,640 plus building and contents 2,206,435.00

**SOURCES FOR PROJECT:**

Owner/Company Contribution \$ 40,000

Bank (estimated) \$ \_\_\_\_\_ Term: \_\_\_\_\_ Interest Rate: \_\_\_\_\_

Other (please specify) insurance \$ 1,020,000.

\$ \_\_\_\_\_ Term: \_\_\_\_\_ Interest Rate: \_\_\_\_\_

CARA (proposed) \$ 349,506

**TOTAL SOURCES** \$ 1,409,506

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

**USES FOR PROJECT:**

Land and/or Building Acquisition \$ -0-

Soft Costs \* \$ 392,460

Construction Costs \* \$ 1,813,975.

Tenant Improvements \$ -0-

Machinery/Equipment/Installation Costs \$ -0-

Working Capital \$ -0-

Other (please specify) \$ -0-

**TOTAL USES** \$ 2,206,435

\*Please provide a detail of Soft Costs and of Construction Costs.

**8. PREPARATION OF COST ESTIMATES**

Who prepared your cost estimates? Stan Clayton, Clayton Construction

(If applicant prepared their own estimate, verification may be required. If bid was used, please attach.)

Mailing Address: PO Box 717 Philomath, Oregon 97370

Phone Number: 541-760-3978 E-mail Address: claytonsoregon@aol.com

**9. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION. (Please provide a description of the financial gap requiring CARA assistance.)**

The American Legion Post 10 project is in concurrence with the CARA guidelines and the City of Albany planning and permitting regulations. The total cost of rebuilding is \$2,206,435.00. The insurance settlement is \$1,020,000. Donors have contributed \$40,000. We have a request pending with two major donors Ann & Bill Swindells Charitable Trust for \$100,000 and a request to a local anonymous donor for \$886,135. Our request to CARA is to cover the costs of construction external changes found in the CARA design recommendations and the City requirements. City requirements include: planters, bio swale, eliminating 3 approaches off 7<sup>th</sup> Ave and adding 2 approaches on Sherman, rebuilding to City code an easement approach with ribbon drain.

Funding from CARA is necessary because The American Legion Post 10 is not a 501 (c) (3) but a 501 (c) (19). Congress granted the American Legion a national charter in September 1919. This tax determination makes it more difficult to approach foundations. It is particularly difficult in this economic climate. Foundations are generally not funding capital projects now. Without CARA support the project will be delayed.

**10. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?**

Local donors have made contributions. We have pending requests with Ann & Bill Swindells Charitable Trust and a local philanthropist who wishes to remain anonymous

**11. CONSIDERING THE PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA.**

Please see attachment

**12. HAVE YOU OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?**

Yes  No

If so, amount \$ \_\_\_\_\_

FOR WHAT PROJECT(S): \_\_\_\_\_

**13. ASSISTANCE REQUESTED**

Total Estimated Project Costs: \$ 2,206,435.00  
 Your Total Contribution \$ 1,374,641.00  
 Total Amount Requested from CARA: \$ 349,506.00

**Funding type requested**

Forgivable loan

Forgiveness based on:  Project completion  Other, please describe:  
 \_\_\_\_\_

Small Grant - *Matching grants of up to \$5,000 per property minimum 50 % match by applicant.*

Grant - *Matching grants of greater than \$10,000 per property minimum 50 % match by applicant.*

Loan Proposed Terms \_\_\_\_\_

**COLLATERAL FOR LOANS**

CARA Loans are usually secured by the project property (CARA is the primary or subordinate lender) AND by personal guaranties from developer members with an ownership share exceeding 20%. Indicate below what collateral you are offering for the CARA loan.

**Preferred Collateral**

First lien position or  subordinate lien position in the project property  
 Personal guaranty from developer members (list names):

**Alternate collateral proposed**

	Description	Estimated Value	(-)Liens	(=)Available Equity
Real Estate - Commercial		\$	\$	\$
Real Estate - Residential		\$	\$	\$
Machinery and Equipment		\$	\$	\$
Accounts Receivable		\$	\$	\$
Other		\$	\$	\$

**Certification**

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Albany Revitalization Area Agency (ARA) 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 preapproved 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.
9. If CARA's total assistance to the project is greater than \$750,000, prevailing wage for the project may apply.
10. (CARA may withhold approval of this application until information satisfactory to CARA is provided.)

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 s/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.

*James Miller*  
Applicant's Signature

10-26-11  
Date

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

Return Application and any attachments to: City of Albany  
c/o Kate Porsche, Urban Renewal Manager  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

**FOR CITY USE ONLY**

Date Received: 10/28/11

By: KLP

Application Complete:  Yes  No

*attachment*

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

The American Legion Post 10 is a project within CARA Albany's urban renewal district; the property has high visibility it is on the main business arterial entering and leaving Albany. Rebuilding Post 10 strengthens a gateway to Albany.

CARA Key Objectives:

- Retain and enhance the value of existing private investment and public investment in the area.

American Legion Post 10 is a private non-profit investment whose mission is to enhance the public life of Albany. Post 10 serves two populations local residents and visitors. The American Legion Post 10 is historical, central to the culture and history of Albany and exemplifies the commitment of Albany to continue to honor its future veterans. Post 10 is the largest American Legion Post in the State of Oregon. Supporting the rebuild of the American Legion Post 10 commemorates Albany's past and demonstrates faith in its future.

American Legion Post 10 has a 93 year tradition of economic activity, civic and philanthropic contributions in the City of Albany. Post 10 was founded in Albany in 1919. Many of Albany's city fathers were members; these founders committed themselves to building Albany. They purchased the first city ambulance, financially supported Albany College, purchased and maintained the Albany Airport (eventually giving the City the airport). Post 10 sponsored the Albany City Baseball Team which in time became the American Legion Baseball Team.

In 1929 the American Legion Post 10 members started and staffed the first volunteer fire department. During the 'great depression' the American Legion Post 10 was the relief society for Albany and Linn County. During the depression the Governor asked Post 10 to take over relief programs from the State of Oregon for Linn County's needy (the State was broke). They managed the food warehouse and sponsored fundraisers at the Globe Theater, admission was a potato. These potatoes were given to the indigent. In the 1930's Post 10 became the prime benefactor for the Boy Scouts of Albany; began recognition of the Outstanding High School Boy (later included the Outstanding High School Girl) in the Albany High School Scholarship Program; supported the Child Welfare Campaign to test for tuberculosis and supported Subsistence Homesteads for the homeless. During 1933, 1934 and 1935 the American Legion Post 10 sponsored a public swimming tank for City of Albany.

Today we have a membership of 1,081 veterans, 700 Auxiliary and 57 Sons of Veterans. We exist to benefit veterans and the community of Albany. Annually, we give over \$400,000 to non-profit organizations in Albany they include: Albany's schools - scholarships, Boys and Girls State, Youth organizations, American Legion Baseball, Boy Scouts, the Boys and Girls Club, CASA; Non-profits such as Albany Helping Hands, the VA Hospital, White City and Nursing Homes.

- Attract new private investment to the area.

The American Legion Post 10 was destroyed by an arson fire on July 4, 2010. The Insurance does not cover the cost of rebuilding the Post. Income that was generated to support local charities is diminished as is our ability to attract visitors to Albany to spend money both at the post and other Albany commercial establishments. This is an estimated loss of over \$3 million annually to the City of Albany.

Tourism has a variety of economic impacts. Tourists contribute to sales, profits, jobs, tax revenues, and income in an area. The most direct effects occur within the primary tourism sectors —lodging, restaurants, transportation, amusements, and retail trade. Through secondary effects, tourism affects most sectors of the economy. An economic impact analysis of tourism activity normally focuses on changes in sales, income, and employment in a region resulting from tourism activity. A simple tourism impact scenario illustrates. Let's say a region attracts an additional 34 tourists, each spending \$100 per day. (The Albany Tourism Visitor Association reports that each visitor spends \$144 a day. This does not include lodging costs.

If a visitor spends only \$100 a day, that's \$34,000 in new spending per day in the area. If sustained over a 300 day season, the region would accumulate a million dollars in new sales. The million dollars in spending would be distributed to lodging, restaurant, amusement and retail trade sectors in proportion to how the visitor spends the \$100. Perhaps 30% of the million dollars would leak out of the region immediately to cover the costs of goods purchased by tourists that are not made in the local area (only the retail margins for such items should normally be included as direct sales effects). The remaining \$700,000 in direct sales might yield \$350,000 in income within tourism industries and support 20 direct tourism jobs. Tourism industries are labor and income intensive, translating a high proportion of sales into income and corresponding jobs.

The American Legion, in turn, buys goods and services from other businesses in the area, and pays out most of the \$350,000 in income as wages and salaries to its employees. This creates secondary economic effects in the region. If we use a sales multiplier of 2.0 to indicate that each dollar of direct sales generates another dollar in secondary sales in this region. Through multiplier effects, the \$700,000 in direct sales produces \$1.4 million in total sales. These secondary sales create additional income and employment, resulting in a total impact on the region of \$1.4 million in sales, \$650,000 in income and 35 jobs. While hypothetical, the numbers used here are fairly typical of what one might find in the American Legion tourism economic impact.

There are several other categories of economic impacts that are not typically covered in economic impact assessments, at least not directly. For example:

Economic dimensions of "social" and "environmental" impacts - There are also economic consequences of most social and environmental impacts that are not usually addressed in an economic impact analysis. Improved amenities that attract tourists may also encourage retirees or other kinds of businesses to locate in the area.

Tourist Events: Veterans Day Parade and Dinner, Legion Birthday, Members Appreciation, Memorial Dedications, Funerals, 40 & 8 Birthday, Memorial Day Activities.

CARA Additional Objectives:

- Provide a safe and convenient transportation network that encourages pedestrian and bicycle access to and within the town center.

Assuring safe access by illuminating 3 approaches off 7<sup>th</sup> ave and adding 2 approaches on Sherman.

- Preserve the Historic Districts, historic resources and existing housing in the area.

The rebuild of the American Legion Post 10 is a preservation of a historic resource with a new attractive investment, eliminating an empty lot on a main arterial.

- Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.

American Legion Post 10 provides a community center, entertainment offices to provide services to returning veterans and other commercial uses.

- Provide an enriching environment and livable neighborhoods.

The American Legion Post 10 is part of Albany's historical traditions. For 93 years Post 10 has carried out its mission to enrich civic life in Albany. Initially they provided basic services such as ambulance, volunteer fire service, during difficult times like the 'great depression' members provided extraordinary services to the community. The mission of the Post is and has always been service to the citizens of Albany. Today as always they continue to lead the philanthropic efforts in Albany by raising \$400,000 in goods services and cash, annually for schools, youth organizations and veteran services.

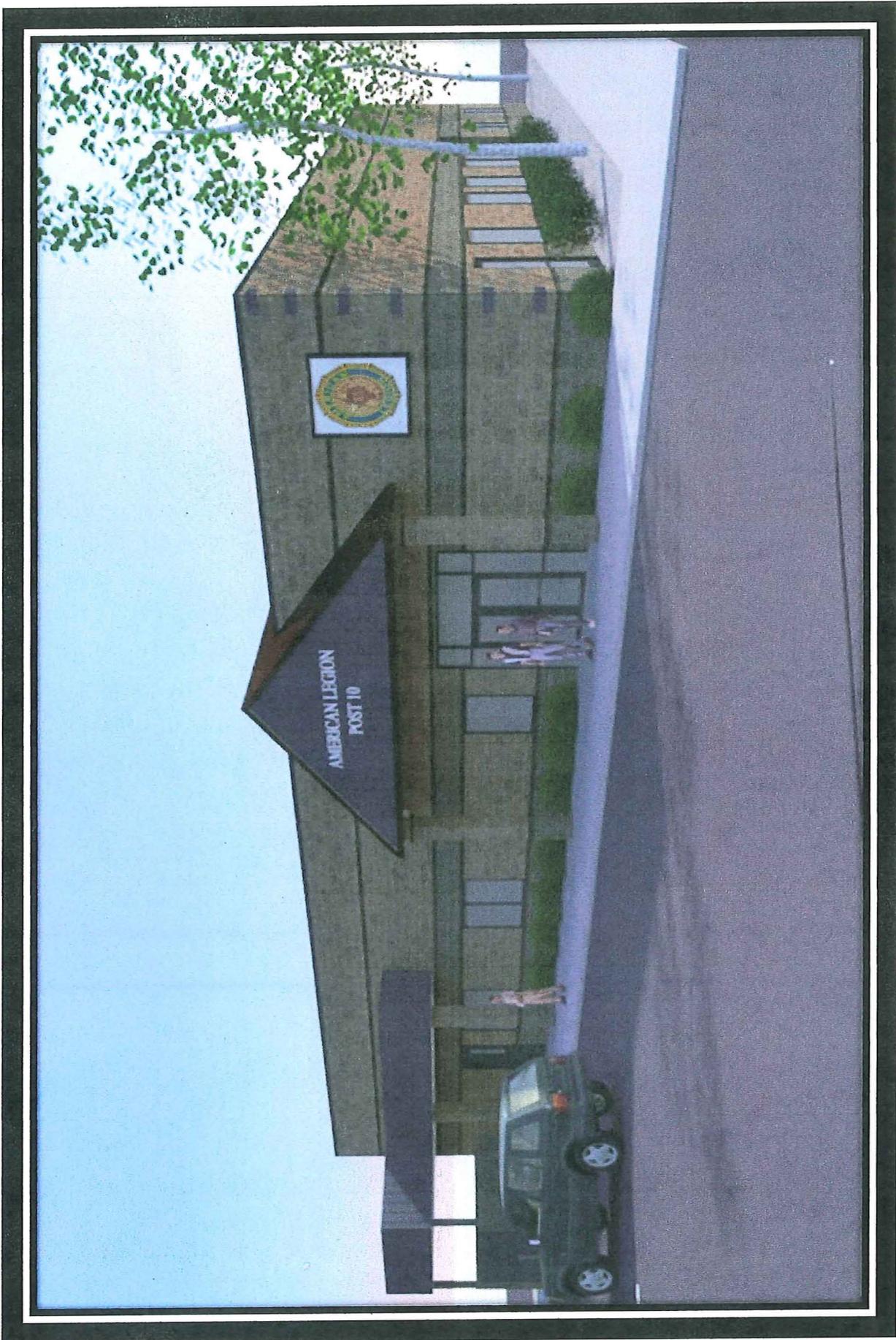
The true benefit to Albany is the service the American Legion provides to our returning veterans. We have promised the present new returning veterans a place in our community. The mission of the American Legion has always been to provide the continued support for returning veterans. Now more than ever the large number of returning veterans and their families need the community to reach out to them and provide the support necessary for them to reenter civilian life. By supporting the rebuild of the American Legion Post 10 we acknowledge their contribution, while providing jobs and housing in our community.

ITEM	COST
Permits, SDC fees/Projected	17,000.00
Survey & Set Building Corners parking islands	2,500.00
Excavation, backfill, compaction, drainage	66,000.00
All Project rebar	19,000
Footings & flatwork	65,000
Floor polishing	45,000.00
Block/Masonry	123,654.00
Exterior storefront doors/windows	27,500
HM Frames/Doors/Installation	32,656.00
Roof System	83,000.00
siding/soffits	7,350.00
Roofing framing, beams	24,000.00
Trusses	21,000.00
Roof Framing Labor	30,000.00
Interior framing/labor & materials, FRP Drywall, Suspended ceiling	102,400.00
Painting-interior/exterior	15,000.00
Fire alarms, security w/cameras, sprinkler monitoring	34,500.00
suppression system, sprinkler system	37,000.00
Plumbing	93,500.00
HVA/Air conditioning	100,000.00
Electrical	75,000.00
FDC , budget piping, excavation	5,000.00
Landscaping , irrigation-budget	14,000.00
Insulations, walls, sound, floor	16,000.00
Kitchen - Curtis Bid	224,888.00
Red iron/welding	12,000.00
Folding partitions	34,115.00
Bathroom Hardware	3,000.00
Parking lot improvements	70,000.00
Rental equipment/ porta Potties - budget	8,000.00
Dumpsters - budget	4,000.00
Downspouts	1,500.00
Special inspections - budget	7,800.00
Cabinetry/bar -budget	18,000.00
Signage	10,000.00
Contractor Fee based on \$1,000,000	150,000.00
Contingency	75,000
Development	62,400.00
contents	122,112.00
<b>TOTAL BUILDING BUDGET</b>	<b>1858875.00</b>
<b>INFASTRUCTURE</b>	
Plan Review	7000.00
Permits	40,000.00
Architect	30,000.00
Civil Engineering	20000.00
Frontage Costs	8060.00

Contractor Fee's	45000.00
Parking Lot upgrades	90000.00
Demolition	73000.00
Re-plat	5000.00
Landscaping	20000.00
Geotech	2000.00
Structural Engineer	2500.00
Pacific Power and Light	5000.00
TOTAL INFASTRUCTURE BUDGET	347560.00
PROJECT BUDGET	<u>2206435.00</u>

AMERICAN LEGION POST 10  
REQUEST FROM CARA

ITEM	STATUS	COST
Block/Masonry	Block/Masonry 1/2 not begun	60,000
Exterior storefront doors/windows	not begun	27,500.00
HM Frames/Doors/Instrallation	not begun	32,656.00
Roof System	not begun	83,000.00
siding/soffits	not begun	7,350.00
Roofing framing, beams	not begun	24,000.00
Trusses	not begun	21,000.00
Roof Framing Labor	not begun	30,000.00
FDC , budget piping, excavation	not begun	5,000.00
Landscaping , irrigation-budget	Landscaping , irrigation-budget 7/8 not be	12,000.00
Red iron/welding	not begun	12,000.00
Parking lot improvements	Parking lot improvements 2/3 not begun	25,000.00
Signage	not begun	10,000.00
TrTAL REQUEST		349,506.00





# Project Evaluation Grid: Friends of the Jensen

**Request: \$50,000 grant**

	Item	Description	Staff Analysis/Comments
<i>Overall Goals</i>			
A)	<p><b>CARA Goal &amp; Objectives:</b> The purpose of this CARA Plan is to eliminate blighting influences found in the CARA, to implement goals and objectives of the City of Albany Comprehensive Plan, and to implement development strategies and objectives for the CARA. The goal and objectives for the CARA have been defined as follows:</p> <p><b>CARA Goal:</b> To revitalize the Central Albany Revitalization Area by implementing the Town Center Plan developed through the Central Albany Land Use &amp; Transportation Study (CALUTS) using a citizen-driven process.</p>	<p>Does the project further the Town Center Plan?</p> <p>Which of CARA's objectives does the project meet?</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Provide a safe and convenient transportation network that encourages pedestrian &amp; bicycle access to and within the town center.</li> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Enhance and protect the community and environmental values of waterway corridors in the area.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>	<p>Yes, Historic Downtown District is meant to feature Entertainment center, emphasis on theaters, restaurants, nightlife and specialty shops.</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>
B)	CARA Planned Projects	Which project category and activity in the UR Plan does this project fulfill? (See CARA Project Activities document, or Table 2 of the UR Plan and Report)	Activity: <u>Community Facilities – public facilities</u> described in plan as, “Establish and enhance public facilities such as libraries, museums, performance areas, parks and the arts.”
C)	Development Pattern (Highest and Best Use)	<p>Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?</p> <p>Is the proposed project desired in this location and the highest and best use of the property?</p>	<p>Yes. <u>Zoning:</u> Historic Downtown (HD) <u>Comp Plan:</u> Village Center Yes. HD district is intended primarily for a dense mixture of uses with an emphasis on entertainment, theaters, restaurants, night life, and specialty shops.</p>
D)	Blight	Would it remedy a severely blighted building? How?	It would put a tenant in a previously vacant space.
E)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	Yes, the proposed location is in a significant historic building.
F)	Vitality/People Attractor	Does the general public benefit (i.e. restaurant, carousel, something they can go to, utilize)?	Yes. This museum will be a draw to our downtown for visitors and locals alike. Currently they draw 4,000 visitors a year in Monmouth.

G)	Retail Hotspot (1 <sup>st</sup> Avenue between Lyon and Calapooia)	Is the project located in the Retail Hotspot? If so, will the first floor use be active retail, as recommended in the Retail Refinement Plan?	Yes. Yes, it will be active space with a small retail gift-shop component.
H)	Sustainable Building	Will the building be built using sustainable practices including LEED or others?	No.
I)	Residential	Is there a residential component? How many units?	No.
<i>Economic Development</i>			
J)	Bring new business to Albany	Will a new business open or come to Albany as a part of this project?	Yes, the Jensen Arctic Museum would locate to Albany from Monmouth.
K)	Job Creation	Will the project create additional jobs? How many, what types and what salary level?	The project would bring to Albany the existing position of curator.
L)	Local Labor and Materials	Has applicant specifically called out a commitment to use a certain percent or amount of local labor and/or materials?	Applicants referred to using local construction companies and the possibility of community engagement for secondary and community college programs.
<i>Financial</i>			
M)	Ratio	Proposed public funds Private funds % of CARA Investment Ratio-Public \$:Private \$	\$ 50,000 \$250,000 17% 1 : 5
N)	Financial Impacts	What are the financial risks and/or financial benefits to CARA?	No Tax Increment Benefit.
O)	Gap	What is the "Gap" or need of the developer?	Applicants will need approximately \$300K total for project. They currently have \$50K available and are asking for a match to this amount to kick-start their relocation efforts and would be helpful in their application to other agencies.
P)	Private Risk	What is the risk for the developer? What is their skin in the game?	Relocating the museum to a new community is a risk for them and they will have to continue on with their fundraising.
Q)	Tax Increment	Will the project generate an increase in the assessed tax base? How much?	No, the Jensen is a tax-exempt organization.
R)	Tax Increment ROI	Is the ROI on this project less than 5 years, less than 7 years?	None.

*Other Staff Comments:* The Jensen seems to be a good fit to the CARA plan and their presence in the core of the city would be a destination for families and visitors, thus continuing the momentum we're working to build in having a number of places to visit, restaurants to eat at, and retail establishments to shop at. Additionally, the lack of an ROI via the increase in assessed value may be mitigated by the modest amount of their request and the strength of the vitality component along with the other merits of their application.



# CARA Funding Application

333 Broadalbin Street SW, Albany, OR 97321

## 1. APPLICANT

Name: Friends of the Jensen Arctic Museum

Mailing Address: 345 N Monmouth Ave  
Monmouth, OR Zip Code: 97361

Contact Name: Roben Jack Phone Number: 503-838-8468

Fax Number: 503-838-8289 E-mail Address: arctic@wou.edu

## 2. BUSINESS/BUILDING INFORMATION

Legal Business Name: Western Oregon University Development Foundation

Number of Years in Operation: 26

Legal Form: Sole Proprietorship  Partnership  Corporation  S-Corp  LLC   
Profit  Nonprofit

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

Have you ever filed for bankruptcy?  Yes  No

Project Address (if different than mailing address): 431 1st Ave W, Albany, OR

Property Tax Account Number: \_\_\_\_\_

Is the building a historic contributing resource? Yes  No

If so, is it on the historic property-tax freeze? Yes  No

## 3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: Masonic Lodge

Contact Name: John Strom

Mailing Address: 431 1st Ave W  
Albany, OR Zip Code: 97321

Phone Number: 541-926-0818

## 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.)

*In process of communicating with realtor Keller Williams.*

**5. DESCRIPTION OF PROJECT** *Please give a comprehensive description of project.*

The Friends of the Jensen Arctic Museum want to create a public, accessible exhibit space in the ground floor of the Masonic building, 425 & 431 1st Ave, Albany, OR. The initial phase of this project would create 2,000 square feet of exhibit and meeting space, in addition to a small gift shop. The exhibit space will house significant objects from the museum's collection in displays explaining the ecology and culture of the Arctic. The meeting space will be used for introductory videos and activities for visitors. Funding from CARA would be used towards the initial clearing of the building space as well as design and construction of the public space.

**6. TIMELINE FOR COMPLETION OF PROJECT:** December 2011 - December 2012

**7. PROJECT COSTS**

ESTIMATED COST OF PROJECT: \$ 300,000

ESTIMATED VALUE OF PROJECT UPON COMPLETION: \$ undetermined

Basis for valuation and value upon completion: \_\_\_\_\_

**SOURCES FOR PROJECT:**

Owner/Company Contribution	<u>\$ Undetermined</u>		
Bank (estimated)	<u>\$ NA</u>	Term: _____	Interest Rate: _____
Other (please specify)	<u>\$ 250,000</u>	Term: _____	Interest Rate: _____
CARA (proposed)	<u>\$ 50,000</u>		
<b>TOTAL SOURCES</b>	<u>\$ 300,000</u>		

*Other: on hand and other granting agencies - pending*

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

**USES FOR PROJECT:**

Land and/or Building Acquisition	<u>\$ NA</u>
Soft Costs *	<u>\$ _____</u>
Construction Costs *	<u>\$ 300,000</u>
Tenant Improvements	<u>\$ _____</u>
Machinery/Equipment/Installation Costs	<u>\$ _____</u>
Working Capital	<u>\$ _____</u>
Other (please specify)	<u>\$ _____</u>
<b>TOTAL USES</b>	<u>\$ 300,000</u>

*Estimated project budget attached*

\*Please provide a detail of Soft Costs and of Construction Costs.

**8. PREPARATION OF COST ESTIMATES**

Who prepared your cost estimates? Roben Jack

(If applicant prepared their own estimate, verification may be required. If bid was used, please attach.)

Mailing Address: 345 N Monmouth Ave, Monmouth, OR 97361

Phone Number: 503-838-8468 E-mail Address: arctic@wou.edu

**9. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION. (Please provide a description of the financial gap requiring CARA assistance.)**

The Friends of the Jensen Arctic Museum have \$50,000 in available funds for this project. The estimated \$300,000 needed to create a usable public space will rely on successful grant funding as well as private and corporate donations either financial or in-kind. A CARA grant matching the Friends initial funding would improve our application to other funding agencies.

**10. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?**

Due to the recent decision to locate a museum space in Downtown Albany and the proposed timing of this grant application other fundraising is in the initial stages. A letter of interest will be submitted to the Spirit Mountain Community Fund in January 2012. A grant proposal is being prepared for the Oregon Heritage Grant for the exhibit design. We will approach the Siletz Tribal Charitable Contribution Fund.

**11. CONSIDERING THE PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA.**

The siting of a museum in the Masonic Building will create an attractive public space that will positively enhance and redevelop a portion of this historic building. The use of it as a museum mirrors what the Albany Regional Museum already has done. A visitor attraction as distinctive as the Jensen Arctic Museum will add to the feeling of downtown Albany as a destination for families and other visitors. The Jensen is a proven visitor attraction drawing 4,000 visitors a year to its present location which is well off any major Oregon highway. It has served a general audience from all over Oregon, other states and countries. It has served students from surrounding communities, including Albany, during class visits.

Continued... *on attachment Additional Information*

**12. HAVE YOU OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?**

Yes  No  If so, amount \$ \_\_\_\_\_

FOR WHAT PROJECT(S): Unknown

**13. ASSISTANCE REQUESTED**

Total Estimated Project Costs: \$ 300,000  
 Your Total Contribution \$ 50,000  
 Total Amount Requested from CARA: \$ 50,000

**Funding type requested**

Forgivable loan  
 Forgiveness based on:  Project completion  Other, please describe:

Small Grant - *Matching grants of up to \$5,000 per property minimum 50 % match by applicant.*  
 Grant - *Matching grants of greater than \$10,000 per property minimum 50 % match by applicant.*  
 Loan Proposed Terms \_\_\_\_\_

**COLLATERAL FOR LOANS**

CARA Loans are usually secured by the project property (CARA is the primary or subordinate lender) AND by personal guaranties from developer members with an ownership share exceeding 20%. Indicate below what collateral you are offering for the CARA loan.

**Preferred Collateral**

First lien position or  subordinate lien position in the project property  
 Personal guaranty from developer members (list names):

**Alternate collateral proposed**

Description	Estimated Value	(-)Liens	(=)Available Equity
Real Estate - Commercial	\$	\$	\$
Real Estate - Residential	\$	\$	\$
Machinery and Equipment	\$	\$	\$

Accounts Receivable		\$	\$	\$
Other		\$	\$	\$

**Certification**

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Albany Revitalization Area Agency (ARA) 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 preapproved 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.
9. If CARA's total assistance to the project is greater than \$750,000, prevailing wage for the project may apply.
10. (CARA may withhold approval of this application until information satisfactory to CARA is provided.)

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 s/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

10/26/2011  
Date

[Signature]  
Applicant's Signature

10/26/2011  
Date

Return Application and any attachments to: City of Albany  
c/o Kate Porsche, Urban Renewal Manager  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

**FOR CITY USE ONLY**

Date Received: 10-28-11 By: [Signature] Application Complete:  Yes  No

Comments: [Signature]

Organization Name: Jensen Arctic Museum  
Project Budget Name: Jensen Arctic Museum - Albany Downtown Location Preparation

<u>Revenue Sources</u>	Estimated Project Budget
Grants	250,000
Cash on Hand	50,000
Gift in Kind	To Be Determined
Total Revenue	300,000
Expenses	Industry standard
General Contractor	240,000 3,000 sq ft renovation @ \$80/ft.
Exhibit Designer	60,000 240 sq ft exhibit @ \$250/ft.
Total Expenses	300,000

CARA Funding Application  
Additional information

### **Question 8**

#### **Preparation of Cost Estimates: Additional Information**

General Contractor construction estimates provided by:

Tracy Roe, Trinity Custom Homes LLC, PO Box 867, Jefferson, OR 97352 estimated industry standard construction remodel at \$50-60 per square foot.

Keith Semmel, Keith Semmel Construction LLC, 615 3<sup>rd</sup> Ave SE, Albany, OR 97321 estimated industry standard construction remodel at \$80-100 per square foot.

Exhibit Design estimates provided by:

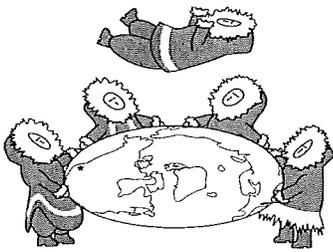
Alan Ransenberg, Alchemy of Design, 7556 NE Stanten St NE, Portland, OR 97213 estimated industry standard exhibit design and installation at \$250 per square foot.

Jan Coleman, Red Caviar Planning and Design LLC, Portland, OR estimated industry standard exhibit design and installation at \$250-300 per square foot.

### **Question 11**

#### **Considering the project goals**

- A museum can provide children's or family programs after school hours and on weekends. It could also offer children's activities on inservice and vacation days. Evening events, including artist's demonstrations and craft workshops, could become part of larger downtown activities.
- The layout of the building's first floor might also allow for a small retail establishment e.g. an ice cream shop that would dovetail with the Arctic emphasis of the museum.
- The re-modeling of the first floor would be an opportunity for local construction companies to be involved. It might also provide a community engagement opportunity for secondary and community college programs.
- Informal conversations over the past few months show that visitors would plan to spend half a day or more visiting down town museums, shops and restaurant.
- This project will use a mix of public, foundation and private funding. The proposed CARA investment would be approximately 17%.



**Jensen Arctic Museum**  
Ecology, Education and Culture

---

October 25, 2011

Office of the President  
Western Oregon University  
Monmouth, OR 97361

Dear President Weiss,

On behalf of the board of the Jensen Arctic Museum, I would like to formally announce our intention to move a portion of the museum's collection to an exhibit location in Albany, Oregon, that can provide increased visitation and reach a more diverse audience. This move would make use of the collection objects that are the most useful for education of a general and K-12 population. In addition, we would like to collaborate with the faculty of WOU in partnership with the University of Oregon, Linn Benton Community College and other institutions of higher education to use the rest of the collection and the Jensen library for research, internships and student projects. The existing facility on the WOU campus would be used to preserve the collection and provide an environment which will strengthen and enhance its academic connections and close ties to Western Oregon University.

To help us with our effort, we contracted the help of Kathi Jaworski, a non-profit consultant, to draft an action plan, summarizing our current position and outlining our options forward. In the process of finding our direction, we have entertained various ideas regarding prospective organizations with which to engage. As we understand now, we are in a very good position to have academic associations with the other universities and colleges in our vicinity. With offers of help from people like Jon Erlandson, the executive director of the Museum of Natural and Cultural History at the University of Oregon, we hope to establish academic ties with other interested institutions, within the context of the collection. In the process, we believe our relationship with WOU will only get stronger as new opportunities surface which will highlight and revitalize the importance of what is held in the collection.

We are also engaging with three organizations in Albany to determine the feasibility of moving to its historic downtown area, as an anchor for a proposed museum district. These three groups are: the Historic Albany Restoration Project (HARP); the Central Albany Revitalization Area (CARA); the Albany Downtown Association (ADA). We are taking a close look at the financial and operational requirements with the help of HARP and ADA, in order to apply for the building funds, managed by CARA. Michael Waldock, the director of HARP, has offered to spearhead the local effort with goals of fund-raising and volunteer recruitment.

Since it is very difficult to move in all directions at the same time, we are very grateful for the continued support from Western Oregon University. As time progresses, a combination of support strategies will likely be the final solution to keeping the Jensen Arctic Museum in operation. We look forward to an opportunity to talk with you and entertain any questions you may have. As always, we will rely on the help from our friends and continuously work towards the education of people in all things Arctic!

Sincerely,  
Dave Stahlke, Chair, Friends of the Jensen Board

**Jensen Arctic Museum**

Western Oregon University • The Cottage • Monmouth, Oregon 97361 • 503-838-8725 • Fax: 503-838-8289 • [www.wou.edu/arctic](http://www.wou.edu/arctic)

## LETTER OF INTENT

**LANDLORD:** Masonic Bdg Assn Albany

**TENANT:** Jensen Arctic Museum

**PROPERTY:** 425 & 431 1<sup>st</sup> Ave SW  
Albany, OR 97321

**RENT:** \$3,000 per month. Rent to begin January 1<sup>st</sup>, 2012  
Possession to be on or before January 1<sup>st</sup> 2012.

**ESCALATORS:** Two percent per year beginning with first option.

**LANDLORD PAYS:** Base year taxes (if any), Hazard insurance on the building, and Exterior building maintenance.

**TENANT PAYS:** All interior repairs and maintenance, renter's insurance, and all utilities, & all tenant improvements.

**LEASE TERM:** Three years

**RENEWAL OPTIONS:** Three three year options.

**CONTINGENCIES:** This lease is contingent upon obtaining the CARA grant, and all city approvals.

**TENANT IMPROVEMENTS:** Tenant pays all Tenant improvements (with CARA Grant). Tenant to work closely with Landlord to assure layout is preferential for future uses. Improvement to include at least:

- ADA Bathrooms
- Ramp Between Units
- New lighting
- Removal of walls to create a minimum 2,000 clear area for exhibits
- New flooring

**OTHER TERMS:** Tenants plans on obtaining a \$50,000 CARA Grant to be used for improvements. Grant will require tenant to match the \$50,000 into the building. Estimated building improvements cost exceed \$250,000. Landlord agrees to forgive rent at \$3,000 per month for 17 months to roughly match CARA's & Tenants investment in Landlords building. Rent month 18 to 24 to be \$1,000, month 25 to 30 to be \$2,000, month 31 to 36 to be \$3,000.

**TENANT USE:**

Landlord to approve Tenant improvements & floorplan concurrent with signing lease.

---

LANDLORD  
Masonic Bdg Assn Albany

*David Stahl*  
TENANT  
Jensen Arctic Museum

This Intent to Lease is intended to be a non-binding agreement identifying the terms upon which the landlord will have a Lease prepared for the tenant's review and approval.

# Scott Lepman Company

**100 Ferry Street NW  
Albany, Oregon 97321  
(541) 928-9390 Phone  
(541) 928-4456 Fax**

October 28, 2011

Honorable CARA Board Members;

Re: Applications for CARA Assistance for Projects at:  
406 Denver Street SE and 201 Second Avenue SE

First, I would like to explain who I am and what my company does. I started appraising real property for the Linn County Assessor's Office in 1978 with a salary of \$980 per month. After being laid off from the Assessor's Office in 1983, I began my private appraisal business.

My appraisal practice consumes about 90% of my time. However, we have diversified by acquiring residential and commercial investment properties. We currently own 970,148 square feet of residential and commercial properties. We have a total of 3,765 residential and commercial customers in the cities of Albany, Brownsville, Lebanon, Sweet Home, Corvallis and Salem. We are anticipating an additional 538 residential and commercial customers in 2012. We currently provide housing to 553 residents in the City of Albany, 67 residents in the City of Lebanon and 7 residents in the City of Brownsville.

We continue to grow aggressively during this recent great recession beginning in 2008. In the past three years, we have added 368,806 square feet of commercial and residential space to our company's leasable space. We currently have pending construction projects in Salem and Sweet Home of a total of 96,207 square feet.

We have a unique proven mix of talent. My job is to evaluate the best use of our company resources for the greatest return and protect the business from risk. Spencer Lepman, as the construction manager for the company and his staff have a combined total of 56 years of experience repairing, renovating, and building commercial and residential properties. We believe that we have the best staff in Linn and Benton Counties to develop, manage and maintain

real estate. All employees are paid above market wages and benefits and we have never laid anyone off in the history of the company. Company wide we have 27 employees.

Our community involvement consists of the support of a variety of local philanthropic organizations. A few of the recent charitable efforts are the Albany Schools Foundation, Albany Millersburg Development (AMEDEC), and West Albany High School Band, which provides handicapped parking at our office during River Rhythms. We support the Albany Boys and Girls Club by sponsoring sports teams. We waive rent for customers during periods of unique family hardships. We also support the community in other ways by paying 1/284<sup>th</sup> of Linn County Taxes; 1/219<sup>th</sup> of Greater Albany School taxes; and 1/148<sup>th</sup> of City of Albany taxes.

Our business model is unique. I make my living providing real estate investment advice to federally and state regulated financial institutions as well as the public. I see real estate mistakes daily. I also observe successful projects.

I have used this information and observations, along with a very capable staff, to react to changing economic conditions. This business model, ironically, does not depend on rising or falling property values. It works regardless of the financial, real estate and economic markets. It is intended to provide long-term growth and reduced risk.

I have observed failing developers, investors and financial institutions that get wiped out in recessions. We may not grow as fast as others during good times, but our goal is to reduce long-term business risk and protect the financial institutions that trust us. This helps us sleep better at night.

We are a conservative development company, using limited bank funding. We aggressively accomplish this for each project by not including the following in our project construction costs:

1. Design Costs [Architectural, Engineering (civil, structural and mechanical) and Land Use Planning];
2. Surveying costs;
3. Bookkeeping
4. Construction Management;
5. Entrepreneurial Incentives; or
6. Profit

These costs are not included in our request for CARA funding.

We would like to be able to explain why we are making the Denver Street and Second and Baker Street proposals knowing that they don't meet the 7 to 1 ratio for private to public investment guideline that the Board would like to see in the Urban Renewal Area.

It is our belief that the 7 to 1 ration does not work in these situations for the following reasons and that other criteria may also be important for you to consider in making your decisions. Such as:

1. **Consideration of Funding Per Square Foot of Improvement or Renovation.** To illustrate our point, please refer to the table below.

**CARA FUNDING PER SQUARE FOOT FOR RENOVATIONS**

Property	Known As	CARA Funding	Renovated Bldg. Sq.Ft.	CARA Funding/Sq. Ft.
206 & 208 First Avenue W	Boccherini's & 1st Burger	\$298,500	6,940	\$43.01
222 First Avenue W	Flinn Block	\$400,000	7,600	\$52.63
230, 236, 238, 244 First Avenue W	Clemeza's, Blush Salon & Spa, Vault 244	\$135,000	19,222	\$7.02
317 First Avenue W	J.C. Penney Building	\$750,000	16,159	\$46.41
104 First Avenue East	Oregon Furniture Mart	\$450,000	19,712	\$22.83
212 First Avenue East	Schultz Building	\$90,000	4,134	\$21.77

**CARA FUNDING PER SQUARE FOOT FOR NEW CONSTRUCTION**

Property	Known As	CARA Funding	Bldg. Sq. Ft.	CARA Funding/Sq. Ft.
421 Water Avenue NE	Wheelhouse Building	\$642,000	25,336	\$25.34

**OUR PROJECTS**

Property	Known As	CARA Request	Bldg. Sq. Ft.	CARA Funding/Sq. Ft.
201 Second Avenue SE	2nd & Baker Mixed Use	\$750,000	28,569	\$26.25
406 Denver Street SE	Denver Street Duplex	\$49,923	2,500	\$19.97

**Note: Best estimate of CARA funding without actual verified grant information.**

2. **Consideration of Changes in the Assessed Value of the Improvement as a Result of New Construction or Renovation.** The market does not significantly reward the owner with increased market value of a property resulting from cosmetic updating or renovation of existing structures. This is true for the recent downtown CARA projects on First Avenue. The tenants are not willing to pay significantly more in rent. Therefore, there is often little change in taxable value. As an Appraiser, it is my professional judgment that changing real estate to residential uses significantly changes assessed value.
3. **Consideration of the Risk Associated with the Improvement.** We believe that there is more risk and uncertain costs related to the construction of a new building than renovating an old building. There is a substantial difference between the construction of a new building and the renovation of an existing building. We believe that the CARA Board should thoughtfully consider this factor.
4. **Our Business Model.** Our business model is different than other companies. Should we be penalized because we internalize costs that other construction companies include in their proposals to you? Our model for successful development is achieved by:
  - a. Targeting a median price point for successful absorption;
  - b. Reduced costs for material and labor by competitive bidding in accordance with our standards for high quality materials and labor;
  - c. Lower costs than competitors because we use our own salaried staff people for construction wherever possible; and
  - d. We don't charge projects for Design Costs [Architectural, Engineering (civil, structural and mechanical), and Land Use Planning]; Surveying costs; Bookkeeping, Construction Management, Entrepreneurial Incentives or Profit.

Our long-term goal, in each project, is to establish annuity income. We are long-term investors and therefore we upgrade our properties superior to our competition. Reduced costs also reduce debt and allow for success.

5. **Denver Street Project.** The proposed Denver Street project will demolish an old dwelling unit that has been remodeled without permits and between 2006 and 2010 was the subject of 39 police responses. Demolishing the existing structure on the site and constructing a duplex on the site does not meet our test for rate of return. The existing structure also does not meet our requirements for long-term investment objectives due to physical and functional problems. The existing structure is functionally incurable based on present market standards

in design and appeal. The provision of a new duplex in this area will provide a creative and attractive infill development that will help to stabilize the neighborhood and will add value to the tax rolls. Without CARA assistance, the property will be sold "as is."

6. **Denver Street Project.** While the bank is willing to provide construction funding on a portion of the estimated cost of the Denver Street project (42.14%) with Lepman Properties absorbing 42.14% of the funding. We are asking for \$48,423.00 in CARA funding or 14.81% to make up the difference (see attached analysis) for the construction of a duplex matching the architectural characteristics of duplexes recently constructed to comply with CARA design standards. The funding that we are requesting is exactly identical to the funding provided for the duplexes at Second Avenue and Madison Street.
7. **Second and Baker Project.** The proposed Second Avenue and Baker Street project is located on the east side of the downtown in an area where there is a substantial amount of blight. The renovation of the Willamette Seed building into the Jefferson Lofts and the new construction of the Ironworks and Wheelhouse developments began a momentum in this area to begin to address the blight and act as an incentive to encourage other projects that would upgrade the area.
8. **Second and Baker Project.** The proposed Second Avenue and Baker Street project presents a unique opportunity to upgrade an existing site by providing commercial space on the ground floor with residential uses on the second and third floors.
9. **Second and Baker Project.** While the bank is willing to provide construction funding on a portion of estimated cost of the Second and Baker project (61.22%) with Lepman Properties *absorbing* 16.69% of the funding, we are asking for \$749,000 in CARA funding or 20.09% to make up the difference (see attached analysis).

The Denver Street and Second and Baker projects together were purchased anticipating CARA funding. The proposed projects will not work without CARA assistance.

One of the original goals of CARA for the Downtown Renewal District was to provide housing both owner occupied and tenant occupied. A recent study that we prepared and shared with Kate Porsche shows that there is a 30% vacancy of retail/office space and a 2% vacancy of residential units in the downtown area.

Significant change in real property value occurs when the net income after expenses rises significantly. While the recent significant improvements on First Avenue are great and benefit

the community, they do not significantly increase the value of these properties. This is the main reason that I have continuously tried to create housing within the urban renewal area as it creates taxable value. Housing will increase the property value significantly and will provide prospective clients for the downtown businesses. The increase in property value will increase the tax value. How? Because there is a substantially greater change in net income with a residential property vs a commercial property.

My company has the financial capacity, construction expertise and management capability to deliver a quality project. The City will see positive impacts in the area as a result of bringing more residents and the impact on existing businesses downtown thus meeting the social and residential goals of the Urban Renewal Plan. Our proposed Second and Baker development encourages a higher residential density in the downtown while removing an unattractive building and parking lot. The project will provide the first moderately priced residential units within a block of the downtown urban core. Our target market is the people who work downtown that can afford moderately priced residences.

Interest in living downtown in Albany is created by the desire to live close to work, to have diverse entertainment and cultural activities within walking distance and the close proximity of the Riverfront Park. As the strong demand for apartment and condo living in the downtown increases, a demand for additional entertainment and retail will follow to serve the new residents and their visitors. Having residents in the downtown will create a viable, stable and vibrant environment that will generate a distinctive attraction for the whole community.

Our objectives for both projects are similar: (1) to eliminate blight in both neighborhoods; (2) to provide diverse housing by providing attached housing units on Denver Street that are large enough to accommodate families and to provide housing units that will serve a single person or a couple who desire to work and live in the downtown area; and (3) to add value to the tax rolls, bringing additional revenues to the City of Albany, Linn County and the Greater Albany School District.

Thank you for your consideration,



Scott D. Lepman

**SCOTT LEPMAN COMPANY  
100 FERRY STREET NW  
ALBANY OR 97321**

## **Lepman Addendum to October 28, 2011 letter to CARA Board**

**Overview:** Our Company objectives include urban renewal. Since 2005, we have renovated a total of 67,402 square feet of residential units in Albany and Lebanon. In 2010 and 2011, the attached projects successfully recycled older properties to competitively meet present market standards. These projects were functionally curable and financially feasible. The projects for which we seek CARA's assistance do not meet our long-term investment objectives: the existing improvements suffer from physical problems that are both functionally incurable and financially unfeasible to change without CARA's assistance. These properties were purchased anticipating CARA's assistance.

The two properties for which we seek CARA's assistance require superior quality, in my judgment, to be successful. We believe that introducing quality into a project will overcome market resistance as demonstrated with our two prior CARA assisted projects at "Jefferson Lofts" and "Sixth and Montgomery." We have proven that a superior quality product can overcome adverse factors such as:

- Occupant's concerns for safety due to the perceptions of crime.
- Limited safe and secure parking for tenants.
- Overcoming blight in the area caused by neglected and abandoned buildings.

### **Projects Seeking CARA Assistance:**

- 406 Denver Street SE
- 201/215 Second Avenue SE

### **Completed Urban Renewal Projects with CARA Assistance:**

- 125 Jefferson Street SE (16 units)
- 315 Sixth Avenue SE (7 units)

### **Projects Completed in 2010 and 2011 without CARA Assistance:**

- Renovation of Existing Dwelling Units in Albany (20)
- Renovation of Existing Dwelling Units in Lebanon (35)
- Commercial Expansion: 95,930 square feet in 5 buildings including 1 three-story building

### **Current Projects:**

- Albany: New Garage at 244 Sixth Avenue SE (Building Permit Stage)
- Sweet Home: Commercial Expansion (Under construction, 20,250 square feet)
- Salem: Retail Space & Commercial Expansion (Permit Stage, 77,004 square feet).

### **Future Downtown Projects:**

- Albany: Condominium Project at 421 Water Avenue NE (Preliminary Plans Stage)
- Albany: Hotel or Mixed Use at 100 Ferry Street NW (Conceptual Plans Stage)

### **Other Future Projects:**

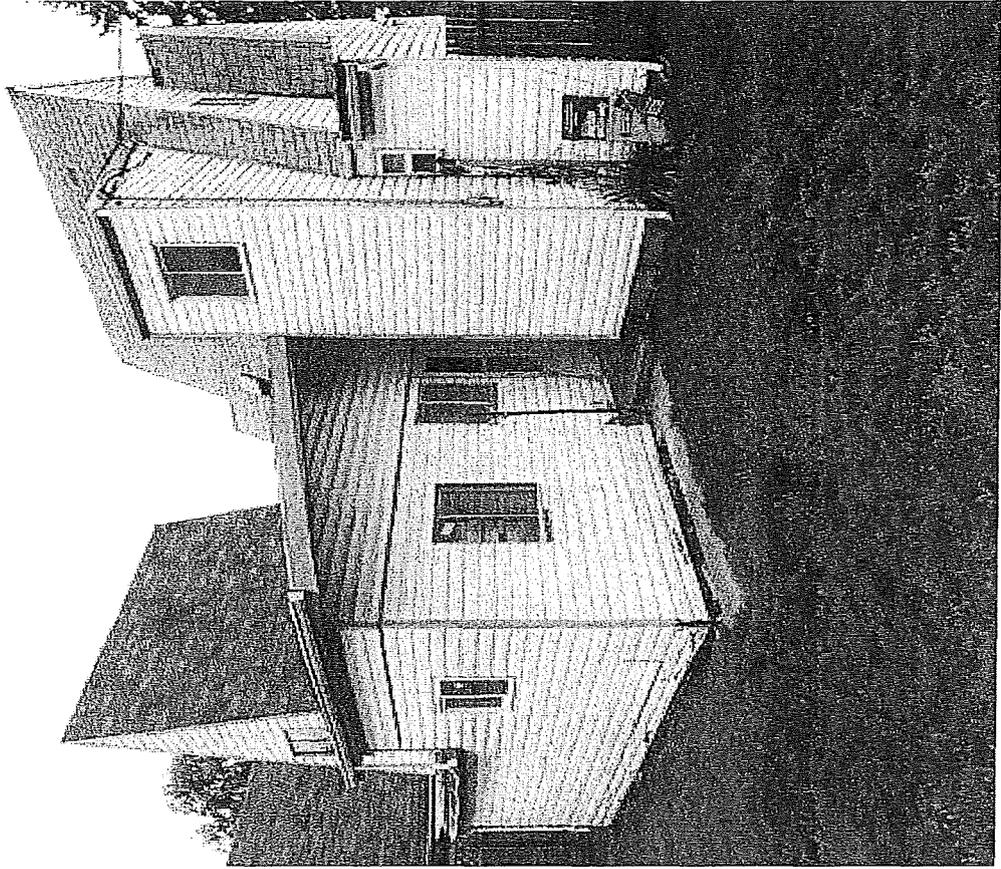
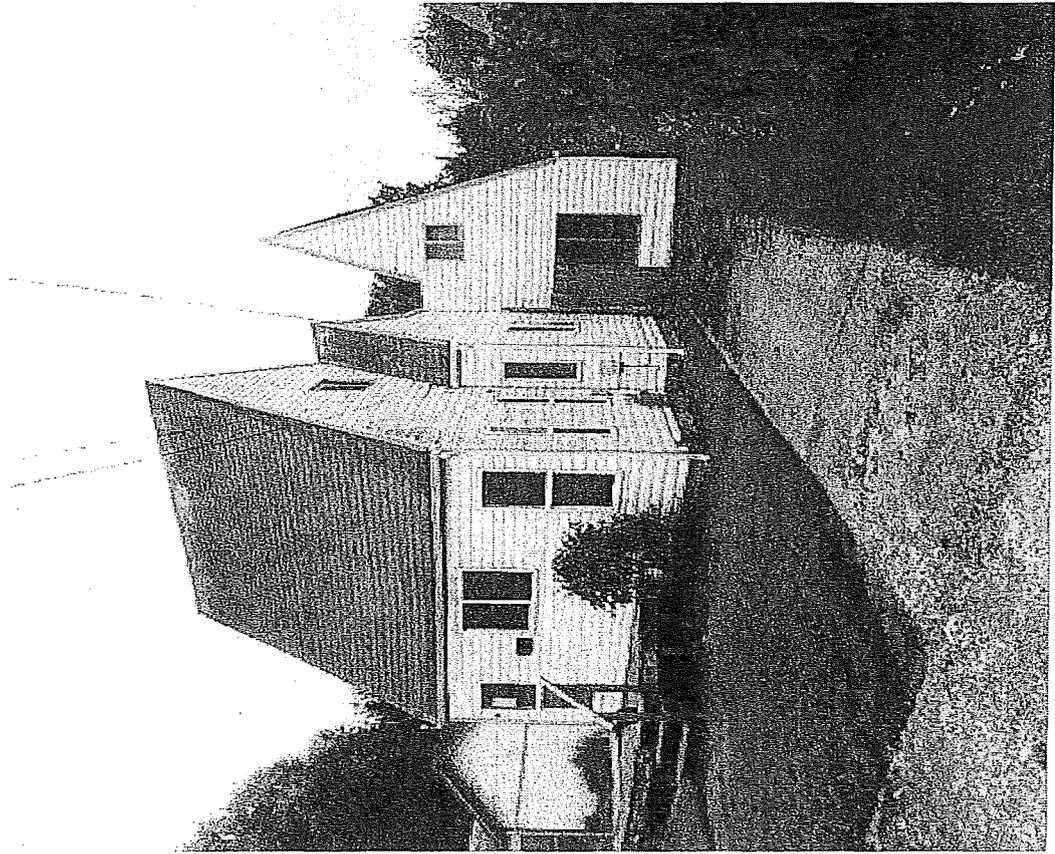
- Albany: Expansion of Storage Depot (Conceptual Plan Stage)
- Albany: Salem Avenue Apartments (Conceptual Plan Stage)

**Company Growth:** We have proven business model. We have enjoyed substantial success during these challenging economic times. We have provided you with attached graph and supporting documentation summarizing our business growth.

Thank you for your thoughtful review of this information. We know that your time is very valuable.

# Projects Seeking CARA Assistance

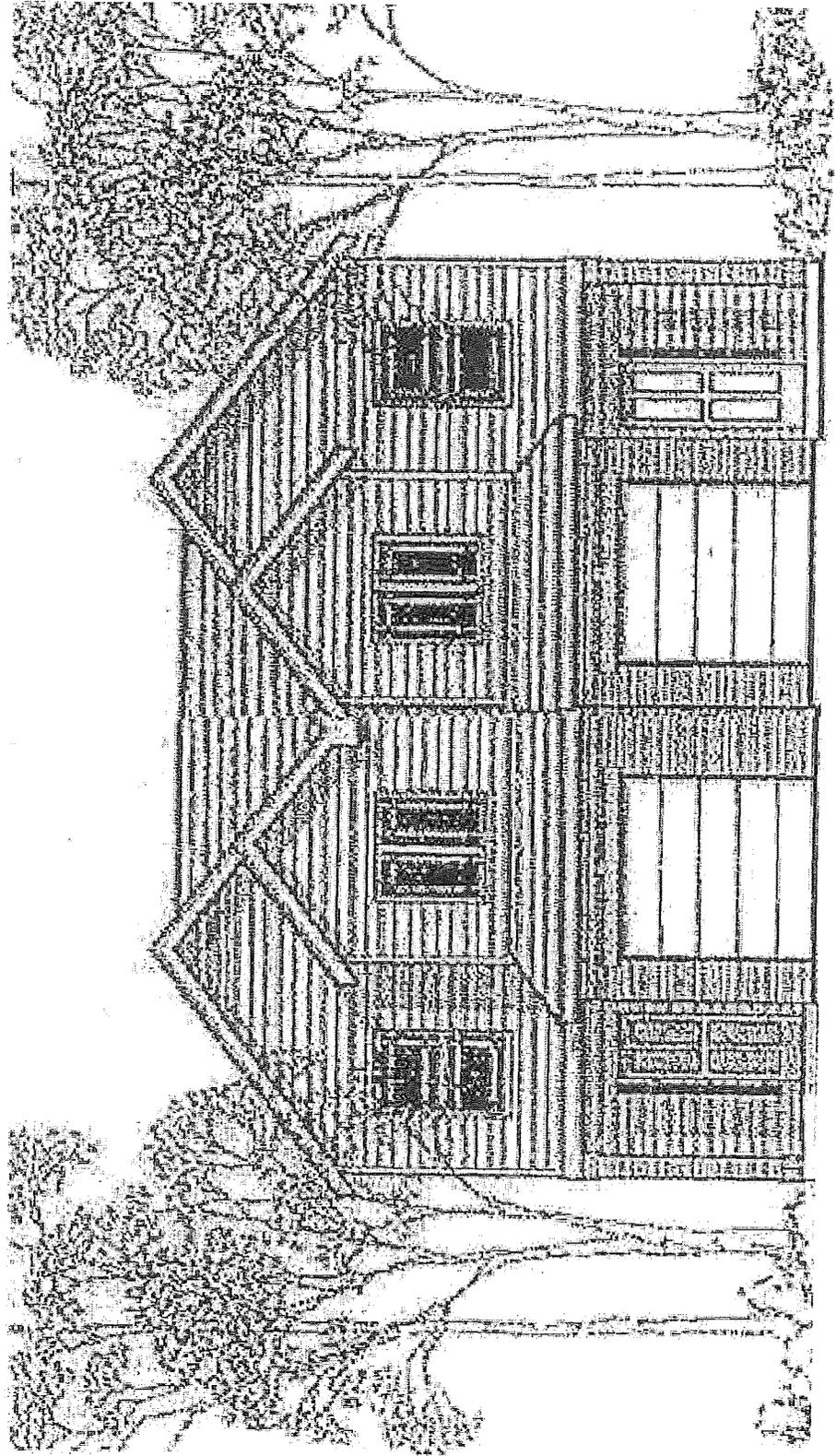
**406 Denver Street SE (Albany)**  
Proposed Demolition – CARA Proposal



# 406 Denver Street SE (Albany)

Proposed Duplex - 2012

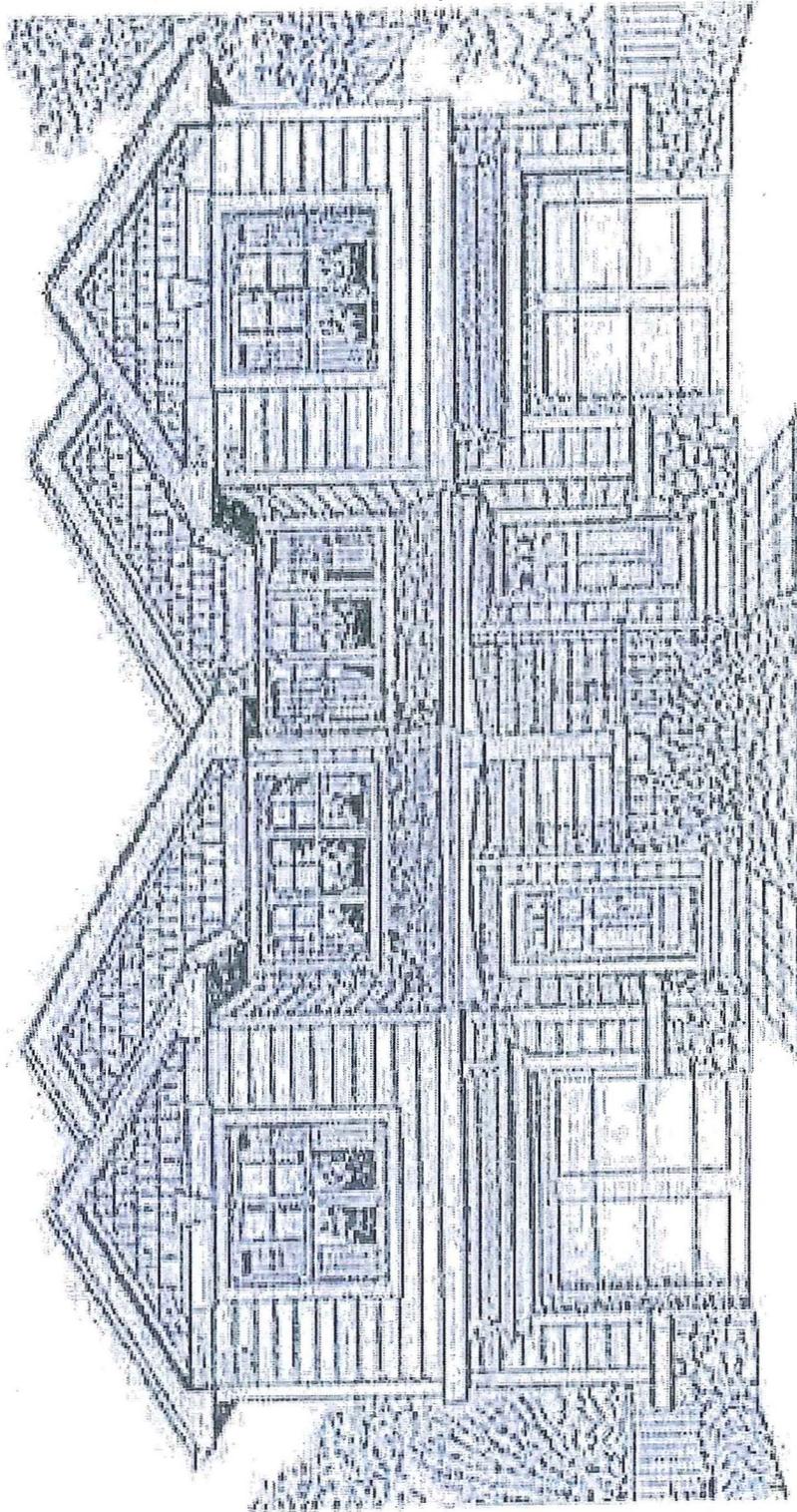
Without CARA Assistance



**406 Denver Street SE (Albany)**

Proposed Duplex - 2012

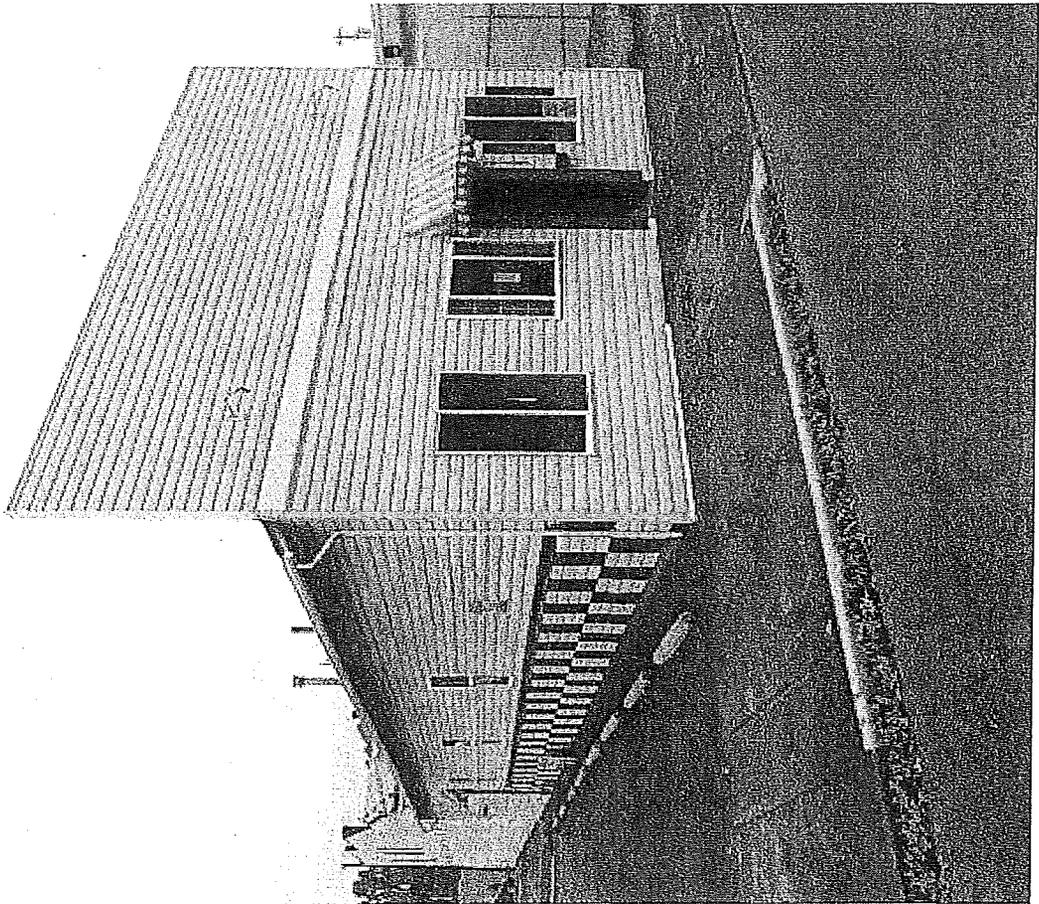
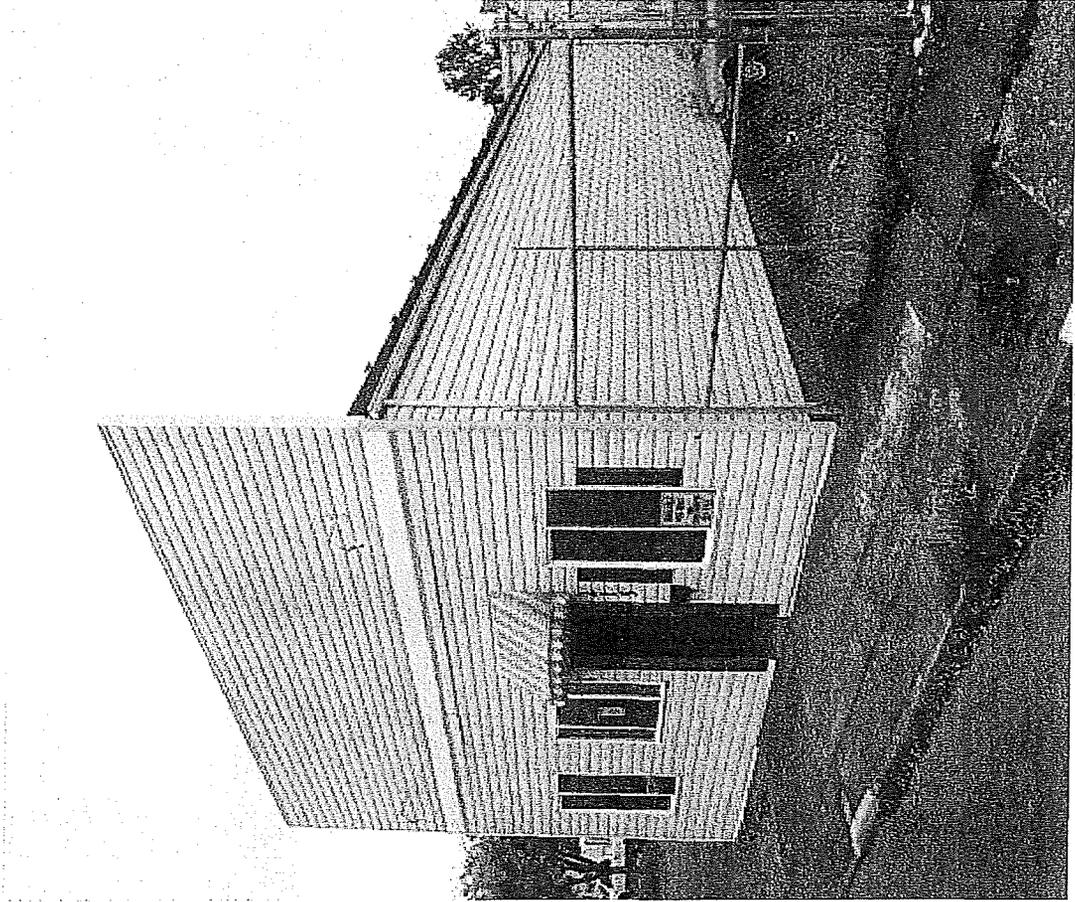
With CARA Assistance



# Completed Urban Renewal Projects

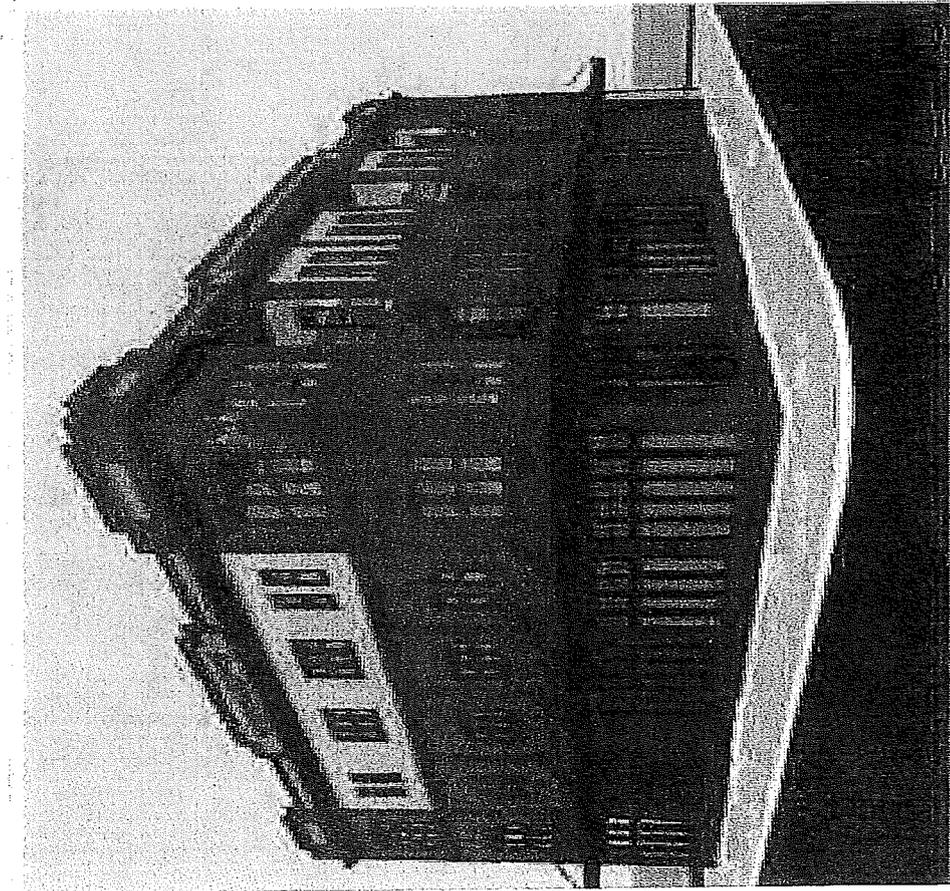
# 2nd Avenue & Baker Street (Albany)

Proposed Demolition – CARA Proposal

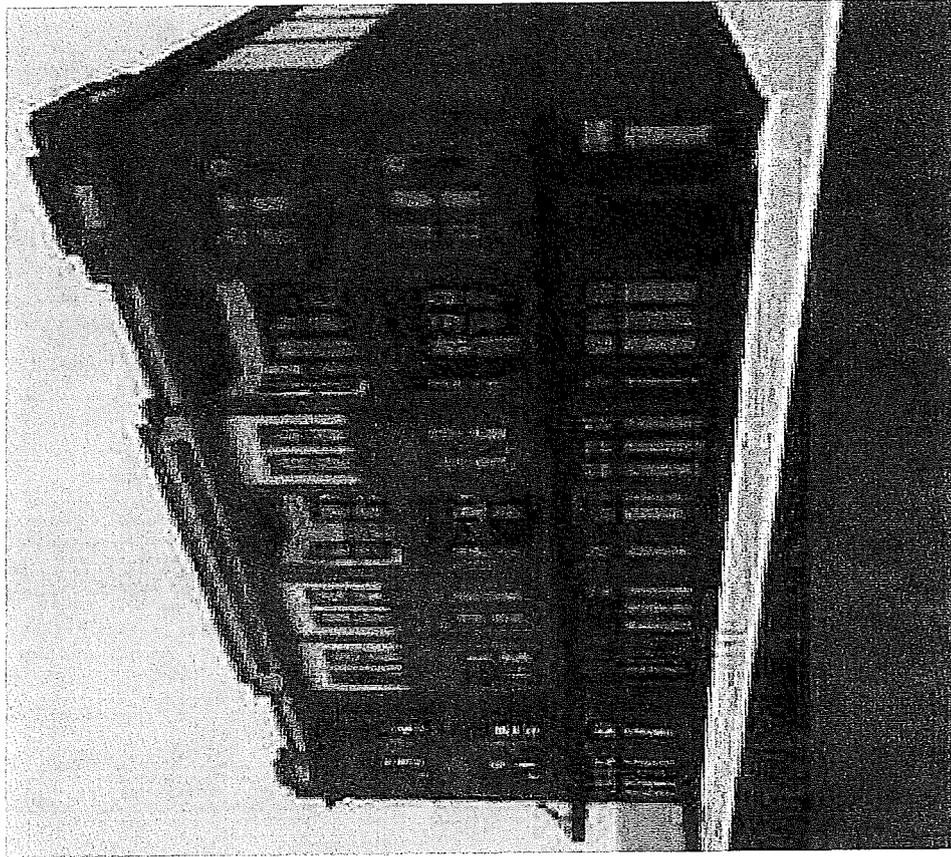


# 2nd Avenue & Baker Street (Albany)

Proposed Building - 2013



Corner of Baker & 2nd



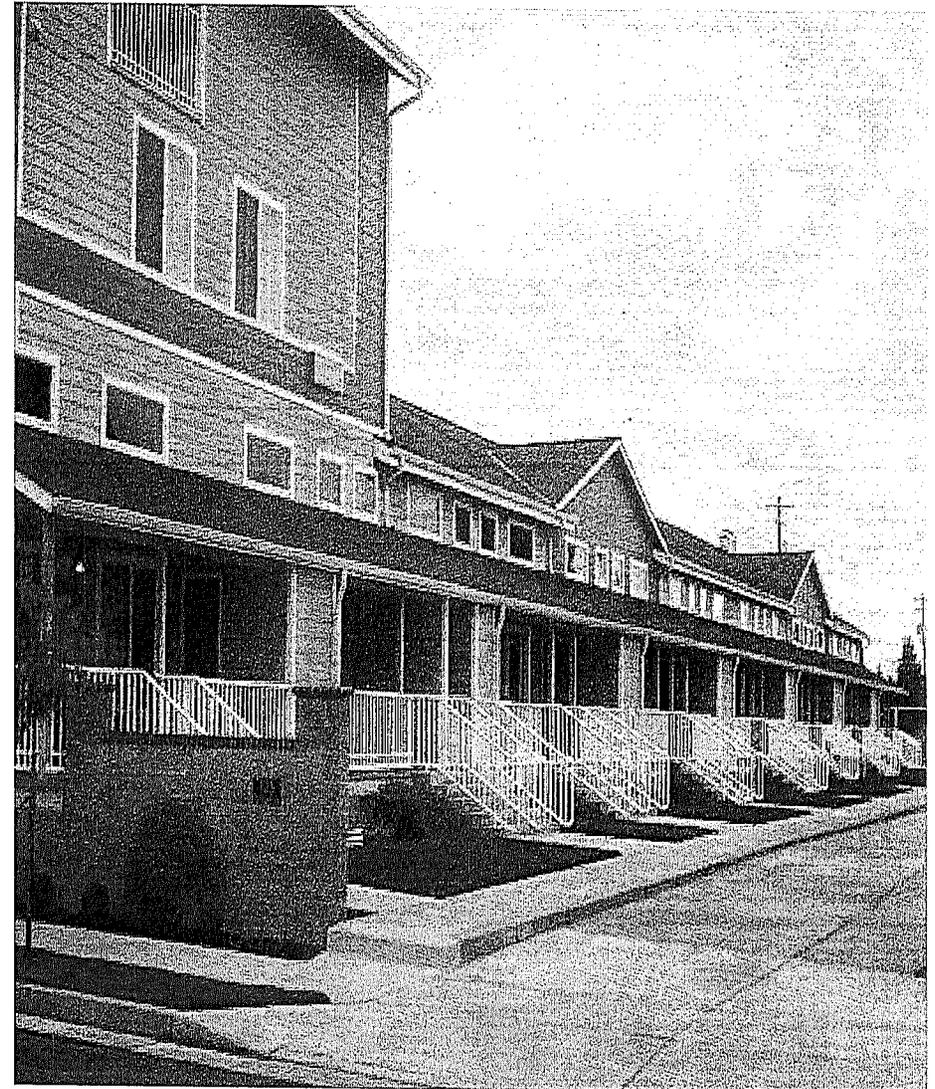
Mid Street Elevation

# Completed Urban Renewal Projects

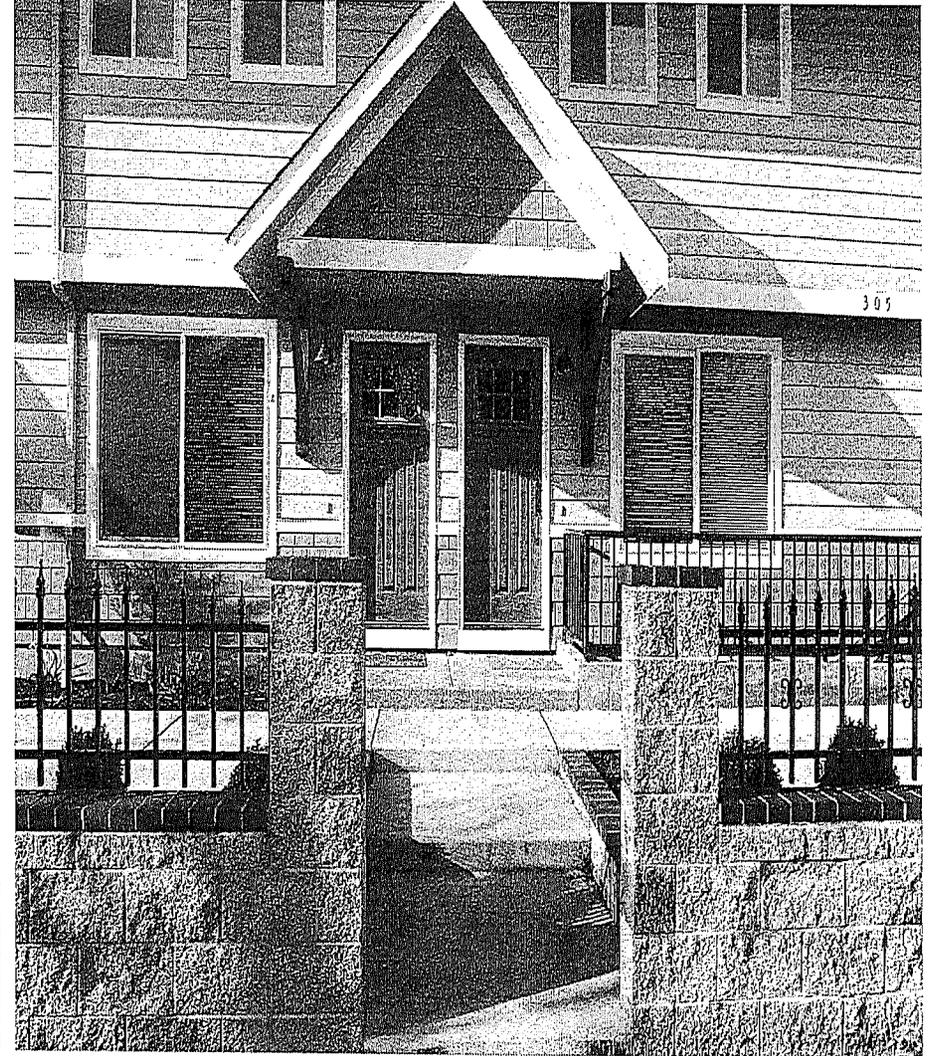
# 125 Jefferson Street SE (Albany)

Built 1905 - Renovated 2005

Albany's First Urban Renewal Project – Wooden Warehouse Converted to Apartments



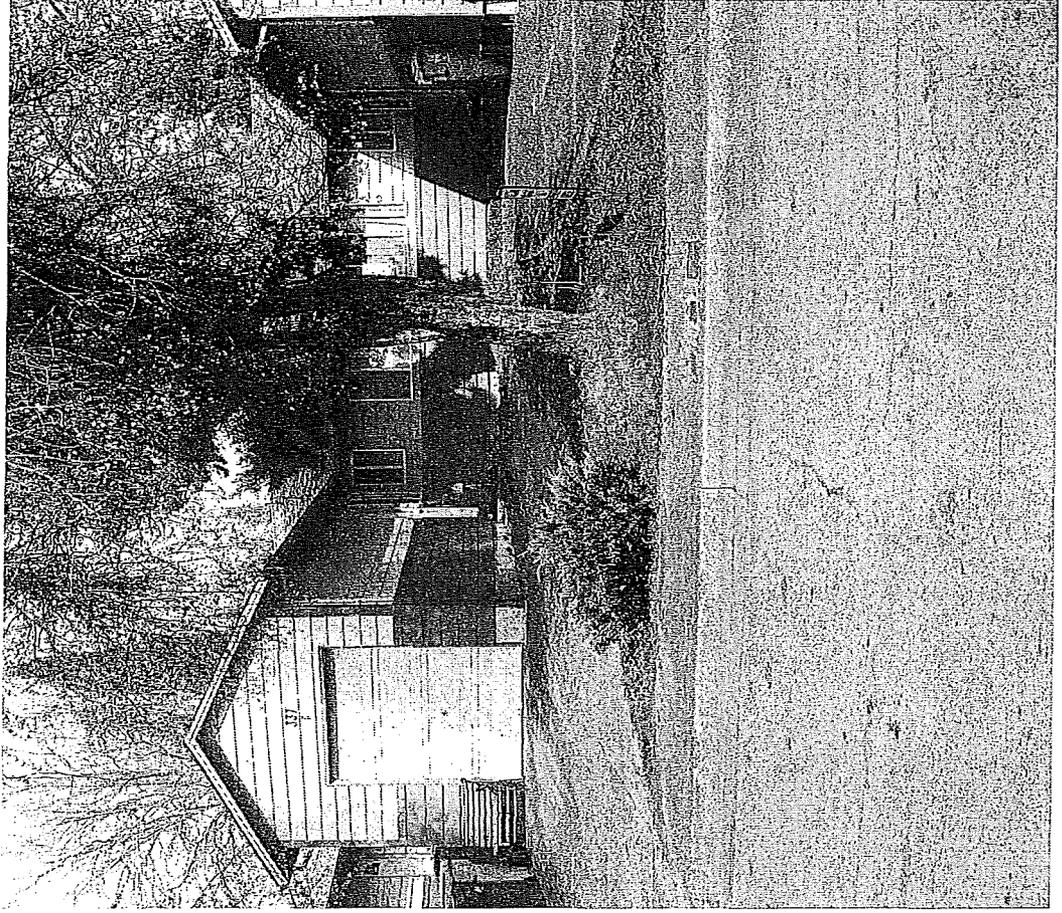
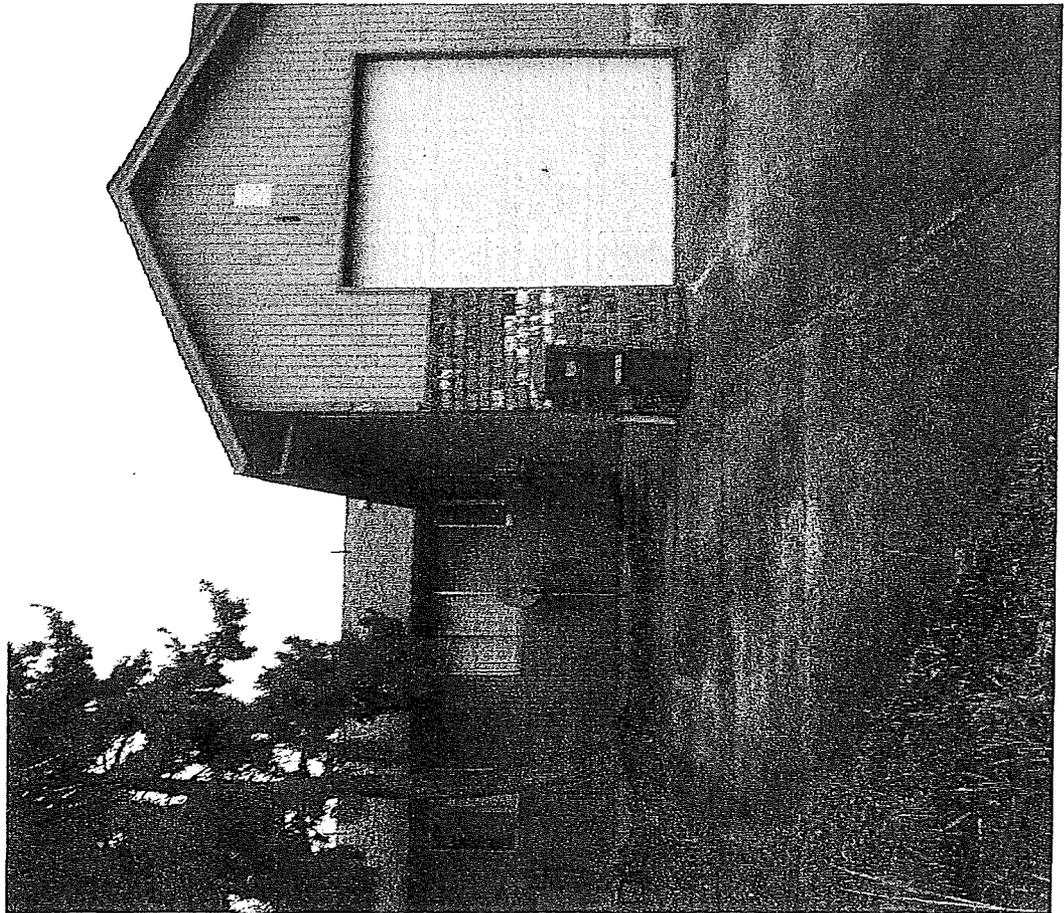
**305 6<sup>th</sup> Avenue SE (Albany)**  
Built 1972 - Renovated 2011  
Urban Renewal Project – 7 Apartment Units



Projects Completed in  
2010 & 2011 Without  
CARA Assistance

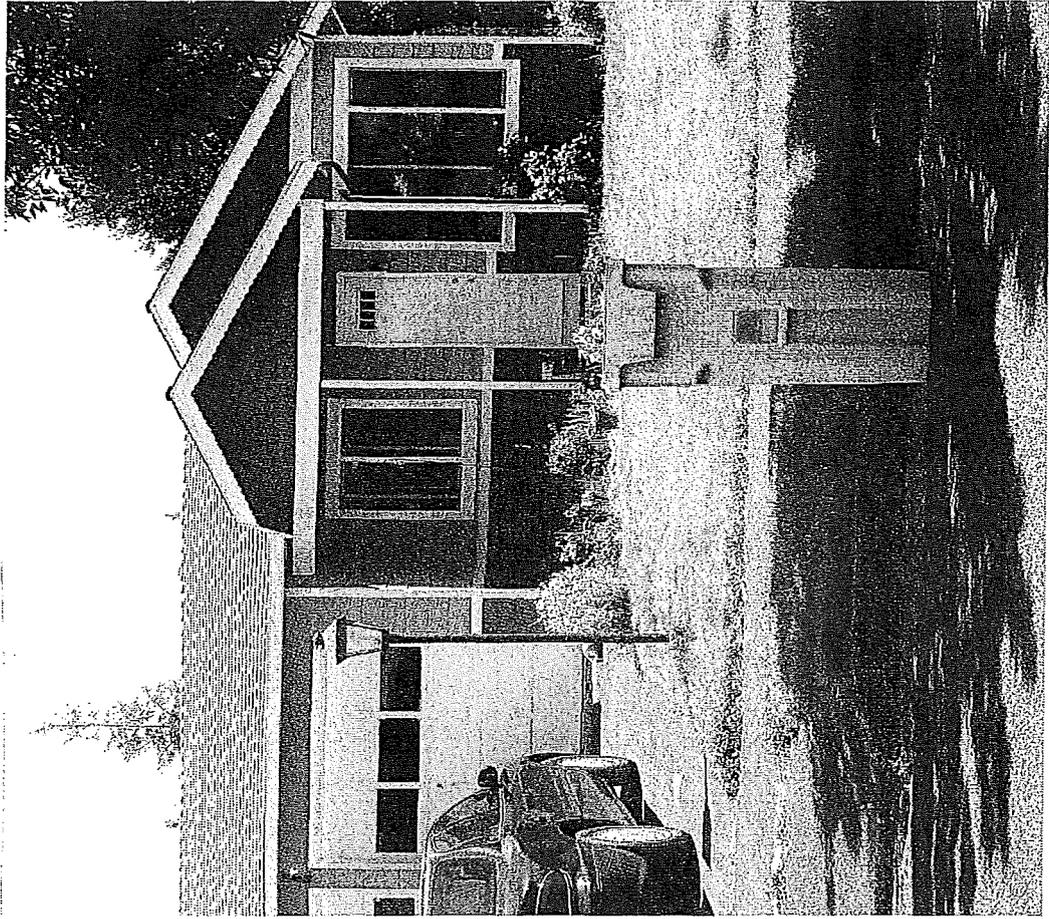
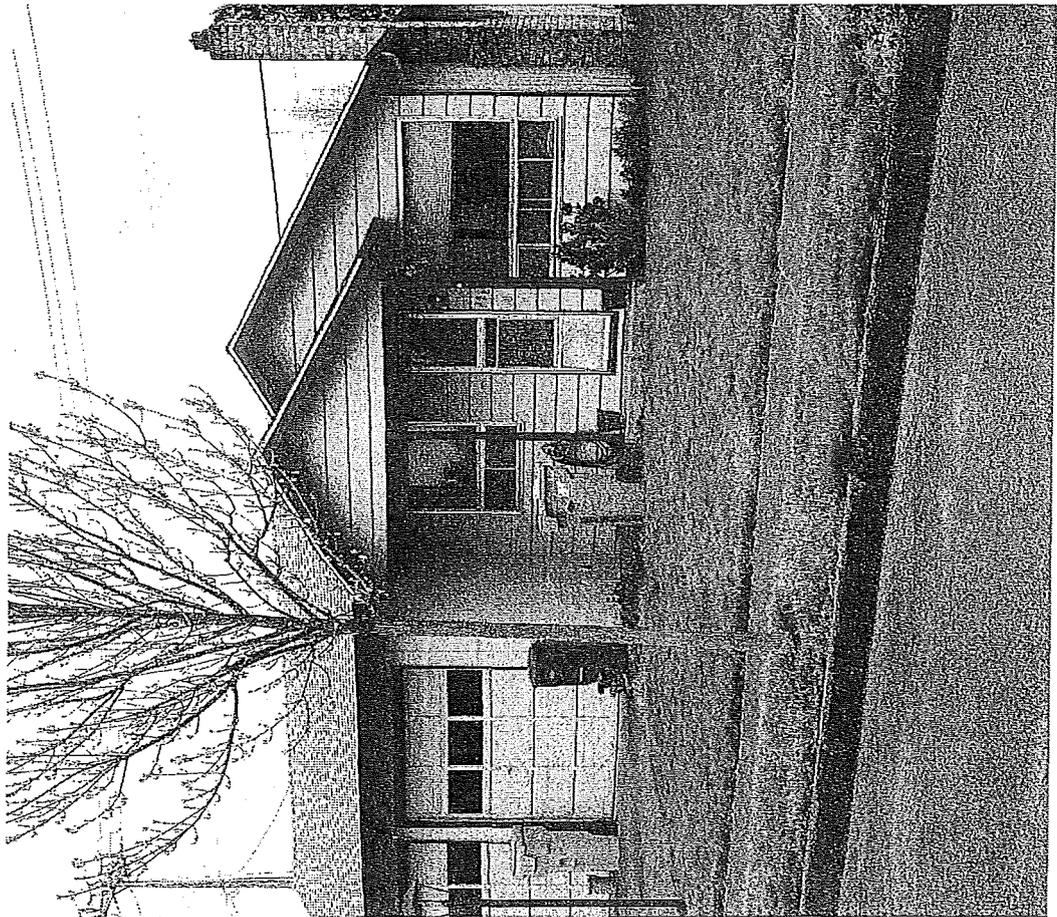
**337 27<sup>th</sup> Avenue SE (Albany)**

Built 1979 - Renovated 2010



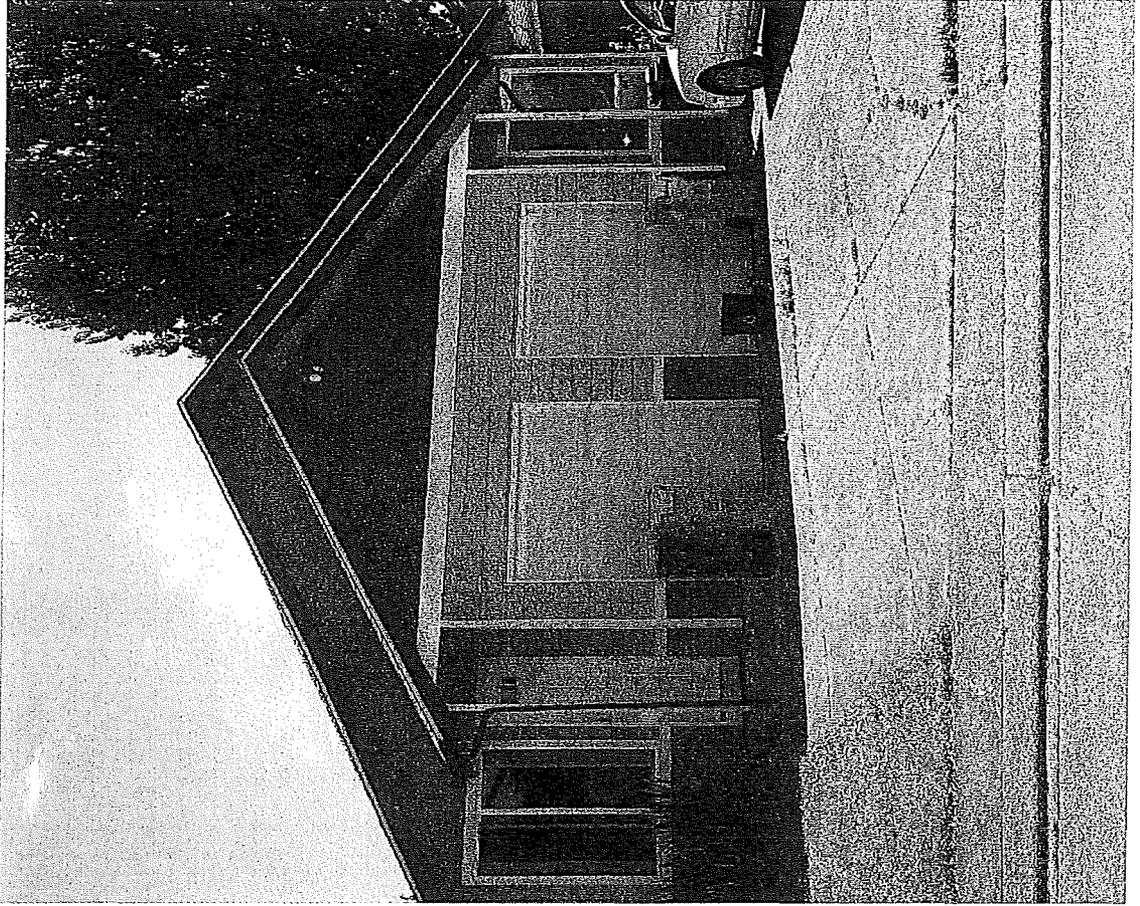
# 326 28<sup>th</sup> Avenue SE (Albany)

Built 1965 - Renovated 2010



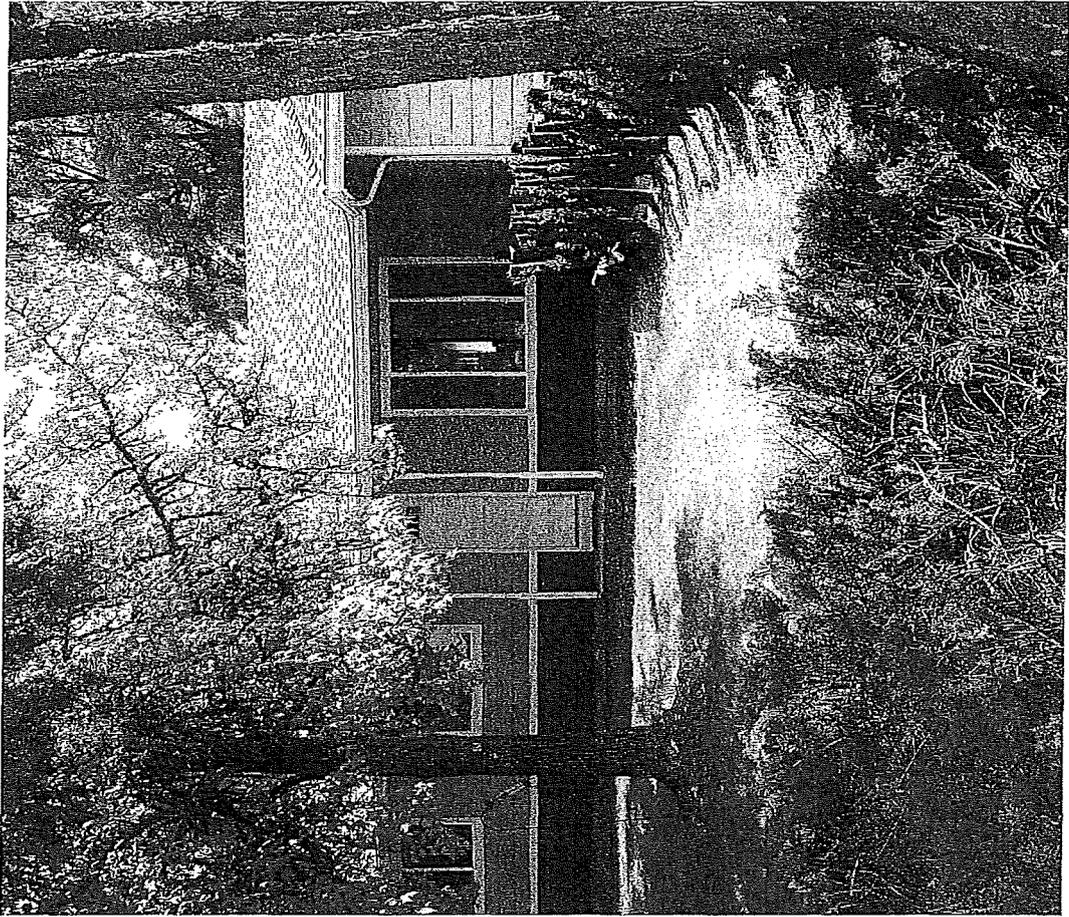
**268/270 30th Place SE (Albany)**

Built 1978 - Renovated 2010



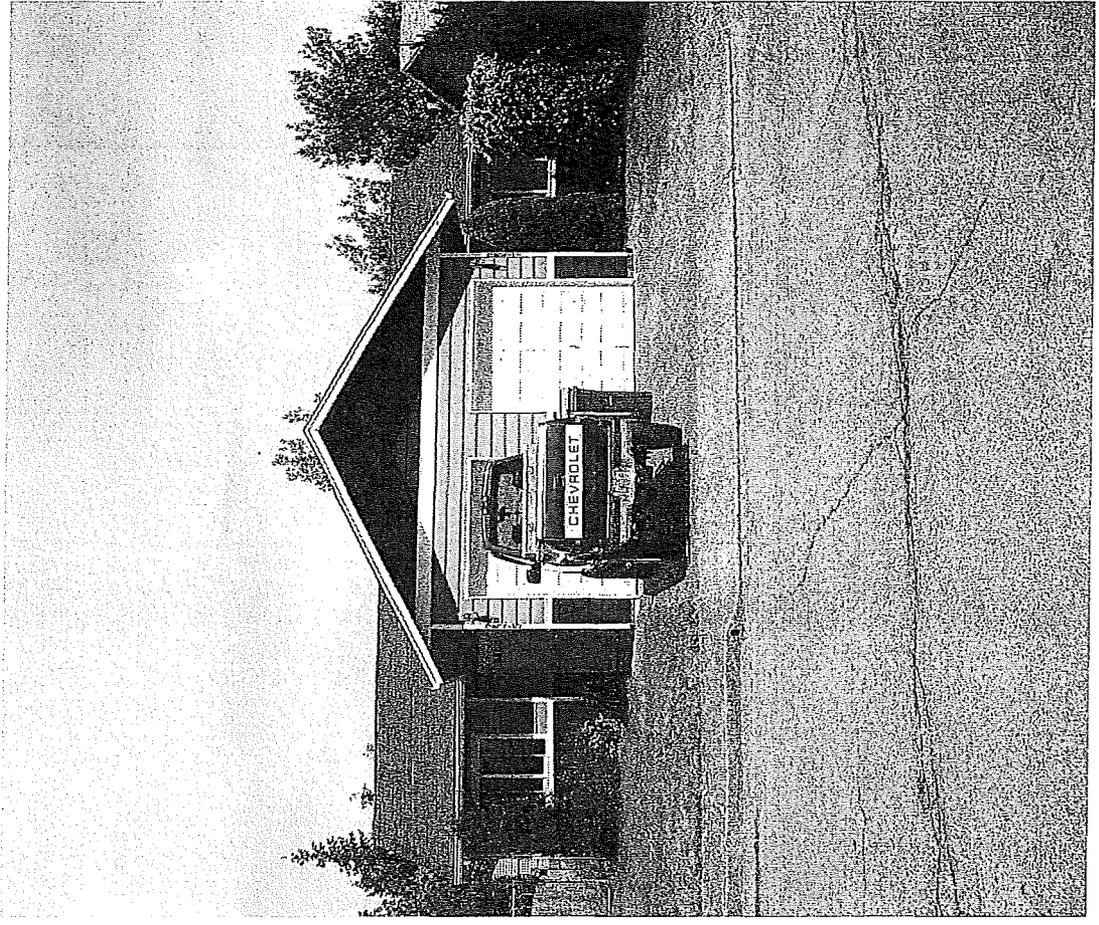
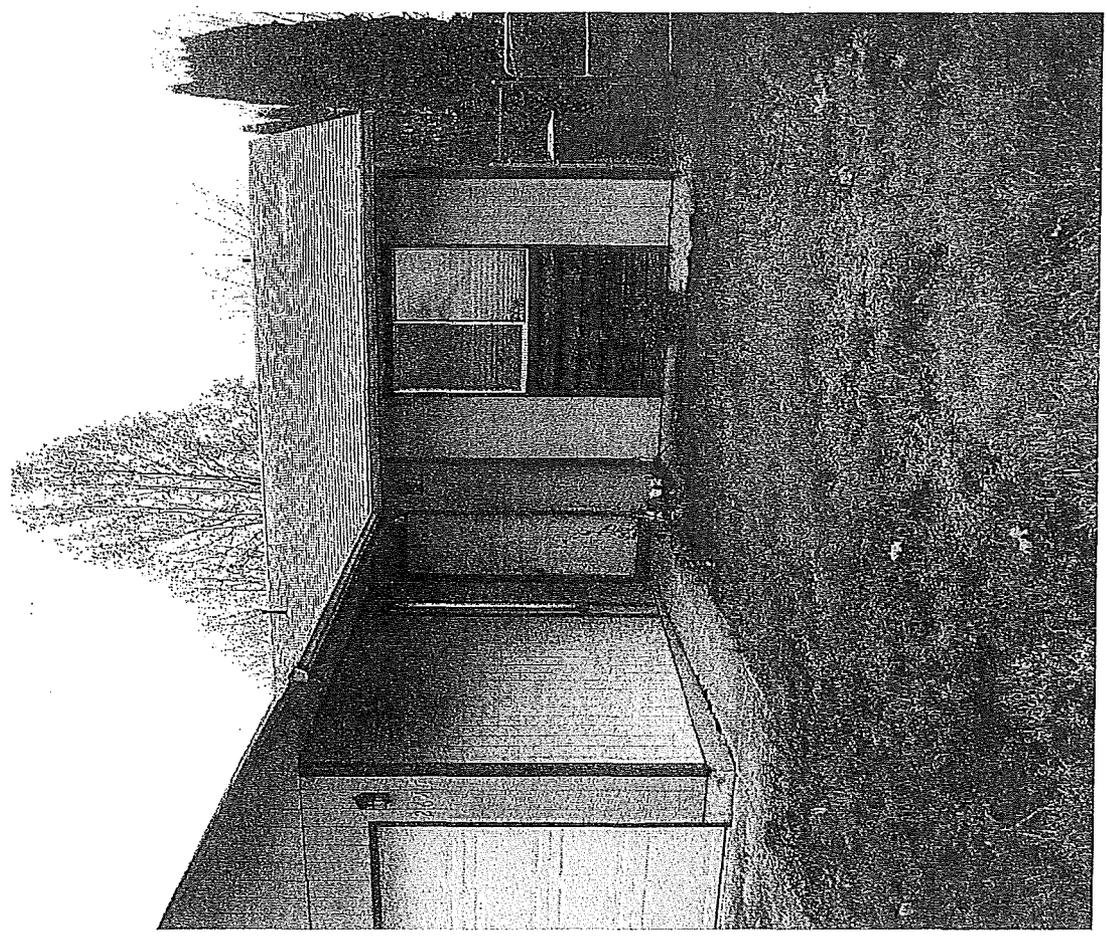
**3538 40<sup>th</sup> Ave SE (Albany)**

Built 1974 – Renovated 2010



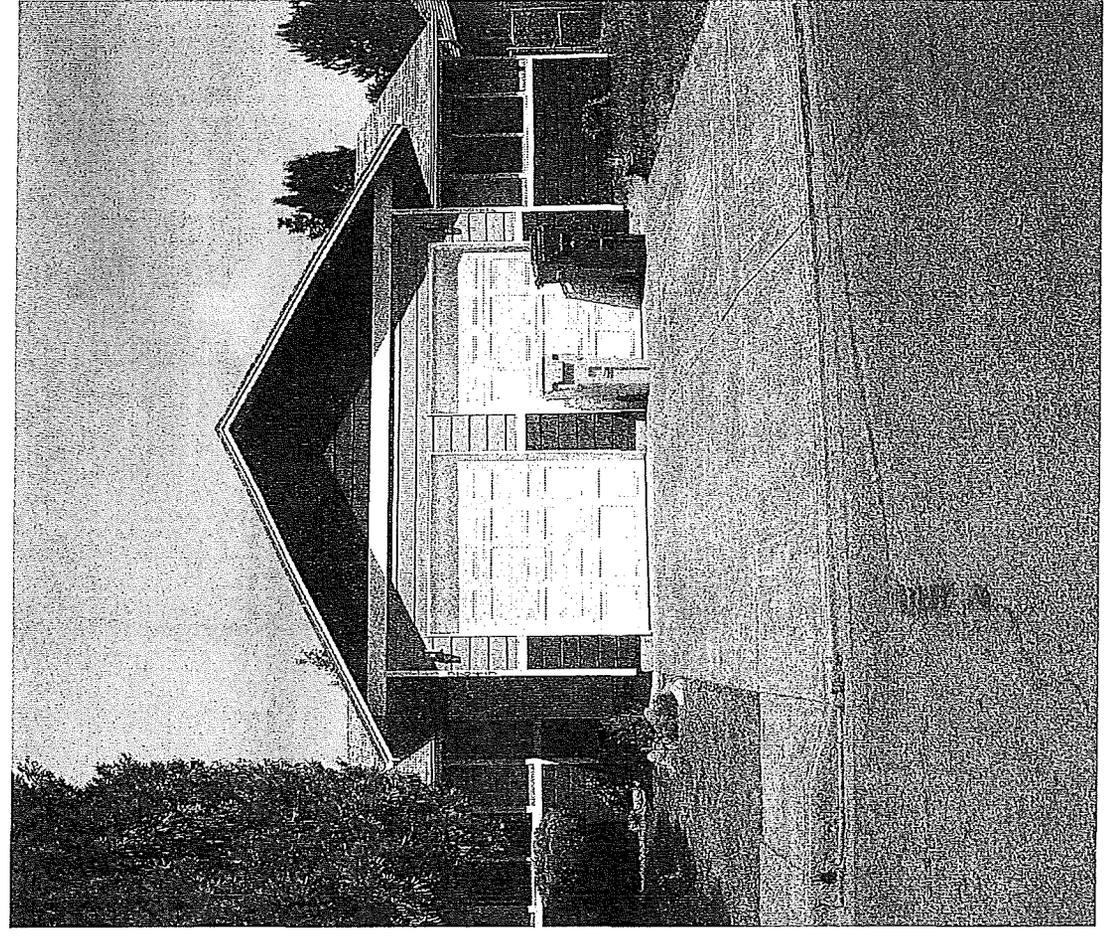
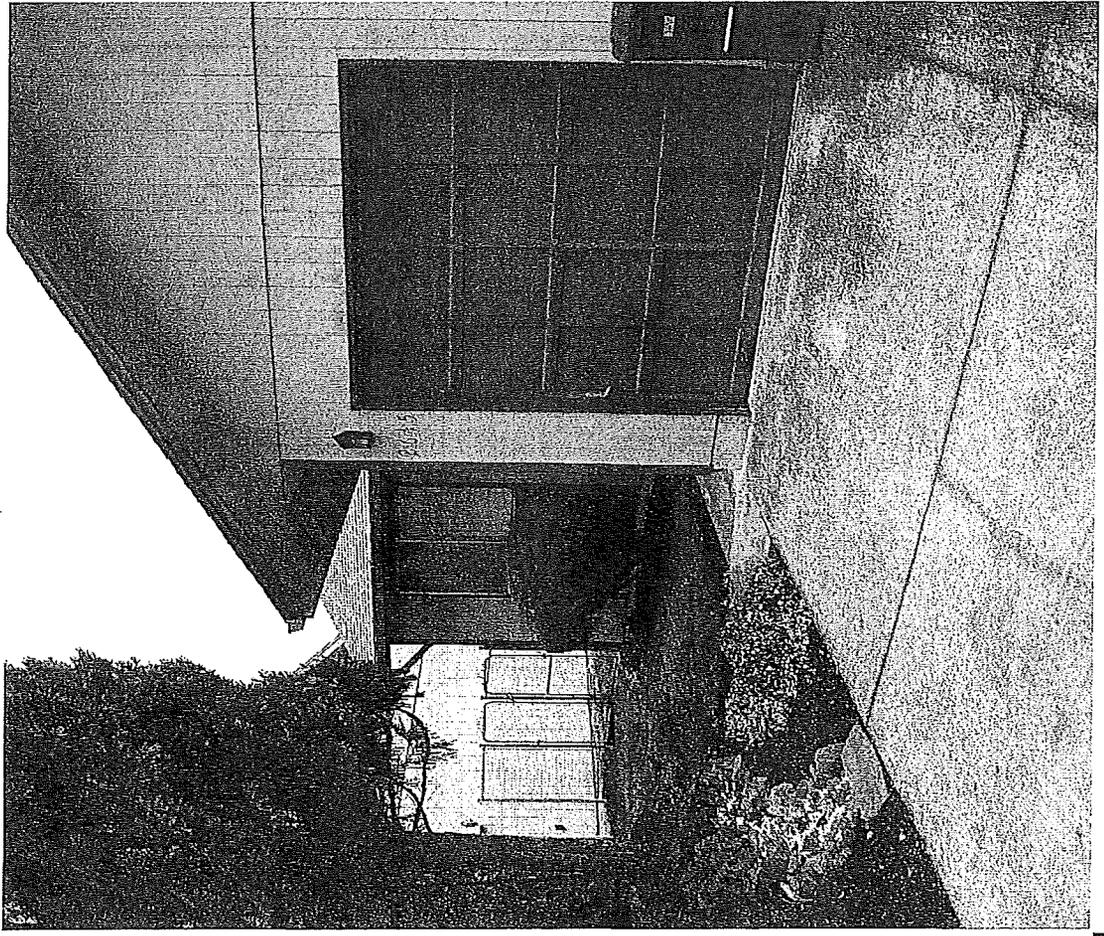
**2575/2577 Clay Court SE (Albany)**

Built 1984 - Renovated 2010



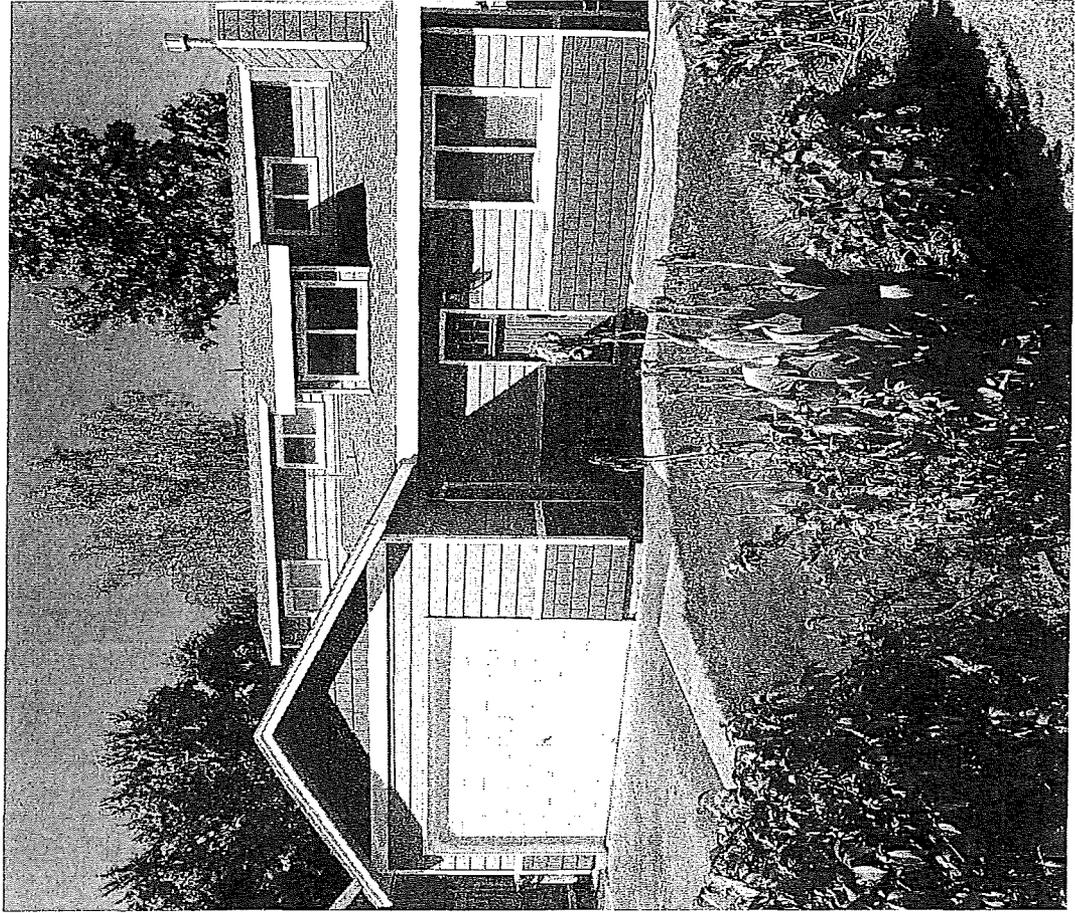
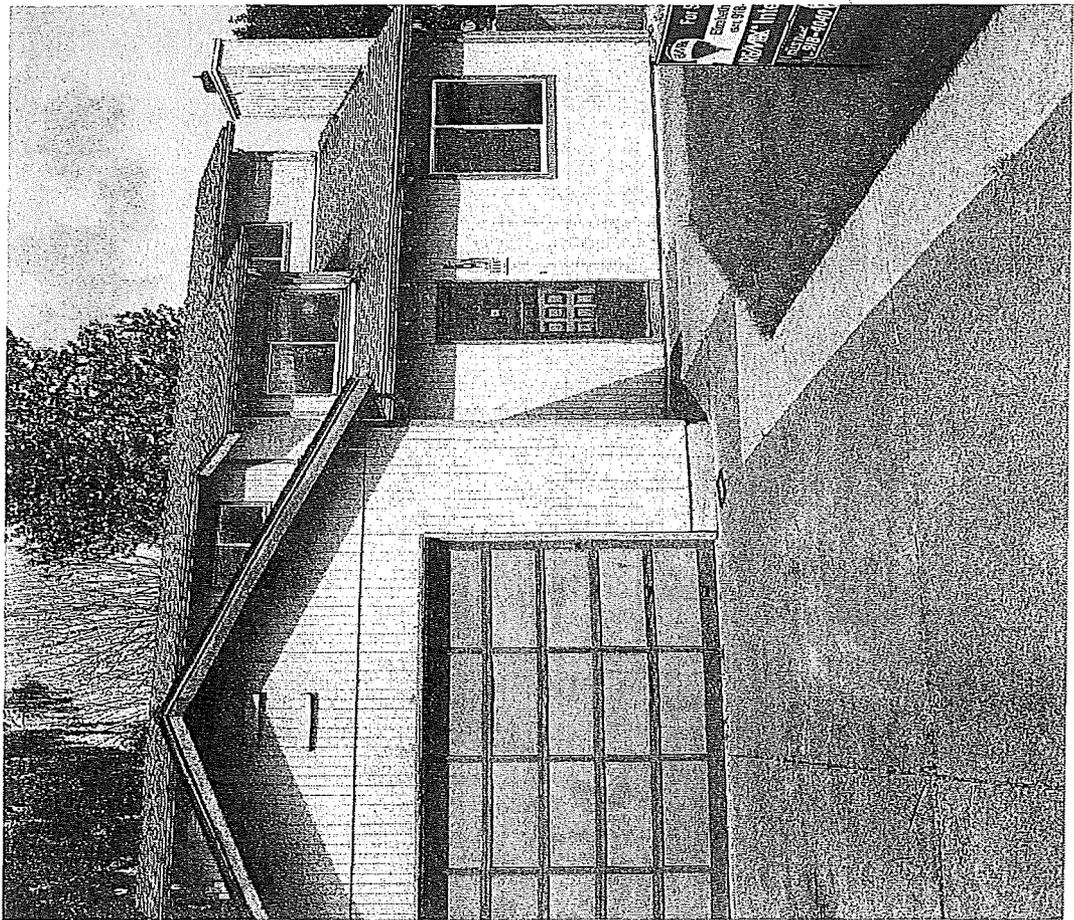
# 2645/2647 Clay Court SE (Albany)

Built 1989 - Renovated 2010



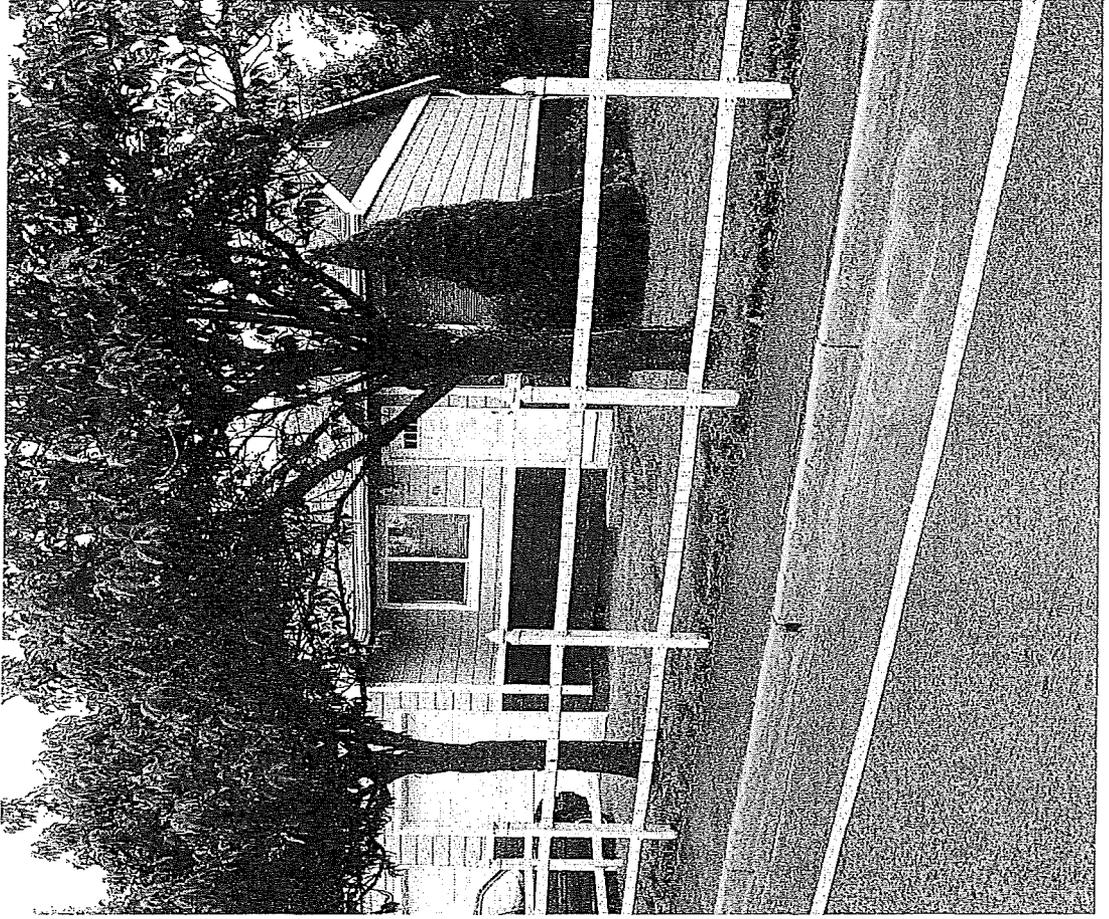
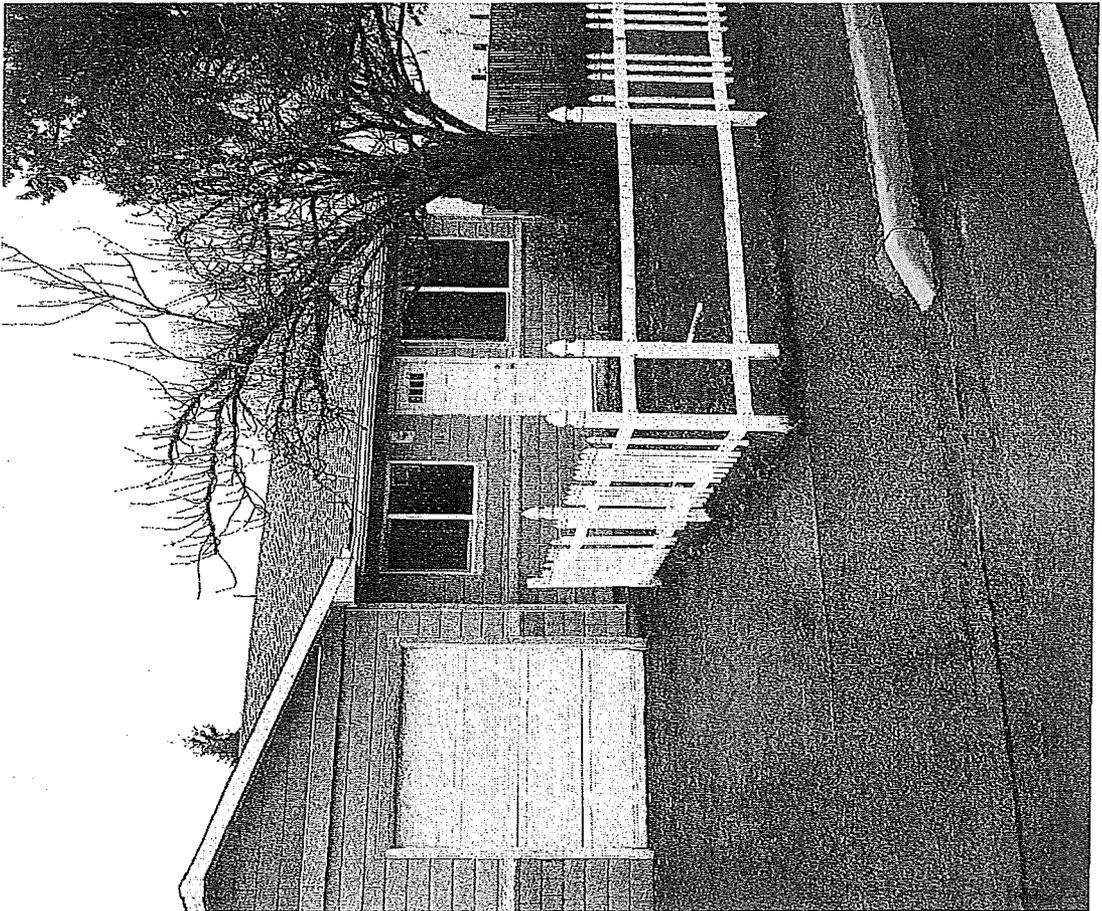
# 6116 Piedmont Place SW (Albany)

Built 1976 - Renovated 2010



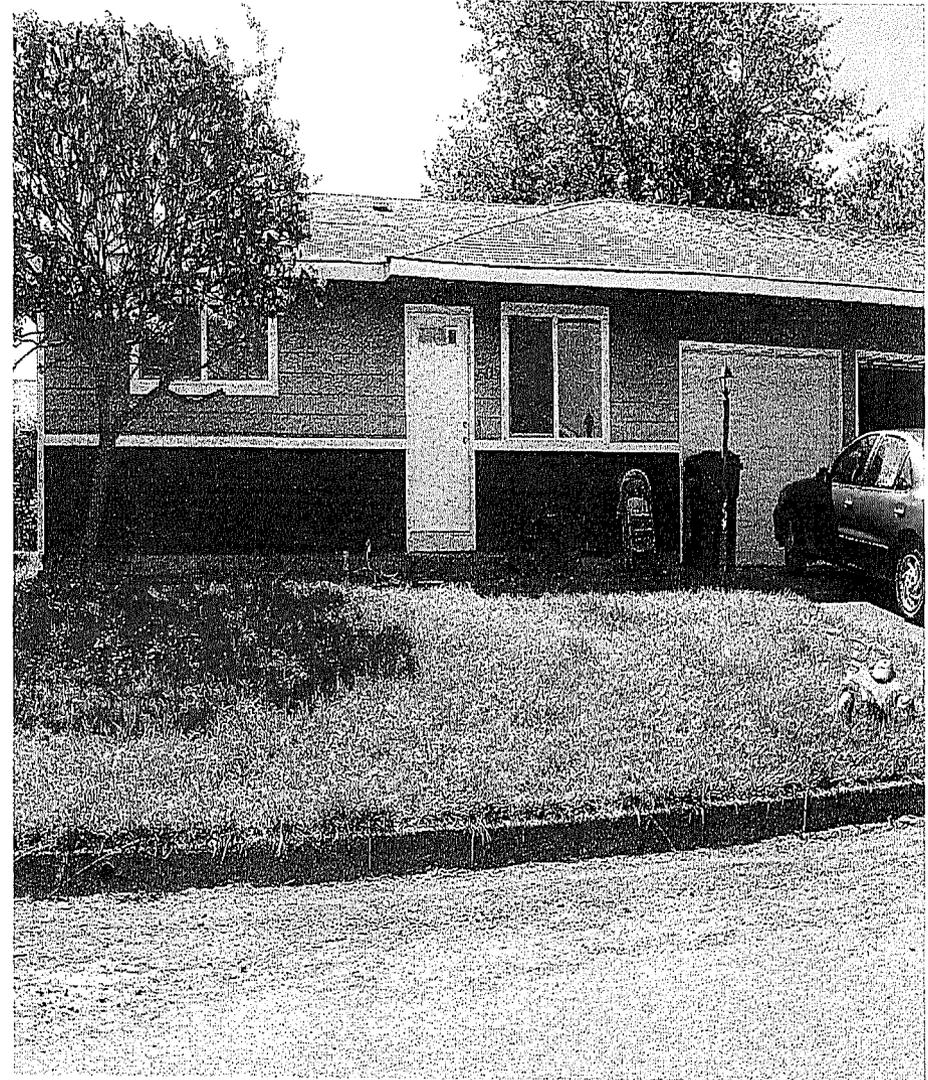
**605/615 Queen Avenue SE (Albany)**

Built 1968 - Renovated 2010



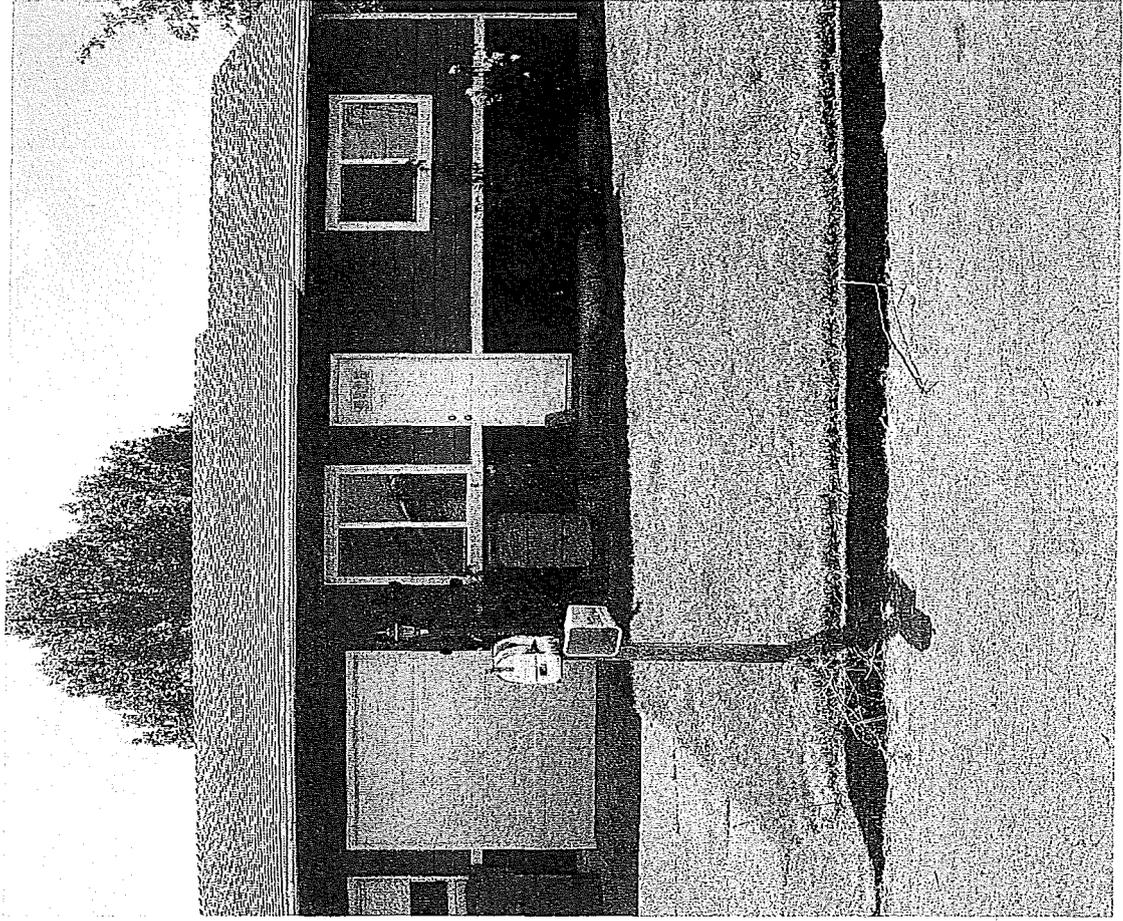
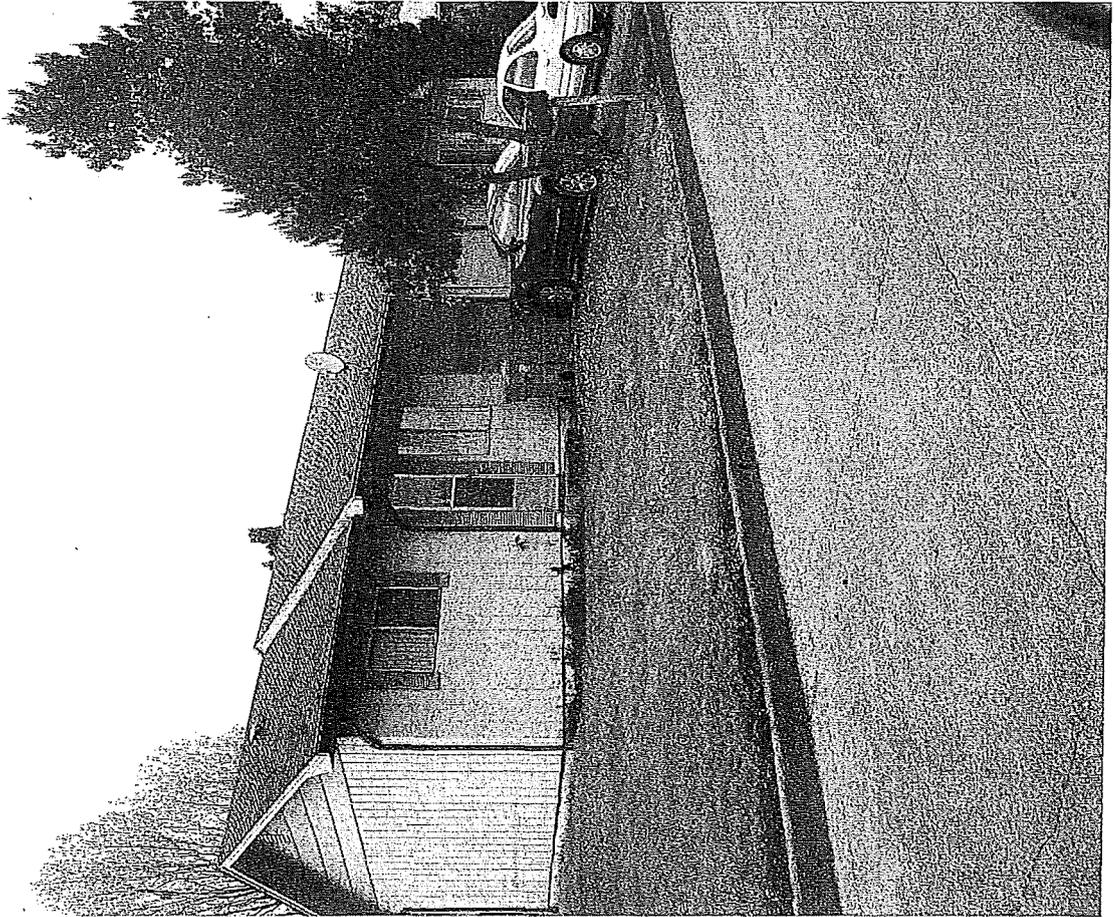
# 2560/2562 Sherman Street SE (Albany)

Built 1966 - Renovated 2010



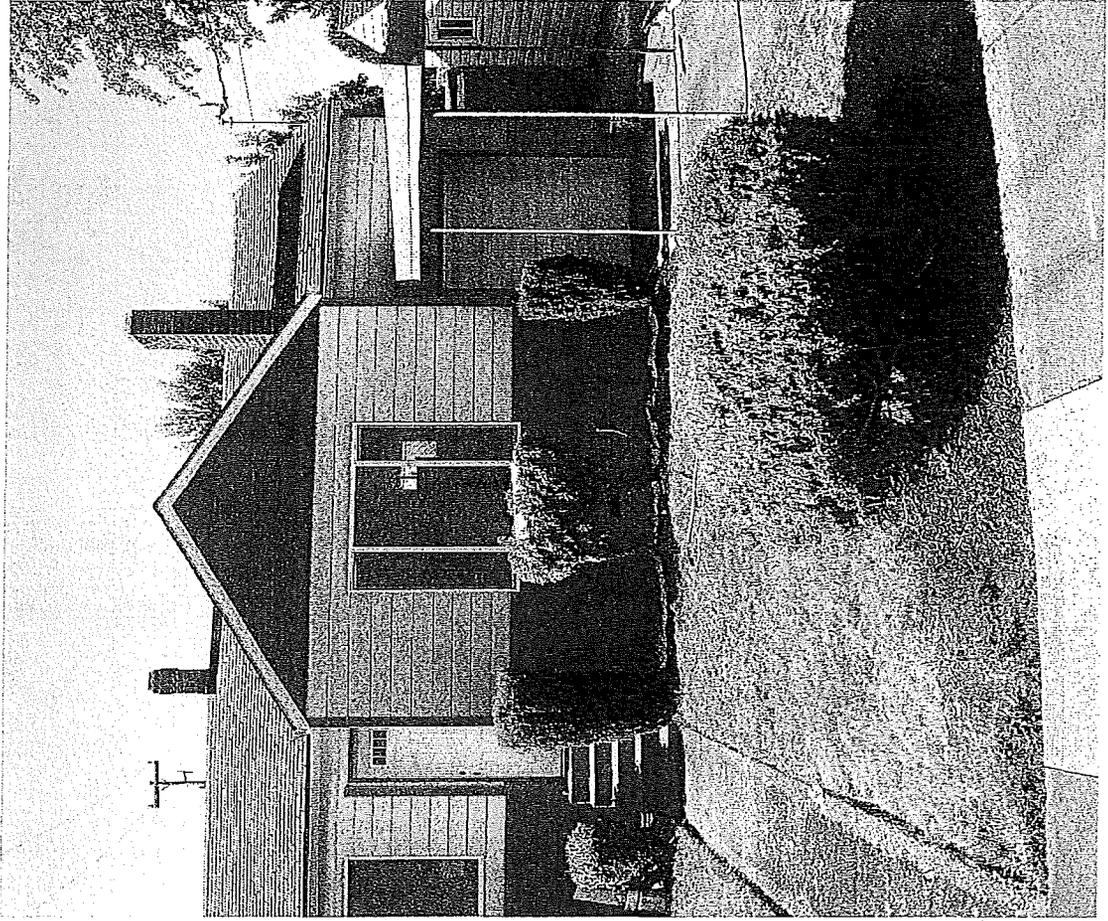
# 2600/2602 Sherman Street SE (Albany)

Built 1966 - Renovated 2010



# 390 E. Milton Street (Lebanon)

Built 1942 - Renovated 2010



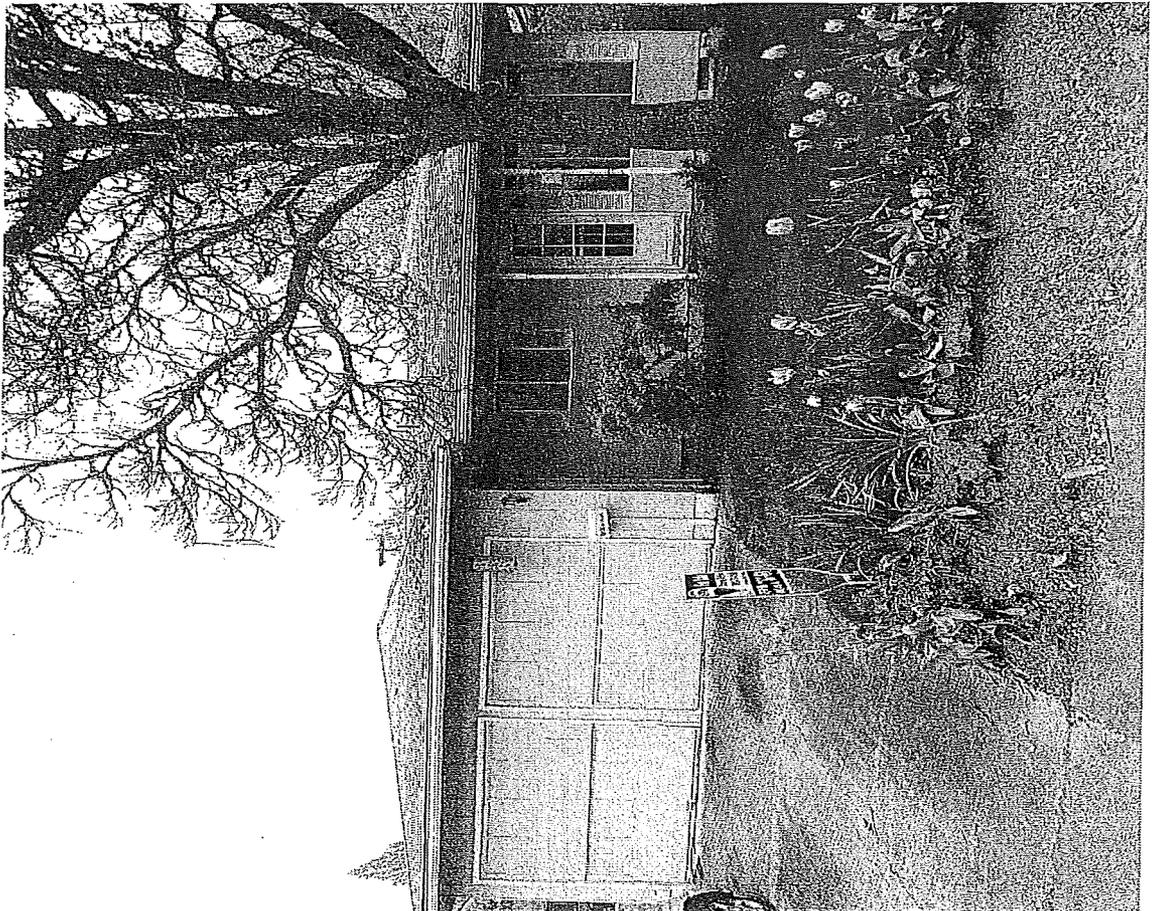
# 2339 34<sup>th</sup> Avenue SE (Albany)

Built 1969 - Renovated 2011



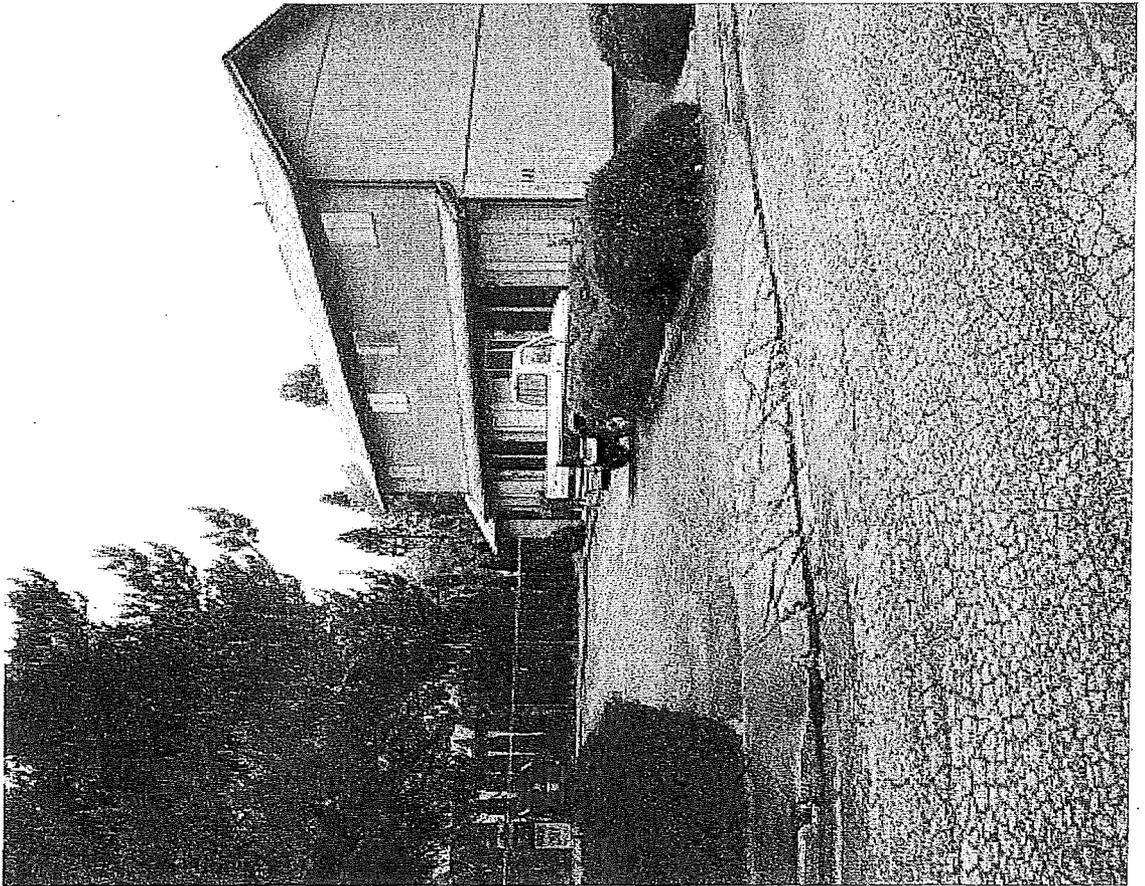
# 2607 Pine Lane S (Albany)

Built 1971 – Renovated 2011



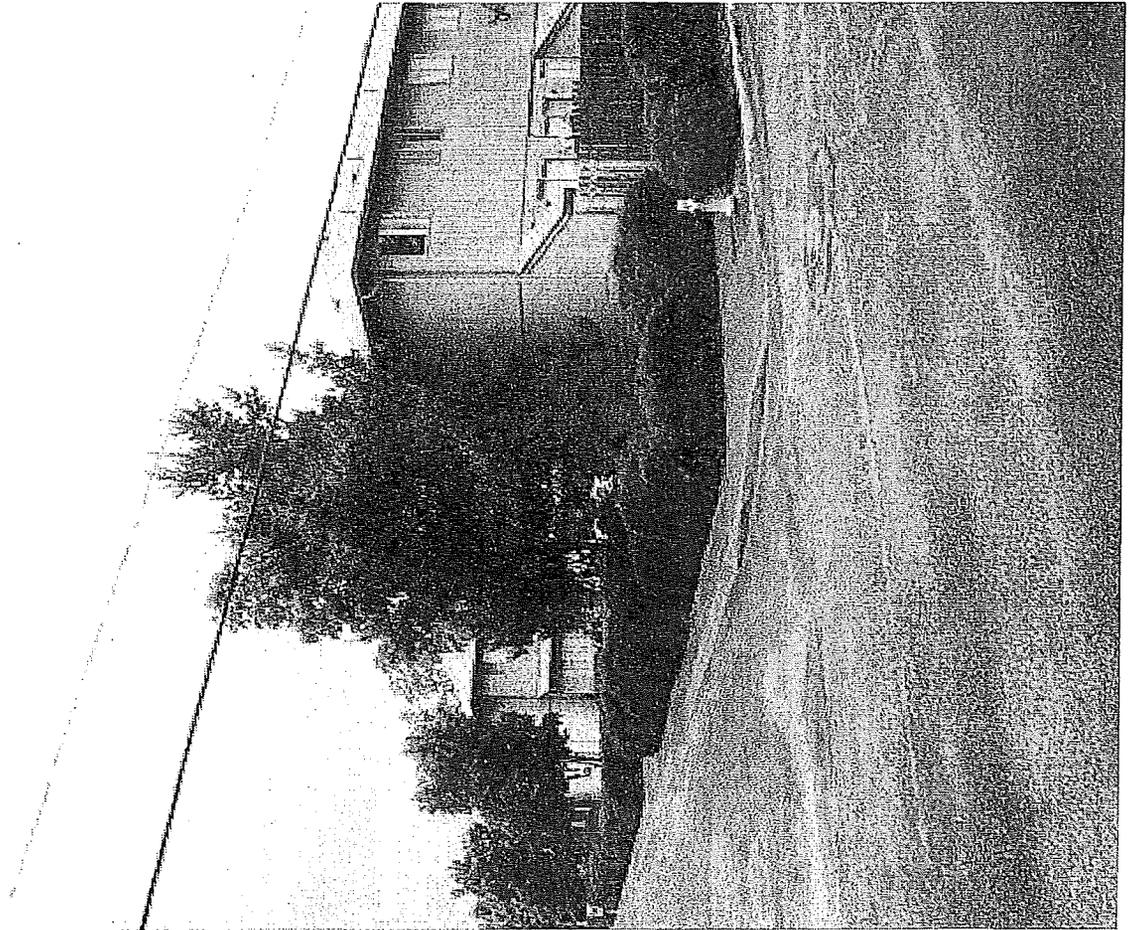
# 165 and 195 S. 9th Street (Lebanon)

Built 1977 - Renovated 2011



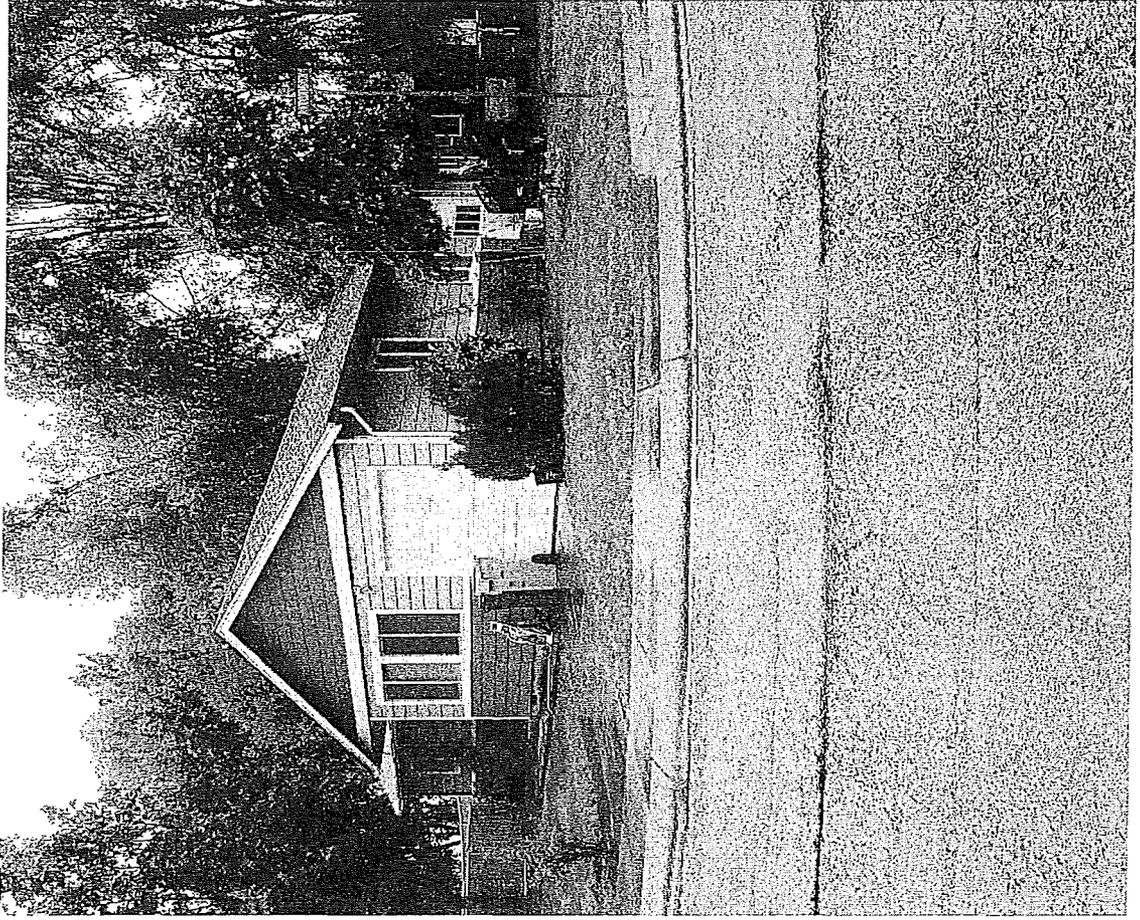
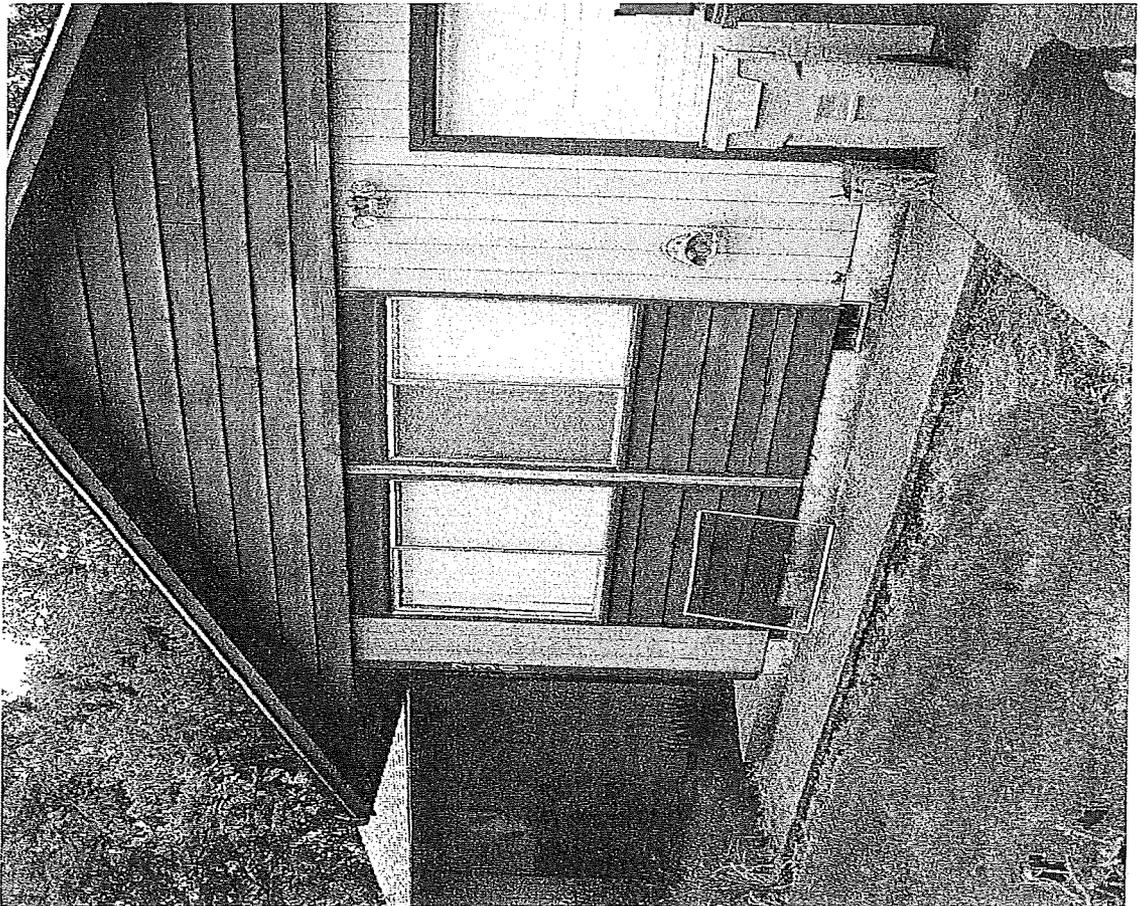
# 815 – 865 W. Academy Street (Lebanon)

Built 1977 - Renovated 2011



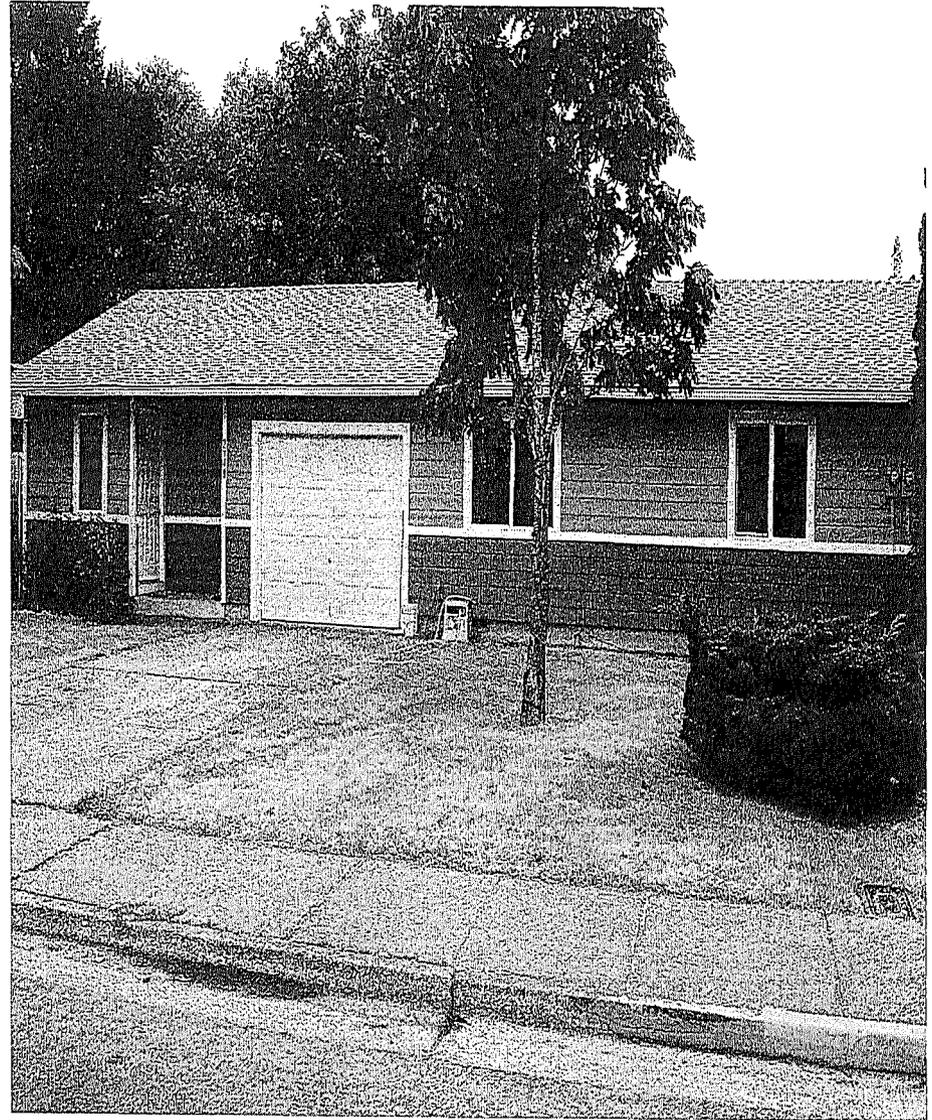
**730 Rhododendron/2745 7<sup>th</sup> Street (Lebanon)**

Built 1977 - Renovated 2011

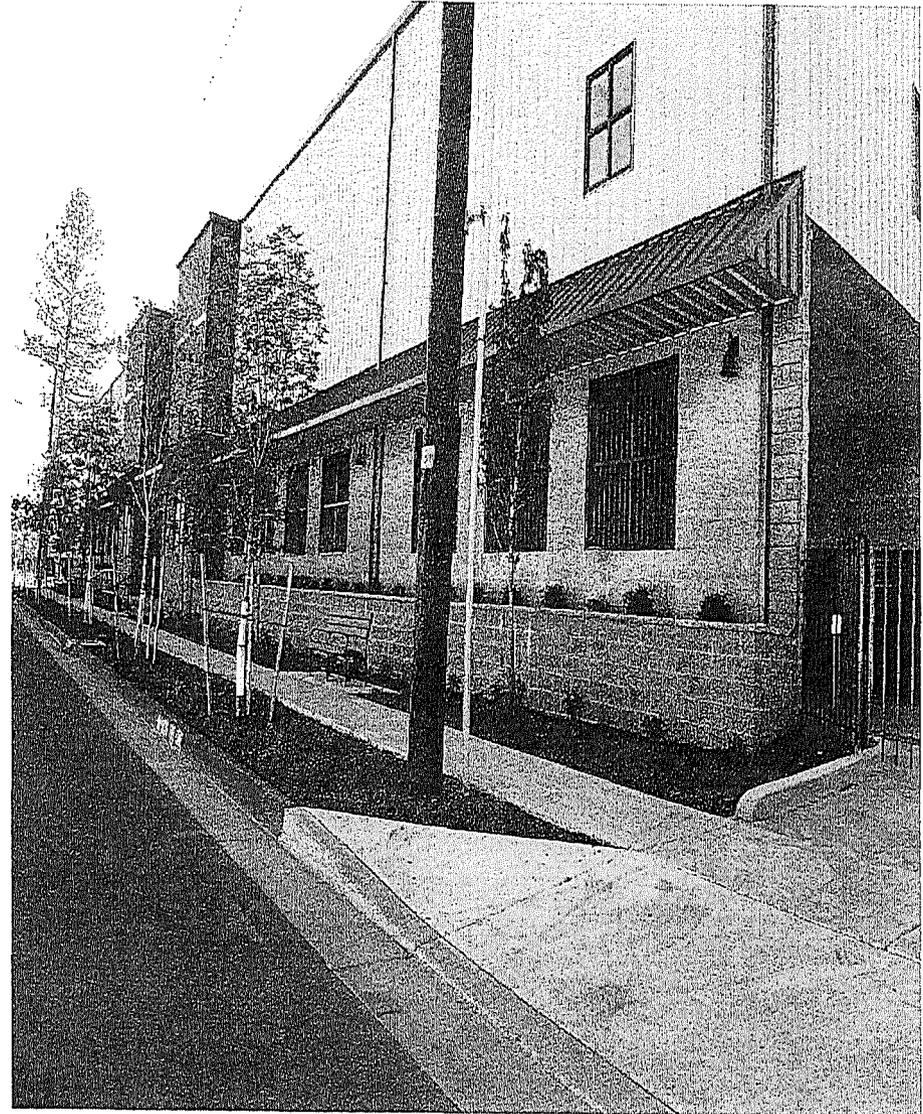


# 770 Rhododendron/2748 8<sup>th</sup> Street (Lebanon)

Built 1977 - Renovated 2010

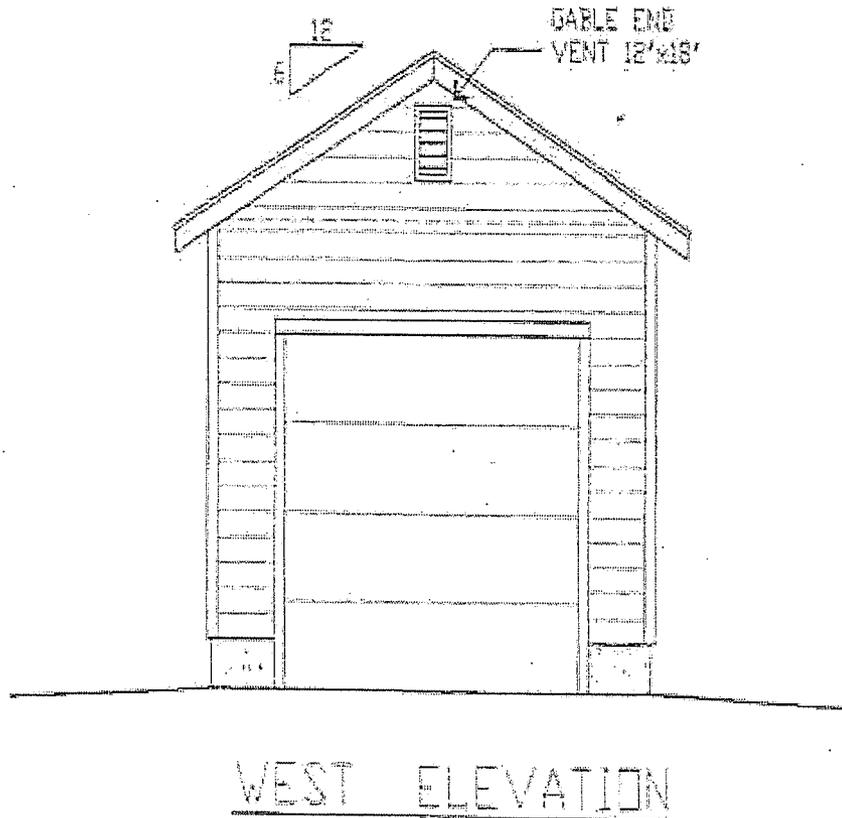
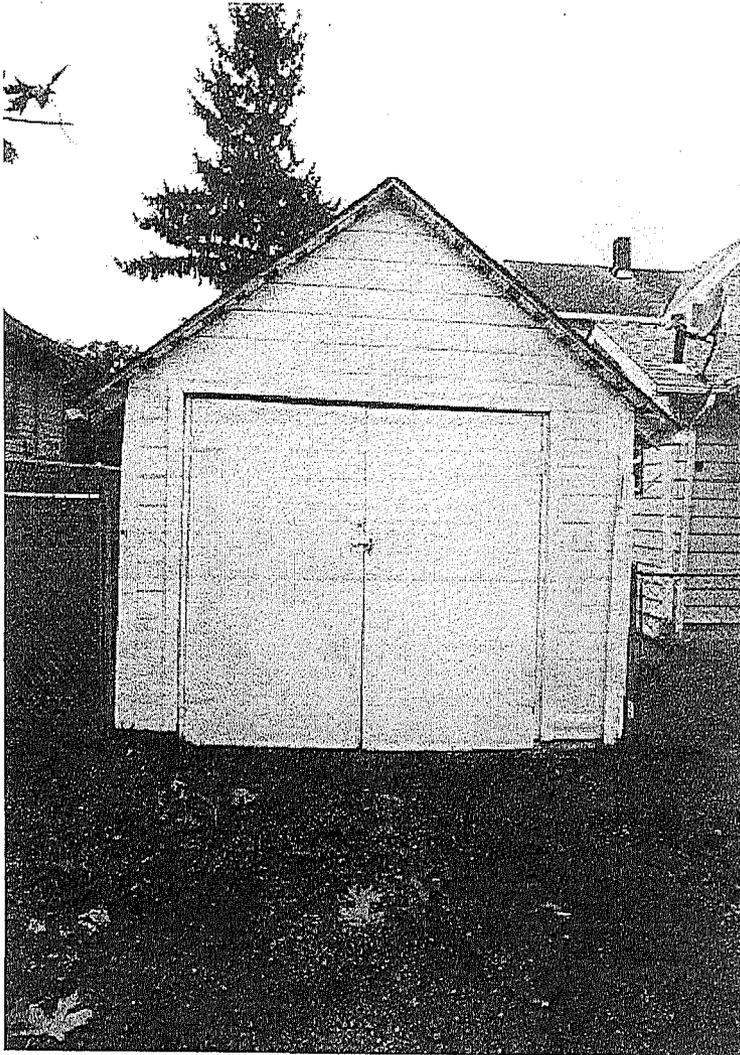


**470 Hopkins Avenue (Corvallis)**  
Built 2001 – Addition 2011  
New 69,000 Square Foot 3-Story Building Addition



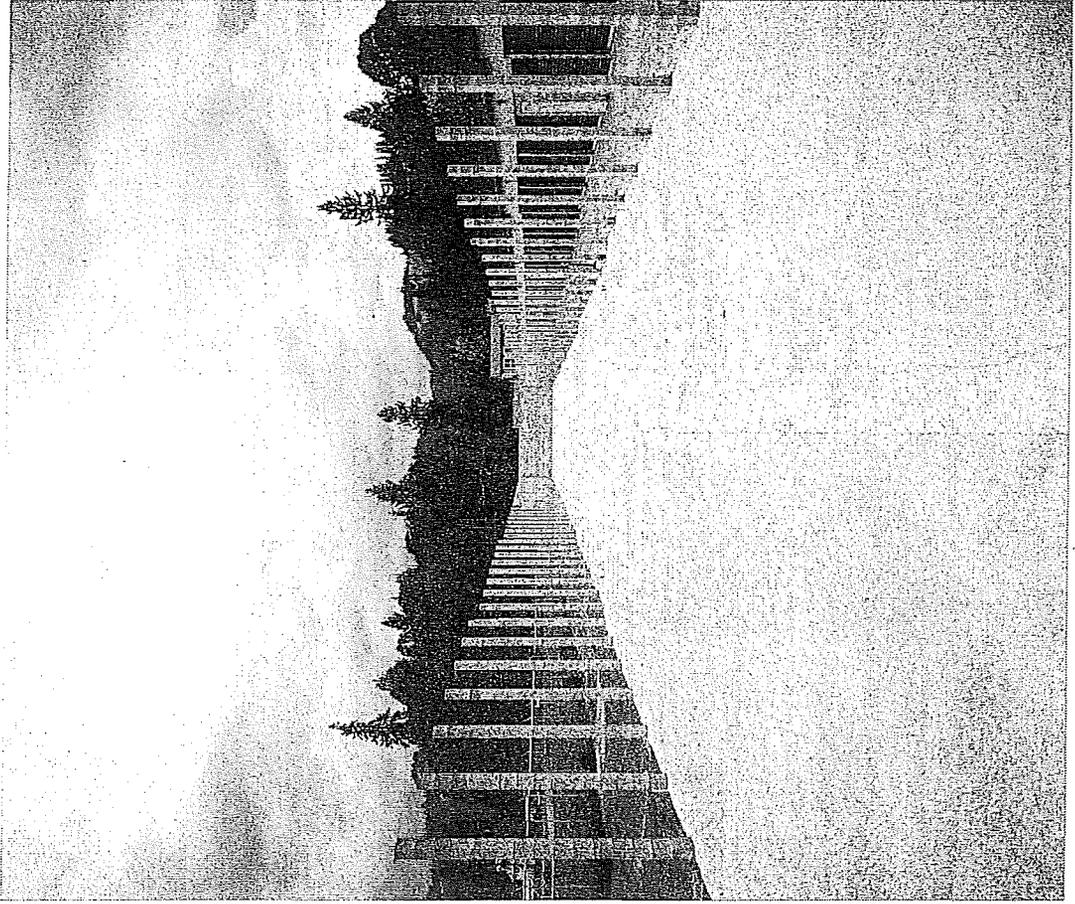
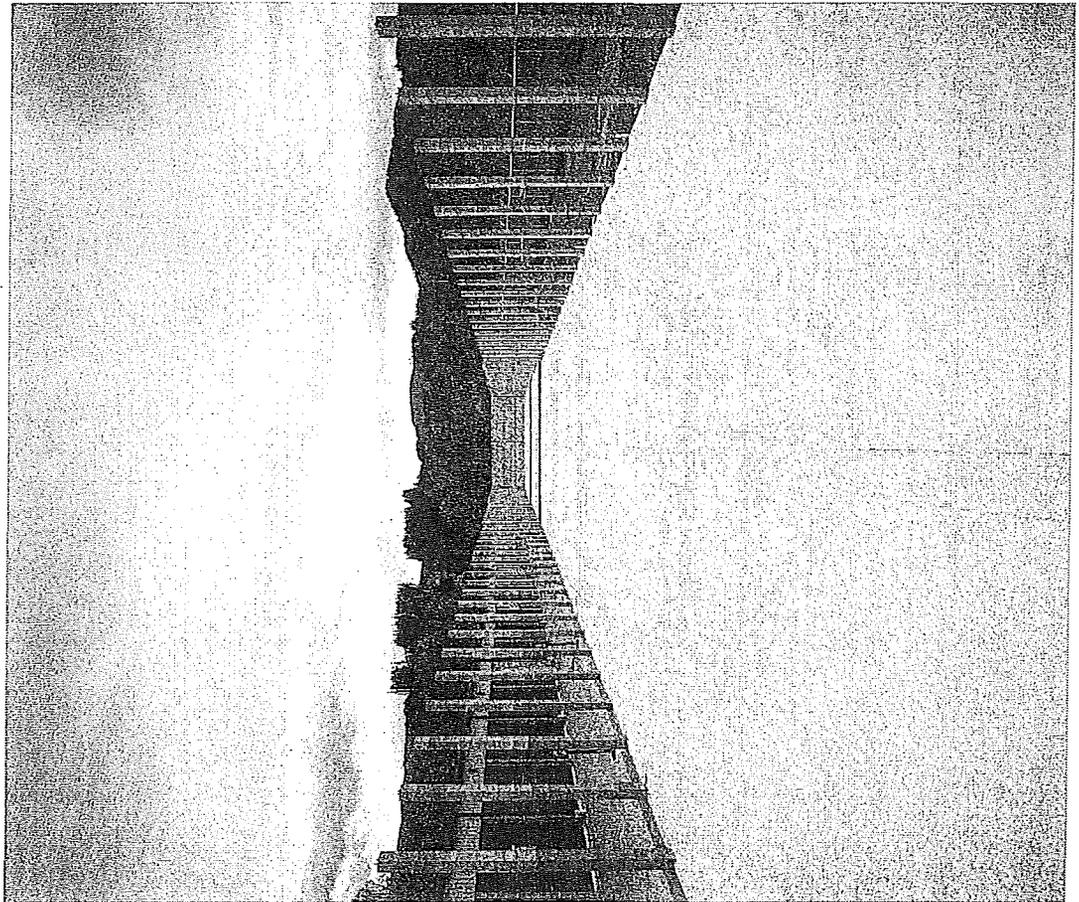
# Current Projects

244 6<sup>th</sup> Avenue SE  
Replacement of Existing Garage



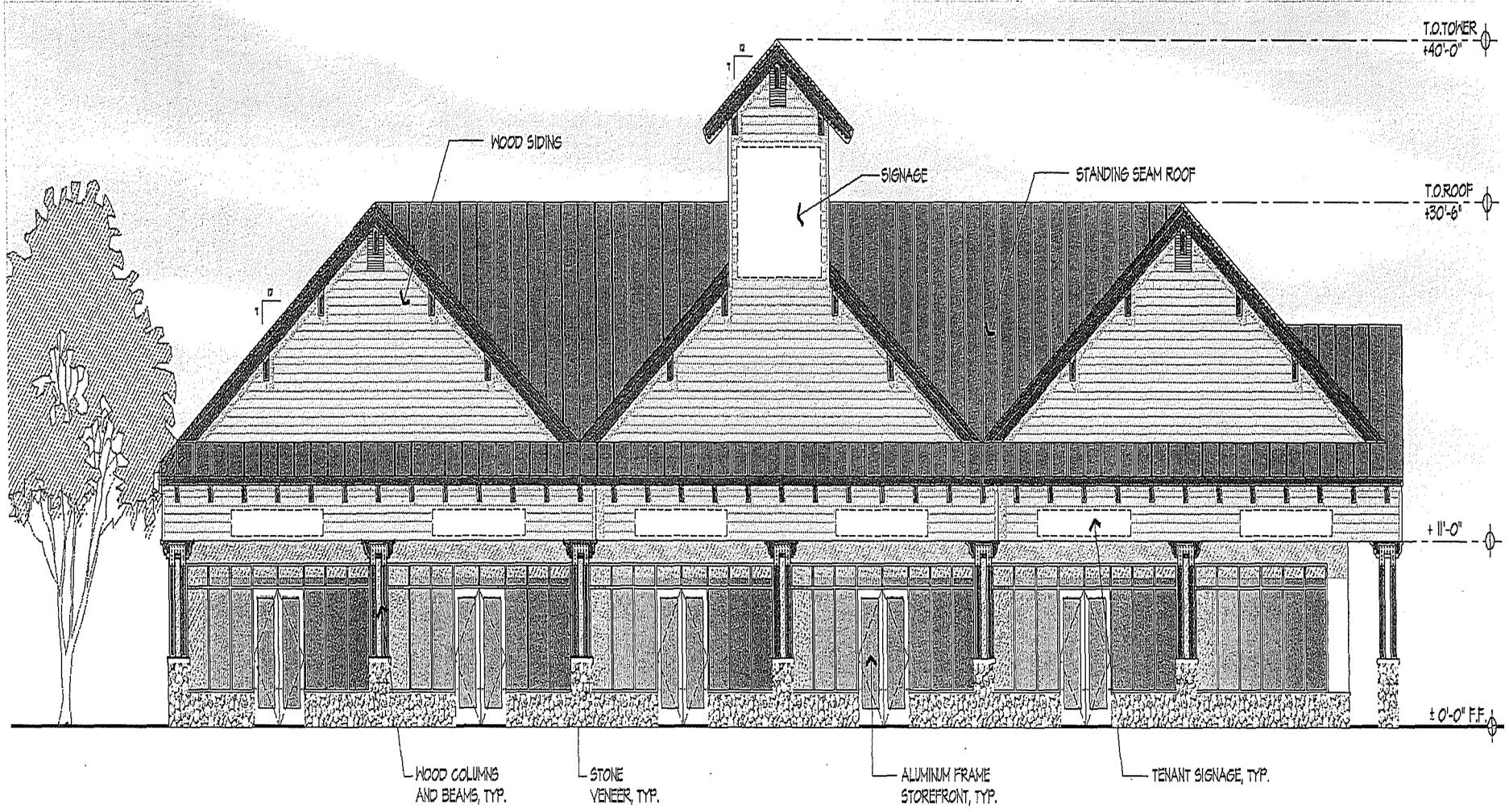
# 4199 Main Street (Sweet Home)

Built 2008 – Under Expansion 2011 (22,250 sq ft.)



# 3585 Silverton Road NE (Salem)

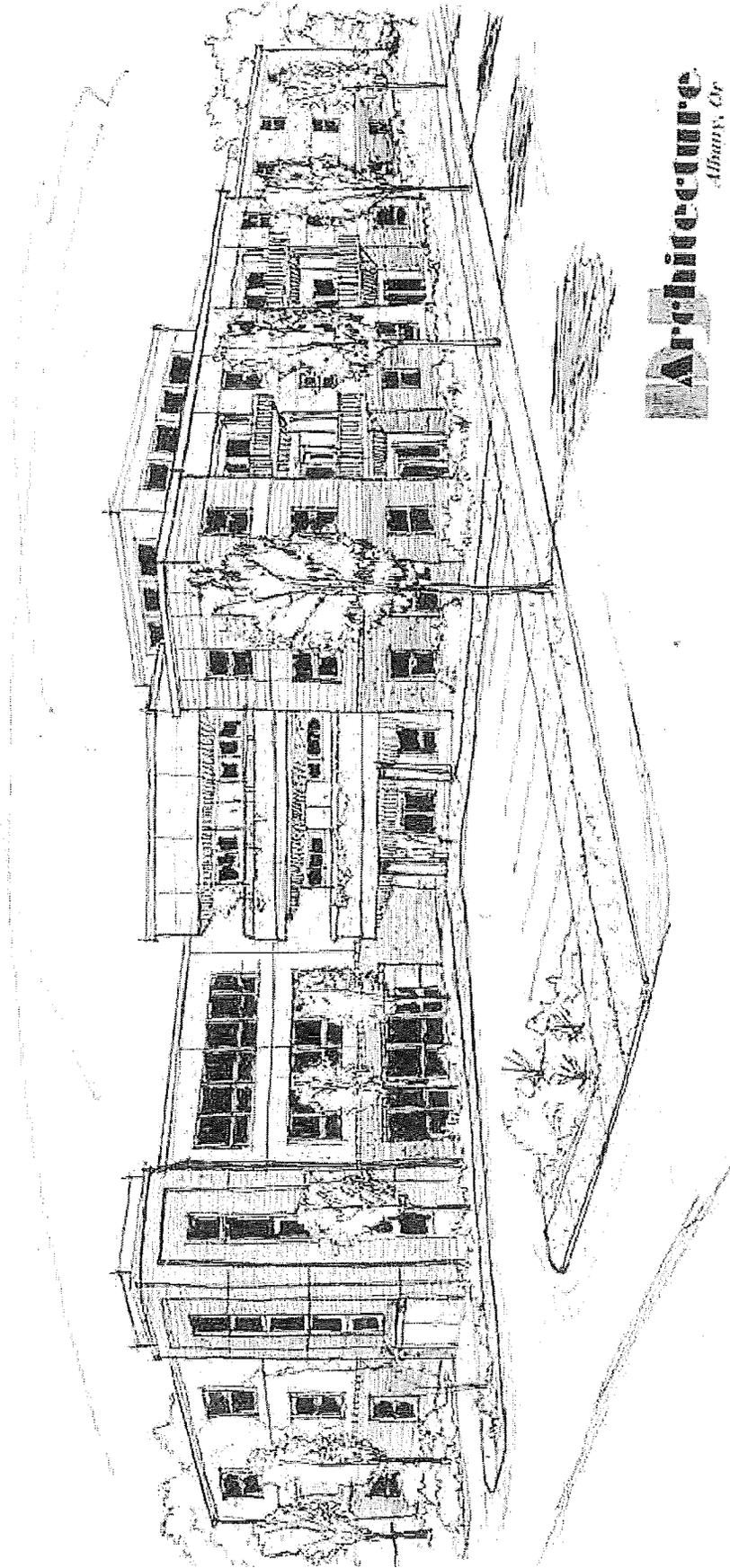
Built 1985 – Proposed Retail Addition 2012



# Future Downtown Projects

# 521 Water Avenue NE

Future New Construction



**Architecture**  
Albany, Or

# 100 Ferry Street NW

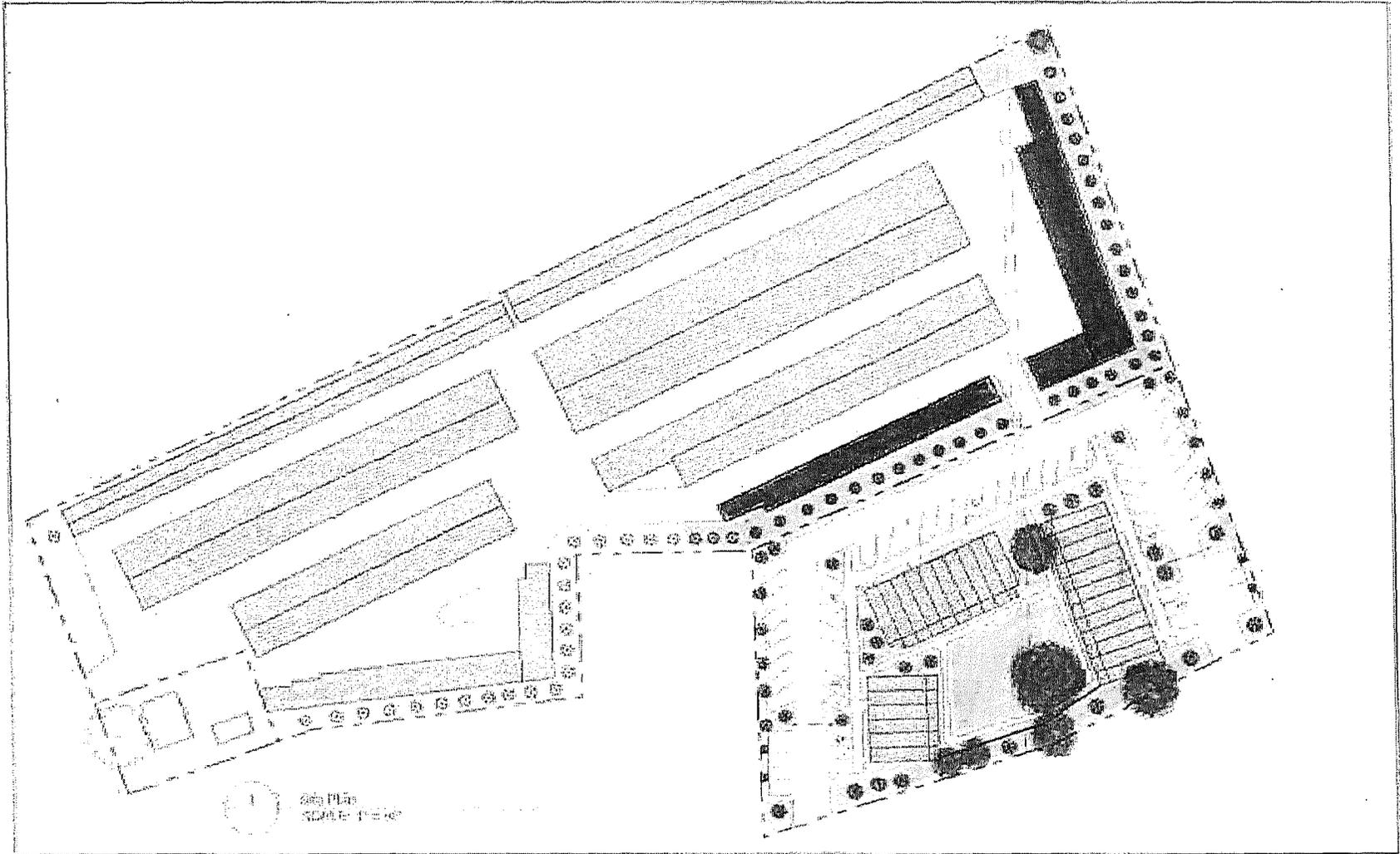
Future Construction



# Other Future Projects

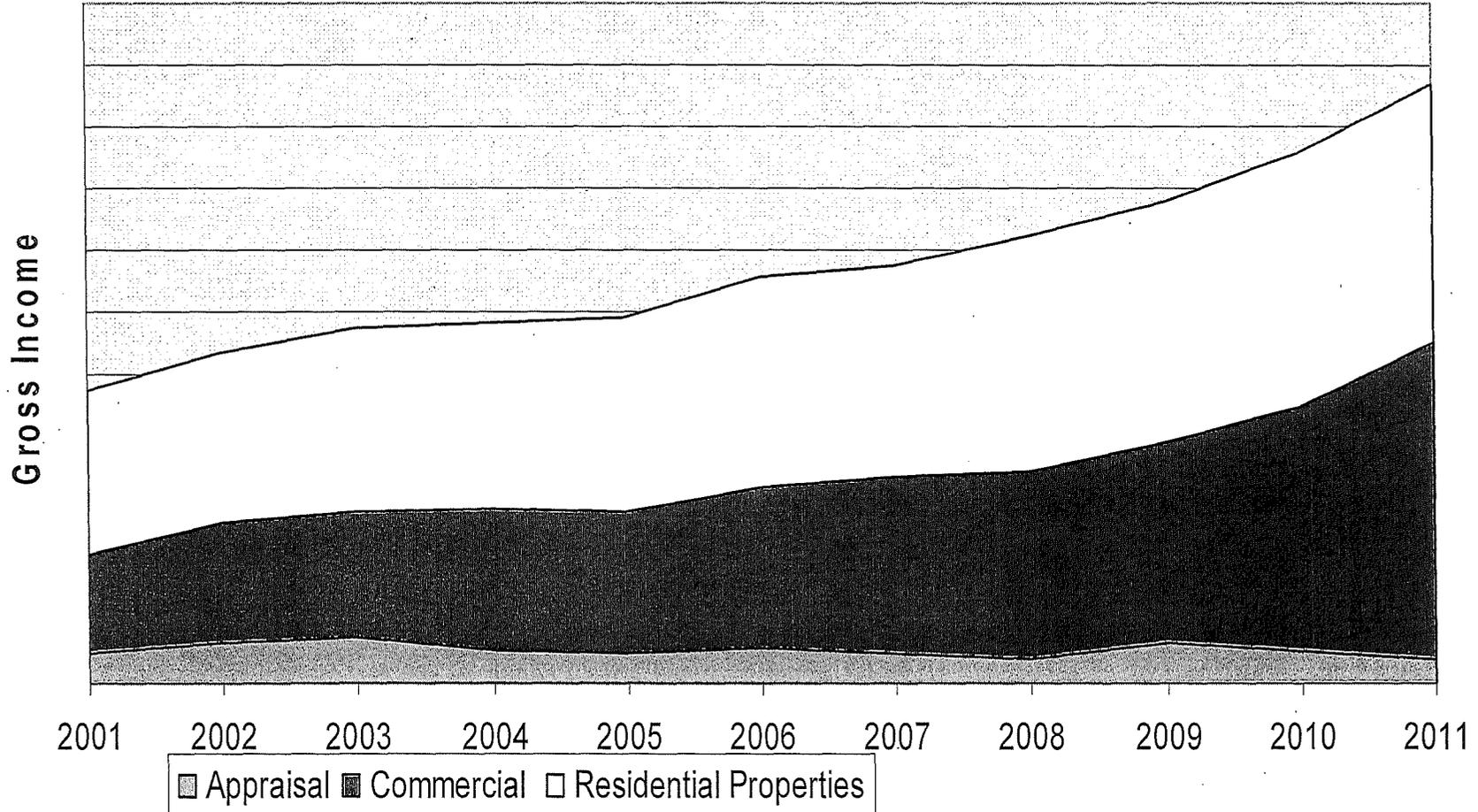
# 111 Davidson Street NE (Albany)

Future Albany Storage Depot Expansion and New  
Apartment Complex



# Company Growth

# Eleven Year Business Income





# Project Evaluation Grid: Lepman – Denver St.

**Request: \$48,423 forgivable loan**

Item	Description	Staff Analysis/Comments	
<i>Overall Goals</i>			
A)	<p><b>CARA Goal &amp; Objectives:</b> The purpose of this CARA Plan is to eliminate blighting influences found in the CARA, to implement goals and objectives of the City of Albany Comprehensive Plan, and to implement development strategies and objectives for the CARA. The goal and objectives for the CARA have been defined as follows:</p> <p><b>CARA Goal:</b> To revitalize the Central Albany Revitalization Area by implementing the Town Center Plan developed through the Central Albany Land Use &amp; Transportation Study (CALUTS) using a citizen-driven process.</p>	<p>Does the project further the Town Center Plan?</p> <p>Which of CARA’s objectives does the project meet?</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Provide a safe and convenient transportation network that encourages pedestrian &amp; bicycle access to and within the town center.</li> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Enhance and protect the community and environmental values of waterway corridors in the area.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>	<p>No, it is outside the area and scope of the Town Center Plan.</p> <p>Project meets the following objectives:</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>
B)	CARA Planned Projects	<p>Which project category and activity in the UR Plan does this project fulfill? (See CARA Project Activities document, or Table 2 of the UR Plan and Report)</p>	<p>Activity: <u>Housing Development</u> described in plan as, “Pre-development, property acquisition &amp;/or development in partnership for affordable housing &amp;/or mixed use. Partnership opportunity.”</p>
C)	Development Pattern (Highest and Best Use)	<p>Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?</p> <p>Is the proposed project desired in this location and the highest and best use of the property?</p>	<p>Yes.</p> <p><u>Zoning &amp; Comp:</u> Residential Medium Density (RM)</p> <p>Yes. The RM District is primarily intended for medium-density residential urban development.</p>
D)	Blight	Would it remedy a severely blighted building? How?	Yes, the existing structure is in very bad condition and a blight on the neighborhood.
E)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	No.
F)	Vitality/People Attractor	Does the general public benefit (i.e. restaurant, carousel, something they can go to, utilize)?	No.

G)	Retail Hotspot (1 <sup>st</sup> Avenue between Lyon and Calapooia)	Is the project located in the Retail Hotspot? If so, will the first floor use be active retail, as recommended in the Retail Refinement Plan?	No.
H)	Sustainable Building	Will the building be built using sustainable practices including LEED or others?	No.
I)	Residential	Is there a residential component? How many units?	Yes, the project would be a net addition of one unit. Both units would be brand new.
<i>Economic Development</i>			
J)	Bring new business to Albany	Will a new business open or come to Albany as a part of this project?	No.
K)	Job Creation	Will the project create additional jobs? How many, what types and what salary level?	No.
L)	Local Labor and Materials	Has applicant specifically called out a commitment to use a certain percent or amount of local labor and/or materials?	None was specifically called out, but their company, who does much of the work, is local.
<i>Financial</i>			
M)	Ratio	Proposed public funds Private funds % of CARA Investment Ratio-Public \$:Private \$	\$ 48,423 \$278,642 15% 1 : 5.75
N)	Financial Impacts	What are the financial risks and/or financial benefits to CARA?	Tax increment benefits.
O)	Gap	What is the "Gap" or need of the developer?	Applicant states that the proposed duplex on the site doesn't meet their test for their rate of return.
P)	Private Risk	What is the risk for the developer? What is their skin in the game?	Applicant would be investing in a neighborhood in transition, and would be building a duplex.
Q)	Tax Increment	Will the project generate an increase in the assessed tax base? How much?	Yes, estimated property tax to CARA is \$3,300 per year.
R)	Tax Increment ROI	Is the ROI on this project less than 5 years, less than 7 years?	Estimated at 13 years.

*Other Staff Comments:* Mr. Lepman's proposal to cure a blighted house with the construction of a duplex fits with the CARA goals related to housing.

This project is somewhat similar to the forgivable loan given to the Siegner's for their project on Second Avenue. In that case, they received \$97,047 for four units on a high-visibility main gateway street and as a showcase of what we're looking for in infill projects that abut our historic districts. This project would remove a blighted single-family residence, though it is not highly visible, nor does it abut the historic districts.

# Scott Lepman Company

**100 Ferry Street NW  
Albany, Oregon 97321  
(541) 928-9390 Phone  
(541) 928-4456 Fax**

October 28, 2011

Honorable CARA Members,

RE: Lepman Denver Street Requested CARA Assistance

I would like to take this time to explain our Denver Street project that is before you in detail. The project is located on that portion of Denver Street SE that lies north of Santiam Road and south of the railroad tracks on a dead-end street that is 750 feet in length. The property is commonly known as 406 Denver Street SE and contains 6,000 square feet, which is the average lot size for the lots in this area. Of the 25 properties on the street, 7 of the properties containing single family homes range in size from 8,048 to 12,000 square feet. The area is zoned RM (Residential Medium Density) and currently contains 27 single-family homes, and a triplex. Of the 30 dwelling units on this portion of Denver Street, 11 are owner occupied and 19 are tenant occupied. The minimum lot size for a single-family home in the zoning district is 3,500 square feet, with a duplex requiring 4,800 square feet and multi-family units requiring from 2,000 to 4,000 square feet depending upon the number of bedrooms in the units. With the exception of 406 Denver Street, the dwelling units in the area are in fair to good repair. However, with the current zoning, the area will continue to transition as the homes on the larger lots are removed or remodeled to provide additional housing units in conformance with the zoning for the area.

The proposed Denver Street project will demolish an old dwelling unit that has been remodeled without permits and between 2006 and 2010 was the subject of 39 police responses. Demolishing the existing structure on the site and constructing a duplex on the site does not meet our test for rate of return. The existing structure also does not meet our requirements for long-term investment objectives due to physical and functional problems. We purchased the property hoping to be able to stabilize the neighborhood by removing a blight. It is our intent to enhance the livability of the neighborhood by constructing a duplex with features that would provide sustainability to the area in the future and set the tone for the redevelopment that will eventually occur.

The existing structure is functionally incurable based on present market standards in design and appeal. The single-family house contains a lean-to addition that was enclosed by the previous owner to make a bedroom and an existing attached single car garage that was converted to a bedroom by the previous owner. The existing access to the upstairs attic living space (bedroom) is step and narrow. The floors on both the first floor and the attic area are uneven.

We are asking for \$48,423.00 in CARA funding or 14.81% to make up the difference for the construction of a duplex matching the architectural characteristics of duplexes recently constructed to comply with CARA design standards. The funding that we are requesting is exactly identical to the funding provided for the two duplexes at Second Avenue and Madison Street that were constructed by Mark and Tina Siegner with CARA assistance. These units were designed and built to provide a better fit with an existing and mature neighborhood. Our proposed unit will be of the same or great quality construction and is intended to compliment the existing neighborhood of single family houses built in 1900(2), 1910(6), 1915-20(4), 1933(1), 1940 – 1949(8), 1951-53(3) and 1974-1977(3).

The proposed two-story, townhouse style duplex units with an attached single car garage will each contain 1,250 square feet of living area containing 3 bedrooms and 2½ baths. The units will be energy efficient with up-graded windows, high efficiency furnaces, energy star appliances, granite counter tops in the kitchen and bathrooms, and wall and ceiling insulation. The CARA funds for this project will be used for the increased costs of accentuating details and upgrading of compatible architectural features that will enhance the curb appeal not only for the future tenants but also for the entire neighborhood.

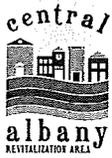
The provision of a new duplex in this area will demolish an existing vacant and blighted house that was constructed in 1949 while providing a creative and attractive infill development that will provide two family-sized dwelling units with private outdoor area for each, will help to stabilize the neighborhood and will add value to the tax rolls.

We have listed the reasons why we need CARA assistance for this project. The existing single-family house suffers from physical problems that are functionally incurable and financially unfeasible to change. This property was purchased anticipating CARA's assistance in constructing a duplex that would enhance the neighborhood by removing a blight and meet CARA's design standards for in-fill construction in an established neighborhood. We believe that the quality of the construction of the proposed duplex and the quality of the building materials used are essential to the project's success to overcome the market resistance to the neighborhood. If we are unable to do the quality of project that we have anticipated, then we will not do the project and the property will be sold "as is."

Thank you for your consideration,



Scott D. Lepman      Spencer C. Lepman



# CARA Funding Application

333 Broadalbin Street SW, Albany, OR 97321

## 1. APPLICANT

Name: Scott D. Lepman and Spencer C. Lepman

Mailing Address: 100 Ferry Street NW

Albany OR Zip Code: 97321

Contact Name: Candace Ribera Phone Number: 541-928-9390

Fax Number: 541-928-4456 E-mail Address: Candace@slcompany.com

## 2. BUSINESS/BUILDING INFORMATION

Legal Business Name: Sable Drive LLC

Number of Years in Operation: 28 (1983)

Legal Form: Sole Proprietorship  Partnership  Corporation  S-Corp  LLC

Profit  Nonprofit

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

Have you ever filed for bankruptcy?  Yes  No

Project Address (if different than mailing address): 406 Denver Street SE

Property Tax Account Number: 76758 (Linn County Tax Lot 11900, 11S03W05CC)

Is the building a historic contributing resource? Yes  No

If so, is it on the historic property-tax freeze? Yes  No

## 3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: Sable Drive LLC

Contact Name: Scott D. and Spencer C. Lepman

Mailing Address: 100 Ferry Street NW

Albany, OR Zip Code: 97321

Phone Number: 541-928-9390

**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 *Please give a comprehensive description of project.*

Demolition of existing dilapidated single family residence/drug house and the construction of a new neighborhood compatible duplex. The Building Permit information collected for the existing residence indicates that no permits for alternations or additions were made since 1989. (see attached Building Permit and Police Reports). The two-story units will contain 1,250 square feet of living area consisting of 3 bedrooms, 2 1/2 baths, with a single car garage. The units will be energy efficient with up-graded windows, a high efficiency furnace, energy star appliances and wall and ceiling insulation. The removal of the house will remove a blight on the dead-in street while adding an additional single family attached housing unit to the housing inventory.

6. TIMELINE FOR COMPLETION OF PROJECT: 2012

7. PROJECT COSTS

	WITHOUT CARA ASSISTANCE	WITH CARA ASSISTANCE
ESTIMATED COST OF PROJECT:	\$ <u>230,218.52</u>	<u>327,064.57</u>
ESTIMATED VALUE OF PROJECT UPON COMPLETION:	\$ <u>230,218.52</u>	<u>327,064.57</u>

Basis for valuation and value upon completion: Based upon recent costs for similar duplexes in Albany

SOURCES FOR PROJECT:

Owner/Company Contribution \$ 137,826.36

Bank (estimated) \$ 137,815.21 Term: To be determined Interest Rate: To be determined

Other (please specify) \$ \_\_\_\_\_ Term: \_\_\_\_\_ Interest Rate: \_\_\_\_\_

CARA (proposed) \$ 48,423.00

**TOTAL SOURCES \$ 327,064.57**

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

USES FOR PROJECT:

Land and/or Building Acquisition	\$ <u>0</u>	
Soft Costs *	\$ <u>137,826.36</u>	Costs Absorbed by Company
Construction Costs *	\$ <u>189,238.21</u>	
Tenant Improvements	\$ <u>0</u>	
Machinery/Equipment/Installation Costs	\$ <u>0</u>	
Working Capital	\$ <u>0</u>	
Other (please specify)	\$ <u>30,717.29</u>	Permits, Fees, SDC's
<b>TOTAL USES</b>	<b>\$ <u>327,064.57</u></b>	

\*Please provide a detail of Soft Costs and of Construction Costs.

**8. PREPARATION OF COST ESTIMATES**

Who prepared your cost estimate? Scott Lepman Company, Cost Estimate Attached  
(If applicant prepared their own estimate, verification may be required. If bid was used, please attach.)

Mailing Address: 100 Ferry Street NW; Albany OR 97321

Phone Number: 541-928-9390 E-mail Address: candace@slcompany.com

**9. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION. (Please provide a description of the financial gap requiring CARA assistance.)**

The proposed duplex on the site does not meet our test for rate of return. The existing structure also does not meet our requirements for long term investment objectives due to physical and functional problems. The existing structure is functionally incurable based on present market standards or design appeal. Without CARA assistance the property will be sold as is.

**10. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?**

The funding for our projects are provided by internally generated funds and partnership with local financial institutions.

**11. CONSIDERING THE PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA.**

The project will demolish an old dwelling unit that contains a lean-to addition that was enclosed by the previous owner to make a bedroom and an existing attached single car garage that was converted to a bedroom by a previous owner. The existing access to the upstairs attic living space (bedroom) is steep and narrow. The floors on both the first floor and attic area are uneven. The provision of a new duplex in this area will provide a creative and attractive infill development that will help to stabilize the neighborhood and will add value to the tax rolls.

**12. HAVE YOU OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?**

Yes  No  If so, amount \$ 34,182.00

**FOR WHAT PROJECT(S):** Recent Funding: 315 Sixth Avenue SE – Rehabilitation of a dilapidated, 1970's apartment building containing 7 townhouse apartment units

**13. ASSISTANCE REQUESTED**

**Total Estimated Project Costs:** \$ 327,064.57 Does not include any profit & overhead or contingency.

Your Total Contribution \$ 275,641.75

Total Amount Requested from CARA: \$ 48,423.00

**Funding type requested**

Forgivable loan

Forgiveness based on:  Project completion  Other, please describe:

May request alternative collateral on other real estate or subordinate to bank loan

Small Grant - *Matching grants of up to \$5,000 per property minimum 50 % match by applicant.*

Grant - *Matching grants of greater than \$10,000 per property minimum 50 % match by applicant.*

Loan Proposed Terms \_\_\_\_\_

**COLLATERAL FOR LOANS**

CARA Loans are usually secured by the project property (CARA is the primary or subordinate lender) AND by personal guaranties from developer members with an ownership share exceeding 20%. Indicate below what collateral you are offering for the CARA loan.

**Preferred Collateral**

First lien position or  subordinate lien position in the project property

Personal guaranty from developer members (list names):

**Alternate collateral proposed**

	Description	Estimated Value	(-)Liens	(=)Available Equity
Real Estate - Commercial	CARA's Choice	\$	\$	\$
Real Estate - Residential		\$	\$	\$
Machinery and Equipment		\$	\$	\$
Accounts Receivable		\$	\$	\$
Other		\$	\$	\$

**Certification**

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Albany Revitalization Area Agency (ARA) 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 preapproved 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.
9. If CARA's total assistance to the project is greater than \$750,000, prevailing wage for the project may apply.
10. (CARA may withhold approval of this application until information satisfactory to CARA is provided.)

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 s/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.

	10-28-11
Applicant's Signature	Date
	11-2-11
Applicant's Signature	Date

Return Application and any attachments to: City of Albany  
c/o Kate Porsche, Urban Renewal Manager  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

**FOR CITY USE ONLY**

Date Received: 10-28-11 By: KIP Application Complete:  Yes  No

Comments: attaining

Date application returned to applicant for completion: \_\_\_\_\_

Date application returned to City: \_\_\_\_\_ By: \_\_\_\_\_







### Denver Street - Proposed Duplex

Improvements	Cost Estimate Alternative 1	Cost Estimate Alternative 2	Construction Costs	Costs Absorbed By Company	Other
Professional Services	3,000.00	3,000.00		3,000.00	
Plans & Prints	1,500.00	3,000.00		3,000.00	
Building Permits	4,915.49	4,915.49			4,915.49
System Development	25,370.00	25,370.00			25,370.00
Excavation/Drain Piping	12,903.85	17,116.15		17,116.15	
Foundation	5,836.25	7,836.25		7,836.25	
Tempory Toilet	431.80	431.80			431.80
Slabs/Sidewalks	10,820.86	16,568.81	16,568.81		
Concrete Sawing	342.00	1,750.00		1,750.00	
Lumber	27,067.04	35,013.74	35,013.74		
Trusses/Rafters	3,528.00	5,200.00	5,200.00		
Roofing	7,096.00	10,096.00	10,096.00		
Insulation	5,375.00	7,875.00	7,875.00		
Soffits		2,500.00	2,500.00		
Windows/Patio Doors	4,180.00	7,980.00	7,980.00		
Exterior Doors	1,050.00	1,050.00	1,050.00		
Interior Doors	3,486.97	3,985.97	3,985.97		
Garage Doors	2,268.00	3,468.00	3,468.00		
Sheet Rock	13,917.85	15,917.85		15,917.85	
Base/Casing	1,854.54	3,388.71		3,388.71	
Handrail/Stairs	2,400.00	2,400.00		2,400.00	
Surrounds/Columns		3,500.00	3,500.00		
Gutters	770.00	1,300.00	1,300.00		
Heating	3,500.00	11,000.00	11,000.00		
Plumbing	12,060.00	13,960.00	13,960.00		
Electrical	10,713.76	11,713.76	11,713.76		
Light Fixtures	1,104.07	2,000.00		2,000.00	
Masonry		15,000.00	15,000.00		
Cabinets	12,050.00	12,050.00		12,050.00	
Appliances	2,784.87	3,784.87		3,784.87	
Ceramic Tile/Granite Counter Tops	7,549.28	7,549.28		7,549.28	
Carpeting	1,722.00	1,722.00		1,722.00	
Hardwood flooring	860.00	860.00		860.00	
Nails/Misc/Power	1,720.46	2,720.46		2,720.46	
Mirrors	2,068.50	2,068.50		2,068.50	
Bath Fixtures/Hardwa	3,945.00	3,945.00		3,945.00	
Framing	7,500.00	11,500.00	11,500.00		
Finish	2,500.00	4,200.00	4,200.00		
Siding	5,000.00	9,800.00	9,800.00		
Painting	9,526.93	13,526.93	13,526.93		
Demolition	6,000.00	6,000.00		6,000.00	
Landscape	1,500.00	10,000.00		10,000.00	
Total:	230,218.52	324,064.57	189,238.21	107,109.07	30,717.29
Difference:	93,846.05	Requested CARA Assistance <b>\$48,423.03</b>			

Without CARA Assistance



With CARA Assistance





ALBANY POLICE DEPARTMENT

1117 JACKSON STREET SE
ALBANY, OR 97321

05/09/2011

CALLS FOR SERVICE SUMMARY: 406 DENVER ST SE

2006-2011

2006

Calls for Year: 4

Table with 4 columns: Description, ID, Date, Location. Rows include Follow Up, Civil Process-Subpoena, Follow Up, and DHS Referral.

2007

Calls for Year: 11

Table with 4 columns: Description, ID, Date, Location. Rows include DHS Referral, Traffic-Other Violation, Prowler, Disturbance-Domestic, Disturbance-Noise, Harassment, Juvenile Runaway, Threats, Follow Up, Juvenile Runaway, and Threats.

2008

Calls for Year: 5

Table with 4 columns: Description, ID, Date, Location. Rows include Animal Complaint, Burglary, Follow Up, Disturbance-Domestic, and Threats.

2009

Calls for Year: 9

Table with 4 columns: Description, ID, Date, Location. Rows include Disturbance-Other, Phone Harassment, Disturbance-Other, Juvenile Runaway, Information Report, Juvenile Runaway, Sex Offense, Juvenile Runaway, and Assault.

2010

Calls for Year: 10

Table with 4 columns: Description, ID, Date, Location. Rows include Sex Offense, Sex Offense, Disturbance-Other, Disturbance-Domestic, Out-Other, Out-Other, Assist-Other Agency, Disturbance-Other, Security Check, and Security Check.

Total

39



Printable Report

Permit # **B-0079-89**

InfoHub - ParcelID: 11S03W05CC11900

Permit Information   Inspections   Contractor   Fees   Plan Review

Applicant Name(s): CORBIT, THERESE

PERMIT NUMBER B-0079-89

TYPE MECH

FILE DATE

STATUS FINAL

DESCRIPTION INSTALL GAS HEATER (ORIGINALLY A WOODSTOVE PERMIT)



# Project Evaluation Grid: Lepman 2<sup>nd</sup> and Baker

**Request: \$749,000 forgivable loan**

	Item	Description	Staff Analysis/Comments
<i>Overall Goals</i>			
A)	<p><b>CARA Goal &amp; Objectives:</b> The purpose of this CARA Plan is to eliminate blighting influences found in the CARA, to implement goals and objectives of the City of Albany Comprehensive Plan, and to implement development strategies and objectives for the CARA. The goal and objectives for the CARA have been defined as follows:</p> <p><b>CARA Goal:</b> To revitalize the Central Albany Revitalization Area by implementing the Town Center Plan developed through the Central Albany Land Use &amp; Transportation Study (CALUTS) using a citizen-driven process.</p>	<p>Does the project further the Town Center Plan?</p> <p>Which of CARA's objectives does the project meet?</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Provide a safe and convenient transportation network that encourages pedestrian &amp; bicycle access to and within the town center.</li> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Enhance and protect the community and environmental values of waterway corridors in the area.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>	<p>Yes, the Town Center plan calls for mixed use and high density residential infill in the Downtown Central Business District.</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>
B)	CARA Planned Projects	Which project category and activity in the UR Plan does this project fulfill? (See CARA Project Activities document, or Table 2 of the UR Plan and Report)	Activity: <u>Housing Development</u> described in plan as, "Pre-development, property acquisition &/or development in partnership for affordable housing &/or mixed use. Partnership opportunity."
C)	Development Pattern (Highest and Best Use)	<p>Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?</p> <p>Is the proposed project desired in this location and the highest and best use of the property?</p>	<p>Yes.</p> <p><u>Zoning:</u> Central Business (CB) <u>Comp Plan:</u> Village Center</p> <p>Yes. CB states that high-density residential infill, especially on upper floors, is encouraged.</p>
D)	Blight	Would it remedy a severely blighted building? How?	There is a small building, but the bulk of this lot is vacant.
E)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	No.
F)	Vitality/People Attractor	Does the general public benefit (i.e. restaurant, carousel, something they can go to, utilize)?	No.

G)	Retail Hotspot (1 <sup>st</sup> Avenue between Lyon and Calapooia)	Is the project located in the Retail Hotspot? If so, will the first floor use be active retail, as recommended in the Retail Refinement Plan?	No.
H)	Sustainable Building	Will the building be built using sustainable practices including LEED or others?	No, not to staff's knowledge.
I)	Residential	Is there a residential component? How many units?	Yes, the project calls for 12 or more units.
<i>Economic Development</i>			
J)	Bring new business to Albany	Will a new business open or come to Albany as a part of this project?	No.
K)	Job Creation	Will the project create additional jobs? How many, what types and what salary level?	No.
L)	Local Labor and Materials	Has applicant specifically called out a commitment to use a certain percent or amount of local labor and/or materials?	None was specifically called out, but their company, who does much of the work is local.
<i>Financial</i>			
M)	Ratio	Proposed public funds Private funds % of CARA Investment Ratio-Public \$:Private \$	\$ 749,000 \$2,641,212 22% 1 : 3.53
N)	Financial Impacts	What are the financial risks and/or financial benefits to CARA?	Tax Increment Benefit.
O)	Gap	What is the "Gap" or need of the developer?	Applicant states that the city's requirements to build in the downtown area and the proposed quality of construction make the project unfeasible without CARA funding.
P)	Private Risk	What is the risk for the developer? What is their skin in the game?	Though there have been a couple of successful residential projects somewhat close by, this is an area in transition.
Q)	Tax Increment	Will the project generate an increase in the assessed tax base? How much?	Estimated annual property tax increase is \$42,300
R)	Tax Increment ROI	Is the ROI on this project less than 5 years, less than 7 years?	No, ROI is estimated to occur in year 15.

**Other Staff Comments:** Mr. Lepman's proposal would see 12 additional housing units in the core of our community. Some have argued that the way to cultivate a strong core is to ensure many people living nearby—this project may help in that regard.

There are two points I would like to make: First, the proportion of public to private funds is higher than you have typically granted on this type of mixed-use new-construction project. Your baseline in the past has been a goal of \$1 of public funds to every \$7 of private. Other similar, new-construction large projects look like this:

Project	Private	Public	%	Ratio	
Wheelhouse, Johnson	\$ 6,700,000	\$ 642,000	9.58%	\$ 9.44	
Ironworks - Reece	\$ 6,000,000	\$ 375,000	6.25%	\$ 15.00	
Edgewater Village, (Pending) RCM	\$ 27,000,000.00	\$ 2,400,000	8.89%	\$ 10.25	
	\$ 39,700,000	\$ 3,417,000	<b>8.61%</b>	<b>\$ 10.62</b>	Average

The proposal before you asks for 22% of public funding, which would be \$1 public for every \$3.53 of private money, a lower return than you've typically seen on these types of projects. This, of course, will be your policy decision for consideration. Perhaps in this economy, there is a willingness to put more public dollars into projects to see them come to fruition.

My second concern relates to the design of the building. Staff has been working with George Crandall and Mr. Lepman on the design. At this point, we do not have a design that staff can recommend (please see Mr. Crandall's letter that is attached). I feel we are close and can get to an acceptable design. If CARA chooses to fund this project, staff asks that it specifically be conditioned upon clearing the hurdle of the CARA design review to staff's and Mr. Crandall's satisfaction.

# CRANDALL ARAMBULA

REVITALIZING  
AMERICA'S CITIES

October 27, 2011

Kate Porsche  
Urban Renewal Manager  
City of Albany  
Albany, Oregon

Subject: Baker Street Building Design Review

Dear Kate:

At your request, our firm reviewed the proposed Baker Street Building for:

- 1) Consistency with the intent of the Central Albany Revitalization Area Design Guidelines and,
- 2) Other development related issues

## DESIGN GUIDELINES

---

We appreciate the architect's and owner's recent efforts to adjust the building design to provide a better fit with the historic downtown. We continue to have concerns about the latest design. The guideline that we think best addresses our concerns is:

**Promote Architectural Compatibility** – Buildings should be “good neighbors.” They should be compatible with surrounding buildings by avoiding disruptive excesses. New buildings should not attempt to be the center of attention.

**Recommended** - Buildings that repeat and strengthen established district colors, forms and massing and height

We believe that the current design is not consistent with the intent of the preceding guideline for the following reasons:

- 1) The insistent grid expression is new to the historic downtown.
- 2) Most downtown buildings have a vertical expression in their massing. The Baker Building seems to have a distinctly horizontal emphasis due to the continuous awnings, cornice, and on some facades, grid.
- 3) The two tone building with light colored panels inset into the grid is unusual. Typically, in historic districts, different colors are used to highlight detail. Are the panels plaster or brick? If brick, the use of two very different brick colors on the same building is very unusual.

- 4) Window placement and window size above the first floor seems arbitrary. Windows above the first floor in most downtown buildings are much larger and similar in size with a simple and repetitive rhythm.

The city needs more information on the proposed façade materials and colors, including brick locations and sizes, window frames, glass, storefront frames and doors and any other materials exposed to view before this project is approved.

In summary, the project's current design expression is not a comfortable fit in the historic downtown.

## **OTHER ISSUES**

---

**First Floor Use** – The proposed ground floor use is commercial/retail space. This is the preferred use because it provides an active edge (large windows allowing pedestrians to view inside displays and activity) along the sidewalk.

Ground floor residential uses would have small windows with closed curtains and blinds to keep pedestrians from viewing inside activity. The pedestrian environment would suffer. Because ground floor units adjacent to the sidewalk are difficult to rent, it is unusual for street level residential units to be proposed in anything but affordable housing projects.

For ground floor residential to be successful the building would need to be separated from the sidewalk with a landscape buffer or have the floor level elevated sufficiently (over 4') to keep pedestrians from looking directly into the units.

**Unit Size** – Recent articles indicate that the market demand for rental housing is strong and that banks are willing to finance rental projects. Two reasons for the strong demand are identified –the first is the large down payment required to purchase a home and the second is the emerging perception that a housing investment may not be a wealth creator but a financial liability as articles describe the large numbers of homeowners severely impacted by declining housing values.

Unit size is the developer's decision unless a public subsidy is being requested. In that case the project should contain a broad range of unit sizes including two and three bedroom family units.

Sincerely,

George M. Crandall, FAIA  
Principal

# Scott Lepman Company

**100 Ferry Street NW  
Albany, Oregon 97321  
(541) 928-9390 Phone  
(541) 928-4456 Fax**

October 28, 2011

Honorable CARA Members,

RE: Lepman Second and Baker Requested CARA Assistance

I would like to take this time to explain our Second and Baker project that is before you in detail. The project is located at the northeast corner of Baker Street and Second Avenue SE. The property is commonly known as 201 and 215 Second Avenue SE and contains 11,424 square feet more or less. The proposed change in use of the property will encourage a higher residential density in the downtown while removing an unattractive building and parking lot.

We are requesting CARA assistance for the construction of a three-story, 28,890 square foot mixed-use building with 9,630 square feet on each floor. The first floor would consist of 3,426 square feet of retail and/or office space with private restrooms, 2,568 square feet of covered parking for 10 vehicles, and 15 storage rooms in 1,356 square feet. The remaining area has been utilized for entry porches and other common elements (lobby, elevator, garbage/recycling, stairwells, etc.) The second and third floors both consist of four two-bedroom/two bath units ranging in size from 1,307 square feet to 1,400 square feet, one one-bedroom/one bath plus den (1,110 square feet) and one one-bedroom/one bath unit 988 square feet in size. The remaining area has been used for unit balconies and common areas (corridor, stairwells, elevator, etc.). The project is consistent with Central Albany Revitalization Area Design Guidelines in the following ways:

- The proposal is for the construction of a new building within the Historic Downtown zoning district. However, the subject property is not located within a Historic District. The property is one block east of the Downtown Historic District and two blocks north of the Hackleman Historic District.
- The proposed building is consistent with the scale of other commercial buildings in the area.
- The proposed building will provide distinctive stylistic features that are consistent with the commercial buildings located in the Historic Downtown and the immediate area.
- Display window have been provided at the street level adjacent to Second Avenue and Baker Street.
- The use of a variety of forms, colors, and compatible cladding materials on the walls such as brick on the first and second floors and a mixture of brick and clapboard siding on the third floor will provide visual interest.
- The walls adjacent to Second Avenue and Baker Street have a rhythm of windows, balconies, columns, pilasters and other articulations.

- Proposed retail and/or office spaces are located on the first floor of the building facing Second Street with the corner unit facing both Second and Baker.
- The entry bays on the first floor have been recessed. A horizontal metal canopy will provide protection from the weather on the adjacent public sidewalks.
- The proposed mixed-use building provides a continuous “safe” zone for pedestrians with no curb cuts adjacent to Second Avenue and Baker Street.
- Ten covered residential parking spaces have been provided at the rear of the building with access to the alley. The second and third floors of the building cover the parking spaces. The vehicles are obscured from view from the adjacent public sidewalks by the continuing the elements of the first floor building wall facing Baker Street.
- The primary residential entry is off Baker Street providing ready access to the riverfront pedestrian/bikeway that connects to the Monteith Riverfront Park to the west and Bowman Park to the east. A secondary entrance has been provided on Second Avenue providing a convenient access to neighborhood services such as the small market and other personal services to the east and restaurants and shopping to the west.
- Flowering Street Trees, approximately 20’ feet on center will be provided on both Baker Street and Second Avenue. A small landscape (4-5’) strip will be provided between the public sidewalk and the building to make the building resident friendly.

We realize that we must submit a Design Review application to receive CARA approval on the final design of the building. We have attempted to meet as many of the Development Code and CARA design guidelines as possible with our preliminary Architectural Plans and we will remain flexible reaching the final product through the review process before the CARA Board.

Working closely with our Mechanical Engineer, our Architect has designed the building to be as energy efficient as possible (see attached calculations). The residential units will have up-graded cabinets, doors & trim; up-graded countertops; contemporary and up-graded floor coverings. The units will be provided with individual heating and cooling units and pre-wired for telephone and cable television in multiple rooms. Private outdoor living space has been provided for each residential unit. Each residential unit will be provided with a stacking washer and dryer, and energy efficient appliances in the kitchen.

The proposed Second Avenue and Baker Street project is located on the east side of the downtown in an area where there is a substantial amount of blight. The renovation of the Willamette Seed warehouse building into the Jefferson Lofts and the new construction of the Ironworks and Wheelhouse developments and the renovation of the Shultz building located just across the alley to the north of the project began a momentum in this area to begin to address the blight and act as an incentive to encourage other projects that would upgrade the area. We believe that we must offer an outstanding quality project to overcome market resistance to the neighborhood regarding occupant safety, limited on-site parking or the condition of nearby buildings.

After creating 16 new apartment units in our successful renovation of the Willamette Seed building with CARA’s assistance, we purchased the Second and Baker property anticipating CARA funding for upgrading the site at some time in the future. In behavioral finance and economics the market participants respond to incentives. We have responded to what we believe are your Goals and Objectives for the downtown.

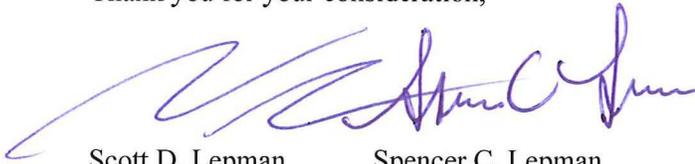
We knew that any proposed project on the property would not work without CARA’s assistance and would not meet our requirements for a long-term rate of return. To date, including holding costs and design costs, we are a -\$47,733.64 on this property. The CARA funding that we are requesting is essential to the construction of this proposed project for the following reasons:

1. Scale of the project. The proposed building is 3,554 square feet larger than the recently constructed Wheelhouse project *and 6,731 square feet larger than the recently renovated JC Penney's building.*
2. Quality of the project. The quality of the construction of the building and the quality of the building materials used in the building are essential to the project's success.
3. Residential Element. We are constructing a building with an ultra energy efficient design; a dedicated elevator to serve the residents on the second and third floor; a building that will have a fire sprinkler system throughout; and we will utilize a new technology in construction.
4. Commercial Element. The ground floor has been designed to accommodate three retail or office businesses.

We continue to believe that with CARA's assistance this project will be sustainable and will continue to encourage the redevelopment of other vacant or under utilized property and the renovation of some of the existing buildings in the area. Our project will provide new retail and/or office space on the ground floor with moderately priced residential units on the second and third floors that are within a block of the downtown urban core bringing life and customers for new and existing businesses. The project will also add value to the tax rolls, bringing additional revenues to the City of Albany, Linn County and the Greater Albany School District.

If we are unable to do the quality of project that we have anticipated, then we will not do the project. To be clear, without CARA's assistance, the property will be sold as is. We understand that the CARA Board can change direction in their goals and philosophy at anytime at their discretion. We believe that we are attempting to respond to what we believed until recently were CARA's long term Goals and Objectives for the downtown.

Thank you for your consideration,



Scott D. Lepman

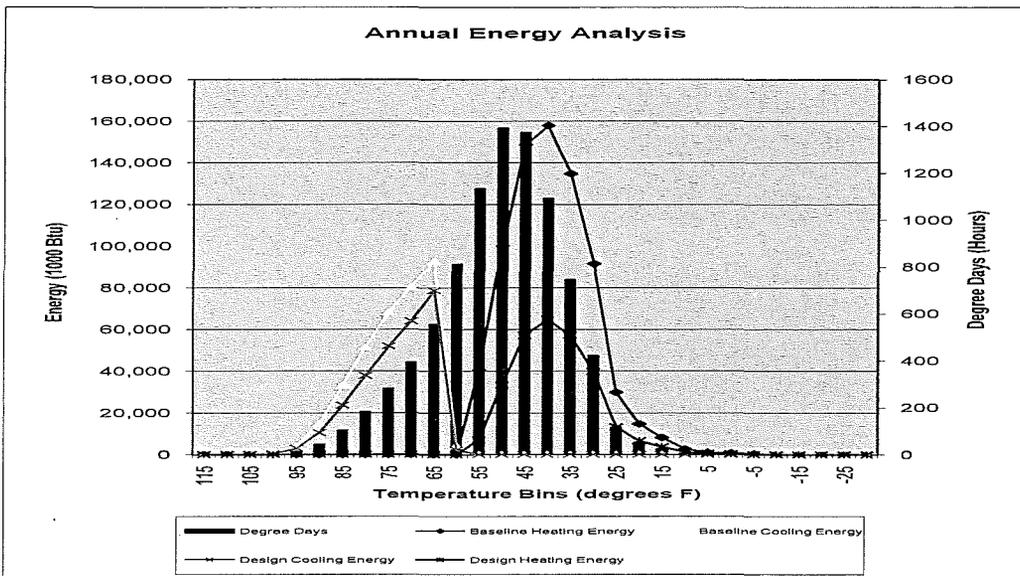
Spencer C. Lepman

Attachment (1)

Client: Lepman Company  
 Project: Baker Street  
 Location: Albany, OR  
 Project No: 2011-2

Graph

Engineer: L. Thornton  
 Rev: 1  
 Date: 15 June 2011



Baseline Annual Cooling Load:	350,489	1000 Btuh
Design Annual Cooling Load:	271,680	1000 Btuh
Annual Cooling Savings:	78,809	1000 Btuh
Percent Savings:	22%	
Baseline Annual Heating Load:	730,544	1000 Btuh
Design Annual Heating Load:	285,598	1000 Btuh
Annual Heating Savings:	444,946	1000 Btuh
Percent Savings:	61%	
<b>Total Percent Savings:</b>	<b>48%</b>	

Client: Lepman Company  
 Project: Baker Street  
 Location: Albany, OR  
 Project No: 2011-2

Peak Heating Load

General Criteria:

Month: Jan Input: Jan, Feb, Mar, Apr, May, June, July, Aug, Sept, Oct, Nov, Dec  
 Time 12 Input: 1 through 24  
 Winter Temp Diff: 57 degree F Design Envelope Heating Load: 101,580 Btuh

Heating Load Analysis:

Building Component	Baseline Area (sf)	Design Area (sf)	Baseline U-Value/	Design U-Value/	TD	Baseline Htg Load (Btu/h)	Design Htg Load (Btu/h)	Baseline Percent	Baseline Credit (Btu/h)	
<b>Transmission:</b>										
<b>Glass Type 1:</b>										
N Glass	600	600	0.460	0.290	57	15,732	9,918	4.1%		
E Glass	195	195	0.460	0.290	57	5,113	3,223	1.3%		
S Glass	1,185	1,185	0.460	0.290	57	31,071	19,588	8.2%		
W Glass	922	719	0.460	0.290	57	24,175	11,885	6.4%		
<b>Glass Type 2:</b>										
N Glass	0	0	0.800	0.800	57	0	0	0.0%		
E Glass	0	0	0.400	0.800	57	0	0	0.0%		
S Glass	0	0	0.400	0.800	57	0	0	0.0%		
W Glass	0	0	0.400	0.800	57	0	0	0.0%		
Skylight	0	0	0.600	0.600	57	0	0	0.0%		
<b>Solar:</b>										
S Glass (Type 1)	1,185	1,185	0.400	0.380	252	77%	77%		54,26	
S Glass (Type 2)	0	0	0.400	0.400	252	0%	0%			
Skylight	0	0	0.400	0.400	109	0%	0%			
<b>Openings:</b>										
	Baseline Area (sf)	Baseline Openings (sf)	Design Openings (sf)	Baseline U-Value/	Design U-Value/	TD				
<b>Transmission:</b>										
<b>Wall Type 1:</b>										
N Wall	3,312	642	642	0.064	0.036	57	9,740	5,465	2.6%	
E Wall	3,004	195	195	0.064	0.036	57	10,247	5,749	2.7%	
S Wall	3,312	1,227	1,227	0.064	0.036	57	7,606	4,267	2.0%	
W Wall	3,292	922	719	0.064	0.036	57	8,646	5,266	2.3%	
<b>Wall Type 2:</b>										
N Wall	0	0	0	0.064	1.176	57	0	0	0.0%	
E Wall	0	0	0	0.064	1.176	57	0	0	0.0%	
S Wall	0	0	0	0.064	1.176	57	0	0	0.0%	
W Wall	0	0	0	0.064	1.176	57	0	0	0.0%	
<b>Roof Type 1:</b>										
Roof Type 1:	9,229	0	0	0.048	0.032	57	25,251	17,085	6.7%	
Roof Type 2:	0	0	0	0.048	1.282	57	0	0	0.0%	
<b>Mandoors:</b>										
N Door	42			0.700	0.700	57	1,676	1,676	0.4%	
E Door	0			0.700	0.700	57	0	0	0.0%	
S Door	42			0.700	0.700	57	1,676	1,676	0.4%	
W Door	0			0.700	0.700	57	0	0	0.0%	
<b>Roll-up Doors:</b>										
N Door	0			0.500	0.500	57	0	0	0.0%	
E Door	0			0.500	0.500	57	0	0	0.0%	
S Door	0			0.500	0.500	57	0	0	0.0%	
W Door	0			0.500	0.500	57	0	0	0.0%	
<b>Perimeter</b>										
Perimeter	255	lin ft		30	30	Btu/lin ft	7,650	7,650	2.0%	
Basement Walls	0	sf		0.000	0.000	Btu/sf	0	0	0.0%	
Basement Floor	0	sf		0.000	0.000	Btu/sf	0	0	0.0%	
Exposed Floor	2,994	sf		0.033	0.032	57	5,689	5,543	1.5%	
Partition	1,716	sf		0.075	0.075	20	2,574	2,588	0.7%	
<b>Internal:</b>										
People	65	250	sensible		200	latent			Credit 0%	
Lights	22,714	watts	22,714	watts					0%	
Process Tools	0	Btuh							0%	
Equipment	22,421	Btuh							0%	
Misc Equipment	1,460	Btuh							0%	
<b>Ventilation:</b>										
Outside Air	3,615	cfm	75.0	18.0	deg F	Heat Recovery 65%	222,539	77,889	58.7%	
<b>Totals:</b>							379,384	179,468	100.0%	54,26
<b>Overall Reduction:</b>								52.7%		14.3'

Client: Lepman Company  
 Project: Baker Street  
 Location: Albany, OR  
 Project No: 2011-2

Peak Cooling Load

Cooling Load Criteria:

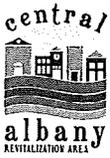
Month: Aug Jan through Dec  
 Time: 15 1 through 24  
 Construction Type: L L - Light, M - Medium, H - Heavy  
 I/O Temp Corr Factor: -8  
 Summer Temp Diff: 17.0 degrees F  
 Outdoor Design Temp: 92.0 degrees F DB  
 Outdoor Temp Correction: 0.0 degrees F  
 Inside Design Temp: 75.0 degrees F DB  
 Design Roof Type 1 (K): 0.5  
 Design Roof Type 2 (K): 0.5  
 Baseline Glass: 22.5% of Wall 2011 OR - 30% max  
 Baseline Skylight: 0.0% of Roof 2011 OR - 3% max

Lat / Month Corr Factor:  
 N -1.2  
 NE -1.2  
 E -1.0  
 SE -1.0  
 S -1.0  
 SW -1.0  
 W -1.0  
 NW -1.2  
 Horiz -1.2

Design Envelope Cooling Load: 87,710 Btuh  
 7.3 tons

Cooling Load Analysis:

Building Component	Baseline Area (sf)	Design Area (sf)	Baseline SC	Design SC	SHGF	CLF	Baseline Shading	Design Shading	Baseline (Btu/h)	Design (Btu/h)	Baseline Percent	F
<b>Solar:</b>												
Glass Type 1:												
N Glass	600	600	0.400	0.380	34	0.82	0%	0%	6,591	6,357	1.0%	
E Glass	195	195	0.400	0.380	214	0.29	0%	0%	4,599	4,599	1.4%	
S Glass	1185	1185	0.400	0.380	165	0.59	48%	93%	30,997	14,744	8.9%	
W Glass	922	719	0.400	0.380	214	0.45	0%	0%	35,515	28,311	10.2%	
Glass Type 2:												
N Glass	0	0	0.400	0.400	34	0.82	0%	0%	0	0	0.0%	
E Glass	0	0	0.400	0.400	214	0.29	0%	0%	0	0	0.0%	
S Glass	0	0	0.400	0.400	165	0.59	0%	0%	0	0	0.0%	
W Glass	0	0	0.400	0.400	214	0.45	0%	0%	0	0	0.0%	
Skylight	0	0	0.400	0.400	236	0.73			0	0	0.0%	
		Baseline Openings (sf)	Design Openings (sf)	Baseline U-Value	Design U-Value	CLTD / TD	% to Space					
<b>Transmission:</b>												
Glass Type 1	2,902	2,699		0.460	0.290	17.0			15,352	9,001	4.4%	
Glass Type 2	0	0		0.800	0.800	17			0	0	0.0%	
Skylight	0	0		0.600	0.600	17			0	0	0.0%	
<b>Wall Type 1:</b>												
N Wall	3,312	642	642	0.064	0.036	24			2,820	1,582	0.8%	
E Wall	3,004	195	195	0.064	0.036	30			4,405	2,289	1.3%	
S Wall	3,312	1,227	1,227	0.064	0.036	43			5,404	2,807	1.6%	
W Wall	3,262	922	719	0.064	0.036	56			7,660	4,850	2.2%	
<b>Wall Type 2:</b>												
N Wall	0	0	0	0.064	1.176	24			0	0	0.0%	
E Wall	0	0	0	0.064	1.176	30			0	0	0.0%	
S Wall	0	0	0	0.064	1.176	43			0	0	0.0%	
W Wall	0	0	0	0.064	1.176	56			0	0	0.0%	
<b>Roof Type 1:</b>												
Roof Type 1:	9,229	0	0	0.048	0.032	78	100%		31,231	10,588	9.0%	
Roof Type 2:	0	0	0	0.048	1.282	78	0%		0	0	0.0%	
<b>Mandoors:</b>												
N Door	42			0.700	0.700	24			485	485	0.1%	
E Door	0			0.700	0.700	30			0	0	0.0%	
S Door	42			0.700	0.700	43			1,191	1,191	0.3%	
W Door	0			0.700	0.700	56			0	0	0.0%	
<b>Roll-up Doors:</b>												
N Door	0			0.500	0.500	24			0	0	0.0%	
E Door	0			0.500	0.500	30			0	0	0.0%	
S Door	0			0.500	0.500	43			0	0	0.0%	
W Door	0			0.500	0.500	56			0	0	0.0%	
<b>Perimeter</b>												
Perimeter	255	lin ft										
Basement Walls	0	sf										
Basement Floor	0	sf										
Exposed Floor Partition	2,994	sf		0.033	0.032	17.0			1,697	1,653	0.5%	
	1,716	sf		0.075	0.075	10			1,267	1,294	0.4%	
<b>Internal:</b>												
People	65	250 sensible			200 latent				29,250	29,250	8.4%	
Lights	22,714	watts	22,714 watts				100%	88%	77,454	68,082	22.4%	
Process Tools	0	Btuh							0	0	0.0%	
Equipment	22,421	Btuh							22,421	22,421	6.5%	
Misc Equipment	1,460	Btuh							1,460	1,460	0.4%	
<b>Ventilation:</b>												
Outside Air	3,615	cfm										
Summer (Sensible)	92.0	deg F		75.0 deg F					66,371	33,186	19.2%	
Summer (Latent)	0.00855	grains/lb		0.00837 grains/lb					0	0	0.0%	
									Heat Recovery			
									50%			
									50%			
<b>Total:</b>									346,530	242,108	100.0%	
									28.9	20.2	tons	



# CARA Funding Application

333 Broadalbin Street SW, Albany, OR 97321

## 1. APPLICANT

Name: Scott D. Lepman and Spencer C. Lepman

Mailing Address: 100 Ferry Street NW

Albany OR Zip Code: 97321

Contact Name: Candace Ribera Phone Number: 541-928-9390

Fax Number: 541-928-4456 E-mail Address: Candace@slcompany.com

## 2. BUSINESS/BUILDING INFORMATION

Legal Business Name: Sable Drive LLC

Number of Years in Operation: 28 (1983)

Legal Form: Sole Proprietorship  Partnership  Corporation  S-Corp  LLC   
Profit  Nonprofit

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

Have you ever filed for bankruptcy?  Yes  No

Project Address (if different than mailing address): 201 Second Avenue SE

Property Tax Account Number: 82327 (Linn County Tax Lot 05500, 11S03W06CD)

Is the building a historic contributing resource? Yes  No

If so, is it on the historic property-tax freeze? Yes  No

## 3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: Sable Drive LLC

Contact Name: Scott D. and Spencer C. Lepman

Mailing Address: 100 Ferry Street NW

Albany, OR Zip Code: 97321

Phone Number: 541-928-9390

## 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** *Please give a comprehensive description of project.*

Demolition of an existing 3,200 square foot commercial building that was constructed in 1954.  
Construction of a new three-story, 28,890 square foot mixed use building with 3,426 square feet of  
commercial space on the ground floor and 12 or more apartment units on the second and third floors. The  
apartment units will consist of a variety of floor plans including 1-bedroom/1-bath units, 2-bedroom/2  
bath units and 1-bedroom/1-bath plus den units. Ten covered parking spaces have been provided as well  
as an individual storage unit for each tenant in the building. The building has been designed to compliment  
the building facades in the historic downtown area.

**6. TIMELINE FOR COMPLETION OF PROJECT:** Late 2012 to mid 2013

**7. PROJECT COSTS**

**ESTIMATED COST OF PROJECT:** \$ 3,390,211.67 (DOES NOT INCLUDE PROFIT & OVERHEAD OR CONTINGENCIES)

**ESTIMATED VALUE OF PROJECT UPON COMPLETION:** \$ 3,465,000.00

**Basis for valuation and value upon completion:** Based upon Linn County Assessor's Real Market  
Value for the recently constructed Wheelhouse Development of \$119.94 per square foot.

**SOURCES FOR PROJECT:**

Owner/Company Contribution	\$ <u>565,754.90</u>		
Bank (estimated)	\$ <u>2,075,456.77</u>	Term: _____	Interest Rate: _____
Other (please specify)	\$ _____	Term: _____	Interest Rate: _____
CARA (proposed)	\$ <u>749,000.00</u>		
<b>TOTAL SOURCES</b>	<b>\$ <u>3,390,211.67</u></b>		

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

**USES FOR PROJECT:**

Land and/or Building Acquisition	\$ <u>0</u>	
Soft Costs *	\$ <u>565,754.90</u>	Costs absorbed by Company, does not include any profit & overhead or contingency.
Construction Costs *	\$ <u>2,824,456.77</u>	
Tenant Improvements	\$ <u>0</u>	
Machinery/Equipment/Installation Costs	\$ <u>0</u>	
Working Capital	\$ <u>0</u>	
Other (please specify)	\$ <u>160,000.00</u>	Permits, Fees, SDC's
<b>TOTAL USES</b>	<b>\$ <u>3,390,211.67</u></b>	

\*Please provide a detail of Soft Costs and of Construction Costs.

**8. PREPARATION OF COST ESTIMATES**

Who prepared your cost estimate? Harvey Childers, DMC Cost Consulting, Cost Estimate Attached  
(If applicant prepared their own estimate, verification may be required. If bid was used, please attach.)

Mailing Address: 777 College Park Drive SW #56; Albany OR 97322

Phone Number: 541-971-2753 E-mail Address: harv1948@comcast.net

**9. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION. (Please provide a description of the financial gap requiring CARA assistance.)**

Development Code, Building Code and Fire and Life Safety requirements to develop in the downtown area and the proposed quality of building construction, makes the development unfeasible without CARA assistance. The risk to develop a new large project is too great without assistance. The property will be sold without CARA funding.

**10. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?** The funding for our projects are provided by internally generated funds and partnership with local financial institutions.

**11. CONSIDERING THE PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA.**

The project will demolish a 1954 commercial building that is situated on the lot such that approximately two-thirds of the lot contains a parking lot. The unattractive building and parking lot will be renewed with a new building utilizing superior characteristics of existing buildings located within the downtown area. The proposed project is located on the east side of the downtown where there is a substantial amount of blight. The renovation of one of the Willamette Seed warehouse buildings into Jefferson Lofts and the new construction of the Ironworks and Wheelhouse developments began a momentum in this area to begin to address the blight and act as an incentive to encourage other projects that would upgrade the area. The proposed project presents a unique opportunity to upgrade an existing site by providing commercial space on the ground floor with residential units above. The project responds to a 2% vacancy rate of residential units in the downtown while impacting the 30% vacant commercial properties by bringing more residents to the area. The project will provide moderately priced residents a block from the historic downtown area for people who work downtown that can afford moderately priced units meeting a CARA Goal to provide a diverse housing stock in the downtown area.

**12. HAVE YOU OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?**

Yes  No  If so, amount \$ 34,182.00

**FOR WHAT PROJECT(S):** Recent Funding: 315 Sixth Avenue SE – Rehabilitation of a dilapidated 1970's apartment building containing 7 townhouse apartment units

**13. ASSISTANCE REQUESTED**

Total Estimated Project Costs: \$ 3,390,211.67 Does not include any profit & overhead or contingency.

Your Total Contribution \$ 2,641,211.67

Total Amount Requested from CARA: \$ 749,000.00

**Funding type requested**

Forgivable loan

Forgiveness based on:  Project completion  Other, please describe:

May request alternative collateral on other real estate or subordinate to bank loan.

Small Grant - *Matching grants of up to \$5,000 per property minimum 50 % match by applicant.*

Grant - *Matching grants of greater than \$10,000 per property minimum 50 % match by applicant.*

Loan Proposed Terms \_\_\_\_\_

**COLLATERAL FOR LOANS**

CARA Loans are usually secured by the project property (CARA is the primary or subordinate lender) AND by personal guaranties from developer members with an ownership share exceeding 20%. Indicate below what collateral you are offering for the CARA loan.

**Preferred Collateral**

First lien position or  subordinate lien position in the project property

Personal guaranty from developer members (list names): Scott D. & Spencer C. Lepman

**Alternate collateral proposed**

	Description	Estimated Value	(-)Liens	(=)Available Equity
Real Estate - Commercial	CARA's Choice	\$	\$	\$
Real Estate - Residential		\$	\$	\$
Machinery and Equipment		\$	\$	\$
Accounts Receivable		\$	\$	\$
Other		\$	\$	\$

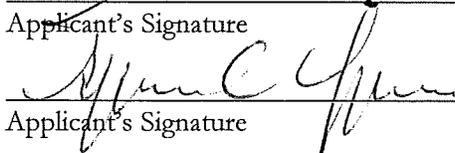
**Certification**

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Albany Revitalization Area Agency (ARA) 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 preapproved 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.
9. If CARA's total assistance to the project is greater than \$750,000, prevailing wage for the project may apply.
10. (CARA may withhold approval of this application until information satisfactory to CARA is provided.)

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 s/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.

 _____ Applicant's Signature	<u>10-28-11</u> _____ Date
 _____ Applicant's Signature	<u>11-2-11</u> _____ Date

Return Application and any attachments to: City of Albany  
c/o Kate Porsche, Urban Renewal Manager  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

**FOR CITY USE ONLY**

Date Received: 10-28-11 By: KLP Application Complete:  Yes  No

Comments: Attachments

Date application returned to applicant for completion: \_\_\_\_\_

Date application returned to City: \_\_\_\_\_ By: \_\_\_\_\_

**SECOND & BAKER - MIXED USE DEVELOPMENT**

Item Description	Cost Estimate	Construction Costs	Costs Absorbed By Company	Other
General Description	437,200.00		277,200.00	160,000.00
Site Work	195,588.90	151,334.00	42,234.90	
Concrete	211,626.88	211,626.88	2,020.00	
Masonry	372,308.00	372,308.00		
Metals	348,190.00	348,190.00		
Wood & Plastics	97,204.40	97,204.40		
Thermal & Moisture Protection	97,010.55	97,010.55		
Doors & Windows	171,405.00	171,405.00		
Finishes	443,273.54	443,273.54		
Specialties	23,200.00		23,200.00	
Equipment	65,600.00		65,600.00	
Furnishings	155,500.00		155,500.00	
Conveying Systems	89,204.00	89,204.00		
Mechanical	464,100.40	464,100.40		
Electrical	218,800.00	218,800.00		
<b>Totals:</b>	<b>3,390,211.67</b>	<b>2,664,456.77</b>	<b>565,754.90</b>	<b>160,000.00</b>

Note: Our Construction Estimate does not include a Profit & Overhead Factor @ 10% (\$338,819.17) or an 8% contingency (\$298,160.87) that a developer usually charges.



Corner of Baker & 2nd



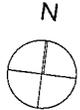
2nd Street Elevation.



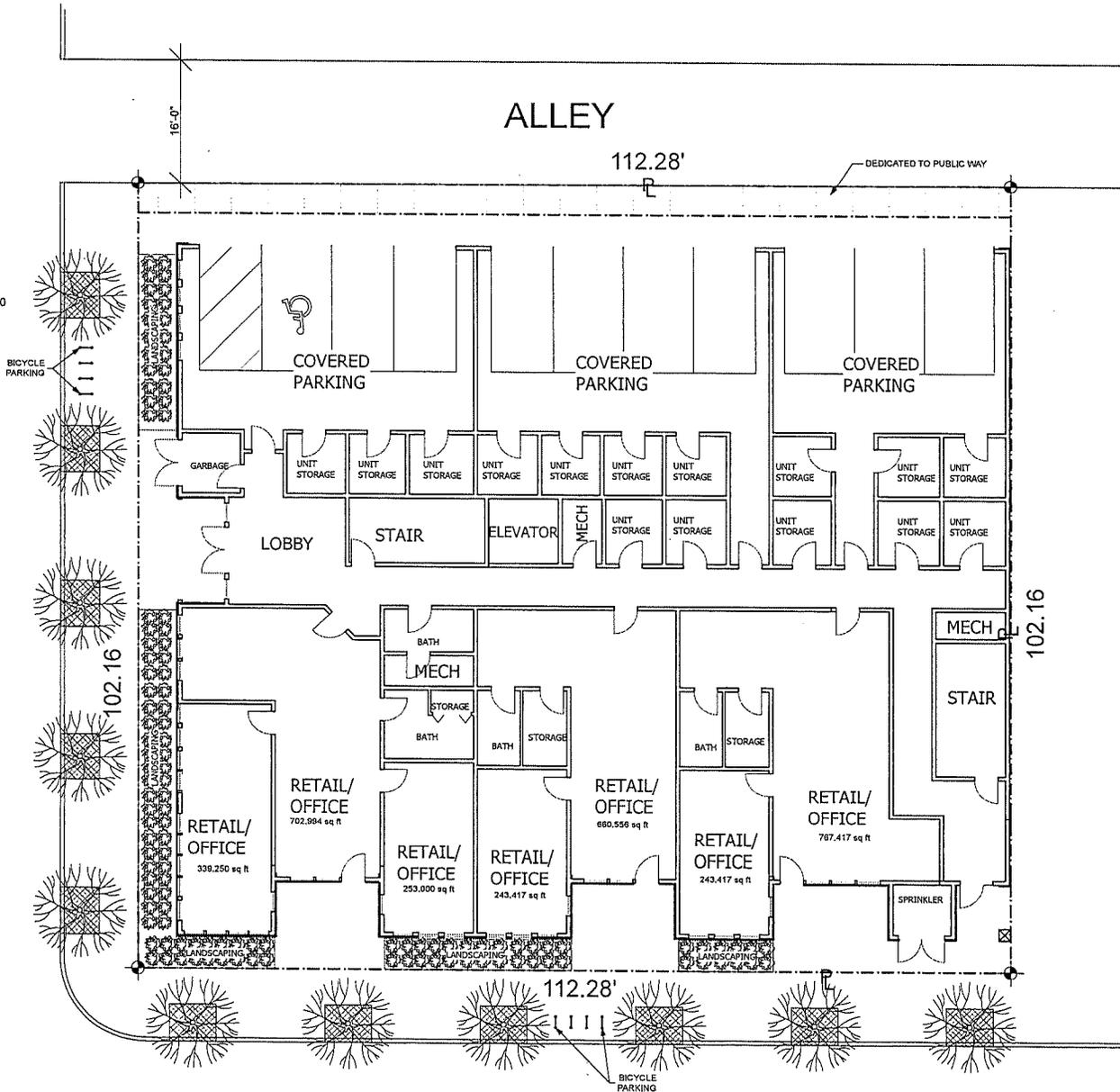
View From Baker Street



LOT #: 5500  
 TAXLOT: 11S03W06CD05500  
 .263 ACRES



BAKER STREET



ALLEY

112.28'

DEDICATED TO PUBLIC WAY

102.16'

102.16'

2ND AVENUE

112.28'

1  
 G-002 Site Plan  
 SCALE: 1" = 10'

**BROADLEAF ARCHITECTURE**  
 LORI STEPHENS ARCHITECT  
 626 NW 4TH ST. STE. B  
 CORVALLIS, OREGON 97330  
 TEL: (541) 253-9000  
 email: lori@broadleafarchitecture.com  
 http://www.broadleafarchitecture.com

**PRELIMINARY - NOT TO BE USED FOR CONSTRUCTION**

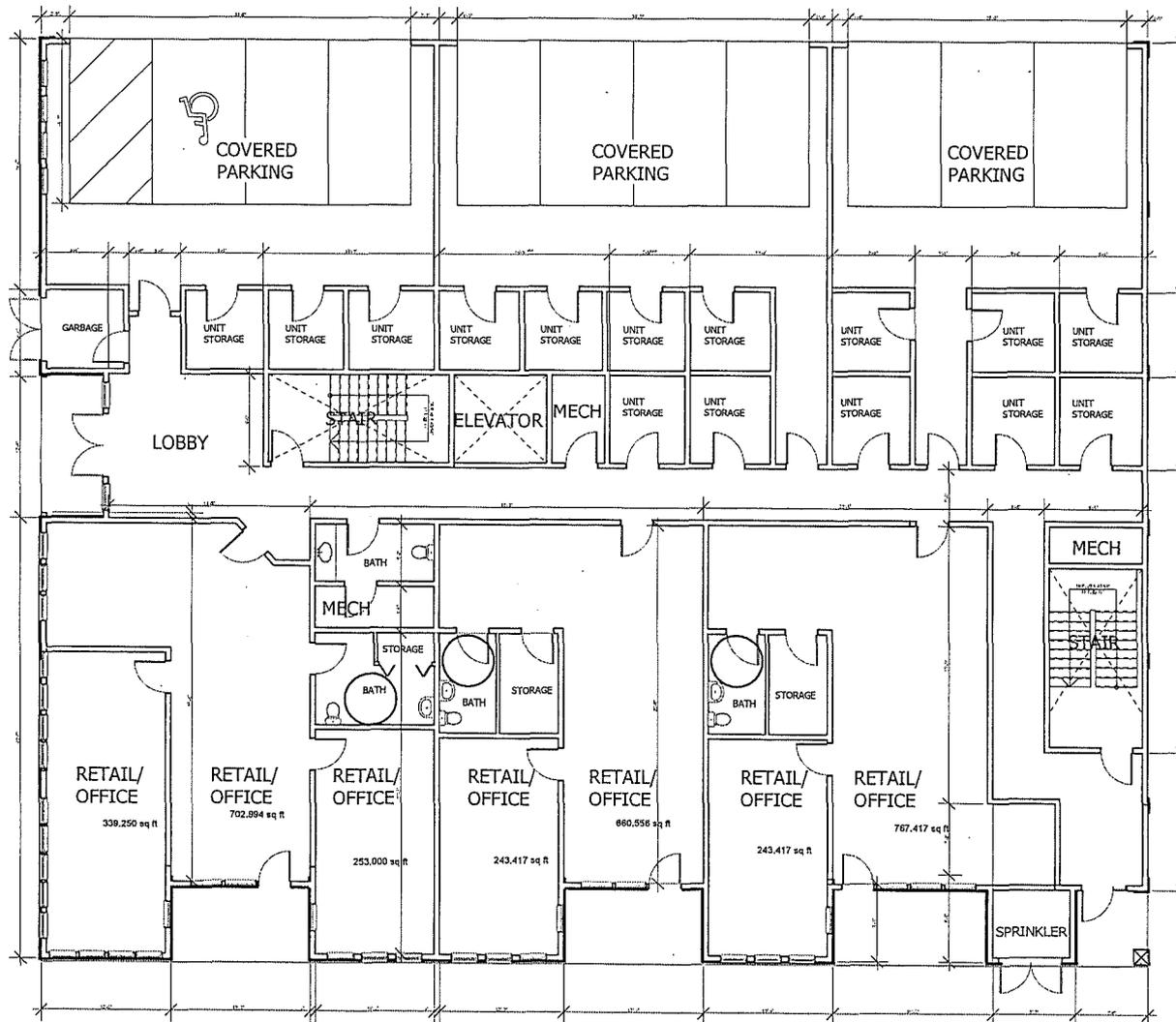
**Scott Lepman**  
**Baker Street**  
 201 Second Street SE  
 Albany, OR  
 PHONE# 541-929-9390

△		
△		
△		
△		
△		
MARK	DATE	DESC.

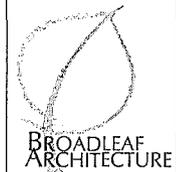
DATE OF ISSUE:  
 Friday, January 21, 2011  
 PROJECT NO: #Pin  
 CAD FILE NAME: Baker\_01-21-11.pln  
 DESIGNED BY: Lori Stephens  
 DRAWN BY: PBG  
 CHECKED BY: Lori Stephens  
 COPYRIGHT: BLA PC

SHEET TITLE  
 Site Plan

**G-002**



1 First Floor Plan  
 A-101 SCALE: 1/8" = 1'-0"



**BROADLEAF ARCHITECTURE**

LORE STEPHENS ARCHITECT

626 NW 4TH ST. STE. B  
 CORVALLIS, OREGON 97330  
 TEL: (503) 753-2000  
 email: info@broadleafarchitect.com  
 http://www.broadleafarchitect.com

**PRELIMINARY -  
 NOT TO BE USED  
 FOR  
 CONSTRUCTION**

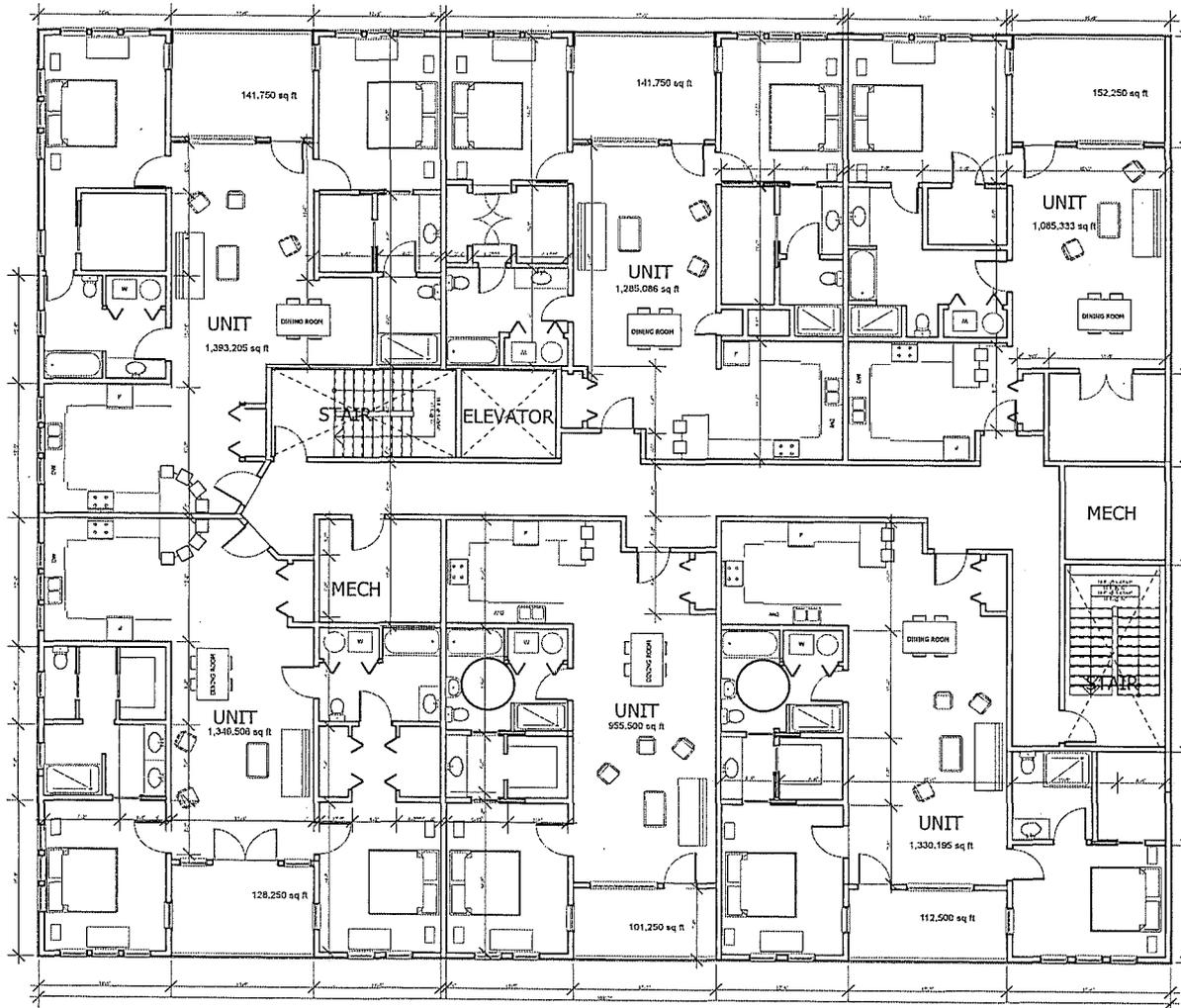
**Scott Lepman  
 Baker Street**  
 201 Second Street SE  
 Albany, OR  
 PHONE# 541-929-9390

△		
△		
△		
△		
△		
MARK	DATE	DESC.

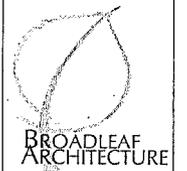
DATE OF ISSUE:  
 Friday, January 21, 2011  
 PROJECT NO: #Plan  
 CAD FILE NAME: Baker\_01-21-11.dwg  
 DESIGNED BY: Lori Stephens  
 DRAWN BY: PBG  
 CHECKED BY: Lori Stephens  
 COPYRIGHT: BLA/PC

SHEET TITLE  
 First Floor Plan

**A-101**



1  
A-102 Second Floor Plan  
SCALE: 1/8" = 1'-0"



BROADLEAF  
ARCHITECTURE

LORI STEPHENS  
ARCHITECT

624 800 4784 ST STE B  
OSVALLIE, OREGON 97130  
TEL: (503) - 733-2890  
email: lstephens@broadleafarchitect.com  
http://www.broadleafarchitect.com

PRELIMINARY -  
NOT TO BE USED  
FOR  
CONSTRUCTION

Scott Lepman  
Baker Street

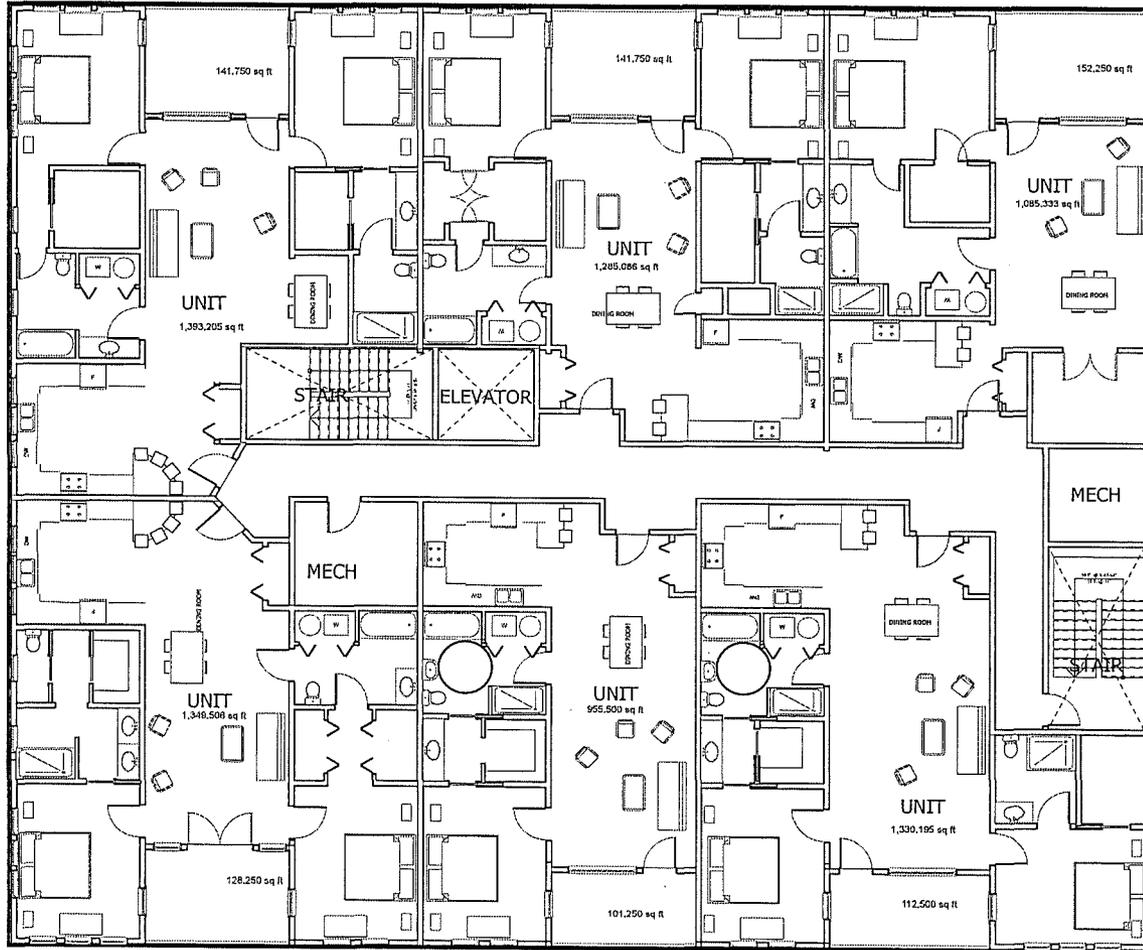
201 Second Street SE  
Albany, OR  
PHONE# 541-929-9390

△		
△		
△		
△		
MARK	DATE	DESC.

DATE OF ISSUE:  
Friday, January 21, 2011  
PROJECT NO: #P11  
CAD FILE NAME: Baker\_01-21-11.pht  
DESIGNED BY: Lori Stephens  
DRAWN BY: PBG  
CHECKED BY: Lori Stephens  
COPYRIGHT: BLA PC

SHEET TITLE  
Second Floor Plan

A-102



1  
A-103 Third Floor Plan  
SCALE: 1/8" = 1'-0"

**BROADLEAF ARCHITECTURE**  
LORI STEPHENS ARCHITECT  
428 NW 4TH ST. STE. B  
CORVALLIS, OREGON 97330  
TEL: (503) 325-2895  
email: info@broadleafarchitecture.com  
http://www.broadleafarchitecture.com

**PRELIMINARY - NOT TO BE USED FOR CONSTRUCTION**

**Scott Lepman  
Baker Street**  
201 Second Street SE  
Albany, OR  
PHONE# 541-929-9390

△		
△		
△		
△		
△		
MARK	DATE	DESC.

DATE OF ISSUE:  
Friday, January 21, 2011  
PROJECT NO: #Pin  
CAD FILE NAME: Baker\_01-21-11.plt  
DESIGNED BY: Lori Stephens  
DRAWN BY: PBG  
CHECKED BY: Lori Stephens  
COPYRIGHT: BLA PC

SHEET TITLE  
Third Floor Plan

**A-103**

**Summary of Division Totals**

Item Description	Div Total
<u>Div 1 General Conditions</u>	437,200.00
<u>Div 2 Sitework</u>	193,568.90
<u>Div 3 Concrete</u>	211,626.88
<u>Div 4 Masonry</u>	372,308.00
<u>Div 5 Metals</u>	348,190.00
<u>Div 6 Wood &amp; Plastics</u>	97,204.40
<u>Div 7 Thermal &amp; Moisture Protection</u>	97,010.55
<u>Div 8 Door &amp; Windows</u>	171,405.00
<u>Div 9 Finishes</u>	443,273.54
<u>Div 10 Specialties</u>	23,200.00
<u>Div 11 Equipment</u>	65,600.00
<u>Div 12 Furnishings</u>	155,500.00
<u>Div 14 Conveying Systems</u>	89,204.00
<u>Div 15 Mechanical</u>	464,100.40
<u>Div 16 Electrical</u>	218,800.00
Subtotal	3,388,191.67
Profit & Overhead Factor @ 10%	338,819.17
Contingency 8%	298,160.87
<b>Total</b>	<b>4,025,171.70</b>

**Summary of Alternates**

Item Description	Div Total
<u>Alternate 1 Brick 1st floor, Hardi plank above</u>	(215,237.09)
<u>Alternate 2 Brick pattern cementitious siding</u>	(225,373.10)
<u>Alternate 3 Deduct between floor Insulation</u>	(32,401.22)
<u>Alternate 4 Deduct ceilings except soffits</u>	(134,440.91)
<u>Alternate 5 Solar Panels</u>	427,680.00

Note: The profit & overhead factor for alternates is included on the individual pages

**Div 1 General Conditions**

<b>Item Description</b>	<b>Quantity</b>	<b>Unit</b>	<b>Unit Cost</b>	<b>Extension</b>
Site Mobilization	1.00	ls	1,000.00	1,000.00
A&E Fees	1.00	ls	215,000.00	215,000.00
Permits, Fees, SDC's	1.00	ls	160,000.00	160,000.00
Site Services:				
Job shack	6.00	mo	400.00	2,400.00
Temp power	6.00	mo	300.00	1,800.00
Sanitary facilities	6.00	mo	150.00	900.00
Phones	6.00	mo	150.00	900.00
Security/Safety Fencing	6.00	mo	200.00	1,200.00
Daily cleanup	6.00	mo	500.00	3,000.00
Supervision	6.00	mo	8,000.00	48,000.00
Final cleanup	1.00	ls	3,000.00	3,000.00
<b>Total</b>				<b>437,200.00</b>

## Div 2 Sitework

Item Description	Quantity	Unit	Unit Cost	Extension
Building demolition	49,000.00	cf	0.30	14,700.00
Slab & footing demolition	1.00	ls	12,500.00	12,500.00
AC demolition	1.00	ls	11,934.00	11,934.00
Excavate & grade	559.00	cy	12.60	7,043.40
New rock base	352.00	cy	55.00	19,360.00
Concrete paving	110.00	cy	300.00	33,000.00
Site concrete walks etc	1,030.00	sf	6.25	6,437.50
Site Utilities				
Storm piping	100.00	lf	14.00	1,400.00
Catch basins	2.00	ea	2,500.00	5,000.00
Sewer piping	50.00	lf	18.00	900.00
Water piping	50.00	lf	30.00	1,500.00
Conduit	100.00	lf	22.00	2,200.00
Fittings etc	1.00	ls	3,000.00	3,000.00
Trenching	175.00	cy	6.00	1,050.00
Rock bedding	44.00	cy	55.00	2,420.00
Back fill	135.00	cy	6.00	810.00
Elev service	1.00	ls	6,000.00	6,000.00
Fire Sprinkler site work	1.00	ls	15,000.00	15,000.00
Bike Parking	1.00	ls	1,500.00	1,500.00
Landscape & Irrigation	1.00	ls	10,000.00	10,000.00
Park benches	2.00	ea	500.00	1,000.00
Steel picket fence 6' high	102.00	lf	56.00	5,712.00
Alley Demolition	1.00	ls	3,100.00	3,100.00
Alley Rock	73.00	cy	55.00	4,015.00
Alley concrete	49.00	cy	300.00	14,700.00
Alley Storms				
Catch basins	1.00	ea	2,500.00	2,500.00
Man hole	1.00	ea	3,500.00	3,500.00
Piping	100.00	ls	14.00	1,400.00
Trenching	96.00	cy	6.00	576.00
Backfill	81.00	cy	6.00	486.00
Reck bedding	15.00	cy	55.00	825.00
<b>Total</b>				<b>193,568.90</b>

**Div 3 Concrete**

Item Description	Quantity	Unit	Unit Cost	Extension
Footings				
Spread	24.00	cy	260.00	6,240.00
Strip	50.00	cy	240.00	12,000.00
Slab on Grade	58.00	cy	240.00	13,920.00
Elevated slab	212.00	cy	350.00	74,200.00
Prestressed hollow floor panels	5,712.00	sf	10.49	59,918.88
Reinforcing	15.00	ton	1,500.00	22,500.00
Floor finishing	28,560.00	sf	0.80	22,848.00
<b>Total</b>				<b>211,626.88</b>



**Div 5 Metals**

Item Description	Quantity	Unit	Unit Cost	Extension
Brick lintels	878.00	lf	12.00	10,536.00
Steel cols	12.00	ea	350.00	4,200.00
Steel beams	208.00	lf	110.00	22,880.00
Steel headers	450.00	lf	52.00	23,400.00
Steel joist	4,000.00	lf	10.00	40,000.00
Steel studs	12,640.00	sf	1.90	24,016.00
Pan deck floors	17,136.00	sf	5.00	85,680.00
Pan deck roof	5,712.00	sf	3.50	19,992.00
Steel stair structures per riser	136.00	ea	576.00	78,336.00
Steel decorative railing	30.00	lf	130.00	3,900.00
Canopies	470.00	sf	75.00	35,250.00
<b>Total</b>				<b>348,190.00</b>





**Div 8 Door & Windows**

Item Description	Quantity	Unit	Unit Cost	Extension
Storefront double doors	4.00	ea	2,600.00	10,400.00
Storefront single doors	2.00	ea	1,300.00	2,600.00
HM double exterior doors	1.00	ls	1,200.00	1,200.00
HM single exterior doors	4.00	ea	800.00	3,200.00
HM single interior doors	3.00	ea	800.00	2,400.00
Interior wood double doors	1.00	ea	1,200.00	1,200.00
Interior wood single doors	73.00	ea	750.00	54,750.00
Closet doors	38.00	ea	500.00	19,000.00
Storefront glass	733.00	sf	35.00	25,655.00
Vinyl windows (average 25 sf)	102.00	ea	500.00	51,000.00
<b>Total</b>				<b>171,405.00</b>

**Div 9 Finishes**

Item Description	Quantity	Unit	Unit Cost	Extension
Interior metal framing	39,974.00	sf	1.71	68,355.54
Drywall walls	79,948.00	sf	1.50	119,922.00
Suspended drywall ceilings	28,560.00	sf	4.00	114,240.00
Floor covering Sealed stained concrete	27,531.00	sf	2.00	55,062.00
Painting				
Walls	79,948.00	sf	0.50	39,974.00
Ceilings	28,560.00	sf	0.75	21,420.00
Doors	122.00	leaf	150.00	18,300.00
Interior & Exterior trim	1.00	ls	6,000.00	6,000.00
<b>Total</b>				<b>443,273.54</b>

**Div 10 Specialties**

Item Description	Quantity	Unit	Unit Cost	Extension
FEC	33.00	ea	400.00	13,200.00
Toilet accessories	1.00	ls	10,000.00	10,000.00
<b>Total</b>				<b>23,200.00</b>

**Div 11 Equipment**

Item Description	Quantity	Unit	Unit Cost	Extension
Appliances				
Refrigerators	22.00	ea	750.00	16,500.00
Range	22.00	ea	400.00	8,800.00
Range hood	22.00	ea	250.00	5,500.00
Dishwasher	23.00	ea	600.00	13,800.00
Stackable washer & dryer	21.00	ea	1,000.00	21,000.00
<b>Total</b>				<b>65,600.00</b>







**Div 16 Electrical**

Item Description	Quantity	Unit	Unit Cost	Extension
Basic elec	28,560.00	sf	5.00	142,800.00
Lighting	1.00	ls	46,000.00	46,000.00
Low voltage	1.00	ls	30,000.00	30,000.00
<b>Total</b>				<b>218,800.00</b>













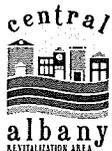
# Project Evaluation Grid: Olivetti

**Request: \$42,500 forgivable loan**

	Item	Description	Staff Analysis/Comments
<i>Overall Goals</i>			
A)	<p><b>CARA Goal &amp; Objectives:</b> The purpose of this CARA Plan is to eliminate blighting influences found in the CARA, to implement goals and objectives of the City of Albany Comprehensive Plan, and to implement development strategies and objectives for the CARA. The goal and objectives for the CARA have been defined as follows:</p> <p><b>CARA Goal:</b> To revitalize the Central Albany Revitalization Area by implementing the Town Center Plan developed through the Central Albany Land Use &amp; Transportation Study (CALUTS) using a citizen-driven process.</p>	<p>Does the project further the Town Center Plan?</p> <p>Which of CARA's objectives does the project meet?</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Provide a safe and convenient transportation network that encourages pedestrian &amp; bicycle access to and within the town center.</li> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Enhance and protect the community and environmental values of waterway corridors in the area.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>	<p>Yes, the Historic Downtown components encouraged high density residential infill encouraged;</p> <p>This project would meet the following goals:</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>
B)	CARA Planned Projects	Which project category and activity in the UR Plan does this project fulfill? (See CARA Project Activities document, or Table 2 of the UR Plan and Report)	Activity: <u>Commercial Building Rehabilitation</u> described in plan as, "Provide technical assistance and financing &/or grants for the redevelopment of commercial structures..."
C)	Development Pattern (Highest and Best Use)	<p>Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?</p> <p>Is the proposed project desired in this location and the highest and best use of the property?</p>	<p>Yes.</p> <p><u>Zoning:</u> Historic Downtown (HD) <u>Comp Plan:</u> Village Center</p> <p>Yes. The HD district is intended primarily for a dense mixture of uses with an emphasis on entertainment, theaters, restaurants, night life and specialty shops.</p>
D)	Blight	Would it remedy a severely blighted building? How?	Yes. The space has been vacant for some time and the removal of the cheese grater is a substantial upgrade to the building.
E)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	Yes.
F)	Vitality/People Attractor	Does the general public benefit (i.e. restaurant, carousel, something they can go to, utilize)?	Yes, retail space is what's intended here.

G)	Retail Hotspot (1 <sup>st</sup> Avenue between Lyon and Calapooia)	Is the project located in the Retail Hotspot? If so, will the first floor use be active retail, as recommended in the Retail Refinement Plan?	Yes. Active retail is what's planned for this space.
H)	Sustainable Building	Will the building be built using sustainable practices including LEED or others?	No, not to staff's knowledge.
I)	Residential	Is there a residential component? How many units?	No.
<i>Economic Development</i>			
J)	Bring new business to Albany	Will a new business open or come to Albany as a part of this project?	Unknown at this time.
K)	Job Creation	Will the project create additional jobs? How many, what types and what salary level?	Unknown at this time.
L)	Local Labor and Materials	Has applicant specifically called out a commitment to use a certain percent or amount of local labor and/or materials?	Yes, applicant stated they use local lumberyards and contractors whenever possible.
<i>Financial</i>			
M)	Ratio	Proposed public funds Private funds % of CARA Investment Ratio-Public \$:Private \$	\$42,500 \$85,000 50% 1 : 1
N)	Financial Impacts	What are the financial risks and/or financial benefits to CARA?	Some tax increment benefit as the property will not be put on the historic tax freeze.
O)	Gap	What is the "Gap" or need of the developer?	Costs related to keeping the building historically correct, and applicant states that with bad economy and low rent prices only a certain amount of investment can work with their cash-flow.
P)	Private Risk	What is the risk for the developer? What is their skin in the game?	Historic buildings often have unknown problems, and the space has been vacant for some time.
Q)	Tax Increment	Will the project generate an increase in the assessed tax base? How much?	Yes, impact to CARA is estimated around \$1,100 per year. (Owner will not put it on the tax freeze)
R)	Tax Increment ROI	Is the ROI on this project less than 5 years, less than 7 years?	No, ROI is estimated at 26 years.

*Other Staff Comments:* This is a project typical of the other historic buildings we've funded in the downtown area. Removal of the cheese grater would be a good upgrade to the historic building and the look of our downtown.



CARA Funding Application

333 Broadalbin Street SW, Albany, OR 97321

1. APPLICANT

Name: THAD And Shannon Olivetti

Mailing Address: PO Box 2768 Corvallis, OR Zip Code: 97339

Contact Name: THAD Olivetti Phone Number: 541-760-7771

Fax Number: none E-mail Address: OSOLivetti@Comcast.net

2. BUSINESS/BUILDING INFORMATION

Legal Business Name: 409 First Ave SW LLC

Number of Years in Operation: one

Legal Form: Sole Proprietorship [ ] Partnership [ ] Corporation [ ] S-Corp [ ] LLC [x] Profit [ ] Nonprofit [ ]

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

Have you ever filed for bankruptcy? [ ] Yes [x] No

Project Address (if different than mailing address): Same as above

Property Tax Account Number: 80693

Is the building a historic contributing resource? Yes [x] No [ ]

If so, is it on the historic property-tax freeze? Yes [ ] No [x]

3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: THAD And Shannon Olivetti

Contact Name: THAD Olivetti

Mailing Address: PO Box 2768 Corvallis, OR Zip Code: 97339

Phone Number: 541-760-7771

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 *Please give a comprehensive description of project.*

- #1 Remove "Metal Cheese Grader" from Face of building
- #2 Re-store or Replace Windows in front
- #3 Re-stucco front of building
- #4 Re-build storefront
- #5 Install New Roof
- #6 Re-point brick
- #7 update electrical

6. TIMELINE FOR COMPLETION OF PROJECT: 60-90 days upon receiving permits.

7. PROJECT COSTS

ESTIMATED COST OF PROJECT: \$ 85,000

ESTIMATED VALUE OF PROJECT UPON COMPLETION: \$ 85,000

Basis for valuation and value upon completion: estimates from "Local" Contractors

SOURCES FOR PROJECT:

Owner/Company Contribution \$ 42,500

Bank (estimated) \$ \_\_\_\_\_ Term: \_\_\_\_\_ Interest Rate: \_\_\_\_\_

Other (please specify) \$ \_\_\_\_\_ Term: \_\_\_\_\_ Interest Rate: \_\_\_\_\_

CARA (proposed) \$ 42,500

TOTAL SOURCES \$ \_\_\_\_\_

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

USES FOR PROJECT:

Land and/or Building Acquisition \$ \_\_\_\_\_

Soft Costs \* \$ \_\_\_\_\_

Construction Costs \* \$ 42,500

Tenant Improvements \$ \_\_\_\_\_

Machinery/Equipment/Installation Costs \$ \_\_\_\_\_

Working Capital \$ \_\_\_\_\_

Other (please specify) \$ \_\_\_\_\_

TOTAL USES \$ \_\_\_\_\_

\*Please provide a detail of Soft Costs and of Construction Costs.

8. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? Local Contractors From Corvallis and Albany.  
(If applicant prepared their own estimate, verification may be required. If bid was used, please attach.)

Mailing Address: PO Box 2768 Corvallis, OR 97339

Phone Number: 541-760-7771

E-mail Address: asolivetti@comcast.net

9. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION. (Please provide a description of the financial gap requiring CARA assistance.)

I would not be able to consider taking on this project without the help of "Cara" funding. We want to keep this building historically correct. You never know what to expect once you start these projects, just how much will be needed, Also, with the state of the economy, and rent prices as they are, I can only justify putting the amount in - that I am asking for. I promise to do my best

10. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?

work - bringing this building back to life!

my bank.

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

First of all let me say we love Albany! We did the work on the old Casick bank building and it was a "labor of love". We feel this is another project that will fit with the Downtown's revitalization goals. We want to continue with the great progress Cara has made possible - and while I still have the time and energy to do it. We want to keep the wonderful momentum Cara has created moving to the west end of First Ave:

and we want it to be a "Retail Space"

**12. HAVE YOU OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?**

Yes  No  If so, amount \$ 199,376.00

FOR WHAT PROJECT(S): Clemenza's (#41,101) 238 First Street  
VAULT 244 #158,475. 240 First Street (Cold Cusick bank)

**13. ASSISTANCE REQUESTED**

Total Estimated Project Costs: \$ 85,000  
 Your Total Contribution \$ 42,500  
 Total Amount Requested from CARA: \$ 42,500

**Funding type requested**

Forgiveable loan

Forgiveness based on:  Project completion  Other, please describe:

I am not planning on putting this into the "TAX freeze"  
I will make the space "available" for Retail

Small Grant - Matching grants of up to \$5,000 per property minimum 50 % match by applicant.

Grant - Matching grants of greater than \$10,000 per property minimum 50 % match by applicant.

Loan Proposed Terms I will use Local Lumberyards,  
and Local Contractors from either Corvallis, and Albany,  
whenever possible.

**COLLATERAL FOR LOANS**

CARA Loans are usually secured by the project property (CARA is the primary or subordinate lender) AND by personal guaranties from developer members with an ownership share exceeding 20%. Indicate below what collateral you are offering for the CARA loan.

**Preferred Collateral**

First lien position or  subordinate lien position in the project property

Personal guaranty from developer members (list names):

**Alternate collateral proposed**

Description	Estimated Value	(-)Liens	(=)Available Equity
Real Estate - Commercial	\$	\$	\$
Real Estate - Residential	\$	\$	\$
Machinery and Equipment	\$	\$	\$
Accounts Receivable	\$	\$	\$
Other	\$	\$	\$

**Certification**

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Albany Revitalization Area Agency (ARA) 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 preapproved 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.
9. If CARA's total assistance to the project is greater than \$750,000, prevailing wage for the project may apply.
10. (CARA may withhold approval of this application until information satisfactory to CARA is provided.)

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 s/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.

Thad Olivetti  
Applicant's Signature

10/26/2011  
Date

Shawn Seiff  
Applicant's Signature

10/26-2011  
Date

Return Application and any attachments to: City of Albany  
c/o Kate Porsche, Urban Renewal Manager  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

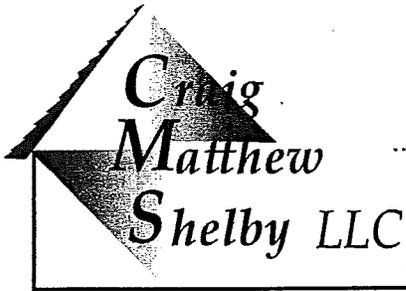
**FOR CITY USE ONLY**

Date Received: 10-28-11 By: KLD Application Complete:  Yes  No

Comments: ATTACHED

Date application returned to applicant for completion: \_\_\_\_\_

Date application returned to City: \_\_\_\_\_ By: \_\_\_\_\_



September 17<sup>th</sup>, 2011

Statement of Hard Cost

Client: Thad Olivetti  
 Project: 409 W. 1<sup>st</sup> Street

Overview: To provide outline of forecasted expenses on restoring a historical storefront for a project budget.

- 
- 1. Provide labor on demo work of old storefront metal framed windows and brick work.
    - 1.1 Equipment rental-Scaffolding Proposed at \$ 1,100 (one month rent)
    - 1.2 Labor cost- Proposed at \$ 2,200
    - 1.3 Schedule proposal- 4-5 working days (two carpenters)
  
  - 2. Provide labor on concrete for new storefront with epoxy, rebar, anchors and j-bolts.
    - 2.1 Material/supply cost - Proposed at \$ 300
    - 2.2 Labor cost - Proposed at \$ 1,400
    - 2.3 Schedule proposal- 2-3 working days (two carpenters)
  
  - 3. Provide carpentry work on rough framing, positive attachment of pressure treated framing to concrete brick & steal w/solid anchoring. Establish elevation/control points.
    - 3.1 Material/supply cost - Proposed at \$ 600
    - 3.2 Labor cost - Proposed at \$ 2,800
    - 3.3 Schedule proposal - 4-5 working days (two carpenters)
  
  - 4. Provide carpentry work on exterior finish; carpentry-custom work provided on sign board; sills w/drip edge; window surrounds and supporting trim.
    - 4.1 Material/supply cost - Proposed at \$ 800
    - 4.2 Labor cost- Proposed at \$ 2,800
    - 4.3 Schedule proposal- 4-5working days (two carpenters)
  
  - 5. Provide carpentry & skilled work needed for complete finished door installation-allowance for temporary construction doors, stain, lacquer and final hardware.
    - 5.1 Material/supply cost- Proposed at \$ 1,600
    - 5.2 Labor cost- Proposed at \$ 600
    - 5.3 Schedule proposal- At request of Superintendent
  
  - 6. Provide painting service through complete project; scheduled prior to glass install window. Includes all spackle, sanding, primer & two color application with a second coat.
    - 6.1 Material/supply cost- Proposed at \$ 300
    - 6.2 Labor cost- Proposed at \$ 1,600
    - 6.3 Schedule proposal- 2-3 working days (two painters)
  
  - 7. Provide glass service on insulation of fixed tempered windows for the new storefront
    - 7.1 Material/supply cost- Estimated at \$ 4,400
    - 7.2 Labor cost- Estimated at \$ 800
    - 7.1 Schedule proposal- 1 working day ( two installers)
  
  - Material/supply/equipment rental total- \$ 9,100
  - Labor cost (estimated two carpenters at 4 weeks)- \$ 12,200
  - Guideline budget grand total- \$ 21,300

**CMS Construction**

Craig M Shelby  
 33725 SE Terra Ln.  
 Corvallis, OR. 97333  
 Phone 541-740-4232  
 CCB # 173647

**Statement of Hard Cost**

<b>Date</b>	<b>Estimate #</b>
10/5/2011	2100
<b>Customer</b>	<b>Job</b>
Thad Olivetti	Interior Walls

<b>Customer Information</b>
Thad Olivetti Prepared for Central Albany Revitalization Area 333 Broadalbin SW Albany, OR 97321

Description	Qty	Rate	Amount
Statement of Hard Cost			
Client: Thad Olivetti			
Project: 409 W. 1st Street			
Overview: To provide outline of forecasted expenses and project budget on remodeling of requested interior walls for the noted historical building			
1. Provide labor on 2nd story interior wall framing / Building material provided from 2 in. by 6 in. KD lumber on a 25' long wall at 14' tall.			
1.1 Plates - (Wall plates) Std & Btr, untreated. For pressure treated plates, see also Sill Plates in this section. Figures in parentheses indicate board feet per LF. Costs shown include 10% for waste and nails. Wall plates. 2 in. x 6 in. (1.10 BF per LF)			
Material, per LF	80	0.55	44.00
Labor, per LF	80	3.50	280.00
1.2 Studding - Per square foot of wall area. Do not subtract for openings less than 16' wide. Figures in parentheses indicate typical board feet per SF of wall area, measured on one side, and include normal waste. Costs include studding, nails. Labor includes layout, plumb and align. Wall stud framing, 2" x 6". 2 in. x 6 in. studs, 12 in. centers, per MBF. 12 in. centers (1.10 BF per SF)			
Material, per SF	400	0.45	180.00
Labor, per SF	400	1.61	644.00
1.3 Fireblocks - Installed in wood frame walls, per LF of wall to be blocked. Figures in parentheses indicate board feet of fire blocking per linear foot of wall including 10% waste. See also Bridging and Backing and Nailers in this section. Fireblocks, 2" x 6". 12 in. OC members (.48 BF per LF)			
Material, per LF	25	0.60	15.00
Labor, per LF	25	1.75	43.75



**HOME INSULATION CONT. INC.**  
**34155 HWY 99 E**  
**TANGENT, OR 97389**  
**Phone 541-926-7831 Fax 541-926-6508**  
**Builders Board Number 85**

**ESTIMATE & AGREEMENT**

To: Thad Olivetti  
P.O. Box 2768  
Corvallis OR 97339

Date: 10/19/11  
BID: We hereby propose to furnish  
material and labor to complete the  
work outlined herein for the sum of:  
\$ 7,200.00

*We hereby submit specifications and bid for: 409 1<sup>st</sup> Ave S.W. Albany Or*

**BASE BID:**

1. (R-30) Unfaced in the 2x12 walls upstairs.
2. (R-21) Kraft in the front and back 2x6 walls upstairs.
3. Blow the 16" cavity full of fiberglass insulation on the main floor by sliding the hose in each direction with the area cut out provided by the owner.
4. Spray 3" (R-20) Closed Cell Foam in the flat ceiling of the upstairs then install a (R-19) Unfaced under it to bring the ceiling area up to a (R-39) upstairs.

Total Cost \$ 7,200.00

Terms: 10<sup>th</sup>. A finance charge at a monthly rate of 2% will be charged on any outstanding accounts.

**CONTRACTOR'S GUARANTEE**

WE guarantee all material used in this contract to be as specified above and the entire job to be done in a neat, workmanlike manner. Any variations from plan or alterations requiring extra labor or material will be performed only upon written order and billed in addition to the sum Covered by this contract. Agreements made with our workmen are not recognized.

**ACCEPTANCE OF BID**

The above specifications, terms and contract are satisfactory, and I(we) hereby authorize the performance of this work.

Date:

Signed by Joseph Fitzgerald  
Salesman

\_\_\_\_\_  
Signature

This contract is void 30 days from date unless a copy is signed and returned to bidder.

# Proposal



PO Box 2652  
Corvallis, Oregon 97339  
CCB # 143156  
(541) 757-1638 Fax # (541) 757-8877

Proposal Submitted to: Thad Olivetti	Phone:	Date: September 28, 2011
Street:	Job Name: Service relocate	
City, State, and Zip Code: Corvallis, OR	Job Location: 409 W 1 <sup>st</sup> Ave. Albany, OR	

We hereby submit specifications and estimates for:

- Install 3 new switches in existing offices, install new box and exterior light fixture out back door....(\$557.00)
  - Relocate existing panel to new wall.....(\$2,563.00)
  - Install complete new service at new location.....(\$4,779.00)
- Prices to include electrical permit and all necessary inspections.

*We Propose* hereby to furnish material and labor- complete in accordance with above specifications, for the sum of: As per price above

Payment to be made as follows: As per invoice

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and any other necessary insurance.

Authorized  
Signature *Laurel Mosbell*

Note: This proposal may be withdrawn if not accepted within 30 days.

*Acceptance of Proposal* - The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Date of Acceptance: \_\_\_\_\_

Signature \_\_\_\_\_

Signature \_\_\_\_\_



On the Cutting Edge - Since 1945

CCB #43663

www.smith-glass.com

133 North Lyon Street  
Albany, OR 97321  
(541) 926-4446  
Fax (541) 926-8486  
Email: [info@smith-glass.com](mailto:info@smith-glass.com)

### PROPOSAL

Date: Sept 20, 2011  
Project: 404 1<sup>st</sup> SE – Glass at new storefront

Estimator: Bryan Smith  
Contractor: Thad Olivetti

**Scope of work:**

Supply and install insulated glass in wood storefront openings prepared by others. Glass is 1" overall clear with Low E coating to meet energy codes, tempered as required by codes. Wood moldings around glass provided by others. Approx sizes:

4- 32 x 78  
2- 36 x 78 tempered  
2- 12 x 78 tempered

**Base Bid = \$2,090.00**

**Exclusions:**

All permits or fees.  
Demolition.  
Re-arming security system and reconnection of electrical supply if necessary.  
Cleaning.  
Protection of installed materials.  
Free replacement of materials damaged by others.

**Qualifications:**

All work done during normal business hours.  
Smith Glass is not responsible for performance requirements beyond manufacturer's published literature.

PRICING IS GOOD FOR 30 DAYS.

Thank you,

  
Bryan Smith



On the Cutting Edge - Since 1945  
CCB #43663  
www.smith-glass.com

133 North Lyon Street  
Albany, OR 97321  
(541) 926-4446  
Fax (541) 926-8486  
Email: [info@smith-glass.com](mailto:info@smith-glass.com)

## PROPOSAL

Date: Sept 20, 2011  
Project: 404 1<sup>st</sup> SE, Albany – New Windows

Estimator: Bryan Smith  
Contractor: Thad Olivetti

### Scope of work:

Supply and Install 5 Wood windows in openings prepared by others. Windows by Jeld-Wen Sitrine EX or Epic series as required made with pine and primed exterior and interior. Includes full screen with white finish, clear/Low E/Argon insulated glass, tempered as required by code. See attached for other information and sizes, quantities, and configurations.

### **Base Bid = \$8,515.00**

Includes exterior weatherseal caulking.

For aluminum clad exterior add \$561.00  
Color chosen from manufacturer's standard colors.

### Exclusions:

All permits or fees.  
Demolition.  
Re-arming security system and reconnection of electrical supply if necessary.  
Exterior or interior trim.  
Cleaning.  
Protection of installed materials.  
Free replacement of materials damaged by others.

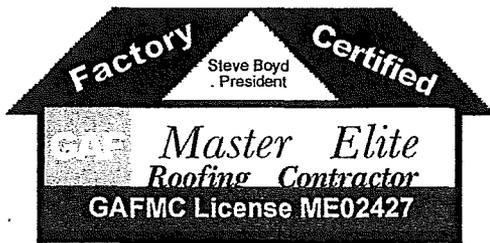
### Qualifications:

All work done during normal business hours.  
Smith Glass is not responsible for performance requirements beyond manufacturer's published literature.

PRICING IS GOOD FOR 30 DAYS.

Thank you,

  
Bryan Smith



*Maier*  
Roofing Co.  
Inc. CCB# 32989

P.O. Box 623 Albany, OR 97321  
steve@maierroofingcompany.com  
~Licensed~Bonded~Insured~



# PROPOSAL

Date: 09-03-2011  
Price quotes good for 14 days

Thad Olevetti  
409 1st SW  
Albany, OR 97321

Job Location  
Upper area  
Albany, OR.  
117-22

Home: 541-760-7771  
Work: N/A  
Fax: N/A

## WE HEREBY SUBMIT SPECIFICATIONS as follows:

Remove existing roof layer(s) and dispose to landfill. Inspect roof deck and repair rot as needed. Install polyethylene separator sheet as required by the manufacturer, new 40 Mil PVC CPA Duro-Last roofing membrane custom fit for this roof, new custom pipe and curb flashings, custom edge details and terminations in accordance with manufacturer's warranty requirements for the standard 15 year No Dollar Limit warranty at no extra cost. Insulation and fire rating requirements vary. If required for your building, they are listed below. Provide job clean-up including grounds, gutters, and roof. Provide Duro-Last written manufacturer's warranty and contractor's workmanship warranty upon payment in full. All commercial Duro-Last installations are inspected by manufacturer. Residences get only the Duro-Last 15 years material warranty and the Maier Roofing 10 year workmanship warranty.

## WE PROPOSE TO FURNISH ALL MATERIALS AND LABOR - complete in accordance with above specifications as follows:

~ Duro-Last Roof System ~

Complete Job Price = \$11,519.00

~~ Insulation Specifications ~~

Insulation type: N/A

Insulation thickness: N/A

R-Value: N/A

**Additional Specifications:** This include covering the walls approximately 9 feet high. The cost to roof only about 18" high instead is \$7,130.00. This would require a mason to install a reglet into the brick wall. The lower area will cost \$5,513.00. This includes about 4 feet of wall covering except at the end wall. Both sections will cost \$16,582.00 or \$12,643.00 for no upper walls. An option for adding R-15 2.5" polyiso insulation is \$1,262.00 for the upper and \$656.00 for the lower area. Both for \$1,900.00.

## General Conditions

All work guaranteed as specified above. All work completed in a professional manner according to industry approved standards and practices. Any deviation or alteration from the above specifications only upon owner notification. Owner to carry fire, tornado, and other necessary insurance. Our employees are fully covered by Workers Compensation Insurance in accordance with Oregon law. This contract may not be transferred or assigned to another party without expressed written consent of Maier Roofing Co. Inc. Maier Roofing, Inc. accepts no liability for the existence or continued existence of mold and/or mildew conditions. Homeowner should evaluate need for mold/mildew mitigation.

## Rot Repairs and Extra Work

Rot repairs or other unforeseen/concealed problems are not included in the above prices. All such extra work will be charged on a "time and material" basis: (material cost plus 15% plus labor at \$65.00 per man-hour) and billed at job completion per terms outlined below. Dry-rot must be replaced per code. Metal attached to the roof deck will be measured and replaced only as needed. This includes chimneys, step flashings, and skylight flashings. Oversized chimneys and skylights will be extra.

## Payment Terms

Unless otherwise agreed in advance, 50% of contract amount due upon signing contract. Balance due within 7 (seven) days of billing at job completion. A late fee of \$25.00 will be charged if balance due is more than thirty days late. Additionally, finance charges of 2% of the unpaid balance will be charged each month on accounts 30 days or more past due.

Signed: \_\_\_\_\_

Steve Boyd, President, Maier Roofing Co. Inc.

## Acceptance of Proposal

The above prices, specifications, and conditions are satisfactory and hereby accepted. By signing below, I authorize Maier Roofing Co. Inc. to proceed as specified. Payment will be made as outlined. Owner acknowledges receipt of "Information Notice to Owner about Construction Liens," as required of all contractors by state law. Owner agrees to settle any dispute(s) between the parties by arbitration.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Owner

# GANCO

## HEATING & COOLING

P.O. BOX 3017  
 SALEM, OR 97302  
 PHONE: (503) 365-0569  
 FAX: (503) 375-7657  
 CCB# 165476

## PROPOSAL

DATE	ESTIMATE #
9/3/2011	771

<b>CUSTOMER CONTACT</b>
THAD OLIVETTI P.O. Box 2768 CORVALLIS, OR 97339

Terms	Project
	1st. Albany REMODELING JOB

ITEM	DESCRIPTION	TOTAL
LABOR	REMOVE WALL PANELS FROM THE BUILDING INSTALL END PANELS BACK ONTO THE WALL  LABOR ONLY	750.00
STUCCO	APPLY BASE COAT AND FINISH COAT TO THE UPPER FRONT WALL OF THE BUILDING CAULKING AROUND THE WINDOWS  LABOR AND MATERIAL	3,700.00
PAINT	PAINT THE STUCCO  LABOR ONLY  OWNER WILL PROVIDE THE PAINT APPRX. 5 GALLONS(OR WE CAN DISCUSS IT LATER) OWNER WILL PROVIDE SCISSOR LIFT (RENT)	800.00

IF ACCEPTED PLEASE SIGN AND FAX THE PROPOSAL. THANK YOU.	<b>TOTAL</b> \$5,250.00
--	-------------------------

SUBMITTED BY:

ACCEPTED BY:

SIGNATURE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

# GANCO

## HEATING & COOLING

P.O. BOX 3017  
 SALEM, OR 97302  
 PHONE: (503) 365-0569  
 FAX: (503) 375-7657  
 CCB# 165476

## PROPOSAL

DATE	ESTIMATE #
9/20/2011	776

### CUSTOMER CONTACT

THAD OLIVETTI  
 P.O. Box 2768  
 CORVALLIS, OR 97339

Terms	Project
	1st. Albany REMODELING JOB

ITEM	DESCRIPTION	TOTAL
BRICKS	REPOINT BRICKS ON A BACK SIDE OF THE BUILDING OF THE SECOND FLOOR APPROXIMATELY 450 SF.  LABOR AND MATERIAL	2,100.00
SCAFFOLDING	RENT AND ASSEMBLY OF SCAFFOLDS	1,800.00

IF ACCEPTED PLEASE SIGN AND FAX THE PROPOSAL. THANK YOU.	<b>TOTAL</b> \$3,900.00
--	-------------------------

SUBMITTED BY:

ACCEPTED BY:

SIGNATURE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

# GANCO

## HEATING & COOLING

P.O. BOX 3017  
 SALEM, OR 97302  
 PHONE: (503) 365-0569  
 FAX: (503) 375-7657  
 CCB# 165476

## PROPOSAL

DATE	ESTIMATE #
9/3/2011	772

### CUSTOMER CONTACT

THAD OLIVETTI  
 P.O. Box 2768  
 CORVALLIS, OR 97339

Terms	Project
	1st. Albany REMODELING JOB

ITEM	DESCRIPTION	TOTAL
STUCCO	APPLY STUCCO TO THE UPPER PART OF THE BACK WALL INSTALL CEMENT BOARD APPLY BASE COAT AND FINISH COAT PAINT THE WALL (LABOR ONLY)  LABOR AND MATERIAL	2,300.00
BRICKS	REPOINT BRICKS ON THE BACK WALL OF THE BUILDING  LABOR AND MATERIAL	2,200.00
STUCCO	APPLY BASE AND FINISH COAT ON THE STEPS BEHIND THE BUILDING  FOR THE BACK SIDE OF THE BUILDING WE'LL NEED SCISSOR LIFT OR WE'LL HAVE TO RENT THE SCAFFOLDING ( SCAFFOLDING RENTAL IS NOT INCLUDED IN THE PRICE)	300.00
LABOR	FILL IN THE CRACKS INSIDE THE BUILDING  LABOR AND MATERIAL	250.00

IF ACCEPTED PLEASE SIGN AND FAX THE PROPOSAL. THANK YOU.	<b>TOTAL</b> \$5,050.00
--	-------------------------

SUBMITTED BY:

ACCEPTED BY:

SIGNATURE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

# Donald Cunningham Construction

General Contractor ————— CCB #167968

P.O. BOX 1695

ALBANY, OR 97322

OFFICE (541) 791-1525

CELL (541) 990-2808

October 20, 2011

THAD OLEVETTI  
409 1<sup>ST</sup> ST.  
ALBANY OR 97321

RE: DRY WALL

Donald Cunningham Construction hereby submits this *proposal* for: labor and material to drywall 5000+/- building at the above said address.

## *-Inclusions-*

- LABOR
- MATERIAL (1/2 gypsum board)
- TEXTURE (Orange peel)
- CLEAN UP AND HAUL AWAY

## *-exclusions-*

- Engineering
- Permits

# Donald Cunningham Construction

General Contractor \_\_\_\_\_ CCB #167968

P.O. BOX 1696

ALBANY, OR 97322

OFFICE (541) 791-1525

CELL (541) 990-2808

We propose to furnish labor and material to complete in accordance with the above specifications, for the sum of:

**\$5,250.00 FIVE THOUSAND TWO HUNDRED AND FIFTY DOLLERS AND 00 /100**

Payments as follows:

½ Down at signing-----	\$2,625.00
Final upon completion-----	\$2,625.00

Without invalidation this agreement, owner may order extra work or change the existing contract by the use of a change order or additional work order. A change order may consist of additions, deletions, or modifications to the original contract work (the contract sum and the contract time being adjusted accordingly), providing the document is mutually agreed to and signed by both the owner and Donald Cunningham Construction. Such modifications to the original Contract, or subsequent contracts or change work orders may only occur with a signed change work order. This change of work order may change the job completion date. Only one (1) signature from each respective party to this agreement shall be necessary to execute the change order. Any additional sum shall be paid in full (100%), at the next progress payment due or the final payment due, whichever comes first.

Owner(s) understands a design/estimating and coordination fee of \$45.00 per hour will be incurred on the design, drafting and pricing of the change or additional work, whether the change is elected or not by the owner(s).

# Donald Cunningham Construction

General Contractor \_\_\_\_\_ CCB #167968

P.O. BOX 1695

ALBANY, OR 97322

OFFICE (541) 791-1525

CELL (541) 990-2808

Authorized by: Don Cunningham / John Sousa

Signature: 

Note: Contract may be withdrawn by us if not accepted within 30 days.

Acceptance of proposal – The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do project as specified. Payments will be paid in full as outlined in terms of contract. If suit or action is brought to collect the amount due on the contract or any part thereof, the Owner hereby promises to pay such additional sum as the court may adjudge reasonable as attorney's fees in said suit or action.

Signature: \_\_\_\_\_

Date of acceptance: \_\_\_\_\_

Signature: \_\_\_\_\_

Date of acceptance: \_\_\_\_\_



# Project Evaluation Grid: Poris

**Request: \$26,775 forgivable loan or grant**

	Item	Description	Staff Analysis/Comments
<i>Overall Goals</i>			
A)	<p><b>CARA Goal &amp; Objectives:</b> The purpose of this CARA Plan is to eliminate blighting influences found in the CARA, to implement goals and objectives of the City of Albany Comprehensive Plan, and to implement development strategies and objectives for the CARA. The goal and objectives for the CARA have been defined as follows:</p> <p><b>CARA Goal:</b> To revitalize the Central Albany Revitalization Area by implementing the Town Center Plan developed through the Central Albany Land Use &amp; Transportation Study (CALUTS) using a citizen-driven process.</p>	<p>Does the project further the Town Center Plan?</p> <p>Which of CARA's objectives does the project meet?</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Provide a safe and convenient transportation network that encourages pedestrian &amp; bicycle access to and within the town center.</li> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Enhance and protect the community and environmental values of waterway corridors in the area.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>	<p>Yes, Downtown Central Business District Features -Supports retail and service for downtown businesses and residents;</p> <p>This project would meet the following goals:</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>
B)	CARA Planned Projects	Which project category and activity in the UR Plan does this project fulfill? (See CARA Project Activities document, or Table 2 of the UR Plan and Report)	Activity: <u>Commercial Building Rehabilitation</u> described in plan as, "Provide technical assistance and financing &/or grants for the redevelopment of commercial structures, including focus on allowing active re-use of Downtown upper floors and structural issues."
C)	Development Pattern (Highest and Best Use)	<p>Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?</p> <p>Is the proposed project desired in this location and the highest and best use of the property?</p>	<p>Yes.</p> <p><u>Zoning:</u> Historic Downtown (HD) <u>Comp Plan:</u> Village Center</p> <p>Yes. The HD district is intended primarily for a dense mixture of uses with an emphasis on entertainment, theaters, restaurants, night life and specialty shops.</p>
D)	Blight	Would it remedy a severely blighted building? How?	Somewhat. The space has been vacant for a while, this project would complete the tenant improvements and exterior work.
E)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	Yes.

F)	Vitality/People Attractor	Does the general public benefit (i.e. restaurant, carousel, something they can go to, utilize)?	Yes, retail space is what's intended here.
G)	Retail Hotspot (1 <sup>st</sup> Avenue between Lyon and Calapooia)	Is the project located in the Retail Hotspot? If so, will the first floor use be active retail, as recommended in the Retail Refinement Plan?	Yes. Active retail is what's planned for this space.
H)	Sustainable Building	Will the building be built using sustainable practices including LEED or others?	No, not to staff's knowledge.
I)	Residential	Is there a residential component? How many units?	No.
<i>Economic Development</i>			
J)	Bring new business to Albany	Will a new business open or come to Albany as a part of this project?	Unknown at this time.
K)	Job Creation	Will the project create additional jobs? How many, what types and what salary level?	Unknown at this time.
L)	Local Labor and Materials	Has applicant specifically called out a commitment to use a certain percent or amount of local labor and/or materials?	Yes, applicant stated they use local lumberyards and contractors whenever possible.
<i>Financial</i>			
M)	Ratio	Proposed public funds Private funds % of CARA Investment Ratio-Public \$:Private \$	\$53,550 \$26,775 50% 1 : 1
N)	Financial Impacts	What are the financial risks and/or financial benefits to CARA?	No Tax Increment Benefit.
O)	Gap	What is the "Gap" or need of the developer?	Applicant states unforeseen expenses in the last phase have prevented the interior work to be completed.
P)	Private Risk	What is the risk for the developer? What is their skin in the game?	Historic buildings often have unknown problems, as she found out in the first phase. Building has been without a tenant for a bit.
Q)	Tax Increment	Will the project generate an increase in the assessed tax base? How much?	No, applicant has applied for tax freeze.
R)	Tax Increment ROI	Is the ROI on this project less than 5 years, less than 7 years?	None.

*Other Staff Comments:* Applicant has a forgivable loan in place at this time in the amount of \$36,440. Work for this loan has been substantially completed. The request before you is for a second phase of work, primarily tenant improvements on the interior. This is a historic building on one of the highest visibility corners in our downtown. The work completed thus far by the applicant has brought the building very far along.



# CARA Funding Application

333 Broadalbin Street SW, Albany, OR 97321

### 1. APPLICANT

Name: LINDA PORIS

Mailing Address: 35626 OAKVILLE Rd SW  
ALBANY, OR Zip Code: 97321

Contact Name: LINDA (OR) Phone Number: 541 990-8527

↳ Contractor - LARRY PRESTON - 541 812-1144  
Fax Number: 541 704-0300 E-mail Address: lfporis@comcast.net

### 2. BUSINESS/BUILDING INFORMATION

Legal Business Name: STERNBERG CLOTHING

Number of Years in Operation: \_\_\_\_\_

Legal Form: Sole Proprietorship  Partnership  Corporation  S-Corp  LLC   
Profit  Nonprofit

In which state are the incorporation and/or organization documents filed? \_\_\_\_\_

Have you ever filed for bankruptcy?  Yes  No

Project Address (if different than mailing address): 301 1st Ave West

Property Tax Account Number: 80768

Is the building a historic contributing resource? Yes  No

If so, is it on the historic property-tax freeze? Yes  No   
*IN THE process (Applied for)*

### 3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Mailing 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 *Please give a comprehensive description of project.*

1) awnings installed 2) large side window (actually a door)  
undecided 3) repair + replace hardware <sup>on front door</sup> - these items  
will be completed so the 1st phase is finished. 4) New  
Bathroom on main floor 5) basement door move to another  
room to accommodate the new bath, sheetrock & framing 6)  
electrical (is a mess!) 7) soffit, trim, millwork 8)  
paint 9) hardwood in the main area and side rooms,  
carpet upstairs and a strip up the stairs, vinyl in bath  
and utility room

6. TIMELINE FOR COMPLETION OF PROJECT: 01/2012

7. PROJECT COSTS

ESTIMATED COST OF PROJECT: \$ 53,550

ESTIMATED VALUE OF PROJECT UPON COMPLETION: \$ 53,550

Basis for valuation and value upon completion: LARRY PRESTON, GENERAL CONTRACTOR

SOURCES FOR PROJECT:

Owner/Company Contribution	\$ <u>26,775</u>		
Bank (estimated)	\$ _____	Term: _____	Interest Rate: _____
Other (please specify)	\$ _____	Term: _____	Interest Rate: _____
CARA (proposed)	\$ <u>26,775</u>		
<b>TOTAL SOURCES</b>	<b>\$ <u>53,550</u></b>		

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

USES FOR PROJECT:

Land and/or Building Acquisition	\$ _____
Soft Costs *	\$ _____
Construction Costs *	\$ <u>53,550</u>
Tenant Improvements	\$ _____
Machinery/Equipment/Installation Costs	\$ _____
Working Capital	\$ _____
Other (please specify)	\$ _____
<b>TOTAL USES</b>	<b>\$ <u>53,550</u></b>

\*Please provide a detail of Soft Costs and of Construction Costs.

8. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? LARRY PRESTON

(If applicant prepared their own estimate, verification may be required. If bid was used, please attach.)

Mailing Address: 1152 12 Ave SW Albany, OR 97321

Phone Number: (541) 812-1144 E-mail Address: \_\_\_\_\_

9. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION. (Please provide a description of the financial gap requiring CARA assistance.)

Unforeseen major expenses  
occurred during the 1st phase of the improvements  
to the outside which dipped into the funds that were  
set aside for the interior. I have about half  
the amount of the proposal. Without your  
help, I won't be able to finish inside.  
The new furnace/HVAC cost me \$5,000, the flooring was beyond salvaging  
and cost \$2,000 to remove + dispose of bathroom repairs were  
\$1,450 and \$550. The removal of the exhaust vents and window replacement  
cost 305 was \$1800.  
10. WHERE ELSE HAVE YOU LOOKED FOR FUNDING? NO WHERE

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

Because of the high visibility of this  
building at 1st & Broadalbin I believe it's a tremendous benefit  
to the entire downtown revitalization project. Not only  
do we want the outside looking good, but the inside  
needs to look good and be in good condition also, so  
that it's a very desirable space to potential renters.  
Hardwood flooring and brick walls will be  
more historically appropriate.

12. HAVE YOU OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?

Yes  No  If so, amount \$ 36,440

FOR WHAT PROJECT(S): EXTERIOR PAINT, restore + replace 3 historic windows, repair brick on exterior, new trim + studs on front, downspouts, steps/railing, chimney ~~falling of building (removed before painting)~~

13. ASSISTANCE REQUESTED

Total Estimated Project Costs: \$ 53,550  
Your Total Contribution \$ 26,775  
Total Amount Requested from CARA: \$ 26,775

Funding type requested

- Forgiveable loan
  - Forgiveness based on:  Project completion  Other, please describe: \_\_\_\_\_
  - \_\_\_\_\_
  - \_\_\_\_\_
- Small Grant - Matching grants of up to \$5,000 per property minimum 50 % match by applicant.
- Grant - Matching grants of greater than \$10,000 per property minimum 50 % match by applicant.
- Loan Proposed Terms \_\_\_\_\_

COLLATERAL FOR LOANS

CARA Loans are usually secured by the project property (CARA is the primary or subordinate lender) AND by personal guaranties from developer members with an ownership share exceeding 20%. Indicate below what collateral you are offering for the CARA loan.

Preferred Collateral

- First lien position or  subordinate lien position in the project property
- Personal guaranty from developer members (list names): \_\_\_\_\_

Alternate collateral proposed

Description	Estimated Value	(-) Liens	(=) Available Equity
Real Estate - Commercial	\$	\$	\$
Real Estate - Residential	\$	\$	\$
Machinery and Equipment	\$	\$	\$
Accounts Receivable	\$	\$	\$
Other	\$	\$	\$

**Certification**

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Albany Revitalization Area Agency (ARA) 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 preapproved 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.
9. If CARA's total assistance to the project is greater than \$750,000, prevailing wage for the project may apply.
10. (CARA may withhold approval of this application until information satisfactory to CARA is provided.)

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 s/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.

*Amber Paris*  
Applicant's Signature

10-28-11  
Date

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

Return Application and any attachments to: City of Albany  
c/o Kate Patsche, Urban Renewal Manager  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

**FOR CITY USE ONLY**

Date Received: 10-28-11 By: KLP Application Complete:  Yes  No  
Comments: atkinson

Date application returned to applicant for completion: \_\_\_\_\_  
Date application returned to City: \_\_\_\_\_ By: \_\_\_\_\_



**Larry A. Preston**

---

Remodeling & Repair  
CCB#85216

Phone/Fax (541) 812-1144  
October 24, 2011

1152 12th Ave SW  
Albany, OR 97321

Linda Poris  
35626 Oakville Rd SW  
Albany, OR 97321

**PROPOSAL**

This proposal includes all labor and materials to perform the following work at 301 1<sup>st</sup> Avenue, Albany, Oregon:

Awnings	\$10,500.00
Side wall window	\$ 3,500.00
Front door, railings	\$ 950.00

New items:

Floor coverings	\$19,000.00
Bathroom	\$ 7,000.00
Sheetrock, framing	\$ 3,700.00
Interior paint	\$ 3,700.00
Electric	\$ 2,300.00
Soffit, trim, millwork	\$ 2,900.00

The total estimated cost is \$53,550.



# Project Evaluation Grid: United Steel Workers

Request: \$240,000 total: \$140,000 forgivable loan and \$100,000 grant

	Item	Description	Staff Analysis/Comments
<i>Overall Goals</i>			
A)	<p><b>CARA Goal &amp; Objectives:</b> The purpose of this CARA Plan is to eliminate blighting influences found in the CARA, to implement goals and objectives of the City of Albany Comprehensive Plan, and to implement development strategies and objectives for the CARA. The goal and objectives for the CARA have been defined as follows:</p> <p><b>CARA Goal:</b> To revitalize the Central Albany Revitalization Area by implementing the Town Center Plan developed through the Central Albany Land Use &amp; Transportation Study (CALUTS) using a citizen-driven process.</p>	<p>Does the project further the Town Center Plan?</p> <p>Which of CARA's objectives does the project meet?</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Provide a safe and convenient transportation network that encourages pedestrian &amp; bicycle access to and within the town center.</li> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Enhance and protect the community and environmental values of waterway corridors in the area.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>	<p>Yes, this area, called the Main Street District was part of the original vision of the CALUTS plan.</p> <p>This project would meet the following goals:</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>
B)	CARA Planned Projects	Which project category and activity in the UR Plan does this project fulfill? (See CARA Project Activities document, or Table 2 of the UR Plan and Report)	Activity: <u>Property Redevelopment Assistance</u> described in plan as, "Provide assistance & support to developers including technical assistance, financing &/or grants of joint-venture efforts outside of the Downtown area."
C)	Development Pattern (Highest and Best Use)	<p>Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?</p> <p>Is the proposed project desired in this location and the highest and best use of the property?</p>	<p>Yes.</p> <p><u>Zoning:</u> Main Street (MS) <u>Comp Plan:</u> Village Center</p> <p>Yes. The MS district is intended primarily as an employment center with supporting commercial and retail services for residents and employees in the area. Retail, restaurant or night uses that impact surrounding residences are discouraged.</p>
D)	Blight	Would it remedy a severely blighted building? How?	Yes. The building has been vacant for some time and has fallen into disrepair and is blighted.
E)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	No.

F)	Vitality/People Attractor	Does the general public benefit (i.e. restaurant, carousel, something they can go to, utilize)?	Yes, though it is a Union Hall, it should be noted that the training center will be open to the public.
G)	Retail Hotspot (1 <sup>st</sup> Avenue between Lyon and Calapooia)	Is the project located in the Retail Hotspot? If so, will the first floor use be active retail, as recommended in the Retail Refinement Plan?	No.
H)	Sustainable Building	Will the building be built using sustainable practices including LEED or others?	No, not to staff's knowledge.
I)	Residential	Is there a residential component? How many units?	No.

### *Economic Development*

J)	Bring new business to Albany	Will a new business open or come to Albany as a part of this project?	Unknown at this time.
K)	Job Creation	Will the project create additional jobs? How many, what types and what salary level?	Somewhat, one could assert that a job and skills center would enhance our local labor pool and would create better trained workforce.
L)	Local Labor and Materials	Has applicant specifically called out a commitment to use a certain percent or amount of local labor and/or materials?	Yes, applicant stated they will use local contractors and labor whenever possible.

### *Financial*

M)	Ratio	Proposed public funds Private funds % of CARA Investment Ratio-Public \$:Private \$	\$240,000 \$760,000 24% 1 : 3.17
N)	Financial Impacts	What are the financial risks and/or financial benefits to CARA?	Tax increment ROI benefit.
O)	Gap	What is the "Gap" or need of the developer?	Applicant states money is needed to establish the training center component and for exterior renovation of the building.
P)	Private Risk	What is the risk for the developer? What is their skin in the game?	Moving from their current location, expanding their operation substantially and the addition of a training facility in a run-down industrial building.
Q)	Tax Increment	Will the project generate an increase in the assessed tax base? How much?	Yes, approximately \$1.1M over AV from when Salvation Army operated there.
R)	Tax Increment ROI	Is the ROI on this project less than 5 years, less than 7 years?	No—ROI is approximately 11 years.

***Other Staff Comments:*** USW worked with CARA's architect on some possible exterior renovation ideas, which would greatly improve the look of the building (see Dortignacq's sketch and example photo attached). Funding of this project would be focused on the exterior work and the creation of the training center, which would be open to the general public. This pairing of physical upgrade to the structure and creation of a job skills center seems to be a good fit, especially in these economic times.

CARA Funding Application

333 Broadalbin Street SW, Albany, OR 97321



albanypartnership APPLICANT



United Steel Workers Local 6163 ATI Wah Chang & Local 7150 ATI OREMET

Address: 1400 Salem Ave SE Albany OR 97321

Contact Name: Aaron Q. Watts 541-409-0898 aqwatts33@gmail.com
Nick Guitaud 541-979-9755 usw7150@yahoo.com

Fax Number: 541-928-6687

2. BUSINESS/BUILDING INFORMATION

Legal Business Name: USW 6163 & USW 7150

Number of Years in Operation: 50x

Legal Form: Sole Proprietorship [ ] Partnership [ ] Corporation [ ] S-Corp [ ] LLC [ ]
Profit [ ] Nonprofit [x]

In which state are the incorporation and/or organization documents filed? OR

Have you ever filed for bankruptcy? [ ] Yes [x] No

Project Address (if different than mailing address): 1224 Santiam Hwy SE Albany

Property Tax Account Number: \_\_\_\_\_

Is the building a historic contributing resource? Yes [ ] No [ ]

If so, is it on the historic property-tax freeze? Yes [ ] No [ ]

3. OWNER OF PROPERTY (if not applicant) We currently have an offer in on the property.

Name in which title is held: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Mailing 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** *Please give a comprehensive description of project.*

The USW Locals 6163 & 7150 are going to develop a training center at the old Salvation Army building located at 1224 Santiam Hwy. SE, Albany OR 97321. We currently have a program in place that provides training primarily to our members called ICD (Institute for Career Development). A building is needed to expand with this program so we may provide a more versatile range of training to more people. Our goal is to have a facility that will accommodate a variety of training from culinary arts, computer labs, to automotive and industrial skills. This center will also be available to outside organizations for training and will provide a central location for groups throughout Oregon. Organizations such as the Oregon AFL-CIO and LERC (labor education research center) will use this center and will bring many people to the downtown area. In order to have a successful training center, it will be renovated so that it becomes a respectable and desirable business.

**6. TIMELINE FOR COMPLETION OF PROJECT: 1 – 5 YEARS**

**7. PROJECT COSTS**

ESTIMATED COST OF PROJECT: \$ 1 MILLION PLUS

ESTIMATED VALUE OF PROJECT UPON COMPLETION: \$ 1.5 MILLION PLUS

Basis for valuation and value upon completion: This will be a fully functional training center with a professional kitchen, computer labs, conference rooms, office space, industrial bay and meeting hall.

**SOURCES FOR PROJECT:**

Owner/Company Contribution	\$ ICD \$ 240,000
Bank (estimated)	\$ 300,000 Term: _____ Interest Rate: _____
Other (please specify)	\$ LABOR FOR IMPROVEMENTS
CARA (proposed)	\$ 240,000
<b>TOTAL SOURCES</b>	\$ _____

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

**USES FOR PROJECT:**

Land and/or Building Acquisition	\$ _____
Soft Costs *	\$ _____
Construction Costs *	\$ <u>140K</u>
Tenant Improvements	\$ _____
Machinery/Equipment/Installation Costs	\$ <u>100K</u>
Working Capital	\$ _____
Other (please specify)	\$ _____
<b>TOTAL USES</b>	\$ _____

\*Please provide a detail of Soft Costs and of Construction Costs.

**8. PREPARATION OF COST ESTIMATES**

Who prepared your cost estimates? We are in process of acquiring bids from contractors  
(If applicant prepared their own estimate, verification may be required. If bid was used, please attach.)

Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**9. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION. (Please provide a description of the financial gap requiring CARA assistance.)**

OUR INVESTMENT CAPITAL WILL BE PRIORITIZED FOR THE ACQUISITION OF THIS PROPERTY ALONG WITH THE IMPROVEMENTS NECESSARY TO ACCOMMODATE OUR BUSINESS NEEDS. THE TRAINING NEEDS WILL CONTINUE TO BE MET AND THE IMMEDIATE IMPROVEMENTS TO THE INTERIOR OF THE BUILDING MUST BE ADDRESSED SO WE CAN USE THE BUILDING. THE OUTSIDE OF THE BUILDING WILL REQUIRE OUTSIDE RESOURCES TO ASSIST US IN ORDER TO ESTABLISH A STATE OF THE ART TRAINING CENTER. THIS SEVERLEY DILAPEDATED BUILDING WILL BE IMPROVED TO A PROFESSIONAL LEVEL SO WE ARE BETTER ABLE TO BRING FOCUS AND CREATE A SUCCESSFUL TRAINING CENTER THE CITY OF ALBANY WILL BE PROUD OF.

**10. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?**

ICD, Bank, Local Unions,

**11. CONSIDERING THE PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA.**

**THE VALUE THAT THIS PROJECT WILL PROVIDE TO THE CITY OF ALBANY IS DYNAMIC.**

- THE SALVATION ARMY BUILDING THAT WE WILL ACQUIRE IS CURRENTLY TAX EXEMPT. IT WILL NOT BE TAX EXEMPT WHEN WE PURCHASE. THIS WILL BRING CLOSE TO \$6000 IN TAX REVENUE THAT THE CITY CURRENTLY DOES NOT HAVE.
- UPON COMPLETION OF THE PROJECT, THE TAX ASSESSMENT VALUE WILL INCREASE.
- THE ECONOMIC DEVELOPMENT THAT THIS PROJECT BRINGS TO THE CITY OF ALBANY WILL ENCOMPASS THE COMMUNITY AT LARGE.
- NEW JOBS WILL BE CREATED TO STAFF THE FACILITY. NEW JOBS WILL BE CREATED FROM THE FACILITY.
- NEW BUSINESSES WILL BE DRAWN TO THE AREA BOTH FROM THE SUCCESSFUL TRAINING OF NEW PROFESSIONALS AND FROM THE POSITIVE INFLUENCE CREATED BY OUR PRESENCE.
- LOCAL BUSINESS WILL BE ECONOMICALLY STIMULATED BY THE INCREASE OF TRAFFIC CREATED BY THIS CENTER.
- THE MEMBERS OF THIS COMMUNITY WILL BE ABLE TO DEVELOP AND IMPROVE THEIR SKILL BASE LEADING TO HIGHER WAGE JOBS.
- OUTSIDE ORGANIZATIONS SUCH AS LERC (LEADERSHIP EDUCATION RESOURCE CENTER) AND AFL-CIO WILL UTILIZE THE CENTER FOR EVENTS BRINGING HUNDREDS OF PEOPLE TO THE ALBANY AREA EVERY YEAR. THESE PARTICIPATING ORGANIZATIONS WILL BRING PEOPLE IN FOR CONFERENCES AND TRAINING, STAYING IN LOCAL HOTELS AND DINING, INCREASING COMMERCE IN THE DOWNTOWN AREA.
- WE, THE UNITED STEEL WORKERS AT ATI WAH CHANG AND OREMET HAVE BEEN IN THE ALBANY AREA FOR 50 YEARS AND WILL CONTINUE TO PROVIDE SERVICE TO ITS EMPLOYEES, THE CITY AND LOCAL COMMUNITY. WE ARE LEADERS IN THIS COMMUNITY AND READY TO TAKE ON A PROJECT OF THIS NATURE. WE ARE EXCITED TO TRANSFORM THIS BLIGHTED BUILDING IN DOWNTOWN, INTO WHAT WILL BE AN ESTABLISHED WELL KNOW LANDMARK AND FOCAL POINT FOR THE CITY OF ALBANY.
- WE WILL USE OUR RESOURCES THROUGH ICD TO SECURE QUALIFIED LOCAL CONTRACTORS AND LABOR TO ACCOMPLISH OUR GOALS FOR IMPROVEMENTS AND TRAINING. KEEP IT LOCAL.
- THE CITY OF ALBANY WILL HAVE AN UPDATED, IMPROVED AND BEAUTIFUL PROPERTY TO BE PROUD OF.

**12. HAVE YOU OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?**

Yes  No  If so, amount \$ \_\_\_\_\_

FOR WHAT PROJECT(S): \_\_\_\_\_  
 \_\_\_\_\_

**13. ASSISTANCE REQUESTED**

Total Estimated Project Costs: \$ \_\_\_\_\_

Your Total Contribution \$ \_\_\_\_\_

Total Amount Requested from CARA: \$ \_\_\_\_\_

**Funding type requested**

Forgivable loan

Forgiveness based on:  Project completion  Other, please describe:

Small Grant - Matching grants of up to \$5,000 per property minimum 50 % match by applicant.

Grant - Matching grants of greater than \$10,000 per property minimum 50 % match by applicant.

Loan Proposed Terms \_\_\_\_\_

**COLLATERAL FOR LOANS**

CARA Loans are usually secured by the project property (CARA is the primary or subordinate lender) AND by personal guaranties from developer members with an ownership share exceeding 20%. Indicate below what collateral you are offering for the CARA loan.

**Preferred Collateral**

First lien position or  subordinate lien position in the project property

Personal guaranty from developer members (list names):

**Alternate collateral proposed**

	Description	Estimated Value	(-)Liens	(=)Available Equity
Real Estate - Commercial		\$	\$	\$
Real Estate - Residential		\$	\$	\$
Machinery and Equipment		\$	\$	\$

Accounts Receivable		\$	\$	\$
Other		\$	\$	\$

**Certification**

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Albany Revitalization Area Agency (ARA) 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 preapproved 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.
9. If CARA's total assistance to the project is greater than \$750,000, prevailing wage for the project may apply.
10. (CARA may withhold approval of this application until information satisfactory to CARA is provided.)

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 s/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.

*Jaron Quent*  
Applicant's Signature

10/28/2011  
Date

\_\_\_\_\_  
Applicant's Signature

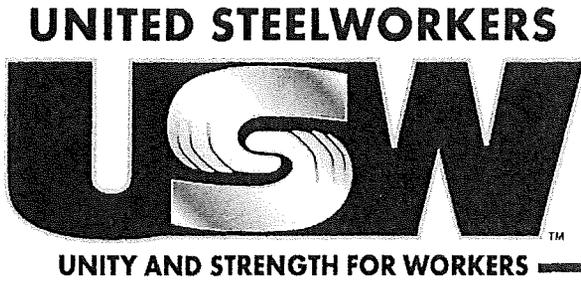
\_\_\_\_\_  
Date

Return Application and any attachments to: City of Albany  
c/o Kate Porsche, Urban Renewal Manager  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

**FOR CITY USE ONLY**

Date Received: 10-28-11 By: K.P. Application Complete:  Yes  No

Comments: attached



AFL-CIO District 12

Local Unions 6163 & 7150

Dear Cara Board,

United Steelworkers (USW) Local 6163 who has represented the workers at ATI Wah Chang for the last 50 years and United Steelworkers Local 7150 who has represented the workers at the ATI Albany Operations (OREMET) for the last 40 years have an exciting project in the works in the city of Albany. United Steelworkers currently have an offer to purchase the former Salvation Army building at 1224 Santiam HWY SE, Albany and transform the site into a Steelworker Community Training Center. We have met with the city planning departments, the Cara contracted engineer, as well as several local contractors and local landscape designers. In order for the United Steelworkers to accomplish such a large undertaking of an extensive remodel to transform the blighted former Salvation Army building into a destination spot the city of Albany can be proud of, we are requesting to use Cara funds to help absorb some of the costs (GAP).

The United Steelworkers (USW) have been an active part of this community for over 50 years and are ready to become a leader in rebuilding the neighborhood which leads directly to our downtown area. Currently the site has been closed and boarded up for years. The interior is in as much disrepair as the exterior of the building, but a very solid recipe for a state of the art training facility. This facility would be operated by the United Steelworkers Institute for Career Development (ICD). This program has currently been operating here in Albany since 2001, offering USW members a variety of career development classes to expand their resume of skills. We have had community members successfully start new careers in carpentry, nursing, welding, mechatronics, truck driving, concrete, woodworking, green energy, computer science, chef school, labor relations to name a few.

ICD who is currently sharing an office with the USW site on Salem Ave, now employs a curriculum coordinator. We currently send people out to training facilities in order to meet their needs as well as hold USW conferences and training sessions in communities which have facilities large enough accommodate. By renovating the old Salvation Army site and opening the USW training facility we can keep a majority of our training in Albany as well as open these opportunities up to the general public. We will be enabled to host events here in Albany rather than in Eugene or Portland. This brings many things to our community. We can commit to bringing in visitors attending training and conferences yearly who will reside in local hotels, eat at our local eateries and shop in our downtown shops. Much of the work in renovating the building will be done in the format of a training course. The awning will be part of our welding curriculum. The irrigation and electrical will also be a training course. The USW commits to using local contractors, instructors and materials also bringing funding into our community. *The commitment is 100% of the time local first, Oregon made second and always American made if possible. Our local contractors and instructors will always have preference.* As our community center becomes established we will also be increasing staffing levels to maintain the curriculum and training facility. The USW being one of the leaders in the labor movement will continue to offer working family wage and benefit packages to employees at the site. The proposed site offers many other benefits to the city of Albany and the Cara district. Currently the former Salvation Army building is tax exempt. If the USW acquires the site the property will become taxable bringing revenue into the Cara district. The 2010 taxes were approaching \$6,000.00 and after the remodel of the dilapidated building the tax value will increase dramatically.

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International  
Union

1400 Salem Avenue SE ~ Albany, OR 97321-4632 ~ (541) 926-6789 Office ~ (541) 928-6687 Fax

Our proposal is requesting Cara release up to \$140,000.00 in the form of a forgivable loan. In turn the USW will commit to completing the renovation of the exterior of the site within 24 months, again using local contractors and community members to complete the work. The USW will release to the Cara board all documentation to support this claim. The USW will hold a minimum of 6 events brining in outside residents to the training site. These attendees will be given information about the city of Albany and encouraged to explore our downtown area after training sessions, attracting consumers to the downtown area. The USW will provide rosters of attendees to Cara providing evidence the training facility is bringing in outside revenue to the downtown area. The USW will remove all plywood from the windows and doors and bring the landscaping up to par within the first 3 months of acquiring the site. When the USW will provide verification to ensure to Cara that these action items have been completed, Cara shall forgive the loan.

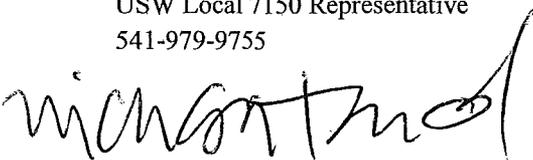
The United Steelworkers are also requesting Cara release funds in the form of a \$100,000.00 grant. This funding will be to complete a complete state of the art kitchen facility in the building. The proposed kitchen will be completed within the first 24 months of operation of the training facility. The kitchen funding will go toward installing 100% American made appliances. The community will be enabled to take part in course on healthy cooking. Courses on speciality cooking practices will also be offered, such as cooking for diabetics, children in certified daycares and schools. We will also work with community groups who wish to teach specific ethnic cooking, vegan dishes, etc. to our community members. The USW believes this will be a substantial asset to our community, since there are currently no local facilities available to accommodate these courses. The USW is very excited to establish this training facility here in Albany. We will provide a central training site in the heart of the mid valley. Again we have ambitious visions of this site and can only move forward with support from our community. The USW will in turn train residents in our community to help them develop the skill needed to acquire a working family wage career. We have most of our start up funding allocated to acquiring the building and renovating it to meet our business needs.

Currently the asking price on the site is \$475,000.00. The exterior renovation is estimated to cost up to \$140,000.00 which will be confirmed with bids from local contractors prior to the CARA presentation. This funding will be applied solely on the exterior of the site. We have met with various local contractors such as Shonards Nursery, Garlands, U and D Nursery, Stutzman design, Fitzpatrick Painting, Armstrong Painting, Chuck Foster contracting, Wright and Sons Construction for competitive bids to complete the project. Again all labor and material will be locally contacted if possible. The interior of the building also needs much renovation, and will also require a substantial investment to complete. Currently the building is basically a blank shell with no real assets within the interior. The USW is requesting a \$100,000.00 grant to complete the installation of the kitchen. This will enable the USW to focus our funding on completing the interior of the building. The work remodeling the interior will be contracted 100% locally and be completed as training courses; such as courses on framing, welding, concrete countertops, home electrical, flooring, window installation, suspended ceiling installation, drywall, sound system design, etc. providing many learning opportunities to members of our community.

The United Steelworker Locals 7150 and 6163 believe this large investment will provide endless returns for the community and their residents. We will not only be renovating a forgotten building in the Cara district but will be creating a place where residents can come to enrich their lives and careers. We will be giving back to our community and showcasing the commitment the United Steelworkers have for the great city of Albany. The USW thanks you for taking the time to consider our proposal. We look forward to moving forward with this project and creating Albany's first tradesman training center.

Respectfully submitted,  
Nick Gaitaud  
USW Local 7150 Representative  
541-979-9755

Aaron Watts  
USW Local 6163 Representative  
541-409-0898



Structural ceiling

Architectural components  
to fire-shake system

Steel hallway finished

Taller entry canopy  
in steel & concrete  
eye focal point

Walker  
Mural

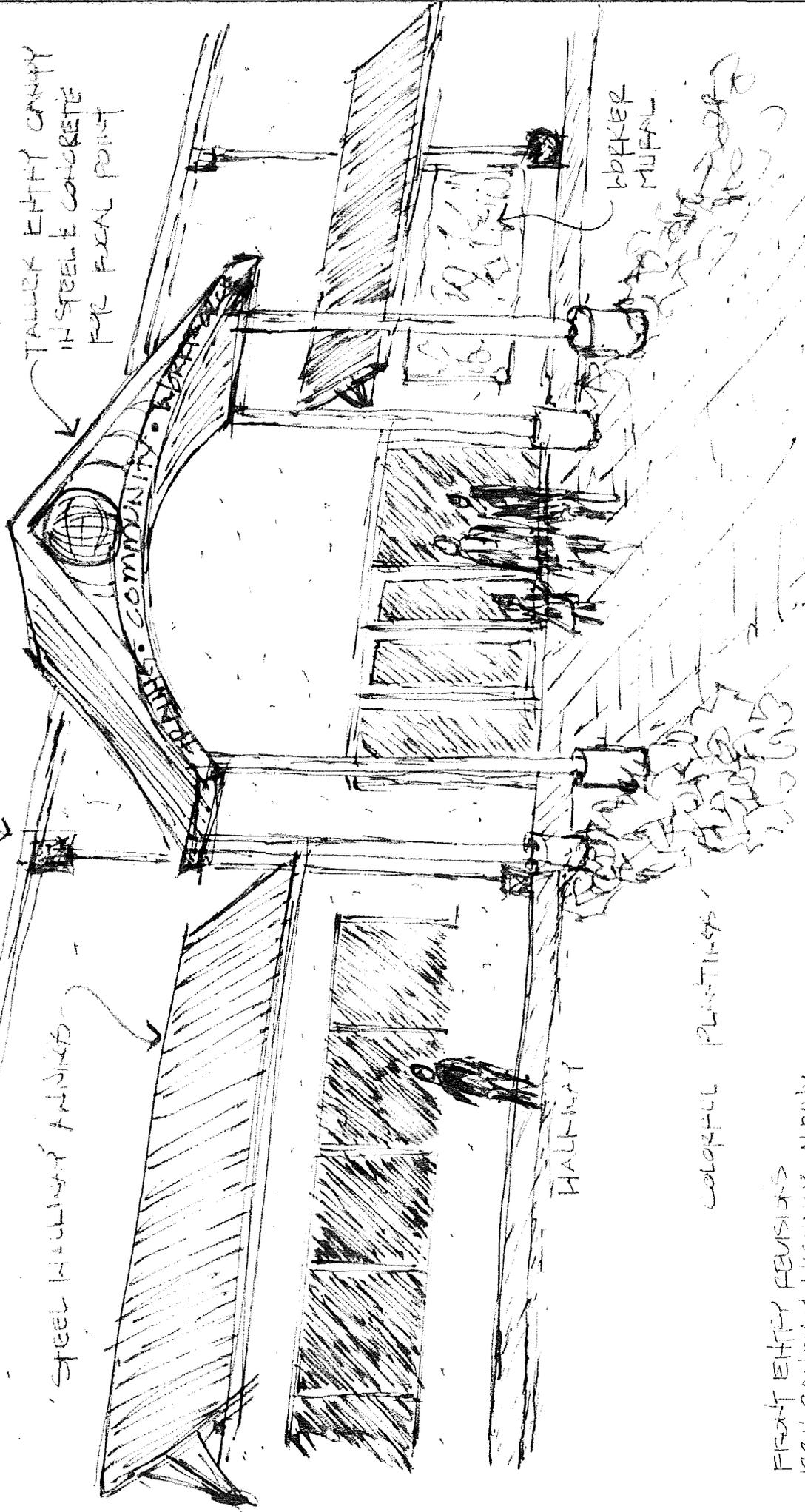
Pedestrian plaza  
connection to street

Colossal plantings

HALLOWAY

FRONT ENTRY REVISIONS  
1224 SANTIAM HIGHWAY, ALBANY  
USDW # 7150

DEPT. OF ARCHITECT 12/18/11





*Similar Building style in Portland.*



# Project Evaluation Grid: Woodland Square, Innovative Housing

**Request: \$1,450,000 forgivable (two-phased funding)**

	Item	Description	Staff Analysis/Comments
<i>Overall Goals</i>			
A)	<p><b>CARA Goal &amp; Objectives:</b> The purpose of this CARA Plan is to eliminate blighting influences found in the CARA, to implement goals and objectives of the City of Albany Comprehensive Plan, and to implement development strategies and objectives for the CARA. The goal and objectives for the CARA have been defined as follows:</p> <p><b>CARA Goal:</b> To revitalize the Central Albany Revitalization Area by implementing the Town Center Plan developed through the Central Albany Land Use &amp; Transportation Study (CALUTS) using a citizen-driven process.</p>	<p>Does the project further the Town Center Plan?</p> <p>Which of CARA's objectives does the project meet?</p> <p><b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Provide a safe and convenient transportation network that encourages pedestrian &amp; bicycle access to and within the town center.</li> <li>◆ Preserve the Historic Districts, historic resources and existing housing in the area.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Enhance and protect the community and environmental values of waterway corridors in the area.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>	<p>Yes, this area, called the Main Street District was part of the original vision of the CALUTS plan. Moreover, the original boundary of the CARA District was expanded to include this specific site in hopes it would redevelop someday with some assistance.</p> <p>This project would meet the following goals: <b>CARA Key Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Attract new private investment to the area.</li> <li>◆ Retain and enhance the value of existing private investment and public investment in the area.</li> </ul> <p><b>CARA Additional Objectives:</b></p> <ul style="list-style-type: none"> <li>◆ Provide a safe and convenient transportation network that encourages pedestrian &amp; bicycle access to and within the town center.</li> <li>◆ Create a readily identifiable core that is unique and vibrant with a mixture of entertainment, housing, specialty shops, offices, and other commercial uses.</li> <li>◆ Increase residential density in the area.</li> <li>◆ Encourage the development of new forms of housing and home ownership.</li> <li>◆ Enhance and protect the community and environmental values of waterway corridors in the area.</li> <li>◆ Provide an enriching environment and livable neighborhoods.</li> </ul>
B)	CARA Planned Projects	Which project category and activity in the UR Plan does this project fulfill? (See CARA Project Activities document, or Table 2 of the UR Plan and Report)	Activity: <u>Housing Development</u> described in plan as, "Pre-development, property acquisition &/or development in partnership for affordable housing &/or mixed use. Partnership opportunity." And <u>Gateways to Central Albany</u> - Gateway amenities near Pacific & Santiam, & along Pacific near Queen.
C)	Development Pattern (Highest and Best Use)	<p>Does it achieve desired land use (e.g., mixed-use, higher density) and/or transportation objectives (e.g., Esplanade, pedestrian-friendly areas)?</p> <p>Is the proposed project desired in this location and the highest and best use of the property?</p>	<p>Yes. <u>Zoning &amp; Comp:</u> Residential Medium Density (RM)</p> <p>Yes. The RM District is primarily intended for medium-density residential urban development.</p>
D)	Blight	Would it remedy a severely blighted building? How?	Yes. This site has been significantly blighted for some time. The hazardous, unsafe area would be redeveloped into workforce housing.
E)	Preservation	Would it rehabilitate or sensitively redevelop a historic property?	No.

F)	Vitality/People Attractor	Does the general public benefit (i.e. restaurant, carousel, something they can go to, utilize)?	No.
G)	Retail Hotspot (1 <sup>st</sup> Avenue between Lyon and Calapooia)	Is the project located in the Retail Hotspot? If so, will the first floor use be active retail, as recommended in the Retail Refinement Plan?	No.
H)	Sustainable Building	Will the building be built using sustainable practices including LEED or others?	Yes, applicants will use sustainable practices including water and energy conservation, on-site swales, and an advanced building envelope.
I)	Residential	Is there a residential component? How many units?	Yes, this project will create 54 units of housing.

### *Economic Development*

J)	Bring new business to Albany	Will a new business open or come to Albany as a part of this project?	No.
K)	Job Creation	Will the project create additional jobs? How many, what types and what salary level?	No.
L)	Local Labor and Materials	Has applicant specifically called out a commitment to use a certain percent or amount of local labor and/or materials?	Yes, applicants are willing to commit a minimum of 15% of project funds, or \$1.5M to local labor and materials.

### *Financial*

M)	Ratio	Proposed public funds Private funds % of CARA Investment Ratio-Public \$:Private \$	\$1,450,000 \$9,158,436 14% 1 : 6.32
N)	Financial Impacts	What are the financial risks and/or financial benefits to CARA?	Some Tax increment ROI benefit.  Once approved by CARA applicants will still need to apply to the state for tax-credit funding. In the worst-case scenario CARA says yes to the project, and would have spent \$52K on the predevelopment pieces, with the other amounts set aside, but then it isn't approved for funding. We would know this outcome as of July 2012.  Additionally, our money will be secured with a first lien on the property until construction begins, so that our risks are mitigated.
O)	Gap	What is the "Gap" or need of the developer?	Applicant states overcoming barriers to development on this specific site, because of the lucrative cash-flow that its current use generates. Additionally, matching funds are necessary to make their application to the state competitive.
P)	Private Risk	What is the risk for the developer? What is their skin in the game?	The neighborhood is in transition, additionally, IHI will expend about \$40K on preparing their application for the state funding. On these projects the deferred developer fee (which would be used to create other affordable projects) only goes to them if the project is cash-flowing. IHI is on the hook for the resident services and asset management fees if there isn't enough cash-flow. There is also opportunity cost in that they are contributing their cash to backing this project in Albany.

Q)	Tax Increment	Will the project generate an increase in the assessed tax base? How much?	Yes, increase in taxes would be about \$25K per year due to special assessment for affordable housing projects.
R)	Tax Increment ROI	Is the ROI on this project less than 5 years, less than 7 years?	No—ROI is approximately 34 years.

*Other Staff Comments:* IHI has worked extensively with staff, the East Salem Neighborhood, and the community to create a project that will be a win-win for the community. Proactively working to reach out and see what type of project would be a good fit to our community and what aspects of the project were a priority to us, IHI has come up with an excellent fit for our CARA program.

This project meets the greatest number of CARA goals, hitting on many key objectives. Secondly, this specific parcel is extremely blighted and, as indicated above, the original boundary of the CARA District was expanded to the site in hopes it would redevelop someday with some assistance. That day is before you now.

Though the project does not pencil out for a ROI in our typical five- or seven-year goal, the property will generate some return through property tax. However, staff feels that the real benefits from this project are found in how it will transform the East Salem Neighborhood and the gateway to our community. Please see the letter attached to the application from the neighborhood group. It outlines how, when CARA approached the neighborhood about how we could help change their area, their top priority was the transformation of this site.

In researching best practices from the Portland Development Commission (PDC), I was made aware of their community's commitment to affordable housing; PDC has specific policy that sets aside a certain percent of funding from their Urban Renewal Areas that is guaranteed to fund projects like this project IHI is proposing.

The details of the transformation are worthy of noting as well: 54 units of affordable housing for our community, an area where we have a significant need; an extremely well-designed and attractive project which will benefit those living there and those entering Albany through the Salem Avenue gateway; resident services such as budgeting, homework help for kids; a commitment to use local contractors and materials; enhancement of the Periwinkle Creek riparian area; sustainable elements to the buildings and site.

Additionally, IHI has suggested a break-out of the funding timing, which would free up cash flow:

First Piece

January 2012	\$ 52,000	Early work (demo and property investigation)
August 2012	\$600,000	Property Purchase (CARA in first position; CARA would need to subordinate to construction lender 5/2013)
May 2013	\$300,500	At Construction Loan Closing (permits, SDC's, Architectural)
<b>Total</b>	<b>\$952,855</b>	

Second Piece – to be committed now but come out of next round of funding

October 2013	\$425,000	Construction
April 2014	\$ 72,500	Five percent retainage
<b>Total</b>	<b>\$497,500</b>	



# CARA Funding Application

333 Broadalbin Street SW, Albany, OR 97321

## 1. APPLICANT

Name: \_\_\_\_\_ Innovative Housing, Inc. \_\_\_\_\_

Mailing Address: \_\_\_\_\_ 219 NW 2<sup>nd</sup> Avenue, Portland, OR \_\_\_\_\_ Zip Code: \_\_\_\_\_ 97209 \_\_\_\_\_

Contact Name: \_\_\_\_\_ Julie Garver \_\_\_\_\_ Phone Number: \_\_\_\_\_ 503-226-4368, ext. 3 \_\_\_\_\_

Fax Number: \_\_\_\_\_ 503-226-2509 \_\_\_\_\_ E-mail Address: \_\_\_\_\_ jgarver@innovativehousinginc.com \_\_\_\_\_

## 2. BUSINESS/BUILDING INFORMATION

Legal Business Name: \_\_\_\_\_ Innovative Housing, Inc. \_\_\_\_\_

Number of Years in Operation: \_\_\_\_\_ Since 1984 \_\_\_\_\_

Legal Form: Sole Proprietorship  Partnership  Corporation  S-Corp  LLC   
Profit  Nonprofit

In which state are the incorporation and/or organization documents filed? \_\_\_\_\_ Oregon \_\_\_\_\_

Have you ever filed for bankruptcy?  Yes  No

Project Address (if different than mailing address): \_\_\_\_\_ 1415 Salem Avenue SE, Albany, OR 97321 \_\_\_\_\_

Property Tax Account Number: \_\_\_\_\_ 11S03W05CC-500 \_\_\_\_\_

Is the building a historic contributing resource? Yes  No

If so, is it on the historic property-tax freeze? Yes  No

## 3. OWNER OF PROPERTY (if not applicant)

Name in which title is held: \_\_\_\_\_ Larry Mathews \_\_\_\_\_

Contact Name: \_\_\_\_\_ Larry Mathews \_\_\_\_\_

Mailing Address: \_\_\_\_\_ P.O. Box 1386, Silverton, OR \_\_\_\_\_ Zip Code: \_\_\_\_\_ 97381 \_\_\_\_\_

Phone Number: \_\_\_\_\_ 503-931-3373 \_\_\_\_\_

## 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.)

SEE LETTER ATTACHED

## 5. DESCRIPTION OF PROJECT *Please give a comprehensive description of project.*

The Woodland Square Project is a 54 unit apartment home project with 1 bedroom, 2 bedroom, 3 bedroom and 4 bedroom units in a townhouse-over-flat configuration. The proposed development seeks to replace substandard housing with new, safe, and code-compliant apartment homes for working families and individuals. The two acre development will incorporate and preserve many of the mature trees on the site and restore the Periwinkle Creek canyon area. Additional improvements and amenities will include 93 parking spaces (or as code requires), a play area, covered bike parking, and on-site drainage swales. A trail for residents and the public will be incorporated along the top edge of the creek canyon between Salem and 2<sup>nd</sup>. New sidewalks along Pine and 2<sup>nd</sup> Streets will improve the street frontages, and new street trees will fill in where mature trees do not exist along the streetscape. Five townhouse-style buildings on the site will be arranged to face Salem and 2<sup>nd</sup>, and will feature front doors and porches facing the streets. Accessibility is an important feature, with 17 of the units single-level ground floor flats. Building design will be traditional, with Craftsman detailing that includes gable brackets and knee braces to help the new structures blend into the historic neighborhood and community. Cladding will feature a combination of Hardi lap, shingle, board-and-batten, and brick. The project will focus on Energy efficiency and utilize Energy Star appliances and lighting, an ultra efficient building envelope, fiberglass windows with high energy performance, water saving fixtures and landscaping with native plants that require less watering.

### LOCAL COMPANIES

The project will utilize local companies , committing to a local component of 15% of the total project cost, or \$1,591,265. The project GOAL will be to utilize local companies for 30% - 50% of total project costs, but this number will be dependent on competitive bidding. From initial costing, we have found local companies to be more expensive than companies in larger markets. This result may be skewed by the fact that our project is quite large, and requires a certain level of production capacity, which is sometimes challenging for smaller local companies. Our project must find the "middle ground" between competitive prices and local companies, so we will commit to 15% and then strive for more.

### PROPERTY TAXES

Long term, the project will pay annual property taxes estimated at \$25,000 for the first year. This is based on a special assessment for affordable housing projects due to the fact that rents, and therefore operating income, are restricted for at least 60 years. The benefit of the special rate is multifold for our particular project: 1) First, the special tax rate contributes to long term project stability because the operating budget will have more room for ongoing maintenance, staffing and Resident Services. The tax savings will never mean extra "profit" to the developer since IHI is a non-profit. 2) Second, long term project stability supports long term neighborhood stability. 3) Third, because the special tax rate is lower than the market tax rate would be, the State will include this toward the local "dollar match" for our competitive application for State funds and Federal Low Income Housing Tax Credits. Combining the special tax assessment with our funding request from CARA results in the project achieving a 15% local match, which gives us the most points possible in this category and helps position the project advantageously for the a highly competitive funding round this Spring. This is important because State funding is necessary for the project to proceed.

### RESIDENT SERVICES

Innovative Housing is committed to providing services to residents that help people succeed in housing. These services will be tailored to the people who move into the apartment homes. For working families and individuals at 50% and 60% of median income, services will likely include budgeting classes and assistance for adults, homework help for kids, educational workshops, trainings about energy & water conservation techniques, and other opportunities that help residents maintain their housing stability and achieve financial independence.

**6. TIMELINE FOR COMPLETION OF PROJECT:**

- If awarded CARA funding, IHI will apply to the State in March, 2012.
- If awarded State funding in July, 2012, final design work will begin immediately and we will apply for permits in January, 2013. Construction will break ground in June, 2013 and be completed by April, 2014.

**7. PROJECT COSTS**

ESTIMATED COST OF PROJECT: \$6.9 MILLION, HARD COSTS

ESTIMATED VALUE OF PROJECT UPON COMPLETION: \$5.8 MILLION, REPLACEMENT VALUE  
\$3.5 MILLION, ESTIMATED MARKET VALUE

Basis for valuation and value upon completion:

The replacement value was provided by our insurance agent. The market value of affordable housing is affected by the rent and income limits on the property. We explored recent apartment sales of newer properties to develop the estimated value.

**SOURCES FOR PROJECT:**

Owner/Company Contribution	\$225,000 DEVELOPMENT LOAN/DEFERRED DEVELOPER FEE \$300,000 PREDEVELOPMENT LOAN \$820,000 CONSTRUCTION LOAN GUARANTEE UNLIMITED CONSTRUCTION COST OVERRUN GUARANTEE UNLIMITED ENVIRONMENTAL INDEMNIFICATION \$975,000 OPERATING DEFICIT GUARANTEE \$1.5 MILLION LIQUIDITY REQUIREMENT DURING CONSTRUCTION 60 YEAR AFFORDABLE RENT PROPERTY COVENANT
Bank (Special Rate Mortgage)	\$ 1 MILLION Term: 30 yrs Interest Rate: 3.25%
Other (Tax Credits)	\$ 7,633,437 Project Equity, Private Investor Funded
Grants (Oregon Housing)	\$ 300,000 Trust Fund, GHAP, Weatherization Grant
CARA (Proposed)	\$ 1.45 MILLION
<b>TOTAL SOURCES</b>	<b>\$ 10,608,436</b>

Is your funding for these:  available today  **To be applied for & leveraged by CARA**   
unknown at this time

**USES FOR PROJECT:**

Land and/or Building Acquisition	\$ 600,000
Soft Costs *	\$ 2,559,450
Construction Costs *	\$ 6,949,978
Tenant Improvements	\$
Machinery/Equipment/Installation Costs	\$
Working Capital	\$
Other (hard cost contingency)	\$ 499,008
<b>TOTAL USES</b>	<b>\$ 10,608,436</b>

\*Please provide a detail of Soft Costs and of Construction Costs.

## 8. PREPARATION OF COST ESTIMATES

Who prepared your cost estimates? Hard costs: Greenberry Construction, Soft Costs: Innovative Housing  
(If applicant prepared their own estimate, verification may be required. If bid was used, please attach.)

Mailing Address: Greenberry Construction, 2211 NW Professional Drive, Suite 201, Corvallis, OR 97330

Phone Number: 541-752-0381, ext. 308

E-mail Address: greg@greenberryconstruction.com

9. EXPLAIN WHY CARA FUNDING IS NECESSARY TO INSURE PROJECT COMPLETION. *(Please provide a description of the financial gap requiring CARA assistance.)*

### OVERCOMING BARRIERS TO DEVELOPMENT AT THIS SITE

The Woodland Square property was identified by the City as a potential redevelopment site many years ago. However, its current use as a mobile home park, while not ideal for a variety of reasons, provides a form of housing and generates income for the current property owner. Time has proven that this use is not easy to redevelop, in large part due to its purchase price. As demonstrated by a review of recent comparable sales, the market value of a mobile home park is substantially higher than the market value of vacant land. Thus, it is more expensive to purchase the site in order to replace its current use with high-quality apartment homes than it would be to develop a similar, vacant site elsewhere in the region. Another challenge is the relocation of current families living at the mobile home park. The state requires that residents receive compensation when a mobile home park is closed, further increasing the cost of redeveloping this particular site. In addition, overall property values in the area remain low and other improvements in the neighborhood, while they are happening, are coming slowly. Therefore the area has trouble supporting the type of values that a new construction project needs to secure both construction and permanent financing. In order to build the kind of quality project desired by the community on this particular site, additional funding is needed to support the unique costs presented by redevelopment that cannot be supported by the general market at this time. CARA funding is critical to overcoming these challenges and crafting a project that not only sunsets the current mobile home park use and relocates residents, but also creates a positive impact in the neighborhood and community.

### LEVERAGING COMPETITIVE FUNDS

Every year Oregon's Housing and Community Services Department funds approximately ten affordable housing tax credit projects throughout the State. Projects and local communities must apply to a highly competitive process at the state level in order to be awarded this funding. Once tax credits are awarded, the developer selects a private investor partner who contributes equity to the project in exchange for tax credits and other real estate benefits such as depreciation. About 70% of the affordable apartment development costs are typically funded by the tax credit private investor, with other project sources including government grants, local communities and jurisdictions, foundations, mortgages, and developer loans. In order to be competitive for the tax credits at a State level, a project must bring matching funds. Many times this match comes from local communities that wish to leverage their resources to attract quality affordable housing to their cities. In some cases Project Based Section 8 can count toward the match. We checked with the Linn Benton Housing Authority, and there are no Project Based Section 8 vouchers available. In some cases, private foundations contribute funds to projects. However the goals of private foundations typically relate to housing for special populations such as people who are homeless or have special needs including mental illnesses and/or substance abuse issues. For the Woodland Square project, we are not proposing to house formerly homeless people or special needs groups, so we will not be seeking private foundation support. The Woodland Square project seeks to address a different need, one that is more community based. It seeks to revitalize a property that is in need of redevelopment, set a standard of quality and design for the neighborhood, encourage future

projects by making a significant investment in the area, and provide housing for working families at affordable rents. These goals are compelling for the local community, but not necessarily for foundations. That is why the CARA investment is so critical: because this project addresses local needs and priorities. A strong local investment will indicate very clearly to the State that Albany supports this project and seeks to leverage its local resources to attract significant State funding, making the development highly competitive in the upcoming State tax credit application cycle.

#### 10. WHERE ELSE HAVE YOU LOOKED FOR FUNDING?

We have and will seek to secure funding from a range of sources in addition to CARA. Project funding includes a special rate mortgage, state grants, tax credit equity contributed by a private investor, and developer loans, guarantees and liquidity. As discussed above, we do not feel that private foundations are appropriate for this project given the population we seek to house. Section 8 rental assistance would be desirable, but project based vouchers are not available at this time. Increasing the permanent mortgage amount could be perceived as an option, but it is not a good one. A higher loan amount would require higher rents, reducing affordability to families. More importantly, if rents are increased to support a higher mortgage, the project would not be eligible for the special low interest rate, actually increasing debt service and undermining the purpose of a larger mortgage. Innovative Housing has decades of experience crafting viable development and operating budgets for multifamily properties; based on our experience, we believe we have maximized the potential sources for this proposed development.

#### 11. CONSIDERING THE PROJECT GOALS OUTLINED IN THIS APPLICATION, PLEASE IDENTIFY THE VALUE YOUR PROJECT BRINGS TO CARA.

##### COMMUNITY

- Retains and enhances public and private investment in the area by improving a large parcel that has been a detractor to the neighborhood for many years.
- Attracts new investment to the area by creating an exciting new, high quality development that will help raise expectations, property values and neighborhood visibility.
- Removes a barrier to a safe neighborhood that includes vacant buildings, vacant mobile homes, and overgrown vegetation.
- Increases residential density in an area that already has the infrastructure to support it, including mass transit, utilities, parks, schools, churches and other services.
- Supports the Town Center Plan by providing increased residential density within walking distance of the Town Center Plan area, and offering a traditional housing design within the CARA District that enhances and compliments the historic character of the area.
- Enhances Albany's image by locating attractive, quality buildings along a busy street that serves as a gateway to the community.

##### TRANSPORTATION

- Supports mass transit by placing a dense development on an existing transit corridor.
- Encourages transportation alternatives by providing a large, covered bike structure.
- Exemplifies 'smart growth' by placing housing within walking distance of services and amenities.

##### ENVIRONMENTAL

- Incorporates a natural area, greenspace, and large mature trees into the design that provide shading.
- Enhances and protects the waterway creek corridor.
- Benefits the general public by providing public access to the creek corridor.
- Utilizes sustainable practices including water conservation, energy conservation, solar orientation of buildings, advanced building envelope, and on-site swales that clean and retain stormwater.
- Focuses on resident education that includes energy/water conservation and recycling.

HOUSING

- Provides a new affordable, high quality housing choice in a close in, established residential area.
- Supplies options for elderly and handicapped people with 17 ground floor accessible units.
- Utilizes a design for the site and buildings that was crafted and directed by the community and neighborhood through a Design Charrette with the City, and two neighborhood meetings.
- Provides a new form of housing: townhouses over flats. This innovative design offers the benefit of a higher-end townhouse look, while increasing density and also providing accessible flats.
- Engages a developer that is a long term owner, has an excellent reputation in several communities, and is an active, successful partner in funding with the State of Oregon.

ECONOMIC

- Leverages State funds for housing in Albany that would otherwise be spent elsewhere in Oregon.
- Creates additional jobs in the community:
  - Construction – 104 skilled labor jobs at \$45 - \$60 per hour with benefits.
  - Construction – 19 management jobs at \$50 - \$55 per hour with benefits.
  - Property management and resident services – 3 to 5 positions at \$15 per hour with benefits.
  - Long term maintenance items (roofs, gutters, landscape service, etc.) contracted from local area.
  - Turnover items (cleaners, painters) contracted from local area.
  - Repair/replacement items (flooring, appliances, etc.) contracted from local area.
- Utilizes a local General Contractor and Architect both with ties to the community.
- Commits to utilize local companies for a MINIMUM of 15% of all project funds, or at least \$1.5 Million.

12. HAVE YOU OR THIS PROPERTY RECEIVED CARA FUNDING AT ANY POINT IN THE PAST?

Yes  No  If so, amount \$ \_\_\_\_\_

13. ASSISTANCE REQUESTED

Total Estimated Project Costs: \$ 10,608,436

Your Total Contribution \$ 9,158,436

Total Amount Requested from CARA: \$ 1,450,000

Funding type requested

Forgivable loan

Forgiveness based on:  Project completion  Other, please describe:

\_\_\_\_\_  
\_\_\_\_\_

Small Grant - Matching grants of up to \$5,000 per property minimum 50 % match by applicant.

Grant - Matching grants of greater than \$10,000 per property minimum 50 % match by applicant.

Loan Proposed Terms \_\_\_\_\_

**COLLATERAL FOR LOANS**

CARA Loans are usually secured by the project property (CARA is the primary or subordinate lender) AND by personal guaranties from developer members with an ownership share exceeding 20%. Indicate below what collateral you are offering for the CARA loan.

**Preferred Collateral**

First lien position (until construction closing) or  subordinate lien position in the project property (after construction closing)

Personal guaranty from developer members (list names):

**Alternate collateral proposed**

	Description	Estimated Value	(-)Liens	(=)Available Equity
	Real Estate - Commercial	\$	\$	\$
	Real Estate - Residential	\$	\$	\$
	Machinery and Equipment	\$	\$	\$
	Accounts Receivable	\$	\$	\$
	Other	\$	\$	\$

Attachments:

- Signature/Certification Pages
- IHI Development Budget: Sources, Uses, Operating
- Greenberry Construction Estimate
- Development Team Experience
- Sale Verification Letter

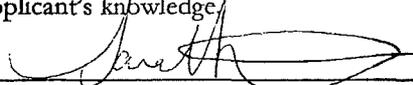
**Certification**

The Applicant understands and agrees to the following conditions:

1. Any physical improvements proposed must be approved by the Albany Revitalization Area Agency (ARA) 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 preapproved 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.
9. If CARA's total assistance to the project is greater than \$750,000, prevailing wage for the project may apply.
10. (CARA may withhold approval of this application until information satisfactory to CARA is provided.)

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 s/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.

  
\_\_\_\_\_  
Applicant's Signature

10/27/11  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date

Return Application and any attachments to: City of Albany  
c/o Kate Porsche, Urban Renewal Manager  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

**FOR CITY USE ONLY**

Date Received: 10-28-11 By: Kate Application Complete:  Yes  No

Comments: attached

Date application returned to applicant for completion: \_\_\_\_\_

Date application returned to City: \_\_\_\_\_ By: \_\_\_\_\_

# INNOVATIVE HOUSING INC. WOODLAND SQUARE ALBANY, OREGON

09.30.11

## PROJECT CONTACTS

CLIENT:	INNOVATIVE HOUSING INC. 219 NW SECOND AVENUE PORTLAND, OR 97209	CONTACT:	JULIE GARVER 503.226-4348 EXT. 3 jgarver@innovativehousinginc.com
ARCHITECT:	ORANGEWALLstudios architecture + planning 240 N BROADWAY STREET, SUITE 202 PORTLAND, OR 97227	CONTACT:	William Ryals, 503.227.8100x105 wryals@comcast.net Gary Harris, AIA, 503.227.8100x101 gary@orangewallstudios.com
CIVIL ENGINEER:	UDELL ENGINEERING and LAND SURVEYING, LLC 43 EAST ASH STREET LEBANON, OR 97355	CONTACT:	BRIAN VANDETTA, PE 541.451.5125 brian@udalleng.com
GENERAL CONTRACTOR:	GREENBERRY CONSTRUCTION 2211 NW PROFESSIONAL DR., SUITE 201 CORVALLIS, OR 97330	CONTACT:	GREG GORACKE 541.746.3450 greg.goracke@greenberrymconstruction.com

## SHEET INDEX

GENERAL  
COVERSHEET

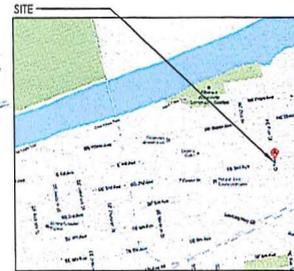
### ARCHITECTURAL DRAWINGS

#### CIVIL

- A1.0 SITE PLAN
- A1.1 LANDSCAPE PLAN
- A2.1 BUILDING 1 FLOOR PLANS
- A2.2 BUILDING 2 FLOOR PLANS
- A2.3 BUILDING 3 FLOOR PLANS
- A2.4 BUILDING 4 FLOOR PLANS
- A2.5 BUILDING 5 FLOOR PLANS
- A2.6 UNIT FLOOR PLANS
- A2.7 UNIT FLOOR PLANS
- A3.1 BUILDING 1 EXT. ELEVATIONS
- A3.2 BUILDING 2 EXT. ELEVATIONS
- A3.3 BUILDING 3 EXT. ELEVATIONS
- A3.4 BUILDING 4 EXT. ELEVATIONS
- A3.5 BUILDING 5 EXT. ELEVATIONS



CONCEPT SKETCH  
SCENERIA



VICINITY MAP  
SCENERIA

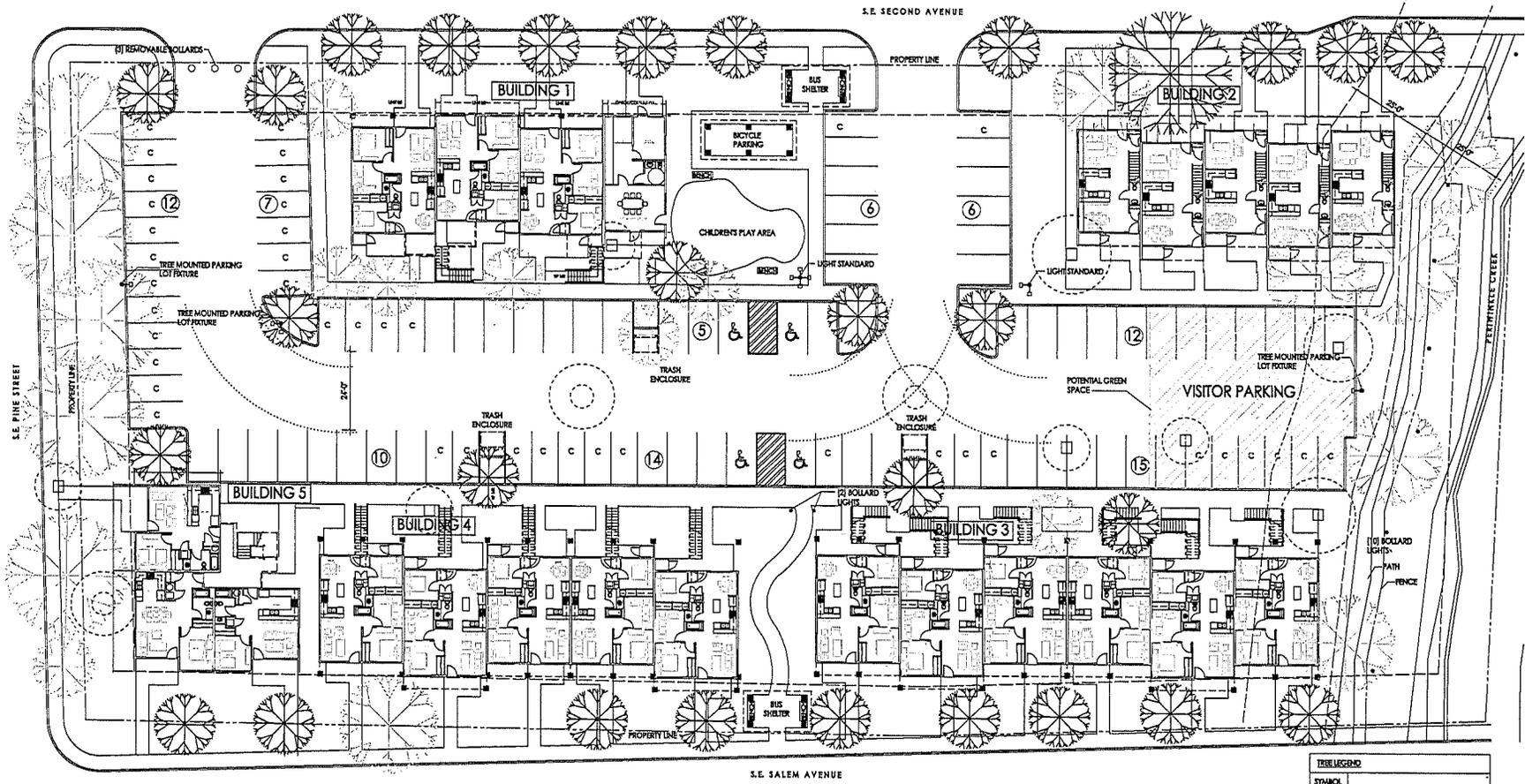
CONCEPT SET: PRICING PACKAGE

WOODLAND SQUARE  
ALBANY, OREGON  
for INNOVATIVE HOUSING INC.



240 N Broadway Suite 202  
Portland, Oregon 97227  
P 503.227.8100  
F 503.227.8101





**1 SITE PLAN**  
A1.0 SCALE: 1/16" = 1'-0"

TREE LEGEND	
○	TREE TO BE REMOVED
⊖	DISEASED TREE TO BE REMOVED
⊕	EXISTING TREE TO REMAIN
⊗	NEW TREE

**SITE PLAN**

**H.H. WOODLAND SQUARE**  
PORTLAND, OREGON  
ALBANY, OREGON

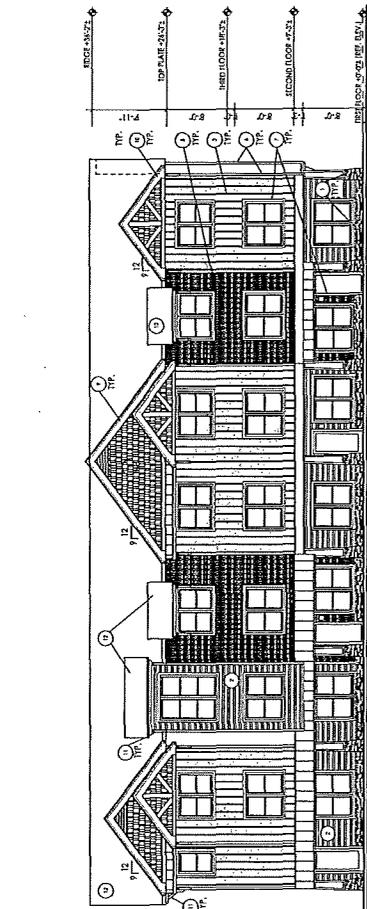
100 Number  
1144 Albany

**A1.0**

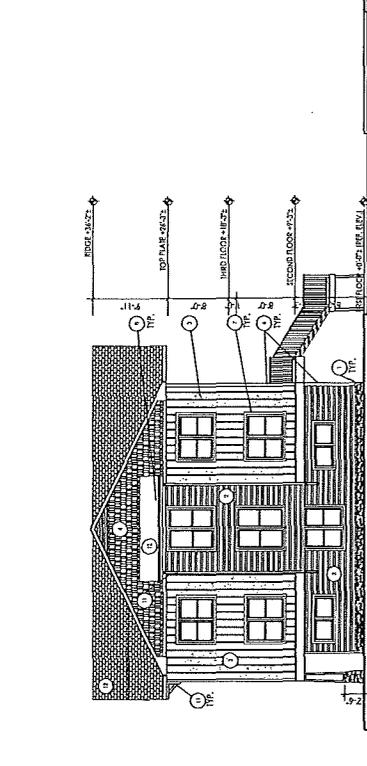
**CONCEPT SET : PRICING PACKAGE NOT FOR CONSTRUCTION**

DESIGNED BY: **GREENBERRY**  
ARCHITECTS  
1144 ALBANY AVENUE  
PORTLAND, OREGON 97227  
P: 503.227.1100  
F: 503.227.2557

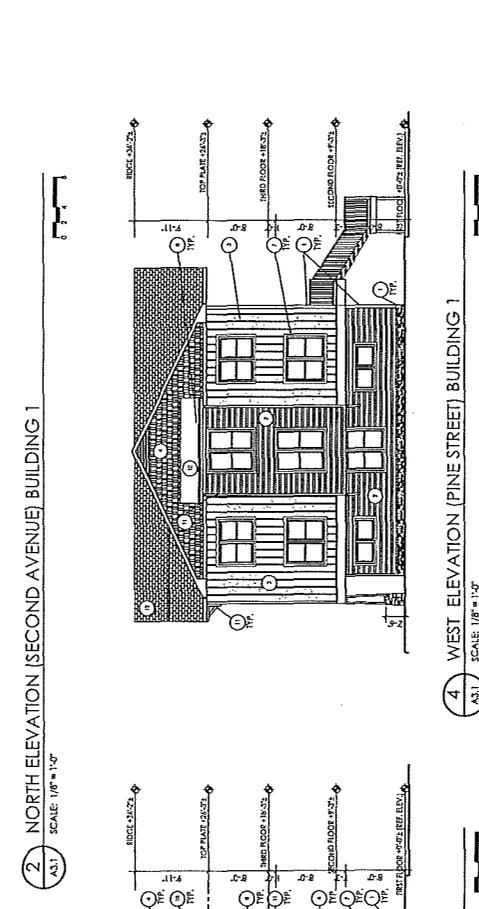
DRAWN BY: DAN WIGEN  
CHECKED BY: GREYVING



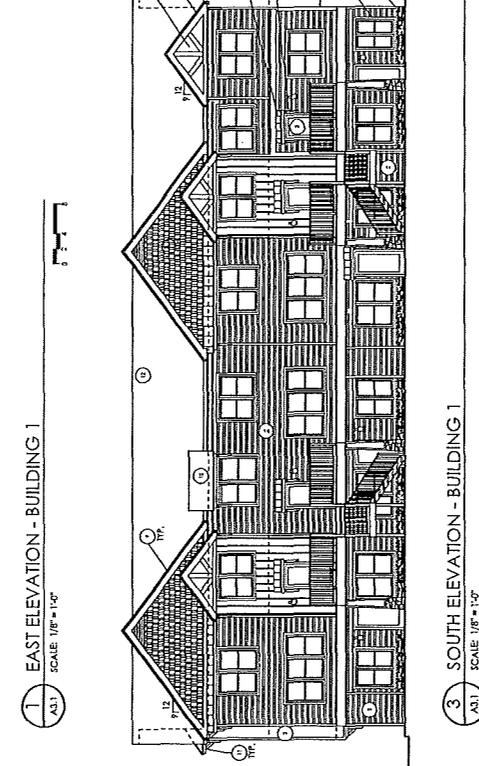
1 EAST ELEVATION - BUILDING 1  
 SCALE: 1/8" = 1'-0"



2 NORTH ELEVATION (SECOND AVENUE) BUILDING 1  
 SCALE: 1/8" = 1'-0"



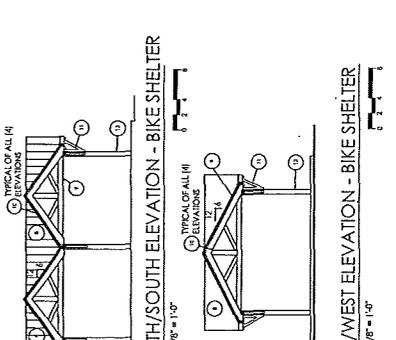
3 SOUTH ELEVATION - BUILDING 1  
 SCALE: 1/8" = 1'-0"



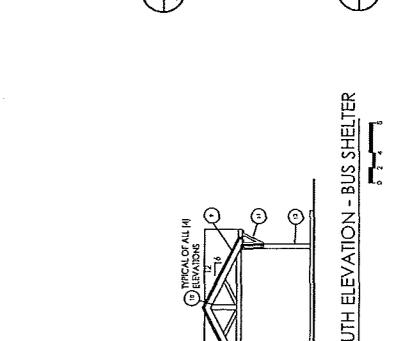
4 WEST ELEVATION (PINE STREET) BUILDING 1  
 SCALE: 1/8" = 1'-0"

EXTERIOR MATERIALS REFERENCE	NOTES
1	CULMIFIED STONE
2	UNPAINTED SILVER CEDAR SHAKES AND COMINGS ON AT TOP
3	HAND-PAINTED SIDING, ALTERNATE EXPOSURE 7' X 3"
4	HAND-PAINTED SIDING, ALTERNATE EXPOSURE 7' X 3"
5	HAND-PAINTED SIDING, ALTERNATE EXPOSURE 7' X 3"
6	HAND-PAINTED SIDING, ALTERNATE EXPOSURE 7' X 3"
7	BRICK VENEER, BUSHY BOND
8	SHIPS PLANKS AT WINDOWS
9	CORNER BOARDS - 3/4" X 4"
10	WINDOWS DOOR TRIM - 3/4" X 4" WITH SHIP LUGS AND SPINDS AT WINDOWS
11	PRE-FINISHED STANDING FRAME MEDIA ROOFING
12	2" X 4" FINE BRACE
13	2" X 4" FINE BRACE
14	ASPHALT SHINGLE ROOFING
15	PROVIDE BRICK VENEER ON CHIMNEY
16	PRECAST CONCRETE BEAM ON PAINTED STEEL C/I CHANNEL
17	PAINTED HSS TUBE STEEL FRAME, 4" X 4" X 1/4"
18	REINFORCED ALUMINUM FINISHING SYSTEM
19	SCREENED GABLE END VENT, PAINTED
20	2" X 4" FINE BRACE

5 NORTH/SOUTH ELEVATION - BUS SHELTER  
 SCALE: 1/8" = 1'-0"



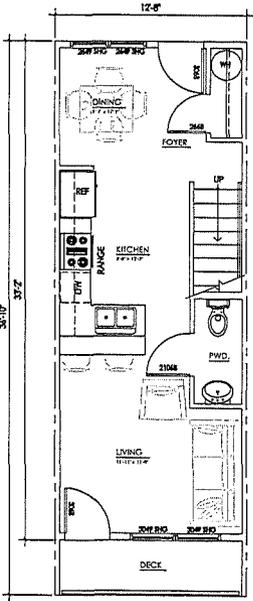
6 EAST/WEST ELEVATION - BIKE SHELTER  
 SCALE: 1/8" = 1'-0"



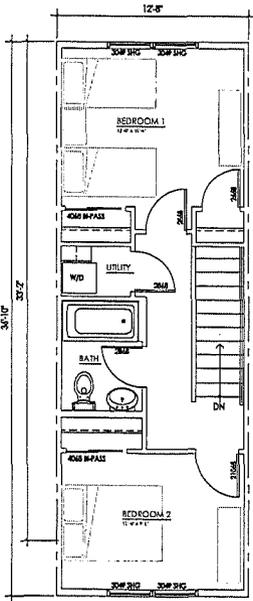
7 NORTH/SOUTH ELEVATION - BIKE SHELTER  
 SCALE: 1/8" = 1'-0"



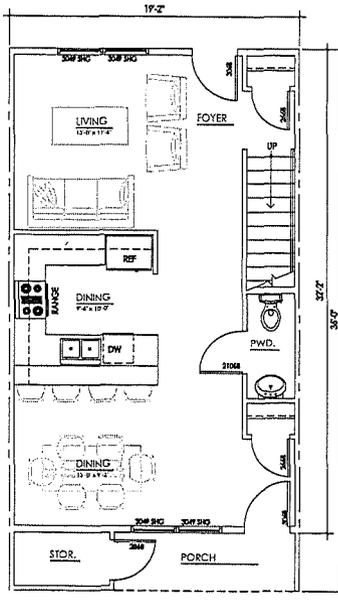
8 EAST/WEST ELEVATION - BIKE SHELTER  
 SCALE: 1/8" = 1'-0"



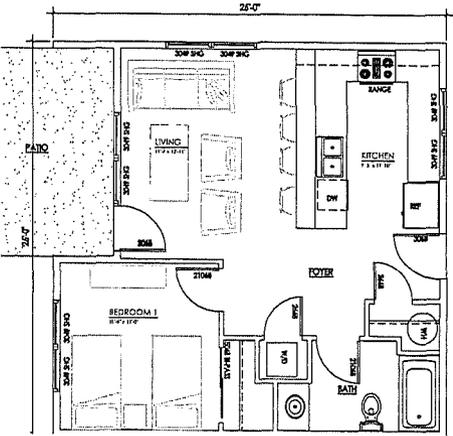
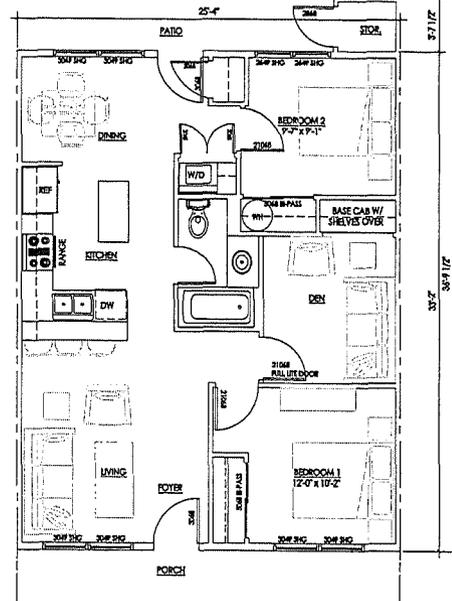
1 UNIT A - LOWER PLAN  
A2.6 SCALE: 1/4" = 1'-0"



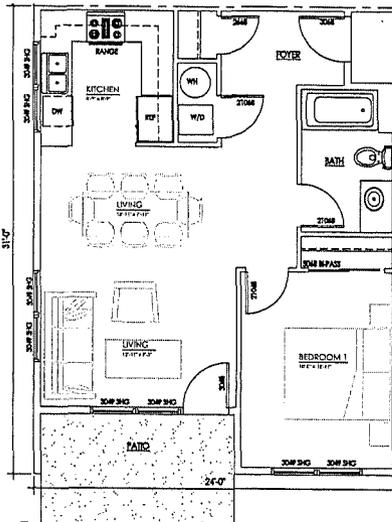
2 UNIT A - UPPER PLAN  
A2.6 SCALE: 1/4" = 1'-0"



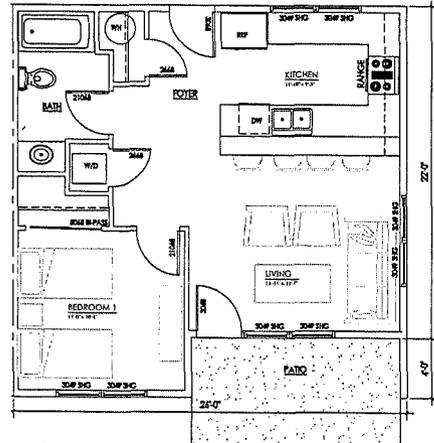
3 UNIT B - PLAN (UNIT B2 AT BUILDING 1 ONLY)  
A2.6 SCALE: 1/4" = 1'-0"



4 UNIT C.1 - PLAN  
A2.6 SCALE: 1/4" = 1'-0"



5 UNIT C.2 - PLAN  
A2.6 SCALE: 1/4" = 1'-0"



6 UNIT C.3 - PLAN  
A2.6 SCALE: 1/4" = 1'-0"

UNIT FLOOR PLANS  
 IHI  
 PORTLAND, OREGON  
 WOODLAND SQUARE  
 ALBANY, OREGON

CONCEPT SET : PRICING PACKAGE NOT FOR CONSTRUCTION

DRAWN BY: DAW/GRH  
 CHECKED BY: GRV/WKO

Job Number  
 11442-Abbey  
**A2.6**

GREENBERRY CONSTRUCTION  
 1000 NE 10TH AVENUE, SUITE 200  
 PORTLAND, OREGON 97232  
 503.227.1519

GREENBERRY CONSTRUCTION  
 1000 NE 10TH AVENUE, SUITE 200  
 PORTLAND, OREGON 97232  
 503.227.1519

© COPYRIGHT GREENBERGLUDDEN architecture and planning. ALL RIGHTS RESERVED. THIS DOCUMENT MAY NOT BE REPRODUCED NOR MAY THE DATA REPRESENTED IN THIS DOCUMENT BE USED WITHOUT WRITTEN PERMISSION FROM GREENBERGLUDDEN architecture and planning.

## **DEVELOPMENT TEAM EXPERIENCE: WOODLAND SQUARE PROJECT**

Our team includes Innovative Housing, Inc. (IHI), ORANGEWALLstudios (OWS), and Greenberry Construction (GBC). IHI and OWS have been working together for about one year, and are currently engaged in an historic rehabilitation together in Portland. GBC is a more recent addition to the team, and has been selected because of its local ties to the Albany community. The entire team has worked closely together through the predevelopment process for the Woodland Square project, leading a design charrette with the City of Albany, two neighborhood meeting presentations, and several other informational meetings with City staff, consultants, current residents of the mobile home park and other interested parties. The team has worked together to craft a schematic set of plans and specifications for Woodland Square, and GBC priced the plans with the assistance of several area subcontractors. Although the project is in its early stages, the team has worked together successfully to bring the community's vision for this project alive.

### ***Innovative Housing, Inc.***

In business for over 25 years, IHI's staff and board work together to bring decades of real estate development, ownership, and management experience to bear on each of our projects. IHI's lead developer has more than 16 years of project management experience and is LEED Certified. IHI's executive director is an attorney with over 11 years of legal expertise in the field of affordable housing and real estate finance. IHI's board includes a general contractor, property manager, real estate broker, a CPA, all with extensive housing experience.

Since 2006 IHI has completed six development projects, creating or preserving 431 affordable housing units at a total cost of \$42.5 million. Each of IHI's development projects has been completed on time and within budget, and has met or exceeded each jurisdiction's local contracting goals. This is an ideal time for IHI to plan a new project. Our current pipeline includes a smaller acquisition/rehab which will begin rehabilitation in February, 2012. A new construction project, Eliot MLK will break ground in June, 2012 and be completed in May, 2013. This dovetails nicely with Woodland Square, which would break ground in June, 2013 and be completed in April, 2014.

Going beyond bricks and mortar, IHI's substantive resident services program ensures that residents of IHI's projects benefit from a comprehensive host of services designed to help them maintain their housing stability and break the cycle of poverty. In 2010 alone, IHI prevented 442 evictions, provided financial education to 122 households, assisted 86 residents acquire benefits, facilitated 106 workshops at 8 sites that were attended by 782 residents, distributed over \$48,000 in cash assistance to help 134 households maintain their housing stability, and sponsored 140 community events.

IHI is committed to creating sustainable developments that provide affordable housing opportunities for the long term. We own and operate each project to ensure that it remains financially healthy and a safe and comfortable place to live. IHI has been operating and maintaining properties ranging in size from duplexes to 96-unit multifamily buildings since 1984. We are familiar with myriad funding sources and have a demonstrated track record of compliance with multiple layered funding sources, including: Low-Income Housing Tax Credits, Historic Tax Credits, Oregon Affordable Housing Tax Credits, HOME, CDBG, TIF, HELP, Oregon Housing Trust Fund, Housing PLUS, HOPWA, Federal Home Loan Bank of Seattle, and project-based Section 8 and McKinney rental assistance.

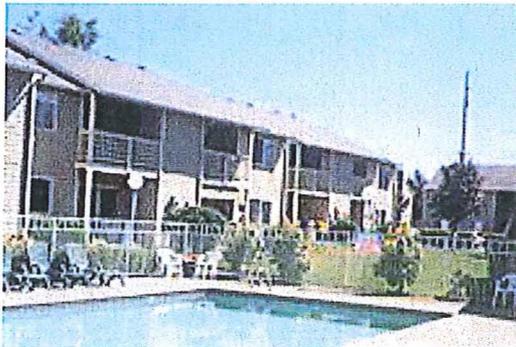
IHI is responsible for hiring and supervising professional property managers, asset management, tax credit and other funder compliance and reporting, maintaining books and records for each property and partnership, hiring and working with auditors, and filing partnership tax returns. **Our portfolio averages a DCR of 1.55 and a 97% occupancy rate.**



Hewitt Place Townhomes  
826 SW 29<sup>th</sup> Way, Troutdale  
Built 1991, Rehabbed 2009



Broadway Vantage Apartments  
8340 NE Broadway, Portland,  
Built 2008



Gresham Village Square Apartments  
1625 SE Roberts Drive, Gresham  
Built 1991



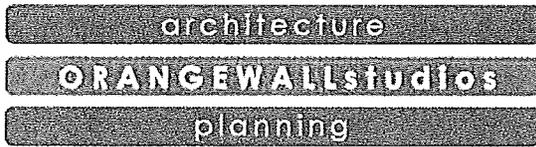
Cornerstone Condominiums  
SW Jefferson, Portland  
Built 1999



Musolf Manor  
216 NW Third Avenue, Portland  
Built 1910, Rehabbed 2009



The Clifford Apartments  
527 SE Morrison, Portland  
Built 1911, Rehabbed 2011



240 N Broadway, Suite 202  
Portland, Oregon 97227  
p (503) 227-8100  
f (503) 227-5569

## **Firm Profile**

Currently certified as an Emerging Small Business, ORANGEWALLstudios was founded on a commitment to client service and exceptional design. The team is managed by two principals: Gary Hartill and Bill Ryals. Bill Ryals serves on ORANGEWALLstudios' Board of Directors and is the Architect of Record for all Oregon projects. Bill is based in Albany, Oregon and has been providing architectural services to the mid-Valley region for over 20 years. He is dedicated to improving the community, fostering its growth and has long standing positive relationships with City and County Officials.

## **Project Team**

ORANGEWALLstudios was founded in 2003. Central to the firm's mission is a commitment to provide attentive client service and consistent principal-level involvement for the life of every project. We believe that successful projects come from a strong design team-owner collaboration. In the past seven years, this collaborative process has realized success on residential, commercial, healthcare and retail projects in Oregon, California and Washington.

William Ryals has practiced Architecture for 28 years and maintains a diverse project background. He has substantial experience in housing design, historic preservation and city planning. At ORANGEWALLstudios Bill is a member of the Board of Directors and serves as technical director and project lead for mid-valley projects. Bill is licensed in the states of Oregon, Washington, and California.

Principal and President Gary Hartill, AIA provides project and team management, overall firm management and is project lead for Portland and California projects.

David Webb, Project Manager, oversees document production and consultant coordination as well as providing drafting and technical support. LEED AP Certified, David leads ORANGEWALLstudios' sustainable design efforts and has experience with housing design, including several condominium projects in Portland.

## **City of Albany**

Bill Ryals experience with the City of Albany includes a variety of architectural design projects as well as extensive community involvement. Specific Albany projects include the design of a new high-tech manufacturing facility, a new medical center and multiple residential projects. Bill has served on the Building Committee for Albany's Historic Carousel Project and advised the City on a variety of civic projects. His experience living and working in Albany has given him a solid understanding of the issues and opportunities that will drive future development in the City.

architecture

**ORANGEWALLstudios**

planning

240 N. Broadway Street | Suite 202  
Portland, Oregon | 97227  
p. 503.227.8100 | f. 503.227.5569  
www.orangewallstudios.com

**RELEVANT PROJECT EXPERIENCE:**

**Architects William Ryals and Gary Hartill**



**Trillium Family Services Children's Farm Home**  
Albany, Oregon 2010 - 2012

(William Ryals, Architect)

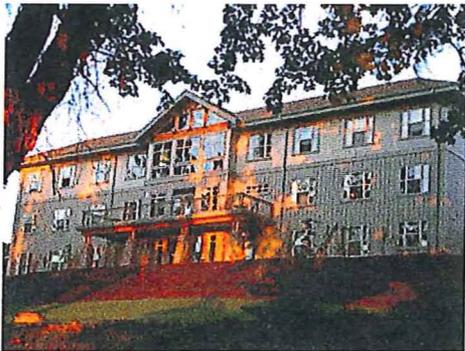


**J.C. Penny Building**

Albany, Oregon 2009-2012 (Phase One Exterior and significant interior renovation completed Sept. 2010)

25,000 square foot, four level historic renovation, seismic upgrade and conversion of a former retail building in downtown Albany.

(William Ryals, Architect)



**John G. Balyo Residence Hall, Corban College**  
Salem, Oregon 2006

New three-story 20,000 square foot residence hall that houses 110 students.

(William Ryals, Architect)



**Irving Block Condominiums**  
Portland, Oregon 1997

14-unit, 3-story wood framed live/work condos in Northwest Portland.

(David Webb, Job Captain, completed while at another firm)



Greenberry Construction LLC  
2211 NW Professional Drive, Suite 201  
Corvallis, Oregon 97330

Phone: 541.752.0381  
Fax: 541.752.0472

CCB 166612

## COMPANY EXPERIENCE

Greenberry has been in the construction industry since 1974. In 2004, Greenberry Construction started focusing on health care, public agency work and commercial office buildings. Included in this work have been housing projects at Oregon State University. Recently Greenberry Construction constructed the first private LEED Gold Certified project in the mid-Willamette Valley and has two LEED Accredited Professionals on staff.

From new construction to renovations, Greenberry Construction has focused their efforts on the Albany and Corvallis markets, working very diligently to maintain strong relationships in the community through sound business practices, safety, teamwork and innovations. Greenberry Construction has developed a very strong balance sheet with solid operating capital and no operating debt.

Being local, Greenberry Construction strives to work with the local subcontractor base on construction projects. Greenberry Construction takes the belief to work with the local workforce as much as possible so that we can support each other and our communities. The president of Greenberry Construction, Greg Goracke, is a lifelong resident of the area and serves as a trustee on the Good Samaritan Foundation Board along with an active role in his church community.

### Project Team

For Woodland Square, our direct construction team will consist of:

Greg Goracke, Senior Project Manager  
Chuck Taylor, Superintendent  
Cody Timmins, Project Engineer

Supporting our efforts will be:

Jason Pond, Chief Executive Officer  
Jim Grabski, Chief Financial Officer

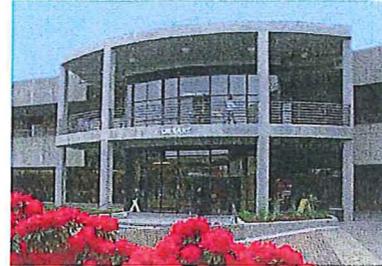
### City of Albany

Greenberry Construction has been very fortunate to have worked with the City of Albany and Linn County on several projects. We have a very strong working relationship with the staff and are very familiar with communication and quality expectations. As well, we have strong working relationships with mid-valley subcontractors. For the Woodland Square project, the Superintendent and Project Engineer will be on-site daily to manage the work. Subcontractors will be selected based on experience with the project type, reputation, financial capabilities, location and price.



**Montgomery Park Office Bldg, Albany**

- Completed 2006
- CARA assisted funding



**Linn Benton Community College  
Library Expansion, Albany**

- Completed 2007



**Willamette Veterinary Hospital, Corvallis**

- Completed 2008
- New construction of veterinary hospital



**Albany Train Station, Albany**

- Completed 2009
- Historic Renovation



**OSU Orchard Courts**

- Completed 2009
- Exterior renovation of family housing



**Periwinkle Elementary School, Albany**

- Completed 2008
- Cafeteria expansion and playground renovation



IHI Woodland Square  
 Guaranteed Maximum Price  
 October 27, 2011

Description	Division #	Bid	% of Total	\$ /sqft
General Conditions	1	\$ 513,252	7.4%	\$ 10.35
Site work	2	\$ 781,720	11.2%	\$ 15.76
Concrete	3	\$ 220,405	3.2%	\$ 4.44
Masonry	4	\$ 64,000	0.9%	\$ 1.29
Metals	5	\$ 226,066	3.3%	\$ 4.56
Wood - Plastics	6	\$ 1,315,877	18.9%	\$ 26.53
Thermal - Moisture	7	\$ 299,213	4.3%	\$ 6.03
Openings	8	\$ 561,029	8.1%	\$ 11.31
Finishes	9	\$ 749,876	10.8%	\$ 15.12
Specialties	10	\$ 54,980	0.8%	\$ 1.11
Equipment	11	\$ -	0.0%	\$ -
Furnishings	12	\$ 156,590	2.3%	\$ 3.16
Special Construction	13	\$ -	0.0%	\$ -
Conveying Systems	14	\$ -	0.0%	\$ -
Mechanical	15	\$ 673,682	9.7%	\$ 13.58
Electrical	16	\$ 540,226	7.8%	\$ 10.89
<b>Subtotal Bid</b>		<b>\$ 6,156,917</b>	<b>88.6%</b>	<b>\$ 124.13</b>
<b>Other Costs</b>				
Commercial General Liability Insurance	1.25%	\$ 76,961	1.1%	\$ 1.55
Schematic/Inflation Contingency	5.0%	\$ 307,846	4.4%	\$ 6.21
Contractor Contingency	1.25%	\$ 81,772	1.2%	\$ 1.65
<b>Total Other Costs</b>		<b>\$ 466,579</b>	<b>6.7%</b>	<b>\$ 9.41</b>
<b>Profit</b>	<b>3.90%</b>	<b>\$ 258,316</b>	<b>3.7%</b>	<b>\$ 5.21</b>
<b>Bonding</b>		<b>\$ 68,165</b>	<b>1.0%</b>	<b>\$ 1.37</b>
<b>Total GMP</b>		<b>\$ 6,949,978</b>	<b>100%</b>	<b>\$ 140.12</b>

**Project Description**

Building Size	Sqft	49,601
Building Cost per Sqft	\$/Sqft	\$ 140.12
Total Duration	Months	10



INNOVATIVE HOUSING, INC.

---

October 28, 2011

Kate Porsche, Urban Renewal Manager  
City of Albany  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

RE: Written Verification of Sale Agreement

Dear Kate:

This letter is to verify in writing that Innovative Housing, Inc. has executed a Purchase and Sale Agreement with Larry Mathews dated August 9, 2011 for the Woodland Square Mobile Home Park property located at 1415 N. Salem Avenue, Albany, OR 97321. Per the agreement, Innovative Housing has the right to purchase the property at any time until the agreement expires on August 31, 2012. The agreement is available upon request.

Sincerely,

Sarah J. Stevenson  
Executive Director

---

Construction Costs	6,949,978
Hard Cost Contingency	499,008
Soft Costs	
Land/Mobile Home Park Purchase	600,000
Closing/Recording	35,000
Building Permits/Fees	73,500
System Development Charges	104,000
Market Study	7,500
Environmental Report	5,500
Soils Report (Geotechnical)	4,000
Survey	20,000
Marketing/Advertising	2,000
Insurance (Owner Liability & BR)	47,000
OHCS Fees	4,700
Architectural	347,499
Legal/Accounting	52,000
Cost Certification	7,500
Appraisals	4,500
Special Inspections/Testing	17,000
Project Management (4 years)	280,000
Developer Fee/Developer Guarantee	490,000
Deferred Developer Fee (cash flow dependent)	225,000
OHCS Constr. Analyst review	2,500
Construction Loan Inspection Fees	4,000
Construction Loan Fees	17,000
Construction Loan Closing Fees	20,000
Perm. Loan Fee	24,000
Perm. Loan Closing Fees	15,000
Tax Credit Fee	54,000
Tax Credit Legal/Advisor Fee	15,000
Construction Loan Interest	140,000
Predev Loan Interest	12,000
Lease Up Reserve	15,000
Operating Reserve	160,000
Soft Cost Contingency	169,726
Tenant Relocation	100,000
Deposit to Replacement Reserves	72,000
Other: Meetings, Events, Reimbursements	12,525
Soft Cost Subtotal:	3,159,450

---

TOTAL PROJECT COST 10,608,436

Woodland Square Operating Budget

10/27/2011

Income

Unit Size	# of Baths	Square Feet	Median Income %	Gross Monthly Rent Per Unit	Tenant Paid Utility Allow	Net Monthly Rent Per Unit	Number of Units	Annual
1	1	600	50	515	81	434	4	20,832
1	1	600	59	615	81	534	4	25,632
2	1	800	50	625	100	525	19	119,700
2	1	800	59	740	100	640	19	145,920
3	2	950	50	725	119	606	3	21,816
3	2	950	59	855	119	736	3	26,496
4	2	1100	50	805	137	668	1	8,016
4	2	1100	59	950	137	813	1	9,756
SUB-TOTALS							54	378,168

Expenses	Annual per Unit	Annual
Insurance	235	12,690
Utilities:(common areas)		
Gas/Oil	37	2,000
Electric	56	3,000
Water & Sewer	571	30,834
Garbage Removal	161	8,694
Repairs	300	16,200
General Maintenance	394	21,276
Landscape Maintenance	225	12,150
Replacement Reserve	350	18,900
Property Management:		
On-site	769	41,520
Contracted (Off-Site)	338	18,248
Resident Services	148	8,000
Legal	61	3,294
Accounting (partnership)	139	7,500
Compliance Monitoing Fees	35	1,890
OAHTC Fee	36	1,963
Office & Administration	213	11,500
Advertising/Marketing & Promotion	5	250
Unit Turnover	111	6,000
Real Estate Taxes	463	25,000
Internet Connection Fee	13	720
Other: Asset Mgmt Fee	300	16,200
<b>Total Annual Operating Expenses:</b>	<b>4960</b>	<b>267,829</b>

Less Debt Service:

OAHTC Permanent loan			
Rate	Term (Years)	Loan Amount	
0.0325	30	1000000	52,225
Deferred Developer Loan (cash flow dependent)			
Rate	Term (Years)	Loan Amount	
0	10	225,000	22,500

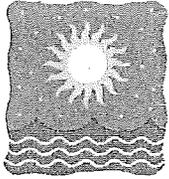
<i>Effective Gross Income:</i>	<b>364,960</b>
<i>Total Annual Operating Expense:</i>	<b>267,829</b>
<i>Net Operating Income:</i>	<b>97,130</b>
<i>Primary Debt Service</i>	<b>52,225</b>
<i>Total Debt Service:</i>	<b>74,725</b>
<b>Cash Flow Per Year:</b>	<b>22,406</b>

	Committed	Tentative
State of Oregon		
Affordable Housing Tax Credit Equity		7,633,437
HOME		0
Trust Fund		100,000
GHAP		100,000
LI Weatherization Program		100,000
<b>Total OHCS Grants &amp; Equity</b>		<b>7,933,437</b>
<b>NON-OHCS GRANTS</b>		
CARA, City of Albany*		1,450,000
<b>OAHTC PERM LOAN</b>		<b>1,000,000</b>
Permanent Loan		
<b>APPLICANT CONTRIBUTIONS</b>		
IHI Deferred Developer fee	225,000	
<b>SUBTOTALS</b>	<b>\$225,000</b>	<b>\$10,383,437</b>

**TOTAL FUND SOURCES****\$10,608,437**

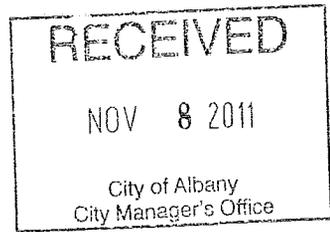
\*CARA funds allocated to the following items:

Extra cost of mobile home park land, relocation of residents	550,000
Hazmat, trailer demo, demo of houses on site	139,650
Permits, SDC's	177,500
City sidewalks, curbs, street patch, new street trees, tree protection & pruning	53,503
Studies (Phase 1&2, survey, geotech, arborist study)	21,770
Creek Canyon Restoration, fencing, path, lighting	46,515
Extra site lighting, extra security cameras, bike shelter	40,415
Construction & design costs: Townhouse style	317,625
Construction: Traditional Exterior Detailing	215,622
Premium for use of local companies	25,000
	<b>Value</b>
	1,587,599
	<b>CARA Request</b>
	1,450,000



WILLAMETTE

NEIGHBORHOOD



11-03-11 10:48 RCVD

**SALEM HARRISON NEIGHBORHOOD WATCH**

**RE: WOODLAND SQUARE REDEVELOPMENT**

TO WHOM IT MAY CONCERN:

NOVEMBER 5, 2011

WE RECOMMEND THAT THE PROPOSED DEVELOPMENT OF WOODLAND SQUARE, BY INNOVATIVE HOUSING, INC. BE PARTIALLY FUNDED BY CARA. THIS PROJECT WE BELIEVE IS A WORTHY FIT, FOR THE SCOPE, VISION, AND PURPOSE THAT CARA SET FORTH TO ELIMINATE BLIGHT WITHIN THE URBAN RENEWAL DISTRICT.

THE BLIGHT OF THIS PROPERTY WAS THE TOP PRIORITY OF THE NEIGHBORHOOD IN 2009 WHEN THE CITY APPROACHED US FOR HELP IN IDENTIFYING AREAS OF BLIGHT. THIS IS A PROPERTY WE WOULD LIKE TO HAVE CLEANED UP. THIS PROJECT WOULD IMPROVE THE APPEARANCE OF THE PROPERTY AS VIEWED BY EVERYDAY TRAFFIC ON SALEM AVE., AND BY THOUSANDS OF PEOPLE TRAVELING THROUGH TOWN ON OREGON STATE GAME DAY'S. THE SIGNS ARE THAT THE PROPERTY WOULD BE MAINTAINED WELL INTO THE FUTURE, AND WOULD BE A LASTING ASSET TO THE CITY.

THIS PROJECT COULD ALSO BE A CATALYST FOR OTHER NEEDED IMPROVEMENTS OF PROPERTIES ALONG SALEM AVE. AND WITHIN THE WILLAMETTE NEIGHBORHOOD.

LARRY AND CATHY NELSON, CAPTIONS OF THE SALEM HARRISON NEIGHBORHOOD WATCH

*Larry Nelson Cathy Nelson*

November 10, 2011

City of Albany  
c/o Kate Porsche, Urban Renewal Manager  
333 Broadalbin Street SW/ P.O. Box 490  
Albany, Oregon 97321

Dear Ms. Porsche,

Thank you for your efforts to help Albany continue to be the terrific community that it is. I trust you are enjoying the outstanding display of fall colors that is currently in progress! We appreciate the positive changes brought to our community by CARA in past years, and we are elated at the possibilities now being presented by Julie Garver and the team representing IHI.

I have been employed for the past thirty-two years by the church and school located directly west of the proposed housing units. Through the years, we made some great friends with certain residents of Woodland Square, but the area has had its share of problems. At one point I met with the owner to see if there was some way our church could buy the property and have an on-site manager to help monitor activity and implement a plan to keep the premises generally more orderly and in better repair. Having spent the greater part of my working life right across the street, I can say without a doubt the area has tended to attract criminal activity. In fact, when my wife and I began teaching classes in the Linn County Jail it didn't take us long to find out that on the street our area of town is referred to as "The Ghetto" or "Felony Flats."

I wanted to bring up the foregoing facts to preface this point: research has conclusively proven that improving physical surroundings does reduce criminal activity. I know you and others involved in this project are aware of this, but I felt it should be stated. There is a real need here, and I am very much convinced that the proposed housing development will improve quality of living for our neighborhood and the entire community of Albany. Observing the way Julie has met with residents of Woodland Square and with members of the neighborhood and hearing how the previous IHI endeavors have succeeded shows me that they are able to connect with us and willing to make a long-term commitment to this project and our community. Quality work force housing is exactly what is needed for this area.

We believe this would be a perfect project to support with CARA funding.

Sincerely,

Dennis Johnson, Pastor  
Apostolic Life Center  
Cell phone: 541-990-0622