



APPROVED: April 18, 2012

CITY OF ALBANY
Albany Revitalization Agency
Council Chambers, 333 Broadalbin Street SW
Wednesday, February 22, 2012
7:15 p.m.

MINUTES

Agency Members present: Sharon Konopa, Jeff Christman, Bessie Johnson, Floyd Collins, Ray Kopczynski, Dick Olsen, and Bill Coburn

Agency Members absent: None

Staff present: Urban Renewal Manager Kate Porsche, Public Information Officer/Management Assistant Marilyn Smith, Community Development Director Greg Byrne, Public Works Director Mark Shepard, City Attorney Jim Delapoer, City Manager Wes Hare, and Finance Director Stewart Taylor

CALL TO ORDER

Chair Floyd Collins called the meeting to order at 7:15 p.m.

ROLL CALL

SCHEDULED BUSINESS

Business from the Public

Michael Thomson, 1291 Elm Street SW, is here to support the efforts of revitalization. He said that we have read in the paper and heard during the Council meetings much about urban renewal. He did some digging around and learned that there are 66 cities and 4 counties in Oregon with over 100 urban renewal plans in progress right now. Why would Albany give that up? The cities using urban renewal represent the width and breadth of Oregon. It seems like the few that come to these meetings to talk about doing away with Central Albany Revitalization Agency (CARA) only talk about the expense side and are opposed on grounds of ideology. But they don't see the progress that other citizens, including him, see. The return on investment is 8/1, and there was more than a nine percent increase in assessed value in the CARA district last year. Thomson said that there is a great slide show on the City's website under the City Manager tab. People can see for themselves several downtown buildings and the progress that has been made. There will be disagreements with details of the plan and particular projects, but the idea of urban renewal is good and it would be foolish for this community to do away with it. There seems to be an adversarial relationship between those that come to these meetings and the Agency; so he wants to say he does support urban renewal. He thanked the Agency for their time.

ARA Short-Term Extension of Line of Credit resolution

Collins said there is an updated resolution on the dais (see agenda file).

Finance Director Stewart Taylor provided some background. Three years ago the urban renewal agency took out a line of credit (LOC) with Bank of America in anticipation of future projects but did not know when they would draw it down. The instrument they chose to use was a LOC since it was a cheaper means of financing and provided more flexibility as projects came along over the years. The LOC matures on March 1 and will need to be extended, paid in full, or replaced with long-term financing.

In considering options for long-term financing, it appears there may be an opportunity for substantial savings if CARA were to extend the current LOC and then explore other options. The built-in option is a bank offering from Bank of America, which is also holding the LOC; the rate they are offering appears to be competitive in the current market, although we may be able to get a better interest rate with a competitive bond sale. The March 1 deadline is too short a time frame to explore other options. Staff is requesting an extension of the LOC under the same terms and conditions to allow time to explore alternative ways to secure cheaper financing. This extension would expire on December 31, 2012.

Member Ray Kopczynski asked if staff is proposing to extend and make payments or just extend the time frame. Taylor said that CARA would pay interest on the portion drawn down and also on the portion that has not been drawn down, and those continue at the same rates. The potential savings from other options is several hundred thousand dollars.

Member Bill Coburn asked if there is a chance it could be resolved sooner than the December deadline. Taylor said they hope to resolve it in 90 days but wanted Agency authorization for a longer period in case something unforeseen comes up.

Member Bessie Johnson asked what the interest rate is. Taylor said that it is the London Interbank Borrowing Rate (LIBOR) plus approximately 0.6 percent. Currently, the LIBOR is about two percent; so the total is between two percent and three percent.

Urban Renewal Manager Kate Porsche used an overhead to show the three changes in the revised resolution on the dais. Staff added the word "aggregated" because there was some confusion about what the number represented. The resolution has to include the aggregate total amount of debt incurred transfer by CARA. Porsche likened it to the total mortgages over a person's life, which is not the same number as their current mortgage balance. The second change is to the current outstanding balance, and the third change is in the amount of total indebtedness. Previous resolutions showed that \$7 million was approved; however while that amount was authorized it was not all used; so the number was reduced from \$16 million to \$14 to reflect that difference.

MOTION: Coburn moved to adopt the revised resolution for the ARA short-term extension of line of credit, and Kopczynski seconded it. The motion passed 6-0 and was designated ARA Resolution No. 2012-02.

BUSINESS FROM THE AGENCY

There was no business from the Agency.

NEXT MEETING DATE

The next meeting of the ARA is April 18, 2012, following the CARA Advisory Board meeting that begins at 5:15 p.m.

ADJOURNMENT

Hearing no further business, Chair Collins adjourned the meeting at 7:26 p.m.

Respectfully submitted by,



Mary Dibble, MMC
Deputy City Clerk

Reviewed by,



Kate Porsche
Urban Renewal Manager