



NOTICE OF PUBLIC MEETING

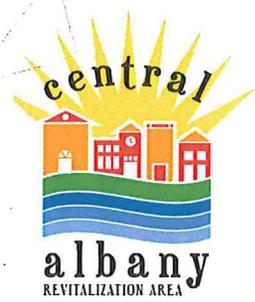
CENTRAL ALBANY REVITALIZATION AREA ADVISORY BOARD
City Hall Municipal Court Room
Wednesday, July 25, 2012
5:15 p.m.

AGENDA

1. CALL TO ORDER (Vice Chair Jeff Christman)
2. ROLL CALL
3. ELECTION OF CHAIR
Action: _____
4. APPROVAL OF MINUTES
 - November 16, 2011 (with revisions shown in yellow highlight). [Pages 1-12]
Action: _____
 - January 18, 2012. [Pages 13-18]
 - Action: _____
5. SCHEDULED BUSINESS
 - a. Business from the Public
 - b. Edgewater Village update. [Verbal] (Porsche/Applicants)
Action: _____
 - c. CARA project updates. [Verbal] (Porsche)
Action: _____
 - d. Initial review of policy items. [Pages 19-21] (Porsche)
Action: _____
 - e. Staff updates and issues. [Verbal] (Porsche)
Action: _____
6. BUSINESS FROM THE BOARD
7. RECESS TO EXECUTIVE SESSION TO DISCUSS REAL PROPERTY TRANSACTIONS IN ACCORDANCE WITH ORS 192.660(2)(e)
8. RECONVENE
9. NEXT MEETING DATE: *Next regular meeting Wednesday, August 15, 2012*
7. ADJOURNMENT

City of Albany Web site: 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.



ORIGINALLY APPROVED: January 18, 2012
CORRECTED MINUTES APPROVED:

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, November 16, 2011

MINUTES

Advisory Board Members present: Rich Catlin, Jeff Christman, Bill Coburn, 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: None

Staff present: Urban Renewal Manager Kate Porsche, Civil Engineer III Chris Cerklewski, Administrative Assistant Teresa Nix

Others present: Approximately 150 audience members

CALL TO ORDER

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

APPROVAL OF MINUTES

October 19, 2011

MOTION: Ray Kopczynski moved to approve the October 19 minutes as presented. Chuck Leland seconded the motion, and it **passed** 14-0.

SCHEDULED BUSINESS

Business from the Public

None.

Presentation of Competitive Grant Requests

Urban Renewal Manager Kate Porsche drew attention to items on the dais – a packet of letters in support of the American Legion request, e-mails in support of Friends of the Jensen Arctic Museum, a packet of letters in support of the Woodland Square project, and a letter in support of the Broadalbin Promenade project [see agenda file]. She briefly reviewed information in the packets, including a project review grid and a breakdown of the funding requests and dollar amounts.

American Legion, 1215 Pacific Boulevard SE (\$349,506 grant)

James McCanlas, commander of American Legion Post 10, asked audience members who are here in support of this request raise their hands; about 100 people did so. He read from the goals and objectives [see agenda file] on the CARA website, several of which pertain to this request. He said that CARA stands for Central Albany Revitalization Area. Central Albany is the boundary established, within which the American Legion

building is being rebuilt. Post 10 has been an undeniable force in development, strength, and positive changes in Albany's past and present. The application reflects only some of what Post 10 has done for Albany. Membership consists of many of Albany's business owners who make up its commerce. Revitalization means to make vital again. Post 10 is made up of those who are willing to make and have made the ultimate sacrifice for their families, community, and nation. The Post has experienced an enormous loss by unforeseen circumstances. The multiple charities and programs it supports are suffering, and that means that Albany is also suffering. Post 10 is the largest post in Oregon, it has been part of Albany for 94 years, and it is on the I-5 corridor. This provides ready availability to traveling veterans and their families to stopover for food and gas. By helping to rebuild on a main artery in Albany, the Board ensures a nice decorative building that is pleasing to the eye and shows passersby that Albany cares about veterans and their families. When events are held there, people will know that Albany is a community-friendly place. When people search online and find a civic-minded organization, such as Post 10, it encourages a positive sense of well-being in someone looking to settle or raise a family. The American Legion helps with health and housing benefits for veterans and their families. There are over 20,000 veterans living in Linn County and over 40,000 veterans expected to come back from Iraq and Afghanistan. The organization's presence near Eleanor Hackleman Park, which has had a sketchy past with drugs and crime, is a deterrent to that behavior. After giving to the community for 94 years, he asked for CARA's help so that the Legion can go another century for Albany. There was a round of applause from the audience.

Garner Pool spoke briefly in support of the request.

Jeff Christman asked what the timeline of the project would be without CARA support. McCanlas said that the organization is well short of the amount needed to replace the building and contents; the project would be delayed until it is able to come up with the necessary resources.

Leland asked if there was not enough insurance to cover reconstruction. McCanlas said that the redevelopment will cost more than the insurance paid because it must comply with higher standards in the current Development Code. The insurance paid only \$250,000 for the more than \$600,000 worth of equipment that was inside the building. In response to further inquiries from Leland, McCanlas said that the organization was never advised that they were underinsured and that the organization is not required to pay property taxes.

Kopczynski noted that the application lists other pending sources of funding; he asked if CARA funds would still be needed if those sources came through. McCanlas said that some of the pending funds may be based on a match to what CARA provides and that CARA funds are needed to get to the \$1.2 million.

Friends of the Jensen, 431 First Avenue W (\$50,000 grant)

Marianna Mace, retired curator and current board member of the Jensen Arctic Museum, said that the museum has been in operation on the Western Oregon University campus for 26 years with a mission to educate people in the Pacific Northwest about the arctic environment and the culture of its people. The museum was founded by Dr. Jensen, who was involved in the educational system in Alaska, established a network of friends throughout the region, was named an honorary member of the Alaska Council of Elders, and was very well regarded in Alaska. The museum has a very good collection which includes large and small animals, transportation-related objects, clothing, artwork, and tools. The museum is open to public, provides tours for school children and others, has sponsored a number of conferences and film series, and puts exhibits out as broadly as possible.

The museum wants to move because of space needs and because the university has withdrawn its financial support. It hopes to pull more visitors from foot traffic and from the Interstate and to have activities that will help it to become self-supporting. The museum was approached by the Historic Albany Recovery Program (HARP), the Albany Visitors Association, and the Albany Downtown Association, which felt it might be a good fit in efforts to make the downtown core a place where people want to visit. The project would remodel two adjacent locations on the first floor of the Masonic building into a museum space, a gift shop, and a small

retail space such as an ice cream store. CARA funds would be used in conjunction with other sources of funding, including \$50,000 of the museum's money.

Kopczynski asked about additional funding sources. Mace said that the organization is actively seeking funding from other sources, many of which do not want to be the first to contribute.

Leland asked if there would be a charge for admission. Mace said that the museum would likely continue to have a suggested donation for admission; museums must have a revenue stream other than admissions.

In response to inquiries from Mark Spence, Mace said that the organization has not sought to repatriate the items in the collection; most of the items in the collection exist in Alaska and the museum would like to keep its collection intact. The collection is owned by the state of Oregon and would not be sold. There is no member of HARP on the museum's Board.

Kate Foster asked how long it would take the museum to come up with the funding needed if CARA denied the request. Mace said that would impact the ability to get other funding and the museum would probably stay where it is.

In response to an inquiry from Rich Catlin, Mace said that CARA funds would be used for interior improvements to create a museum quality exhibit space.

Scott Lepman, 406 Denver Street SE (\$48,423 forgivable loan)

Scott Lepman said that this project would demolish an old dwelling unit which was constructed in 1949 and remodeled without permits and which has been the subject of multiple police responses. He reviewed existing conditions of the building; it is functionally incurable based on present market standards and it needs to be torn down. He is requesting funding to help with construction of a duplex matching the architectural characteristics of duplexes recently constructed by Mark and Tina Siegner. The proposed two-story townhouse duplex units with an attached single car garage will contain 1,250 square feet, 3 bedrooms, and 2½ baths. Units will be energy efficient and have upgrades superior to other duplexes in the community. The property was purchased anticipating CARA assistance in constructing a duplex that would enhance the neighborhood by removing blight and meeting CARA design standards for infill construction in an established neighborhood.

In response to an inquiry from Kopczynski, Lepman said that the submitted photos are intended to demonstrate the kind of duplex that could be built and why he needs additional funding to build a quality duplex on the site.

In response to inquiries from Catlin, Lepman said that the design is identical to that in the Siegner's previous application. He used their cost figures and is requesting the same amount they received from CARA.

Foster asked what Lepman would do with the property if CARA were to deny the request. Lepman said that he would probably sell it to a homeowner; however, this property is not something a bank would likely lend on.

Spence referred to the statement that the property was purchased anticipating CARA assistance. Lepman said that he hoped it would be funded which may be a mistake on his part. The safe thing would have been to not close the deal until everything was approved in advance, like the Lowe's deal, for example.

In response to an inquiry from Bessie Johnson, Lepman said that he paid \$27,500 for the property. Johnson said that he could probably sell for a profit to someone who would demolish and rebuild. Lepman said that his goal is to fix up properties that are not in good shape, not to unload them.

Foster said that Lepman appears to have a strong, growing company. She asked why he doesn't use his own income stream for the project. Lepman said that he needs to make prudent business decisions. He would not have bought the property without the anticipation of CARA funding and will sell if he doesn't receive it.

Scott Lepman, 201 Second SE (\$749,000 forgivable loan)

Scott Lepman submitted and reviewed a written statement [see agenda file]. He said that the downtown provides opportunities for retail, office, and entertainment; owner-occupied attached housing; and tenant-occupied attached housing. With this project, he is proposing tenant-occupied attached housing on the second and third floor, and retail and office uses on the first floor. There is no proven market support for retail and office spaces and no bank funding for retail/office or condominium units at this time. He reviewed examples of owner-occupied projects in Salem which remain largely unoccupied and recently completed retail/office projects in Downtown Albany that are still significantly vacant; a market study of the downtown shows a 30 percent vacancy in retail and office space. He is proposing limited retail/office space and tenant-occupied units that have been designed and will be constructed of a quality to allow for successful conversion to condominiums should the market change. His company, with CARA's support, has proven that quality built units will attract desirable occupants. His written testimony includes a list of tenants from the Jefferson Lofts and the Sixth and Montgomery apartments, none of which are on housing assistance. The proposed building will be designed for water and energy conservation with a very efficient envelope. The stylistic features are intended to be consistent with buildings in the Historic Downtown and the immediate area. He understands that a design review application is necessary to receive CARA approval. He believes that the proposal offers an outstanding project that will overcome market resistance and that will significantly increase the tax rolls.

Kopczynski asked if he would apply for LEEDS certification. Lepman said no, he will do things in a very energy efficient way, but LEEDS requires a significant amount of paperwork. Kopczynski said he appreciates that the applicant is working with Crandall and Porsche on the design.

In response to an inquiry from Leland, Lepman said that there are 14 units and 10 parking spots.

Catlin asked how the applicant arrived at the amount of the request. Lepman said that the request is the total cost of the project less the bank funding and his own contributions. Catlin asked about the target range for rents. Lepman said that the original design had a price point of about \$600 to \$700, which would appeal to people working downtown. The second design consists of larger units, puts rents at a higher level, and creates more risk. He will probably try to create the more moderate-sized units.

Foster said that the application shows the applicant contribution at \$565,000 compared to the requested amount of \$749,000. Lepman said that his contribution would be about \$3 million, including money from the lender.

Spence said that parking is at a premium at this location; he asked about attracting tenants with no place to put their cars. Lepman said that he thinks that people who park downtown during the day will be leaving at the time residents are arriving; he doesn't anticipate a parking issue at this site. Spence asked what kind of retail or entertainment is envisioned. Lepman said he envisions an office or small retail store on the first floor.

Thad Olivetti, 409 First Avenue W (\$42,500 forgivable loan)

Thad Olivetti briefly reviewed his request for funds to help with exterior work on the building, including removal of the metal "cheese grater" from the façade, stucco work, brick work, and window replacement.

In response to an inquiry from Foster, Olivetti said that he recently purchased the building.

Porsche noted that the owners of the adjacent building were asked if they would like to submit an application to remove the remainder of the "cheese grater" but they were not interested in doing so at this time.

Linda Poris, 301 First Avenue W (\$26,775 forgivable loan or grant)

Linda Poris expressed appreciation for CARA's previous assistance for exterior improvements to her building. She introduced her contractor, Larry Preston, who briefly reviewed work yet to be done inside and outside of the building and for which CARA assistance is being requested.

Kopczynski noted that there is a question on the application which asks where else the applicant has looked for funding, to which the applicant answered "nowhere." Poris said that she didn't know where else to look; banks are not loaning on commercial buildings.

In response to inquiries from Foster, Poris said that she has owned the building since 1990, that it was in very bad shape when purchased, and that she is requesting assistance now due to the availability of CARA funds.

United Steel Workers, 1224 Santiam Hwy SE (\$240,000 as a \$140,000 forgivable loan and \$100,000 grant)

Nick Guitaud and Aaron Watts distributed photographs and information [see agenda file]. Guitaud said that the United Steel Workers are proposing to acquire the old Salvation Army building, a severely blighted building located in an area that has been identified for revitalization, for a training center for its members to acquire job skills. In talking with local contractors, there has been a lot of positive energy around the idea of submitting "teaching bids" rather than just having the contractors do the work themselves. Aaron Watts said that the Institute for Career Development (ICD) is a program that was put in place to provide specialized training courses to steel workers so that they could find jobs in different industries in a fluctuating market. The short-term, focused training includes culinary arts, welding, and personal improvement. The ICD also works with Linn-Benton Community College (LBCC). Guitaud said that the need for this service arose due to mill shutdowns and layoffs. Affected workers found LBCC to be full with a fluctuation of people trying to retrain and rejoin the work force. The organization decided to utilize this program, which has continuous funding from ATI. The benefits to CARA, as explained in the application, include a proposal to hold events which would bring people into Albany and put money into the economy, the use of local contractors and the purchase of materials from local merchants, and the addition of this building to the tax rolls.

Johnson said that she is impressed with what this group is proposing to do for the community. College training is not for everyone and she thinks it is inspiring that the training will focus on preparing workers for the trades.

Kopczynski asked how it would be possible to provide all of the training opportunities in a 7,500 square foot building. Guitaud said that the building is an open box that can be changed around depending on the training being offered at a given time and that there is a potential to eventually acquire adjacent property.

Kopczynski said that the application appears to be incomplete in information regarding soft costs, construction costs, etc. Guitaud said that the membership did not approve spending for preliminary design work needed to get bids in advance of acquiring the building. There are some quotes in the distributed information.

Leland asked what efforts have been made to see if LBCC could accommodate the needs of the organization. Guitaud said that many members are going through courses at LBCC; however, it has been found that members often need more or different training than what is available at the college level.

Woodland Square (Innovate Housing), 1415 Salem Avenue SE (\$1,450,000 forgivable loan)

Sarah Stevenson, Innovate Housing, Inc. (IHI), introduced IHI Director of Housing Development Julie Garver, General Contractor Greg Goracke, and Architects Bill Ryals and Gary Hartill. She said that the team is here to request support for the redevelopment of the Woodland Square mobile home park. She submitted written information and noted that the Board has a lot of information in their packets. She said that IHI has been developing and operating multifamily apartment complexes for over 20 years. The firm uses quality building materials and dedicates time and resources to a quality design because they intend to own and operate for the

long-term. They work closely with elected officials, local leaders, and neighbors to develop housing that meets local needs and creates a positive impact in the community. They use professional property managers and onsite managers and maintenance staff, and they use screening criteria to ensure renters have positive rental histories and do not have criminal backgrounds. They also provide services to residents to improve their housing stability and economic situations.

Greg Goracke said that he will comment about the development process and IHI's commitment to investing in the local economy. This would be a strong development in an area that is in long need of help. When IHI approached his firm about partnering with them, they stressed the need to have a local presence; both he and architect Ryals live in North Albany. The project has a minimum commitment of \$1.5 million to the local work force and local supplies and expects to exceed that amount. The team has met with City staff and the neighborhood and is working to satisfy the needs of the City and the community.

Christman said that the funding schedule has CARA contributing a significant amount of money before IHI has invested anything. Garver explained that it is optional for CARA to fund the site work prior to its purchase. Doing so would put the project ahead somewhat; but it would not be a significant problem if the decision is made to wait.

Johnson asked about relocation efforts for residents of the mobile home park. Garver said that IHI has met with the residents and advised that this change may be coming in two years. The residents have rights which are protected by the state. They would have a minimum of 365 days of official notice, would be provided with \$5,000 for relocation costs, and would be eligible for a \$5,000 tax credit. They would also receive assistance from Linn-Benton Housing Authority and Albany Partnership.

In response to an inquiry from Loyd Henion, Garver said that she does not believe Section 8 vouchers will be available to this project.

In response to an inquiry from Foster, Garver said that rental rates will vary depending on the size of the unit; for example, one-bedroom units will range from \$450 to \$550.

Broadalbin Promenade (\$1,020,000 public improvement)

Porsche said that one of the projects on the table for consideration is the remaining two blocks of the Broadalbin Promenade, one of the tier one projects called out in Crandall's retail refinement plan. Crandall recently reminded her that every dollar of public money invested will leverage about \$11 of private investment. She recalled that this project scored highest in the public space improvements during the CARA open house.

Pam Wendler-Shaw, owner of the Oregon Language Center, urged approval of the Broadalbin Promenade. She said that the improvements would be an attractor and would benefit all of Downtown Albany, not just those with businesses on the Promenade. She understands that these are difficult economic times and that there are a lot of funding requests coming forward. She reviewed several ways in which it may be possible to do part of the project or to do a revised version of the project in order to save costs. Post noted that the design work for the Promenade has already been accomplished.

Decisions on Competitive Grant Requests

Porsche recalled that the CARA Advisory Board previously set aside \$775,000 for potential purchase of the Eagles' building as part of the retail refinement parking strategy. The Eagles has since advised that it does not plan to relocate at this time. The City Attorney is working to draw up a right of first refusal agreement. If the Board chooses, it may make the \$775,000 available to fund other projects.

Foster said that she thinks the parking option is vital for the future. Spence said that it is crucial that CARA invests in public projects and that it is not necessary to spend all of the available money at this time. In discussion, Porsche advised that she estimates that CARA will be able to go out for another round of borrowing in about two years.

MOTION: Christman moved to rescind the commitment of \$775,000 for the Eagles' property. Kirbey seconded the motion, and it **passed** 12-2 with Leland and Olsen voting no.

Porsche drew attention to the project review grid and the list of proposed projects and amounts in the staff report. There is \$3,186,000 available; the total of the project requests is \$3,976,204.

Bill Coburn asked if staff has recommendations about project funding in light of the shortfall. Porsche said that her recommendation is to give careful consideration to what each of the projects is leveraging, as well as the impact of precedent setting. In thinking about the goals specific to the urban renewal district, it appears to staff that a couple of the proposed projects are outside of the parameters. She briefly reviewed the staff analysis of each of the projects as shown on the quick review grid and the individual project evaluations. She noted that decisions made tonight are not final until approved by the Albany Revitalization Agency.

Following brief discussion, it was agreed to reorder the agenda in order to first consider the Broadalbin Promenade.

Broadalbin Promenade (\$1,020,000 public improvement)

Floyd Collins said that he is not convinced there is a need to spend all of the money available to CARA. He would be in support of funding one block of the Broadalbin Promenade, from Second Avenue to Third Avenue. He would not suggest doing the block from First Avenue to Water Avenue because future work in that area related to the retail refinement parking strategy may result in that area being torn up.

In response to inquiries from the Board, Civil Engineer Chris Cerklewski said that the \$500,000 per block estimate is based on final construction costs of the block of the Promenade that was previously constructed. Construction costs have been flat since that time. The water main would be funded out of the Water Fund. Potential savings and exact costs would be worked out during the design phase.

MOTION: Kopczynski moved to approve funding for one block of the Broadalbin Promenade, from Second Avenue to Third Avenue. Konopa seconded the motion.

Dick Olsen asked about the cost effectiveness of doing two blocks now rather than doing one block now and another at some time in the future. Cerklewski said it is hard to quantify but, generally, the larger project would cost less per unit. Olsen said that construction companies are hurting and it might be a good time to get bids.

Sharon Konopa said that Crandall has said the Promenade is a vital project for urban renewal; she feels he knows what will revitalize the downtown. She can support the motion to get at least one block done. She is curious what the bids would be for one block as opposed to both blocks.

Spence said that we need to focus on public projects and on connecting to the river sooner rather than later.

Henion said that the urban renewal plan includes two more blocks of the Promenade. He would support funding one block tonight if it is agreed to do the second block at a later time.

Foster said that she would like to fund the entire Promenade now. She agrees that this is a good time to get bids and that CARA should be funding public projects with public money.

The motion **failed** 7-7:

Yes: Catlin, Coburn, Johnson, Kirbey, Konopa, Kopczynski, Post

No: Christman, Collins, Foster, Henion, Leland, Olsen, Spence

MOTION: Henion moved to approve the entire Broadalbin Promenade project but to delay funding for the second block until the next funding cycle and if there are funds available at that time. The motion **died** for lack of a second.

In response to an inquiry from Olsen, Cerklewski said that the bid request could be structured to receive bids for one block, two blocks, or both options.

MOTION: Spence moved to approve funding for the Broadalbin Promenade project from Second Avenue to Third Avenue and to reserve \$500,000 of the existing funds to do the other block at a future date. The motion **died** for lack of a second.

MOTION: Foster moved to fund the remaining two blocks of the Broadalbin Promenade. Olsen seconded the motion and it **failed** 7-7:

Yes: Catlin, Foster, Henion, Kirbey, Konopa, Olsen, Spence

No: Christman, Coburn, Collins, Johnson, Kopczynski, Leland, Post

MOTION: Olsen moved to approve funding for one block of the Broadalbin Promenade, from Second Avenue to Third Avenue. Kopczynski seconded the motion, and it **passed** 11-3:

Yes: Catlin, Coburn, Henion, Johnson, Kirbey, Konopa, Kopczynski, Leland, Olsen, Post, Spence

No: Christman, Collins, Foster

American Legion, 1215 Pacific Boulevard SE (\$349,506 grant)

Catlin said that he works for Reese and Associates, which has a working relationship with the American Legion; he will not participate in the discussion or decision for this request.

Foster said that although on paper this request does not appear to meet all of CARA's criteria, the Legion's activities are open to the public and she feels the project does provide a public benefit. Post added that it was made clear to him that the Legion is open to the public.

MOTION: Foster moved to approve the full amount of the American Legion request. Johnson seconded the motion.

Johnson read a statement in support of the motion. She said that she grew up in a small town and was taught from an early age what the American Legion did for her community; you would be hard pressed to find a more community-minded organization. The American Legion built the memorial at Timber-Linn Memorial Park, and it may be able to take on some activities that the City may not be able to offer due to budget cuts. CARA has supported many projects that were more business related which bring people downtown and create jobs. This project would help the community in a different way but still bring dollars to the community. She feels it would be a good investment to help this organization get back to doing things for our community.

Kopczynski expressed concern about funding a project that has no return on investment to CARA and that is not a public infrastructure project. Olsen agreed and said it is important to think about setting a precedent for other private clubs that may come forward with requests in the future.

Coburn said that it is hard to take the emotion out of this decision; we all appreciate what the veterans have done and the sacrifices made. Looking at the decision grid and the criteria, of the eight projects being presented tonight, this scores the lowest and there is no opportunity for return on investment. He would feel more comfortable with a smaller amount and perhaps a loan agreement.

Henion said that he cannot support funding the full request; he could possibly support some other amount. He supports the Legion and the veterans and the display of people here tonight makes this decision very hard. But CARA has objectives and it is important to stick to the urban renewal plan or we will never finish our plan.

Collins said that he has said in the past that CARA should not fund nonprofit organizations unless it finds some other social value that contributes to the value of the community. He would be interested in exploring the possibility of structuring this as a loan to be repaid unless the organization, for example, can document that they support charitable organizations in the community to the tune of \$300,000 per year.

Spence said that part of the emotion behind this decision is the sense that the onus is on CARA to save the American Legion Post. He suggested consideration of a much smaller grant tied to a loan that has a payback.

Konopa said that there does not seem to be support for the full amount. It was not the Legion's choice that they lost their building and there are items required in the Development Code that are not within its control. She suggested that consideration be given to providing funding for items such as the parking lot, landscaping, permits, and SDCs.

Coburn suggested that staff be directed to work with the American Legion on a different structure for this request. Brief discussion followed.

The motion on the floor was **withdrawn**.

MOTION: Leland moved to give 10 percent of the American Legion request as a grant and the remainder of the request as a loan for three years at 10 percent interest. The motion **died** for lack of a second.

MOTION: Coburn moved that the Board direct staff to work with the American Legion and come back with options, including possibly a low interest loan and/or a combination grant and loan. Henion seconded the motion.

Olsen said that he thinks the Board should make a decision on this request.

The motion **passed** ~~11-1~~ **11-2** with Foster and Olsen opposed and Catlin abstaining.

Friends of the Jensen, 431 First Avenue W (\$50,000 grant)

Konopa spoke in support of the project which would bring energy to the downtown.

MOTION: Konopa moved to fund the project as requested. Coburn seconded the motion.

Christman said that this is not gap financing at all; it is startup financing and it is totally different than anything CARA has done. Kopczynski agreed; he would like the funding to be tied to the museum being able to acquire additional funding. In discussion, Porsche noted that CARA did provide startup money to the Carousel in a way by funding the purchase of land for that project.

Coburn said that he thinks this is a good project and that the review grid shows that it meets many of CARA's goals.

Spence spoke against the motion because the money would be used to make the building functional for a museum. He doesn't think museums are big people attractors.

Olsen said that the addition of the museum will increase the chance of people coming to Albany and, hopefully, they will buy a meal or stay overnight. The future of retail in Downtown Albany is uncertain; he feels that restaurants and entertainment such as museums will be the draw.

Kirbey noted that the application states that the museum has \$50,000 available to contribute to the startup.

The motion **passed** 11-3 with Christman, Kopczynski, and Spence voting no.

Scott Lepman, 406 Denver Street SE (\$48,423 forgivable loan)

Kopczynski said that Lepman has done a wonderful job for CARA in the past and this infill project provides a good return on investment.

MOTION: Kopczynski moved to approve the funding as requested. Collins seconded the motion.

Konopa said that, although this project is in the CARA district, it is not close to the town center. Lepman has done projects in other areas without assistance and this seems like a large amount for a single lot. She drew attention to the project grid which shows this project meets few CARA objectives. She asked whether the Board should consider the minimum threshold that must be met for projects to be approved.

Johnson said that many of the requests for are forgivable loans which will deflate CARA funds. She suggested that consideration be given to low interest loans.

Coburn said that CARA is funded by tax increment return on investment and the analysis shows that this money would come back to CARA in the way of tax increment in 13 years.

Foster said that this project could probably be done without CARA's help by this developer or by a different developer and that she is taken aback that the applicant stated he purchased the property with intent of getting CARA's assistance.

Spence said he will vote against the motion. The grid shows that the project meets few CARA goals and he does not feel that blight can be fixed one parcel at a time.

Catlin said that he agrees with comments from Johnson; he would be in favor of amending the motion to restructure this as a loan with terms.

MOTION TO AMEND: Catlin moved to amend the motion to restructure this as a nonforgivable loan at cost plus 1 percent. Foster seconded the motion.

The motion to amend **passed** 10-4:

Yes: Catlin, Coburn, Foster, Henion, Johnson, Konopa, Leland, Olsen, Post, Spence
No: Christman, Collins, Kirbey, Kopczynski

The amended main motion **passed** 10-4:

Yes: Catlin, Coburn, Foster, Henion, Johnson, Konopa, Kopczynski, Leland, Olsen, Post
No: Christman, Collins, Kirbey, Spence

Porsche agreed to talk with the applicant to see if this change is agreeable.

Scott Lepman, 201 Second SE (\$749,000 forgivable loan)

MOTION: Kopczynski moved to approve the request as proposed. Collins seconded the motion.

Olsen said this request is for a higher percentage than is normally funded by CARA for this type of project. Foster said she would be interested in considering a loan amount that is more in line with what CARA looks for in percentages.

Collins said the focus should be on the intent of CARA. This is a revitalization proposal with a return on investment.

The motion **passed** 10-4:

Yes: Catlin, Christman, Collins, Henion, Johnson, Kirbey, Kopczynski, Leland, Olsen, Post

No: Coburn, Foster, Konopa, Spence

Thad Olivetti, 409 First Avenue W (\$42,500 forgivable loan)

MOTION: Catlin moved to approve the request. Olsen seconded the motion.

Kopczynski said that he is concerned that it will remove only a portion of the metal “cheese grater.” Post said he thinks that is a start and that he appreciates what the applicant has done on other projects.

The motion **passed** ~~14-1~~ **13-1** with Kopczynski voting no.

Linda Poris, 301 First Avenue W (\$26,775 forgivable loan or grant)

Foster said that it seems like this project is for maintenance that the owner could have planned for; she would rather see this structured as a loan to be paid back.

Post said that he thinks this money will make a difference in the owner’s ability to get a long-term quality tenant for the space which benefits the district.

MOTION: Catlin moved to approve the request as a forgivable loan. Kopczynski seconded the motion, and it **passed** 13-1 with Foster voting no.

United Steel Workers, 1224 Santiam Hwy SE (\$240,000 as a \$140,000 forgivable loan and \$100,000 grant)

MOTION: Catlin moved to approve the request. Johnson seconded the motion.

Leland said that LBCC provides training opportunities; he questioned the need to duplicate that training. Kirbey noted that the applicant stated it would not be duplicating what is offered by LBCC. Kopczynski said that, from his work for the Community Services Consortium, he knows that many LBCC courses are booked solid; this will be another way training can happen. Post said that this will be a great resource for the community. Johnson said she likes the idea that local contractors and others from the community will be utilized as teachers. Brief discussion followed.

The motion **passed** 14-0.

Woodland Square (Innovate Housing), 1415 Salem Avenue SE (\$1,450,000 forgivable loan)

MOTION: Spence moved to approve the request as proposed. Coburn seconded the motion.

Coburn said this is the most exciting project being presented tonight; it provides urban renewal by improving a blighted area.

Henion said that the applicants should be congratulated for covering all the bases including looking into other grant opportunities. This project, when completed, will be an impressive gateway to the city.

Konopa said that the CARA boundary was initially formed to include Woodland Square with the knowledge that nobody should live in those conditions. IHI has worked to come up with a design that would be good fit for the neighborhood and the community. This project will bring in more investment, benefit the neighborhood, and is long overdue.

The motion **passed** 14-0.

Staff Updates and Issues

Porsche said that there is no CARA Advisory Board meeting scheduled for December.

BUSINESS FROM THE BOARD

None.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board is scheduled for Wednesday, January 18, ~~2011~~ **2012**, at 5:15 p.m. in the Council Chambers.

ADJOURNMENT

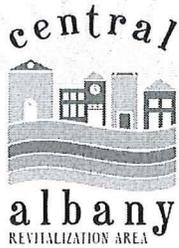
Hearing no further business, Chair Post adjourned the meeting at 9:17 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Administrative Assistant

Kate Porsche
Urban Renewal Manager



APPROVED: _____

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, January 18, 2012

MINUTES

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

Advisory Board Members absent: Jeff Christman, Bill Coburn, Gordon Kirbey (all excused)

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

Others present: Approximately 50 audience members

CALL TO ORDER

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

APPROVAL OF MINUTES

November 16, 2011

MOTION: Ray Kopczynski moved to approve the November 16 minutes as presented. Chuck Leland seconded the motion, and it **passed** 11-0.

SCHEDULED BUSINESS

Business from the Public

Ray Hilts, 3012 Takena Street SW, said that he is here to express his opinion on the Broadalbin Promenade. He feels that, since approval of that project was almost a split decision by Council, the CARA Advisory Board should recommend that the decision be revisited, that the Promenade be postponed, and that the half-million dollars be divided between the taxing districts. He does not feel that CARA should be eliminated because it has funded many good projects; however, in his opinion, this is not the time to do the Promenade.

Gary Ray, 3225 Tudor SE, said his comments are his own and represent no other person or organization. He thanked each member of the CARA Advisory Board past and present who dedicated ten years to improve the livability of the community. They chose projects carefully and managed funds appropriately. Projects brought jobs and helped the economy. He said that, if Tom Cordier thinks local government should operate according to his wishes, he should run for public office. We would then be able to choose whether to support negative actions that would destroy ten years of advancement.

Wendy Kirbey, 2135 22nd Place, President of the Albany Carousel, thanked the CARA Advisory Board for the help it has given to the Carousel so far; the progress has been tremendous. She said that, even though the Carousel does not bring tax increment into the City, it does bring in 2,000 to 3,000 people a month. If even half of those people eat, buy gas, or shop, that brings energy to the downtown. She again thanked the CARA Advisory Board for its support and said she believes that the Carousel is an important part of the downtown.

Tom Cordier, 2240 Park Terrace NW, said that he filed papers needed to start an initiative petition to appeal an ordinance passed in 2001 which created the Albany Revitalization Agency. He said that similar actions have been happening around the state, including Clackamas County which last year passed an initiative that required financial decisions made by that urban renewal district to go before the voters. He said he has nothing to gain financially or politically, but tax payers need to be protected from decisions that are financially imprudent. As an example, the United Steelworkers asked for and was awarded \$240,000; the application form shows they did not ask for funds elsewhere, and the training they will be providing is available at LBCC. The November CARA Advisory Board agenda shows a request for the Broadalbin Promenade, \$1,020,000 (verbal); but he finds no record of a verbal report in the minutes. The minutes do note that Crandall says one dollar of public money will leverage \$11 of private investment; he questions that ratio, and there is no metric available to show how that is working. He does not like to be the one to bring forward an idea to shut down CARA and ARA, but he is told there is no other way. ARA is independent of the City Council, and its decisions are not subject to review. One of the rationales for CARA spending money is that it will increase valuation and get payback from increased taxes. His calculations are that the Wheel House will take 20 years to pay back; the Flinn block will take 60 years – both are largely unoccupied. He said the Mayor has commented that he hasn't participated in the process, but he doesn't have to be involved in CARA meetings to look at the product and ask what we are getting for our money.

Bessie Johnson said that she has a few questions and she asked for yes or no answers. She asked if Cordier has been involved with the CARA process since it was created; Cordier said no. She asked if he saw what the downtown looked like before CARA began helping businesses; Cordier said he has been in the community for 40 years; so yes. She asked if he thinks the Flinn block and other places would have been upgraded and business would have come downtown if CARA hadn't been there to assist; Cordier said he doesn't know the answer to that question. Johnson said she talked to Bill Coburn today and his question was whether Cordier plans to put a bond measure on the ballot to pay the debt that CARA owes; Cordier said he doesn't know how that will be resolved. Johnson recalled that Mark Spence, a historian on this Board, previously said he cannot think of any City in the United States that didn't require public investment to become a successful city; she agrees with that. Cordier said that Kirkland, Washington, was totally revamped with all private investment. He said that there was a lot of private development across the river in North Albany, and that private developers will wait until they are able to turn a profit.

Jim Clawson, 1448 Geary Circle SE, said that he doesn't think citizens should be restricted to yes or no answers; the website says citizens can talk and that should not be limited. He said that he hears a lot about the tax increment financing but not about the debt that has occurred in conjunction with that. The ratio of 11 private dollars for every one public dollar amazes him; we will never get 11:1 out of the Broadalbin Promenade. The carousel in Salem was totally privately funded; the Albany Carousel so far has tons of public money going in and very little coming back. CARA is becoming a slush fund for putting off debt and picking projects that the public doesn't want or need, and the Carousel is a good example.

Gary Siewell, 1875 Meadow Wood Drive NW, said that the amazing thing about CARA is that some arrogant bureaucrats think they can make better decisions about investments than successful businessmen. He thinks that we need to turn investments back to the private sector and get the public sector out of deciding who are the winners and losers in business. He thanked Tom Cordier.

Mike Quinn, 4455 Sunset Ridge Drive NW, requested an update on the project in the area of Hill Street and Water Avenue where there are several piles of gravel following about \$2.4 million invested. Porsche said an update for that project is scheduled later on the agenda.

Bill Ryals, 935 Jones Avenue NW, said that generations of his family have worked to build this town since 1850. When he graduated college, he couldn't wait to get away; the town was dying and had no future. After living in several other communities, he recently brought his young family back to Albany, largely because CARA has turned the town around. The buildings in downtown are no longer structurally stable, and it is not economically viable to develop by private means without assistance. He thinks that some people do not see the big picture. He has not agreed with all of CARA's decisions, but he thinks it has done the best it could.

Sharon Konopa said she would welcome anyone with concerns about CARA to meet with her over coffee so they can get the whole picture.

American Legion, 1215 Pacific Boulevard SE

Porsche drew attention to the written staff report. She recalled that the Board previously directed staff to work with the American Legion on a revised application. Following productive meetings, the revised “either/or” request is for a \$50,000 matching grant or a \$97,500 forgivable loan to be used for the items listed in the staff report. For the loan, forgiveness would be based on completion of construction of the building, CARA would have a lien in the first position until the Legion gets construction financing, and the Legion has suggested an agreement for the use of their digital sign to promote local events.

James McCanlas, commander of American Legion Post 10, expressed appreciation for efforts to quantify which items of need are under the goals and guidelines of CARA. Since he has already been before the Board, he won't go into great length about the contributions Post 10 has made to the City, but they include the first ambulance, volunteer fire department, Albany municipal airport, and Veterans' Day parade. Post 10 has been a driving force in Albany's development for 92 years. Due to an arson fire on July 4, 2010, the Post's activities are limited by the property it leases. The building is inadequate for the multiple functions required to earn the revenue needed to maintain its mission goals. The kitchen and service area are not adequate for the events that are a large portion of its income base. The building is old and upkeep costs are high. He outlined the request for assistance in one of two ways – a \$50,000 grant or a \$197,500 loan, as detailed in the application. CARA's assistance would reduce the amount needed by the bank, provide a potential match grant, shows grantors that Albany is willing to help the organization, show veterans that Albany appreciates them, allow Post 10 to continue to help with downtown events, and provide signage on Pacific Boulevard to direct people to events.

In response to an inquiry from Foster, Porsche said that loan forgiveness is typically triggered by completion of the project defined by receipt of the Certificate of Occupancy.

Kopczynski asked what would happen if the Legion was unable to get a construction loan. McCanlas said that, from what he understands, the building after completion will be valued at about \$3,260,000. Without a bank loan, and with the \$97,500 CARA loan, they would be short about \$348,500. They are working with several banks, as well as an anonymous donor.

In response to an inquiry from Kopczynski, Porsche said that it was made clear to the applicants that CARA funds can only be used for work that has not yet been done; the reimbursement process requires the applicant to submit dated invoices prior to receiving payment.

Collins commented that the City has supported Post 10 in the amount of about \$60,000 by assuming installation of the water line on Sherman. Collins said that he would like to consider a condition of approval that the grant or loan would be paid back if the building is sold within a certain period of time.

Catlin said that his company has done work for Post 10; he will not participate in these proceedings.

Spence said that the request does not explicitly meet many CARA goals, but what is running through all of those goals is that CARA is committed to perpetuating and improving community institutions. He wants it to be very clear that a grant or forgivable loan would come with conditions and that the Legion would be on the hook financially if those conditions are not met. McCanlas said that is understood.

In response to an inquiry from Henion, McCanlas said that the details of the digital sign usage would need to be negotiated. The Legion has always tried to support its community.

Leland commended the American Legion for the good work they have done over the years. He said the proposal fails to meet a number of CARA goals, including furthering the Town Center Plan, remedying severely blighted areas, rehabilitating historic buildings, benefiting the general public, locating in a retail

hotspot, and tax increment to CARA. He recalled that McCanlas previously said that Post 10 contributed about \$400,000 to the community. McCanlas said that is in-kind and in money; he doesn't know the money figure. Leland asked why the Post does not direct some of those funds back to the building. McCanlas said the temporary facility is highly inadequate, expensive, and does not allow for the multiple functions that bring in money. The Post is trying hard and doing fund-raising but still needs additional funds.

Leland said he was told that underwriters typically recommend insurance for replacement value. McCanlas said the insurance was adequate to replace the building; however, because the building was more than 70 percent destroyed, it is considered new construction. The insurance did not cover the extra costs associated with new construction.

Collins asked whether it is wise to expand CARA's current debt given that the potential implications of the initiative petition are unknown. Brief discussion followed. Catlin noted that this Board is charged with making recommendations; the Agency makes the final money decisions. Foster said she considers her position on the Board as a job; she would still do her job even if a layoff was possible, and she wants to evaluate the projects before the Board tonight.

Konopa said that the American Legion folks were wonderful and understanding in the meetings. It is a process to be able to understand what is fundable and the Legion has a unique situation. She recognizes the value of what the organization has done for our community. The list of projects for CARA funding include a sidewalk on City property (\$13,000), and a fire suppression system which would protect the investment and the community overall (\$36,000). An agreement to use the sign would give some value to the City which currently pays to have advertising banners put across the highway.

MOTION: Kopczynski moved to approve the \$50,000 grant subject to completion of the building; if completion does not occur, the funds would revert back to CARA. Foster seconded the motion.

Spence said he would be interested in a larger forgivable loan with a condition that it is paid back if the building is sold within a certain time period. Foster said that, if some Board members are more comfortable with a middle ground, the sidewalk, fire suppression, and sign add up to \$74,000. In response to inquiry, Porsche said that the grant contracts have a stipulation that CARA has a right to require repayment if the project is not completed.

MOTION TO AMEND: Foster moved to amend the motion to approve a \$74,000 grant with the stipulation that the applicants complete the project, reach an agreement for sign usage, and that, if the American Legion leaves the structure within ten years, the money will be paid back. Henion seconded the motion.

Collins said he will not support this motion, not because of this project, but because of his concern that we are digging a deeper hole and we don't know the bottom.

The motion to amend **passed** 7-3 with Catlin abstaining:

Yes: Foster, Henion, Johnson, Konopa, Leland, Olsen, Spence
No: Collins, Kopczynski, Post

The amended main motion then **passed** 7-3 with Catlin abstaining:

Yes: Foster, Henion, Johnson, Konopa, Leland, Olsen, Spence
No: Collins, Kopczynski, Post

Lepman, 406 Denver Street SE

Porsche drew attention to the written staff report. She recalled that Lepman had previously requested a \$48,423 forgivable loan for this property and the Board moved to offer a nonforgivable loan at cost plus one percent. Mr. Lepman has since said that this would not help him as he is able to procure a better rate at the bank and that the project is not an option for him without CARA assistance. ARA asked that this come back to the Advisory Board for reconsideration.

Scott Lepman, 100 Ferry Street NW, said that the Advisory Board approved a loan for this project but he is able to get a loan from other sources at lesser cost. He bought this property thinking it would be good for a duplex. Because of previous CARA assistance with the Siegner project, he prepared his application similarly to theirs.

Spence asked what he is hoping to charge for rent; Lepman said about \$850 to \$900 per unit. Spence asked if that would equate to a return on investment of about 12 years. Lepman said the rate of return is based on a gross rent multiplier; however, he will have a lien on the property which impacts the rate of return.

Kopczynski referred to the diagram in the application showing what would be built both with and without CARA assistance. He asked what is inherently inefficient with the less expensive option. Lepman said that he took that diagram from the Siegner's previously approved application. He purchased the property anticipating that CARA might also assist with this duplex since it would be a similar building in the urban renewal district. In his instance, however, there will not be a duplex built without CARA assistance.

Olsen said that he would like to find a way to give incentive to do this project and begin to spruce up Denver Street by example. Johnson said that she thinks the project could be the catalyst for improving the area, as we have seen work in other areas. Foster said that her concern is that the percentage of investment requested is 15 percent; she asked about the possibility of approving half of the requested amount. Lepman said his heart says yes, but his business sense says absolutely not. He is willing to do his share to make a positive change in the community, but it needs to make good business sense.

Kopczynski said he still has concerns about making this such an upscale duplex. Foster said she would be willing to contribute a lower investment and hope the applicant would make a less upscale version. Spence said that he feels we could get more urban blight bang for our buck than this one project provides. Johnson said that the proposal would get rid of blight, that this is a small amount compared to others CARA has given, and that Lepman has a reputation for doing good work.

MOTION: Johnson moved to approve a forgivable loan in the amount of \$48,423 to fund the demolition of a blighted home and construction of a duplex. Kopczynski seconded the motion.

Olsen expressed concern about the 15 percent; he might be in favor of a lesser request. He asked what percentage CARA has funded in similar residential projects. Porsche said she doesn't have that data with her. Porsche noted that, in the Siegner's case, they were originally intending to build a more mundane version in an area that abuts a historic district so the conversation was how we could help them create an infill project to show what could be done. From staff's perspective, the benefits are not the same with this proposal.

MOTION TO AMEND: Foster moved to amend the motion to approve a forgivable loan in the amount of \$25,000. Leland seconded the motion, and it **failed** by a vote of 5 to 6:

Yes: Foster, Henion, Leland, Olsen, Spence

No: Catlin, Collins, Johnson, Konopa, Kopczynski, Post

The main motion **failed** by a vote of 10 to 1, with Johnson voting yes.

RCM Homes Update

Bill Ryals and Randy Myers distributed and reviewed an updated Edgewater Village Master Plan. Due to market changes, the plan has transformed considerably since it was last shown to the Board. This is informational. The applicants have a good understanding of what the City would like and are working to embrace the downtown, add a retail segment, and come to an agreement with the railroad which would allow for a small parcel in the middle of the site to be added as public space. The units along the river would be single-family homes, the 5,000 sq. ft. commercial area would be market driven, and there would be about 75 condo units, again market driven.

In discussion and in response to inquiries, the applicants provided the following additional information:

- The gravel piles on Water Avenue were left over from demolition. The material has been ground up and is being stockpiled onsite to keep it out of the landfill. It will be used as quickly as possible.
- The road work will lead construction by about a year; the exact time frame will be market driven.
- Changes to the previously approved project include a reduction in the number of homes from 50 to 32 and the addition of commercial projects and public space.
- The commercial component will depend on what market allows at the time. The idea is to bring businesses that will bring people downtown and address local needs.
- This is a plan in progress. If the market turns around, the time line will be able to speed up.

Staff Updates and Issues

Porsche distributed and reviewed *CARA Surplus Revenue Estimates*. She advised that the City Council is working through a budget shortfall and all city services are under consideration. The spreadsheet shows an estimate of the City's portion of the CARA surplus after debt payments to be \$126,721.

Porsche said the next meeting will include a look back at the history of the urban renewal plan, items in the plan, CARA goals, and a review of how the money has been spent so far.

BUSINESS FROM THE BOARD

None.

NEXT MEETING DATE

The next meeting of the CARA Advisory Board is scheduled for Wednesday, February 15, 2012, at 5:15 p.m. in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Post adjourned the meeting at 8:01 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 P*
DATE: July 19, 2012, for July 25, 2012, CARA Advisory Board Meeting
SUBJECT: Staff Report – CARA Policy Brainstorming List

The last ten years of CARA's operation has seen the creation of strong programs, administrative guidelines, and policy-making. Two examples include our design guidelines and strong contracts. And, though there is much to be complimented, there is always room for improvement.

Over the course of the last year, staff has worked to collect ideas, suggestions from both CARA partners and critics of our program, as well as best practices from other communities for your consideration. The current break from project spending presents us with a great opportunity for reflection on ways that CARA can operate better, with a stronger framework of policies and administrative guidelines.

To that end, you will find attached a comprehensive list of suggestions. This list, titled, "CARA Brainstorming Policy List" is just that, a list of items that have been suggested and collected over time. The list is organized just by general categories at this point—there is no preference or hierarchy of the items on the list.

We are asking that you review this list prior to the CARA Advisory Board meeting on the 25th and come prepared to begin the conversation about these items. The list is broad and takes on many topics such as how CARA private partnerships are selected, our application process, contract structure, and administrative items. Of course, we are ultimately required to follow the goals and projects listed in our urban renewal plan and report; but the items in the list are potential refinements of our program. Some questions for you to consider when reviewing the list:

- What is the priority of each item (short-term, next couple of months, versus medium-term, next 18 months to two years)?
- Is there anything that should be on the list that isn't?

Working through this list and policy-making process may take a couple months, but we would like to at least begin the process at next week's meeting.

See you Wednesday night.

KCP:ldh
Attachment

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CARA Policy Brainstorming List

13-Jul-12

Category	Subject	Comments
Board Composition	Makeup of Advisory Board	Consider adding taxing districts to the Advisory Board.
Project Types/Decision	Geographic Focus	Bill Coburn's idea around defining specific focus areas and making funds available. Works to focus funds and limit dilution of public dollars in the large UR area.
	Retail Refinement Program	To forward refinement plan and work to get an east anchor in, we need to understand the viability of a slip lane on the east of Lyon Street. W/O slip lane, location between bridges will not work as an anchor site.
	Public Projects vs Private	Review of plan goals? Focus?
	Public Projects	How to decide priority of public projects.
	Private Partnerships	Based on ROI? And/or % of total project funding; policies to determine priorities.
	Project Evaluation	Creation of unbiased point system for decision-making board, internal information only.
Programs (Pots of funding)	Preapplication Program	Program similar to PDC's preapplication program. Possible \$5-10K of funds per property for preapplication type of work including appraisals, environmental, architectural, etc.
	Architectural Assistance	Continue with program? Expand list of architects? Allow applicants to use any?
	Small Grants Program	Continue with program? Firm up criteria for program including project types, minimum/maximum request size, requirement for bids, etc. Annual competitive process that would ensure that our small business/property owners can still receive funds (All other \$\$ set aside for "focus area")?
	Restaurant Funding Pot. Cluster Development Idea for DT	Rich's idea about creating a pot of funds just for restaurant development. Hoods and kitchen development run \$25-40K and is a barrier in buildings w/o these amenities.
	Program minimums/maximums	Set standards of max/min amounts for requests?
Application Process	Creation of a Consistent Process for Applicants	Develop common review criteria for all projects – will ensure consistency in decision making, highest/best use of funds.
	Application Form	Add number of jobs created (short-term and long-term wage?) – analysis of types of jobs created.
	Types of Entities to Apply	Process for government agencies, individuals, small business, corporations, and nonprofits (ex., St. Mary's Church).
	Validation of Projected AV/TI	Create task force comprised of lenders/business owners/concerned citizens to delve into this specific topic. Use appraisals for projects requesting >50K? (Not duplicative as appraisals necessary for construction financing anyway, and analysis done by neutral 3rd party.) Decide upon consistent method to assess value and benefit of all CARA projects.

Category	Subject	Comments
	Gap Funding	Proof of gap or need. Use rejection letters from banks? Where is the line drawn for utilizing city funds where banks have rejected similar applicants?
	Credit Worthiness Review	Authorized credit review of all project applicants with report and title search (how to handle with nonprofits?), currently require personal guarantee (and spouses) beyond collateral lending – focus on developers financial situation and credit?
	Cost Estimates	Number of bids to require?
	Process for Repeat Applicant	Process repeat request for same site funding differently than initial CARA fund requestors.
	Conflict of Interest Form	As suggested by Gordon Shadle.
	Fire Flows (Bradner)	Check fire flows in area as part of the CARA application process. If low or changes needed, possible funding of surrounding infrastructure.
	Explicit Outside Involvement/Approval (LaGrande example)	City of Albany, Landmarks Advisory Commission, Mainstreet Design, CARA, City Council, State of OR MS program, State of OR Historic Preservation Office.
	Overall Sense of Direction of Economy	State/local/CARA metrics to better understand climate and make funding decisions.
	Contractor Priority	Incent use of local labor for CARA projects (public suggestion by John Robinson).
Contracts	Final Accounting of Projects	Holdback of funds until final accounting compete. If project comes in under cost, CARA shares in the benefit and proportionately reduces our contribution.
Administration	Reporting	Routing financial reporting to advisory board/ARA. Including list and status of projects, funds available, reserves, loan repayments, metrics from completed projects, such as Final Cost vs. Estimate, TIF Actual vs Estimate (quarterly?).
	Annual Review	Review prior period, progress made on UR Plan, review metrics, review trends (MV, AV by Category), compression issues, outstanding loans/income, review Y/Y & 2001-YTD. Define expected actions or applications.
	Annual Report	Publishing of annual report as an expanded narrative with pictures and specifics about projects financials, impacts, etc., (see Annual Review item).
	Metrics	Closer tracking of specific metrics, need to select and agree upon metrics.