



APPROVED: October 17, 2012

**CITY OF ALBANY**  
**Central Albany Revitalization Area Advisory Board**  
**City Hall Council Chambers, 333 Broadalbin Street SW**  
**Wednesday, September 19, 2012**

**MINUTES**

Advisory Board Members present: Russ Allen, Rich Catlin, Jeff Christman, Bill Coburn, Floyd Collins, Loyd Henion, Chuck Leland, Sharon Konopa, Dick Olsen, and Mark Spence

Advisory Board Members absent: Kate Foster (excused), Bessie Johnson (excused), Gordon Kirbey (unexcused), and Ray Kopczynski (excused)

**CALL TO ORDER**

Chair Rich Catlin called the meeting to order at 5:15 p.m.

**APPROVAL OF MINUTES**

August 15, 2012

**MOTION:** Loyd Henion moved to approve the August 15 minutes. Jeff Christman seconded the motion, and it **passed** 9-1 with Russ Allen abstaining.

**SCHEDULED BUSINESS**

Business from the Public

~~Richard Kellum commended the CARA Board for reviewing its guidelines and regulations. He said that there are problems regarding perception. When you start a project that is 20 or 25 years in length, you have no clue what will happen over the course of that time. He reviewed costs on items including gold to gasoline, all of which have gone up dramatically. He said the dollar in your pocket in 2006 is worth about 26 cents today. Fifty cents of taxes coming into CARA today would be equal to about \$4 when the district was started. See correction below that was approved by the CARA Advisory Board at its October 17, 2012, meeting:~~

Richard Kellum came forward to request a revision to his comments under *Business from the Public*. He said that what he had tried to say was that with inflation over a 25-year period, you could start with the tax base, not for CARA but for the City, at 50 cents and because of inflation you could have expenses of \$4.00 or \$4.50, and he used the example of diesel being at 50 cents in 1987 and \$4.50 now.

Continued Review of CARA Policy Items – Project Types/Decision Making

Urban Renewal Manager Kate Porsche drew attention to items in the staff report – the CARA policy brainstorming list and the master list of projects from the CARA Urban Renewal Plan. She drew attention to items on the dais – a version of the master list of projects from the Urban Renewal Plan that includes the amount spent to date on each item and graphics with information related to spending thus far.

Porsche said that the CARA Advisory Board has borrowed on two lines-of-credit (LOC) in order to have money to spend on projects, and decisions are made as applications come forward. That method, though completely legal and acceptable, is a bit atypical. Typically, an urban renewal agency would identify large projects within its urban renewal plan and ask the bank to lend on those specific projects. Because CARA has had two LOCs, neither of which has been completely drawn down, the bank will likely want a firmer understanding of how loan money is going to be spent in the future. Staff will bring forward lending options for further discussion at the next meeting.

Bill Coburn referred to the handout showing estimated and actual spending; he asked which category includes the smaller grants for things like historic preservation. Porsche said those projects are included under development partnerships; she is working on a report with further breakdown of projects.

Floyd Collins asked if there is the ability to shift money between the seven categories within the plan. Porsche said yes, but doing so would result in potentially forsaking some project in the plan.

Collins said that on the handout showing money spent thus far, the money spent for the Broadalbin Promenade should be separated into subparts to show that much of that money was spent on infrastructure.

Catlin drew attention to the policy brainstorming list, noting that previous discussion left off with subject 2 – geographic focus.

Coburn asked whether Board members are interested in focusing efforts on a specific area. He spoke about the Portland Road project in Salem where they took a blighted area, bought property, tore down old buildings, and replaced infrastructure, and it is now a nice mixed-use area.

Mark Spence said that he doesn't have a problem with prioritizing an area but that decisions should be made giving consideration to all the issues, including whether it is a public or private project.

Dick Olsen said that the Salem project has similarities to the situation in Albany where we have a blighted downtown in a larger urban renewal district which would benefit from improvements downtown.

Sharon Konopa said that the infrastructure on First Avenue was an example of CARA doing work that stimulated private investment.

Coburn said that part of the process is to define blight. If the mobile home park on Salem Avenue is replaced by Woodland Square, he wonders if that would solve the blight or if other work would need to be done. If additional work is needed which involves private property, CARA might be limited in what it could do.

Spence said that CARA has a plan for the downtown but not the Salem Avenue area; First Avenue looks good but the downtown is not done.

Henion asked if it is typical for an urban renewal district to purchase property that is important to its plan and put out an RFP for improvements; he mentioned the St. Francis Hotel as an example. Porsche said it is very typical for urban renewal districts to identify what they want for a given area, purchase property, and encourage development in a proactive manner; this is one of the special powers of urban renewal. Henion said that the Board has been reactive to projects brought forward. He would like to be more proactive and, if that involves buying property, he thinks that should be done in a thoughtful way.

Catlin said that the urban renewal plan has a list of projects, many of which are location specific. There is a challenge when competing projects apply for funds and perhaps having geographical criteria could help in those instances.

Christman said that he thinks that the Board needs a more focused approach. Decisions need to be made about whether to focus on a specific geographic area, whether to purchase property, and at what level to fund public projects and private projects. Those decisions then need to be put into a policy statement.

Porsche said that she likes the idea of a stronger policy framework that would allow staff to respond to requests and bring forward projects that the Board is looking for.

Collins said that he would not want the policy to be so specific that it prevents a great project from coming forward. He thinks that geographic considerations need to be part of a matrix that balances other criteria. Porsche said that if a great project came forward, even one that fell outside of the established criteria, staff would definitely bring that to the Board for consideration.

Coburn suggested that the Board might want to identify multiple geographic priorities. He is supportive of continuing efforts downtown; other priority areas might be Water Avenue and the Woodland Square area. He agreed that the location should be one of a number of issues on a decision matrix. The priority areas might score higher on the matrix, and there may be an opportunity to be more proactive in the identified areas.

Konopa said that she feels the number one focus area for public infrastructure projects should be the heart of the downtown core. She has spoken to downtown property owners who are waiting to have their sidewalks done. In order to be fair, she thinks that work should start in the core and work out.

Allen said that blight is not equally dispersed throughout the district. It benefits everyone within the district if the City deals with blighted areas. He thinks there should be a focus area, but he doesn't think it necessarily needs to be contiguous to the downtown core.

Discussion followed regarding the concept of having three focus areas – the downtown core, Salem Avenue area, and the east waterfront. Porsche will draw up some boundaries and draft a policy statement for further consideration.

Catlin initiated discussion on item 3 of the policy brainstorming list – retail refinement program. Collins said that an answer is needed from the state regarding the slip lane to access the east anchor; if that is not allowed, the retail refinement plan cannot go forward as proposed. City Manager Wes Hare said that the initial reaction from ODOT has been fairly positive; staff will try to move that discussion forward and report back.

Catlin initiated discussion on item 4 – public projects vs. private. Christman said he would like to discuss this in conjunction with item 5 – public projects and item 6 – private partnerships.

Porsche reviewed a conversation between staff and the financial advisor about how lending for urban renewal has been tightening and how it is possible to get a better interest rate on borrowing for public projects using the full faith and credit of the associated jurisdiction. In that conversation, they discussed the possibility of using bonded indebtedness for public projects and using cash on hand from tax increment for public/private partnerships. Collins said that he thinks that makes sense. His concern is that we need to keep public and private projects in balance so the tax increment is at a level sufficient to service the debt. Porsche commented that the CARA district has outpaced original projections in terms of tax increment income. Hare commented that it is part of staff's responsibility to provide information so the Agency is not taking on debt it will not be able to pay off.

Following additional discussion, Porsche summarized that the Board would like a more comprehensive, systematic approach to monthly or quarterly financial reporting. The Board would also like to see a breakdown which shows that there is enough money coming in to do the projects in the plan, and it would like staff to consider putting that information online to inform the public on this issue.

Christman said that information on public and private projects and tax increment would be a helpful tool, but he thinks that there also needs to be a policy statement which truly guides the Board in making decisions. The policy statement would not have to detail how the tool would be used, but it could state that it is this Board's intention to spend x percent on public projects and x percent on private projects. Catlin asked if there is support for Christman's proposal for a policy that includes the percentage breakdown. The Board expressed support by consensus.

In discussion regarding private partnerships, Collins said that one of his concerns is that there needs to be a consistent way to define and calculate return on investment (ROI). He said it is easy to overstate figures, and final project costs are rarely equal to what was planned. He suggested that CARA might make commitments up to a certain amount based on the projected ROI but then reduce the funding proportionately to any underage on the project. Porsche said that, to this point, staff has not done follow-up with the developer on actual costs. She noted that CARA funds go out on a reimbursement basis as work is completed and that a portion of the money is held out to the end to ensure the project is completed as expected. In discussion, Porsche said that staff does have the ability to circle back and see if the actual costs were as projected and could do so if the Board feels that would be useful. She doesn't think this would be useful for small grants and would ask that there be a threshold to trigger that review. She will bring back a draft of a closing statement for further discussion.

Christman initiated discussion on funding for applications from nonprofits. He said that, if there is no ROI, there should be some other value to the district and there should be specific criteria for when CARA will provide funding for nonprofits.

Konopa said that she understands the desire to have criteria, but she would not want to eliminate funding for nonprofits. She reviewed nonprofit projects that CARA has participated in including historic rehabilitation projects and the Albany Carousel which has been a big energy booster for the downtown. She said part of the criteria for nonprofits could be the amount of energy that the project brings to the area. Another part of the criteria might consider whether a rehabilitation project doesn't pencil out due to local regulations.

Porsche noted that several years ago, former Mayor Killin indicated to her that historic preservation was an important part of the plan. Some smaller grants have gone to nonprofits with historic properties that needed work.

Christman said he doesn't think that funding for nonprofits should be eliminated, but it needs very specific criteria. Things like blight and energy are not really measurable and can be interpreted in multiple ways. His opinion is that there should be reasons beyond historic preservation to fund nonprofits. CARA has to generate taxes in order to keep the process going.

Collins said that Albany prides itself on its historic districts; and, if we let that inventory decline, the City will lose that market edge. He wants to be cognizant of how investments are affecting the City's ability to attract visitors. He would like information about the amount CARA has invested in tax increment generating projects vs. nontax increment generating projects. Porsche will provide that information for the next meeting.

Olsen said it is important to look at the impact of projects on the neighborhood. When Woodland Square is done, for example, he would guess that houses in that area would sell for more due to the improved environment.

Catlin asked how the Board wants to use ROI in the decision-making process. Porsche proposed that she bring back information on what has been done thus far and the challenges with that method as a starting point for additional discussion.

The policy discussion will continue at the next meeting.

#### November and December Meeting Dates

Porsche advised that the November meeting has been rescheduled to Wednesday, November 14, due to the Thanksgiving holiday. The December meeting is scheduled for December 19, the regular meeting date.

#### Staff Updates and Issues

None.

**BUSINESS FROM THE BOARD**

None.

**NEXT MEETING DATE**

The next meeting of the CARA Advisory Board is scheduled for Wednesday, October 17, 2012, 5:15 p.m., in the Council Chambers.

**ADJOURNMENT**

Hearing no further business, Chair Catlin adjourned the meeting at 7:19 p.m.

Submitted by,

Reviewed by,

*Signature on File*

*Signature on File*

Teresa Nix  
Administrative Assistant

Kate Porsche  
Urban Renewal Manager