



APPROVED: August 21, 2013

**CITY OF ALBANY**  
**Central Albany Revitalization Area Advisory Board**  
**City Hall Council Chambers, 333 Broadalbin Street SW**  
**Tuesday, July 9, 2013**

**MINUTES**

Advisory Board Members present: Russ Allen, Rich Catlin, Bill Coburn, Floyd Collins, Loyd Henion, Bessie Johnson, Rich Kellum, Sharon Konopa, Danon Kroessin, Gordon Kirbey, Dick Olsen, and Maura Wilson

Advisory Board Members absent: Ray Kopczynsk (excused), Mark Spence (excused)

**CALL TO ORDER**

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

**APPROVAL OF MINUTES**

June 19, 2013

MOTION: Maura Wilson moved to approve the June 19 minutes as presented. Rich Kellum seconded the motion, and it passed 12-0.

**SCHEDULED BUSINESS**

Business from the Public

There was no business from the public.

Policy Framework

Economic Development & Urban Renewal Director Kate Porsche drew attention to the staff report and revised program grid which incorporates the Board's previous comments and suggestions. She noted that the Board previously expressed support for loan programs for a focus area within the CARA district and for projects that create jobs. She has included for discussion an additional small grant program for projects within the CARA district but outside of the focus area that do not create jobs. She asked if the Board would like to have this catchall for smaller projects that don't meet the stringent criteria of the other programs.

Loyd Henion said that even small grants should be done logically. Bessie Johnson agreed; she said that smaller projects could be a good addition but they should meet set criteria.

Rich Kellum said that having a grant program without stringent rules bothers him. He is also concerned about business owners outside of the district feeling that CARA is creating winners and losers. He would be more supportive of a loan program.

Floyd Collins said that this could be a competitive small grant/loan program for which the Board reviews applications and makes decisions on an annual basis.

Russ Allen said that aesthetics is an area that the community needs to work on. He is supportive of the proposed program with the Board reviewing applications and choosing those that truly make a difference.

Dick Olsen said that he supports this program for projects that don't fit into the other programs.

MOTION: Collins moved to create a small grant/loan program, a competitive program in which the CARA Advisory Board evaluates applications against each other on an annual basis. Henion seconded the motion.

Johnson said that specific criteria should be set out for this program. Porsche said the grid is intended as an overview of available programs. The next step will be to create detail sheets outlining the specifics of each program. Collins said that passage of the motion would indicate approval of the concept and allow staff to bring forward proposed specifics. Brief discussion followed.

The motion passed 12-0.

Porsche noted that the four public/private loan programs have as a placeholder a proposed interest rate of ARA's borrowing rate plus one percent. The City's financial consultant has suggested that it may be better to tie the rate to the 10-year Treasury, an index that applicants can easily reference.

Porsche said that, based on feedback at the last meeting, she has separated the economic development loans into two programs – one for properties that will generate tax increment and a smaller pot with no requirement for taxability.

Kellum referred to the idea of forgiving part of economic development loans based on job creation. He said there is a difference between job creation and net job creation. If we help one business that mines customers from other businesses in town, then we have not created net jobs. Porsche said that it would be good to have agreement on how job creation is measured and whether that is different for restaurants as compared to manufacturing. Coburn said that he thinks this is a subjective issue the body will need to consider when considering applications.

Allen said that CARA is trying to bring business back to the downtown, and that a restaurant or retail business downtown will likely draw money that may have been spent elsewhere in the community. Perhaps points could be awarded if a business is creating net jobs, but he doesn't think that is the sole focus of this body.

Wilson said that a market and a hardware store are two businesses that would be wonderful to have downtown but that would draw from other employers. If a project brings benefits to the downtown area, she doesn't think that CARA's support should be based on whether it takes away from employers elsewhere in the community.

Sharon Konopa agreed with Allen and Wilson. She said the CARA plan includes an anchor store which will probably compete with other business in the community; however, it will be a vital piece to bring energy downtown. She feels that requiring net job creation would go against CARA's goals.

Collins said the question of job creation and net job creation could be included in the application as one factor for consideration when reviewing requests.

Coburn said that the net job creation factor should not be a deal-breaker but just one component to consider.

Porsche drew attention to information from the City of Salem's urban renewal agency. That program forgives up to 70 percent of loans, determined by annual increase in FTE employees as documented in a loan forgiveness application.

Allen asked for staff's recommendation on whether the Board should consider loan forgiveness for job creating projects. Porsche said that job creation is a priority and she would recommend forgiveness of perhaps 10 percent per year (up to 50 percent) for each year the project can document job creation. Following additional discussion, Porsche asked if there is consensus that forgiveness not be included at this time with the idea of starting conservatively and perhaps loosening the criteria later. There was no opposition expressed.

Porsche drew attention to the downtown design program under the public projects section of the grid. This is proposed as a small amount of money to help the Main Street Design Committee to fund visible, permanent changes that would beautify downtown. In discussion, Porsche said that another option would be to advise the Main Street Design Committee that there is flexibility for them to come forward with specific requests. There was general support to keep the money set aside and allocate it based on specific proposals.

Porsche asked for feedback on the timing of the programs that are set up as annual competitive programs. There was general agreement to move forward as soon as the rules are in place.

#### Staff Updates and Issues

Porsche said that the House Bill 2632 changing how some urban renewal districts, including CARA, affect local option levies has passed and been signed into law. It will be effective in the 2014 tax year and will apply to levies passed after January 1, 2013.

Porsche gave an update on continuing discussions between City staff and the Oregon Department of Transportation (ODOT) regarding the slip-lane as laid out in the Retail Refinement Plan.

#### **BUSINESS FROM THE BOARD**

There was no additional business from the Board.

#### **NEXT MEETING DATE**

The next meeting of the CARA Advisory Board is scheduled for Wednesday, August 21, 2013, 5:15 p.m., in the Council Chambers.

#### **ADJOURNMENT**

Hearing no further business, Chair Catlin adjourned the meeting at 6:30 p.m.

Submitted by,

Reviewed by,

*Signature on File*

*Signature on File*

Teresa Nix  
Administrative Assistant  
Director

Kate Porsche  
Economic Development & Urban Renewal