



APPROVED: _____

CITY OF ALBANY
Central Albany Revitalization Area Advisory Board
City Hall Council Chambers, 333 Broadalbin Street SW
Wednesday, September 18, 2013

MINUTES

Advisory Board Members present: Russ Allen, Rich Catlin, Bill Coburn, Floyd Collins (left 6:00 p.m.), Loyd Henion, Rich Kellum, Sharon Konopa, Ray Kopczynski, Danon Kroessin, Dick Olsen, Mark Spence

Advisory Board Members absent: Bessie Johnson (excused), Gordon Kirbey (unexcused), Maura Wilson (excused)

CALL TO ORDER

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

APPROVAL OF MINUTES

August 21, 2013

MOTION: Loyd Henion moved to approve the minutes as presented. Rich Kellum seconded the motion, and it passed 10-0, with Russ Allen abstaining.

Mark Spence commented for the record that the CARA Advisory Board minutes are generally very good.

SCHEDULED BUSINESS

Business from the Public

There was no business from the public.

CADD Connection/Herb Yamamoto – Loan Prepayment & Restructuring

Economic Development & Urban Renewal Director Kate Porsche said that the Board previously considered a proposal from Herb Yamamoto, owner of CADD Connection, regarding the prepayment and restructuring of his loans. The Board had some specific questions and held a decision on the proposal until additional information could be provided. The written staff report contains a refined proposal and answers to the Board's questions. Under the proposal, Yamamoto would procure a new first lien through Chase in an amount only to cover CARA loan 2009-1 (about \$105,000). CARA loan 2009-02 in the amount of \$97,500 would be subordinated to the new Chase loan and would be modified at the Board's request to begin accruing interest as of March 14, 2016, at CARA's standard rate. An appraisal on the property is not yet available. Approval of the proposal could be contingent upon staff review of the appropriate documents, including an appraisal. Herb Yamamoto came forward and offered to answer any questions.

Ray Kopczynski noted that approval of the request would result in CARA receiving a payment of about \$105,000, which could be used for other purposes in exchange for extending the \$97,500 loan to 2020, with a nominal interest rate after the current loan maturity date. He does not believe that being in second position on the loan will be an issue. He is in favor of the request.

In response to an inquiry from Bill Coburn, Yamamoto reviewed some of his recent business activities. He said that, in general, his business is doing fine and the current location has worked quite well. He currently has about 15 employees.

Kopczynski said that Yamamoto's business may outgrow the current location, but he would like to see that with any business. Porsche said that she and Yamamoto have a great working relationship. If he outgrows the current location, she would be happy to work with him to find another location in the area.

MOTION: Coburn moved to accept the proposed restructuring of Herb Yamamoto's loans as detailed in the staff report. Kopczynski seconded the motion, and it passed 10-0.

Policy Framework

Porsche drew attention to the updated *CARA Proposed Programs* grid and program sheets. She noted that the Storefront Revitalization Grant and Focus Area Loan programs are proposed to be competitive annual programs and the Board has indicated that the process should proceed this fall. A local developer has asked if there might be a way to apply for these loans even if his application is not ready by November.

Floyd Collins said that he likes the competitive process; however, if good applications were submitted later in the year, he would want to see them. That is part of the flexibility that CARA can provide. Spence suggested that the Board could review applications for these programs twice-yearly or quarterly, at least for the first year. He thinks that an ad hoc process would require too much staff time. Kellum said that he would agree to flexibility in the process for the first year only.

Russ Allen said that there is interest in seeing projects move forward. He suggested the Board consider applications for the two programs this fall as scheduled and establish a second date to consider applications later in the fiscal year. Timelines for subsequent years could be decided at a later time. Several Board members expressed agreement.

In response to inquiry, Porsche said that she recommends keeping the Small Grant program as an annual process due to the amount of time needed to administer that program.

MOTION: Collins moved that the Storefront Revitalization Grant and Focus Area Loan programs have two application periods the first year – one this fall and another next spring. Coburn seconded the motion, and it passed 10-0.

Porsche drew attention to the *CARA Focus Area Loan Program map*. She worked with the Planning Division to delineate the three areas the Board identified for the Focus Area Loan Program – the Downtown, East Waterfront, and Main Street/Salem Avenue Area. She invited questions or comments.

Coburn said that the map represents what he has spoken to several times – the need to focus efforts for better results. Allen suggested that the boundaries be redrawn to exclude the old Madison School site, which is not eligible for CARA funding.

Porsche requested final approval of the first four programs on the grid.

Catlin asked if the project currently underway on Salem Avenue would qualify for the Focus Area Loan program. Porsche said that project would not qualify because there is no commercial component. Edgewater Village is another residential project that would not qualify for that program as written. She recalled previous discussions and concerns about for-profit developers requesting public money to build apartments. She noted that CARA does have design guidelines that ride with all funded projects.

Spence asked if there is a place to reach for funds if a plan is submitted for market rate condos at the St. Francis Hotel, for example. Porsche said that if a substantial project came forward, she would approach the

Board about using money set aside in the reserve account or even borrowing to help make an amazing project happen.

Catlin said that he is willing to approve the programs as proposed and then track for the first year to see what applications come in.

MOTION: Coburn moved for approval of the Architectural Assistance Grant, Small Grant, Storefront Revitalization Grant, and Focus Area Loan programs as detailed in the program sheets, as well as the revised Focus Area Loan Program map. Spence seconded the motion, and it passed 10-0.

Porsche drew attention to the Economic Development Project Loan programs. She asked if the Board is comfortable having job creation as the only criteria for these programs. Henion said that he is uncertain; he feels it is difficult to say if jobs are created or just transferred. Kopezynski said that he thinks it is crucial to have a program carved out for job creating and job retaining projects. Allen said that he was initially concerned that focusing on job creation was not in CARA's scope of revitalization; however, he has come to realize that anything that can be done to bring employers and create jobs will revitalize the area. He is comfortable with having job creation as the single component for these programs. Henion said that he is comfortable also, given Allen's comments. Spence said that he would like to see consideration given to job multipliers.

Porsche said that she will take what she has heard from the Board, check with the COG and other communities regarding their requirements, and bring back refined project sheets for the Economic Development Project Loan and Historic Home Buyer Loan programs.

Porsche asked for volunteers to help write an RFP for architectural work and review applications. Konopa and Spence volunteered.

Porsche drew attention to the *Project Evaluation Grid*, which the Board has used in the past to assist in its decision making. She asked that Board members think about how the grid could be revised or other tools that could be provided to assist with good decision making. This information is also helpful to applicants in understanding how applications will be judged.

Staff Updates and Issues

Porsche said that work on the IHI project on Salem Avenue is underway. The environmental work is almost done and only five mobile homes remain on the property. The applicants should hear back on their tax credit application in November. The Edgewater Village project is ready to go on the first phase; an update on this project will be on the City Council work session agenda next Monday.

Porsche said that due to efforts by Oscar Hult and others, the Oregon Historic Preservation League has prepared an excellent report on the St. Francis Hotel, which includes suggested uses and what those uses would look like.

Porsche said that the Albany Main Street Design Committee has come up with a nice design for the sign project. A firm in Springfield has been engaged to provide engineering specs, and then a RFP can be created. She hopes to move forward on this project next month.

Porsche reviewed discussions with the state regarding the slip lane. State planners who visited the site understood how important the slip lane would be to the downtown; however, there was some push back by the state engineers. If the slip lane can be designed in a way that does not significantly impact the intersection of First Avenue and Lyons, it is possible that ODOT may give approval. Staff is working on some options.

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, October 16, 2013, 5:15 p.m., in the Council Chambers.

ADJOURNMENT

Hearing no further business, Chair Catlin adjourned the meeting at 6:18 p.m.

Submitted by,

Reviewed by,

Teresa Nix
Administrative Assistant

Kate Porsche
Economic Development & Urban Renewal Director