

**Public Safety Facilities Review Committee**  
**Thursday, November 13, 2014**  
**7:00 p.m.**  
**Council Chambers, Albany City Hall**

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1. Call to order
2. Comments from the public
3. Approval of minutes
  - May 27, 2014 [Pages 2-17]
  - June 10, 2014 [Pages 18-43]
4. Fire and Police RFQ/RFP report – Co-chairs
5. ODOT access update
6. Funding options
  - CARA contribution [Pages 44-47]
  - PepsiCo settlement contribution
  - General obligation bond & bond costs [Pages 48-50]
7. Next steps
8. Committee thoughts and comments
9. Adjourn

**DRAFT Minutes**  
**Public Safety Facilities Review Committee**  
**Tuesday, May 27, 2014**  
**7:00 p.m.**  
**Council Chambers, Albany City Hall**

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Call to order

Co-chair Burrigh called the meeting to order at 7:00 p.m.

Members Martin and Norman were absent/excused.

Comments from the public – None.

Correspondence [Pages 2-3]

Burrigh directed the committee to a letter in the agenda packet from Edith Hoover. The letter came to City Hall with no return address. Hoover offered several ideas. She referred to the Harrisburg fire station that was on the May 20 ballot; Burrigh noted that it went down and they had all the fancy drawings and everything this committee has talked about. He said he didn't know the other parameters that might have affected that election.

Review Request for Proposal documents

Burrigh opened discussion on the RFPs, beginning with the Fire Station. Staci Belcastro with Public Works/Engineering was present to answer questions. City Attorney Jim Delapoer was also present.

Wyatt said his comments would apply to both RFPs: on page 3 of the draft, second paragraph, it talks about three phases and Phases 2 and 3 will be determined based on funding sources, and those will be available at the end of the preliminary design work. He suggested adding "and Phase 1 performance."

Delapoer said he understands that the City is not committed to award the Phase 2 and Phase 3 work to the successful Phase 1 candidate. He suggested expanding that sentence to make that more clear. Wyatt said it reads now like the successful Phase 1 candidate will get the next two phases if money is available and that is not necessarily so. It should indicate that the City needs to be happy with what is done in Phase 1. Delapoer said it will be made clear that there is a performance benchmark to clear before they go on to the later phases.

Wyatt said the document should list the construction cost estimate for the project with the deliverables. It is addressed later but he would like to have it up front. Delapoer noted that it wouldn't specify the architectural fee, but the bidder might include that. Wyatt said his suggestions would apply to both RFPs.

Delapoer said the construction cost estimate will be a Phase 1 deliverable. He said he and Belcastro have no concerns with either of Wyatt's suggestions.

Cordier said he had emailed information to members regarding the RFP drafts. In Section 1.2 on page 4, the second paragraph calls for providing five hard copies and an electronic version. The last paragraph says electronic versions will not be accepted. He said he thinks it means if only electronic versions are

submitted, they won't be accepted. Belcastro said the intent is to have five copies of the proposal, then the electronic version would be submitted in a reproducible format on a USB drive; it would not be emailed. Delapoer said the second paragraph under 1.2 says that. This is an additional method of submitting the document in a format that can be altered, without having to completely retype it, if changes are needed. Wyatt suggested deleting the "electronic" reference in the second paragraph, because the last paragraph makes it clear. Delapoer said to use the reference to the USB drive only.

Arasmith asked about the Adobe format: he said he assumes staff would want it as a pdf not in Adobe Illustrator. Belcastro confirmed that. Arasmith said the language should just say pdf without reference to Adobe because pdfs can be generated several ways.

Cordier said Section 1.5 introduces a new term that is only used for a short amount of time: the "prospective proposal." He said, to him, all proposals are prospective at this point. He suggested the word "prospective" should be stricken. Delapoer said there is no harm in taking it out.

Cordier continued with Section 1.18, the top sentence on page 9: he said he doesn't know why it's in the City's best interest to not allow someone to withdraw. Delapoer explained: under contracting law, the City gets proposals but doesn't get prices. Staff goes through an evaluation process to see which one they think is best; that process may take 30 days or less. Once a proposal is selected, they go through another process to negotiate a price they feel comfortable with. If that process fails, they would like to have the others available on hold. It is like giving the City an option that stays alive for at least 60 days so they can go to Plan B if Plan A doesn't work out. The City doesn't want to be hostage to somebody's price. Cordier said that is good reasoning.

Cordier had several comments on Section 3.1: in the Police proposal, there is a ZCS reference; it is not in the Fire proposal, nor is there reference to the McKenzie modifying report or concessions the Fire Chief proposed to get down to 25,000 square feet. He said if he was a proposer, he would like to see that background and the history of how this got here. The history frames the community aspect of the building.

Another issue is the introduction of three items that this committee has never talked about: he said he can find no reference in the foundation documents about the need for a drill tower; the Committee recommendation did not include space that the ZCS report said would be required if Fire Administration staff from City Hall moved to the new building; and a proposed conference room with a 60-person minimum is not in the reports the Committee approved or recommended.

Belcastro said the foundational documents could be included in Section 2, project background section, as attachments or on the City website, where they would be available to proposers. She said the documents don't need to be reviewed and revised similar to the police station's report from ZCS. Cordier said he didn't understand what she said about the Police Department. Burright said all the police programming documents are being reviewed; the Committee has already laid that foundation for the Fire Department. Wyatt said that's why the Fire RFP has three phases and the Police RFP has four.

Morse asked Bradner to address the question about administrative offices. Delapoer said his concern about attaching past studies and documents is that the Committee should be careful not to imply to the proposer that not all the conclusions in these studies are now the boundaries of the proposal. He said it seems that they would want to get as many fresh ideas as they can, and he fears that if they attach and reference these studies in the specifications, the hidden subtext to somebody new is to conform to the conclusions of the studies. He said he did not recall the City Council saying they want these studies used as is. The studies were used to shape Council discussions on the necessary size of the site to narrow the

funnel to get closer to a decision point. He said he deferred to the chiefs about whether this might create an unintended consequence of too narrowly focusing the proposers.

Cordier said, without those foundational documents, the ZCS programming document and the McKenzie overview, what justifies 25,000 square feet. Delapoer said it doesn't need to be justified: if you tell an architect you want a building of 25,000 square feet, that's the baseline.

Bradner said the drill tower was an oversight and can be removed. The ZCS study showed a conference room for a maximum of 40 people; that can be changed also. He said the potential for adding Fire Administration came from the Committee wanting to consider a 40-60 year time frame for full build-out and maximum use of the property. Forty to 60 years from now, City Hall staff will grow; he believes that at some time, City management will come to Fire Department and ask if they can relocate so that City Hall doesn't have to add a third story. He included the administrative space in the RFP to ask if that was do-able in the given space.

Cordier said that is a reasonable answer. He said he is placing a lot of importance on the line items that are in the foundational documents that tell so many offices for this function, bays for equipment, bays for storage, and the ZCS document clearly shows there is no space allocated for moving the administration of the Fire Department from this building to the other building. He said if the Committee had wanted to do that, they should have included that square footage in the assessment and they never did; they said this thing is going to stay where it is and they don't have to create space for that.

Ryals said he has an idea that might solve some of Cordier's concerns and change the way the Committee looks at this. He said one of the problems the Committee is running into is trying to do too much all at once with the RFP. Under a normal building prospect, an RFP is structured to select someone based mostly on qualifications and what work they've done in the past. Then they are selected and go through the design process. It doesn't give much room to negotiate. If you like too much in a program, everyone will give the same answer; it doesn't give a range of views or flexibility.

Ryals said the other problem with doing it this way is, the RFP will go out to 20-30 teams; the City isn't going to give them anything but will ask for all this information. The only people who can respond to this, realistically, are the big firms who have a lot of money to dump into this. Small firms are just not going to be able to compete. He circulated a paper with wording that, he said, might change the perspective. His suggestion is to simplify the RFP:

"Upon completion of interviews, the top 3 scoring design teams will be awarded a sum of \$40,000 each for the preparation and presentation of their unique design solutions. This shall include building renderings and other drawings as determined by each design team suitable for display to the public. These designs drawings shall be accompanied by a detailed cost estimate and a clear explanation of how each design meets the needs of the community now, and into the future.

"The designs will be made available to be viewed by the public for *a suitable period of time* for comment. After which, the City shall convene a Design Award Committee to review public comments, City staff assessments, and make the final award. The final award of contract will be based on a successful price agreement negotiation with the chosen design team."

Ryals said he is an architect and he knows how people play the game to get the most out of him. If the City just picks somebody who has done 20 fire stations, they will get the twenty-first. If he knows he has to compete against two others, he will dig deep, really think about what the town is about, and give solutions to beat out the others. He said all three will work hard to give the best price, the most original

design, to compete with each other. He said the Design Award Committee does not have to be this committee; he is glad to step out.

He said his changes follow the same format as the proposed RFP but instead of picking one guy and crowning him king, then let him go through Phase 1, spend all that time and money on Phase 1, then boot him out and pick somebody else for Phase 2—it never happens. Ryals said it could happen, but he's never seen it. Once the person is chosen, they will give a design, the City will be locked in and the price will be the price. Ryals said his way keeps competition in it. People will come and view the drawings and make comments. With the November 2013 ballot measure, voters had no drawings but were told how much they had to pay. With the proposed RFP, people will see a drawing of what they will get. Under the Ryals process, they get three options on which to comment. He said he has thought long and hard about how to make this open to smaller firms; smaller firms are likely to do more for \$40,000 than a big firm. It levels the playing field, so large, small and medium-sized firms can compete and it allows the public to truly buy into it and invest in it. He said he didn't think the public should make the selection; the Fire Department and public staff have information about what building should ultimately be picked, more than just the public looking at it in a beauty contest. He said the City might choose not to reveal to the public what the fees are, but could put the total price tag on it. Then, he said, a competing architect might cut his fee because they know whoever will make the decision is going to look at the bottom line.

Ryals said, under his proposal, he doesn't see any reason why this Committee couldn't back away from the process. The design presentations could go out to the public and a new committee could be formed to make the decision after public comment.

Wyatt asked if Ryals' proposal was Phase 1; it will need an RFP to carry it. Reece said the proposed RFP has language that shows the scoring gets to the top three. (Page 20 in the Fire RFP) Ryals summarized the work of the Selection Review Committee (top of pages 18 and 20). He said the difference is not asking everybody to do big designs; if all are asked to do big designs, it will cut down the number of firms that want to be involved. It will favor the smaller firms; larger firms will not want to invest in doing the design work if they are competing with 20 others. Keeping this part simple – qualifications, interest in the project – will generate a wide range of interest. Use the scoring criteria to pick three, then the three get a little stipend to do a design – really think about it and give the town three options. Take those options and hopefully, the person chosen will be the one to go through all phases.

Wheeler asked if the stipends would apply to both buildings. Ryals said he is not sure this process would apply as directly to the Police Department as to the Fire Department – it's right downtown, kids and other people feel a part of it, it's right next to the Hasty Freez, there's the possibility of a public plaza there. The Police Department is really more their program. He said he doesn't know that the public would get as excited about the Police Department or if it makes sense for them to get into the workings of the Police Department.

Cordier said he likes the idea of the competition side of it, but he was told that the process in the RFP is the only process that can be used by state law. Delapoer said there may be a misunderstanding: the process of selecting based on qualification and then negotiating price is what is required by state law. He said there is no reason under state law that the City could not do what is envisioned here. He suggested that the Committee decide if it's something they want to do. He said staff doesn't dislike the idea. It requires an additional step of evaluation, will take a little more time and will take \$120,000 more; that's for the Committee to judge, not for staff. Wheeler said that wouldn't fly.

Delapoer said if they want to do it, tell staff to integrate it. It might mean a four-step process instead of three, or call it 2-A. He asked the Committee to tell staff what they want; staff will give them a legal process to get there.

Ryals said the stipend could go down to \$10,000 or \$15,000 but if the firms know they will get paid a certain amount for their time and they have to compete against each other, they will give a lot more thought to it and will give out-of-the-box ideas; they won't necessarily stick with the program. He said he guessed they could select the three, not pay them anything and ask them to do all that work. He said if the Committee really cares about smaller firms and local firms competing, he thinks they have to do something like this. In a \$20 million project, what's \$90,000?

Wheeler said he really admires Ryals' passion but it's an RFP; let these guys go do their work. He said the Committee has 12 people here, arguing over words. They have got a recommendation on Fire already, they've got a recommendation on the Police station – the next big thing they have to figure out is how to pay for it.

Ryals said he's fine whether the Committee goes his way or not but if they want to really save money, they can't just wish it. It requires a process that forces people to sharpen their pencils and figure out how to do it in reality. Just picking somebody, giving them a \$260 per square foot price, that's what the City will pay. He said there has to be some way of making them compete.

Wheeler said the Committee's objectives were to make a recommendation on the Fire Department, Police Station, and figure out how to pay for it. The Committee has done two of those.

Reece said he understands the frustration with moving on but the Committee stepped into those weeds when the memo came out about changing words in the RFP and staying involved as a Committee in the RFP process, and reviewing the draft of the RFP. He said he wholeheartedly supports Ryals' suggestion because the City won't get any of the little guys who might be thinking like Albany – save some money, get it done and bring in some creativity unless it's in a format where they can afford to compete. He said this is not far off from classic architecture. He said he thinks the RFP process will bring the number down and get three qualified folks to bring ideas that can be taken to the public to get their involvement. He said he believes what Delapoer said is true: if they tie all the background documentation to the RFP, they pigeon-hole themselves into the thought process; let the creativity come out of the team. He reminded the group that the City is the boss: if the design team said the building has to be 39,000 square feet, the City says, no, sorry – the budget is for 25,000-26,000; make it work. The Committee used the existing programming studies to get an idea of what needed to be in each building. Now it's time for them to back away and let the designers do their job.

Steele asked if this process would save money. Ryals said the potential for substantial savings is there. Those savings could dwarf what is spent to get there. The Committee has talked about picking one person and giving them a lot of money to come up with one design; he would rather give money to three guys for three designs to go to the public.

Wyatt said including the amount in the RFP avoids the prohibition in state law about talking about money until the person is selected. This tells them what they are going to get; it may be cheaper than paying for Phase 1 through the full-blown process. He said he assumes, when this gets through the process and a design is picked, that is the Phase 1 deliverable and that goes to the public.

Ryals said timelines are going to be governed by how quickly the issue can get to a vote; pick a date that doesn't require a supermajority and work backwards. He said he doesn't want this to drag out any farther than it needs to. Once the three firms are selected, they will be very excited; this is a very nice project. He said he wants to see it on the ballot at the soonest opportunity; the longer it waits, the more prices go up, the longer the Fire Department sits there in a building that could fall down in an earthquake. The timing is driven by the ballot.

Wyatt said, realistically, the first time to put it out for a vote is May 2015.

Morse asked Ryals about the wording "detailed cost estimate." He asked if, for \$40,000, an architect can deliver a detailed cost estimate that would give the Committee confidence to take that number to the public. Ryals said the process could be compromised. An architect could say that his firm could do the work for \$40,000 and Ryals doesn't know how the City could hold them to that. He said if he was doing it, he would team up with a qualified general contractor who would be in line to maybe get the project and have them do the estimate; he could get that done for \$5,000-6,000; \$40,000 would be plenty for his firm to do this. A larger firm would have a harder time for \$40,000 but they have the extra bucks to do it. This is a way to cast the net as wide as possible and get some creative thinking back. In Scio, it wasn't the normal big firms churning out products, it was very personal and a very good story for Scio.

Ryals said this was the traditional thing to do 40-50 years ago. He said he is not suggesting the City of Albany do this on every project, but the Fire Department really captures the public imagination. He said he's not sure it is as critical to do that with the Police Department. It's more practical, has security issues, and maybe the public doesn't need to know how it looks and what goes on inside.

Bradner said he recalled former Scio Chief LaBelle saying their cost estimate and line drawings cost \$72,000 for one firm to do the whole thing. Ryals said if one firm is selected, it will be a pretty big amount. He said he could guarantee Albany could get firms to do the competition.

Reece asked to clarify: the three top quality-based firms that score the best in the interview process are now awarded a certain amount of money and asked to bring back their best shot in a time frame with specified things in it. They will come back with a 3-D model or a sketch, then the competition really begins. They won't finish the job; they're only starting the job. He said what he really like about it is that, once the firm is selected for Phase 1, teeth are sunk in and it's really hard for the agency to say they will turn them loose and go get another architect to finish the job.

Burright summarized: the City will go through the scoring process, get the top three, then go to the design phase; at the end of the design phase, Phase 1 is over. The process has two carrots: Phase 1, then the same firm is awarded the rest of the contract. Ryals added that the contract price must be negotiated.

Wyatt asked Belcastro her thoughts on the proposed process. Belcastro said she thinks it would fit into the process. The RFQ would go out, the City would receive proposals from architects, and the top three would be selected. She said she likes it for Fire; discussion is needed about using it for Police.

Delapoer said the 60-day time period would have to expand to 90 or 120 because this introduces another phase. The City wants to make sure to keep the proposers on the hook for doing the deliverables.

Wyatt asked about evaluating the three designs and negotiating price. Ryals said incorporating elements of different designs happens all the time. Wyatt said the City will own the products of all three.

Reece said the big firms who've designed 20 fire stations can go easily pull one off the shelf. This doesn't really take them out of the game. He said he doesn't think it will be a bad process at all though it might add some time.

Ryals said, under this idea, this Committee is not the Design Award Committee; it needs to include City staff and the Fire Department. A separate committee needs to be formed to make the decision. He said this Committee did a great job of getting there, but once they do this, he thinks their job is done. If some

of the people on this committee want to be in that, he thinks that can be worked out but he might want to recuse himself.

Cordier asked when the proposers first see what features they have to have in the building. He said Phase 1 says collect and review all data necessary for the preliminary design of the project. He said he understands not wanting to limit somebody's creativity but is that phase when they look at the programming documents. Reece said absolutely. If he was a proposer, he would want to do all the homework, or he won't be able to come back with a winning proposal. Without that data, the proposer misses the boat.

Cordier said that's his concern: in the proposal at Section 3.1, there were three items that were never discussed or approved by the Committee. If he asked a contractor for a 3,000 square foot house, how would they know what he wanted in it. Ryals and Wyatt said the programming documents are informational; Ryals said, given that, a designer won't divert from it very far without a good reason.

Burright agreed with Cordier. He said, coming into the meeting, he felt the same way, but he's comforted by the process of the three; it is not "how much do you like the design" but "what is the cost estimate?" If a designer can get the administrative space in and keep the cost way down and everybody is happy, he's OK with that. If part of the selection process is cost and design and they can still do it with good ideas, it makes sense.

Wyatt called for a survey on the proposal and to have the RFP structured around Ryals' proposal.

Wheeler said the bond measure failed the last time. Now the Committee is going to ask three people, pay them \$40,000 apiece to make a proposal— that looks like we look like we don't know what we're doing again. Ryals said the Committee already agreed to pay some amount of money to one guy to get that information to the public and it was going to more than this. He said he had thought a lot about the \$40,000 number, he feels it is reasonable but he's not wedded to it. He said he is confident that the City will save 5-15% with real competition and that will dwarf the \$40,000 number.

Wheeler said it's the number; even if it's \$5,000, people question what the Committee is doing now and they propose to pay three people to bid. Ryals said he thinks the Committee breaks down into two groups — part think the last bond didn't pass because it was too expensive and they have to lower the price. Part of the committee thinks the reason was it was just a number, not attached to anything, there was no way to get your brain around it. He said he is one who needs to be shown what he's getting and it's explained, he will probably support it. How much does it cost me per household? Whether it's \$8, \$10, \$12 million, to the average Joe, it's too much money already. Those people are never going to vote for it. Renters don't think it will cost them anything. What people really want to know is am I getting the best deal, has the City really thought this through, is this right for Albany.

Arasmith said he hears Wheeler and wants to take it another step. He asked what range it would cost if the RFP was awarded to a single person. Belcastro said Phase 1 could be close to \$100,000 because of all the disciplines involved and level of detail requested; the RFP asks for a significant level of detail. Arasmith summarized: \$100-\$120,000 to a firm or \$40,000 to each of three.

Wheeler said that's the problem. Give \$40,000 to each firm and how's that going to look. One wins, two lose but they still get \$40,000. That isn't going to sell. Ryals asked why that is any different from giving one firm \$120,000 for the same thing. Wheeler said the City would go out and get a number of proposals and pick the top one. That is competitive bidding. He asked what would be gained by the Ryals plan. Part of the problem now is people are upset with the amount money that government is spending. This proposes to give three guys \$40,000 each, then decide which one is the best.

Ryals said he could say for sure that that process could save \$500,000 to \$1 million. Wheeler said he doesn't think it will sell.

Morse said the way document is written seems to preclude the method of delivery: design/bid/build or design/build? He said Ryals has introduced an interesting concept. If this was Morse's project, he would create an opportunity for the RFP respondents to bring in a design/build. Giving the architect \$40,000 to come up with detailed cost estimates will draw on overhead. The architect will team up with a contractor to produce results that will be much more reliable. Ryals said he had done research on that with a person who served on a year-long state committee that just finished its work. Until now, several municipalities have done design/build projects. The state has decided to clamp down and he understands that will be a very difficult process to negotiate. It would affect these buildings. His acquaintance on the state committee has done a lot of design/build and he told Ryals that it will be increasingly difficult for municipalities to go down that road.

Wyatt said there has legislation in several sessions aimed specifically at abuses of design/build. Addressing Wheeler's question, Wyatt said he is having trouble with this: if the Committee adopts Ryals' plan and pays \$40,000 to three or go with the RFP as presented, select one and pay \$120,000 for Phase 1, he doesn't know if the public will be more outraged at one or the other. He said he likes the idea of competition between architects. If they go with the RFP as presented and select one, by and large, the City has bought the architect. He said he doesn't see the difference in choosing one or paying three from the public view.

Steele said she was one who thought the ballot measure was too much money, the public didn't get the complete story, all the different reasons. She said she trusts Ryals and Reece because of their experience. If the community has the ability to get a better product with less money, and come out with a lower price tag because of competition among three firms instead of one -- if that's true, the Committee has done the city a disservice if they don't go that way. They need to do everything they can to lower the price and get a better product.

Wheeler said the City would get proposals from 15- 20 people; there's a level of competition there. Burright said when you pick just one, all you get is, "I can do it and I'll do the best I can." When picking three, they have to show the design and cost estimates before being selected. He said the decision is based on a much better groundwork of information. Wheeler said he thinks the Committee will have a hard time selling the public on choosing one but paying three doesn't sound right.

Reece asked for clarification: he said he thought the Committee made a decision to go through an RFP to get a schematic design so they could see what it would look like, then make a selection to go forward after they have a costing to go forward to a bond measure. What they're getting is design to the point where it's fully vetted. He said he is troubled by the \$120,000-\$160,000 number for schematic design.

*(four-minute break in audio)*

Delapoer said he and Belcastro like the concept generally but it assumes that the City can get a \$120,000 job for \$40,000.

Ryals said he worked for a firm with 100 architects for many years and they couldn't do the job for \$40,000 but the firm he works for now could do it for \$35,000. Delapoer asked Ryals, if his firm was chosen on qualifications, what would he charge to do Phase 1? Would it be \$35,000 or would he say, "I know what the big boys would charge" and tell the City \$120,000. Ryals said that's the way the game is played.

Delapoer told the Committee, if they go with Ryals' suggestion, don't get cheap with what they will pay; the cheaper they get, it will self-select a smaller pool. Ryals said big firms right now are hungry. Small and medium-sized firms will see \$40,000 as a lot of money. Larger firms need the work and they can do it for that amount, too. It costs \$120,000 because cities will pay it.

Delapoer said the problem with bid laws that have been given to government by architects and engineers is they artificially force government to make a selection and pay whatever they ask. Ryals said that's how it seems to work. Delapoer said Ryals has come up with a clever way around that; he worries that the idea could still produce a good pool of bidders. If it didn't, the City could reject all bids and say they didn't get enough bidders and go out again. Ryals said he has thought about the amount a lot and anything below \$40,000 might be difficult for some of the big firms, but they're hungry and who wouldn't want this project? If a big firm wants to go after it, they'll put \$80,000 into that \$40,000 because they want the project. What's \$40,000 for a project with a \$1.5 million fee?

Hinrichs asked if it was possible to go with \$35,000 but the ultimate firm selected gets an additional \$10,000. It pushes the three people to work a little harder initially to get it, but it also reduces the price to the City. Ryals said the ultimate firm selected gets \$1 million. It's a game. Delapoer said the idea is clever but it shouldn't be more clever because that will draw disputes. Burrig acknowledged the spirited discussion, noting that the audio recorder had stopped earlier.

Arasmith asked for clarification: if the City goes with the RFP as written, and a firm is selected according to the standard competition, the firm is selected based on qualifications. If the City uses Ryals' process, the selection is based on qualifications and their product. Cordier said that is as a preparation to Phase 1. Arasmith said with the RFP as it is, it could cost \$120,000 without knowing what the product will look like. To go with Ryals' suggestion, the City has a product to select from and has spent about the same amount of money.

Wyatt said with the proposal Ryals made, the City knows it will cost \$120,000; it pre-negotiates the architectural costs for Phase 1 and this way is legal. Ryals said if a firm doesn't want \$40,000 to do a design, they don't want the job. Wheeler said there is already a level of competition, with the tough business climate. Ryals said an experienced firm could pull a design off the shelf, say it's \$256 per square foot, and that's what the City would get.

Wheeler said if the City doesn't do this, with a traditional RFP, they would send out 20 proposals and get a bunch of proposals back. Then the City would sort through them and decide which one they want. Ryals said there would be presentations. Wheeler asked what is wrong with that. Arasmith said there is nothing there but the firm's qualifications. The presentation would be on their qualifications, not the building and how much it's going to cost – that's Phase 1.

Belcastro said the City would get no deliverables under the traditional method; just resumes and experience. Wyatt said after the firm is selected, the City can talk price.

Ryals said he has had an eye-opener through serving on this committee; things did not seem reasonable to him. He started looking for ways to get around it and get people to compete; he feels that it is only through competition that the best will come out.

Cordier asked Delapoer if the Ryals process is OK. Delapoer said yes; (departing from a legal opinion) if Ryals is right on his numbers, it's a no-brainer. If he is wrong, the process is flawed. He said he agreed with Wheeler about the political issue; Wheeler added that it's hard to sell.

Wyatt asked to go back to his survey: modify the RFP to go with Ryals' suggestion.

Wheeler said no.

Cordier, Reece, Steele and Burrigh said yes.

Morse said he is very intrigued by the idea. One thing that speaks strongly to it is the City will have three cost estimates. He said that's the biggest driver and valuable information. He said he really likes Delapoer's suggestion about opening the window more with respect to respondents and how they are going to verify their numbers and who they may bring to the table for Phases 2 and 3. He said yes to the survey question.

Edwards said yes.

Roe said yes, but is \$40,000 the right number. He said he likes the idea of competition and would consider it for the Police station as well, but he wants to know the common fees. Is \$40,000 too high or too low?

Arasmith and Ryals said yes.

Ryals said he came up with that number with his partner; they costed out what it would cost them to do that work. Cordier said that number isn't in the language Ryals proposed. Ryals said that would be a reasonable number to use and pointed out that it is in the first sentence of his proposed language.

Burrigh said the group did not have consensus on the survey. He asked if it was time to go to a vote.

Morse said Wheeler is spot on with concern about cost and public perception, but remember that the City is buying three products and will own them, so it not wasted money. By owning the product, the City would have the best of the three to blend together and move on to Phase 2.

Wheeler said this is the first City project he's been involved with. In the private sector process, they go out for proposals and get all kinds of bids, they select one and they don't pay the others. It's a level of competition and the best one wins. Burrigh said in the private sector, buyers get to make their own rules, such as negotiating prices right up front. For government, hands are tied, literally, by a multitude of regulations. Wheeler said he understands that; he thinks the City will have a heck of a time selling it to the public that's already skeptical about what the Committee is doing. He added that the Committee should vote.

Arasmith said one other piece to consider is that under the standard methodology, the City will not get a product or a price. When you ask people to bid on a project, you will get price. The City will have to select on basis of qualifications and once that's done, then they get to negotiate price. He said he had been on the end of sending out RFPs, getting them back and bidding on them; in the old days, they got to select on basis of price but can't do that anymore. Even when able to select on the basis of price, their hands were somewhat tied because of great pressure to select the lowest bidder. The state made the change to selection based on qualifications, not knowing what the price will be. Those rules came out of taking low bid all the time.

Burrigh called for a motion.

Morse suggested the adoption but with the provision that Delapoer talked about, opening the window for respondents to propose a design/build and include a contractor as a member of the design/build team. Delapoer said he hadn't heard anyone speak against that and would incorporate that if the suggestion passes. Belcastro said it could be a CMGC process, so the architect can partner (*obscured by other voices*). Delapoer said the City could invite them to tell the City how the City could be comfortable with their prices and the City would suggest alternative ways they might consider; the City would not tie their hands but would open the door to invite them to give more than just estimates.

Morse suggested that, when the RFP is submitted publicly, the City ask for a response of intent to submit with short time frame; then the City would know if \$40,000 is a valid number. Delapoer asked if the intent to submit response is low, what would the City do. Morse said the RFP would be pulled back to start over. Delapoer said the City could cancel the RFP. He suggested requiring intent to submit within five or 10 days, with submittal due in 45 days, with the right, based upon responses to the intent, to pull back the process.

Ryals said that is one reason he has carefully said "design team" and not "architect;" if he went after something like this, it would be with a team. A team might not be able to win based on qualifications because it has never done a fire station before, but may have some expertise among its members. This is an attempt is made to open up the field; a team might include a general contractor, which could create some assurance about cost estimates.

Wyatt said if the Committee was doing this the traditional way, he'd call the question. Burrright said they need a motion.

Wyatt moved what Morse and Delapoer said. Burrright said the motion would be Ryals' proposal with additional language that Delapoer, Morse and Belcastro have discussed. Smith said she wasn't sure what that was. Delapoer said Belcastro had been taking good notes.

Reece said the language is an intent and the RFP can state exactly what it says. He said Delapoer's concern could be answered in the selection of the three; part of the next review is asking the design team how they will deliver it. The process is implied. Delapoer said he and Belcastro like Morse's idea of getting people thinking early about who they might bring to the table, how they might structure it, how they will be convincing the City rather than just the slickest talker at the interview. Wyatt said the less that is implied in an RFP, the better off you are.

Cordier asked if Phase 1 has to be changed to get a design out of it. Reece read from the proposed RFP language: "Phase 1 is a preliminary design with elevations, schematics..." He said that's a very simple, one-line drawing, and it's \$120,000, or get three designs and they're fully vetted and you get to pick. Cordier asked if the design of the three is more than just an elevation drawing. Reece said that is Ryals' intent. Wyatt said the proposal would have the same deliverables. Ryals said he wants to keep it as open as possible. Some firms may go all out and give Phases 1, 2, and 3; Ryals said if he took this on, that is what he would do. He would take it on to win and would show how each phase looks even if he's not asked to do that.

Cordier said Ryals is saying that if somebody really wants the job, that is what they will do. Cordier said his point is that the RFP language has to be changed to tell the proposer what the expectation is. Arasmith pointed out that is Ryals' language.

Burrright came back to Wyatt's motion. Reece seconded. Burrright called for a show of hands. Wheeler voted no. Motion passed.

Cordier asked to proceed with the rest of his list of questions about the RFP. Burrright asked if the Committee expected the RFP to come back to them for further review and, if so, how much more time is going to go by as it moves forward with construction costs going up.

Ryals said he had one more alteration, under selection criteria: it lists Project Understanding and Approach at 15%; expertise, background with similar projects 35%. He thought Project Understanding and Approach could be 40%, then 25%, 25%, and 10% for the rest. Project Understanding and Approach is the core of what the Committee has been talking about; he thinks it should get more than 15%. He said

he assumes the proposers will have great expertise and background. Wyatt suggested letting staff look at it with the new approach and come up with the scoring criteria, based in part on what Ryals has suggested.

Addressing Cordier's comments, Wyatt noted that many were the same for both RFPs. He noted that Belcastro had the comments. Wyatt said some are no-brainers; the only other thing is to make sure the programming documents for both buildings are referenced so the proposers know they are available and they need to look at them. He proposed that the Committee hand it off to staff and say go do it, you know where we're coming from.

Delapoer said staff might, as another check, submit the final document back to the co-chairs and let them decide if it looks like there is a departure from what was discussed and they want to reconvene the Committee. If they are comfortable with it, staff would go forward. Morse asked when the next draft would be ready; Belcastro said a week. Cordier suggested sending it out electronically and having members vote that way. Burrigitt said he would prefer not to do that. The new draft will be available for the June 10 Committee meeting.

Reece asked for clarification about the amount of time for proposers to indicate intent to respond: 5-10 days. He said Delapoer then suggested 45 days to provide the actual response. He asked Ryals how long it would take to do a response. Ryals said it would not take that long but for smaller firms, extra time would be nice so they could put together a team.

Delapoer asked if the City gave proposers 14 days to provide their qualifications, how much time for them to do the design work. Ryals said as much time as possible; that's when to start looking at when the issue would go for a public vote and work backwards from that. Proposers will want to meet with Fire and Police staff and really get to know the project. Burrigitt said it won't only be one but three who will want to meet with Police and Fire staff. Ryals said it will take more time but staff will come out with three options from which to choose.

Bradner said his goal is a safe effective fire station for this community and for the firefighters. He said his desire is to get there quickly and for the least dollar amount.

Regarding including Fire Administration or not, he asked the Committee how much leeway the City has from the ZCS report and the McKenzie email in what to look at in a new fire station. The ZCS report was done a few years ago; things have changed. He said he believes there are new or better ways of doing things that were not thought of when the report was written. Some things were not as important as they are now: ZCS called for male and female lockers and they were different sizes. He said the new fire station won't have that. He said he would like some feedback about how much leeway he has when he meets with the proposers.

Arasmith said Bradner has the Committee's recommendation that went to the Council. Wyatt said the Committee's recommendation is just a recommendation, it's not a constraint; if Bradner goes outside the recommendation with good reason, he ought to have the freedom to do that. Arasmith said that would come back to the Committee. Wyatt said the potential for moving Fire Admin out of City Hall is probably not within five years but may be within 10-15, so that's a factor the proposers ought to think about so they could consider where Fire Admin might be sited in the new building if it did move. Just like the programming documents, it is information; it is not a constraint on how you approach the issue. Wyatt said, if he was Bradner, he would say, "This I've got to have: the equipment bays and ability to support the equipment, people facilities – those are the pieces I can't live without." The size of a conference or meeting room is flexible. He said Bradner knows what he needs and the priorities; he needs to be able to prioritize what he has to have but not constrain things.

Morse had a suggestion to the third bullet point under 3.1: "The station needs to provide..." and lists the drill tower, a training classroom and potential inclusion of Fire Administration. He suggested casting it in the language that Wyatt recommended: these are the basics, these are the options and we want them priced accordingly so we can pick and choose. He said the way he reads the current language is that it is one package. That would keep the language consistent with the Committee recommendation. Regarding the location of Fire Administration, Morse said he would want to be in the Fire Station if he was the chief. That option should be included in the design of the new facility, though it might not be built now.

Ryals said those who prepare designs should be up to date on state of the art and staff should be wide open to their suggestions. The program was done three years ago and things have changed. He said he would not like moving Fire Administration out of City Hall because every project he works on here involves them and it's nice having them here.

Belcastro acknowledged that she had both pages of Cordier's questions. Corder said a lot is redundant, but he had overlooked something: for the Fire process, the Committee had three steps, reviewing the ZCS report, the McKenzie report and Bradner's overview with some concessions. Phase 1 for Police is to look at the programming documents again and redevelop them. He said he believes that ought to come back to the Committee, to look at the programming documents again before going to Phases 2, 3, and 4. Burrigh said part of the Committee recommendation was that the revised programming documents come back to them. Cordier said there's no evidence of that in the proposal; maybe he missed it. Belcastro said the Police RFP has four phases.

Wyatt said the question is, does the programming document come back to this Committee or not. Cordier said, after Phase 1, which has already happened in Fire, if Phase 1 doesn't come back on Police, the Committee will not have reviewed the programming document. Hinrichs said it doesn't say it specifically in the proposal but it says it has to be reviewed and Police know it's this group.

Burrigh said it's too bad that the same process can't be used for both facilities but he doesn't know how when they have to review the Police programming first. Ryals said he was only focused on the Fire Station. With Police, he said, the Committee has agreed that they want them to stay on Jackson Street but they haven't determined financially if that can be done; that may be why it had been put out of his mind. He doesn't know why the same competitive process wouldn't work for Police.

Wyatt said the City could have three firms do the programming and the design. Burrigh asked if it was feasible to put that scope of work on Lattanzio and Hinrichs; there's a lot of background and a huge amount of staff time that goes into programming. Police staff would not sit down with all three firms at once and go through it, but would meet with each one individually. Lattanzio said the ZCS report is being modified so Police are not starting from scratch.

Ryals said programs are a good place to start but he has never seen a program translate into the final design. The biggest issue in staying on site is how to integrate seamlessly. Burrigh said the Committee will need to have the site decision before architects even start their work. They have to have an accelerated process to make sure the present site works.

Delapoer said he fears the Committee may have unrealistic expectations about the time that might take. He said the City is inquiring of property owners under what circumstances they might sell. They will give numbers and if the numbers are outrageously high, the Committee may decide they can't do it. Burrigh said the Committee has agreed to let the City decide whether it works. Delapoer said it can't just be numbers alone: the City may need to do some level of environmental and geotechnical testing. If the footprint is solely under existing buildings, that's probably not going to be a problem, but he recalls that

the Police station was built on a filled log pond and a lot of geotechnical issue was involved. It is not undisturbed soil. The City would have to test for geotechnical suitability for construction, based on where the building would likely go.

Burright said the log pond was not in that area; it was an issue for the jail. Wyatt said old aerial photos show the jail is on the log pond and there were a ton of problems with it. Delapoer said his point is that once the City gets a price, that doesn't mean for sure the site will work out. He noted that Bradner had gone through a lot of testing for the Fire Station site. Bradner said he had been working on buying property for two years now. Delapoer said it may take another 4-6 months for testing.

Morse said there's a million-dollar premium to stay on the site, based on the Committee's analysis; for him personally, if it's much above that, it's Pacific. Wyatt asked if the Pacific site has been tested. Delapoer said he did not know.

Cordier asked if the City has moved forward to apply to ODOT for an access permit for Pacific. Burright said the City Council would get the Committee's recommendation on the Police station tomorrow night.

Morse said the RFP refers to 50 years in two places, regarding staffing and building durability. He said he recalled Committee discussion focusing more on designing to a 20-year horizon with the ability to expand as necessary so Police are not blocked like they are today. He's confused by the reference to 50 years and how that would affect a design firm responding to the RFP. Arasmith said he thought discussion was about a building with life expectancy of at least 50 years but to design out for 20 years based on population projections. Morse said the language is "determine population estimates and required staffing for 50-year design," but doesn't reference what time horizon they would design for. Hinrichs said it may need to be reworded, a building for 20 years but future expansion up to 50 years, because 50 was the next level. Morse said it could be clarified. Lattanzio said the new station should be expected to last 20-50 years. That doesn't mean it will have enough room for Police staff for 50 years, but the building itself will last for 50.

Burright asked to continue discussion of whether Ryals' proposal would work for Police. He said he's concerned that if it's not done for Police, it brings up a lot of questions. Why would it be done for one and not the other? Why does it make sense for one but not the other? Ryals said he would love for it to work for both but, after having toured the Police Department, he is more concerned, timewise, for them. Burright said time is already an issue with the properties; he asked how much the design firms could do without knowing which site would be chosen. He said the Committee does not want a design for each property. Hinrichs said programming would probably take 3-4 months and site doesn't matter, but they will need to know which site for Phase 2 (design).

Ryals asked for the first possible date for a vote. Wyatt said the Committee won't get the product from the RFP until November, when the general election happens. It won't make that. The next one, after the Committee knows what the facilities will look like and how much they will cost, is May. The election would be a primary or general, not a special election. Ballot language needs to be written, submissions made to voters' pamphlets, the Council has to approve it, and someone has to run a campaign. A campaign committee has to be formed; City staff can't do it. The campaign shouldn't run much more than two or two and a half months because people will forget it; you need to get to them so they remember what they are voting on. He said what this group is working on – speaking to groups, etc. – can start much earlier. A campaign would be in March, April, and into early May.

Wheeler said the first thing is to see if people will sell. Hinrichs said he is expecting figures within the next week. Wheeler asked about appraisals; once Police get those numbers, they can decide what to do

next. He asked the time frame to get sale numbers. Hinrichs estimated 2-4 weeks. Wheeler said Morse has said the property has a million-dollar premium: anything under that is a go, anything beyond, it's Plan B. Cordier asked Wyatt if all elections in odd-numbered years are special elections. Wyatt said that didn't ring any bells. Ryals asked if special elections required supermajorities. Delapoer said this measure would not require a supermajority; the language of the measure makes it clear that it's a simple majority.

Ryals said, ideally, both measures would be on the same ballot. Reece spoke about deadlines in the RFP draft. He said he thought the programming for the Police Department had been amended but didn't know because minutes are not keeping up with the Committee meeting schedule. Burrigh said the programming has not yet been redone, and that gives a little buffer to work on property acquisition; hopefully, within that time frame, the Committee will find out if Police stay on Jackson or go to Pacific. It sounds like the same concept works. Lattanzio said the price for Police Phase 1 will probably be different because they are asking for more work. Ryals suggested \$50-\$60,000.

Burrigh reminded the group that the next meeting is June 10; he said he has heard from a few people that that is their last meeting for awhile.

Cordier addressed Belcastro: her name is on both RFPs. He said he doesn't know what her personal involvement will be as the project engineer on both of the buildings. He asked if the two projects would be her full-time job or does she have staff to delegate to; he asked if she had the resources to manage both of the projects. Delapoer said how to get the work done was a city manager/ public works director issue. Cordier said that may be, but he thought she would be able to tell him whether she would be drowning. Belcastro said she would probably take both proposals through the selection of the architect; once it got into the construction phase, she would have staff manage.

Wyatt said he would check with the County Clerk on 2015 election schedules. Burrigh said he thinks May is really tight for the PD.

Burrigh asked if anyone else was interested in moving forward with the Ryals proposal on Police. Belcastro pointed out that the Police RFP includes the programming documents; do they want hire three architects to do three separate programming documents or should there be two RFPs now. That is not difficult to do, but they need to do the programming, identify where to build the station, then use the Fire process. Ryals said he wouldn't want to waste time getting the programming. In this case, the City could hire someone to do the programming document and get that done quickly. The big prize is the building. Though the programming document is only background information, it starts everyone on a level playing field, everyone understands what it is and more will compete.

Delapoer suggested a direct hire on the programming; it's not necessary to go out to bid. The City could be doing that simultaneously with review of the site, and be ready to go with Ryals' proposal if the Committee recommends that. It would be a three-phase process like the Fire Department's.

Morse said the Committee would see the language for the draft proposal on June 10, so will have a chance to pull loose ends together. The Committee will also have more information coming then on CARA funding. Burrigh encouraged members to read the documents if they are ready before the next meeting so they can move the issue quickly on June 10; the group will want to spend some time on other issues then.

Wyatt offered information: at the last meeting, they heard that, to use urban renewal money, the project needs to "serve or benefit" the district. He had GIS staff look at the CARA district; it takes up 8.7% of the area inside the Albany city limits. If you took a project cost estimate and multiplied it by 8.72%, (Ralph used both figures) that's a number that could be tied directly back to serve-or-benefit.

Burright said he and Morse would make the Police recommendation presentation to the Council tomorrow night. In reviewing the May 7 minutes, a sentence was found to be missing from the Police recommendation and will be added to a new version of the memo to the Council tomorrow; the Committee will get the corrected version at the next meeting.

The sentence to be added is at the bottom of the seventh paragraph on the second page:

“If the property is secured, the Committee recommends that effort be made to assist the tenants and owners in the transition to other homes.”

Morse asked if information is coming on the PepsiCo settlement receivables. Smith said yes. Burright noted that population projection methodology and utility relocation information was included in this meeting’s packet.

Wheeler asked if the group would talk funding next time. Morse said they need to shape the boundaries, because their final recommendation will have to wait until they see what the cost estimates are.

#### Committee thoughts and comments

Ryals said he feels good about what happened tonight and it will reap good benefit for the City.

Arasmith said he appreciates the work Ryals did, and Wheeler’s concerns.

Cordier said there were still members of the public present; at the last meeting, Morse was gracious enough to offer them a second opportunity to speak if they wanted to. Burright said they will listen to those who want to stick around.

Wheeler said he appreciates the democratic way this is being handled. The vote of the group is the vote of the group.

Wyatt said the Committee is in a better place than when they started.

Morse said he had no appreciation what this would entail when he said yes to Floyd Collins.

The meeting adjourned at 9:12 p.m.

Respectfully submitted,

Marilyn Smith

**DRAFT Minutes**  
**Public Safety Facilities Review Committee**  
**Tuesday, June 10, 2014**  
**7:00 p.m.**  
**Council Chambers, Albany City Hall**

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Call to order

Morse called the meeting to order at 7:02 p.m.

He noted that the agenda packet was 348 pages.

Comments from the public

Morse said Jay Burcham had requested to address the committee. Arasmith said Burcham had called earlier and had chosen instead to have dinner with his parents. No others asked to speak.

Morse asked members, if it looks like they can wrap up this phase of work at this meeting, would they be willing to work longer tonight or stop at 9 p.m. and come back for another meeting. Lattanzio said he had copies of the revised programming document for Police; Morse asked him to pass them out.

Morse asked if the committee would limit tonight's meeting to 10 p.m. Cordier said they should be prepared for either course. All agreed.

Approval of minutes

- May 7, 2014: Cordier moved to accept as written; Berg seconded. Minutes approved unanimously.
- May 15, 2014: Steele made one change – the draft minutes showed her present at the meeting but she was absent. Cordier moved to accept as corrected; Edwards seconded. Minutes approved unanimously as corrected.
- May 20, 2014: Reece moved to accept as written; Cordier seconded. Minutes were approved unanimously.

Final Police Department Facility Recommendation

Morse said the recommendation before the Committee reflected work done at the prior meeting.

Consensus findings:

Wyatt said an item listed under April 22 (last bullet on p. 45 of the packet), "reconvene committee in fall to review Fire Department RFP." He said it wasn't clear to him which RFP that referenced because the RFP for the first phase is already underway. Smith said that was the original RFP and committee work has moved on since then. The item is historic. Wyatt said that item no longer applies. Morse said it would be correct to say that the Committee will reconvene to review Fire and Police. Wyatt said the committee was talking about Fire at the time; since then, they have

reviewed the RFP for Phase 1. Burrigh said the Committee has progressed beyond it; it's old news.

Cordier said he had questions about the Police recommendation (pp 41-43). Page 42, first paragraph: "In order to take these changes into account, the Committee recommends that the City hire a qualified design firm to work with Police staff to reevaluate programming needs and bring a new programming and needs assessment document to the Committee." The Committee just got that tonight.

Continuing: "When the new programming and needs assessment document has been reviewed, the design firm should be asked to provide conceptual drawings and cost estimates..."

Cordier said, when the Committee voted two weeks earlier on the Ryals proposal, they talked about having three firms do that work. Morse asked if it would help to amend that sentence to say "a" instead of "the." Cordier said one of the issues is the recommendation document is an attachment to the Police RFP. He said he didn't want the message to be confused by somebody who is going to get the RFP. Discussion followed. Cordier said the Committee voted previously to get drawings from more than one firm; he recommended changing the language to "design firms." Consensus was to amend the recommendation as suggested.

#### Co-chairs proposal for revised Request for Qualifications/Request for Proposal process

Morse referenced the recommendation he and Burrigh have made to revise the RFQ/RFP process.

Cordier said the committee is being asked to reconsider a motion that carried 10 to 1 at the last meeting; he said he thinks the protocol is to call for a motion to reconsider the prior motion. Morse said that would be appropriate.

Wyatt asked Belcastro if the revision matched what the Committee talked about. She said she thinks it will get the same result. She said it is worth trying to get what the City is after at a no-cost option; enough time is available.

Delapoer offered to explain how the change occurred. When Ryals made his suggestion at the last meeting, everyone thought it was a new way of thinking and a way of getting around the constraints that the law puts on local governments to make a selection based only on qualifications – no one was comfortable with that. He noted that Wheeler had pointed out discomfort that a lot of people had about spending a lot of money, two-thirds of which would go to people who didn't submit the qualifying design. The City Manager also had heartburn about that and directed staff to look further. Delapoer said Mark Shepard deserves credit for going through administrative rules very carefully and finding specific authority to allow design competition in this context, without compensation. The process evolved to allow requests for qualifications to narrow it down to three. He said people in the business would understand that a proposer who is one of 20 in competition might decide not to do a lot of work in hope of getting the contract. On the other hand, if the proposer is one of three who are qualified, the proposer has a 30% chance and it might be a shot worth taking. The group of three would give the City enough designs, better models to present to the public and a higher level of confidence that the City will like the product in the end. He said he and Belcastro have decided to punch up the RFPs more fully to require drawings and weight the drawings more heavily. It should yield the kind of design drawings the Committee would like to have, the same elements of competition that Ryals suggested, but keep costs in line.

Steele said she doesn't know what the qualifications would be and she believed that the Ryals plan would allow smaller firms to be involved. She asked how the playing field can be kept level for all sizes of firms. Delapoe said staff hopes that this is a big enough project that small firms would also be induced if they already had a one-in-three chance of winning the total job. Steele said her question is about qualifications.

Belcastro said consultants are going to be better equipped to put together qualification statements without too much effort; most have something on the shelf that they can hand off to clients. The response to the proposal will cost more money.

Arasmith said he understood that, initially, Hare indicated the original process, not the Ryals proposal, might cost about \$120,000 or so for a firm to come up with conceptual drawings and that was a number that Hare pulled out of the air. Hare said members of the Committee came up with that number, not he. Arasmith said when he watched the Council presentation, he thought that was a number that Hare had thrown out. Hare said the number he used was generated by committee discussion. Morse said the number arose from Ryals' proposal and committee discussion afterward. Arasmith said that was not the sequence he remembered.

Arasmith said he does understand that Hare and others had some concern about the proposal. This committee made a recommendation and that's all they can do; they have no authority for anything other than recommendations. He said if the Council and staff are not comfortable with the recommendation, they need to do whatever it is they do rather than bring it back to the Committee to re-hash the whole issue and come up with another recommendation. He said the Committee made its recommendation after a great deal of input and a considerable amount of time; if it doesn't fly for political reasons or because it conflicts with ORS, that's up to the Council and staff to solve.

Burright said both co-chairs had some heartburn, leaving the last meeting, thinking about Wheeler's comments and prior experience with the community. He said very few of the people in the community will have the benefit of the Committee's discussion; he was concerned that all they would see was the Committee was proposing to spend close to a quarter of a million dollars on the two projects. He said the Council has been great, they have tried to stay out of committee business; though they could have stepped in and offered their opinions, they have not done that. Regarding the Ryals proposal, Burright said, the Council was intrigued by the concept, but he sensed some unease among some of them as well. A few days later, he and Morse heard from Hare and Delapoe, and it seemed reasonable for the co-chairs to meet with them and staff. The meeting resulted in a spirited discussion, and the co-chairs finally agreed to bring it back to the Committee with the idea to give it a try, with no compensation, and save the taxpayers some money. If it doesn't work, they will back up and go with what the Committee proposed the first time, or, if the Committee doesn't like the concept now, they should say so and move on to the next agenda item.

Wyatt asked if this approach would include cost estimates. Belcastro said yes. Wyatt said his concern is that some valid cost estimates are needed to put the whole thing together and figure out how to fund it. The timing gets a little squirrely without that. He asked if he is hearing that, for free, the City is going to get drawings and cost estimates that will be used in a campaign to get this approved. Several members said yes.

Norman said it appears that the only risk to doing this is the City may not get the same applicants willing to do it for free as might participate if they were being paid for it.

Delapoer said the City may not get the same level of detail at the start of Phase 1 as they will get at the end of Phase 1. At the start of Phase 1, the City will have selected a drawing it likes best and a concept and will hire that person to do the Phase 1 work. At the end of the Phase 1 work, that firm will have provided what was planned for and the City will have paid for it. In the preliminary competition to get the Phase 1 work, the firm will have to show their cards in advance so the City can be comfortable that they have hired a team whose idea it likes. If the firm is hired on qualifications only, the City will have to hope the firm can come up with an image they like; at the end of the process, when the money has been spent, the design is presented and the City doesn't have a lot of choice. The idea is to get more information before spending the money and the City will have more detail at the end of the Phase 1 work.

Wyatt said the cost won't be known at that point. Delapoer said the cost of the architect's work would not be known then. If it costs too much, and the City goes to the next architect, it has the advantage of saying it likes the work done by the first firm and telling the second firm to adapt its work to incorporate the concepts from the first that it likes.

Steele said her understanding from the last meeting was, if the City did this, it would be potentially saving the taxpayers money, possibly a million dollars. In part, that is why she thought it was a great idea, spending \$240,000 to save \$1 million. She said the Committee also discussed ending up with three drawings and being able to identify which elements in each that they like, then settling on one firm to move to the next phase. She asked how the decision is made to choose that one.

Belcastro said a selection committee will have scoring criteria for evaluating the three consultants and their proposals and oral presentations. Steele said the Committee had talked about involving the public, such as a public open house. Belcastro agreed. Steele said all those steps are still relevant and included in the process – the only difference is the City will get it for nothing, and it may eliminate some smaller firms from participating. Delapoer said that might happen, if there are firms that wouldn't bid because they have to do the work for free.

Cordier said apparently the Committee is going to reconsider, whether they make a motion or not, and he thinks that's unfortunate. Morse asked if Cordier wanted to make a motion. Cordier said he wants to know if, in the future, it will be a common practice for some discussions outside of the Committee to direct the City staff to make some proposals, then bring them back to the table, which are contrary to votes that the Committee has already taken. He wanted to know if the co-chairs are going to continue that kind of process. He said he would advocate that when the co-chairs had heartburn, the City staff had heartburn, that they include the Committee in the heartburn. Morse and Burright said that was happening at this meeting. Cordier said the script has already been written. Morse disagreed. Cordier said he appreciates all the words that people have given but he won't retain that process flow; when he tried to go through the RFQ to get a sense of what the deliverables are, then Phase 1 of the new RFP, which are the exact same words from the original RFP document; every bullet is the same. He said he doesn't know what the process is. His concern is that when the Committee developed its recommendation, he expected to see that come back to this meeting. It was loosely formed after the last meeting and they had some tenets about it. All the Committee has is a verbal understanding of what agreement was; they don't have documents to compare the two types of proposals.

Cordier said he would like to use the flip chart to put down the process, with staff's help, for how the RFQ dovetails into the RFP and where the City gets the three proposals with drawings. He said he spent time reading the RFP and RFQ and he can't find differences; the process is not clear to him. It started out as a four-step process, went to a three-step process, the RFP got started, the Committee made a recommendation that is now off the table, and they are now going to a new set

of recommendations. He said he appreciates all the wordsmithing that was done but it is not clear that the City will get what the Committee said it wanted.

Ryals said Delapoer and staff are right. Essentially, it is the exact same process that the Committee recommended and he thinks it will work. He said the City won't get the depth of proposals or the surety of the final price, but they will get three very nice proposals that will have dollars attached to them. The City should be able to do the shopping it wants and be able to compare one to the other with some degree of certainty. The process may lose some people and encourage others. It may skew it a little bit toward the bigger firms, but they're getting busy; there's no reason why smaller firms might not jump in, too, as long as it is clear that the City is not asking too much of them. The advantage Ryals sees to the staff plan is that the buzz is out about the payments and if it takes that off the table, it's worth it.

Arasmith asked when the Committee will get price information. Belcastro said that is listed as a requirement – each firm must provide conceptual drawings and estimated construction costs. She recommended a change in weight for qualifying criteria to make oral presentations and deliverables 50% to let proposers know the selection will be based heavily on the quality of the drawings, the team they present, and their oral presentation. Cordier asked if that was for choosing one of the three; Belcastro said yes.

Ryals suggested an open house as part of the selection process to allow the public to give opinions and weight that at 10%. He said he is trying to figure out a way to get the public involved and excited. People are paying for this; they should have something to say about it.

Arasmith said he was confused again: the City will pick three but will it get prices from three or one? Delapoer and Belcastro said prices would come from all three.

Cordier asked for the deliverables from the RFQ. Delapoer said everyone who sees the RFQ understands that, if they apply, they are signing on for a process. The field will be winnowed down to three and the top three will be asked to respond to the RFP. Belcastro said the deliverables for the RFQ are that proposers will submit packets of information about their qualifications, past project history, and the team that will work on the design; that will be reviewed and the top three will be selected.

Cordier asked for deliverables in Phase 1 of the RFP. Belcastro said there would be a proposal that expands on their qualifications and project team, an oral presentation with additional detail and the teams that would be involved with the design, architectural renderings and other models that can be presented to the public and staff, and cost estimates. Delapoer said by weighing that deliverable at 50%, the team that will win is the one that does a good job of presenting a relatively complete design and cost estimates that the City has confidence in.

Pointing to his outline on a flip chart, Cordier asked at which point the three would be chosen. Delapoer and Belcastro answered. Cordier summarized: three people would do proposals, oral presentations, give costs, models, configurations. Delapoer said staff doesn't know exactly what the proposers will give, but they'll be told that 50% of their score will be based on the quality of those deliverables. They have to figure out among themselves how to impress the community with the product.

Ryals said there needs to be a time gap after they turn in their proposals, maybe two weeks, for the community to absorb it and respond. Then, they would come and do their presentation; he suggested inviting the community to see those; they won't be the ones making the decision but

they can meet the proposers face to face and hear their presentations. Morse said the process includes a public phase.

Cordier asked if the proposals/presentations would be owned by the City. Delapoer said yes; Ryals is going to get staff some language on that; they aren't going to agree that the City can just copy the pieces it likes and assign it to a different architect, but would be able to incorporate particular features that staff likes.

Cordier said the City would be sharing the concept designs. Delapoer said yes, as the committee deems necessary. Cordier asked if that was all of Phase 1. Delapoer said that is Phase 1A: the firm has been selected based not just on qualifications but also on their idea. Cordier said all three are going to do this. Delapoer said from that, the committee will pick an idea and a team that they like the best. Cordier asked if that was Phase 1B. Delapoer said sure. The one of three that is selected goes on to complete the Phase 1 work.

Cordier asked at what point the costs of the building would be included. Delapoer said Phase 1A.

Morse referred the Committee back to page 69 of the Fire RFP, "Request for Proposal, Architectural Services for Project No. \_\_\_\_\_, Fire Station 11." Cordier said those words are exactly what was in original proposal. Belcastro said, based on conversation tonight, she would label that Phase 1B so it is clear to separate that scope of work from Phase 1A where they would do their proposal and oral presentation, and add language to make it clear that they would be refining the design that they present to the selection committee and to the public.

Wyatt said the Committee is talking about exactly what it talked about two weeks ago, but this is for free. They get slimmed-down drawings and cost estimates, pick the one of the three that they like and they proceed through detailed drawings and detailed cost estimates; that's the same deliverable. If the City had paid them, they would have had three complete sets at the end. This way gives three slimmed-down sets to pick from to get one complete set at the end.

Ryals said the City will still have to negotiate with the selected firm, but the advantage is having two others ready to go. It is easier to negotiate with three vs. one.

Delapoer apologized for not suggesting this at the last meeting; he said he didn't know about it. To Cordier, he said it is not an effort by staff to undermine any decision the Committee makes. He said there was nothing to alert him before the last meeting that Ryals would come up with this idea. He thought it was terribly original. He said staff spends hours grinding through details before coming to public meetings, usually. This time, that was done backwards; they ground through the details after the meeting and saw that, with this tweak, the City could embrace the same creativity of the idea and get the competition and still comply with the law by asking people to do it for free. He said he didn't know before that that could be done.

Morse asked to come back to the issue Cordier raised about the role that he and Burright play in the Committee. Ryals had presented a new idea and it transpired quickly. He asked the Committee what they would have decided at the last meeting if they had been presented a no-cost option v. \$240,000. He said they could call it the prerogative of the chairs to re-evaluate and bring something back for the Committee's consideration; he thinks that is their responsibility. He said Wheeler was forthright in his comments and, like Burright, the more Morse thought about it, if it can be accomplished at no cost with the same competitive advantages, he and Burright think the committee should entertain that; if they choose to stay with the original proposal, that's the

function of the Committee. It's a large sum of money when combined for both the Fire Station and the Police Department.

With respect to future issues, Morse said, it is not the chairs' intent to undermine the decision of the Committee but to strengthen it. The soak time was not very long at the last meeting and Delapoer didn't have the advantage of legal review. He said the Committee will have to indulge the chairs: if they feel something else needs to be considered, they would have the right to bring it back to the Committee to do so.

Reece said the Committee had started its process feeling that the public didn't have enough information. The Committee recommended getting concept drawings so they would have something visual and to price to see if it would fit on the selected sites. He said they morphed that and a number came out for what such a process should be expected to cost. He and Ryals have been uncomfortable with the number. A number for full-blown schematic design with ready-to-roll construction documents could be that high. If they wanted to do test where to be for a bond, the number should be pulled back. He liked Ryals' idea because he felt it would pull that back. He empathized with Wheeler's concern about public scrutiny of how the money is spent. He said they need to keep in mind that they are looking for a concept. He said there's no reason to go to Phase 1B until they have a bond; that gets into design development. Going through the RFQ process, the design firms know they are selected as one of the top three, they will be obligated to provide something tangible to look at. As professionals, they have to offer an opinion of probable cost that has to fall within a limit. He said he is very comfortable with where the Committee is, to the extent of going through the RFQ, getting three designs and costs. In his opinion, that's where it ends. He agrees with others that the public should be involved and the three concepts should be vetted to the public before making the final selection.

Wyatt said he wanted to call for a survey but is concerned about the new approach as it affects the cost estimate. When going for a bond, the whole funding package should be based on a fair amount of confidence in cost estimates. Reece said that means taking the next step and spending the dollars to get there. Wyatt said his understanding is the City goes through the free part, gets a cost estimate, goes for the bond, then does Phase 1B. Reece said he agrees, only if the City is confident in the numbers. If the City goes to the next step, it will engage one of the three firms and ask them to dial it up a little more.

Wyatt said he would like a 1B cost estimate based on the design that gets picked, and he would like to know what the structural engineer thinks about it and some more detail. The City will ask the public to approve a funding package and a bond will be part of it. They don't want to miss the mark.

Reece said another aspect is that to get the additional detail yields a design that can go on a shelf and be reviewed and used later; it's not a throw-away. He said he agrees with going the next step to get the refinement and create confidence for the bond, knowing that's the design that will be implemented whether next year or four years from now. Wyatt said, four years from now, the cost estimate will change.

Morse asked if there anything in this document that would preclude taking that next step. Belcastro said the process is set up to segue into 1B which would be to refine the selected design and do the surveying and additional engineering. Delapoer asked if the City could also preserve an option in the RFP to give the selected firm a limited scope of work, possibly with some money, to firm up the cost further if the Committee or Council chooses.

Wyatt said no; if the City goes through 1B, the product is not lost. To wait four years, the cost estimates would have to be updated, but the City would know what those are based on. Part of this is to get to an end result and product that everyone has confidence in. Phase 1B estimates are real.

Wyatt asked for a survey approving the proposal as written with 1A for three for free, and 1B that the City pays for after selecting one. All members except Arasmith said yes.

Ryals said the proposal gets the project to where it needs to go. The idea is to make proposers think about price and design around price.

Morse acknowledged that the group did not have consensus. Wyatt moved to vote on the question. Belcastro asked for clarification. She said she was going to change how the qualification criteria are weighted, putting more weight to oral presentations and deliverables. Wyatt said he thinks staff knows where the Committee is coming from; that's what the survey was to cover. He withdrew the motion in order to hear Arasmith's objection.

Arasmith said he thinks the committee is trying to deal with an administrative issue: they made a recommendation, it went to the City, if they need or want to change it, he doesn't object to that. Also, he said, he is not convinced that the City will save money. When it all gets done, the cost to whoever does 1A or 1B, the City will spend about that amount of money. Martin said the perception of the community is that the City is throwing money away. Arasmith said he understands that. It's a political issue, he appreciates that, and there is an administrative issue; let the staff and the Council deal with those. He said he is sticking with the Committee's recommendation.

Burright said he appreciates Arasmith's comments. Burright's sense is that the Council appreciates the Committee doing this work and they don't want to go against the Committee's recommendation and they want to bend over backward to follow everything the Committee has done. If they want to still pay, they can do that. They can go up; it's hard for them to go down. Arasmith said he thinks they're asking the Committee to pull them out of the political fire. Burright agreed. Arasmith said, they're elected to office; let them make the hard decisions.

Wyatt moved to approve the RFQ/RFP with the modifications Belcastro outlined, to change the weighting, to make sure that whoever looks at it will know that's going to be a major portion of how the decision to select is made. Martin seconded.

Morse summarized the motion: approve the format, and within that format is flexibility to tune the product to make it better.

Ryals said his only concern is to make sure the timing is such that the public has a chance to make a meaningful contribution. Burright noted nods of agreement.

Cordier said he is visual. He asked Belcastro to put together a flow chart that takes most of the words out of the RFQ/RFP and puts bullets of what happens in each phase. He believes that the people who apply would appreciate a simple diagram like that: when it is free, when the City will pay, when do they get various deliverables, including costs. Belcastro said that is a great suggestion. Morse said it is more than this committee but for the public to understand where this is going. That is critical.

Reece said it is important to make sure this does not preclude smaller firms. He thinks there will be those firms that see this as an opportunity and will go after it passionately.

Vote: 11-1, Arasmith voting no.

Morse said Police have a programming update. Copies were distributed to members (see agenda file.)

Lattanzio said the Police Department hired hsr, the firm that did the first programming document, and asked them to adjust it for current conditions, then look out 20 and 50 years. A quick summary is on the second page. They were given the flow chart for 1.4% growth rate. The overall square footage for 20 years went down from 50,808 to 41,363. The current need didn't change much but quite a bit was cut out: the ORPAT room and fitness room were eliminated and office sizes reduced. Page 4 lists breakdown of what was done in each of the areas. Lattanzio explained the changes. He said he expects there would be more savings when it comes to final design, such as some circulation duplication. The holding area has been reconfigured to provide temporary holding; no overnight stays. He said the configuration of the space and the final design will also be determined by the site.

Wheeler asked who all was involved in the review. Lattanzio said it included himself, Capt. Hinrichs, Capt. Carter, and two architects from hsr. When they were here the first time, they interviewed everybody in the department but that wasn't possible this time because of the short timeline. Wheeler asked why the square footage had decreased. Lattanzio said they are using a slower growth rate, and had eliminated several rooms. Wheeler asked if other police buildings include exercise rooms. Lattanzio said some do, some don't. The Albany police contract includes partial payment of fitness center fees. The contract would need to be amended if the new facility had an exercise room. Lattanzio said the original hsr study was done in 2011.

Hare pointed out the amount of space recommended for current need is essentially the same amount that came out of the 2011 study. That's what the City anticipated to build with the bond – 35,000 square feet. Staff had also proposed to build a third floor that was unfinished, adding 10,000-15,000 square feet. These are not dramatic changes on what was originally scoped out. The study was done in 2010 and presented to the City Council in January 2011.

Wheeler asked if a second and third story can be built at the current site. Lattanzio said the goal originally was to do two floors completely with a third-floor shell; the department would grow into that over the next 20 years. Some of the areas have to be intact, such as bathrooms. Some work spaces would move to the third floor as needed. Wheeler asked if the current building would allow a second story to be added on. Lattanzio said no, they would have to build adjacent to it. They could continue to use the current building; that proposal is one idea to help hold costs down.

Ryals said you can see by walking through the current building what happens if they don't expand.

Martin said the new programming document sounds a little like what Police are doing now. He said he is a little worried that they will start out doing some of the same things that are happening now, cramping people down.

Lattanzio said they will have enough space; as they add people, at some point they will have to look at expanding to a third floor. If they have enough money to finish all three floors, he would like to do that. Morse reminded the Committee of the size of the current building – 10,500 SF plus 1,076 in the modular unit. With a new building or an addition, that would jump to 33,220 SF. That is a major increase in space and an improvement in functions. Martin said he isn't saying it will look like the old station but reading through the document, he sees cut here, cut there.

Ryals said Police plan to grow into the new space; it will be kind of empty at the start but over the next 20 years, they will grow into it.

Reece said, to address Martin's concern, the selected team can be coached to take in some future expansions; the exercise room, for example, could come back into play at 20 years. The YMCA has four x'd out areas for future expansion.

Cordier said the Fire Station recommendation included a range for needed square footage. He proposed to put a range in the Police recommendation, to satisfy Martin's and Reece's issues, in language like that used for Fire.

Members thanked Police staff their work on the programming document. Burrigh said some things in the 2011 document had jumped out at him, and he thinks they have done a great job; he appreciates the effort that went into it. He said he had noticed that dispatch had been cut down and that area is hard to expand. He suggested they might want to reconsider that when they get the actual design.

Morse asked if Police had an update on the Jackson Street property. Lattanzio said they are still working on it.

Cordier asked what the Committee is going to do with the programming update. Morse said they would receive it. Cordier said they had an updated document from Fire from which they developed a proposal, and he thinks they would want to do the same thing for Police. He asked Belcastro where the square footage target language is found in the RFQ. Belcastro said it would be in the advertisement; it is just an approximate square footage to give proposers an idea of the size of building.

Burrigh read from the Fire Station recommendation, dated April 29, 2014. Morse noted that the recommendation lists specific square footage, not a range. Since that recommendation was made, additional movement has occurred, Morse said, and he is not sure that anything would be gained by backing up and revising the recommendation.

Cordier said he doesn't believe anything is moving. The City Council agreed to use money from a certain account to fund whatever the Committee is going to do. What went to Council was in writing but the verbal proposal was something totally different which is now reflected in here. The original ZCS report is in the RFQ; Morse said that was a placeholder. Wyatt said the new report will replace it in the package that goes out. Cordier said that's perfect. Burrigh read from the Police recommendation, which references using the new programming document.

Wyatt asked for the minutes to show that the Committee has accepted the updated programming document.

#### Funding options

Morse directed members to pp. 277-279 in the agenda packet. He suggested beginning discussion with what CARA can do and cannot do.

Delapoer noted that a memo from Kate Porsche was in the agenda packet, and said he would provide an executive summary: the Committee can recommend to City Council that they utilize the maximum amount of urban renewal money that would not require a substantial plan

amendment. He said that would be approximately \$710,000; he suggested they frame that to say "maximum amount" rather than \$710,000 because staff could suggest to the Council that there are some elements of construction that would be eligible: put the road frontage improvements into CARA, or the design will include some rooms that could serve as community meeting rooms and could be authorized under the CARA plan. Staff might find creative ways to get the amount above \$710,000 without a substantial plan amendment. He said it is staff's opinion that you can get the amount that was authorized for public facilities in the plan committed to this project; they believe that is \$710,000 plus some extras, maybe as high as \$780,000, without a substantial plan amendment. That could draw fire or a challenge, but at that amount, staff doesn't think it will and they think the City could win the challenge.

If the Committee wants to spend more than that, the likelihood of challenge and losing the challenge is higher. Challenges will come from other taxing districts that could see it as the City of Albany building essential city infrastructure with money that is partially funded by the taxing districts and will not generate corresponding tax increment financing. Staff believes that, if they don't do a substantial amendment, they will be able to spend the smaller amount of money and not draw fire. If they spend more than that, they think there's a chance it will draw fire and it will be difficult to defend. Delapoer said he will recommend to the City Council that, if the Committee does what staff believes constitutes a substantial amendment, it goes to the voters. He noted that Cordier had created the law that requires that vote and the City will keep faith with what it understands the law to mean.

If a substantial amendment goes to the voters, Delapoer said, it could have a minimum timeline of an additional six months. A substantial plan amendment is a land-use decision, which requires land-use hearings, and land-use decisions can be appealed to LUBA. In preparing the Pepsi urban renewal district, the City was tied up at LUBA for months due to appeals from the construction unions. With a substantial amendment, the time could go to an unpredictable level.

Morse asked for clarification on the role of the other taxing districts. If the Committee goes for a substantial amendment, and voters approve it, the other taxing districts may not approve it. He asked if statute requires three-quarters of the taxing districts to agree. Porsche said yes, if it is greater than 20% of the original maximum indebtedness of the plan. The Legislature changed the law in 2009; in Albany's case, the change would have to be greater than \$11 million. The substantial change also triggers a revenue sharing requirement in future years as well.

Wheeler asked if \$780,000 was for both buildings. Delapoer said yes, and that number is not arbitrary. The CARA plan has a total maximum indebtedness. The maximum indebtedness is spelled out on a spreadsheet listing all the projects. One of the items on the spreadsheet is "public facilities." That line item was \$550,000, and has been adjusted for inflation up to \$710,000-\$780,000. Add all the items on the far right side of the spreadsheet and that equals total maximum indebtedness. Delapoer said it seems inescapable that the line item for "public facilities" is supposed to be that amount. He said if nobody ever challenges you, you can do anything you want. When he gives advice to the City Council, he said, he asks, if challenged, would the action likely prevail. In this case, if this was properly challenged, it would be hard to justify saying that each public facility could be that \$550,000 number because it throws calculation off.

Cordier said, to be clear, other taxing districts did not approve nor were they required to be asked to approve CARA when it started. In fact, he said, Linn County said they would prefer Albany not do it. If there is a major amendment, he said he believes Albany has to ask the taxing districts' opinion, but they don't approve or disapprove the amount unless it is more than 20% of the \$56 million. Delapoer said staff agrees.

Cordier said he thinks the cumulative debt amount so far is about \$15 million, so there is \$40 million in the plan without any amendment to the maximum indebtedness. Morse said Carol Samuels with Piper Jaffrey had a different number. Porsche said, in any urban renewal plan, the maximum indebtedness number is the covenant that the municipality or county is making with the affected taxing districts to say this is the amount of their money the urban renewal district will use to implement the plan. CARA's number is \$56 million. To Cordier, she said \$14 million has been spent. The remaining dollar amount is not necessarily funds that CARA has available right now. Porsche asked Samuels to analyze CARA's borrowing capacity; the information is in the agenda packet. It ranges from \$7-\$11 million just using tax increment dollars. If City went out for a general obligation-backed urban renewal bond, which also requires a public vote, the number goes up to \$11-\$15 million. Porsche reiterated that the maximum indebtedness number is not necessarily the money CARA currently has available to put into projects.

Norman asked why the City would use urban renewal for buildings that don't generate any tax increment returning to it. He said he had missed the meeting on urban renewal and apologized for asking the question if the discussion has already happened. Morse said it had not. Norman said it seems like the cart is before the horse; yes, this is a source of funding but he doesn't know if it is the right source. Whether it's GO bonds or CARA or something else, it is still money the City is borrowing. It seems like the Committee is having a conversation like they've made the decision to use CARA money, and he doesn't know that they have decided that. Morse said they had not.

Arasmith said when he looks at this as a person who has to pay taxes in October, he gets a little nervous about anything that he helped do to increase that. He thought about what else was coming; he is on a fixed income. He said the City is looking at a 50-56% increase in sewer rates over the next five years; he said he doesn't know what is planned for water. He said the Clean Water Act is in the City's face but it is ignoring it; there will be a huge cost there and he doesn't know what the City's plans are. He said he had asked the Fire Chief how far behind he is with equipment replacement: at the time, it was about \$1.5 million. A lot of Albany streets need considerable work; he doesn't know what that number is or what the plans are to fix them. Linn-Benton Community College has a bond issue coming; he wonders about GAPS and Linn County and what else is coming. As taxpayers, he said, maybe the Committee should be asking what funds are available to pay for what is needed. He said it is always easy to say let's go get some more money from folks, but maybe the Committee should look at what is already available.

Arasmith recalled the presentation by Jeannette Launer. He said CARA money has a lot of emotion and political angst to it. Some people say to pay for the whole thing with CARA money, others say don't spend any of it, that's not the purpose of CARA. Then there's the \$710,000; he said Launer's interpretation was two pots of \$710,000. He said the Committee asked Launer if it is legal to use TIF to pay for public facilities. She said absolutely, it's done all the time. It has been abused, but some still use it that way and it's not illegal. Does the CARA plan allow for that? "Public facilities" is in there. Arasmith said Launer said to add a new project to the plan probably would require an amendment. He said she also told the Committee something that he thought was really important: whatever you do has to "serve or benefit" the urban renewal district. He said one of the primary functions of Station 11 is to provide service for the downtown area, which is in the CARA district. Without it there is no quick response to this area. In the earthquake that might take down Station 11, the personnel assigned there are responsible for helping other people get out of other old buildings downtown that will probably fall down at the same time. He said, in terms of benefit or serve, he could justify 100% of the Fire station being paid for out of CARA funds. Regarding the police station, Wyatt has told the Committee that 8.4% of Albany is in CARA

district. In terms of serve or benefit, he said, 8.4% of the cost of the police station could possibly be paid from CARA.

He asked the advantage of using CARA funds. It doesn't increase the tax burden in terms of the tax rate. If it adds to the total indebtedness, it increases the amount of time it will take to pay it all off, but it doesn't change his tax rate. He said he knows it has a negative impact on what CARA has available to it in any given year, but what's the best use of the taxpayers' money; it's not somebody else's money. As for the disadvantage, Arasmith said, if the debt load is increased, his grandkids have to pay it. He said he doesn't have a problem with doing an amendment and putting it to a vote. He helped make that possible and it was a good news/bad news thing. He said he had told Cordier that they had stepped on their own foot, but that's OK. If the City had gone out for a vote to begin with, the whole issue would have been a moot point because the people would have spoken and said they were in favor of doing this.

He said he would propose to the Council and CARA that they put the issue on the ballot in November: whether the people of Albany want to fund all or some part of these projects from CARA. He would leave the amount up to the Council because it's a tough political question. Another thing that could be done is to consider a straw poll in utility bills. He said it would have to be after the Committee has some cost figures but the poll would ask how people feel about paying for some part of this out of CARA and if some, how much. Get the public's involvement. He doesn't think it would fly to pay for whole thing from CARA; it will require some bond amount, but the smaller that is, the higher the probability that it would go through.

He thinks a number of other pieces could be paid for with CARA funds; the training tower should be stuck out at 34<sup>th</sup> Avenue, and move the bus barn. He said he would love to see a police and fire museum somewhere in town, such as in the old Dodge building.

Wheeler asked Arasmith for the amount that he wants CARA to pay for. Arasmith said he doesn't have one; it's a political decision and he would leave it up to the Council. Wheeler said staff just said it's \$780,000; he asked Arasmith and Cordier for their numbers. Arasmith said he would like to pay for entire fire station from CARA.

Delapoer said some of Arasmith's analysis does not comply with the law. He said he didn't want to get involved in committee debate but if he remains silent, everything they've said at the meeting is unquestioned. He said to suppose there's a piece of bare ground on First Avenue and it can't be developed because it doesn't have a waterline in front of it. The City through CARA says the property is blighted because it doesn't have the necessary infrastructure, so CARA funds that waterline. Now a building can be built there and, as a result, taxes for entire area go up. That's the "benefit." Then, there's a police station in Albany where there wasn't a police station. He asked if there is a parcel in Albany that is currently undeveloped because the community does not have the new police station. Would all property in Albany benefit from having a fire station that won't collapse in a Cascadia earthquake? Absolutely, but is there any property in Albany that is not being developed because that fire station has not yet been built?

The premise behind tax increment financing and urban renewal is that improvements are made that will raise the value of the property. The bargain that the City makes with the taxing districts is that the City asks the districts to allow the City to take all of the increase in value that they would ordinarily get because the City is doing something that will increase the tax base for everyone. Huge funding from CARA does not take money from taxpayers but takes it instead from the other taxing districts and drives a stake in the heart of urban renewal statewide. Opponents of urban

renewal statewide will point to Albany and say this is an example where general-fund kind of benefit to the whole community got paid for by taxing districts other than the City of Albany.

Wyatt said the Committee is talking about funding but at this point, they really don't know what it's going to cost. They don't know the total cost because they are talking about property that they don't know that they can buy. He said if he was to recommend something about funding to the City Council right now, he would say they should fund from a bond and Pepsi dollars; specific amounts he doesn't know yet. That's a decision for the Council. He said he would tell the Council that they ought to use CARA money because part of what they want to do is sell this package to the voters and he thinks the voters expect some CARA dollars to go into it and that would help sell the projects along with a bond and Pepsi money. His recommendation would be for the Council to do the maximum that they think, politically, is appropriate.

Wyatt said he disagrees with Delapoe: having a fire station that won't collapse and having the knowledge that medical rescue can get to buildings that will collapse in the urban renewal area is a direct benefit to the urban renewal area and will increase occupancy and the value of those properties. He recommends using at least three sources of revenue, the maximum they think is appropriate from CARA; it's their decision and everyone will know better when they know what these things are going to cost, whether it will be less than the last bond measure or more. That's why the Committee is getting three proposals on each project; he thinks it's a little early.

Morse said there is no expectation that the Committee will come to specific funding recommendations before it recesses for the summer. Wyatt said he thinks they can make that three-part recommendation. Morse said that is general rather than specific. The PepsiCo money is a contentious issue. He said this is opening it up to see if there is a framework. He senses that some on the committee will say no to CARA and he knows there is not consensus on the amount of PepsiCo money.

Wyatt said, from what they learned earlier, it would be appropriate to do a minor change to the plan, it needs to have serve-or-benefit language in it, and there's a boundary change where police property is because part of it is on the district and part is not. He thinks having those projects specifically in the plan would be helpful.

Cordier said he listened to Delapoe's impassioned plea about lots being undeveloped; he said maybe Delapoe had or had not read Launer's testimony. He said she said exactly what Arasmith said tonight: lots of people are doing what even the nutcases in this group would advocate, to pay for it all with CARA. He said he is not one of those guys, but Launer said it's OK to do that. The lawmakers have decided it is up to the local community to make that decision. Delapoe said he doesn't know that that's what Launer said. Cordier said it is; he has a copy of the minutes.

Cordier said the argument that it's public so you don't get your money back – his opinion is that that was wiped right off the table as an excuse not to do it by Launer. He said it's a political decision; you can do whatever you want. He suggested thinking about what the Council could do before it gets hard number estimates. He said he doesn't look at making a significant change in the plan as a terribly high cliff to jump. It will take some work but he believes that it is doable. If the Council would make a judgment about putting something in front of the voters now so that the plan could be modified over time and be in alignment in bringing the total cost to the voters, he said, the police and fire bond does not have to be approved before asking the question about amending the plan. Morse said the Committee needs clarification on some timeline issues.

Norman asked Wyatt about his suggestion for moving boundaries and asking for more than \$710,000. Wyatt said that is the Council's decision. He said, at a minimum, some CARA money ought to be in the package, because based on current law, that's legal and he doesn't think it would draw an objection. He questioned the amount that could be used; the Committee heard \$733,000 times two, then \$710,000-\$780,000 times one. He is hearing that CARA money can be used on these projects; how much is a decision for the Council. At minimum, he recommends using three sources of money: part of the Pepsi money they have already allotted.

Norman said his point is that there is risk in using CARA funds in different ways. Wyatt said part of the purchased site for the Police station is outside the CARA boundary. Norman said that creates a risk for expanding the boundary, a risk of going past \$700,000 – his concern is that, if CARA funds are used and it is contingent on some of the things that require voter approval, as they wrap up their work and that one piece doesn't work out, where does that leave the project? He sees that as a significant risk as they pursue the various options.

Wyatt said the general feeling he got from the urban renewal presentation was minor boundary changes can be made, a certain amount of money can be spent, serve-or-benefit language can be added and those are changes to the urban renewal district. Going past a certain dollar level or making major changes triggers other things. Some language changes will have to be made to use CARA money, and he believes it would be cleaner if every square foot of the property was inside the district.

Delapoer said he had suggested recommending to the Council to use the maximum amount of CARA money that they can without having to do a substantial amendment. One of the problems in having lawyers giving a little seminar and responding to questions, they're not giving you a legal opinion on specific facts. A lot of what Launer said, at least as reported in the press, was that if you can make certain findings and establish, then you can do certain things. He said that is kind of code for saying if you can make findings and make them stick when they are challenged, then you can do it. He said he doesn't think the Committee has to agree on a dollar amount but if they can agree on a concept--recommending the maximum amount that can be done without a substantial amendment--then staff can refine it. One of staff's resources is Jeannette Launer.

Wyatt said the minimum that CARA ought to contribute is the maximum amount without a substantial change; potentially, it could go beyond that if the Council wants to do it. Delapoer said that's what he was suggesting the Committee recommend.

Martin read from the May 20 minutes, when Wyatt said the police station was one project and the fire station is one project and asked if, together, they could get \$1.5 million in urban renewal funds and Launer said yes. Delapoer said he thinks she is mistaken; if he is wrong and the Committee's direction was to do the maximum possible, that would fix his error.

Steele said she appreciated Wyatt's comments and agrees wholeheartedly that the City should use the maximum allowed by CARA and if there's a minor amendment, go further. Having an office in downtown Albany, she said, she appreciates fire personnel being available. She said her office will be crushed by the Masonic Lodge in an earthquake and she wants firefighters there to dig her out. Serve-or-benefit certainly is there for all of Albany but definitely the downtown. Regarding the Pepsi money, she believes the Council has already outlined \$4 million for these projects and she doesn't have a problem with that. Another \$5 million of Pepsi money is in an economic development fund and the Chamber has been a staunch supporter that it be used for economic development. Behind the scenes, there are projects that will benefit from that Pepsi money, that are going to bring additional jobs to the area, things that are not ready for public knowledge yet. The

City should not use, for the police and fire buildings, the economic development fund that is set aside to build the economy back up and bring jobs. She said she speaks strongly for both the Chamber and for the Albany-Millersburg Economic Development Corporation.

Reece said when Launer spoke, she talked about the \$500,000, how it escalated to \$733,000, and there are identified projects, one of which was "public facilities" and that was the \$500,000; he said he thinks that is what Delapoer is focused on. He said he understood that if priorities or projects are reorganized, the \$500,000 (in year 2000 dollars) might be available for each of two projects. He said there is also a 1% change in boundary without a major amendment; he did calculations and two tax lots look like they are outside the boundary but would fall under a minor amendment.

Ryals said he understands Delapoer's concern that if it is pushed too far, it could be challenged. The alternative is to ask the public to vote. He suggested another option: the Committee said they think the amount is two times the \$733,000, CARA votes on it, the City Council approves it – if someone is going to appeal it to LUBA, they have a very short time to do so. The City would know fairly quickly: if time runs out and it's not challenged, it's a done deal. Delapoer said it's 21 days from the land-use portion of the decision, but to amend the plan requires a lot of steps – notice requirements to all the taxing districts, revisions to the plan, economic analysis. It is not a quick step to do that but he said Ryals is correct in that there is a limited window for legal challenge to the land-use portion of the decision.

Ryals asked if it a minor amendment and it's not challenged, does that not make it a minor amendment. Porsche said each urban renewal plan outlines what is and is not a substantial amendment. Albany's urban renewal plan says something is a substantial amendment (see agenda page 281) "by the addition of improvements of activities which represent a substantial change in the purposes and objectives of this Plan and which cost more than \$500,000 (adjusted to \$709,839.31 using the ENR index).."

Porsche said she really went through the plan and police and fire stations are not in it. "Public facilities" is listed and the plan gives examples. The urban renewal plan has to be tied to the City's Comprehensive Plan and others. There is no nexus between Goal 11 (police and fire) and the urban renewal plan. The list of public facilities includes museums, parks, etc., all things or areas that bring people in and generate economic benefit. Canby's police station was in their urban renewal plan. She said she wanted the Committee to understand that when they go past the \$710-\$780,000, depending upon how the money will be spent, it will require a substantial amendment, which means a vote of the people. She said she knows the Committee is grappling with how many things people are voting on and when. This is staff's interpretation of the plan.

Martin said this information had reminded him that he thinks it would be great to move the Fire museum to the Dodge building using CARA funds. Porsche said, when this first came up, she spoke to Chief Bradner about a possible CARA partnership – bring the Fire museum downtown and incorporate it into the new development or use the historic building and make it a draw. She said that does meet the public-facilities line item. She said they also talked about community rooms at either facility; things that are in the spirit of that line item would work. She said she would be happy to look for more ways to partner.

Cordier read a sentence from page 10 of the CARA plan, "Community Facilities." He said these are items that should be funded: "activities to serve the needs of the area population" not "such as" but "including, but not limited to parks, libraries, museums, performance and art centers." He said, sure, there is no word like "fire station" or "police station," but "including but not limited to" was

put in there intentionally to allow some flex. He said it is beyond him why the original plan, the Central Albany Land Use and Transportation Study (CALUTS) didn't include the fire hall. He said even back then, everybody knew the building was going to fall down and was out of date. "Including but not limited to" gives a lot of freedom.

Ryals said everything on the Community Facilities list is a public gathering place. All those things fall into a general category; he could add the carousel to that or a theater for the performing arts. Arasmith suggested a community room; Ryals mentioned a museum. He said what Cordier is asking is a bit of a stretch.

Delapoer asked if this is really the body to debate the law on urban renewal, himself included. Several members responded no. Delapoer said, if the Committee wants urban renewal money in the mix, ask the Council to do that, and if their direction is to put the most in that they think they can without a substantial amendment or if they want to tell the Council to do a substantial amendment, then the Council can decide what legal experts they want to bring in to give them direction.

Ryals asked, if the Council does that, would the Committee know in a certain period of time if it will pass muster. Delapoer said no, it would be a lengthy process and would be one of the components in the mix that voters would have to approve. Ryals asked someone could appeal a Council decision to approve an amendment that stays within the \$733,000. Delapoer said the Council could make that decision and it would be very unlikely to be appealed.

Delapoer said it is clear that the Council very much wants to take the Committee's recommendation, but if the Committee gives them a recommendation they can't swallow, the Committee's work will be for naught. The opponents of providing funding for these facilities will say the Council convened this committee of solons, then didn't do what they said. He advised the Committee not to saddle the Council with something they can't chew or they will not have been any help to them.

Wyatt asked that the Committee recommend to the Council that they include CARA funding as part of the package at the maximum amount they feel comfortable with. Whether it's substantial or minor, he said he doesn't feel comfortable telling them one way or another; he thinks it is their decision.

Wheeler said he doesn't think anybody argues with that. He thinks it will end up with a low number and that's fine but the Committee needs to figure out what the rest has to be also.

Morse asked, would the Committee recommend using CARA funding, and would the Committee recommend that the Council pursue a substantial amendment? Wyatt said he wouldn't use the words "minor" or "substantial"; that is the Council's choice. Arasmith agreed. Wyatt said the Council will get expert advice on what those choices really mean. He said he feels comfortable saying CARA ought to be in the package because he believes it will help sell the projects. The Council has to approve the bond amount, too, and they need to decide if they want to include Pepsi.

Morse said the Committee's jurisdiction ends with the recommendation. The Council's begins with the recommendation, then formal adoption of something. He said he envisioned the Committee refining a funding proposal that would include three parts. Considering the political side of the equation, \$750,000 is not substantial from the voters' perspective. It becomes a

balancing issue, a political issue: does the Committee want to tackle that or draw it to a close and end its work with what has been done and throw it back to Council.

Cordier asked if it was appropriate to do a survey. Morse proposed a survey of where the Committee should go from here.

Ryals said he agrees with Wyatt: the Committee should kick it up to the Council, they're the elected officials. He thinks the Committee should look at Pepsi funds, CARA funds, and a bond initiative.

Arasmith agreed that the Council needs to be looking at all three pots of money. He said he would encourage the Council to not fear going out for a vote. He would like to see the Council authorize more than the \$700,000 or whatever the small number is. He said they should bite the bullet and put it to the people either as a dollar figure or a concept.

Roe said he agreed with Wyatt in using all three funds. He said he would be hesitant to go for an additional vote; he agreed that some CARA money should be used, but not full funding of both facilities.

Edwards also agreed with Wyatt regarding the three sources of funding; that will show people that the Committee has really considered the issue and how to pay for it rather than just going for a bond issue, saying, "OK, we want your money."

Norman agreed that the decision needs to come from the Council and the Committee is not the body to debate urban renewal financing. He said another perception of using urban renewal funds for city infrastructure has a negative impact. He said he still doesn't understand why urban renewal funds would be used for the facilities when no tax increment would come back from that, and the perception might be that the City created the urban renewal fund to fund its own structures though they have other means of doing that. That is a political reality. Otherwise, he said, the funding most likely will be from three sources. He suggested that the Council pursue what those might be, then come back and say what CARA and Pepsi funds can and can't do and the last remaining part will be the bond.

Morse said he is struggling with the issue because building a fire station does not address blight and that is the purpose of urban renewal funds. He said he sees this as political opportunism to use this source of money, which diminishes the ability to truly address blight and economic development; the district can bond only so much money, and every dollar that is used for the fire station is money that will not be used for another project. However, there is probably justification for looking at three sources of funds. He said he may have incorrectly assumed that the Committee's charge would be more specific than just a recommendation to the Council to use CARA money and Pepsi funds. He said the Committee could draw this together in a more comprehensive way after they've received the cost estimates.

Burright said from Day One, he has felt that one of the important things in the Committee process was the need to take advantage of every funding opportunity that they reasonably could; they would need to do that to get the GO bond level down and make it more palatable to the citizens. He assumed CARA was in play although, if he'd been asked before starting this process, he would have said he is not a CARA fan and he thought CARA should go away, but he didn't know much about it and he has learned a lot. He has concluded that funding should come from the three pots of money. He said the whole CARA discussion is fascinating and disturbing; it is really an ethical dilemma: is this the right thing to do with these monies. The CARA plan is created to do a specific

thing in a specific way. He said some in this room did their darnedest to kill CARA but are now saying "we didn't mean us; we want some of that money" – himself included. Since Launer's presentation, he said, he has wondered what is right. He said he wants to be able to look his kids in the eye and say they made the right decision and he feels good that they could recommend the minor amendment up to the maximum amount, whatever that may be, and feel that they have done the right thing. He said he really believes these two buildings do have a positive impact on the urban renewal district, but to go beyond that and start taking money away from other projects and building buildings that will not substantially help the incremental tax – that did not feel right to him.

Burright said he can support up to the maximum amount in a minor amendment. He is struggling with a substantial amendment. He said the types of "public facilities" listed in the CARA plan are all the kinds of things that bring people into the core area, draw them downtown to museums, parks; they are things that help the district. The City could put a community room in the Fire Department. The other side of the argument would be the stations really don't fit. He said he can see both sides. Facilities such as police and fire are conspicuous by their absence from the description; it lists very specific types of things.

Burright said, if the Council decides to do a substantial amendment or the Committee decides they ought to go out for an advisory vote, that should not be done quickly: what percentage of the population really understands what CARA is and what it does and where it gets its money – 10% or less? If the City is going to do what is right and have a vote about what to do with CARA money, they also need to make sure they take a good amount of time to get the information out so citizens know what they're voting on. If the City just says it will take money from CARA to pay for the buildings and it won't be added to the property tax value, how do they think that would go? If they are going to do what's right, they also have to have the education piece.

He said he agreed with Morse in that he believes it is the Committee's responsibility to be fairly specific in its recommendation to the Council. They are political and decision-making is what they are paid for, but that's also why the Committee is here. Everything it has done is political. They asked the Committee to come in and help them make tough decisions; the Committee owes it to the Council to give them a recommendation that is reasonably specific. They don't know the final number, but he said he is pretty sure it will be \$20-\$30 million: that's more than CARA has and more than the Pepsi fund so it is above both pots of money already.

Berg said he supports three-prong funding; they should try to get what they can from the different sources, though there are some problems with it. He thinks they are shooting at a moving target without final cost estimates. He said he doesn't know enough about CARA to feel unethical about it, but if they go for \$780,000, it's less than 3% of what is needed. He said the Committee is here to recommend a course. He doesn't think they can just come back and say they think the Council ought to find some money to pay for it and hand it off. The Council brought the Committee in to get the word out, to educate, to organize, to communicate so that there wouldn't be this issue, so that by the time it gets to a ballot, everyone in town is ready to go.

Reece said, when the Committee was called together, it was because of a failed bond measure, and the measure probably failed due to a lack of information. The Committee's major charge has been to learn about the buildings, sites and department needs, and it has spent considerable time analyzing and evaluating. He said the vote in November was close enough that what was needed was more education and more detail. He said Launer told the Committee a minor amendment could be challenged up to 10 years. A substantial amendment goes through the land-use process and can be appealed but eventually has an end to it. He said he thinks there is some merit to having

some CARA involvement, at least to the face of the Fire Station, and the public benefit of the museum or the infrastructure. To stay inside a minor amendment is defensible. That may be just a drop in the bucket, he said, but he agrees with Wyatt in having three funding sources. He agrees with the co-chairs that the recommendation needs to be more specific. He said it is also the Committee's responsibility to bring together the right team to put the right package together to explain the cost of the projects and the sources of funding and gain voter support. He said he supports a minor amendment to the CARA plan, if an amended is needed, and staying inside the current CARA plan.

Cordier said he thinks staying with a minor amendment isn't worthwhile. He said he suggested to Morse some time ago that the City use CARA money. He said of the infamous promenade, a half-million dollar project, about 80% was not taxable assets and is never going to be repaid by any TIF money. When they take the second-story view of the purist, to say they have to do it this way, that's not the way it has been done or the way that it is being done in many communities in Oregon and they allow communities to make decisions on their own. He said there is no better use for the public for CARA taxpayer money than building a fire hall to protect the urban renewal district. He said he has seen, a number of times, in CARA board meetings, votes that don't make economic sense. He said he cannot embrace that. He said it makes economic sense to him to keep the tax rate low and use the CARA vehicle that has already been used many times for public facilities that aren't artsy or aren't parksy. He said he would like to see the split of public facilities v. private investment. He said the Committee ought to recommend to the Council that they not be afraid to go for a major amendment and explain it to the taxpayers; he said it's not very complicated. He said the recommendation should not specify a number but the City should go for a major amendment and the Committee would help sell that. When to do that is up in the air; he said he doesn't know if they need to wait for hard numbers. The benefit is somewhere between \$25-\$30 million; if the City wants the bond to come in at less than \$20 million, it needs to have another stash of money somewhere.

Cordier asked Porsche how much money CARA has on hand. Porsche said it has about \$3 million for the 2014-2015 budget year. The district gets another \$2.3 million a year; Cordier said that is expected to grow and \$2-\$3 million a year pays off \$10 million in not very much time.

Wheeler pointed to agenda page 278 regarding additional urban renewal debt capacity, 15-year amortization at \$15.3 million and net proceeds of \$11 million. He asked about the difference. Porsche said CARA is looking at refinancing an existing higher-interest loan at a lower rate; the district could borrow \$15 million but have \$11 million available for projects.

Wheeler asked about the \$18 million GO bonds on p. 278, with net proceeds of almost \$16 million. Porsche said that would require a vote of the people. Wheeler said, using simple math, he can borrow \$18 million and get \$16 million with a GO bond, or get \$11 million and pay \$4 million more under urban renewal. He asked if urban renewal dollars are more expensive to borrow. Porsche said yes, they are more expensive than GO bonds. She said it is like getting a loan on a vacation home rather a primary residence. Hare said a GO bond commits all the resources that the City has available to repayment. Potential buyers of those bonds have a higher degree of assurance of money backing them. Wheeler said it is cheaper money.

Wheeler said if the Committee wants to use CARA, at whatever level the law allows without having a challenge, and that's \$700,000; he is fine with that, but the cheapest way is a GO. He said he would save a nickel every day and he thinks that's what the people want the Committee to do. He said people can talk all they want about CARA, but simple math shows it costs more. The City should do what's best for the people, he said, and he sees a GO as the easier way to go. He said he

also thinks they need to have some Pepsi money. Steele said Pepsi money has already been committed. Wheeler said they may need a little more; the Number One charge is to build a fire station and a police station; there are no sacred cows. Steele said there is a sacred cow. Morse reminded the Committee that a survey does not include discussion.

Steele said she has no problem using \$733-\$780,000 from CARA funds. She said she thinks there is a benefit to taxpayers because it's less that they have to pay back. She said she understands the \$4 million from the Pepsi settlement previously earmarked by the City Council for this project but the \$5 million is one-time money. The majority of businesses are outside the CARA district, so CARA money will not be available for most of the economic development projects. By taking away those economic development funds, there is no other kitty; it is not a growing resource. Projects are in the wings waiting to see if they will get approval to use some of that. The Pepsi settlement was \$20 million and that's all that's left.

Hare said the City actually received \$18.5 million from Pepsi. About \$4.5 million was loaned out to local improvement districts and that does get repaid. The City will get an additional \$5 million when the Pepsi property sells. Another \$200,000 comes to the county every year since the settlement when the property was removed from farm deferral status; that money is distributed to all the taxing districts.

Martin said Cordier had suggested that the description of public facilities in the CARA plan had been put there deliberately to open up the plan to other possibilities. Martin said it could also be described as poorly-written and he doesn't know what the original authors meant. He said it does seem that the grouping is pretty tight-knit. Martin said his first question to Wyatt was how does replacing the station improve blight. He said he agrees that the funding should be a three-legged stool and believes the Council should make the decision on the amounts.

Wyatt said money from CARA requires more interest but a taxpayer's bill doesn't change. GO monies change a taxpayer's bill, even though the money comes at a lower interest rate. Wyatt said he agrees that it is cheaper in specific terms to go with GO bonds, but as a taxpayer, the impact is different. He said police and fire are services just like water, sewer and streets; it is all part of a package that a community provides to properties. Better service improves the value of the property. As Delapoer noted, property with water and sewer lines is more valuable than property without. Police and fire service that comes from a facility that is adequate is better service. He said the Fire Station is a blighted facility. Nothing about it is architecturally significant. He said the Police station is 10 pounds in a five-pound bag. He said the City ought to use three funding sources and the recommendation should be "as much as you can stand" from CARA. He said the projects ought to be added to the plan specifically, because that gives some protection and it is what everybody understands and expects. He said it is risky but stay within the minor amendment. When a vote is required, it might pass or it might not; going for a vote could involve multiple elections and campaigns. He said the Committee can make a recommendation but the Council has to live with it.

Consensus: recommend a three-pronged funding package.

Morse asked Porsche and Delapoer if it is possible to draft language that supports the use of funds greater than \$750,000 once or \$750,000 twice, but leave the number open-ended, and get that out to the voters. Language that includes public safety facilities would be added to the CARA plan, with the number left open. At this point, the Committee could not make a recommendation as to how to fund the three-legged stool because of too many unknowns. He asked if language would be written to allow that decision to be made and get the vote done without the specific amount of

money. Delapoer said if the City is not going for a substantial plan amendment, a vote of the people is not required. Morse asked if the CARA plan language could be changed without a substantial amendment.

Delapoer said it could be the difference between what Launer had told the Committee and what he is telling them: in his opinion, the maximum allowed in the current plan is the \$700,000 and change. He said what Launer was probably telling them was that the City can make changes in the plan, as Wyatt has suggested, keep them below the \$500,000 amount, then have a multiplier. It might be possible to say they would give \$499,000 for the police station, \$499,000 for the fire station, \$300,000 for road frontage improvements – there might be a menu of minor plan amendments that can generate a higher amount of money than the plan as it is currently written. Delapoer said his opinion is the plan as currently written says that amount; what he thinks Launer is saying is that there are changes that can be made to the plan without a substantial amendment that will yield a higher amount of money.

Wyatt said Launer talked about putting the projects in the plan as a minor plan amendment.

Delapoer said if Morse is talking about the Committee's recommendation to Council, they could recommend using funding from all three sources and try to make minor amendments to the CARA plan that would allow a maximum CARA contribution; he doesn't know what that would be. He said if he and Launer were tasked with minor amendments to the plan, they would keep them under \$500,000 but would come up with as many as they could so that the total number is a greater contribution. Delapoer said that still violates Burright's do-the-right-thing, but Delapoer is not the decision-maker.

Morse asked how much money could be created through that process. Delapoer said he doesn't know but thinks it could be more than \$1 million and less than \$5 million. He said it depends on how creative the Council wants them to be.

Norman asked what it takes to change the CARA plan. Porsche said a minor amendment can be made by a resolution passed by the Albany Revitalization Agency. Norman asked if that would cover what the Committee had just talked about. Porsche said yes.

Wyatt said the \$500,000 amount has escalated every year and will continue to go up; whenever the projects tap into the money, it will be more than it is today. (Martin said the amount had gone up during this meeting.)

Morse asked if the group had consensus to recommend to the Council to do the minor amendment language changes to allow the maximum amount of funds to be used. He said Delapoer had talked about being creative; this would not mean that they would do that, but would be allowed to. Delapoer said that was a reasonable recommendation and that Council would ultimately juggle how daring they want to be. Morse projected forward: the Council gets that done prior to the RFP work, the cost estimates, and the full understanding of what the projects will be. The Committee could at least have that basis to come back and make a final recommendation about the pieces of the funding.

Norman said the Council would give the Committee the ceiling of what CARA funds could be, assuming they agree with the Committee's logic. Delapoer said they could make decisions on the other amounts when they know what the Council is willing to do on CARA, if they want to defer other financing aspects until they know what the Council has digested it.

Morse asked if the Committee recommended a substantial amendment, would there be time to get that into the November election. Delapoer said no. Morse asked if it would be advisable to go to the voters in May with a package that would include two aspects of funding, both voter-approved – CARA funds and a GO bond. Morse said the question is somewhat rhetorical; it is not even practical to think that. Delapoer said if the City doesn't do a substantial amendment, it doesn't have to go to the voters on CARA. Morse said if they did do a substantial amendment, could it make the November ballot – staff is saying no, so that gets it into May at the same time as a GO bond. Delapoer said that challenge is getting voters to say yes to two revenue measures; there's a tendency to approve one and not the other. Porsche said if people have watched urban renewal issues around Oregon, they will know that urban renewal right now is not very popular.

Morse and Burright reviewed potential election dates in 2015. Hare said many of those dates would require a double majority approval on money measures. Arasmith asked if that only applies to odd-numbered years. Hare said the only dates that exempt from double majority are May and November. Morse said that leaves the City in a bind if it goes for a substantial amendment.

Cordier read the third bullet point in "Amendments to the Plan" (agenda page 303). He said the Committee has been talking about the half million but that is not a singular requirement; it has to meet two requirements before it's a substantial amendment:

"The addition of improvements or activities which represent a substantial change in the purpose and objectives of this Plan, and which cost more than \$500,000..."

He said that is two requirements. If the plan was restructured and didn't fit the first part of the definition, it wouldn't be constrained by dollars. Ryals said it's the opposite: if it was the building code and said "and," he would have to meet both requirements. Wyatt agreed; if it said "or," it would be one or the other.

Morse asked for consensus to make a recommendation to the Council: change plan language through a minor amendment to allow the maximum use of urban renewal financing. The decision would not be made until the Council knows how much and how that would fit with other sources of funding. That would be done and out of the way. The RFP is due in November and the Committee will get back to work then, but they would at least have their work done with CARA. He added that there are more PepsiCo funds beyond the \$4.1 million; those are receivables. They cannot be used for a GO bond because they are indeterminate, but they would be available for economic development. Steele said the money would be available for these projects, too. Morse said it depends on the timing. Steele said she doesn't want to lose all of the economic development fund. Morse said they would not spend the full \$5 million. Steele said there are quite a few projects out there so he can't say that they wouldn't spend the full amount. Hare said some of the money is likely to be repaid in the near future.

Norman asked about doing a survey on Morse's language for a recommendation to the Council: make the maximum CARA adjustments under a minor amendment, and have the Council inform the Committee of the number they are comfortable when the Committee meets again in the fall.

All but Cordier agreed.

Wyatt moved the survey question; Norman seconded. Cordier said he would agree to the motion if the Committee would make a coincident recommendation to ask the Council if they would be willing to change the plan to make a major adjustment. He said the Committee is only looking at

the easy piece of it and he wants them to address the other side of it, that they want the Council to decide if they are willing to go to the voters and address a substantial amendment to be able to make a substantial contribution of CARA money to the projects. He said it is the same kind of question for both issues. Cordier proposed that as an amendment to the motion.

Wyatt said the Committee needed to vote on the question as proposed. Martin called for the question.

Vote: 10 yes; Cordier, Arasmith no

Cordier moved, in addition to the motion just carried, that the Committee recommend to the Council that they seriously evaluate and make a decision on whether they would support a major adjustment to keep the cost to taxpayers down. Arasmith seconded.

Wyatt said that's what he had talked about earlier: hand it to the Council. He said he thinks they ought to consider it. He said if he was on the Council, he wouldn't support it, but he thinks they ought to consider it.

Reece asked if the Committee agrees on that recommendation to the Council and the Council disagrees with them, would they fall back to the minor amendment to maximize the dollars from CARA for public facilities such as police and fire. Arasmith said that is a separate issue. Wyatt said the first motion was that they do it; the second is to consider a bigger amendment.

Norman said he realizes the language is slightly different but he thinks there is value in the recommendations the Committee sends to the Council. They were mostly unanimous with the first piece; if they send the second piece, it needs to be very clear that it is a consideration, not a recommendation. He thinks they need to make that distinction.

Cordier said what he wants the Council to consider is to make a decision: are they willing to support a major amendment or not. Norman said that is different from what he heard Wyatt say. Norman said, whether the Committee recommends it or not, the Council can always do that; his concern is that the recommendation the Committee sends is significant and he wants to make sure they are sending the right recommendation. Cordier said he is making his recommendation to do that because it is significant. He said it forces the Council to make a decision on both of those issues. He is concerned that they will pass the small amount of money one and change the words and said that's all they can do. He wants something to go to them to say whether they are willing to support a major amendment or not.

Wyatt said there is a recommendation to stay with the minor amendment. He said Cordier's motion says the Committee wants the Council also to consider a substantial amendment. If both motions go to the Council and they choose to do minor, that's a decision on the substantial because the Committee has asked them to look at both.

Morse suggested the exact language for both motions be drafted for consideration at another meeting on June 17. The work the Committee is doing is serious; the language would come back at that meeting, and they would also talk then about Pepsi funding.

Delapoer ask Morse if staff could weigh in on Cordier's motion before the vote. Morse asked if members would come back on June 17. They would vote on the motion at this meeting, but the actual language could be crafted before the next one. Morse asked Smith to read the first motion:

“recommend to the Council that they consider a minor amendment to allow maximum contribution of CARA funds.”

Arasmith said he thinks the Committee is in agreement about the concept and agrees with Morse that they need to look at the words so it really does say what they thought they agreed to.

Delapoer said if the Committee gives two motions, as Norman pointed out, saying do this but also think of this, it creates a confusing message. It mandates that Council take up an issue that the Committee has not recommended. If the Committee truly wants the Council to do a substantial amendment, tell them. If the Committee is only going to throw that ball onto the court, it will create a tremendous amount of work for staff, all of which is taxpayer money, merely because the Committee wants everyone to be happy.

Reece agreed with Delapoer. The first motion was one vote away from being unanimous and is a recommendation to Council. The Council can review and say it doesn't make sense and draw its own conclusion about doing a substantial amendment.

Burright said he will not vote yes; this is an ethical decision. It does not comply with the intent of CARA.

Norman said he also is opposed to the motion. The opportunity at the Council level is to say here is the recommendation of the Committee. Any member of the Committee can go to the Council meeting and suggest, as an individual, something they should consider, and that could include other options. He said he thinks the Committee has already given its recommendation.

Arasmith called for the question.

Vote: Arasmith, Cordier yes; 10, no.

Morse said the Committee would proceed with the original motion for recommendation. Delapoer said he and Porsche would submit it to the Council as soon as possible.

Ryals asked to make a statement. He recalled an early Committee meeting when Cordier raised the issues of potential conflicts of interest and members living outside the city limits. Cordier had asked Ryals directly if he had any opportunity to benefit economically from this process; at the time, Ryals said no and that was true then. Now it may be possible that he will be involved with a team that would participate in the RFQ and RFP; he said it is his responsibility to divulge that to the Committee and step back from further deliberations. He said this has been a wonderful process and everyone here is amazing and he feels honored to have been a part of it. Morse said, on behalf of the Committee, he expressed appreciation for Ryals' contributions; he said his insight and knowledge have been invaluable.

Morse said when the Committee reconvenes, they may have more information about receivables, will have a better idea of scope, and will have changes and recommendations from the Council about what is possible under a minor amendment; they can then deal with the total package.

Morse said the Committee will now recess until the call of the chairs. Most of the information will not be available until November. Burright said if something comes up in the interim, they may call a special meeting. All members said they would be available to continue.

The meeting adjourned at 10:25 p.m.

Respectfully submitted,

Marilyn Smith

ARA RESOLUTION NO. 2014-07

A RESOLUTION OF THE ALBANY REVITALIZATION AGENCY AMENDING THE CENTRAL ALBANY REVITALIZATION AREA PLAN TO INCLUDE A NEW FIRE STATION PURSUANT TO MINOR PLAN AMENDMENT PROVISIONS

WHEREAS, Section 6 of the Central Albany Revitalization Area Plan (Plan), in subsection amendment anticipates that the list of projects authorized by the Plan may be modified or expanded as needed to meet Plan objectives and that such changes will be made in accordance with the amendment procedure set forth in Section 9; and

WHEREAS, Section 9 of the Plan further authorizes minor amendments to include new projects which are different from those previously identified in Section 6 so long as the project does not exceed \$500,000 in year 2000 dollar values; and

WHEREAS, the CARA Advisory Board met on September 17, 2014, to consider a minor amendment to the Plan to authorize Agency participation and financial assistance in the construction of a fire station reconstruction at 110 Sixth Avenue SE, Albany, Oregon; and

WHEREAS, a recent amendment to the City's Charter prevents the Agency from providing greater CARA financial support to the proposed fire station without going through the processes for a substantial amendment; and

WHEREAS, the substantial amendment process is more cumbersome, time consuming, and costly and creates a greater financial impact on taxing districts whose tax revenues would be adversely impacted by a larger grant of urban renewal funds; and

WHEREAS, the aforesaid facility is located within the geographic boundaries of the CARA area; and

WHEREAS, the Agency finds that a reconstructed fire station at the proposed location will meet the goals and purposes of the Plan.

NOW, THEREFORE, BE IT RESOLVED that the Albany Revitalization Agency resolves as follows:

Section 1: The recitals set forth above are incorporated into the body of this resolution.

Section 2: The Agency finds as follows:

1. Elimination of Blight: In the event of an earthquake or natural disaster, studies indicate that the current Station 11 would not survive. This would be the time they are most needed.
2. This station is the primary life-safety/fire suppression facility for properties in the CARA boundary. In addition, the new facility will improve efficiencies in design and layout and will provide enhanced levels of services within the CARA boundary.
3. The projected facility is estimated to cost approximately \$9.5 million and will primarily be funded by a general obligation bond. CARA's contribution will be a modest part of the financing package and will likely generate increased public support for the project. CARA funding is an expression of Agency acknowledgement of the importance of these facilities which is expected to encourage voter support of the primary financing necessary to construct the facility.

Section 3: The Project Activities List set forth under Section 6 of the Plan is amended by the creation of item 47a as follows:

"Provide financial assistance to the construction, and/or reconstruction, of a fire station within the CARA boundaries. The construction of this facility will serve the area in that it is the primary life-safety/fire suppression facility for properties in the CARA boundary. The construction of the facility will benefit the area in that it will improve efficiencies in design and layout and will provide enhanced levels of services within the CARA boundary and will eliminate blight by reconstructing an outdated building that is not seismically sound."

Section 4: Table 2 under Section 5 of the Report set forth as an exhibit to Section 5, Financial Analysis of the Plan, is amended by the creation of item 47a as follows:

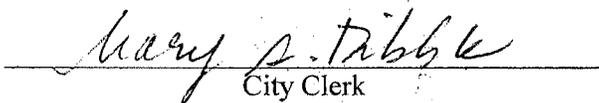
“Provide financial assistance to the construction, and/or reconstruction, of a fire station within the CARA boundaries. CARA participation is estimated to be, but shall not exceed, \$500,000 in year 2000 dollar values.”

Section 5: Prior to authorizing any CARA expenditure of funds for the fire station referred to in this amendment, the proposed expenditure shall be considered by the CARA Advisory Board and authorized by the Agency.

DATED AND EFFECTIVE THIS 18TH DAY OF SEPTEMBER.

  
ARA Chair

ATTEST:

  
City Clerk

ARA RESOLUTION NO. 2014-08

A RESOLUTION OF THE ALBANY REVITALIZATION AGENCY AMENDING THE CENTRAL ALBANY REVITALIZATION AREA PLAN TO INCLUDE A NEW POLICE FACILITY PROJECT PURSUANT TO MINOR PLAN AMENDMENT PROVISIONS

WHEREAS, Section 6 of the Central Albany Revitalization Area Plan (Plan), in subsection amendment anticipates that the list of projects authorized by the Plan may be modified or expanded as needed to meet Plan objectives and that such changes will be made in accordance with the amendment procedure set forth in Section 9; and

WHEREAS, Section 9 of the Plan further authorizes minor amendments to include new projects which are different from those previously identified in Section 6 so long as the project does not exceed \$500,000 in year 2000 dollar values; and

WHEREAS, the CARA Advisory Board met on September 17, 2014, to consider a minor amendment to the Plan to authorize Agency participation and financial assistance in the construction of a police station at 2500 Pacific Boulevard SW, Albany, Oregon; and

WHEREAS, a recent amendment to the City's Charter prevents the Agency from providing greater CARA financial support to the proposed police station without going through the processes for a substantial amendment; and

WHEREAS, the substantial amendment process is more cumbersome, time consuming, and costly and creates a greater financial impact on taxing districts whose tax revenues would be adversely impacted by a larger grant of urban renewal funds; and

WHEREAS, the majority of the aforesaid facility is located within the geographic boundaries of the CARA area; and

WHEREAS, the Agency finds that a new police station at the proposed location will meet the goals and purposes of the Plan.

NOW, THEREFORE, BE IT RESOLVED that the Albany Revitalization Agency resolves as follows:

Section 1: The recitals set forth above are incorporated into the body of this resolution.

Section 2: The Agency finds as follows:

1. The existing police station is undersized, outdated, and obsolete; and its design and space limitations inhibit the provision of efficient and cost-effective law enforcement services within the CARA boundaries and the city as a whole.
2. Efficient and effective law enforcement services are essential to the development and redevelopment of properties within the CARA boundaries.
3. The projected facility is estimated to cost approximately \$15 million and will primarily be funded by a general obligation bond. CARA's contribution will be a modest part of the financing package and will likely generate increased public support for the project. CARA funding is an expression of Agency acknowledgement of the importance of these facilities which is expected to encourage voter support of the primary financing necessary to construct the facility.
4. The CARA district boundaries encompass approximately nine percent of the land area within the city boundaries and the funding authorized by this amendment will not exceed nine percent of the total project cost, thereby keeping CARA's contribution proportionate to the benefit received within the area.

Section 3: The Project Activities List set forth under Section 6 of the Plan is amended by the creation of item 47b as follows:

"Provide financial assistance to the construction of a police station principally within the CARA boundaries. The construction of this police station will serve the area in that it will provide prompt and consistent public safety service to properties in the CARA boundary and will benefit the area through the construction of a new facility eliminating an undersized, outdated, obsolete space and creating the opportunity for a more cost-effective and efficient law enforcement services within the district boundaries."

Section 4: Table 2 under Section 5 of the Report set forth as an exhibit to Section 5, Financial Analysis of the Plan, is amended by the creation of item 47b as follows:

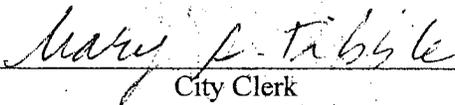
“Provide financial assistance to the construction of a police station principally within the CARA boundaries. CARA participation is estimated to be, but shall not exceed, \$500,000 in year 2000 dollar values and shall be applied only to improvements within the CARA boundaries.”

Section 5: Prior to authorizing any CARA expenditure of funds for the fire station referred to in this amendment, the proposed expenditure shall be considered by the CARA Advisory Board and authorized by the Agency.

DATED AND EFFECTIVE THIS 18TH DAY OF SEPTEMBER.

  
ARA Chair

ATTEST:

  
City Clerk

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**COST OF ISSUANCE**

City of Albany, Oregon  
General Obligation Bonds, Series 2015

| Cost of Issuance        | \$/1000  | Amount     |
|-------------------------|----------|------------|
| Bond Counsel            | 1.50000  | 30,000.00  |
| Financial Advisor       | 2.00000  | 40,000.00  |
| Underwriters Discount   | 5.00000  | 100,000.00 |
| Rating Fee              | 0.87500  | 17,500.00  |
| Paying Agent (up front) | 0.55000  | 11,000.00  |
| MDAC Fee                | 0.10000  | 2,000.00   |
| DAC Review              | 0.05000  | 1,000.00   |
|                         | 10.07500 | 201,500.00 |

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**City of Albany**  
**\$20,000,000**  
**General Obligation Bonds, Series 2015**  
**Projected Bond Levy Rates**  
**20 Year Issue**

| Bond Issue Data            |            | 2015 Property Tax Data (000s)                   |              |
|----------------------------|------------|---|--------------|
| Dated Date:                | 06/01/2015 | Total Assessed Value:                           | \$ 3,563,752 |
| First Coupon:              | 12/01/2015 | Less Standard Rate Urban Renewal Value:         | 147,927      |
| Final Maturity:            | 06/01/2035 | Assessed Value (Bonds Approved After 2001)      | \$ 3,415,825 |
| Term (years):              | 20.00      | Less Reduced Rate Urban Renewal Value:          | -            |
| Current Market Rates Plus: | 1.00%      | Net Assessed Value (Bonds Approved Before 2001) | \$ 3,415,825 |

| Summary                            |               | Structuring Assumptions |      |                 |       |
|------------------------------------|---------------|-------------------------|------|-----------------|-------|
| Issue Amount:                      | \$ 20,000,000 | AV Growth               |      | Tax Collections |       |
|                                    |               | 2016                    | 2.0% | 2016            | 94.5% |
|                                    |               | 2017                    | 2.5% | 2017            | 95.5% |
|                                    |               | 2018                    | 2.5% | 2018            | 96.0% |
|                                    |               | 2019                    | 3.0% | 2019            | 96.5% |
|                                    |               | Thereafter              | 3.0% | Thereafter      | 97.5% |
| Total Interest Cost:               | \$ 13,275,600 |                         |      |                 |       |
| Interest Cost as a Percent of Par: | 66%           |                         |      |                 |       |

| Fiscal Year<br>Ending 6/30 | AV for New<br>Bond Levies<br>(000s) | Estimated Debt Service Requirements |               |              | Projected Levy Rates <sup>(1)</sup><br>\$/1,000 AV |              |                       |
|----------------------------|-------------------------------------|-------------------------------------|---------------|--------------|--|--------------|-----------------------|
|                            |                                     | Total                               |               | FY           | Prior<br>Debt <sup>(2)</sup>                       | New<br>Bonds | Combined<br>Levy Rate |
|                            |                                     | Prior Debt                          | New Bonds     | Total        |  |              |                       |
| 2015                       | \$ 3,415,825                        | \$ 1,388,400                        | \$ -          | \$ 1,388,400 | \$ 0.37  | \$ -         | \$ 0.37               |
| 2016                       | 3,484,141                           | -                                   | 1,212,650     | 1,212,650    | -  | 0.37         | 0.37                  |
| 2017                       | 3,571,245                           | -                                   | 1,257,150     | 1,257,150    | -  | 0.37         | 0.37                  |
| 2018                       | 3,660,526                           | -                                   | 1,297,400     | 1,297,400    | -  | 0.37         | 0.37                  |
| 2019                       | 3,770,342                           | -                                   | 1,341,150     | 1,341,150    | -  | 0.37         | 0.37                  |
| 2020                       | 3,883,452                           | -                                   | 1,398,250     | 1,398,250    | -  | 0.37         | 0.37                  |
| 2021                       | 3,999,956                           | -                                   | 1,438,250     | 1,438,250    | -  | 0.37         | 0.37                  |
| 2022                       | 4,119,954                           | -                                   | 1,480,850     | 1,480,850    | -  | 0.37         | 0.37                  |
| 2023                       | 4,243,553                           | -                                   | 1,525,850     | 1,525,850    | -  | 0.37         | 0.37                  |
| 2024                       | 4,370,860                           | -                                   | 1,573,050     | 1,573,050    | -  | 0.37         | 0.37                  |
| 2025                       | 4,501,985                           | -                                   | 1,617,250     | 1,617,250    | -  | 0.37         | 0.37                  |
| 2026                       | 4,637,045                           | -                                   | 1,670,000     | 1,670,000    | -  | 0.37         | 0.37                  |
| 2027                       | 4,776,156                           | -                                   | 1,718,000     | 1,718,000    | -  | 0.37         | 0.37                  |
| 2028                       | 4,919,441                           | -                                   | 1,771,250     | 1,771,250    | -  | 0.37         | 0.37                  |
| 2029                       | 5,067,024                           | -                                   | 1,824,250     | 1,824,250    | -  | 0.37         | 0.37                  |
| 2030                       | 5,219,035                           | -                                   | 1,876,750     | 1,876,750    | -  | 0.37         | 0.37                  |
| 2031                       | 5,375,606                           | -                                   | 1,933,500     | 1,933,500    | -  | 0.37         | 0.37                  |
| 2032                       | 5,536,874                           | -                                   | 1,994,000     | 1,994,000    | -  | 0.37         | 0.37                  |
| 2033                       | 5,702,980                           | -                                   | 2,052,750     | 2,052,750    | -  | 0.37         | 0.37                  |
| 2034                       | 5,874,070                           | -                                   | 2,114,500     | 2,114,500    | -  | 0.37         | 0.37                  |
| 2035                       | 6,050,292                           | -                                   | 2,178,750     | 2,178,750    | -  | 0.37         | 0.37                  |
|                            |                                     | \$ 1,388,400                        | \$ 33,275,600 |              |  |              |                       |

(1) Includes estimated delinquencies.  
(2) 2015 prior debt rate shown is actual rate levied.

**City of Albany**  
**Projected Debt Service Schedule**  
**\$20,000,000**  
**General Obligation Bonds, Series 2015**  
**20 Year Issue**

| Payment Date | Principal            | Coupon | Interest             | Total Debt service   | FY Total             | Estimated (1) Delinquencies | Estimated (2) Amount to Levy |
|--------------|----------------------|--------|----------------------|----------------------|----------------------|-----------------------------|------------------------------|
| 12/01/2015   |                      |        | \$ 468,825           | \$ 468,825           | \$ -                 | \$ -                        | \$ -                         |
| 06/01/2016   | 275,000              | 2.00%  | 468,825              | 743,825              | 1,212,650            | 70,578                      | 1,283,228                    |
| 12/01/2016   |                      |        | 466,075              | 466,075              |                      |                             |                              |
| 06/01/2017   | 325,000              | 3.00%  | 466,075              | 791,075              | 1,257,150            | 59,237                      | 1,316,387                    |
| 12/01/2017   |                      |        | 461,200              | 461,200              |                      |                             |                              |
| 06/01/2018   | 375,000              | 3.00%  | 461,200              | 836,200              | 1,297,400            | 54,058                      | 1,351,458                    |
| 12/01/2018   |                      |        | 455,575              | 455,575              |                      |                             |                              |
| 06/01/2019   | 430,000              | 3.00%  | 455,575              | 885,575              | 1,341,150            | 48,643                      | 1,389,793                    |
| 12/01/2019   |                      |        | 449,125              | 449,125              |                      |                             |                              |
| 06/01/2020   | 500,000              | 4.00%  | 449,125              | 949,125              | 1,398,250            | 35,853                      | 1,434,103                    |
| 12/01/2020   |                      |        | 439,125              | 439,125              |                      |                             |                              |
| 06/01/2021   | 560,000              | 4.00%  | 439,125              | 999,125              | 1,438,250            | 36,878                      | 1,475,128                    |
| 12/01/2021   |                      |        | 427,925              | 427,925              |                      |                             |                              |
| 06/01/2022   | 625,000              | 4.00%  | 427,925              | 1,052,925            | 1,480,850            | 37,971                      | 1,518,821                    |
| 12/01/2022   |                      |        | 415,425              | 415,425              |                      |                             |                              |
| 06/01/2023   | 695,000              | 4.00%  | 415,425              | 1,110,425            | 1,525,850            | 39,124                      | 1,564,974                    |
| 12/01/2023   |                      |        | 401,525              | 401,525              |                      |                             |                              |
| 06/01/2024   | 770,000              | 4.00%  | 401,525              | 1,171,525            | 1,573,050            | 40,335                      | 1,613,385                    |
| 12/01/2024   |                      |        | 386,125              | 386,125              |                      |                             |                              |
| 06/01/2025   | 845,000              | 5.00%  | 386,125              | 1,231,125            | 1,617,250            | 41,468                      | 1,658,718                    |
| 12/01/2025   |                      |        | 365,000              | 365,000              |                      |                             |                              |
| 06/01/2026   | 940,000              | 5.00%  | 365,000              | 1,305,000            | 1,670,000            | 42,821                      | 1,712,821                    |
| 12/01/2026   |                      |        | 341,500              | 341,500              |                      |                             |                              |
| 06/01/2027   | 1,035,000            | 5.00%  | 341,500              | 1,376,500            | 1,718,000            | 44,051                      | 1,762,051                    |
| 12/01/2027   |                      |        | 315,625              | 315,625              |                      |                             |                              |
| 06/01/2028   | 1,140,000            | 5.00%  | 315,625              | 1,455,625            | 1,771,250            | 45,417                      | 1,816,667                    |
| 12/01/2028   |                      |        | 287,125              | 287,125              |                      |                             |                              |
| 06/01/2029   | 1,250,000            | 5.00%  | 287,125              | 1,537,125            | 1,824,250            | 46,776                      | 1,871,026                    |
| 12/01/2029   |                      |        | 255,875              | 255,875              |                      |                             |                              |
| 06/01/2030   | 1,365,000            | 5.00%  | 255,875              | 1,620,875            | 1,876,750            | 48,122                      | 1,924,872                    |
| 12/01/2030   |                      |        | 221,750              | 221,750              |                      |                             |                              |
| 06/01/2031   | 1,490,000            | 5.00%  | 221,750              | 1,711,750            | 1,933,500            | 49,577                      | 1,983,077                    |
| 12/01/2031   |                      |        | 184,500              | 184,500              |                      |                             |                              |
| 06/01/2032   | 1,625,000            | 5.00%  | 184,500              | 1,809,500            | 1,994,000            | 51,128                      | 2,045,128                    |
| 12/01/2032   |                      |        | 143,875              | 143,875              |                      |                             |                              |
| 06/01/2033   | 1,765,000            | 5.00%  | 143,875              | 1,908,875            | 2,052,750            | 52,635                      | 2,105,385                    |
| 12/01/2033   |                      |        | 99,750               | 99,750               |                      |                             |                              |
| 06/01/2034   | 1,915,000            | 5.00%  | 99,750               | 2,014,750            | 2,114,500            | 54,218                      | 2,168,718                    |
| 12/01/2034   |                      |        | 51,875               | 51,875               |                      |                             |                              |
| 06/01/2035   | 2,075,000            | 5.00%  | 51,875               | 2,126,875            | 2,178,750            | 55,865                      | 2,234,615                    |
| <b>Total</b> | <b>\$ 20,000,000</b> |        | <b>\$ 13,275,600</b> | <b>\$ 33,275,600</b> | <b>\$ 33,275,600</b> | <b>\$ 954,753</b>           | <b>\$ 34,230,353</b>         |

(1) Beginning in FY 2017 assumes collection year delinquencies will be offset by back tax collections.

(2) Actual levy amount should be calculated annually based on County's current delinquency rates, actual debt service requirements and debt service fund balance, if any.