



APPROVED: July 20, 2016

**CITY OF ALBANY
Albany Revitalization Agency
City Hall Council Chambers
Wednesday, June 15, 2016**

MINUTES

Advisory Board Members present: Floyd Collins, Bill Coburn, Bessie Johnson, Rich Kellum, Sharon Konopa, Ray Kopczynski, and Dick Olsen

Advisory Board Members absent: None

CALL TO ORDER

Chair Floyd Collins called the meeting to order at 5:15 p.m.

APPROVAL OF MINUTES

April 27, 2016, and May 18, 2016

MOTION: Ray Kopczynski moved to approve the minutes as presented. Bill Coburn seconded the motion, and it passed 7-0.

SCHEDULED BUSINESS

Business from the Public

None.

Public Hearing

Adopting the budget for Fiscal Year 2016-2017

Collins opened the public hearing at 5:16 p.m.

Economic Development & Urban Renewal Director Kate Porsche said the Albany Revitalization Agency (ARA) 2016-17 Budget was approved by the Budget Committee and is now coming before the Agency for ratification.

There was no public testimony.

The public hearing was closed at 5:17 p.m.

MOTION: Bessie Johnson moved to adopt the Approved Budget. Kopczynski seconded the motion, and it passed 7-0. The resolution was designated as ARA Resolution No. 2016-07.

Staff Updates and Issues

Porsche referred to previous discussion by the CARA Advisory Board regarding sidewalks, streets, and back-in angled parking on Second Avenue and Calapooia Street. The Advisory Board passed a motion to approve the entire project with direction that staff take a close look at the condition of the sidewalks. Staff has since found

that the sidewalks are in pretty good shape on Second Avenue, and the plan is to construct bulb-outs at the corners but leave the existing sidewalks mid-block which will result in some cost savings. An update will be provided at the next CARA Advisory Board meeting.

BUSINESS FROM THE AGENCY

None.

RECESS INTO EXECUTIVE SESSION TO DISCUSS REAL PROPERTY TRANSACTIONS IN ACCORDANCE WITH ORS 192.660(2)(e)

Porsche said that the topic for the Executive Session is potential purchase of the Signs of Victory duplex. Staff will provide an overview and then ask that the Agency recess into Executive Session to discuss potential courses of action.

Porsche said that the CARA Advisory Board and Agency had directed pursuing purchase of the Signs of Victory building for \$218,570 and that staff had been working on that agreement based on a couple of important assumptions. First, the price was based on assessed value and a comparative market analysis; however, the real estate agent has since recommended a lower price based on the amount of work that is needed to bring the duplex to habitable condition. Second, as part of standard due diligence, staff procured a title report which showed debt on the property totaling about \$200,000 including a bank foreclosure in the amount of \$135,000 and six additional judgements. The property is currently slated for sale through Linn County on July 7, 2016.

George Matland came forward to answer questions from the Agency.

Sharon Konopa said she had understood that proceeds from the sale were needed to fix up the shelter on Jackson Street. Matland said he understands that sale of the building for \$218,570 would pay off the debts and leave him with about \$18,000 to move forward with some of the items needed for the shelter.

Konopa asked what would happen if the foreclosure goes forward. Matland said there is an option to resign with the lender and secure the building for the next five years with payments of about \$990 a month. If he does retain the building, it would be converted from a shelter back to apartments.

Collins asked whether a substantial amount of work would be needed to convert the building back to apartments; Matland said yes. Collins asked how getting the building to habitable condition would be funded. Matland said he would do much of the work himself with funds coming from the ministry and donations.

Collins asked whether a property owner is allowed to do the labor on a multifamily property. Matland said he could do most of the work with some final stage work to be done by a certified professional.

Rich Kellum asked why the Advisory Board and Agency didn't hear about these issues before. Matland said he figured there was some money owed on the property, but he didn't know it was so much. Due diligence on his part would have been to see to this before, and he apologized for not having done so.

Johnson asked whether staff agreed that Matland would have \$18,000 remaining after the debts were paid, assuming that the City moved forward with the purchase.

City Attorney Sean Kidd said actual payoff amounts on the debts could be lower or higher than anticipated which would affect the amount remaining.

The Agency recessed into Executive Session at 5:35 p.m.

RECONVENE

The regular session was reconvened at 6:35 p.m.

MOTION: Kellum moved to terminate the current negotiations and have staff bid at the foreclosure sale. Coburn seconded the motion, and it passed 7-0.

NEXT MEETING DATE

Wednesday, July 20, 2016

ADJOURNMENT

Hearing no further business, Chair Collins adjourned the meeting at 6:36 p.m.

Submitted by,

Reviewed by,

Signature on File

Signature on File

Teresa Nix
Recorder

Kate Porsche
Economic Development & Urban Renewal Director