



CENTRAL ALBANY REVITALIZATION AREA (CARA) ADVISORY BOARD AGENDA

Wednesday, May 15, 2019

5:15 p.m.

Council Chambers, Albany City Hall

333 Broadalbin Street SW

- 5:15 p.m. CALL TO ORDER
- 5:15 p.m. ROLL CALL
- 5:15 p.m. APPROVAL OF MINUTES
 - a. April 17, 2019. [Pages 2-5]
- 5:20 p.m. BUSINESS FROM THE PUBLIC
- 5:25 p.m. WELLS FARGO SITE DEVELOPMENT AND SALE PROCESS DISCUSSION. [Verbal] (Sherry)
- 5:35 p.m. BUSINESS FROM THE BOARD
- 5:40 p.m. RECESS TO EXECUTIVE SESSION TO DISCUSS REAL PROPERTY TRANSACTIONS IN ACCORDANCE WITH ORS 192.660(2)(e)
- 5:45 p.m. RECONVENE
 - NEXT MEETING DATE: Wednesday, June 19, 2019
- 5:45 p.m. ADJOURNMENT

The location of this meeting is accessible to the disabled. If you have a disability that requires accommodation, please notify the City Manager's Office in advance of the meeting: cmadmin@cityofalbany.net | 541-791-0206 or 541-917-7519.



MINUTES

Wednesday, April 17, 2019
Council Chambers, Albany City Hall

Approved: **DRAFT**

CALL TO ORDER

Chair Rich Catlin called the meeting to order at 5:16 p.m.

ROLL CALL

Advisory Board Members Present: Rich Catlin, David Abarr, Bill Coburn, Sam Flande, Alex Johnson, Bessie Johnson, Rich Kellum, Dick Olsen, Russ Allen, and Sharon Konopa

Advisory Board Members Absent: Mike Sykes, James Dufour, Mark Spence, and Maura Wilson

APPROVAL OF MINUTES

February 20, 2019

MOTION: Member Kellum moved to approve the minutes as presented. Member Bessie Johnson seconded the motion, and it passed 10-0.

SCHEDULED BUSINESS

Business from the Public

5:18 p.m.

Executive Director of the Albany Downtown Association (ADA) Lise Grato read a statement from the ADA regarding the Wells Fargo property at 300 1st Avenue W (see agenda file).

Small Grant Request: Homegrown Oregon Foods (\$15,000)

5:20 p.m.

Economic Development Coordinator Sophie Dykast introduced the owners of Homegrown Oregon Foods, Shawna and Chris Turkins. Shawna Turkins shared that she started her business in 2016 which has grown over the last 3 years to serve over 900 customers. The current restaurant is open on a limited schedule due to the small space. Turkins said she has remodeled her current space, but there is not enough seating. Turkins said she has identified a building on the east side of downtown that meets their growing needs. She is asking for a \$15,000 grant to help facilitate the installation of new sewer and drainage to the building. Turkins said she has secured a \$50,000 loan from Umpqua Bank, invested her own money, and is receiving help from the building owners with the remodel.

Member Sam Flande asked about parking. Turkins answered that the building comes with 25 adjacent parking spots. Member Rich Kellum asked why the board should approve a grant. Turkins said that her business is a draw for customers with dietary restrictions or those seeking healthy dining options. Kellum asked why they are asking for a grant and not a loan. Turkins answered that Umpqua Bank will not finance any more for construction. The tax value the business is bringing to the building will amount to more than \$15,000. She said they are planning to purchase the building eventually. Turkins noted she is not opposed to a loan. Kellum expressed concern about approving a grant rather than a loan.

Abarr commented that he fully supports a new restaurant opening on the east side of downtown. Member Dick Olsen stated that he is happy to support a restaurant opening in that area of downtown. Member Russ Allen asked for more specifics about what the grant would fund. Turkins said she has identified \$31,000 of costs for tenant improvements such as running gas lines, cutting concrete, installing electrical, and plumbing. She said she will put forth half of that sum, and the grant would cover the other half. The loan from Umpqua Bank will go to equipment and operating expenses. Turkins noted that none of the restaurant-specific renovations are permanent but Umpqua does not finance installation of sewer, gas, and electrical. Economic Development Manager Seth Sherry added that financing is a difficult process. One reason they are requesting a grant instead of a loan is that the Turkins have already leveraged so much of their personal assets in the project.

Catlin invited members of the audience to comment. Grato stated that the ADA supports Homegrown Oregon Foods. Grato noted that she is excited to see business expanding eastward into downtown. Albany Visitors Association Executive Director Rebecca Bond stated that she recommends Homegrown Oregon Foods to visitors with dietary restrictions. Owner of the building Janine Annunzio shared her support of the project. Annunzio noted she plans to invest her own funds to extend improvements to the building and parking lot. Stephanie Barham introduced herself to the board as a friend and client of Shawna's. She shared that her daughter has dietary restrictions and Homegrown Oregon Foods has catered to their family's needs. She expressed support of the restaurant opening in a larger location.

Kellum said he thinks the restaurant would be successful. He said he would vote for a loan rather than a grant. Allen asked how this application meets grant guidelines. Sherry answered that there is not a specific grant program but rather reserve funds for development partnerships. The grant criteria that existed before the grant program was changed is found in the project grid in the agenda packet. Sherry noted this project fit based on that criteria. Sherry also noted that the improvements are attached to the building, not the business. It is also in an area of downtown that does not have many businesses like this. Allen asked why this was brought before the board as a grant request and not a loan request. Sherry answered that he had gathered that the board did not want to consider loans that were unsecured. Financing is challenging when the business owner is not the building owner due to depreciation issues. The business is young enough that financing the purchase of the building is not in the works quite yet. Kellum asked if this building received CARA funds in the past. Sherry said it had for the residence upstairs. Member Alex Johnson asked what other banks were approached for funding. Sherry answered that they had spoken to Oregon State Credit Union. Turkins added that she is considering financing the purchase of the building through Central Willamette Credit Union. A. Johnson asked if this would be better to be granted to the building owner rather than the tenant who may move. Sherry answered that the improvements are for the building. Olsen said the building is still being improved, and the applicants are planning to buy the building in the future. Abarr commented that the return on investment seems low.

MOTION: Coburn moved to approve the grant request and Olsen seconded. The motion passed 8-2, with Flade and Kellum voting no.

Member Bill Coburn commented that he sees the value in helping an existing business stay and grow. The program is in place to assist business in the downtown area.

Edgewater Village updates

5:57 p.m.

Catlin noted that in the past he was employed by a company that worked for the Diamonds. He no longer works for that company. Sherry explained that the Diamonds are requesting a modification of the build schedule. George Diamond shared a PowerPoint presentation and report (see agenda file). Sherry added that the current build schedule states the homes will be completed by June, so the bank will not finance the project because the Diamonds would be in default of

the current contract. Kellum asked why there has been a delay in the build. Diamond answered that the financing and permit processes took longer than expected. Catlin asked how long the extension would be. Diamond answered the extension is for six months, from June to December. Diamond said by December 31, they are expected to have 24 homes completed. They will also be nearly done with nine other homes, assuming they can get the financing. Diamond said he is committed to completing the project and beating expected timelines. Visili Rozakis introduced himself to the board. Rozakis stated that by the end of the year they will still be in compliance with the build schedule, but they cannot meet the June 30 deadline. Rozakis pointed out that in phase six of the build schedule there is a reduction of units from 21 to 19 because by the time the 19 units are completed the entire amount of the loan will be forgiven. Allen asked if they cannot meet the deadlines if they will come back in December to ask for another extension. Diamond answered that it took six months to get a construction loan. The financing is in place, but the only condition now is to get the extension to avoid being in default of the CARA agreement. Diamond reviewed the build schedule. Catlin asked if the Washington Federal loan is for the build out of the project. Diamond answered that it is for the townhomes. Catlin asked if financing prepared the for final homes. Diamond said yes, through First Republic Bank. Kellum asked how many extensions have been granted. Sherry said during his time there has been one. Konopa commented that she supports the extension. Flade asked what would happen if they do not approve an extension. Konopa said they would not be able to get a loan and the project would be delayed. Allen asked staff to include contract extension requests on the agenda.

MOTION: Konopa moved to extend the build schedule for 6 months to the end of 2019. Bessie seconded the motion which passed 10-0.

Staff updates and issues

6:16 p.m.

None.

BUSINESS FROM THE BOARD

6:16 p.m.

B. Johnson commented on the new stop light on Ellsworth Street.

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

The Board recessed to Executive Session at 6:17 p.m.

RECONVENE

The Board reconvened at 8:07 p.m.

MOTION: Flade moved that staff list the property at 300 1st Avenue W for 3 weeks and any proposals for development be presented to the board for review. Coburn seconded the motion which passed 9-1 with Olsen voting no.

Olsen noted that he does not see a need to rush a sale.

NEXT MEETING DATE

Wednesday, May 15, 2019

ADJOURNMENT

Hearing no further business, Catlin adjourned the meeting at 8:12 p.m.

Submitted by,

Reviewed by,

Allison Grove
Administrative Assistant I (Confidential)

Seth Sherry
Economic Development Manager