



ALBANY REVITALIZATION AGENCY  
AGENDA

---

**Wednesday, February 19, 2020**

5:15pm

Council Chambers, Albany City Hall

333 Broadalbin Street SW

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL OF MINUTES
  - a. January 15, 2020. [Pages 2-3]
4. BUSINESS FROM THE PUBLIC
5. CARA DISTRICT CODE COMPLIANCE REPORT [Pages 4-6] (Schendel)
6. SIGNS OF VICTORY LOAN EXTENSION REQUEST [Pages 7-12] (Sherry)
7. WELLS FARGO DEVELOPMENT CONTRACT EXTENSION REQUEST [Page 13] (Sherry)
8. STAFF UPDATES
9. BUSINESS FROM THE AGENCY
10. NEXT MEETING DATE: Wednesday, March 18, 2020
11. 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](mailto:cmadmin@cityofalbany.net) | 541-791-0206 or 541-917-7519.



**MINUTES**

Wednesday, January 15, 2020

*Immediately following the CARA Advisory Board meeting*

Council Chambers, Albany City Hall

Approved: DRAFT

CALL TO ORDER

Chair Rich Kellum called the meeting to order at 6:39 p.m.

ROLL CALL

Members Present: Bill Coburn, Bessie Johnson, Alex Johnson II, Rich Kellum, Mike Sykes, Dick Olsen; and Sharon Konopa

Members Absent: None

APPROVAL OF MINUTES

December 11, 2019 & January 8, 2020

MOTION: Member Mike Sykes moved to approve the minutes as amended. Member Alex Johnson II seconded the motion, and it passed 7-0.

Business from the public

George Matland asked for an extension of his loan. Kellum asked if collateral property had been sold. Matland said no. Economic Development Manager Seth Sherry reminded the agency that sale proceeds from a property on Seventh Avenue should have been used to pay down the principal of the loan. Sherry reminded the agency of the balance of the loan and payments made.

Member Sharon Konopa said she would like to help keep the shelter open. Kellum said Matland should pay interest and the five percent penalty.

Member Bill Coburn said he is concerned about a violation of the contract. He said legal and financial views should be considered. Do not feel comfortable making a decision.

MOTION: Coburn moved to recommend staff bring the contract come back to agency with a new proposal. Member Bessie Johnson seconded the motion.

Matland reported about selling Christmas trees.

Sherry said the agency can extend the contract by a year and impose interest and a late fee. Sherry asked the agency for direction. Coburn said staff should work with Matland to come to a solution.

Virginia Mehan shared further information about the contract and selling Christmas trees.

January 15, 2020

Sherry asked for clarification about granting an extension to the loan and collecting interest and a late fee. Coburn said there may be another solution such as renegotiating the contract.

VOTE: The motion passed 7-0.

APPROVING ST. FRANCIS PURCHASE AGREEMENT

6:53 p.m.

MOTION: Member Alex Johnson II moved to direct staff to execute a contract with MMVentures Inc for the purchase and redevelopment of the St. Francis and Rhodes Block Buildings. Johnson seconded the motion. Discussion followed about the purchase of the property.

VOTE: The motion passed 7-0.

STAFF UPDATES

Sherry requested a 30-day extension for a negotiated development agreement for the Well Fargo Building.

Konopa moved to grant the extension. Johnson II seconded the motion and it passed 7-0.

BUSINESS FROM THE AGENCY

None.

NEXT MEETING DATE: Wednesday, February 19, 2020

ADJOURNMENT

The meeting was adjourned at 6:58 p.m.

Submitted by,

Reviewed by,

Allison Grove  
Administrative Assistant I (Confidential)

Seth Sherry  
Economic Development Manager



# MEMO

TO: Albany Revitalization Agency

FROM: Kris Schendel, Code Compliance Officer

DATE: February 13, 2020 for the February 19, 2020 Albany Revitalization Agency Meeting

**SUBJECT:** Code Compliance Report for CARA District

This July will be the fourth full year of funding for the Code Compliance Officer position. This position focuses on situations that contribute to or result from blight throughout Albany and particularly in the Central Albany Revitalization Area (CARA). The position was funded for five years, shared equally by CARA and the Police Department (transfer of funds from the Building Inspection Fund). Since my last report, 50.3 percent of my time as been spent on cases having originated in the CARA district.

Here is a summary of some of this year's cases and updates on those that have carried over:

- **Two Big Pickups** – This annual cleanup day changed direction in 2019. The police Community Resource Unit conducted sweeps of neighborhoods throughout Albany in the spring, focusing on accumulations of junk and trash, abandoned vehicles, and overgrown vegetation. Residents received citations for the violations along with a coupon encouraging them to get rid of junk, old appliances, electronics, and tires for a small fee at a temporary dump site at the City shops on the third Saturday in May. The effort was so successful that police repeated it in October. With the two events, May 18 and October 12, police addressed junk and trash issues at more than 100 residences in Albany, resulting in 13 dumpsters of trash and debris being removed. We plan to do this again in 2020. **Ongoing.**
- **122 Thurston Street SE** – This property became a prominent eyesore east of downtown after the owner died and surviving family members and others amassed derelict vehicles, appliances, and assorted junk and trash. Multiple individuals were arrested there repeatedly on drug and other charges. Schendel and the city attorney worked with other relatives to remove squatters, then rid the real estate of all the trash and board up the house. The property remains clean and crime-free. **Closed.**
- **732 Fourth Avenue SW** – This property had been on the compliance list since October 2017. Originally, it was a derelict structure with overgrown vegetation and junk violations. The City had the property abated at the end of 2017 and placed a lien for that work. The vegetation grew back, and the garage became unsecured and appeared to be attracting squatters. The City began charging daily fines and moved to foreclosure. The property was sold at a sheriff's auction on January 11, 2019. The property sold in August 2019 and is being rehabilitated. **Closed.**
- **Boulder field, Jackson Street at Seventh Avenue SE** – This sheltered spot under the highway overpass had become a gathering place for people who could not or would not stay at either of the homeless shelters that are less than two blocks away. Visitors set up campsites, used the property as an open-air latrine, and left the area littered with discarded food, clothing, bedding, shopping carts, and human waste. Repeated efforts to tell people to clean up and move along proved to clear the property

only briefly. Members of the City Solutions Team contacted people at the site on October 11, 2019, providing each with resource lists and directing them to shelter and other services. On October 15 and 16, staff covered the area with 522 tons of boulders to deter continued camping and littering. So far, it's worked. **Closed.**

- **838 Ferry Street SW** – Owner was cited again for keeping junk, overgrown vegetation, and obstruction of the sidewalk. Volunteers and City staff helped with pruning and cleanup as part of the October Big Pickup. The property was rechecked on February 11, 2020 and found to be in compliance. **Closed.**
- **1410 Water Avenue NE** – Long time code compliance location including property maintenance and drug issues. Property was found to have multiple violations including electrical hazards, work done without permits, improper habitation, and keeping junk. Upon rechecks, people were found living in the attic and the garage where proper ingress and egress could not be provided. Through the City process, the house was almost vacated as dangerous when, on the last day, the property owner brought everything into compliance. The house has fallen back out of compliance. The owner has talked of demolishing the property and rebuilding it to sell so he can move out of the area. **Open.**
- **1420 Water Avenue NE** – Long running house remodel. Items that would qualify as keeping junk were slowly filling the property. During the Big Pickup, the owner was cited for the violation. He worked with the City Attorney to get the property into compliance. Property is still being remodeled but currently has no livability violations. **Closed.**
- **1126 Water Avenue SE** – Known drug house. Police served a search warrant there after a suspect shot another male in the face with a pellet gun and was thought to have an actual firearm in his possession. Upon execution of the search warrant, police found multiple violation of the property maintenance code including plumbing hazards, electrical hazards, approximately 40 yards of trash, and other sanitation issues. The owners were served with specified crimes and property maintenance paperwork. The house was eventually vacated due to the livability issues and is being rehabbed for future sale. **Closed.**
- **1244 Ferry Street SE** – Property has been the subject of multiple junk complaints. A large installation in the front yard (stylized “chopper,” biker ghouls) prompted more complaints from neighbors and passers-by. The city attorney convinced the occupant to remove the yard art, but it was replaced some months later by year-end holiday decorations. Other junk and trash on other parts of the property presents an ongoing problem. **Open.**
- **610 Sherman Street SE** – This location has been on and off the compliance list since the current owner bought it in 1996. Compliance issues led to the house being vacated multiple times for livability violations. In September 2019, a search warrant led to multiple drug possession and drug delivery arrests. During the search, the house was again found to be in violation of multiple property maintenance codes, creating hazards for anyone living there. The house was boarded up as dangerous. After an appeals process, the owner would be allowed to make repairs. The owner and his associates continued to violate the dangerous building code and did not complete any work there. Eleven days after time had expired without work completed, the owner received a final notice of abatement, giving him 16 more days to correct the issues. During that time, the City got bids and tests completed in preparation for possible City abatement. A test for methamphetamine residue showed contamination in various areas of the house ranging from six to 60 times the allowable state safety limit. On January 13, 2020, 10 days after final notice had expired, the property remained out of compliance. The City had the house demolished. From the date of search warrant in August of 2019 to the final day of

demolition, Albany police spent over 400 hours at the property due to continued non-compliance. The property was also deemed in violation of the specified crimes ordinance; that case is pending. The City will be moving forward with foreclosure to recoup costs. **Closed.**

KJS:sd

c: Central Albany Revitalization Area Advisory Board



# MEMO

**TO:** Albany Revitalization Agency

**FROM:** Sophie Dykast, Economic Development Coordinator

**VIA:** Seth Sherry, Economic Development Manager

**DATE:** February 11, 2020, for the February 19, 2020, Albany Revitalization Agency Meeting

**SUBJECT:** Signs of Victory Contract Extension Request

## Action Requested:

Approve/deny the request from Signs of Victory to make an interest-only payment of \$2,175.00 for calendar year 2019 and defer the principal amount due, extending the annual payment schedule for an additional year.

## Discussion:

In 2017, George Matland and Gale Meehan, the managers of Signs of Victory, were granted \$100,000 as a low-interest loan from the Albany Revitalization Agency (ARA) to complete \$150,000 in project work at a new shelter location, 450 11th Avenue SE. Once improvements were completed at this location, Signs of Victory relocated clients to this new space, vacating the previous location on Seventh Avenue.

The original \$100,000 loan was secured by a promissory note, personally guaranteed by George Matland and Gale Meehan. A quitclaim deed for the Seventh Avenue property was also executed to ensure that the improvements at the 11th Avenue location were completed, and that the Seventh Avenue property would be vacated and adequately secured to prevent unauthorized reentry. In July 2017, a loan modification agreement was signed along with a second promissory note for an additional \$30,000 in project funding that was approved by the ARA.

In February 2018, a second loan modification agreement revoked the additional \$30,000 in funding in lieu of collecting the first payment of \$20,000 plus interest that was overdue from December 31, 2017. This second loan modification deferred the first payment to December 31, 2018, increasing the annual payment obligation from \$20,000 plus interest to \$25,000 plus interest so that the original \$100,000 loan would still be satisfied by December 31, 2021. See 2018 Loan Modification Agreement for details and amortization schedule attached as Exhibit A.

In accordance with the contract, the quitclaim deed for the Seventh Avenue property was returned to the borrowers once the 11th Avenue improvements were completed and the Seventh Avenue property was vacated and, to the satisfaction of the Albany Police Department's code compliance officer, was adequately secured to prevent unauthorized reentry. Signs of Victory made their payment in full and on time for December 2018.

In January 2020, George Matland approached the ARA regarding the payment of \$27,175 that was past due from December 31, 2019. He asked to make the interest-only payment of \$2,175 and renegotiate the payment schedule for the remaining principal balance on the loan, extending the contract by one year. After making this request of the ARA, staff was instructed to work with Mr. Matland to come to a solution.

Staff recommends that the ARA collect the interest-only payment of \$2,175 at this time and extend the amortization schedule effectively postponing the principal payment one year. See proposed payment schedule attached as Exhibit B. Staff would also work with Mr. Matland to execute another loan modification agreement.

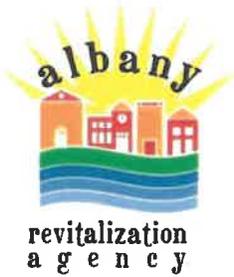
**Budget Impact:**

The proposed change in payments delays a payment of \$25,000 to ARA until December 31, 2020. However, the total paid for the loan increases from \$108,941.67 to \$111,116.67 due to interest on the delayed payment.

SD:ss

Attachment 2

c: Sean Kidd, City Attorney (via email)



P.O. Box 490, Albany, Oregon 97321-0144, 541-791-0180 phone, 541-917-7511 fax

### LOAN MODIFICATION AGREEMENT

---

This Agreement modifies and amends the Loan Funding Contract dated May 10, 2017, and the Loan Modification Agreement dated July 13, 2017, hereinafter referred to collectively as "Contract," and is made and effective February 16, 2018.

Between: George Matland and Gale Meehan  
1100 Jackson Street SE  
Albany, Oregon 97321,  
hereinafter referred to individually and collectively as "Borrower."

And: Albany Revitalization Agency (ARA)  
c/o City of Albany  
333 Broadalbin Street SW  
P.O. Box 490  
Albany, Oregon 97321

- 1) The loan made by ARA and documented by the Loan Funding Contract and Promissory Note, each dated May 10, 2017, and the Loan Modification Agreement dated July 13, 2017, are modified in the following ways:
  - a. A Promissory Note (ARA 2017-1) on a loan of \$100,000 was signed by Borrower on April 28, 2017, to secure compliance with the Contract dated May 10, 2017, and remains in effect. A second Promissory Note (ARA 2017-3) on an additional \$30,000 was signed July 13, 2017, and was issued to secure compliance with modifications described subsequently in the Loan Modification Agreement dated July 13, 2017. The City's commitment to provide loan funds in the amount of \$30,000 on a reimbursement basis under the terms of Promissory Note ARA 2017-3 is hereby revoked, reducing the total approved Loan funding to \$100,000 secured by Promissory Note ARA 2017-1.
  - b. ~~Disbursement of Loan Proceeds.~~ ARA shall segregate the loan proceeds to a specific City of Albany account number held for the use of Borrower pursuant to the terms of this contract. Loan payments shall only be due from City upon receipt of a written invoice detailing Borrower's entitlement to payment and explaining the basis therefore. The following additional invoice requirements shall apply:
    - Borrower will be given \$50,000 of the loan amount at the beginning of the loan upon submittal of a signed construction contract for the work listed in the Funding Application [*Exhibit A*] and once a Quitclaim Deed has been executed by Borrower for the property located at 120 Seventh Avenue SE.
    - Borrower will be given the second \$50,000 upon the submittal and verification of invoices, cancelled checks and other documents which show construction is 75 percent complete.
    - ~~Borrower will be given a final payment of \$30,000~~ *The Quitclaim Deed executed April 18, 2017, for property located at 120 Seventh Avenue SE will be returned to Borrower when all work has been completed as evidenced by: submitted copies of paid invoices and cancelled checks; a copy of the Certificate of Occupancy issued by the City of Albany; and*

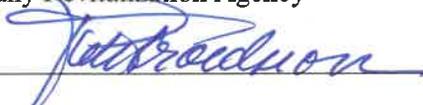
upon vacating the property located at 120 Seventh Avenue SE in its entirety upon the sole satisfaction and discretion of the City of Albany. Additionally, borrower will be required to sign a trespass letter authorizing the Albany Police Department to remove and trespass anyone who enters the premises or the building with the exception of licensed construction contractors performing work on the property and real estate professionals.

- c. Repayment Terms. Promissory Note ARA 2017-1 on a loan of \$100,000 was signed by Borrower on April 28, 2017, to ensure secure compliance with the Contract dated May 10, 2017, and remains in effect. A revised amortization schedule, attached as *Exhibit A*, delays Borrower's first payment to December 31, 2018, and increases annual payments accordingly. The original maturity date of December 31, 2021, remains in effect.

All other sections and provisions of the original Loan Funding Contract dated May 10, 2017, and Loan Modification Agreement dated July 13, 2017, remain in effect.

**ARA:**

Albany Revitalization Agency

By: 

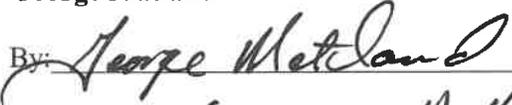
Printed Name: Peter Troedsson

Title: City Manager

Date: 19 February 2018

**BORROWERS,  
JOINTLY AND SEVERALLY:**

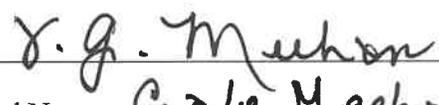
**George Matland**

By: 

Printed Name: George Matland

Date: 2/16/18

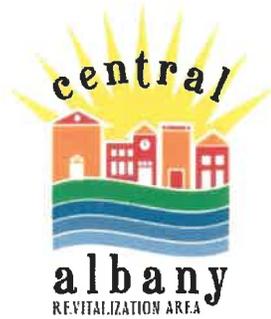
**Gale Meehan**

By: 

Printed Name: Gale Meehan

Date: 2/16/2018

Signed individually as a joint and several obligation of each.



# Loan Amortization Schedule

P.O. Box 490, Albany, Oregon 97321-0144, 541-791-0180 phone, 541-917-7511 fax

Loan Amount: \$	100,000.00	Borrower: George Matland and Gale Meehan
Interest Rate:	2.90%	Project Name: Signs of Victory
# of Annual Payments:	4	Project Address: 1100 Jackson Street SE
First Payment Date:	12/31/2018	
Loan period: 04/26/2017 (date of first draw) - 12/31/2020 (maturity date)		
Annual Payment: \$20,000.00 plus annual accrued interest		Lender: Albany Revitalization Agency

Payment No	Interest/Payment Date	Start Balance	Interest	Payment	End Balance
	05/28/2017	50,000.00	120.83	-	50,120.83
	06/28/2017	50,120.83	120.83	-	50,241.67
	07/28/2017	100,241.67	241.67	-	100,483.33
	08/28/2017	100,483.33	241.67	-	100,725.00
	09/28/2017	100,725.00	241.67	-	100,966.67
	10/28/2017	100,966.67	241.67	-	101,208.33
	11/28/2017	101,208.33	241.67	-	101,450.00
	12/28/2017	101,450.00	241.67	-	101,691.67
	CY2018	101,691.67	2,900.00	-	104,591.67
1	12/31/2018	104,591.67	-	(29,591.67)	75,000.00
	CY2019	75,000.00	2,175.00	-	77,175.00
3	12/31/2019	77,175.00	-	(27,175.00)	50,000.00
	CY2020	50,000.00	1,450.00	-	51,450.00
4	12/31/2020	51,450.00	-	(26,450.00)	25,000.00
	CY2021	25,000.00	725.00	-	25,725.00
5	12/31/2021	25,725.00	-	(25,725.00)	-

**Total paid for loan, based on the above schedule: 108,941.67**

Borrower acknowledges that they have reviewed and agree to the above payment schedule.

By: George Matland  
George Matland

By: Gale Meehan  
Gale Meehan

Date: 2/16/18

Date: 2/16/18



# Loan Amortization Schedule

*Proposed 2/12/2020*

P.O. Box 490, Albany, Oregon 97321-0144, 541-791-0180 phone, 541-917-7511 fax

Loan Amount:	\$ 100,000.00	Borrower:	George Matland and Gale Meehar
Interest Rate:	2.90%	Project Name:	Signs of Victory
# of Annual Payments:	4	Project Address:	1100 Jackson Street SE
First Payment Date:	12/31/2018		
Loan period:	04/26/2017 (date of first draw) - 12/31/2020 (maturity date)		
Annual Payment:	\$25,000.00 plus annual accrued interest	Lender:	Albany Revitalization Agency

Payment No	Interest/Payment Date	Start Balance	Interest	Payment	End Balance
	05/28/2017	50,000.00	120.83	-	50,120.83
	06/28/2017	50,120.83	120.83	-	50,241.67
	07/28/2017	100,241.67	241.67	-	100,483.33
	08/28/2017	100,483.33	241.67	-	100,725.00
	09/28/2017	100,725.00	241.67	-	100,966.67
	10/28/2017	100,966.67	241.67	-	101,208.33
	11/28/2017	101,208.33	241.67	-	101,450.00
	12/28/2017	101,450.00	241.67	-	101,691.67
	CY2018	101,691.67	2,900.00	-	104,591.67
1	12/31/2018	104,591.67	-	(29,591.67)	75,000.00
	CY2019	75,000.00	2,175.00	-	77,175.00
3	03/01/2020	77,175.00	-	(2,175.00)	75,000.00
	CY2020	75,000.00	2,175.00	-	77,175.00
4	12/31/2020	77,175.00	-	(27,175.00)	50,000.00
	CY2021	50,000.00	1,450.00	-	51,450.00
5	12/31/2021	51,450.00	-	(26,450.00)	25,000.00
	CY2022	25,000.00	725.00	-	25,725.00
5	12/31/2022	25,725.00	-	(25,725.00)	-

**Total paid for loan, based on the above schedule: 111,116.67**

Borrower acknowledges that they have reviewed and agree to the above payment schedule.

By: \_\_\_\_\_  
George Matland

By: \_\_\_\_\_  
Gale Meehan

Date: \_\_\_\_\_

Date: \_\_\_\_\_



# MEMO

TO: Albany Revitalization Agency

FROM: Seth Sherry, Economic Development Manager

DATE: February 12, 2020, for the February 19, 2020, Albany Revitalization Agency Meeting

**SUBJECT:** Wells Fargo BGW LLC. Development Contract Extension

## Action Requested:

Extend development contract negotiation period by three months (May 2020).

## Discussion:

The Albany Revitalization Agency (ARA) entered a development negotiation with BGW LLC. in July of 2019. At that time, BWG LLC., submitted a purchase option offer that could be exercised upon a successful negotiation of a development contract for the property. Through the negotiation and discovery/planning stage, the final composition of the Wells Fargo redevelopment has changed somewhat. This of course is normal for a project of this scale and the fundamental concept has not changed at all.

During the February 12, 2020 ARA meeting, Tom Gerding will request a three-month extension to the development negotiation and BGW's final acquisition of the property. BGW LLC. has invested a significant amount of money on site development costs in addition to the \$25,000 of non-refundable earnest money. They have shown a substantial commitment to bringing this underutilized property into a bright and vital center of activity. Staff strongly encourages the ARA to extend the negotiation period for an additional three months.

## Budget Impact:

None

SS:sd