

MINUTES
REGULAR MEETING
NEWBERG CENTENNIAL REDEVELOPMENT COMMISSION
City Council Chambers

July 13, 1983

7:30 PM

Members Present: LeRoy Benham, Chair
 Elvern Hall
 Alan Halstead
 Art Moffat
 Quentin Probst
 Richard Rementeria

Members Absent: Bruce Breitling

Staff Present: Clay Moorhead, Executive Secretary
 Arvilla Page, City Recorder/Finance Officer

Others Present: Doreen Turpen, Librarian
 Peggy Campbell
 1 unidentified citizen

The meeting was called to order by Chair LeRoy Benham.

Motion: Halstead-Probst to approve the minutes of the June 8, 1983 NCRC meeting.
Motion carried unanimously by those present.

Doreen Turpen, Librarian, informed the Commission of actions being taken regarding the expansion of the Library facilities. She reported that an architectural firm has been chosen to begin the design. A Library Building Committee has been formed and input is currently being obtained from the community on the wishes of the citizens. The goal of those concerned with the Library is to obtain a grant for construction. One of the major concerns is the question of parking and the question must be addressed. Mrs. Turpen requested that the Newberg Centennial Redevelopment Commission lend their support to the objectives of the City, Library Board, and Library Building Committee.

Motion: Hall-Halstead to prepare a letter to be signed by Chair Benham in support of the Library project and the Commission's interest in the compatability of the project with the Commission's objectives. Carried unanimously.

Clarence Parker, Regional Manager for the Mid-Valley Area for the State Economic Development Department described various grant programs to the Commission. The first one he described was Oregon Business Development Fund. This program is administered by the Oregon Economic Development Department. It's purpose and eligible activities are for users or developers for working capital and fixed assets; a loan to be made in conjunction with private financing. Retail or service projects are ineligible for the program. The amount available is approximately 2.7 million dollars with a maximum of \$250,000 per project. This is the first month that applications have been taken for loans for this program. The focus of the program is primarily jobs. It is a revolving fund that hopefully will receive more funding from the State Legislature in the future, after the program's value is proven.

The second program Mr. Parker described was a Community Development Block Grant Program. This is administered by the Inter-governmental Relations Division and uses HUD funds. Its purpose and eligible activities are user or developer funding for fixed assets and working capital. It is used in conjunction with private financing. There is approximately 2 million dollars available in Oregon this year with a maximum of \$600,000 per project. Grants are made on a competitive basis with points being awarded to each application.

The third program Mr. Parker described was the Small Business Administration's 503 Program. This is loans for fixed assets in conjunction with private financing. The amount available is up to \$500,000 or 40% of the project. Terms of the loan are for 15-25 years at 3/4% over the Treasury rate. It is restricted to small and medium sized businesses.

The fourth program Mr. Parker described was the Small Business Administration's 7A Program. This program provides loans for working capital or fixed assets with amounts of up to \$500,000. Terms are for 3-20 years, up to 2 3/4% over the prime rate. Restrictions are that it is for small businesses only.

Members of the Commission asked Mr. Parker questions about the various programs he had described and the possibilities of funding for various projects. Mr. Parker cited the Flying M project as an example of a project that would rate high in funding requests because it would employ people. Mr. Parker also stated that shortly there will be other funding possibilities under the Industrial Revenue Bond Program.

Motion: Moffat-Hall to approve the Initial Centennial Project Rehabilitation Loan Program.

Discussion of the Motion:

Commissioner Probst stated he had a conversation with Commissioner Breitling who was concerned about the confidentiality of the applications. Commissioner Moffat stated the Finance Committee would be "Reviewer of Application" and the Commission would vote on the program that is recommended by the Finance Committee.

Motion to Amend Original Motion: Moffat-Rementeria to add wording at the end of Section 130 of the Rehabilitation Loan Program as follows..."Loan applications shall be reviewed and approved by the Finance Committee and will be held in confidence." Carried unanimously.

Mr. Moorhead then called the Commission's attention to some changes that had been made in the Rehabilitation Loan Program on the recommendation of the Finance Committee. The following sections were identified as having been changed: Items 9, 20, 21, and 25 of Section 280, Other Loan Conditions. The re-wording has been presented to the Commission in Draft 2. The Commission also discussed the addition of item 4, Section 190 regarding maximum loan amount, which states Not more than \$15,000 per dwelling.

Vote on the Amended Motion: To adopt the Initial Centennial Project Rehabilitation Loan Program carried unanimously.

Page 3
NCRC Minutes
July 13, 1983

Mr. Moorhead asked the Commission for advice on whether a public announcement should be made now for applicants and whether a deadline should be set at this time. He stated the State Revenue Department will have the tax increment assessment figures this Friday and it will be another week after that for the County to complete their work. After the tax increment information is received, it will then be possible to take them to a bank to investigate loan possibilities. Mr. Halstead advised Mr. Moorhead to wait until the Commission will know how much money they will have. Mr. Moffat suggested that the applicants that are waiting should be advised what the situation is. It has been proposed that a preliminary application process be initiated.

Motion: Hall-Rementeria that a preliminary application process be initiated to allow applicants to gather material and learn the process prior to the actual application. Carried unanimously.

The Commission discussed the parking lot possibility between Inner Man Music Store and the Greyhouse Bookstore on First Street east of College. The owner of the lot is now more favorable to renting. The cost would be approximately \$4,000 per year. The businesses have tentatively agreed to pay most of the requested amount and the owner has requested that the City, or some one person, be responsible for collecting the rents and forwarding them in one check. It appears that about \$220 would be needed to make up the difference between the amount agreed upon by the merchants and the amount requested by the property owner. Another cost would be liability insurance which would cost about \$100 per year. The question is whether the Commission would want to be the middle-man in a lease and would want to bear the cost difference. Commissioner Moffat pointed out that the property is currently for sale. Commissioner Rementeria stated that he would like to have an opinion from the City Attorney on what the liability would be. Commissioner Moffat recommended that the merchants form a parking corporation with the Chamber of Commerce as the agent. Chair Benham stated that the Newberg Centennial Redevelopment Commission supports the idea of a parking lot and asked Commissioner Moffat to present the subject to the Chamber of Commerce Industrial Committee.

Chair Benham asked those present if they had any comments to make on any matter that had been discussed by the Commissioners at the meeting, or on any other matter. The unidentified citizen present stated he was concerned with item no. 20 under Other Loan Conditions, on bidding, which states that all subcontractors shall be selected as a result of publicly advertised bidding. He pointed out that bidding is usually done by a general contractor who chooses a subcontractor based on quality of work and efficiency of work; based on his experience with that subcontractor. It was the consensus of the Commission that the City Attorney's opinion should be obtained on the wording in this Section 20, regarding bidding.

Motion: Halstead-Probst to adjourn. Carried unanimously.