

MINUTES
Troutdale City Council – Work Session
Troutdale City Hall – Council Chambers
219 E. Historic Columbia River Hwy.
Troutdale, OR 97060-2078

Tuesday, January 15, 2013

1. Roll Call

Mayor Daoust called the meeting to order at 6:30pm.

PRESENT: Mayor Daoust, Councilor Anderson, Councilor Thomas, Councilor White, Councilor Allen, Councilor Wilson, and Councilor Ripma (via phone at 6:42pm).

ABSENT: None.

STAFF: Craig Ward, City Manager; David Ross, City Attorney; Debbie Stickney, City Recorder; Charlie Warren, Public Works Director; and Rich Faith, Community Development Director

GUESTS: See Attached.

2. Parks Master Plan and SDC rates

Rich Faith, Community Development Director, stated I am going to walk you through the major elements of the Parks Master Plan and attempt to explain how this all feeds into the parks system development charge (SDC) and methodology that was used. The Parks Master Plan that we currently operate under was adopted in 2006, which was an update from our 1995 Plan. The preparation of the Plan was guided by the Parks Advisory Committee (PAC). The Plan established a long-range vision and a plan of action for the City in terms of what it would like to accomplish in its parks system. It provides a framework for both the Capital Improvement Plan (CIP) for parks projects and for the SDC methodology report.

Rich Faith showed the Council a PowerPoint Presentation (attached as Exhibit A) which includes tables from the Parks Master Plan that illustrate the structure of the Plan, and the items examined that fed into the overall SDC methodology.

Rich Faith stated what is important in Table 2.2 (slide 2) is that the current Plan identifies approximately 70.7 acres of developed parks in our system. The Plan also talks about our Level of Service (LOS). Table 2.6 (slide 3) breaks down the 70.7 acres of parks by category (community parks, neighborhood parks, mini parks and special use parks) and it determined that our LOS was 4.75 acres of developed parkland per 1,000

population. That doesn't include Woodale Park as it is not considered to be a developed park, and it does not include the greenways and natural areas.

Chapter 5 of the Plan looks at our parks system improvements and discusses what improvements should be made to the City's parks system. It does that by: 1) addressing improvements that should be made to existing parks, and 2) it looks at the need for additional parklands to meet a prescribed LOS standard. That LOS that is called out in our Plan is 5.2 acres per 1,000 population. This is not a new standard; it is the same standard that was adopted in the 1995 Plan. Chapter 5 also looks at the parkland need based upon that LOS and determines how many acres we need to provide to meet that LOS for our growing population. Table 5.1 (slide 5) shows that based on the LOS of 5.2 acres per 1,000 population, and with a population of 14,880 in 2005 the City had a deficiency of 6.7 acres. This table breaks down the LOS by each of the park categories. It also shows that based on the projected build-out population of 21,400 (the figure used at that time in the Plan) that the City would need an additional 40.6 acres to meet this LOS (shown in the far right column of Table 5.1).

Mayor Daoust asked where does the LOS standard come from?

Rich Faith replied it is from the National Recreation and Park Association standards that they publish annually. They provide a range that they say is a desired goal for a LOS on a national scale. The number we used is within that range.

Councilor Anderson stated but that is not statutory.

Rich Faith replied no; we can establish our own LOS. That is what we used as a guide when we adopted this Plan.

Rich Faith stated since the Plan shows that there is a need for additional parkland based upon that LOS, it then tried to identify where we might be able to fill that need. Map 5.1 from the Plan (slide 6) shows parkland opportunity areas.

Map 5.2 (slide 7) identifies the undeveloped properties that are the best candidates for acquisition for future parks and provides a general description of what type of park it might be and the amenities that could possibly be provided.

Councilor Anderson asked is the Mt. Hood College Nature Park at Beaver Creek included in the 5.2 acres per 1,000?

Rich Faith replied no. That is not factored in. Technically that is not even city parkland as it is owned by Metro. It is shown in the initial inventory of parkland and open space lands, but it is not factored into developed parkland in terms of meeting our LOS need.

Mayor Daoust asked is it safe to say that our needs for additional parks may be overstated in that our population is not going to reach 21,000?

Rich Faith replied we already acknowledged that when we did the SDC methodology. The City Council questioned that number and we reduced that number for purposes of preparing the SDC methodology and calculation of the SDC rate.

(Councilor Ripma joined the meeting by phone at 6:42pm.)

Rich Faith stated certainly a lot of the assumptions that were used at the time are open to further questioning and evaluation. What I am presenting is factually what was done at the time.

The Plan also looked at trails and shows where we have existing trails and identifies desired locations for future trails in the City (slide 8). The Plan identified nearly 8 miles of new trails most of which is on the flood control levy up north which is part of the 40-Mile Loop Trail System. The Port paid for the improvements and paving of a good portion of that and there are plans to do another portion to the west of Sundial Road.

The analysis that the consultant prepared at the time came up with a best guess/assumption of what our land acquisition costs and development costs would be. For neighborhood and community parks it estimates the average land cost would be \$268,750 per acre and on average it would cost \$100,000 per acre to develop the land.

Councilor Anderson asked any guess what those numbers might be today?

Rich Faith replied I have not attempted to validate those numbers at this time.

Rich Faith stated for the trails it assumed that if you were to hard surface the trails at an 8' width that it would cost approximately \$35 per linear foot (8 miles is estimated to cost \$1,478,400). On tables 6.11, 6.12 and 6.13 of the Plan (shown on slides 10, 11 and 12) we show specific improvement projects for our existing parks along with the estimated cost for each of the projects. There is quite an extensive list of improvements for Sunrise Park and Glenn Otto Park because each of those parks had a very specific Master Plan prepared for them identifying projects that we would like to do to upgrade those parks and accommodate more capacity within those parks. The total estimated cost for all of the improvement projects listed was \$5.9 million.

There are a number of different factors that feed into the determination of our maximum SDC rate (slide 13). One factor is the LOS standard of 5.2 per 1,000, which is a driver in terms of how much additional parkland the Plan identified that we need to acquire and develop. Another factor is the various CIP costs such as improvements to our existing parks, the purchase of additional parkland to meet the LOS, development of new parklands and new trails. Another factor that is included is an administrative/compliance cost of 2%. There is a statute that authorizes local governments to include such items as preparing the Parks Master Plan and administering the SDC program in their SDC eligible costs. Finally the projected population or household growth is another factor that is used to determine the maximum SDC rate. The equation is fairly simple - Total of Capital Costs ÷ Growth Units = Maximum SDC Rate.

Without going into the details of the methodology I was thinking of approaching this in terms of what could be changed in order to adjust the SDC rate. There are two general approaches that we could take (shown on slide 14). The Council could adopt a lower "discounted" SDC rate. An example of this is what occurred in 2003. In 2003 we hired a consultant to do the Parks SDC Methodology Report and to tell us what the rate ought to be. On the basis of that report, and the information that was brought to the Council, the methodology report justified a maximum of approximately \$5,200 per new residential home. The park SDC's are only charged to residential development; no park SDC's are charged for commercial or industrial development. The homebuilders were not happy with that rate because it was a significant jump from where we were previously. The Council decided that they were not prepared to increase the parks SDC rate that much, so the Council made a decision to adopt a rate that was half of the maximum justified rate under the methodology. The methodology wasn't changed; they just adopted a discounted rate. You could revise the methodology and the CIP to attribute more of the future costs to non-SDC sources. In other words you are not changing the LOS or the anticipated need or cost, you would simply say that you do not intend to pay for all of that with park SDC's so we are not going to charge the maximum rate. We would have to assume that we are going to be backfilling that with other sources as they become available such as grants, bond measures, etc. That is one approach that can be taken.

The second approach is that you could amend the Parks Master Plan to reduce or eliminate the need for more parkland and capital improvements. That is simply a matter of reducing or eliminating the LOS standard and then revising the SDC methodology report accordingly. Those are two different ways to get at reducing the parks SDC if that is your ultimate goal.

Councilor Allen asked can you explain to me how that relates to a duplex, a four-plex, apartments and single-family dwellings.

Rich Faith replied we make no distinction in the rate by type of housing. So an apartment unit is going to be the same rate as a single-family detached home.

Councilor Allen asked is that payable upon completion?

Rich Faith replied it is paid at the time the building permit is pulled.

John Wilson asked is there a reason that we don't charge for commercial buildings?

Rich Faith replied that was studied both in 2003 and in 2008. You have to make a much stronger case to charge commercial development because you would have to say that employees are using our parks and are placing a demand on additional parks as opposed to the folks that live here. You can make that argument; many communities have done so successfully. We decided not to go that way and that it would be based on population.

Councilor Wilson asked so the parks that are in the commercial area like behind Graham Road, do you think those are going to be that accessible to the folks that live here?

Rich Faith replied the assumption is that those parks are serving the people who live here and they may in fact be used by the people that work here. Up to now we have chosen not to place the cost for new parkland and development of new parks on commercial developments.

Mayor Daoust asked is the current rate \$2,600?

Rich Faith replied no. The current parks SDC rate adopted was \$7,137 which went into effect on July 1, 2008. I have provided you with a copy of the resolution adopting the methodology report and rate (copy included in the packet). On page 2 of the resolution under Section 6, there is an automatic annual adjustment for the SDC rate. At the time that rate was adopted the Home Builders Association raised concerns about the magnitude of the increase in the SDC charge. They said that we increase the rate about every 5 years and hit them with this tremendous increase and rather than doing that why can't the city just adjust the rate automatically each year so that there are small incremental increases. The Council agreed and decided to build in an automatic annual adjustment based on the Construction Cost Index. Each year since the \$7,137 rate was adopted the rate has been adjusted automatically. The current SDC rate is now \$7,586.

Councilor White asked when did the SDC first occur and what was that amount?

Rich Faith replied we first adopted a parks SDC in 1992 and the rate was \$374.

Mayor Daoust stated so we went from \$2,600 two years prior in 2006.

Rich Faith replied no. In 2003 we hired a consultant to prepare our methodology and the maximum rate justified was \$5,200. The Council decided to adopt an SDC rate of \$2,600, and decided to increase the rate every year for the next three years. The resolution that was adopted that set the rate at \$2,600 also established that in one year the rate would increase by \$500 to \$3,100, and the following year it would increase another \$500 to \$3,600. In 2008 when we adopted the \$7,137 rate the prior rate was \$3,600.

Charlie Warren showed the Council some spreadsheets (attached as Exhibit B to the minutes). Charlie reviewed the information on the spreadsheets.

Charlie Warren stated I have gone through and recreated the 2008 analysis. I started from the 272 acres identified in the Plan and I updated that information (pages 1-5 of Exhibit B). Councilor Anderson you had mentioned College Nature Park. I categorized that park as a community park, but we could define that as something else. Of the 80 acres in College Nature Park 2.8 acres are actually developed now and so that goes

against our current inventory. Natural areas and open spaces, while we have an abundance of them, they are not included in our LOS.

Councilor Anderson asked why is that?

Charlie Warren replied that was the assumption that was used back in 2006 when they did the report. They could be included.

I made some assumptions based upon the figures I updated (pages 6-7 of Exhibit B). The 2008 population was at 14,880. The average number of people per dwelling unit, according to Metro's figures, is 2.57. Our current population is 16,005. The 2035 Metro estimate of our population at full build-out is now 17,038. It was previously projected to be significantly over 20,000. Utilizing our currently LOS (5.2 acres per 1,000 population) and going through an analysis using the CIP, which I have updated for each park (see pages 8-10 of Exhibit B), and running through the SDC calculation sheets (pages 11-12 of Exhibit B) the resulting justifiable maximum SDC is \$7,783. You will notice a smaller number shown and that goes back to the assumptions. You can make an assumption that with a 4.15 LOS we no longer need any additional parks.

Councilor Anderson stated and we are at 4.15 today.

Rich Faith stated 5.2 is the LOS standard that we are trying to achieve.

Charlie Warren stated but you are correct, 4.15 is where we stand today. Back in 2008 we said we have an existing deficiency. Those deficiencies that occurred then are not allowable for SDC's so those aren't even chargeable against SDC's. It is only the growth related improvements that you charge against SDCs. So if we assume zero new acres and we say that our LOS is 4.15 the resulting justifiable SDC rate is \$2,224. The Council can say that you want to change the LOS to 4.15, or you can say that the SDC rate is \$7,783 based on the 5.2 LOS, but we think we should only charge \$2,224. That is your choice. If we were to change the population to 25,000 it would change what the resulting SDC's are. Maintaining a 5.2 LOS with a higher estimated population paying the SDC fees actually reduces your SDC rate.

Tonight it seems appropriate to ask you some of the same questions we asked the Parks Advisory Committee (pages 13-14 of Exhibit B). **1)** Is the current LOS appropriate for the City of Troutdale? **2)** Should any parks be added or deleted from the list? **3)** Should the SDC fee be calculated in some other way besides using LOS?

Mayor Daoust asked when you assume no new acres, are you also assuming no new trails?

Charlie Warren replied yes.

Councilor Allen stated I am more interested in meeting the needs of the community. What I mean by that is we have people with different interests. Some like sports and

some like nature trails. I would include all areas that are either accessible or that can be made accessible for the various uses that we have. What I suspect you'll find is that we are probably doing pretty good on some things but we may not be doing as well in the sports or picnic areas. We may have plenty of acreage but still need to do some improvements.

Charlie Warren stated community parks are the one area where we seem to have a great need. Right now community parks are where the ball fields are, like Columbia Park. Glenn Otto Park is our swimming beach park. Sunrise Park is being used more by the general public. The City does have the potential in the future to get possession of 11.73 acres from the Strebin Trust property which is located on the north east side of the intersection of Stark and Troutdale Road. We may get the flat land or the land adjacent to the creek, or there is a possibility that the land could be sold before it actually gets transferred so we may get the dollar value and not the property. But at least one-third of the property or value will go to the City of Troutdale. That would be a premier location for ball fields. We have an over abundance of natural areas which are tough to maintain. We have a need for some special use parks. For instance the urban renewal area will theoretically have about a 2 acre parcel. Right now it is currently setup so that only \$200,000 would be applicable for SDC fees. In my view we probably should allow SDC fees to pay for a greater portion of that. A park like that would be heavily used by the community in my opinion.

Councilor Allen stated we are sitting on the edge of a population area. Do we need to do more with community parks and trails to attract people to come to Troutdale?

Charlie Warren replied our premier park for bringing people in is Glenn Otto Park in the summer. That brings in people from around the state because it is a great beach. For year-round use Columbia Park is by far our most popular park because it has a little bit of everything. We are putting \$100,000 into Imagination Station just to fix it. The cost to develop these parks is very expensive.

Councilor Anderson asked if we put some natural areas back in, we can elect to do that?

Charlie Warren replied we have definitions in the Master Plan for what constitutes a community park but you can change those.

Councilor Anderson stated going back to your SDC calculation chart, if we took the trails and natural areas and plugged those into the calculation, what would that look like?

Charlie Warren replied the trails are a separate calculation so I can't just increase this and change the SDC at this point. I could go back through the calculation, if that is your direction, and take those out or say that we already have those.

Councilor Anderson stated I would like to see some more things that we already have. I agree they are tough to maintain and that is a separate discussion, but there are some things that we have out there that aren't included.

Councilor Allen stated the truth is we have plenty of parks, but we may not have the right kind.

Councilor Anderson asked can we sell land?

Charlie Warren replied some you can and some you can't. You have to look at each parcel and see how it was conveyed to the City. For quite a few of them what you will find is if you no longer use the land for a park it goes back to the original conveyor of the property.

Councilor Anderson stated my biggest issue with this is that we can't take care of what we have adequately. To talk about adding more when we can't take care of what we have is a pipe dream at best.

Mayor Daoust asked how is the urban renewal area built into the SDC calculations? Is it built in as a purchase of new land?

Rich Faith replied the Urban Renewal Plan contemplated approximately a \$4 million cost to improve that 2 acre community plaza. We couldn't justify collecting that amount in SDC's so in the methodology we used the same assumption for SDC purposes of \$100,000 per acre (the assumed cost to develop an acre of parkland in the Parks Master Plan) and that would be the total amount that we anticipate collecting in SDC's that would be applied to the development of the plaza and the remaining cost would come out of the tax increment. Going back to the question about the openspace and greenways, in the 1995 Parks Master Plan we had a LOS not only for developed parks but also for natural areas and greenways. When that Plan was prepared we were looking at a LOS for ball fields that the City should aspire to achieve. In the 2006 Plan we concentrated only on the developed parks in terms of a LOS and did not continue to carry over a LOS for things like natural areas and openspaces.

Charlie Warren stated if we included natural areas in our inventory it really wouldn't help the SDC analysis because just like with mini parks and special use parks, according to this analysis, we have too many acres of it and it doesn't affect the SDC. We are already providing the LOS necessary. It is the neighborhood parks and community parks where we have the deficiency and that is where nearly all of your expense for your SDC is centered.

Mayor Daoust asked if we said the methodology was off and should be adjusted, does that mean that we are asking staff to redo the Parks Master Plan?

Charlie Warren replied the Master Plan would have to be changed if we change the LOS.

Rich Faith stated if you are going to change the LOS that is correct because that all stems from what is in the Plan. An easier way to go about that is to just simply amend the CIP and the methodology so that you are not attributing as much of your future funding for these improvements to the SDCs and you are instead going to assume that other funding sources are going to have to be used to fill in the difference.

Mayor Daoust stated so we could say that we want the CIP amended.

Councilor Anderson asked could we say that we want the SDC at a flat rate? Hypothetically, could we say we want a \$500 parks SDC fee?

Charlie Warren stated we can do that. You have the authority to charge anything up to the maximum.

Mayor Daoust stated we did that back in 2003. That decision was based on a lot of input from the housing folks. What kind of input are we getting now that says we are off base?

Councilor Anderson asked how many new units of construction do we have?

Councilor Thomas stated that has more to do with the economy than anything else.

Councilor White stated to me it was eye-opening that during the past four years we didn't spend any of the money out of that fund with the exception of College Nature Park. I think the fund balance is at \$1.8 million now. How did we use SDC funds on College Nature Park when it is not considered a park?

Charlie Warren replied we didn't. The primary funding for College Nature Park was from the Metro bond measure.

Rich Faith stated we are making the upfront payments out of the Parks Improvement Fund and we are being reimbursed by Metro from their bond measure money, and from the State through a parks grant we applied for.

Councilor Allen stated we have mostly been talking about what we think the need is. I agree that I think we need more community parks. I am sure that there are other residents that could weigh in on what we need. I used to believe the same way that Councilor Thomas stated a moment ago, that it was because of the economy. When I go visit friends and family I don't see that; I see growth in other towns that I don't see here. I think fundamentally what we have going on here is that our rate is so high that we don't see much development going on. How much money have we brought in to spend on parks from SDC's since we raised the rate? There is a point where we raised it so high that our return has dropped and we are not getting the returns that other cities are.

Rich Faith stated that might be the case but I know that there are communities with higher SDC's than we have that are experiencing a tremendous amount of growth. I don't know the answer, but I don't believe that it is our SDC that is discouraging development here. I think there are other factors.

Councilor Anderson asked we didn't have SDC's for parks prior to 2003, or prior to 1996?

Rich Faith replied the first time we adopted parks SDC's was in 1992.

Councilor Anderson stated that was when my house was built and I think a lot of houses are older. What percentage of the residents in Troutdale paid parks SDCs because a lot of our homes here are older?

Mayor Daoust stated the population has doubled since 1992. In 1990 our population was around 7,000 and now it is 16,000.

Rich Faith stated more than half of the houses in the City were built after 1992.

Councilor Allen asked if it is not the cost of the SDC, than what is it that holds up a developer?

Mayor Daoust stated the economy has a lot to do with it. All we are seeing tonight is the parks SDC. If you compared the total of all of our SDC's to other municipalities, we are not near the top. The parks SDC is high, but the other SDC's are not.

Councilor Anderson asked is our Metro 2035 population estimation 17,038?

Rich Faith replied yes. We are going to be faced with having to take some formal action to adopt that number at some point in the future. It is tied to periodic review. Metro is now required by statute to provide population projections for each of the cities within the Metro area.

Councilor Anderson stated we have a Transportation Master Plan that is based on 26,000 that probably should be looked at. If our projected population is going down and we are still operating on what it used to be, am I out of line by suggesting that we should take a look at every master plan that is tied to a build-out population of 26,000 when it is actually 17,000?

Charlie Warren stated we just looked at adjusting it for the projected population of 17,000.

Councilor Anderson stated for parks.

Charlie Warren replied yes, and it changed the SDC very little. The justification was \$7,700. That is just a couple hundred more than we are charging now. To answer the

previous question about what our other SDC's are I have a chart showing the total SDC's compared to other cities (slide 15 of Exhibit B of the minutes). We are significantly less than a lot of other cities. Happy Valley has had tremendous growth with fairly high SDCs.

Rich Faith stated Wilsonville is currently going through a tremendous building boom of apartments and subdivisions. Sherwood is another example.

Councilor Allen stated I would feel much better about paying more and building in an area that had employment centers near it than I would out here on an edge city. I don't think you are going to get people to pay as much on an edge city unless you have some increased demand.

Councilor Thomas stated I believe that the last time we looked at the zoning for Troutdale we were in excess of what Metro said we would have, is that right?

Rich Faith replied that was what they said the target for housing was. That was a target that was set clear back in 1998 or in that era. We exceeded what their target was.

Councilor Thomas stated so we can assume that we probably would exceed the current target of 17,000.

Rich Faith replied I believe that we will. The way I look at what I think our population is going to be is based upon what our buildable lands inventory tells us of how many additional housing units we can accommodate. I believe we have a much better handle on what our buildable lands inventory is than Metro. We still maintain that, based on current zoning for undeveloped and underdeveloped properties that are zoned for residences, we have an opportunity for about another 1,200 housing units within the city and that roughly translates into a build-out population that is closer to 19,000. I believe that number is more accurate than Metros, but their number is what we are being told that we will have to adopt.

Charlie Warren stated based on 19,000, the parks SDC would be \$6,750. That is based on what my assumptions are so it does lower it.

Councilor Thomas stated a lot of the area that we have left to be developed is in areas where there are no parks. North of Strebin Road is an area where we have already had people asking for parks. There really isn't much there. There are also requests for putting something on the Strebin property like a skate park or something like that.

Councilor Anderson stated we have \$1.8 million in the SDC fund...

Rich Faith interrupted and stated that is not correct. We do not have \$1.8 million.

Councilor Allen asked what is the number than?

Rich Faith stated it is closer to \$1 million.

Councilor Anderson asked would \$1 million build a skate park?

Charlie Warren replied yes.

Councilor Anderson stated my point is we have the money in the fund already and if there is an area that is developed around Strebin that requires a park, and we think it is a good idea, we have the money already.

Councilor Thomas stated if we are going to look at changing the parks SDC fees, we need to figure out what that impact is. By just arbitrarily coming up with a number without knowing the impact doesn't benefit the citizens at all.

Councilor Anderson replied agreed. Do we agree as a group that they should be lower?

Councilor Allen stated if the number doesn't pencil out you don't get development, you don't get a park.

Councilor Thomas stated but if you are just cutting the numbers to get development what have you gained?

Councilor Allen stated you get development, property taxes, money in the general fund.

Councilor White stated customers.

Councilor Ripma stated if you are trying to reach a consensus on whether the parks SDC's ought to be lowered I vote no on that. I have to confess I am an advocate for parks and greenspaces in Troutdale. The SDC's for parks is not what is slowing down development. Our overall SDC total is normal. Parks have always been important to the citizens of Troutdale and that is why we need to have the best parks system. A city like Gresham has been short-sided and they find themselves short of parks. The fact is that our citizens have invested in parks over decades and the SDCs are nothing more than asking new construction to make the same sort of contribution that the existing citizens have already done. I want to sound a note of caution about slashing the parks SDCs because it looks like we have a lot of money, or we don't want any more capacity or other things. I just don't agree. I think this is an investment in Troutdale's livability for the long-haul. We are doing our citizens a disservice; we can't afford many things right now but something like this we can and we should. It's not prudent to just cut SDCs to try and encourage housing construction. What we should encourage in Troutdale is businesses with jobs and tax-paying entities and those don't pay the parks SDC.

Councilor Allen asked could you clarify what you believe is slowing down development?

Councilor Ripma replied the economy and the fact that we are near built-out. Troutdale is known as a green city. I recognize some of it is just greenspace for now because we

can't afford to have fully developed parks because we can't afford to take care of them. The fact that we are green and on the edge of the gorge is what attracts development. I am not answering your question really because I don't know what really is slowing down development, but I think we are near build-out. The big projects all came 10 years ago. Cutting the SDC's is a mistake on so many levels. I would not want to short-change our future residents by short-changing them on parks and greenspaces in order to encourage development of more residential construction, which isn't what this city needs. What the city needs is jobs.

Councilor Allen stated in order to get businesses you need to have customers which comes from residential areas.

Councilor Ripma stated you can make that argument about anything if we wanted to subsidize.

Councilor Allen stated I like parks, but I think we are killing it off at the level we are trying to get money out of development at this time.

Councilor White stated even if Troutdale didn't build another park I think we are at the point where we are already looking at asking our citizens to pay \$8 per month for a park user fee. That just recently came up. We have a huge budget deficit. I don't think the old Parks Master Plan did a good job of including all of the areas; I think it left some major areas out that could easily be counted as a park. I remember when they did a poll on the Sandy River Delta area and there was overwhelming support to leave it alone, they didn't want it developed. They loved that it was natural. I think that is probably the product that we are going to end up with at College Nature Park, but I think that is really what people want. There are exceptions for ball fields; I am willing to look at that. I think there is enough money in that fund to accomplish and finish out the City of Troutdale. We are not taking into consideration what happened after 1992. The small amount of inventory that is left in Troutdale got hit with Title 3, Goal 5, Title 13, FEMA's new regulations on flood plains and wetland and I could go on. All that occurred with zero compensation to these landowners. I attended a Planning Commission meeting on a project that was a 3½ acre parcel that ended up with 25% buildable land. We were just told that the Edgefield North property, because of its wetland issues, that half of that land isn't developable. As these new projects get built they are including huge tracks of land at the sole expense of the property owner without any compensation. We also have a situation where we just had a recent request, I believe it is near you Councilor Ripma, where they are trying to give away 7½ acres because it is undevelopable now because of regulations. They just want it off of their tax rolls. That is the situation that we are in currently. To say that Troutdale isn't investing in their parks, you can only say that after 1992 and that was at the level of \$330 some dollars and then it went to \$530 and then it made this huge drastic jump. Troutdale is in Multnomah County and that comes with added costs. Some of these cities that we are comparing our rates to are outside of Multnomah County and they have less costs overall. You also have to look at the final product. I think what they are building are homes that are selling for over \$300,000 compared to Troutdale's average home price which is under \$200,000

currently. What I would rather see is us working with these property owners who have gone through so much regulation, let's finish this town out, get it built, get customers in our downtown and get as many people that we can fit into Troutdale so that we can attract some customers to our industrial land. We are sitting on the largest inventory of industrial land in Multnomah County and I would like to get that property developed.

Mayor Daoust asked so how do you come down on parks SDC's?

Councilor White replied I think it is definitely a blockade because nothing is penciling out. When you figure out what you are left with to build on, it is a very small percentage of your land. I think the total bill is slightly over \$11,000 per unit (total SDCs). If you are trying to build a single house on a lot that is not a big hit, but if you are trying to build density in our town center which is zoned for that and is where we need the customer base, it does not pencil out. If you are building 30 units on a piece of land and you have to times \$11,000 by 30, instantly that project is over. I don't think there is any developer that can pull it off.

Mayor Daoust asked so you are saying it is too high?

Councilor White replied and it isn't fair. It is not fair that 99% of the people in Troutdale paid zero for parks SDCs. We are all enjoying the benefits of the parks; I love the parks. A lot of the parks are from donated land or they were purchased so long ago that the price was really low. We don't even get to count Dabney State Park, Lewis and Clark State Park, the Sandy River Delta, the Gorge. There is so much area out here; that is the full attraction to this area it is not these little neighborhood parks that are expensive to maintain. How do you even put a park in these old established neighborhoods? There is no available land to put these parks in. That is why I brought up the fact that we need to have parking in these parks. I would like to see parking at College Nature Park because it is too far of a walk for someone who lives in Sandee Palisades.

Rich Faith stated we now have on-street parking that was built at our expense to provide parking for College Nature Park.

Mayor Daoust stated it appears that the LOS or our current SDC rate is too high just simply by looking at the CIP and the population estimates. There is a list of things that are not quite right with the current rate of \$7,500. If we said go back and redo the assumptions it would bring the rate down. Just that simple statement from the Council to make things accurate would bring the rate down. The only thing we were shown that would drastically bring the rate down is if we said we weren't going to buy any new parkland and that brought the rate way down to \$2,224. We haven't talked about anything in between. One of the questions that staff has asked us is how do we want to go about dropping the SDC rate if we agree it is too high. Some of us think it is putting a stifle on residential development, but I don't know that I agree with that; I tend not to agree with that. I think there are more factors coming into play that will stifle residential development more than a parks SDC rate especially when you look at all of the SDC rates combined which is what goes into the cost of a house. How do we want to revise

the SDC rate? I personally feel a little uncomfortable just slashing the rate arbitrarily. Is there some middle ground that we could consider other than slashing it arbitrarily, or making the assumption that we are not going to purchase any new land? There is some middle ground here that we haven't talked about.

Charlie Warren stated there are lots of ways that we could look at it. We could go back into the capital improvements list and delete projects. Right now we have about \$7.5 million worth of projects on our list and we only have about \$1 million in the bank right now. We can reduce that dollar amount by cutting projects and land acquisitions until we come down to any rate you feel is correct. We will probably want to take note of the fact that we do have parcels of property out there that have paid the SDC as it now stands, and some lesser versions of it. How will they react to this. If we reduce it what is their concern going to be about how we have reduced it.

Councilor Allen stated my brother-in-law works in construction and he is going to work, he is just not working here. What would it take to make Troutdale more attractive so that the places that are being built are attracted to build here? I would like to see trail improvement myself. I would like to see a good community park developed. What about taking some of the money that comes in with property taxes from new development and using that towards building the rest of the parks that we need.

Councilor Anderson stated we would need that for maintenance. That is general fund revenue that we would be taking out of the general fund and putting into an acquisition fund when the core problem is that we can't take care of what we have. That is my biggest concern. Councilor Ripma your argument was impassioned and I appreciate it but I am just concerned that we can't take care of what we have and until we can find a way to do that, to discuss \$1.1 million and how we are going to spend it and to discuss SDC's is to me pointless. We all love parks. I agree with everything that Councilor Ripma said about livability. I also agree with what Councilor White said, it is not just a CP Park, not just Columbia or Sunrise parks, it is Oxbow, Dabney, and the Gorge. All of that contributes to our livability. We can discuss, at a later date, a mechanism to maintain and enhance the current inventory. Whether that is through a user fee or a bond, we can have that discussion. Lets take the \$1.1 million and add a community park or a skate park in an area that it is needed. I am all for that. When that is all done we can discuss increasing SDCs to acquire future parkland.

Councilor Allen stated I think what we are talking about here is lowering SDCs to encourage development to bring in property tax revenue which would help maintain parks.

Councilor Anderson stated I am not subscribing to the theory that we are going to lower it as an incentive. I want to lower it because we can't take care of what we have. Unless something fundamentally changes where we re-direct a bunch of money away from one department into parks, because that is our priority and that is what we believe in, to have conversations about future acquisitions is pointless to me.

Mayor Daoust stated a lot of what is in the CIP does enhance our current parks. By adding vegetation, benches, and picnic tables we are working on enhancing our existing parks. I am a little hesitant to say that we have all this money, \$1 million, and we don't need to maintain it because I think we are going to want to do certain things in every park, not just maintenance but adding amenities so that people enjoy going to the parks that we already have. I think that list is going to stay there. We may want a skate park, or more picnic tables in some of the neighborhood parks. If we cut the rate right now and say that we can live with the \$1 million that we have and then we will consider buying more later, I don't know if that will satisfy our needs to keep our parks at the level we want them.

Councilor Anderson stated we can't afford to mow the lawn, we can't fertilize and we can't pick weeds. Sunrise Park is a slab of concrete after July 17th because we don't water it. That is my concern. Benches and things like that are great.

Mayor Daoust stated that has nothing to do with the SDC rate.

Councilor Anderson replied right but we need to take care of the small stuff before we worry about the big stuff.

Charlie Warren stated if the Council wants to give us some general direction to work on some reduction in the SDC rate like 10% or some number, we could go back and work on numbers and show you the impact of that on our CIP.

Mayor Daoust stated that is sort of the middle ground that I was asking for. I think most of us may be in agreement that we think the rate is too high. If you just simply look at the assumptions it is too high. If we were to say take an aggressive look at redoing the Plan that might be enough direction that may get it down to a reasonable number; I have no idea what that number would be.

Councilor Thomas asked are there still things in the Master Plan in regards to a new caretakers home at Glenn Otto Park? Those are the kinds of things that could potentially be taken out.

Rich Faith replied those are shown in the Glenn Otto Park Master Plan but they were not factored into the SDC methodology because the replacement of a caretaker residence was not considered a capacity enhancing improvement and is not an SDC eligible cost. Quite a bit of what is shown in this Plan is not factored into the SDC rate because it is more maintenance related and is not a capacity enhancing improvement.

Mayor Daoust stated but the \$2.9 million for Glenn Otto Park is still in there.

Charlie Warren stated SDC eligible is about \$1.5 million.

Mayor Daoust stated it is those big dollar items like \$1.5 million for Glenn Otto Park.

Councilor Thomas stated the likelihood of us actually doing it is pretty slim.

Charlie Warren stated a substantial amount of the cost of College Nature Park at Beaver Creek was the additional width there. That was a \$500,000 project and it is a very rudimentary park.

Councilor Wilson stated we have \$1 million sitting there and it seems like that number has stayed at that point for a number of years. It just seems like it is a lot of money but what you are saying is it won't go far and you are trying to prioritize for that \$1 million. But I also heard you say that a lot of the projects in here are not SDC eligible. I would like to look at the numbers and the SDCs and where they would go; pull all of the projects that are not SDC eligible out and see what we are really left with. I think that would help me.

Councilor Allen asked how much does it cost for one laborer to maintain parks in a season?

Charlie Warren replied including overhead, \$45,000 or so.

Councilor Allen asked and what would be the cost of a good community park for sports activities?

Charlie Warren asked purchasing it and all of the amenities?

Councilor Allen replied yes.

Charlie Warren replied a park like Columbia Park, probably \$5 to \$6 million.

Councilor Allen asked would that be conducive to the Strebin property if we were to do something there?

Charlie Warren replied you could either put two or three good soccer fields there, or three or four baseball diamonds there. That would be a couple million at least to develop that property even if we got the property for free.

Councilor Allen stated so an increase in development brings an increase in property tax and would make it real easy to maintain parks, but would not go very far in building a park like that.

Charlie Warren stated assuming that the general fund continues to support parks.

Councilor Thomas stated if you listen to what everybody says the average residential unit doesn't pay for itself in property tax revenue. It actually costs more than it brings in.

Craig Ward stated we really need to go back through the CIP as it applies to the SDCs. You need to work your way through that and ask yourself, is that reasonable? As we

start to remove projects, we may also add some projects. If we have an open conversation about what we need, I think what we just talked about regarding sports fields is a good example. Those numbers can add up very quickly. But if we start taking other projects off of the list than I think we can come to a more rational and consensus opinion about what is a reasonable SDC rate to pay for the capital improvements that you are comfortable with. Right now you are not even sure what some of those are.

Mayor Daoust stated that is where I am uncomfortable with this because I remember us going through much more detail in previous years when we looked at the parks SDC fund. We went through the CIP plan and that is how we came up with the current rate. We are not doing that tonight, and I didn't expect that we would. That is why I was asking for a middle ground somewhere and to actually go through and make sense of what we really need in the future. I am a little uncomfortable that we can't claim credit for all of the greenspaces and openspaces around us. I don't know how to build that in. I think somehow we should be able to claim credit for that.

Charlie Warren replied you really can. You can say that SDCs don't include any projects within those areas. But then you have to ask yourself, do you have any deficiencies. Those of you around the table have seemed to center on community parks, so it sounds like you are all saying that we still need to build in an SDC fee that will help pay for additional community parks and their amenities. You have already given yourself credit for it in that you didn't even establish a LOS for it; you just said we are already there.

Craig Ward stated you could easily take credit for a lot of that. At the beginning of the conversation Rich mentioned that the standards adopted were the national standards. We really haven't applied those. They may run through this assessment that we have done, but in the end when the Council said lets just cut that number in half they were really saying indirectly that we already have a lot of good parks around us and we don't need to conform to that national standard. We can go through that. I think that logic is a fair one. If we look at the standard that applies to community parks, neighborhood parks or special use parks, I think that is a fair rationale to say that we don't need as many parks as we thought that we did. However, the conversation here today suggests that in fact we may have under-budgeted and have a higher standard than we have adopted for community parks. I think we will need to schedule another work session and we can work our way through the list and have that conversation. It is a lot easier to pick a number and see what the impact of that number would be then to go all the way back through changing the original LOS for a neighborhood park and instead of using that national standard drop another number in there and then work your way all the way through the new analysis. That is a lot of work to go through. The important thing I think is what we are spending the money on, and that you are comfortable spending the money on those things. That is what Charlie was saying about going back and looking at the CIP and adjusting those budget expectations accordingly and then adopting a number that conforms that will fund those projects. I think that is the middle ground.

Councilor White stated I look at it a little differently. I think when we are facing over an \$8 per month park user fee I take that real seriously. I look at what we have in Troutdale

and I know how much money is left in the fund, I really think we are there. Glenn Otto Park is tremendously popular, but why does Troutdale have to pay so much for everyone else to come and use that park. Folks come from outside of Troutdale to use that park and one of the reasons for that is because it is one of the only parks that doesn't charge anymore. Most of the other parks charge to get in and use it. Maybe we should look at some other funding mechanisms that can take care of the Glenn Otto Park Master Plan so we can actually get some improvements done. There isn't enough buildable land left in Troutdale to generate enough SDCs; all it is doing is stopping us from completing our town and getting the customer base we need and attracting some industry to our area. Industry is going to get us out of this hole better than anything else. I don't think we need to start hiring more people to maintain these parks. Councilor Allen has suggested a hiring freeze at a couple of our meetings. We are in a situation where we need to take a hard look at this stuff. When we did a fee adjustment for the Troutdale's Open For Business Plan we didn't get any grumblings from businesses that had just opened and had to pay those fees. I didn't hear one complaint. We also didn't get a flood or rush of people taking advantage of it. To me that is an indication that even if we eliminated this parks system development fee I still don't think we are going to get a ton of people trying to take advantage of it. I would look at eliminating the fee similar to the way we eliminated all of the fees for the Troutdale's Open For Business Plan.

Councilor Anderson asked so you are saying eliminate it out for a year?

Councilor White replied there you go. That is my idea.

Councilor Anderson stated and then reinstate it at \$2,000 or \$2,225.

Councilor White stated it gives us a year to see what happens and plug in numbers and look at other fee mechanisms. We have to hire extra police to cover Glenn Otto Park during the summer. Troutdale has that sole burden for this entire area. Folks are attracted to that park because it is a beautiful beach and it is a great place, but it is also one of the only places that doesn't charge a fee. I am thinking that maybe there is a way that we can have a parking pass for our residents and charge non-residents to come in and use the park. That is just one idea.

Councilor Anderson stated I think we need to give staff some concrete direction to come back with.

Mayor Daoust stated some of that direction would be determining what facilities we want in the future in this City. Drop all of the other questions. What kind of park facilities do we want in the future in Troutdale? What do we want that we don't have now? I have heard a nice community park with ball fields and/or soccer fields or whatever to keep the kids busy with sports. I have heard a few comments on trails; keeping some of the key trails and not deleting them. What other key elements do we want in the city that we do not have now?

Councilor Thomas stated a skateboard park would be one that I would leave in there.

Councilor Wilson stated when they are reworking the Plan, so that I understand, they are going to pull everything out that is not SDC eligible.

Mayor Daoust stated that is part of it.

Rich Faith stated what you are talking about is rather than having what we call a standards driven methodology for coming up with a parks SDC rate, you are going with a project driven methodology. So we are not establishing a LOS, what we are saying is that we want this project, we will acquire this property as a community park which will have so many acres for a certain cost for acquisition and a certain cost to develop. It is a flat figure in terms of cost. You are basically building a capital improvement list and your whole methodology is built around projects and it is no longer about trying to achieve a LOS.

David Ross stated they are changing the methodology.

Rich Faith stated just so that you are aware, by statute if we change the methodology we will have to provide notice to at least the Homebuilders Assoc. and anyone else that has requested to be given notice that we are looking at a different SDC methodology.

Councilor Anderson replied I am fine with that.

David Ross stated it is the methodology that is supposed to drive the number and not the other way around.

Rich Faith stated if you decide that is how you are going to factor in costs in your methodology than you can certainly do that. You have to achieve a list of projects; if you are saying that this is what we want in our parks system.

Craig Ward stated the capital improvement list will tell us what the parks SDC rate needs to be to pay for the improvements. It is not the SDC driving the list, it is the list driving the SDC rate.

Councilor Allen stated I think the nature parks have to be included. We have plenty of park area.

Councilor Thomas stated we have already exceeded in the nature areas and what we are saying is that we are lacking in community parks. That is the part we need to figure out.

Rich Faith stated it doesn't matter how many acres of greenways, you are saying it doesn't matter what we have if there is a specific piece of property or specific natural area, regardless of how much we already have, we will identify that property and include it on the list.

Mayor Daoust stated I don't know that I was saying that, but actually that sounds like a good idea. The little pieces that we don't know about is how many picnic tables are needed in Kiku Park. We don't get into that level of detail, but they may be needed. I am not saying to drop everything and start all over.

Rich Faith stated we can maintain the existing tables that we have in the Plan that show the improvements and upgrades to our existing parks. We can keep those in there and in terms of any new facilities, new parks, then we add that as well. It all becomes project driven as opposed to standard driven.

Councilor White stated I am comfortable with that new methodology but I want to also remind everyone that I am comfortable with that as long as it doesn't require additional man hours for staffing. As we come up with this list I want it to coincide with our current staffing.

Councilor Allen (inaudible due to train passing).

Councilor White stated I am saying if there is room in our current staffing level to maintain this wish list, because that is what we are talking about is a wish list, then I am comfortable with looking at that. But if we are going to have to increase the staffing level to accomplish that wish list, I think we should answer that question before we waste any staff time looking at that.

Councilor Thomas stated that is almost apples and oranges.

Councilor White asked how is that?

Councilor Thomas stated if you add more stuff you have to add more maintenance.

Councilor White stated then I think we are breaking our own rules that we are trying to set.

Councilor Thomas stated we need to take more of a long-term approach. SDCs are really based on long-term not on a short-term budget. I understand what you are saying but if we are going to figure out what a viable SDC is to charge based on what the community wants, and they do want some of these things, then we need to figure that out.

Councilor Anderson stated I think there is a way to accomplish both, and I think you already hit it. I think (.....inaudible) we may take a year and say there are no SDCs and then kick it in for 2015. I don't think we are going to be in this position forever, but I think we are going to be in it for a little longer than we wish.

Councilor White stated I also want to look at new funding mechanisms like the idea I threw out for Glenn Otto Park.

Councilor Anderson stated I think that needs to be discussed at our April budget meetings.

Councilor White stated there are other ways that we can fund this is what I am saying.

Councilor Anderson stated I don't know if we can do it fully, but it can be a blend of an SDC and a user fee, or a bond. For the sake of this work session and what staff is going to bring back to us, I think this is a fair place to start. I like the methodology being project based.

Councilor White stated I do to.

Charlie Warren stated I have written down some of the key points that I have heard tonight (shown at the bottom of the last page of Exhibit B which included: what kind of facilities do we want in Troutdale; keeping key trails; rework CIP Plan; skatepark; project driven estimate of SDC; change method to project driven; include adjacent and nature parks in method analysis; maintain existing estimate lists but rework them; discuss new funding methods; maintenance is to be addressed; assume full build-out from our lands inventory - 1,200 additional houses).

Councilor Allen asked is there an objection to taking a portion of the increase in property tax from development to help buy picnic tables or whatever?

Councilor Thomas stated we do that in the budget process.

Councilor Allen stated it says that we aren't totally relying on SDC's for all upgrades and development.

Councilor Thomas stated based on the original list, if we did everything on the list it will take something besides SDCs to do that.

Councilor Anderson stated personally I would like to use any property tax general fund revenue increases for maintenance, lawn mowing, fertilizing, etc. The SDC fund or user fee, or whatever model we come up with, can take care of that.

Councilor Allen stated it is a considerable chunk of change. It will do more than maintenance.

Rich Faith asked in terms of us putting together a project list of what we believe is desired for the future parks system, is that something you want staff to do based upon all of the planning work that has occurred up till now, basically the 2006 Parks Master Plan?

Craig Ward stated it was certainly never my intention that staff try to cook up a list of what we think Council will like. My expectation is that we will take the list that Charlie has and we will work our way through that list and find out what Council likes from that.

We can amend that as we go if there are things like a skate park that you want to add and we can talk about what the costs are for that. I don't want the responsibility of trying to guess what Council wants. We will start from the list that we have and you can tell us what you like.

Councilor Thomas stated I am sure that the Parks Advisory Committee will have something to say about this.

Rich Faith stated that is where I was going with my question. How much additional effort do you want to try and gauge what the community wants? We can base it on the current CIP and the current Plan, or do you want to ask the community which is a much bigger effort.

Mayor Daoust stated I wasn't necessarily thinking that. When we talk about a community park with ball fields and soccer fields, I am thinking of the Strebin property, which is already in the Plan. When I talk trails, I am talking about the trails that are already in the Plan. I don't think we need to reanalyze it.

Councilor Allen stated I would agree with the Mayor.

The majority of the Councilors voiced agreement.

Councilor White stated something that would help me is to see what potential inventory is left in Troutdale for building residential units.

Rich Faith stated based on our last buildable lands inventory we project that approximately 1,200 additional housing units could be built if built to the maximum density allowed.

Councilor Thomas asked do you know how many acres that is?

Rich Faith replied no. You have to understand that there are assumptions made. For example in our mixed use zones like the Central Business District (CBD) that allows both commercial and residential, we have to make certain assumptions of what percentage of the lands that can be developed in the CBD will develop as residential versus commercial. We can tell you how many acres we have in each of the zones

Councilor Thomas stated it would be helpful.

Charlie Warren stated with that assumption that assumes an approximate population of 19,000; that is the direction that I am hearing.

Councilor White asked with that build-out number are you looking at all land or are you looking at the individual parcels and determining slopes, wetlands, and setbacks? Is any of that calculated in?

Rich Faith replied it is already factored in.

Councilor White asked how do you do that without a survey?

Craig Ward replied it is rough estimates based on the various maps that we have and the overlays and we essentially delete those areas.

Rich Faith stated that is right, the flood plains, streams and all of that are removed out of that acreage.

Councilor White asked I thought the fund was well over \$1 million? What is the exact number if we had everything paid back?

Rich Faith replied according to Erich Mueller we currently have roughly \$830,000 right now. Looking at reimbursements that we will be receiving along with other expenditures that we will be making, our best guess is that by the end of this fiscal year (July 1, 2013) we will have anywhere from \$1 million to \$1.1 million of actual ready cash in this fund.

Charlie Warren stated if you look at our current budget it shows a larger number because it includes the Metro bond money. That is misleading. Next to each line item if it says Metro bond than that is money that is not included in the SDCs even though it is in that fund.

Mayor Daoust called for a break at 8:25pm and reconvened at 8:37pm.

(Councilor Ripma temporarily left the meeting)

3. Alcohol Use with City Building Rentals

Charlie Warren stated Exhibit A of the staff report is a letter that the Council received from Caswell Gallery in October of 2012 requesting permission to serve wine and beer at the Sam Cox Building and it described the types of events that they were proposing. That led to a discussion where staff needed to go back and research the implications of allowing alcohol in the Sam Cox Building. We currently have a resolution stating that no alcohol can be consumed in the Sam Cox Building. In 2005 the Parks Advisory Committee (PAC) was asked to address this issue due to the number of complaints about alcohol use in that building. At that time there were private parties being held in the building where alcohol was causing the event to get out of control and was putting a significant burden on our police department. In addition the maintenance of the building was suffering and it continually spilled out into the park. The Council listened to the PAC's recommendation which was at the time a limited allowance for alcohol. The Council discussed the issue and decided to pass Resolution #1975 which completely eliminated alcohol in the Sam Cox Building.

The issues, as I see them, are that we have less parks employees today than we did at the time this decision was made and so the concept of adding another burden to staff might be very cumbersome. However, the Council could allow this type of request by

having requests for these types of events brought before the Council for approval on an individual basis. What we would be talking about are events of citywide interest (definition provided in Exhibit D of the staff report). A particular event, which would be a private event, would have to allow the public to attend. It could be a meeting, activity or gathering of people that is not a community event or a special event, and we could allow alcohol (beer and wine) in the Sam Cox Building under certain provisions.

Remember our current ordinance does allow alcohol in our parks subject to the directors authorization and the permitting system. There is proof of insurance required and a lot of other measures necessary.

I see a number of concerns from staff. Allowing alcohol in the Sam Cox Building might cause further stretching of our abilities, but there are legitimate benefits to this proposal, which is a promotion of business. You need to know that it won't just be this business that will be applying for this. I am asking that you discuss what the real ramifications are. I think it should be a broader discussion than just that of Caswell Gallery.

Craig Ward stated this morning the Police Department has recommended that we retain the existing prohibition.

Councilor Anderson stated I would like to suggest to the Council that we move forward with adopting a resolution for alcohol in the Sam Cox Building with some conditions. The reason I say that is because this is an area that could be a potential revenue driver for us. I read the minutes from 2006 and at the time it sounded like it was out of control. It sounded like it was too far in one direction. People would just come in and they could bring their alcohol and they could trash the place and leave. The caretakers were completely overwhelmed and they complained, rightfully so.

(Councilor Ripma rejoined the meeting via phone at 8:42pm)

(Councilor Anderson continued) So we went the complete opposite direction and prohibited alcohol. I think there is the middle ground and this is what I would like us to move forward on. Having that building available for rental for events is a revenue driver. If that person or that party desires alcohol they would have to contract with a city preferred vendor with an OLCC license and servers with OLCC permits. That vendor would provide the alcohol, provide the service and most importantly provide the liability and indemnify and hold harmless the city. They would have to assume all of the risk of someone leaving the Sam Cox Building intoxicated. Furthermore, we can cover any damage to the building through a security deposit. We can raise the rates. If you trash the place you will not get your deposit back. To me this one is simple. It is simple to bring forward in a resolution if we all agree to do that. The key components to my idea is that if we are going to do this whoever has alcohol in that building has go through an OLCC licensed supplier and have it served by OLCC licensed servers, and the supplier has to absolve the city of liability.

Councilor Allen stated I don't remember if I was at the 2006 meeting or if I saw it on television, but I do remember it. I agree with Councilor Anderson that it seems like we went from one direction to the other. When you go to a party and alcohol is a main attraction of the party, I am thinking of times in my history like college campuses, just outside the military gate, etc., typically a percentage of the people do get out of hand and it does become a mess. But how many of us have gone to a wine tasting that got out of hand? How many of us have gone to one of Rip's wine tasting and art shows that have got out of hand?

Councilor Thomas stated I have been to some wine tastings where people have got out of hand and had to be removed.

Councilor Allen asked any here?

Councilor Thomas replied no.

Councilor Allen stated I personally haven't come across wine tasting events that have got out of hand. I have come across parties that do get out of hand with alcohol. It has more to do with the purpose, the reason people are there and why they are drinking as to how much they consume and how they behave. I just wonder if there is a way to regulate that and Councilor Anderson had some ideas.

Councilor Ripma stated Councilor Anderson's idea sounds good to me in that it deals with the main worries that were brought up several years ago when we banned alcohol. The idea of a wine tasting getting out of hand, occasionally they do, but you can call anything a wine tasting. To me the beauty of Councilor Anderson's idea is that it has some other responsible licensed party serving the alcohol. That really takes it out of the realm of a wild party, whether they call it a wine tasting or not, and puts the use of alcohol with parties who are more than likely to be responsible.

Councilor Wilson stated the wineries that come in are not going to be on our preferred list. Are we going to get them on our preferred list if they will be having a wine tasting there?

Councilor Anderson replied whoever serves the wine and however the wine is procured, it has to be procured by an OLCC licensed dispenser.

Councilor Wilson stated but you said a city preferred.

Councilor Anderson stated we would have a preferred list of vendors. If you are going to rent this building and serve alcohol you will have to go through one of the folks on our list.

Councilor Allen asked can we do that?

David Ross replied no. I think what we would have to do is come up with a definition of a licensed vendor as opposed to having a preferred list. I think your point is that it would have to be a licensed vendor with insurance. We would also ask the applicant for the permit to indemnify us as well.

Councilor Wilson stated this started because Rip wanted to hold an art and wine dinner at the Sam Cox Building. In this list it says that it would have to be open to the citizens of Troutdale. If I remember correctly Rip wanted to send out invitations to people inviting them to this dinner. What Rip is asking for is different than what is being proposed.

Councilor Anderson replied right. That is why when I brought forward my proposal it reflects that. It reflects what Rip wanted to do originally.

David Ross stated similarly situated people have to be treated in a similar fashion. You can't say to one person that it is okay for you to have a private event that serves alcohol, and not treat other people the same way. In order to avoid the private situation, staff's suggestion is if you are inclined to do this that you limit it to events of citywide interest. You would not be able to have a private, invitation only wine pairing event, but you also won't be able to have another private event there by another private individual because it would have to meet these certain criteria and council would have to approve it.

Mayor Daoust stated I don't quite understand why we care if it is a private function with invitation only or whether it is a more public function. They are renting the building for whatever they want to use it for so why do we care about that?

Charlie Warren stated one of the problems that we had was with private parties, wedding parties and those types of things. You spoke to the issue of why people come to an event. If it is a wine tasting event that is one thing, but if it is a wedding how many of us have been at a wedding where someone gets out of control. If you allow it you have to allow all people who provide the vendor to apply. Now we are right back where we were. Even though you have a vendor who is going to fix the problems, it is no longer a guarantee that it is going to be a revenue producer. We will be fixing the Sam Cox Building.

Councilor Anderson stated but we can charge deposits to cover against the loss.

Charlie Warren replied sure.

Councilor Anderson stated we can put agreements and contracts in place that state if they rip the toilet out of the ground it will cost you \$5,000.

Charlie Warren stated and you have seen the photos of what was happening. We will be making those kinds of repairs.

Councilor Anderson stated and they will be paying for it. We can cover that contractually.

Charlie Warren stated but it takes staff time which right now we don't have.

Councilor Anderson stated but if there is revenue backing that up perhaps we can hire more staff.

Craig Ward asked are you suggesting that we charge an additional amount for the rental of the building?

Councilor Anderson replied yes.

Craig Ward stated I didn't hear that in your proposal.

Councilor White stated only if they are going to have alcohol.

Councilor Anderson replied no. This is a great building. Dick and the building division did a wonderful job with that kitchen. We should market it and encourage people to use it for events.

Craig Ward stated you are suggesting that we simply increase the rate for rental of the building across the board, not specific to this.

Councilor Anderson replied yes.

Mayor Daoust stated we could look at having a larger security deposit for events with alcohol.

Councilor Anderson replied right. My point is that we have a revenue generator sitting there and I believe we have a mechanism to overcome the objections on allowing alcohol, and address the liability issues.

Charlie Warren stated to clarify, it sounds like you are saying that we not only have a larger deposit, but we would also have a revenue producing fee that we would charge that is not refundable.

Councilor Anderson replied yes.

Councilor Allen asked what if one of the approved vendors doesn't do a very good job, can they be removed from the list as being an option?

David Ross stated I am not proposing that we have a list of vendors. I am saying that we have qualifications that any vendor must meet.

Councilor Allen asked if I am a vendor who meets the qualifications, does a party there but we are not happy with the way that it turned out, can we say that we are going to deny them future parties because of the way they handled the last one?

David Ross replied that would depend on any number of factors. It would also depend on how we actually draft it.

Mayor Daoust stated but we are not the ones picking the vendor, the people who want to rent the building are picking the vendor.

David Ross stated but the question is if you have a vendor that meets the qualifications and the vendor doesn't do a very good job and then the next private party that comes in and wants to use that very same vendor, then we might be stuck.

Councilor Allen stated I am wondering if based on performance can we say no.

Councilor Thomas stated we discussed a lot of the same issues when we talked about this several years ago. It really boiled down to the fact that it is not just that event, it also effects when you have an event coming in the next day. If the building has been damaged and there is another event scheduled the next day then you lose the revenue from that event. When we did away with the alcohol we really didn't lose any rental revenue. It is a community park and it is designed for the community. It is not just that building. I liked what Rip Caswell proposed, but it was really around a specific private event. You are talking about using city facilities and you are talking about alcohol. You can charge all the fees you want, but if you have ever been in the rental business and someone destroys your property it costs a lot more than you can ever collect to repair it. The police department is saying that they don't recommend allowing alcohol and the parks department is saying they don't want to deal with it. I don't see any reason for us to go back and reopen up this can of worms. If someone wants to have a private party there are places in town where they can get space to hold a private party that will meet their needs. I don't see a need for us to go ahead and open up the public parks and make it a community event. I have been through that process where someone comes in and says they want their event to be a citywide event and the Council generally says yes and we couldn't justify it if we wanted to. It is not all about revenue; it is about protecting that piece of property and making sure that it is available for everybody. If we need to charge more fees to cover the cost of running the property that is a separate issue from dealing with the alcohol. I don't see a reason for us to open it up for alcohol.

Mayor Daoust stated good point. Although when Rip came in and talked about what he wanted to do the general sensing of the Council was we didn't have a problem with what Rip wanted to do, we just didn't know how to handle it because we didn't allow alcohol. His idea sounded plausible and doable if we were to allow something like that. What Rip suggested that the Council consider is the same thing that Councilor Anderson is suggesting. The only thing Rip didn't address is increasing the fees. That leaves us with how do we narrow it down to groups that wont damage the building.

Councilor Thomas stated I don't know that we can.

Councilor Wilson stated I think we are going to end up limiting the groups that may have destroyed it in the past by having the requirement of paying someone to be there to serve the alcohol. I think the parties that were taking advantage of it would say that they were going to have 200 people attend and then have 300 people show up.

Mayor Daoust stated they brought their own alcohol and served it themselves.

Councilor Wilson stated I think this will stop those kinds of groups from coming in if they have to hire someone to serve the alcohol.

Councilor Allen stated in the worse case they rip out the toilet then there would be fees charged that would include more than the cost of the toilet like lost rental income and staff time, etc. If that vendor didn't pay the fees associated with the damage, couldn't they be prevented from renting the building again?

David Ross asked who is responsible for the damage, the person who rented the building or the liquor vendor?

Mayor Daoust replied typically the permittee.

Councilor Allen asked can you make it either one or is there a legal thing that says it has to be one versus the other?

David Ross replied you will have to sue them for the money. I don't know that you will find many vendors that are going to guarantee the behavior of the people who are at the party that they don't know.

Councilor Anderson stated I think we are all afraid of the worst case scenario and that is good, but we are focusing way too much time on the worse case scenarios. There are places that do this day in and day out and they are profitable. For example Lakeside Gardens...

Councilor Thomas interrupted and stated they are a private organization.

Councilor Anderson replied I understand. The methodology is the same.

Mayor Daoust stated why don't we open up the conversation to those individuals here with knowledge on this topic.

Stayce Blume, owner of Skyland Pub, stated I think it is a great idea. Based on what I know from living here for the last 10 years and having attended weddings at the Sam Cox Building where alcohol wasn't allowed, it detracts a little from the celebratory portion of the wedding because folks want to have a toast. I will be honest, if you think people aren't sneaking alcohol in to your building you are sadly mistaken because

people are walking out of there drunk with your ban on alcohol. As far as being someone who does this on a regular basis it is the best way to go because we are licensed by OLCC and we should know what we are doing. We do carry the insurance. If someone is over-served it is our responsibility to cut them off. Completely indemnifying is difficult because if they trip in a pothole; there is a general liability issue that is always going to sit with the city as a whole based on it being your facility. As far as the liquor liability, of course that goes with the vendor. I have served many parties off-site and transferred my insurance and had to answer multiple questions for OLCC to make them happy and so they are aware of what is going on at the event. It is not as easy as someone just asking us to serve alcohol, there is a huge process behind it. It is an exciting opportunity for businesses in this area that do this for a living. I think the word wedding should ring your revenue bell. You throw wedding onto anything and you can charge for everything. You can charge deposits for cleaning. All of these things can be covered ahead of time by contracts. They could have their own wedding planners that are responsible for making sure that the facility is left as it was when they arrived. I think there are a lot of really great things that can happen with just that kind of opportunity. I also think that beer and wine is a good start. I think opening it up to full alcohol might be a mistake. I think it is exciting.

Mayor Daoust stated I was on the council when we voted to ban alcohol. This time around I am thinking that we can add enough language and deposits and restrictions to try it out, and that we will automatically limit the groups with alcohol that want to rent the building by the amount of fees we are going to charge. If you are going to have alcohol at your party we are going to charge a cleaning deposit, security deposit for damage. Fees like that will restrict who brings alcohol into the building. Something similar to what Councilor Anderson brought up would be a good way to go about it, which is the same thing that Rip Caswell recommended. I do like the idea of just trying it with beer and wine first. We might make more money for the Sam Cox Building by increasing the fees also, but that is a separate work session.

Councilor Allen stated I would agree.

Councilor Anderson asked so this will be brought forward as a resolution?

Mayor Daoust stated the only thing we haven't discussed is the fees and deposits.

Charlie Warren stated you could state your wish that staff come back with a presentation to Council and we will show you what our recommended fees are and what the resolution would look like.

David Ross stated and what the rules would be.

Councilor Thomas asked should we have the Parks Advisory Committee look at it?

Councilor Ripma stated I heard the discussion on increasing the fees for the building but I couldn't get a clear understanding. Are you talking about increasing the fees for the

groups that book it for alcohol with the restrictions that we are talking about? Is that what you are talking about?

Councilor Anderson stated hypothetically, if we wanted to have a wedding reception on a Saturday night we could probably charge \$2,500 for the building and a host of deposits for cleaning and security, and we could probably rent the building out every Saturday.

Councilor Ripma asked we wouldn't increase the fees that we charged for groups that are not having alcohol?

Councilor Anderson replied we can discuss that.

Councilor Ripma stated we went through a huge process to establish the fees that we are charging now. I think the fees that we are charging now for the building are fair, but I would agree with an increased fee for the groups that want to have alcohol under these new more stringent rules. I would agree with that. I just don't agree with increasing the other fee. That is outside the scope of this discussion.

Mayor Daoust stated maybe we could leave all of the basic fees alone and just deal with the increase in fees with the cleaning deposit and a security deposit. Leave the base fees alone.

Charlie Warren stated that takes away the profitability.

Councilor Anderson asked how would that be when you are getting \$2,500 for a wedding reception?

Charlie Warren replied the recommendation is to stay with the existing fee structure.

Councilor Anderson stated we can't do that.

Councilor Thomas stated for non-alcohol.

Charlie Warren stated okay, if that is the clarification.

Councilor Thomas stated we use to charge two different fees, one for alcohol use and one for non-alcohol use.

Mayor Daoust asked does staff want to work up some fees?

Charlie Warren replied we can work on that. I think it is going to take some research.

Councilor Allen stated it seems like it should reflect what our costs are going to be.

Charlie Warren stated we will have to consider whether or not we need a staff member present whenever there is an event like that. Privately owned venues provide a staff member to protect their interests.

Councilor Thomas stated we had people come in and say that there were going to provide their own rent-a-cop. It sounds like the city attorney really wants police staff and that is a whole different cost. I personally wouldn't want to see a rent-a-cop. I want someone with authority who can enforce the laws.

Charlie Warren stated we will talk with our police department.

Councilor Thomas stated I wouldn't necessarily throw out looking at the fees. I would imagine that the PAC would want to look at the fees. It is one of the cheaper buildings around.

Mayor Daoust stated the staff report said should the Council be inclined to modify the prohibition of the use of alcohol staff would recommend that we impose permit conditions including:

- Limiting the use of pre-designated events of city-wide interest. ***We are not saying that.***
- Possessing and consuming all alcohol inside the building only. ***We could stick with that.***
- Requiring an enhanced security deposit. ***We already talked about that.***
- Limiting the number of individuals that may attend the event. ***We didn't discuss that at all. Councilor Allen stated that is a Fire Marshal requirement.***
- Require alcohol monitors that have attended an OLCC class for alcohol servers. Obtaining insurance and provide evidence of an endorsement satisfactory to the City's Risk Manager that lists the city as an additional insured. Not causing any damage to the building or adjacent city property. Restoring the building to the condition it was in prior to its use. ***Those all sound reasonable. I think we all agree with these.***

David Ross stated that is not an exhaustive list.

Mayor Daoust stated no, but I noticed that you did develop a list of your own.

Charlie Warren stated yes. The only one that you disagreed with was the event of city-wide interest.

Councilor White stated when you look at the fees I know that we give residents a break. I would like to see that occur under this fee schedule as well.

Craig Ward stated for our recreation program we charge an additional fee for non-residents.

Councilor White asked did that get changed.

Rich Faith replied you are right Councilor White. We have two fees; one for non-profits and Troutdale residents and one for non-residents for rental of the Sam Cox Building. I am hearing that you want to look at this fee structure which in the past has been under the purview of the PAC.

Charlie Warren stated in this case it will be businesses, so whether or not it is a local business, not necessarily where the owner of the business lives. We will have to discuss how that works.

Mayor Daoust asked does the Council want to send any part of this to the PAC?

Councilor Allen stated I would think that staff would be able to do it.

Councilor Thomas stated I think it should go to the PAC.

Councilor Anderson stated I think staff can do it.

Mayor Daoust asked Rich were you talking about the fee structure more than the Sam Cox Building, right?

Rich Faith stated I am saying that in the past the fees have been reviewed by the PAC and they are generally the ones who have made recommendations as to what they would like to see the fees set as. Obviously you can modify those. In my time here they have always been reviewed by the PAC.

Councilor Thomas stated I think they should continue to be reviewed by the PAC.

Mayor Daoust stated we are just talking about the Sam Cox Building period.

Rich Faith stated the fees that I am talking about are for the rental of the Sam Cox Building as well as the City Conference Building.

Councilor Wilson stated what I understand from Councilor Ripma, and I thought that we agreed on, was that we weren't going to change the rental fees for non-alcoholic use. So those fees would be the same and the fees for groups with alcohol would just be the enhanced fees. We don't have to review what our everyday rental is, just what the enhanced fees are for alcohol use.

Councilor Anderson replied right.

David Ross stated another item to put on your list Charlie is people who want to rent it to serve alcohol in conjunction with retail sales.

Charlie Warren stated that already applies. For instance on First Fridays they use Mayors' Square for sales of alcohol. So it is allowed in parks.

Mayor Daoust stated I am hearing a consensus from the Council that staff can take care of what we are asking you to do and maybe the PAC should be invited to the meeting where we discuss this.

Councilor Thomas stated I think it is a courtesy that they should at least know about it.

Mayor Daoust stated that is what I am saying.

4. Adjourn

Meeting adjourned at 9:20pm.

Doug Daoust, Mayor

Approved February 26, 2013

ATTEST:

Debbie Stickney, City Recorder

Copies of the attached exhibits can be found in the January 15, 2013 Meeting Packet in the microfilm.