

**MINUTES**  
**Troutdale City Council – Regular Meeting**  
**Troutdale City Hall – Council Chambers**  
**219 E. Historic Columbia River Hwy.**  
**Troutdale, OR 97060-2078**

**Tuesday, April 23, 2013**

**1. ROLL CALL, AGENDA UPDATE**

Mayor Daoust called the meeting to order at 7:00pm.

**PRESENT:** Mayor Daoust, Councilor Ripma, Councilor Anderson, Councilor Thomas, Councilor White, Councilor Allen, Councilor Wilson, and Honorary Mayor Venezia Titus.

**ABSENT:** None.

**STAFF:** Craig Ward, City Manager; Debbie Stickney, City Recorder; David Ross, City Attorney; and Charlie Warren, Public Works Director.

**GUESTS:** See Attached.

Mayor Daoust asked is there an agenda update?

Craig Ward replied yes. We have a revision to Item #4.2. The title of that resolution should read: A resolution authorizing the City Manager to sign a Termination of Irrevocable Residential License with Jeffrey Thomsen which allowed an encroachment on City property and rescinding Resolution No. 1722.

At your last meeting Council directed that an item be put on tonight's agenda regarding submittal of a grant application to Metro. However, between the last meeting and tonight the deadline for submitting that grant application expired. This is just an update for the record as to why that item does not appear on the agenda.

**2. RECOGNITION: 2013 local winner of the "If I Were Mayor..." Contest.**

Mayor Daoust stated tonight is a special night because we have the local winner of the "If I Were Mayor" contest, Venezia Titus. Venezia is a 5th grader at Sweetbriar Elementary School. Venezia's teacher Lori Neely is here this evening, as well as her family. The reason that we picked Venezia as the winner was because of the poster that she made. Mayor Daoust showed the audience members the poster and read the following statements that Venezia included on her poster:

If I Were Mayor...

- I would make sure that the parks had sturdy structures because some parks have non-sturdy structures and it is not safe for kids to play on them.
- I would make sure roads get cleaned every once in awhile.
- I would make schools serve healthy fresh foods - why, because over 30% of the kids get sick from school lunches.
- I would make sure that all parks have enough trash bins for the maximum number of people.
- I would have some library teachers to help with homework because most kids struggle with their homework.
- I would help make donations to places that need it - why, because some places need help to raise money for supplies.

### **3. OATH OF OFFICE: Reserve Officer Salvador Fuentes.**

Mayor Daoust administered the Oath of Office to Reserve Officer Salvador Fuentes.

Chief Scott Anderson stated it is not often that you get the opportunity to swear someone in and have them hit the street working as a reserve officer the very next day. We have that privilege today. Some of you might recognize Salvador because he was a reserve officer with us a couple of years ago. His job took him away from us, but as luck would have it his job changed again so we have him back. Salvador has been very instrumental in putting in hundreds of volunteer hours as our reserve officers do. His education is very important to him so he is continuing towards earning his degree. Congratulations and welcome back.

### **4. CONSENT AGENDA:**

**4.1 ACCEPT MINUTES:** March 19, 2013 Work Session

**4.2 RESOLUTION:** A resolution authorizing the City Manager to sign a Termination of Irrevocable Residential License with Jeffrey Thomsen which ~~to~~ allowed an encroachment on City property, and rescinding Resolution No. 1722.

**MOTION: Councilor Anderson moved to adopt the consent agenda. Seconded by Councilor Thomas. Motion Passed Unanimously.**

### **5. PUBLIC COMMENT: Please restrict comments to non-agenda items at this time.**

Jay Ellis stated I am trying to build a house and driveway in the City of Troutdale and anything that Council can do to help facilitate that situation I would greatly appreciate. It has come to my attention that there is a residential code that allows phased in development - R106.3.3 - Phased in Permitting. I think that would let me accomplish what I am trying to do. I would like to build 3 or 4 houses in Troutdale. It has been very difficult to accomplish that task. I would like the Council, as a policy, to give some

direction to staff to say it is okay to go forward with this project. I would just like to get a green light on this project.

Cari Hachmann introduced herself. She is the new small cities reporter for the Gresham Outlook.

**6. PRESENTATION:** A presentation by the Port of Portland on development plans for the Troutdale Reynolds Industrial Park.

Lise Glancy, Port of Portland Regional Government Relations Manager, showed the Council a PowerPoint Presentation attached as Exhibit A.

Lise Glancy stated I first want to give you a little bit of information about the Port. The Port of Portland was created by the Oregon Legislature in 1891 to maintain Oregon's navigation channel. Over the years our role has expanded. The Port owns three Airports - Portland International Airport, Hillsboro Airport and the Troutdale Airport. We also own 4 marine terminals and 5 business parks. The Port's mission is to enhance the Region's economy and quality of life by providing efficient air cargo and air passenger access to global markets. Although perhaps best known for our aviation and marine portfolio, the Port has a history dating back 50 years in industrial development. With the lease and sale of Port owned industrial properties the Port's supply of industrial land has been reduced significantly. To address this issue, and to support the economic vitality of the Region, the Port made a strategic decision to increase its role in industrial land acquisition and development. In 2007 we acquired the former Reynolds Metal Superfund site in Troutdale now known as Troutdale Reynolds Industrial Park (TRIP). In 2011 we acquired the former LSI Logic site in Gresham now known as Gresham Vista Business Park (GVBP). The Port, working in partnership with East County communities, is striving to make these sites available for developments that bring jobs and tax base to our region.

Ken Anderton, Industrial Development Program Manager for the Port of Portland, stated I have the great job of bringing property online to create jobs for our future generations. Ken gave an overview of the TRIP development and the GVBP development (slides 6-16 of Exhibit A).

Ken Anderton stated the TRIP property is a very difficult site to develop. It is bound by the Columbia River and the Sandy River. It is also located adjacent to an airport, major high-tension power lines, and a natural gas pipeline. It is also a Superfund site. We have had to get a lot of partners onboard to help us in this endeavor including the City, State, and Federal Government.

Councilor Anderson stated TRIP is critical to Troutdale. It is about all we have left in terms of large scale development. Is there anything that the Council can do to assist the Port?

Ken Anderton replied essentially we need to keep talking. There are some regulatory hurdles we need to get through in terms of the wetlands. We have the Governor's

Regional Solutions Team helping us at TRIP and GVBP. They have been able to help us with other agencies to prioritize looking at our permits and helping us to bring the site to develop ready status. I am sure there will be times in the future where we will call on you and ask you to support us, but right now things are going smoothly other than the interaction with the FAA, but we feel like we have a good game plan to deal with that.

Lise Glancy stated Craig Ward has been part of the Regional Solutions Team work and we appreciate that.

Councilor Anderson stated your timeline seems ambitious. Do you think you can achieve it?

Ken Anderton replied it really depends on when that joint permit application gets submitted. I have been told it is the third largest joint permit application that the State of Oregon has ever done from the Divisions of State Lands perspective. It is very complicated. With the interaction of the airports it takes more time to go through those issues. There is a chance that the roadway construction could slip a year, but we are trying to push it. Probably the most that we would be looking at is a year.

Lise Glancy stated not to undo what Ken just said because I think his caution is a good one, but the Federal and State regulatory agencies have been very supportive of moving the joint permit application forward. It is the FAA issues at this point.

Mayor Daoust stated in the past we have had opportunities where developers want to come in and the Port gets involved and puts forward TRIP and GVBP to these potential developers. It would probably help if we got together and talked about how to strategize and how to handle those meetings. The last meeting we had was handled fairly well but I thought it could have been more practiced. We could have talked before hand to decide how we were going to approach the meeting.

Lise Glancy stated we would be glad to do that. We actually discussed that with our marketing team.

Ken Anderton replied I participated in that last meeting and I agree. I talked to Business Oregon as well. I think it would be good for the Port, Troutdale and Business Oregon to all get together and go through some dry runs with our potential pitch.

Councilor Wilson asked could you clarify what a foreign trade user would be?

Ken Anderton replied essentially you have companies that come in and they bring in certain components and they can enhance the taxation benefits. For example if you have a cell phone and then you bring a battery in, if you bring those in independently your taxes might be higher from a federal import tax. But if you bring them in under a federal trade zone and ship it out as a completed cell phone there are certain advantages to that as a completed product. That is what we try to pitch. Our goal is to bring more jobs to our local area and that is what the foreign trade zones are meant to accomplish.

Councilor Allen stated it is not uncommon for us to be talking to the public and run across people who live here but end up commuting to the west side for job opportunities. They complain about the length of their trip and how much time they spending driving and fuel costs. Yet when companies are looking for sitting opportunities and they compare the east side to the west side for tax advantages they tend to go to the west side. Have you identified anything that can make the east side more competitive so people can live and work here?

Ken Anderton replied having industrial property that is shovel ready. What we have found is that a company has a very short timeline to make a decision on a site because they want to get up and running. You need to have sites that are ready to go so they can get permits quickly and know what services are available upfront. Another issue is workforce. I think East County competes well with having an able workforce. Having access to interstates systems and being close to PDX for air travel and air cargo opportunities also helps. I think you just have to play up the strengths. Acknowledge that there is stiff competition out there so wherever you can beat the competition in terms of fast permitting and being faster than the other guy is the best way to accomplish it.

Councilor Allen asked have you taken a look at the last few companies that sited to find out what their reasons were?

Ken Anderton replied we try to do that but a lot of times they keep that pretty close to themselves. Where possible we will ask them why they went somewhere else. The state does the same thing through Business Oregon.

Mayor Daoust asked how does the Port feel about the FAA wanting to close the Troutdale Control Tower and what is the Port doing about that?

Steve Nagy, General Aviation Manager for the Port of Portland, stated the FAA backtracked on their decision about shutting down 149 of the towers where the FAA contracts with private companies to provide the air traffic service and Troutdale is one of those. There are three other airports in the state. In the discussions we were having with the FAA, along with the other 148 towers, it was pretty obvious that they had not followed a lot of their own policies towards the closure of these facilities. They had not done the completed safety analysis or any of the other documentation that follows any type of typical decision process. So they have backed away from their April 7, April 21 and May 7 dates of these closures and moved it all to June 15th. The Port is very concerned about this mainly because right now the Troutdale Airport is doing about 100,000 flight operations a year, which puts it in probably the top five airports in the State of Oregon. You can see the arrivals to Portland coming over the top of Troutdale so there is a complexity to these two airports and the airspace they share. We are not certain that when the FAA did their initial evaluation at the headquarters level in Washington that they were fully aware of the complexities of the interactions of these two airspaces. We are in the process of joining a suit among the Contract Tower Association of 148 airports to stop this action with the Federal Government. We are also

in the process of joining a more local suit where we will be petitioning the FAA for review and reversal of this. We are not certain that this will be successful. Our federal lobbyist and folks that represent the Port in Washington are working very hard to make sure that in the incoming federal budget, starting in October, that funding for contract towers is resumed. Right now we are working on three tracks: 1) we joined the national suit; 2) we combined with about a dozen western states who are in a similar situation; and 3) we are also asking for a review based on the unique circumstances that we have with the interactions of these two airports and their airspaces essentially lying over each other. We are not certain that they followed their full measure of review that would normally go into something like this. As a example when there was discussions about this related to Pearson Airport in Vancouver, which is a slightly shorter distance from PDX but the opposite direction, that process took about 1½ to 2 years to review the airspace issues and the interactions between the two. We are petitioning them to review this with that level of intensity as well. We are very hopeful that we get their attention.

Councilor Wilson asked would it help if the Troutdale City Council wrote a letter in support of keeping it open?

Steve Nagy replied I am not certain that it would make a difference with the FAA and here is the reason why. Both our Oregon delegation and the Airport Management Association of Oregon are outreaching to our Congressional Delegation telling them that this type of action, this sequestration, is not the best way to do this. Essentially solving the funding issues is what really needs to be done. When the FAA first put it out that they were going to close these towers, they established three undefined points of criteria. The only way that they would maintain or reverse their decision on one of the original 180 tower closers, which they have since reduced to 149 towers, is that it had to pass the threshold of national significance. It wouldn't matter if closure of the tower had harm to the local economy or the local area; it had to rise to the level of national significance for them to reverse their decision. We are making the case that it has a national significance. If there is any interaction between these two airspaces that causes some type of delay or closure of the Portland airspace as a result, it would have national significance if it ripples throughout the entire system affecting domestic as well as international travel. We feel that they didn't take that into consideration. They aren't really looking at a local level unfortunately. We can't make the argument on just the local significance; we have to tie it to the national significance. But certainly we are outreaching to our delegations to express the concern about funding.

Lise Glancy stated I think it is clear that the airport is an important part of the community and I think any statement from the Council is appropriate.

Councilor White stated going back to the TRIP property, what advantages does Troutdale have besides the fact that it is a beautiful piece of property? It is a shame that it is all industrial land down there. Is the airport and railroad an advantage?

Ken Anderton replied the big advantage is that it is close to an interstate system; the transportation network. It is also an advantage being close to PDX for air transportation needs. The property is in the Metro area and it is industrial, which there is a shortage of.

It is well served; it has the infrastructure around it. It has water to the site and it has power reliability. When you add all of those up it is a significant benefit especially when you can have it shovel ready within 180 days.

Lise Glancy stated and you have a company that has already landed there with FedEx, so you have built-in proven success.

Ken Anderton stated the region also has a really good educated workforce.

Councilor White asked is there any possibility of getting some waterfront development? I really like the work that I have recently seen done in Cascade Locks and downtown Portland. To me it seems like a natural fit for this property.

Ken Anderton stated for any of the property that the Port owns it is actually deed restricted as part of the settlement that Alcoa had with the EPA. Essentially it has a conservation easement over the top of it for anything that is on the water side of the levy, so it is prohibited.

Councilor White stated we just completed our budget meetings and it became really obvious that a good way out of financial trouble is to get something happening on the TRIP property. If there is anything that we can do, or if there is something in our code that we need to look at I think we would be happy to do that.

Mayor Daoust stated we all recognize the Port of Portland as a huge partner with us.

Councilor Thomas stated I appreciate you taking the time share your plans with us. I think it is fantastic the way you have worked with the city. I appreciate the information about the airport because I really see that as a value to helping develop the TRIP property. I hope that the Council will authorize the Mayor to send a letter to our Legislature.

Honorary Mayor Venezia Titus thanked the Port of Portland.

## **7. STAFF COMMUNICATIONS**

Craig Ward updated the Council on the following:

- The demolition permits are ready to go on the Discovery Block.
- We are conducting a Visioning Work Shop for our downtown the evening of Thursday, June 6th. There will be an article in the Champion regarding this work shop.
- I will be attending the National Brownfield Conference May 15th, 16th and 17th in Atlanta, Georgia. This is paid for out of the Brownfield grant that we received from the EPA. I am also going to take some vacation days before that, so I won't be at the next council meeting.

## 8. COUNCIL COMMUNICATIONS

Councilor Wilson stated earlier we mentioned sending a letter in support of keeping the control tower at the airport open. Do we want to send this letter?

***Council discussed and agreed that the Mayor would prepare a letter in support of keeping the Troutdale Airport Control Tower open.***

Councilor Ripma thanked Mayor Daoust, Councilor Allen, Councilor White and Craig Ward for coming to the Troutdale Sandy River Bridge birthday party on Saturday. This event was a fundraiser for the Troutdale Historical Society's Exhibit on the Historic Columbia River Hwy. which we hope to have up and running within a couple of years.

Councilor Anderson complimented Craig and the department heads on a great job on the budget. You hit the target and the budget process was very smooth this year. A lot of interesting things came out of our last council work session and one of those things Tanney Staffenson mentioned last Wednesday. He suggested that the Planning Commission (PC) take a look at our codes to identify some of the barriers. I think this would be a good task for the PC.

Mayor Daoust stated I also discussed that with Tanney. I think it is a great idea. They run into situations all of the time where they think a process could go a lot smoother if something was changed.

Councilor Anderson stated one of our council goals was to review the development code to look at the potential of removing barriers to development. This is a good way to accomplish a council goal and give a very well-functioning committee a task that is very important.

Councilor Thomas stated it makes sense to me. We may want to give them a little more direction.

Councilor White stated maybe the focus should be to look at barriers. They may need some help.

Councilor Wilson stated maybe it could be broken down into three phases and have them focus on one area.

Councilor Thomas stated we need to narrow it down a little bit.

Councilor Anderson stated I think it is to look at barriers to development.

Councilor White stated someone said that Troutdale couldn't be built under its current code. There were a lot of things built that wouldn't be allowed today. If we look at in that spirit I would like to see some work from the PC on that.



Mayor Daoust asked is there consensus from the Council to direct the PC to look at identifying development barriers in our Development Code? Councilor Anderson could speak to Tanney Staffenson to clarify for him the intent of what the Council wants.

***Council agreed to assign the PC the task of reviewing the Development Code and identifying barriers to development. The Council also agreed to have Councilor Anderson meet with Tanney Staffenson, PC Chair, to clarify the Council's direction.***

Councilor Thomas thanked the Budget Committee and staff for the outstanding job done in putting the budget together this year. It was by far the easiest budget process I have ever been through in Troutdale. I also wanted to apologize to the Historical Society for missing the Sandy River Bridge birthday party.

Councilor Allen stated it looks like the County is going to go forward with their firearm ordinance. There are some incompatibilities with our own code that we should probably have a councilor or two look into as to what it means to us and whether we have a problem with our own liabilities and code conflicts.

Mayor Daoust stated I was not aware that there were conflicts.

Councilor Allen stated I started to delve into that, but I have not got a response back from the County.

Councilor Thomas stated I would be a little uncomfortable without at least some guidance from our City Attorney.

Councilor Allen replied definitely. It can't be political for us. It has to be what conflicts are there with our own ordinances, what are our liabilities, and what does it mean to our officers.

Mayor Daoust stated my communication with Multnomah County on this has really been through Chief Anderson. Chief Anderson has his own ideas on the Multnomah County ordinance and I am relying on the Chief to convey his concerns about the ordinance.

Councilor Allen stated the Chief's concerns are not all going to be addressed. It is going to be up to this Council to address them. We will end up having to take some kind of action that responds to our Chief's concerns.

Mayor Daoust stated it sounds like this needs to be flushed out a little bit more.

Honorary Mayor Venezia Titus told Councilor Allen to keep working on it.

Mayor Daoust stated Craig and I met with Bremik on the Marino block development. They talked to us about their timeline. Three developers have purchased the entire Marino block. They will be demolishing all of the old buildings on that block and filling in

the burned out hole to prepare it for their development. The Vision Clinic will not be demolished.

One of the things that we needed to take care of was to look at the old police facility to see if there was asbestos present. We have done that and that report is available. Bremik requested to see that report. Did they receive that report Craig?

Craig Ward replied we have received the preliminary results, but we do not have a written report yet. I have promised that to them as soon as it is delivered.

Mayor Daoust stated the reason for that is that the developers want to look at demolishing the old police facility at the same time (as the Marino block) and they want to use the concrete from the old police building to help fill in the huge hole in the ground. That raises a point that Council needs to urge staff tonight to do that if we wish to say that we want the old police building demolished now. When Bremik brings in their heavy equipment they could do that demolition when they are on site. I would like to see if we have Council consensus to: 1) move forward with the demolition of the old police department building and 2) that city staff would be able to contract with the developers to do that as soon as possible.

Craig Ward stated we have looked into this in considerable detail because we understand that the applicants want it and I think everybody in this room wants it. However, there are procedures that we have to go through. It is very likely that the cost of it (demolition of old police facility) will exceed \$50,000 and if it does then we need to go through our standard procurement process to get competitive bids from contractors. There is also some land use issues in terms of a hearing for the permit. As much as I understand that you feel that the need is urgent, we have addressed it as an urgent need but I think that it is going to take some time before we get to the stage where we are prepared to issue a contract for demolition.

Mayor Daoust stated I understood that their bid was less than \$50,000.

Craig Ward stated first of all we didn't solicit a bid; they just gave us a number. We don't know what is in that number. One of the things that we can't do is divide a project into smaller components in order to stay under a threshold. For instance, how many of you here would expect that the demolition would include the paving of the site to turn it into a parking lot?

Councilor Ripma stated I wouldn't expect that.

Councilor Anderson stated I wouldn't expect it, I would like it.

Councilor Allen stated I agree with Councilor Anderson.

Councilor Thomas stated I figured that as a separate project.

Craig Ward stated as far as I know that is probably not in the bid that they gave us, yet it has been an expectation of staff that we would at least pave over the portion of the site where the building sits now. We also have an underground storage tank and we don't know what the cost is for remediation of that tank. We have done a brief study of the underground storage tank to analyze whether or not there are any obvious signs of leaking and there isn't any. However, with an underground storage tank you never know until you pull the tank. We don't see much asbestos in the building so I don't want to suggest that there will be a huge cost for remediation, but the cost that we received from Bremik did not include any hazardous material mitigation for that building and it came in at \$46,500. We have very little room to work with given our assumptions in order to stay under that \$50,000 threshold. At this point we simply don't have enough information to know whether or not we will fall under that \$50,000 threshold. If we can do it I don't really need the Council to take action to press us to do that. We will do it if we can. At this point it looks unlikely that we will simply be able to procure a contract with a firm without competitive bidding. That seems to be a very risky prospect to me. If we can narrow this down and fall under that limit with real confidence, we will be happy to go ahead and do that to the extent that we have the financing to do it. That is something that the Mayor and I talked at some length about, and some of the insecurities surrounding the funding for this. It is certainly a building that we need to demolish, but exactly what that means and how to go about doing it and how much it will cost are fairly large unknowns at the moment.

Councilor Anderson stated we have the sewer treatment plant that was bonded that never got demolished and personally I don't want to have that happen here. I don't believe it will. David, this is a bond measure and the bond measure language said it would demolish the police station, it didn't say anything about a parking lot. Are we covered with the bond language?

David Ross replied the bond language talked about demolition of the building and site preparation.

Councilor Anderson stated Craig, in the minutes from the last work session you stated that the demolition is over \$100,000.

Craig Ward stated in the bond measure the amount of money that we budgeted was more than \$100,000.

Councilor Anderson stated so they are coming in at \$46,500. Am I to assume that the difference is the value of the fill material?

Craig Ward replied I don't know what you should assume about that. All I know is that they gave us a number. Again we don't know what is included in that number. We do know that typically a demolition contractor keeps the materials and we do know that they intend to use some of those materials for fill for the areas on their site that they need to fill.

Councilor Anderson stated my interest is in how this got from over \$100,000 to \$46,000. I am really curious about that. That is a huge gap. I would like to know what goes into that gap.

Councilor Thomas stated I think the key question that Doug is asking, and that I have also been asking, is yes it would be nice to fast track this and get it done and hopefully Bremik can knock it down. But really the key for me is getting it knocked down as soon as possible mainly because people are asking me why that building is still standing. The reason they are asking me is because they are paying for it and they are expecting that building to get knocked down. They look at what happened with the sewer treatment plant and many of them believe that the bond measure for the treatment plant was suppose to have knocked those buildings down and it didn't. That is setting bad faith for the citizens of Troutdale. We have told them all along that we would be under budget and we move this thing through as expeditiously as possible. Having that building sitting there is setting a bad image for what we have told them about how the bond measure would be handled and that the building would be taken down. That is my concern. If we can get some benefits and cost reductions than lets go for it if at all possible. We need to get it knocked down. What I have been hearing is we will knock it down eventually and eventually isn't going to work.

Councilor Anderson stated I completely agree with that. I don't want the dispute with the contractor to hold up the demolition. We bonded for demolition and we have got to do demolition. But let's do it right. I haven't heard anything that tells me we are doing it wrong here.

David Ross stated for the record you are referring to the dispute with the contractor on the police facility.

Councilor Anderson replied yes, but I don't want that to get in the way and hold up the thing that the public sees, and they see the building.

Councilor Allen stated I need help understanding this. Demolition is going to be going on in town, and they will have demolition equipment readily available to do this other job that we committed to the public we would do. They have an immediate use for the fill material which gets it out of our way quickly and easily at a very cheap price. We can't take advantage of that?

Councilor Ripma stated we need to send it out to bid. If it runs over \$50,000 to do the kind of demolition that we need done we have to go out for bids. That would be the normal way we would do it. If someone comes in that low they will win the bid.

Councilor Allen stated but if we decide to pave, is that saying we can't do a bid and a contract for the paving.

Craig Ward stated there are two paving options here. One of them would be just for the hole from the tank and the building when they are removed. You have vehicles pulling in and out of that parking lot and so you have to make that area safe. It doesn't have to be

paved we can rope it off or plant grass. There are options. The question is what do we do with the remaining site after the building is demolished and the tank is pulled? Then there is repaving the entire parking lot, which is a site improvement that is potentially eligible under the bond. There has been some discussion about that. The existing parking surface is in bad disrepair. We do know that we need to be very cautious about the scope of work and what is included in the scope itself before we know how much the project will cost. Right now we are trying to refine the description of that scope of work. At this point we have some reason to believe that it may be slightly under \$50,000. With our counselor's support, we may be able to get bids with that detailed scope of work for less than \$50,000. If so I would love to go ahead and do that on a fast track. If not we will have to go through the standard procurement process.

Councilor Allen stated I think the concern here is that by the time we go through the bidding process we lose the opportunity to do demolition of the building at a cheap price and it is going to be hard for our citizens to understand why we aren't taking advantage of a cost saving opportunity.

Craig Ward stated I understand that there may be members of the community that don't understand it. There also may be members of the building community who don't understand why we didn't follow our procurement procedures in our code and in state law. We expose ourselves if we don't follow those procedures carefully. Because we are so close to that \$50,000 threshold we are trying to proceed very prudently here. We have had conversations with the developers here and they have said that they are prepared to wait until we go through a process. I don't know how long they are prepared to wait. But we are acting on it right now to define that scope of work. Hopefully we can both satisfy our procurement process and dovetail with the schedule of the developer. It just isn't clear. If we can I totally intend to do that.

Mayor Daoust stated we understand the contracting rules and the understanding was that the bid was under \$50,000. A simple phone call to see what exactly they were including in that bid is probably a good clarification. Maybe they were planning on taking the oil tank out. Maybe they were planning on making a gravel parking lot there. Maybe they already planned on doing that for less than \$50,000; we just need to find out.

Craig Ward stated understood. We also know that they did not include, because they stated that they were not including, the mitigation of any hazardous material that was on-site. We don't know what that is going to cost. It is highly likely in my opinion that it could cost more than \$3,500. That is the amount of money we are talking about; that is the balance we are speaking of.

Mayor Daoust stated they did say they would take care of the asbestos. So when you are talking about hazardous material, are you talking about the leakage from the oil tank or something?

Craig Ward replied I am talking of leakage, and we also have material in the building itself. It is not a huge amount of material. There is lead based paint that has to be mitigated. It was not my understanding that they would take care of the asbestos

because they didn't know how much asbestos there was, which is why they are waiting for the report from us. I do not believe that is included. I would love to be able to contract with them, and if we can do that we will proceed down that path, but at this point I don't have enough information to make that commitment.

Councilor White stated I hear both sides of this. This is similar to what we are doing with Hamilton on the bridge project. They are there and we are getting a great deal. Perhaps we set a limit and get done what we can now before the tourist season. This is our busy time of the year and additional parking would really help the local merchants. It is in the bond that we have to tear it down anyway. If we are worried about the cap lets cap it; we can't spend over \$50,000. I don't think anyone can touch that deal because they are going to have their equipment there on site plus they need the material. They are investing a great deal in our town and I think they like the idea that the old building will be gone and parking will be available. They have a lot of motivation to help us on this.

Councilor Allen asked if we do the demolition are we prevented from contracting out the parking lot?

Councilor White stated I think we can do it in two steps.

David Ross stated this is not a conversation that I want to have on television. It is also not an item that was on a published agenda for public discussion. The demolition of a public building is a public work. A public work is governed by the procurement rules that we have to follow. The procurement rules have very specific prohibitions about dividing up a project to get below certain figures. That is all I want to say right now. I think the City Manager probably said it best when he said we are aware of your desire, but it is our intention to follow the law, and that is what we are going to do.

Mayor Daoust stated I don't think we are talking about dividing up a project into two or three components; that is not what we are talking about.

Councilor Ripma stated that is what some councilors have been talking about.

Mayor Daoust stated the paving is totally separate.

Councilor Ripma stated we should probably quit talking about this. I think the staff knows our desire; we have communicated it to them. If they can get a real bid, not just a simple phone call, but a written contract bid that would bind a contractor that meets the requirements of the law and takes care of the hazardous material, the storage tank and whatever else needs to get done and they can come in under \$50,000 so we are safe, let's do it. We aren't going to be able to skirt around this. These contracting rules are there for a good reason because bodies like us always want to just move ahead and forget the rules and just get it done. It tends to lead to, I am not saying it is happening here and I don't think it is for a second, but the reason the rules are there is to prevent favoritism and special deals. They are very strictly enforced.

Councilor Allen stated I don't ever advocate that we don't follow the laws. We need to follow the laws. I do like to understand the laws so that if I ever have the opportunity to make a change that makes sense we can do that. At least at the city level that is what we do here. Our counterparts in the state and federal do that.

Councilor Thomas stated I think the key that we are going for is to get the building knocked down. I think staff understands our desire to get it knocked down as soon as possible. That is really what the question was all about.

Mayor Daoust stated I think we have made it abundantly clear to staff. We all want to follow the contracting laws; were not saying we don't want to. The only confusion is that the bond said that the old police station will be torn down. That is all it said. It didn't say anything about an oil tank underground or paving the lot. It didn't have any of that language. When you talk to a contractor and ask them to do certain things we just need to get that clarified what their bid is.

Mayor Daoust stated there is a Troutdale Clean-up project this Saturday. A group of people are meeting at the Brass Rail Tavern at 10am to clean up trash along Troutdale Road all the way up to Stark Street. The Troutdale Police Community Education and Resource Day is Saturday, May 4th starting at 9am at the new police facility. It is a good opportunity for citizens to meet the Chief. There will be discussions about identify theft, social media, trauma intervention programs, mediation, code enforcement, neighborhood watch programs, and bicycle registration. There will be hot dogs.

## **9. ADJOURNMENT:**

**MOTION: Councilor Anderson moved to adjourn. Seconded by Councilor Wilson. Motion passed unanimously.**

Meeting adjourned at 8:31pm.

**Doug Daoust, Mayor**

**Approved June 11, 2013**

**ATTEST:  
Debbie Stickney, City Recorder**

Copies of the attached exhibit can be found in the April 23, 2013 Meeting Packet in the microfilm.