

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

**Tuesday, December 10, 2013**

**1. PLEDGE OF ALLEGIANCE, 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, and Councilor Wilson.

**ABSENT:** Councilor Allen (excused).

**STAFF:** Craig Ward, City Manager; David Ross, City Attorney; Erich Mueller, Finance Director; and Sarah Skroch, Deputy City Recorder.

**GUESTS:** See Attached List.

Mayor Daoust asked is there an agenda update?

Craig Ward replied there are no amendments to the posted agenda.

**2. CONSENT AGENDA:**

**2.1 ACCEPT MINUTES:** October 22, 2013 Regular Meeting and November 12, 2013 Regular Meeting.

**2.2 RESOLUTION:** A resolution authorizing a Tax Exempt Municipal Equipment Lease Finance Agreement for a Ricoh Network Digital Printer Copier.

**2.3 RESOLUTION:** A resolution authorizing the City Manager to execute an Intergovernmental Agreement with Regional Partners for access and use of the RegJIN Records Management System.

**2.4 RESOLUTION:** A resolution authorizing a city official to negotiate and execute an agreement concluding the legal representation of the City Attorney.

**MOTION:** Councilor Thomas moved to adopt the consent agenda. Seconded by Councilor Anderson. The motion passed unanimously.

**3. PUBLIC COMMENT:** Public comment is limited to comments on non-agenda items.

Marcus Fullard-Leo, Real Estate Broker, stated I'm known for my involvement in the Fairview Village Community. Regionally and Nationally I'm involved in development, finance, management, and maintenance of multiple commercial real estate investments including office buildings, industrial properties, hotels, and apartments. The portfolios that

my group manages and controls is a number greater than 50 with asset values exceeding \$250,000,000. Our development experience related to government facilities includes the construction of more than 20 State of Oregon facilities as well as the development of several buildings for the Department of Energy and its subcontractors. I offer this introduction because I'm hoping you will invite us to make a presentation to you at your next City Council meeting so that we can make an alternate proposal to you about the construction of your City Hall. After reading about the PDG proposal in the newspaper we took the same location and the same specs and through our analysis we believe we can meet all of the benchmarks set forth in that proposal and we can save the City over \$1,200,000 during the first 10 years of the lease agreement. Basically we find that we can offer the City an average savings of \$120,000 per year from what's been proposed. We also anticipate being able to deliver the product in 6 months from the issuance of building permits as opposed to the 9 months proposed. We would expect to pay or lease it at market value. Unlike the PDG proposal that requests free land and \$300,000 of upfront capital costs, we would not require any of that and we'd pay market value for the land by either outright purchase or lease. We are also a 1 stop shop, we would finance it all in-house. I'm asking that you keep in mind that there are other alternatives and we'd like the time to brief you with a well prepared presentation. I'd like to see if we could get on the agenda for your next meeting.

Mayor Daoust stated we'll need to decide that. There is lots to think about.

**4. REQUEST:** A request from the Troutdale Historical Society Exhibit Committee for the City to be a sponsor of the King of the Roads ~ Byway of the People Exhibit celebrating 100<sup>th</sup> Anniversary of the Historic Columbia River Hwy.

Councilor Ripma stated I want to go on record that I'm President of the Board of the Troutdale Historical Society. I don't know if that would constitute a conflict or not.

David Ross replied no, you aren't going to receive any pecuniary benefit.

Len Otto, Troutdale Historical Society Exhibit Committee, presented a PowerPoint presentation to the City Council regarding the King of Roads Byway of the People Exhibit **(a copy is attached as Exhibit A to the minutes)**.

Len Otto stated here with me tonight to help answer question is Greg Handy.

Councilor Wilson asked are you hoping that the City will provide the sign for the Barn plus \$20,000? Or is the sign included in the \$20,000?

Len Otto replied both would be wonderful.

Greg Handy, Troutdale Historical Society, replied we think it would help to have some continuity within the City as far as the rock work on 257<sup>th</sup> and Stark and the Arch, to have some consistency in signage. All 3 of the museums that we are fortunate enough to have in Troutdale should have some consistent signage, in our view. The rock motif would probably be the best way to do it.

Councilor Wilson asked what do you estimate that sign to cost?

Greg Handy replied the estimate is somewhere in the neighborhood of \$10,000 to \$20,000 per sign. The thought would be that there would be a collaborative effort between the City, the Boy Scouts, the High School, and apprentice training programs so we can have those built while encouraging cooperation and collaboration toward the event.

Councilor White stated I'd like to thank you for the presentation. I agree that it's hugely important to recognize that 100 year accomplishment. That highway was one of the first things that attracted me to this area. Auto clubs, motorcycle clubs, and bicyclists are all going to be attracted to that road and you might be able to capitalize on that.

Councilor Anderson stated this is going to be huge, it is a big deal, and it's going to be well done because you're the guys doing it. I'm prepared to support a motion.

Mayor Daoust stated this is going to be a big event that we really need to plan for. The City needs to get involved also.

Len Otto stated we probably need to do a better job reaching out to those around us, maybe up The Gorge, but we need to go west as well maybe to the Fairview/Rockwood/Wilkes Historical Society.

Councilor Anderson asked how do we handle the rock base and sign, do we include it in the motion?

Craig Ward replied I would suggest that you do. Neither of these requests are budgeted at this time. We'll have to assume that if you approve these expenses that they'll come out of contingency.

Councilor White asked isn't there a fund set aside for events of citywide importance?

Erich Mueller, Finance Director, replied there is \$3,000 budgeted for special events primarily used to offset insurance costs for special events.

**MOTION: Councilor Thomas stated I move that we pick up the Multnomah Falls Exhibit Sponsorship for \$10,000. Seconded by Councilor Anderson.**

**Councilor White stated I think that might be a little low given the magnitude of this event. There are time restraints that they're under as well.**

**Mayor Daoust stated it's not to say we couldn't add another amount fairly soon.**

**Councilor Thomas stated I'd like to see something more concrete coming back as far as the costs. This gets you moving forward so you can go out and solicit other**

**funds. I think there's a lot of advantages to giving \$10,000 and then coming back to looking at the second part when it's more firm of what you really need.**

**Len Otto replied I'd be happy to come back and ask for more.**

**VOTE: Mayor Daoust – Yes; Councilor White - Yes; Councilor Wilson - Yes; Councilor Ripma - Yes; Councilor Anderson - Yes; and Councilor Thomas - Yes.**

**Motion Passed 6 – 0.**

**5. PRESENTATION:** A presentation on a proposal to enter into a Letter of Intent to enter into a Public-Private Partnership, and a Personal Services Agreement with a consultant, to prepare a program for a new City Hall at the site of the City Conference Building.

Craig Ward, City Administrator, stated we have Brian Lessler from PDG Construction here tonight. He has presented to you a proposed letter of intent as well as a personal services agreement. In staff's opinion, both of these are worthy starts but will require additional modification and negotiation if the Council chooses to pursue them. At this time I think the personal services agreement is intended to provide City support. PDG has already presented a concept plan for a structure at the site of the City Conference Building (CCB). A programming exercise is really more of a design process in which we try to figure out how City Hall operations would fit into the 2 story structure that has been preliminarily designed. For that he's estimating the cost to be \$15,000. The letter of intent is a logical step to take if the Council wants to go down that path. There are more complexities to that document that would need to be negotiated. I wouldn't recommend authorization of that tonight if the Council is even inclined to go down that path.

Mayor Daoust stated because of the heightened interest in this issue I feel a need to put things into context and bring everybody up to speed on how we got here tonight. I will allow public comment on this agenda item so you don't need to worry about whether you'll be able to speak or not. Although I'd like you to limit your time to 4 minutes please so everyone can speak. There is no vote planned tonight on whether to build or not build a City Hall tonight. If the Council so desires, direction can be given to staff to pursue additional work, whatever that may be. So what brings us to where we're at? Our discussions on City Hall go back about 12 years when we voted to buy the land where the new Police Station is with the intent of building both a Police Station and a City Hall on the same property where the CCB is. The decision was made later to go out for only the Police Station bond and forego a City Hall for awhile assuming the citizens would not approve a bond for a new City Hall also. We were forced onto the track we're on now by having to move out of the old City Hall due to an engineer's report saying the foundation and the roof needed extensive repair amounting to over \$3,000,000. It was deemed an unsafe building so we moved out. Two years ago City Staff moved into the existing 2 lease agreements that we have in downtown Troutdale and some people moved to the Parks Building in Columbia Park because there wasn't enough room downtown to house everybody. When we moved out of the old City Hall it would have been a good time for

the Council to meet and lay the ground work for the need for a new City Hall. We didn't do it back then because other pressing topics absorbed our time. The word spread in the developer community without our soliciting input that we needed a new City Hall. Because of that we held several public meetings on City Hall in addition to the 3 or 4 meetings we held on the condition of the old City Hall. On March 19<sup>th</sup> we had a work session with an item about the Ad Hoc City Hall Study Committee. At the beginning of the meeting the Council was informed that Bremik had purchased the Discovery Block and some pictures of their proposal were presented to the Council and that was an open public meeting. Then on July 23<sup>rd</sup> we had a work session with the agenda item City Hall Options and that's when Brent Parry and Pat Hamlin with Bremik Construction talked about their proposal for leasing us City Hall space in that new development. At the time it was about \$28,000 per month to lease and we said sorry that is too expensive. On August 20<sup>th</sup> we had another work session with the agenda item City Hall Options and this was when PDG came forward and made a presentation on their proposal. At that meeting we also made the request that they analyze building a City Hall on the old City Hall site on Kibling which they did. On November 2<sup>nd</sup> we had an agenda item about a proposal to construct a new City Hall and that was further discussion with Brian Lessler with PDG about the cost to build a new City Hall on the old City Hall site and the CCB site. No decision was made except it was clear that the old City Hall site would be more expensive than the CCB site. On December 2<sup>nd</sup> the City received another written proposal to build a new City Hall from Public Facilities Investment Corporation (PFIC) a Los Angeles based nationwide developer that specializes in public buildings which we have not yet analyzed and tonight we got another one. You have to realize that these are all unsolicited proposals. If you count the one we received tonight, we've received 5 unsolicited proposals and some of them have not been analyzed. That differs from sending out a Request for Proposals (RFP). We have the unsolicited route which is the route that we're on and the solicited route where the City requests formal proposals from people and we have not started that route yet. We're all aware of the criticism that we've received since the Gresham Outlook article was published. There's a perception that we're fast tracking the proposal from PDG, working only with 1 developer, there are claims of secret negotiations, and that's simply not true. This Council does not operate that way. Debbie Stickney our City Recorder does a great job of keeping meeting dates and notices published so people know when we're having meetings. They use The Champion, our website, and newspapers to keep everybody informed. The Council and I are always available, you can call us anytime. My cell phone number is given to anybody that contacts City Hall freely and openly. Every decision that we've made regarding City Hall has been made in this room right here. We have the right to pursue the other track of soliciting proposals. Councils frequently spend money on consultants in order to make major decisions. That's what the \$15,000 would be for, a consultant fee to PDG. The City will not make any moves without double checking any language on any agreement to make sure that the City does not make the wrong move, you can rest assured of that. We need to scrutinize our budget and make sure we can afford anything that we move forward on and we need to find a way to keep the public more involved in this process because you are all here tonight as testimony to that. Tonight we have Brian Lessler with PDG here to present and share a proposal. PDG is a very respected development firm. We appreciate Mr. Yoshida's involvement with PDG. We have a good team in front of us

of professional people. Mr. Yoshida is a very generous and prominent citizen in our community who wants to build us a City Hall. That's it pure and simple. He has no interest in owning the building or the land beneath it. He desires the City to purchase the building as soon as we are able to. We have a good City Council up here that respects each other. We may have different opinions on issues but that's ok, we still respect each other. I would request that you be respectful tonight in whatever you have to say.

Councilor Ripma stated I'd like to say a few words. The public process we've had for a new City Hall has been 4 meetings, 2 work sessions regarding the Bremik proposal, a presentation on November 12<sup>th</sup>, and a proposal for a vote for a services contract to fast track, that is what I'm going to call it, moving down the road toward this last proposal. The Bremik proposal was rejected because it was too expensive and we correctly and affirmatively told them we weren't going to do it so they could get on with doing a commercial development. The proposal that we have before us still quadruples the rent that we'd be paying every month for many years to come with a \$4,000,000 balloon payment to buy the City Hall at the end. I think we owe PDG and Mr. Yoshida an affirmative answer. I don't think we've really had a serious discussion about that proposal but it is being rushed. What's before us today on this Council agenda is a proposal for a services contract not to do general research on City Hall ideas but on a very specific proposal for \$15,000 and we won't own any of the work product if we don't go forward with it. It is not a way to gather information that could be used later, it's a way of starting the design process for this new City Hall. I agree that we've been reacting to unsolicited proposals and that's all we've been doing. They're all proposals that will cost tax payers millions of dollars. We need to decide what we want to do with the help of citizen input. I want to hear what everyone has to say and I'm glad you're not going to require us to vote on this tonight because Councilor Allen isn't here and this is very important. I didn't want to leave the record sounding like there's been years of public input when I don't agree that there has been.

Mayor Daoust replied I will now begin calling on people to come forward and speak.

Richard Brown stated I would like to have this put to a vote of the citizens. The process should be open with more transparency and put it out for bid.

Terry Smoke stated land was purchased 12 years ago at the CCB site for a Police Department and City Hall and still nothing has happened. The City needs to move forward and start doing something.

A Citizen (David ?) stated I propose that the City Hall be built in another area of the City besides downtown. I'd also suggest leasing a building because it's cheaper.

Steve Scott stated the process should be in an open competitive bid to look at all avenues and possibilities.

Bruce Watson stated I don't like responding to unsolicited proposals and want Council to pursue a solicited bid process like they did for the Police Building. I also think that leasing sounds like a better idea.

Claude Cruz stated I lack the basic information needed to understand where you are coming from. I suggest getting the total amount that the City is paying for the building leases so there is a baseline to compare what the future would hold for us. As a matter of due diligence it's good to have an open proposal process that would supplement the unsolicited proposals so we can decide the best option for the City and if the need warrants that kind of expense. If so then I think you'll have full citizen support and people will understand.

Mark Kelsey stated my biggest concern is the processes taking place. There isn't enough information about this proposal. The City Council needs to get some numbers to make an educated decision about the space needs and the cost and take that to the public in a competitive bid.

Matthew Wand stated it's a very traditional business approach to build and finance a building so that the entity occupying the building can eventually purchase it. In this instance the cost is below market and you get a credit on the lease payments that you are making. In August you wanted more research, more information, more details into this type of an approach. In good faith people from our community have put together precisely what you asked for. They followed the process and have come before the City Council with a \$15,000 proposal well below the costs that have already been incurred and well below the market cost.

Scott Kenney stated there is plenty of industrial property available that can be converted into office space. Why is there a rush to enter into an agreement until all options are explored? Is there a dollar amount that this committee can spend without going before the public and if there is I'd like to know what that number is?

Mayor Daoust replied anything under \$50,000 does not need to go out for public bid.

Scott Kenney asked is there a dollar amount to build a facility that wouldn't have to go before the public as a bond or a vote?

David Ross, City Attorney, replied the public contracting code doesn't contemplate votes or bonds. It contemplates a level playing field which is why projects typically start out with a RFP which would outline the criteria upon which they're going to be judged so that everybody knows what the rules are and how the outcome is going to be determined for getting there.

Scott Kenney stated my wish is that this needs to be put before the voters.

Robert Strebin stated I'm opposed to Mr. Yoshida's proposal. If the City needs a City Hall then it should build it itself or lease. It seems like the City Council is trying to avoid going

to the people to make the decision. I think the CCB site is a very poor spot, it will be very tiny.

Greg Handy stated I would like the Council to focus on where you'd like to go from here, identify your options, create a scope document based on needs and budget, and send out a Request for Qualifications (RFQ) to contractors.

Bruce Watson stated this must follow one of 2 tracks, either do a bond like the Police Station did or we should lease. What's the big deal with owning City Hall? You have maintenance on the building and upkeep but if you lease then you could work out a better deal I'd think. If you do build then I think it would be good to build on either the CCB site or the old City Hall site because we own the property. But if we build then we should own the building from the start. We need to get rid of unsolicited bids and go the open route where the citizens can see what we're doing.

**Mayor Daoust called for a 10 minute break at 8:40pm. He reconvened the meeting at 8:53pm.**

Brian Lessler, PDG Construction, stated there are a number of things that I'd like to respond to. One developer talked about being able to save over \$1,000,000 on the proposal and you saw another generic proposal from a public facilities corporation talking about cutting costs. We've put together the numbers in the lease proposal very carefully and very diligently based on very specific assumptions and a drawing. I don't know how anyone coming in within a day or so of our proposal without any information could make a claim that their costs will be substantially less. These facilities are going to be built under prevailing wage rates. That means no matter who the general contractor is, whether you go out for a public bid, or RFP or RFQ, the cost of the facility is going to be very transparent. If there's 5% variance between general contractors then you're building something different. Please understand regardless of what process you go through, we know that we're in compliance with the contracting requirements. I heard that the back end will cost \$7,000,000 or more and that's simply untrue figures and they have no basis. What I really want to talk about is this back door process that we've been accused of. There has been no backdoor politics in this process and I want this community to understand that. I've been in business for 45 years and that's not the way I do business and not the way that my company operates. I take exception to those accusations. Mr. Yoshida asked me to participate with him in a proposal because there was a perception that there was a serious need and we said yes we'd be happy to do that. The numbers are transparent. What I want you to know is that no matter if you sign the letter of intent or the memorandum of understanding, this transaction is over as of tonight, I'm withdrawing from this process.

Junki Yoshida stated this will be my last appearance at a City Council meeting. You will never see me here again. In 1969 I came to the United States with \$500 in my pocket, I lived in a car, I was homeless. My daughter's life was saved by Seattle Children's Hospital. She was in there for 5 days. I had no insurance and they only charged me \$250. I said I'm going to pay it back. For the past 20 years I've been a Gold Member at



Doernbecher Children's Hospital. I'm a member of the Cancer Foundation. 2,000 people come to my house to raise money for cancer research and the Randall Children's Hospital. I asked the Mayor if you needed a City Hall, he said yes, so I said let me help you out. I'm retired, I can live anywhere in the world but I love this City far more than you think. I'd like to give you whatever you need. If you think I'd build a City Hall to make money then you are crazy. I just want to leave a legacy. Many years ago I tried to save people from dying in the Sandy River by giving \$40,000 to hire a life guard. I just simply want to help.

Mayor Daoust stated I think this agenda item is concluded. The Council needs to deal with a lot on this agenda item. We've heard a lot of suggestions and recommendations that we can deal with. I don't think we need to expand on how we feel about this given the fact that the proposal has been withdrawn. After the first of the year we'll move on with a process that involves more public input and a process that deals with the questions raised tonight.

## **6. STAFF COMMUNICATIONS**

Craig Ward stated at this point we have no other scheduled meetings this year unless the Council chooses to schedule something. I'd also like to remind you that the Christmas and New Year holidays are coming up and City facilities will be closed.

## **7. COUNCIL COMMUNICATIONS**

Councilor Wilson stated I'd like to give my condolences to the Fujii Family, Jim passed away. He was a very prominent person in this City and did a lot of good for our Scouts.

Councilor Ripma stated I completely agree, Jim Fujii was a great benefactor of this City. I hope everyone has a Merry Christmas and Happy New Year.

Councilor Anderson stated I will echo that, Merry Christmas and Happy New Year.

Councilor Thomas stated I also wish everyone a Merry Christmas and Happy New Year.

Mayor Daoust stated we had our tree lighting in downtown Troutdale last Friday along with the First Friday Art Walk. It was an overall success and a lot of people attended. The Council received a request that will soon be coming forward from the Annual Bite of East County to use Columbia Park for the Bite of East County free of any City permit fees. I believe the event was in Fairview this year and they would like to have it in Troutdale next July. Next, Craig submitted our response to Metro for their requirements to have our minimum parking requirement at a lower rate than what we thought it should be for multi-family developments. It was a good response and captured all that the City Council had talked about with needing adequate parking spaces for apartments. I'll conclude tonight by wishing everybody a Happy Holiday Season. We're going to take some time off and I hope that you all take a break too to enjoy the rest of the year.

## **8. ADJOURNMENT**

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

Meeting adjourned at 9:19pm.

**Doug Daoust, Mayor**

**Approved February 11, 2014**

**ATTEST:**

**Sarah Skroch, Deputy City Recorder**