

**MINUTES**  
**Troutdale City Council – Regular Meeting**  
**Troutdale City Hall – Council Chambers**  
**104 SE Kibling Avenue**  
**Troutdale, OR 97060-2099**

**Tuesday, May 22, 2007**

**1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE**

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

**PRESENT:** Mayor Thalhofer, Councilor Kight, Councilor Ripma, Councilor Thomas, Councilor Canfield, Councilor Kyle and Councilor Daoust.

**ABSENT:** None.

**STAFF:** John Anderson, City Administrator; Jim Galloway, Public Works Director; Rich Faith, Community Development Director; Kathy Leader, Finance Director; Debbie Stickney, City Recorder; Amy Pepper, Environmental Specialist; Lane Waleske, Information Services Specialist.

**GUESTS:** See Attached.

**2. CONSENT AGENDA:**

**2.1 RESOLUTION:** A resolution accepting a perpetual, non-exclusive access easement from Penelope Aronson in the vicinity of the Sandy Heights Subdivision and Sandy Dell Road.

**2.2 MOTION:** A motion authorizing the City Administrator to enter into a purchase agreement for Telecommunications Systems and Peripherals with Eschelon Telecon.

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

**3. PROCLAMATION:** National Public Works Week – May 20-26, 2007.

Mayor Thalhofer read the Proclamation.

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

None.

**5. RESOLUTION:** A resolution accepting the work products for Phases 2 and 3 of the Columbia-Cascade River District Economic Development Master Plan.

Rich Faith, Community Development Director, stated with me tonight is John Andersen our primary consultant on this project. In March of last year we applied for and received a grant from the Department of Land Conservation and Development through their Technical Assistance Program. We submitted that grant application on behalf of the Columbia-Cascade River District Steering Committee, which is a committee of the East Metro Economic Alliance. The City Council did accept the grant by resolution and by so doing you formally entered into a partnership with Fairview, Wood Village, Gresham and the Port of Portland. The five jurisdictions have marched forward with this grant to prepare an Economic Development Master Plan for the Columbia-Cascade River District (CCRD). One of the terms of this grant agreement is that at various points along the way we need to get buy-in from the various partners which would be demonstrated by a resolution showing that the partner jurisdictions have reviewed the various work products and have demonstrated support of those products. Phase one of this project was completed in August of last year and consisted primarily of a series of inventory maps as well as an economic opportunity analysis. That was brought forward to you in September for review, which you accepted by resolution. Since that time we have completed a number of products and we are back again to go over those with you and seek your acceptance of those documents.

John Andersen, Consultant, stated Phase One of the process was to prepare the Economic Opportunity Analysis and the Infrastructure Inventory. From that we gathered more information and evaluated data so that we could prepare a plan that can be used. We did that through a variety of different steps. One of the first steps was the creation of the Development Principles document (Exhibit A). Those principles reflect the things that were important to the Steering Committee in making decisions about the CCRD. The Development Principles include: Cooperative action, mutual benefit, promote community, public awareness, family-wage jobs, foster and attract successful businesses, retain the existing area lifestyle, start succeeding quickly, promote innovation, and respect the community environment. Those were the values that the Committee gave to us as direction and said when we are working on the Plan we want to make sure that these principles are the result of this process. I think it is important to remember that the biggest part of what was going on with this plan, and this planning effort, was to develop a coordinating and collaborative relationship that would be ongoing. As we went through the process we had to look at some of the things that make that reality occur. We looked at the industrial development capacity; what things are likely to occur in this area and what is the capacity of this area to handle those things. That helps us define what we are going to be able to attract, what is practical and what we can realistically expect to happen in this area. We have some special opportunities because of the areas commitment to manufacturing and the great land and services to provide infrastructure for manufacturing businesses. We also have capacity for handling distribution needs, so that is another big opportunity for this area. As it turns out the market is very strong right now for distribution uses and could produce a lot of jobs for this area. We also saw that there were great opportunities for what they call flex buildings. Flex buildings take advantage of things as they come along. Small businesses are very important to the East County area and very often turn out to be the larger producer of employment overall, so we wanted to make sure that we kept that opportunity there. We also

found that there are some other unique things out there that were important. For instance, along the river there are some opportunities to take advantage of a situation that otherwise might have been a limitation on us. The areas outside of the levy along the Columbia and Sandy River are areas that are subject to flooding and potential impact from that kind of activity and as a result are less attractive for industrial development. There is an opportunity to take advantage of those great green spaces that exist along there by reserving them and using them as a way of attracting new dollars for this area and yet have them remain compatible with the environment and the lifestyle of this area and not inconsistent with what we wanted to do on the other side of that levy, which is industrial development. We needed to ask ourselves, how can we do that in a way that is a maximized benefit to the community. What we found was that by utilizing some of those wetland areas to serve as enhanced storage areas for floodwater, we can actually then have more area for industrial development and yet keep a very green aspect to that development. We also recognized that there were some opportunities for commercial development down along the highway. We have some great opportunities that came out of the analysis. We took that information and we began looking at what it was going to take to provide those kinds of activities. We looked at the public facilities plan for each of the communities and then we worked with the public works directors in each of the communities to make sure that we have a practical program for the development of the area that recognizes the limitations but also took those limitations and developed a realistic program for fulfilling those needs for the improved infrastructure, and that is the Public Facilities Plan (Exhibit B). We also had to take a look at how we were going to pay for all of that, and you will see that in the Infrastructure Financing document (Exhibit C). Much of the infrastructure, sewer and water, will fall within the providence of the development folks. We had a couple of areas where we had significant problems, one being the flooding issue. To deal with that in the Plan we talk about the importance of working together in a collaborative way with the Sandy Drainage Improvement District. The other area is transportation. We have access to barges, airport, rail, and a major interstate highway. Very few places have this kind of luxurious transportation environment. The problem we have is we need better linkages. It is one thing to have those great things flowing through your community; it is another thing to be able to take advantage of it. One of the nice things that has come out of this collaborative relationship among the four cities and the Port is that we have become a fairly effective lobbying force and as a result we have already been able to generate dollars for studies of the 257<sup>th</sup>/I-84 interchange and some additional work on 223<sup>rd</sup>. We also needed to take this another step further and we needed to have an Action Plan (Exhibit E). An action plan lists a variety of things that need to be done in order to actually accomplish what you have established with your development principles. They fall within some basic goals and we have nine goals that we established. **Goal 1** – Develop the CCRD as a major regional industrial area. **Goal 2** – Provide for limited commercial services to the industrial uses in the CCRD. **Goal 3** – Support Eco-tourism along the banks of the Columbia and Sandy Rivers. **Goal 4** – Attract family-wage jobs to the CCRD. **Goal 5** – Attain adequate transportation facilities to serve the needs of the CCRD businesses. **Goal 6** – Obtain adequate or better public and private infrastructure services and facilities to accommodate the variety of businesses using the CCRD. **Goal 7** – Advocate for the tax bases and fee structures needed to provide the community services required within the partners' jurisdictions. **Goal 8** – Attract and retain desired industrial and commercial businesses. **Goal 9** – Establish and maintain an efficient and effective program of advocacy

for the CCRD. The Development Code (Exhibit F) is a set of rules that we are suggesting would be appropriate to enact. Everything up to this point is just ideas; it is not like a comprehensive plan or an ordinance you adopt. It is something that you evaluate and use as a guide or tool to make things better, but it is not mandatory. If you adopt some of these new rules into your code then they would be mandatory. This is something that is going to take a little more time and evaluation, so what we are proposing here is just a draft.

Rich Faith stated you are not being asked to adopt any of these products. They are not going to be looked upon as official policy documents that the City has adopted. What we are asking you to do is to adopt the resolution which demonstrates your ongoing support and commitment to continue to work with the other partners under the umbrella of the River District Steering Committee to continue to work towards achieving the desired development that we would like to have in the CCRD. It is also a necessity to have that demonstration of support and acceptance of these documents in order for us to be eligible to receive reimbursement from the grant. Our recommendation is to adopt the resolution.

Councilor Canfield stated as long as the only thing that we are doing tonight is accepting this as resource data and not making policy, I have no problems with this.

Councilor Kyle stated I am also glad that we are not adopting this as policy, especially the development code because I have a lot of questions about it.

Councilor Daoust asked since we are accepting these work documents and the draft development code is one of them, when would be the time to go over the draft development code and decide which parts we want to implement?

Rich Faith replied we will need to look at the specifics of the model code and pick and choose what we think fits, or can be integrated, into our own development code. We would then prepare draft amendments that we would bring to you for consideration. There is another factor in terms of our need to do that and that is we have to contend with Title 4 of the Metro Functional Plan. Title 4 has to do with employment and industrial lands throughout the region. Title 4 was amended a couple years back when Metro brought in some additional lands within the Urban Growth Boundary (UBG) specifically for industrial development. As part of the additional lands that were brought in they amended Title 4 of the Functional Plan which placed certain requirements on the local jurisdictions throughout the region in terms of needing to amend our local codes to comply with various restrictions that are contained in Title 4. The whole idea of Title 4 is that they brought in additional land to accommodate our 20 year projected industrial needs, but on the flip side they also needed to tighten up the regulations to minimize the conflicts or encroachments of non-industrial development within these industrial and employment areas. This model code was prepared to incorporate the requirements of Title 4, so we are accomplishing two things at once. We will be satisfying compliance with Title 4 and we will also be integrating those elements of this model code for industrial development within the CCRD to be more consistent with the other jurisdictions.

Councilor Kight asked could you explain what you mean by eco-tourism as far as bringing in income?

John Andersen replied you take an area that has particular sensitivities, such as the Columbia River where you have endangered species, wetland areas, archeological sites, and/or places that have special significance to the community and you develop a program where you can use those as attractions to bring people to this area. That could be things like marinas, motels, Sternwheeler landings, or a variety of recreation opportunities for people in the area which brings dollars into the community.

Councilor Kight stated in your document you say, "Offices uses should be allowed only as a percentage of an industrial use except within the service commercial area". Can you explain that?

John Andersen replied that came as a response to Metro's requirements for industrial areas. In industrial areas in the Metropolitan region there are significant restrictions put on commercial activities. We are acknowledging that there are these limitations that exist but we are also saying that we want to make sure that there are places where commercial activity can occur in the CCRD.

Councilor Kight asked so if someone like Nike wanted to put their corporate headquarters in the industrial area they would be precluded from doing that?

John Andersen replied no, actually there is a provision in there that allows for that kind of corporate headquarters to occur.

Councilor Ripma stated the vision for this area is excellent. I have been following this and a lot of my concerns were ameliorated when Rich said that by adopting this resolution we are just accepting the work products and we are endorsing the concept. I still have some concerns about the specifics of the Action Plan. Goal 1, Action 1.1 in the Action Plan reads, "Designate the CCRD as an industrial sanctuary on all local comprehensive plans and Metro's regional plan". I am really concerned that we are committing to have the entire region be an industrial sanctuary prohibiting the green spaces and other uses. Metro's Title 4 can be changed by Metro in future years. Isn't there a way to do this without having to commit ourselves so heavily to a Metro Functional Plan Title that is out of our control?

John Andersen asked is your concern about the industrial designation or about the use of the word sanctuary?

Councilor Ripma replied the mission says, "To foster the development of tourism and high value technology based or other industrial businesses by utilizing the preservation and appropriate development of our natural resources." Metro's industrial sanctuary just isn't the same thing and it worries me. If we adopt the resolution tonight can we work creatively with the industrial area that we are talking about to really carry out this vision or are we going to be bound by Metro's Title 4 which will prohibit it?

John Andersen replied this is just a guiding document; it is not an ordinance or a mandatory document. It gives you a list of activities to pursue to achieve ends that we think are

beneficial activities, but they are not mandatory activities and you are not legally bound to carry them out. If you determine six months from now that industrial sanctuary is not exactly the thing that you want to do, but you want to do industrial development but sanctuary is not the right terminology for you, you have the ability to make that adjustment. I want to assure you that you have that flexibility. I also don't want to create an illusion that this has no meaning, because it does. It is a collaborative document that was developed in coordination with your neighbors and there is some responsibility there, and also a practical consideration to be made. You have a long-term commitment to your neighbors and so you are going to want to work with them in making those kinds of decisions. When you make that decision, specifically about the industrial sanctuary, you will have more information available to you.

Mayor Thalhoffer asked is there anyone here that would like to speak to us on this issue?

No testimony received.

**MOTION: Councilor Thomas moved to adopt the resolution accepting the work products for Phases 2 and 3 of the Columbia-Cascade River District Economic Development Master Plan. Seconded by Councilor Daoust.**

**Councilor Thomas stated I think this is a really good start. This document that you have provided tonight gives me a much better feeling about the CCRD. This started out as a concept and it is really starting to grow. I think it has some great ideas and good plans and I think it is something we can work with.**

**Councilor Daoust stated there are a lot of good products here that have taken awhile to put together. This district gives us that identity along with the Port of Portland and the cities for our economic future.**

**Mayor Thalhoffer stated I agree.**

**Councilor Canfield stated I will support the motion in terms of accepting this as just resource data as stated in the resolution. There are a lot of good ideas, but there are a lot of things that I have concerns about that perhaps we wouldn't want to put into our development code.**

**Councilor Kyle stated I have been happy with the information that has been brought forward from this group. I am glad to support the work product as long as it is not setting policy.**

**Councilor Kight stated I am going to support the resolution. This collaborative effort on the part of the four cities is unique. I think everyone is going to benefit, particularly the people in our community. With the rise in gas prices people are going to be looking for employment opportunities closer to their home and I think this is the right time to make this happen. I also like the tourism component.**

**Councilor Ripma stated I concur with what all of the Councilors and the Mayor have said. I think it has been a great collaborative effort and the vision is great.**

**VOTE: Councilor Thomas – Yes; Mayor Thalsofer – Yes; Councilor Canfield – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Kight – Yes; Councilor Ripma – Yes.**

**Motion Passed Unanimously.**

**6. REQUEST: A request to extend the Second Amended Construction and Operating Agreement with Jack Glass and authorizing the City Administrator to execute the same.**

John Anderson, City Administrator stated Mr. Glass is before you to request the second five-year extension under his current agreement. In the agreement the second five-year extension calls for an increase in the monthly compensation payment to the City from \$100/month to \$200/month. Mr. Glass is requesting that the monthly compensation remain at \$100/month for the second five-year extension for reasons outlined in the letter Mr. Glass submitted.

Councilor Ripma asked is it normal for the County to collect property tax on a building that is owned by the City?

John Anderson replied yes. When a public entity has property that it leases to a private enterprise and that business makes income then it changes from non-taxable to taxable.

Councilor Ripma asked so all of the businesses that lease space at the Troutdale Airport, which is owned by the Port of Portland, pay Multnomah County property tax?

John Anderson replied yes.

Jack Glass stated Rob Brown is presently the operator of Jack's Tackle and has done a great job. When we acquired the lease we noticed the taxes and agreed to all of this. On page 3 of the agreement, Item 4, Taxes, reads, "Operator shall be responsible for and pay when due all taxes assessed during the term of this Agreement and any extension thereof against any personal property of any kind owned by or placed upon or about the Premises by Operator. Operator shall pay all real property taxes and assessments levied, assessed or imposed during the term of this Agreement upon the Premises". I agreed to all of that and it is fine. Subsection B reads, "The foregoing notwithstanding, both parties recognize that the Premises should remain as tax exempt under ORS 307.090". When I saw that I thought it was like a hotdog stand on a public facility and it should remain exempt. But notwithstanding means a lot of things. Last year we received a bill for back taxes for five years, which was almost \$15,000. I have agreed to pay the taxes, that is not an issue. Starting from this point on we have a tax bill every year for Jack's Tackle and this year the bill was \$3,260, which will probably go up each year. What we are asking for is that for the second five-year extension of the agreement the monthly payment to the City remain at \$100/month instead of \$200/month so that we can recover from the property tax cost that we are now incurring.

Councilor Thomas asked who is responsible for the maintenance on the building?

Jack Glass replied we are.

Councilor Thomas stated you provide a great community service with regards to the lifeguard program and I assume you are doing that free of charge.

Jack Glass replied yes.

Councilor Thomas stated that is a very valuable service to the city.

Mayor Thalhoffer asked how much did the construction of the bridge cost you?

Rob Brown replied looking back at the books for sales in October, which is normally a very good month for us, last year it ranked up there with December as the slowest of the year. We probably lost \$6,000 to \$7,000 in sales in October.

Councilor Canfield asked has business picked up since the bridge has been completed?

Rob Brown replied yes.

Councilor Canfield stated just to clarify what you are asking for, with the addition of the tax bill and the loss of business, you believe that the additional \$100 lease payment would be a hardship to your business at this time.

Jack Glass stated it would certainly ease the tax burden that is now occurring annually that wasn't there in the past, so this would give us 5 years to recover.

Councilor Kyle asked what is the square footage of the building?

Jack Glass replied 600 square feet.

Councilor Kyle stated for the size of the building that seems like a stiff yearly tax payment. Is that just for the real property or is that for the business inventory also?

Jack Glass replied it is not for the business inventory; that is an additional tax of \$1,500 annually.

Councilor Kyle stated I would be interested in seeing what value they are placing on that building.

Councilor Daoust stated I understand your proposal and the circumstances.

Councilor Kight stated I remember what that building looked like before you restored it; it was the old gas station. The City was actually considering demolishing the building. You have

actually paid for the restoration of the building so we need to keep that in mind when we are considering your lease agreement.

Councilor Ripma stated I am very grateful to you for saving one of our old gas stations. You have also been very supportive of the lifeguard program. I think that your request to extend the agreement at the lower rate is a modest request and I will certainly support it.

Mayor Thalsofer asked is there anyone here that would like to speak to us on this issue?

No testimony received.

**MOTION: Councilor Thomas moved to extend the Second Amended Construction and Operating Agreement with Jack Glass and authorize the City Administrator to execute the same under Option A in the staff report, which allows the continuation of the \$100 per month rental payment. Seconded by Councilor Kight.**

**Councilor Thomas stated when I first looked at this issue I was all over the map thinking we could pro-rate it and do some other things. After listening to your testimony, and looking at the public benefit that you provide with regards to the lifeguard program and the information services, I really don't see a need to raise the rate to \$200/month. I really appreciate what you are doing. You have an outstanding business and you really care about Troutdale.**

**Councilor Kight stated it appears you are giving part of the money back to the City anyway in the form of property taxes. You did get hit pretty hard having to pay back five years of property taxes. I think your request makes perfect sense.**

**VOTE: Councilor Thomas – Yes; Mayor Thalsofer – Yes; Councilor Canfield – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Kight – Yes; Councilor Ripma – Yes.**

**Motion Passed Unanimously.**

John Anderson stated staff will bring back an amended agreement as a consent agenda item with the recommendation that was included in your motion this evening.

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

**7. PUBLIC HEARING / ORDINANCE (Introduced 5/8/07): An Ordinance relating to specific prohibited discharges to the City's treatment plant and amending Chapter 12.07 of the Troutdale Municipal Code.**

Mayor Thalsofer read the ordinance title and opened the public hearing at 8:37pm.

Amy Pepper, Environmental Specialist, stated we are bringing this to Council to seek adoption of an ordinance to amend Chapter 12.07 of the Troutdale Municipal Code relating to

specific prohibited discharges to the City's treatment plant, and to implement a Thermal Load Policy. This matter was introduced two weeks ago and Council did not have any recommended changes to the ordinance as presented.

Councilor Kight asked in your staff report under fiscal impacts for future years it reads, "If thermal load from industries meet 70% of the thermal load available for allocation, costs associated with reevaluating the need for a numerical thermal load local limit", can you explain that?

Amy Pepper replied staff is planning to track the thermal load discharged to the City's treatment plant and once they reach 70% of the allocation that is available, we will reevaluate whether we need to have a numerical limit for industries or whether we need to continue tracking. Right now the thought is to just track what impact the industries have and not set a limit. If they discharge wastewater to us that is greater than 76.5 degrees Fahrenheit then they have to report and monitor but they don't have a limit.

Councilor Kight asked so there is no ceiling?

Amy Pepper replied the ceiling is 140 degrees.

Councilor Kight asked do we have anyone that comes close to that?

Amy Pepper replied not that I am aware of.

Mayor Thalhoffer asked is there anyone here that would like to speak to us on this issue?

No testimony received.

Mayor Thalhoffer closed the public hearing at 8:40pm.

**MOTION: Councilor Ripma moved to adopt the ordinance relating to specific prohibited discharges to the City's treatment plant and amending Chapter 12.07 of the Troutdale Municipal Code. Seconded by Councilor Daoust.**

**Councilor Daoust stated anything we can do to protect our Water Pollution Control Facility and the Sandy River is good.**

**VOTE: Councilor Thomas – Yes; Mayor Thalhoffer – Yes; Councilor Canfield – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Kight – Yes; Councilor Ripma – Yes.**

**Motion Passed Unanimously.**

**8. PUBLIC HEARING / RESOLUTIONS: A public hearing on the following resolutions:**

- 8.1 A resolution adjusting the capital improvement plan project listing and rate for water system development charges and rescinding Resolution No. 1809.
- 8.2 A resolution adjusting the capital improvement plan project listing for sanitary sewer system development charges and rescinding Resolution No. 1810.
- 8.3 A resolution adjusting the capital improvement plan project listing for transportation system development charges and rescinding Resolution No. 1812.
- 8.4 A resolution adjusting the capital improvement plan project listing for storm water system development charges and rescinding Resolution No. 1811.

Mayor Thalhofer read the resolution titles and opened the public hearing at 8:42pm.

Jim Galloway, Public Works Director, stated this is an annual report that I bring to Council regarding system development charges (SDC) that is required by the Municipal Code. We have gone through the normal process which included the update to the Capital Improvement Plan (CIP) which you approved at your last meeting, the adjustment of construction cost estimates, and the calculation of proposed rate revisions. It turns out that just one of the four SDC's, water, would require an adjustment. It would be adjusted so that each hydraulic equivalent would be increased from \$1,148 to \$1,200, an increase of 4.5%. When you look at all of the SDC's and their impact on a single-family home in Troutdale, it is an increase from \$7,224 to \$7,276, and increase of .7%. This does not include the Parks SDC which is handled by another department. We have provided notice, as required by the statute, to anyone that has asked for advanced notice. Two entities have asked to be notified, the Home Builders Association and the Manufactured Home Industry. We did send them notification and have received no inquires or comments from them. We also provide a flyer that indicated the proposed course of action that staff is recommending as well as notification of this meeting which was available at the permit counter.

Councilor Canfield stated according to the fiscal impact you say that this should bring in about \$7,000 for FY 2007-08 and in the future years it will bring in an additional \$65,000 between FY 2007-08 and build-out. What is the end year that you are basing that figure on?

Jim Galloway replied based on earlier information that has been developed through our Community Development Department, we are anticipating build-out to probably occur in about the year 2015-16. The impact that we anticipate between now and then, shown on Attachment 2 of Item 8.1, is estimated at a little over 800 single or duplex housing units, about 450 triplex or larger dwelling units and approximately the equivalent of about 140 commercial hydraulic equivalents and about 335 industrial for a total of about 1,400 of the 52 unit increments.

Councilor Canfield stated \$65,000 is a drop in the bucket compared to the estimated costs shown on the project list.

Jim Galloway replied the estimated amount of funding that we feel we need to meet those requirements is about \$2.8 million. If we have the roughly 1,400 hydraulic equivalent expansion to the City's system at \$1,200 each the math would work out. It is a crystal ball. We are trying to project what we think development will look like ten years out. For lack of

anything better, we assume that future development will be somewhat similar to previous development.

Councilor Canfield asked in your opinion do you think that the \$65,000, over the life of this project list, would have any affect on whether or not any of these projects would be finished?

Jim Galloway replied I don't believe so. I think if collectively, our recommendation and your approval were that we wanted to go forward with any one of those projects, I think we would find the money somewhere.

Councilor Canfield asked so if it won't make any difference why are we raising the SDC fee?

Jim Galloway replied I guess because it is \$65,000 and if our project cost estimates are accurate that \$65,000 would have to come from somewhere and I think that it has been the general feeling of the Council, at least in years past, that if it is a cost associated with development the development community, through the SDC's, should be paying as opposed to the ratepayer, which would be the alternative that we would have. If you said make this project happen and we didn't have the SDC dollars then I would go to our water fund and use that money to make it happen.

Councilor Canfield stated even though you said that \$65,000 won't make much difference one way or another.

Jim Galloway replied when you are taking about a \$300,000 or \$600,000 project, probably that much variation wouldn't make or break the project but we would still have to come up with those dollars.

Councilor Daoust stated on the CIP list for water there is a new well listed and the percent shown that is eligible for SDC's is 50%. Can you explain the rationale for why only half of the cost of the well is eligible for SDC funds?

Jim Galloway replied this is the additional well and not the replacement for Well #4 which is being taken out of operation. It has been the intent of that well, I think since it has been put in the CIP probably ten to twelve years ago, that it really would perform two functions. Obviously it brings additional capacity to the system but it also brings additional redundancy in case we have a well that goes down for some short period of time. We felt that the portion that adds capacity to the system legitimately lends itself to SDC funds, and the portion that was adding redundancy to the system was more of an operation and maintenance function.

Councilor Kight asked have you factored in the increased cost with the petroleum products? Maybe you are being too conservative on the increase. I personally feel that way given the increased costs.

Jim Galloway replied the additional costs, petroleum and others, are factored in to the extent that those are reflected in the cost and materials in the construction cost index that we take from the Engineering News Record magazine. No, I have not gone through and projected

out for each project a specific increase figure for petroleum, but we have taken that figure that is wrapped into our construction cost index for past escalation. We have captured it to date, but we have not tried to project that in the future.

Mayor Thalhoffer asked is there anyone here that would like to speak to us on this issue?

No testimony received.

Mayor Thalhoffer closed the public hearing at 8:55pm.

**MOTION: Councilor Ripma moved to adopt the resolutions set out in Items 8.1, 8.2, 8.3 and 8.4 of the agenda. Seconded by Councilor Daoust.**

**Councilor Ripma stated I think we are proceeding prudently. I think this is a fairly modest adjustment and it is fair to capture what we can from development so that the burden doesn't fall on our ratepayers.**

**Councilor Daoust stated I agree with the way that this is calculated.**

**Councilor Canfield stated I am going to vote no because it is not enough to justify doing it with the staff time and administrative time.**

**Councilor Kight stated I have been a strong proponent of SDC's for a very long time. On that same note I hope we look at SDC's for schools. I think new development demands capacity for water, sewer, storm water, etc. and we need to recapture those costs from the developer instead of the taxpayers subsidizing the developers.**

**VOTE: Councilor Thomas – Yes; Mayor Thalhoffer – Yes; Councilor Canfield – No; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Kight – Yes; Councilor Ripma – Yes.**

**Motion Passed 6 - 1.**

## **9. STAFF COMMUNICATIONS**

John Anderson stated the City of Troutdale, through the Port of Portland, has been notified that Fed-Ex has an interest in researching whether or not there are any financial incentives for locating in Troutdale. We will be putting together a list of the tools that might be available and we will bring that information to Council for your consideration at a work session.

## **10. COUNCIL COMMUNICATIONS**

Councilor Thomas stated we do a great job of recognizing our police officers for doing an outstanding job. I would like to see us have a recognition program for all of our employees.

John Anderson mentioned that the Management Team has been working on this topic.

Mayor Thalhofer stated I faxed information to each of you regarding the City of Portland/Port of Portland Planning Advisory Group. If any of you are aware of a citizen that would be interested in serving on this committee, please provide their name and contact information to me. Nominations must be submitted by Friday, June 1, 2007.

Councilor Thomas stated Verizon is pursuing a franchise for Troutdale to offer video services and compete directly with Comcast. MHCRC started negotiations with Verizon yesterday. Qwest has also come forward and they are looking at providing competitive video franchising. This would not directly affect Troutdale but it affects the region because they service Portland and some of Gresham.

#### **11. ADJOURNMENT:**

**MOTION: Councilor Ripma moved to adjourn. Seconded by Mayor Thalhofer. Motion passed unanimously.**

Meeting adjourned at 9:05pm.

**Paul Thalhofer, Mayor**

**Dated: Approved October 23, 2007**

**ATTEST:**

**Debbie Stickney, City Recorder**