

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

Tuesday, August 28, 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 (via phone), Councilor Canfield, Councilor Kyle and Councilor Daoust.

ABSENT: None.

STAFF: John Anderson, City Administrator; Rich Faith, Community Development Director; David Ross, City Attorney; Sarah Skroch, Office Support Specialist;

GUESTS: See Attached.

2. CONSENT AGENDA:

2.1 ACCEPT MINUTES: April 10, 2007 Work Session, April 24, 2007 Regular Meeting, July 24, 2007 Regular Meeting, July 24, 2007 Work Session and July 31, 2007 Work Session.

2.2 RESOLUTION: A resolution authorizing the execution of a Purchase and Sale Agreement and Receipt for Earnest Money between Troutdale Partners, LLC an Oregon limited liability company and the City of Troutdale.

2.3 RESOLUTION: A resolution adopting a City Council Email Policy.

2.4 RESOLUTION: A resolution granting a revocable license to Terminal Properties LLC for the maintenance of a chain-link fence within the NW Rogers Circle right-of-way.

MOTION: Councilor Canfield moved to adopt the consent agenda. Seconded by Councilor Kight. Motion Passed Unanimously.

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

Marsha DeJesus, Troutdale resident, came before the Council to raise concerns about the concerts taking place at Edgefield. She noted that she has raised her concerns with Edgefield staff and with the Troutdale Police Department. She stated that the sound levels

are not livable. She would like the neighbors affected by the noise to be more involved with the process next year.

Pat Smith, Troutdale resident, discussed the concerts at Edgefield. She brought up the fact that years ago McMenamins was pursuing purchasing the "Pig Farm" to build an amphitheatre that would be facing I-84 to help deter the current noise problem. She encouraged the Council to push forward with plans for the amphitheater if McMenamins is still interested.

Chad Tippin, Troutdale resident, discussed the problems with the concerts at Edgefield. His concerns included lack of communication about newly added concert dates, noise not only at the concerts but being played over the loud speakers during the afternoon, and the flood lights being left on until 2:30am. He was told that nothing could be done and that he needed to come before the Council to voice his concerns.

Mayor Thalhoffer stated we will be addressing this situation.

Councilor Kight stated it looks like the piece of property across the street from McMenamins known as the Pig Farm will be sold to McMenamins and Reynolds School District. Secondly, McMenamins commitment is to build an amphitheater as well as a convention center. DJ Simpco from McMenamins has said that they want to address the problem they have been experiencing with the noise. They want to meet with all of the neighbors that have been affected by the noise and they are willing to mitigate whatever the problem is including eliminating certain bands that they won't be asking to return next year due to the level of noise.

4. RESOLUTION: A resolution authorizing application to the State of Oregon Community and Economic Development for establishment of an Enterprise Zone.

John Anderson, City Administrator, stated Council held a work session on July 31 where you arrived at some preliminary decisions about what could be included in this resolution. Those items have been included in the draft resolution. There were also a number of items under the category of local criteria that you were still discussing and had asked for more information on. **1** - Minimum investment level. Council was looking at the \$75 per square foot minimum and the primary question was does that include property, machinery or equipment within the building. That is included in Gresham's \$75 per square foot. **2** - First source agreement. Council had asked whether there were alternate private firms that could be used for the recruitment and if we could hook them up with Mt. Hood Community College. The firm that was used in Gresham, Worksystems Inc., is a private firm. The way Gresham has set theirs up is that they can use that firm or another provider. **3** - Business procurement criteria. The Council was talking about having an area that included the four east county cities, or an area east of I-205. We can define our own area if you wish to pursue that. I have provided you with a template that the City of Gresham uses for a business procurement plan. The City of Gresham has had mixed results with this. They are spending time setting these up and tracking them, but they haven't had much success yet. Of course they have only had two applications but in the first couple of years those firms have not met the targets. **4** - Job quality. This is where we discussed whether or not you preferred the Gresham criteria which

was 75% of the full-time workforce at 200% of minimum wage, or the Hillsboro approach which was the average of all full-time jobs at 150% of minimum wage. There was some discussion about how that might fit the potential first candidate, FedEx, for our enterprise zone.

Mayor Thalsofer asked what is the feeling of FedEx with regards to this criteria?

Jim Laubenthal, Port of Portland, replied I think Joe Mollusky expressed it well in his letter that FedEx prefers the Hillsboro model.

Mayor Thalsofer asked do you have any comments on the criteria?

Jim Laubenthal stated the only thing I would offer is that there is a workload associated with implementing criteria and time involved to monitor it. The first source criteria, obviously Troutdale being a smaller city, we would want to have a broader reach than just here. We are supportive of the action that you are considering tonight.

Councilor Canfield stated we are rushing through this process. For instance, the first source agreement, we know very little about Worksystems, Inc. We don't know if there are other providers. What can you tell us about Worksystems, Inc.

John Anderson replied I didn't specifically look into that because it doesn't have to be that firm, it can be other local providers. You do not have to decide on these criteria this evening if you are not comfortable with them. We can add them at a later date.

Councilor Canfield asked if we did not add the criteria tonight, and did not add criteria before FedEx applied for eligibility for the enterprise zone, where would that leave us?

John Anderson replied only the criteria that is in place at the time they submit their application would apply to them. As soon as you put the criteria in place it would apply to any future firm applying for the enterprise zone.

Councilor Canfield stated it is fairly obvious that FedEx will probably be the first applicant so wouldn't it make sense for us to hurry up and do this.

John Anderson replied hurry up is your term. We have looked at some of these things several times. The Council, as a whole, will need to decide if you are comfortable with some or none of these criteria at this time.

Councilor Canfield stated Hillsboro has a requirement to increase purchases from Hillsboro-based companies by 10% annually. Could we have something like that?

John Anderson replied yes, we could put something like that in ours. I don't know whether or not companies could meet that criteria. We would have to track all of that information. If it did not end up working you could go back and amend that.

Councilor Canfield asked I assume that city staff would have no problems in administering a procurement plan?

John Anderson replied I don't know that we would have a technical problem with it; the time may be a problem.

Councilor Kyle asked regarding the first source agreement, I am hesitant to mention any firms name in this criteria. I would be comfortable with saying local East Multnomah County service provider. I hope we can take care of most of these criteria tonight, but if not we should set a deadline of 30 to 60 days for us to complete this.

Councilor Daoust stated I don't have a problem with deciding the local criteria tonight. Is the hotel eligibility criteria included in the draft resolution?

John Anderson replied yes.

Councilor Kight asked do we know what measure of success the City of Gresham, Hillsboro or other entities have had with these criteria that they have set up? In other words is one community with the criteria they have set up more successful than another?

John Anderson replied I haven't asked that question specifically. Gresham just established their enterprise zone a year ago and have just received two applications. They did say that the additional staff time spent working on these criteria may or may not be productive.

Councilor Kight asked if we don't set minimum criteria for the City of Troutdale and FedEx applies, does it default to the Oregon minimum requirement?

John Anderson replied yes.

Councilor Kight asked once we establish the criteria and a company submits an application to us, at some point during or after construction if the company does not meet the criteria do they automatically lose the tax abatement?

John Anderson replied that is my understanding.

Councilor Kight asked and the City monitors that?

John Anderson replied that is correct.

Councilor Kight asked how often are they monitored to see if they are in compliance?

John Anderson replied the Gresham example has been annual.

Councilor Ripma asked do we have to pass this resolution tonight?

John Anderson replied no. You have one more meeting before our deadline to apply, which is September 21st. We are trying to coordinate this with the two cities.

Councilor Ripma stated if we don't pass this tonight does that not give Fairview a chance.

Joe Gall, Fairview City Administrator, stated our Council will be having a similar discussion on September 5th where we will try to come up with as much of the criteria as possible. We also have an opportunity on the 19th of September, two days before the application deadline if we wanted to modify something. We are certainly not under the pressure that you have with FedEx. We are working closely with your staff. We would want to have fairly similar criteria. I think the only one we are not as interested in, at least initially, is the procurement plan. The first source agreement is very important to Fairview. We want jobs for our local residents. I think the issue about the initial investment is very important. We have some different opinions on the Council so we will be having some debate and discussion on that. The other criteria is the job quality. Those are the key criteria that Fairview will be looking at and we will try to resolve those on the 5th, but I have a feeling that we will not get them all resolved.

Councilor Ripma asked do we have to pass the same resolution as Fairview?

John Anderson replied no.

Councilor Ripma asked can we have different criteria than Fairview?

John Anderson replied yes.

Councilor Ripma stated other than the fact that Fairview will need to pass a resolution, the idea that Fairview in any way affects our need to pass a resolution sounds irrelevant.

John Anderson replied they need to pass a resolution if we are going to submit a joint application and have it done before September 21st when the application is submitted. Staff needs to put the application together. If the two councils wait until the last minute than we are left sitting with a draft application without some key pieces of information that we need to submit the application. That is why we have tried to have work sessions and move towards this.

Councilor Ripma stated I understand. We will do the best we can to try and come up with some criteria tonight. I certainly do not favor the resolution the way it is right now.

Councilor Thomas stated I like what is written and I think we ought to get the criteria established tonight. I really like Option B in the staff report.

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

No testimony received.

Mayor Thalhofer stated now we need to establish the criteria.

John Anderson stated if you look at Exhibit A we can just go down the list. The first criteria is the minimum investment. Gresham was clearly the highest; they were the only one with the minimum square foot requirement. Hillsboro has a sliding range from \$250,000 to \$1 million depending upon which particular enterprise zone area they are applying in. In one of your earlier discussions it was mentioned that by having a higher minimum threshold you are making sure that we are going through this process for businesses largest enough to justify it. On the other hand with a high minimum threshold there may be some local businesses that are already here that want to expand and they may not qualify with a higher minimum threshold.

Mayor Thalsofer stated FedEx is investing \$100 million plus, not every company will be making that kind of investment.

John Anderson replied correct. We are putting this together for the whole enterprise zone, which covers an area much larger than just the FedEx site.

MOTION: Councilor Canfield moved that the Minimum Investment be \$1 million with no requirement for a minimum per square foot. Seconded by Mayor Thalsofer.

Councilor Canfield stated as we discussed earlier there are pluses and minuses to requiring a minimum per square foot. For instance, Gresham's \$75 minimum per square foot would be much higher than FedEx's actual construction costs. We could go with a lower amount per square foot. I think with the minimum investment, no one will be just building a parking lot.

Councilor Ripma suggested including equipment and requiring a minimum per square foot.

Councilor Kight stated that is what Gresham does.

Councilor Canfield stated this does include equipment.

Councilor Ripma stated then FedEx meets that.

Councilor Canfield replied I know that. I am looking at Hillsboro's minimum of \$250,000 and Clackamas County has a minimum of \$25,000. I am not willing to give away a tax abatement for less than \$1 million.

Councilor Ripma stated one of the reasons you were for this was to attract quality high level investments in Troutdale, the sort of thing that FedEx meets. But having a \$1 million minimum could be the cheapest warehouse with a lot of square feet that would just eat up a lot of land and not creating any jobs. How does your motion meet the goal that you had mentioned in previous meetings of having quality investments, which is one of the reasons for doing an enterprise zone. We will give the tax

abatement but in return we want quality investment, not just \$1 million worth of buildings and very little job growth.

Councilor Canfield stated it is zoned industrial right now. We can not control what goes in there. If someone meets the definition of industrial that is what goes in.

Councilor Ripma stated but the idea is to entice higher quality development by giving them a tax break for meeting that minimum.

Councilor Canfield stated the minimum I am suggesting is just a minimum investment dollar amount, not a square foot dollar amount.

Councilor Kight asked why did you opt out on the per square foot minimum? Why do you have an objection to that?

Councilor Canfield stated I feel it is too cumbersome. It is not going to guarantee quality investment anymore than setting the square footage too high, which would guarantee nothing.

Councilor Ripma stated I think Gresham's is reasonable.

Councilor Canfield stated \$75 per square foot. FedEx has told us that their actual square footage costs are \$53 to \$55 per square foot.

Councilor Ripma responded that is for the building only.

Councilor Canfield replied for the whole thing.

Councilor Ripma asked could someone please inform us whether or not FedEx can meet the \$75 per square foot minimum?

John Anderson stated the estimates that came up during the work session didn't include the equipment that they are putting in.

Jim Laubenthal, Port of Portland, stated if you add the equipment plus the building costs FedEx will be over the \$75 per square foot minimum.

Councilor Kyle stated I am not going to support the motion because I am not looking at this for just FedEx. I am looking at this from the point of who we might be shutting out that is down in that area that may want to expand their current business. I would probably be looking more at the City of Hillsboro's criteria. I would be comfortable putting in a minimum square footage. Back in the spring when I started looking at the issue of enterprise zones I wasn't focusing on FedEx, I was focusing on who might be there and who might be coming there. \$1 million doesn't cut it for me. I might be looking at something like \$250,000 to \$1 million, or maybe not the \$250,000, maybe \$500,000. I would not want to exclude somebody that is already down there that might

be looking to expand. I have a hard time setting the minimum per square footage because I think that can be so flexible.

Councilor Daoust asked if we find that the minimum investment level that we set is too high to reach for future companies, how long does it take to go through the process to change that amount?

John Anderson replied it is just a matter of amending the resolution.

Councilor Daoust stated I am not going to agree to the motion because I like the Gresham criteria with the \$1 million minimum investment and the \$75 per square foot minimum to try and get higher end construction.

Councilor Kight asked Mr. Laubenthal, on buildings that have been built in the last thirty-six months, what would you say on average is the per square foot cost including the equipment?

Jim Laubenthal replied I am not prepared to answer that question.

Councilor Kight asked what was the average per square foot cost on the last building that was built?

Jim Laubenthal replied I am involved more on the planning side, so I really don't have that information tonight.

Councilor Kight stated I would support the City of Gresham's criteria. I am not going to support this motion because I think Gresham, with their wisdom, included the additional feature of having the per square foot minimum requirement in there and I think that makes a lot of sense.

MOTION WITHDRAWN: Councilor Canfield withdrew his motion.

MOTION: Councilor Kyle moved that the range of the Minimum Investment be \$500,000 to \$1 million and setting a minimum square foot of \$75. Seconded by Councilor Canfield.

Councilor Ripma asked for a point of clarification. The reason that Hillsboro has two ranges is because they have two sections in their enterprise zone in Hillsboro. I am okay with your \$500,000 to \$1 million, but I am not clear on it.

Councilor Kyle stated when I started contemplating this, this was not about FedEx, it was about the whole redevelopment of the Alcoa property. We do have other properties down there in this zone and I don't want to automatically shut the door on someone down there that may be willing to expand their business if they had the option to do so. That is why I choose that number.

Councilor Daoust stated you don't have a range; you have a minimum of \$500,000.

Councilor Ripma stated really that is what you have.

Councilor Kyle stated if you look at Hillsboro, they do have a range. If we need to put a minimum of \$500,000 I am okay with that.

Councilor Ripma stated it is not really a range in Hillsboro, they have two zones.

MOTION TO AMEND: Councilor Kyle moved to amend the motion to have a Minimum Investment of \$500,000 and setting a minimum square foot of \$75. Seconded by Councilor Canfield.

Councilor Canfield stated we are all trying to reach an agreement on what we want to do here. Maybe this gets us closer to agreeing.

Councilor Daoust stated I still like Gresham's criteria but in the spirit of compromise I am willing to go with this.

Councilor Kight stated I think we are selling ourselves short. \$500,000 for a commercial building, even an addition to an existing building, it is literally a drop in the bucket especially with the current prices for construction. You are giving a tax abatement to an industry or business; I think if they can't come up with at least \$1 million of investment I don't think they should even be considered as meeting the criteria for an enterprise zone. I think Gresham has done it right.

Councilor Daoust stated they will still have to meet the \$75 per square foot minimum.

Councilor Kight stated I like everything that Gresham has. The only question I have is regarding the job quality, which I would like to compare Hillsboro and Gresham.

Councilor Ripma stated I think the \$75 per square foot is more important to the overall goal of attracting quality investment and job creating investments than the \$1 million versus \$500,000. I prefer Gresham's number. It is hard to do much in the way of industrial building, including the equipment, for less than \$1 million.

Councilor Kyle stated that would depend on the size of the company. One of the other criteria we have is the increase of the permanent, full-time employment by 10%. We don't know what that is. All I am saying is that, I haven't done an inventory of who is down there, but I don't want to shut the door on someone that has already invested in our area if they want to add 10%. Maybe 10% isn't much to a small company.

Councilor Thomas stated I agree that we have to look down the road as far as businesses go, but it is not hard to get \$1 million in construction, even a small building can cost you \$1 million. I agree with Gresham's criteria. I would have to support keeping the \$1 million with the \$75 per square foot minimum. We want to

keep quality companies. We need an industry to come in and say we are committed to Troutdale and we are willing to make the investment to get the tax abatement, and not just give it to every company. I think the \$1 million minimum and the \$75 per square foot is a good thing to incorporate in the criteria.

Mayor Thalsofer asked what about an existing business that wants to expand?

Councilor Thomas stated I don't think it is hard to reach \$1 million for new construction or adding on to a building.

Councilor Canfield asked Rich Faith, for some of our existing businesses that have added on, what have you seen as far as construction costs?

Rich Faith replied it is pretty shocking how quickly the costs add up. I think we are finding that it doesn't take much to run up a \$1 million cost for buildings, it is pretty typical.

FRIENDLY AMENDMENT: Councilor Kight offered a friendly amendment to increase the minimum investment to \$1 million for projects involving construction, and a minimum of \$75 per square foot is required (Gresham's criteria). Seconded by Councilor Thomas.

Councilor Kyle accepted the friendly amendment.

AMENDED MOTION: Councilor Kyle moved that the Minimum Investment be \$1 million for projects involving construction, and a minimum of \$75 per square foot is required. Seconded by Councilor Canfield.

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

Motion Passed 7 – 0.

John Anderson stated the next criteria is the first source agreement.

MOTION: Councilor Canfield moved that our First-Source Agreement criteria read as follows: Must enter into agreement with local East Multnomah County job training providers, area defined as East of I-205, South of the Columbia River, West of the Sandy River and North of the Clackamas County line. Seconded by Councilor Kyle.

Councilor Canfield stated I am keeping this generic as suggested by Councilor Kyle because we don't know who local providers are.

Councilor Kyle stated I agree we need to keep out the specific name of a service provider and keep it generic, but we need to make sure that they use someone in our area, east of I-205.

Councilor Kight asked do we want to identify Mt. Hood Community College as a service provider?

Councilor Daoust replied they are located within the defined area.

Councilor Kight stated I would like to support our local college and by identifying them it would bring that to the attention of the folks making application because they may not be from this area.

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

Motion Passed 7 – 0.

John Anderson stated the next criteria is the possibility of including a procurement plan. Most of the cities don't require that, Hillsboro and Gresham do.

MOTION: Councilor Kyle moved to not include a Procurement Plan. Seconded by Councilor Canfield.

Councilor Kyle stated I think it is too hard to track. I am considering staff time to monitor the program. I looked at Gresham's template and I am not sure that it is worth it. I have read the testimony from Gresham that said that they have tried it and it did not work. I think it is too labor intensive.

Councilor Kight asked would that be because it is too narrow? How about making it east of 82nd?

Mayor Thalhofer suggested using the same boundary as the First Source Agreement.

Councilor Kyle stated I made the motion because I feel it is too labor intensive.

Councilor Kight stated they are getting a \$4 million tax abatement we need to set some kind of criteria.

Councilor Canfield asked David Ross, if we approve a procurement plan like Gresham's, and even if we have the staff time to gather all of the information, how enforceable is this? I noticed that Gresham said that they didn't have much luck in compliance with it.

David Ross, City Attorney, replied if I could rephrase the question to can they lose their tax abatement if they don't strictly comply, I don't know the answer to that but I can try to find out.

Councilor Daoust stated the way I look at this is if we are going to require them to buy locally in East County, you either have a plan or you don't have a plan. There has to be something to measure and that is the reason for the plan. The template is cumbersome, but we aren't the ones putting it together, FedEx would have to put it together and we would just have to buy-off on it and monitor it. We could require them to put one together and see what it looks like and if we don't like it we could drop it.

Mayor Thalsofer stated if they are going to get a tax rebate it is going to cost some of the taxing districts money and the people in that district ought to be able to get first shot at providing services if they can provide the services needed.

Councilor Canfield stated I agree with Councilor Kyle that it will be difficult for staff to continually gather all of this information; it would be very time consuming. I am wondering if we might want to look at the Hillsboro model that increases purchases by 10% from local companies.

Councilor Ripma stated I think that would be more cumbersome than Gresham's. Gresham only requires that they create and execute a procurement plan. I question whether the staff time involved will be that burdensome. My concern would be that we give all of this tax abatement and they don't make any effort at all, theoretically, what if they were a large shipping company that just shipped things around and they shipped everything they wanted in and they didn't buy anything from local businesses. I think we are doing a disservice to our taxpayers by granting the tax abatement without at least asking them to come up with a plan that includes local procurement.

Councilor Kight stated I tend to agree.

Councilor Thomas stated I think the procurement plan is necessary.

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

Motion Failed 1 - 6.

MOTION: Councilor Kight moved to have a Procurement Plan to increase purchasing from East Multnomah County, as per the aforementioned district that was outlined, with the template similar to Gresham's. Seconded by Councilor Thomas.

Councilor Kight stated I think it makes sense that when we are giving these large tax abatements that we would want to retrieve as much of that as we can and keep it within our own community. As taxpayers who are making this kind of sacrifice to support corporate welfare for a large multi-national corporation that does \$363 billion in sales like FedEx, I don't think it is too much to ask them to try buy products and/or services locally.

Councilor Thomas stated I agree with Councilor Kight. I think it is important that we try to support local business. One of the things we have talked about for years is how do we get businesses to help each other out by working together and buying from each other and I think this is one way to do that.

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

Motion Passed 7 – 0.

John Anderson stated the next criteria is job quality. Council has been looking at the Gresham and Hillsboro example. This is where the conversation about FedEx's preference and the comments from Jim Laubenthal come into play.

MOTION: Councilor Canfield moved that Job Quality be required and the average of all hourly full-time wages must be at least 150% of Oregon minimum wage. Seconded by Councilor Thomas.

Councilor Canfield stated I think that is a fair amount. It is a good wage and I would not want to shoot for the moon and go with the 200%. As I stated in the work session I would rather have a lot of jobs at 150% of the minimum wage than no jobs at all.

Councilor Daoust asked are you following the Hillsboro language, or are you just restricting it to point #1 of Hillsboro?

Councilor Canfield replied just point #1.

Councilor Kight stated so you don't want to mention anything about the benefits or job training as part of your motion.

Councilor Canfield replied that is correct.

Councilor Daoust stated I was considering the rest of the Hillsboro language as beneficial. I would like to hear what the rest of the Council has to say.

Councilor Kyle stated I support the motion as stated.

Councilor Kight stated I am not going to support the motion because I think benefits are very important. Instead of having full-time employees, too many times large corporations will hire employees that are just short of being full-time so they don't have to pay them any benefits. I think it is also important to have job training. Too often in order to lower salaries, large corporations pull in people from the outside to replace current employees in order to reduce their overall cost of operation. This would provide some form of job security that one, they provide benefits and secondly they have training for their own employees and advancement opportunities.

FRIENDLY AMENDMENT: Councilor Kight made a friendly amendment to include that they must offer sufficient training and advancement opportunities for all employees and must provide benefits to full-time employees that meet or exceed the national average. Councilor Canfield accepted the friendly amendment.

Councilor Ripma stated my problem with this is we are offering tax abatement to attract good jobs and we are talking about the average of all of the full-time hourly employees wages to be at 150% of the minimum wage. That is not worth giving a tax abatement. I welcome people to bring jobs to the area like that, but I think it is a tall order to ask the citizens of Troutdale to sacrifice \$1 million in taxes over three years to attract an employer that can't meet Gresham's 200% of the minimum wage requirement for 75% of the workers. Doesn't that give anyone pause here? What is the minimum wage?

Councilor Kyle replied \$7.75.

Councilor Ripma stated so we are talking \$10 per hour. I think Gresham's criteria is lose enough. To lower it to 150% just to accommodate someone who we think will be applying, FedEx. It is not the kind of jobs that I have in mind for that industrial area. Obviously there will be some people paid less than 200% of the minimum, but over 25% of the employees will be paid less than \$15 per hour, you realize those people could not afford to purchase a house in Troutdale.

Mayor Thalhoffer stated I am going to go along with the 150%. I know it is minimal but they have a lot of jobs that pay a lot more than that. They are a good employer and they come with a good corporate reputation. I don't like the low pay, but I think overall it will behoove us to go along with it at this point. Down the road we can change that. The taxpayers are giving up three years of what from that site? Right now we are collecting nothing from that site, so we will just get three more years of nothing essentially and then we will get a good amount of tax revenue, about \$338,000 per year. So the taxpayers are going to be well served in my opinion.

Councilor Canfield stated I just want to point out that my motion states that the average of all hourly full-time wages be at least 150%. Some will be paid less than that, but it also means that some people will be paid much more than that. As Mayor

Thalhofer pointed out there are no jobs down there right now and I would rather Troutdale get 300 to 500 jobs at this rate than no jobs at all.

Councilor Ripma stated the trouble with that argument is that yes, some will be paid more than 150% of minimum wage but no one is going to be paid less than the minimum wage. It is a very easy criteria to meet and it is on an average. Presumably the management and executive staff are going to be paid considerably more. I am just saying that could mean that a large number of the workers are paid at minimum wage, which we know you can hardly rent an apartment on that wage. It is not that they are not good employers and its not that they are not worth having in Troutdale, it is should we be paying all of this money for the purpose of attracting jobs like that or shouldn't we set our sights a little higher. I understand that there is nobody there now. I don't know how often you come home on I-84, but you can't even get off at the exits. We are building out as fast as we possibly can and paying people to come here and it will have an affect on our quality of life and it will have an affect on our tax rate, what citizens are currently paying. We will lose some services. That is a fair investment to make but lets be intelligent about it and not sell ourselves short. I think someone who can not meet Gresham's criteria shouldn't get a tax break.

Councilor Canfield stated we are being intelligent about it Councilor Ripma.

Councilor Daoust stated my assumption is that FedEx is a quality company that has set wages for the types of jobs they offer and that is what they will pay. If they have a lucrative well-run business on Swan Island and they pay the wages they do, they will have a lucrative well-run business in Troutdale.

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

Motion Passed 6 – 1.

John Anderson stated that is all of the additional local criteria, you could take action on the draft resolution as included in the packet with the addition of the four additional criteria you just voted on this evening.

Councilor Kight asked are we not including an application fee?

John Anderson replied that is on page 2 of the resolution.

Councilor Kight asked there is no cap mentioned in that language, are we not setting a cap?

John Anderson replied it was decided during the discussion to not have a cap.

MOTION: Councilor Canfield moved that the City Council approve a Resolution authorizing application to the State of Oregon Community and Economic Development for establishment of an enterprise zone including the criteria that was voted on tonight. Seconded by Councilor Daoust.

Councilor Daoust stated we have spent adequate time going over the local criteria and I am pleased with what we came up with tonight.

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

Motion Passed 6 – 1.

5. STAFF COMMUNICATIONS

None.

6. COUNCIL COMMUNICATIONS

Mayor Thalhofner stated the Council will be taking action on the concerts at Edgefield.

Councilor Canfield thanked the neighbors for coming before the Council regarding the noise situation. When we address the noise code we will try to implement something everyone can accept and I hope that changes can be made well before next year's concert season.

Councilor Kyle stated I went around town to listen to the noise at several locations and I am concerned about the noise. Councilor Kyle handed out a letter that she drafted to McMenamins about the noise and hopes that they will listen to the neighbors to work out some of the concerns. We weren't expecting to have lights on until 2:30 in the morning or to have music played throughout the day.

The Council supported Councilor Kyle's letter to McMenamins and agreed to have the Mayor sign the letter.

Councilor Kyle expressed her sympathies to the family of Jim Raze who was a City Councilor with the City of Fairview. Councilor Kyle informed the Council about the loss of Michele Rosenberger's (Michelle works in the Park and Facilities Division for the City) brother who lost his life trying break up a domestic dispute. Councilor Kyle expressed her sympathies to Michelle and her family.

Mayor Thalhofner mentioned that flowers were sent to the family of Jim Raze and to Michele Rosenberger from the City Council.

Councilor Daoust mentioned there is another sold out concert at Edgefield on Thursday night. I remember dealing with the noise ordinance the last time and it gets into a lot of details such as decibels. It is not easy to craft a noise ordinance that's enforceable.

Councilor Canfield stated that Troutdale Police Officers would be taking decibel readings all around the City tonight so we can quantify how bad it is.

Councilor Kight stated that the Police Department received a grant for a Gang Enforcement Officer. This makes money available to hire an Officer and it is the Chief's hope that the Council will consider that. Chief Nelson should come before the Council to make a presentation to us so we can make a determination whether we want to hire another full-time officer. Councilor Kight talked about noise complaints from McMenamins as well as neighborhood noise. Councilor Kight asked the Council to view Gresham's Ordinance on their website.

Councilor Ripma stated that the Council not only needs to address the noise ordinance but they need to establish more parameters for next year's schedule for the concerts at McMenamins. Councilor Ripma stated that Jim Raze was a great guy; he was involved with the Fairview Historical Society, and he will be missed. Councilor Ripma reminded everyone that this year is Troutdale's Centennial and events will be taking place in downtown Troutdale on October 6th.

Councilor Thomas also offered his condolences to the family of Jim Raze. He complimented staff on the new format in the Council binders. Councilor Thomas wished everyone a happy Labor Day.

7. ADJOURNMENT:

MOTION: Councilor Ripma moved to adjourn. Seconded by Councilor Kight. Motion passed unanimously.

Meeting adjourned at 9:08pm.

Paul Thalhofer, Mayor

Dated: Approved January 8, 2008

ATTEST:

Debbie Stickney, City Recorder