

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

Tuesday, January 24, 2006

1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE

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

PRESENT: Mayor Thalhofer, Councilor Ripma, Councilor Thomas, Councilor Canfield, Councilor Kyle, Councilor Daoust, Councilor Gorsek (8:30pm)

ABSENT: None.

STAFF: John Anderson, City Administrator; Jim Galloway, Public Works Director; Rich Faith, Community Development Director; Kathy Leader, Finance Director; Marnie Allen, City Attorney; Debbie Stickney, City Recorder; Travis Hultin, Chief Engineer.

GUESTS: See Attached.

2. STATE OF THE CITY ADDRESS

Mayor Thalhofer pulled this item from the agenda and rescheduled it for February 14, 2006.

3. CONSENT AGENDA

3.1 ACCEPT MINUTES: September 27, 2005 Regular Meeting.

MOTION: Councilor Thomas moved to adopt the Consent Agenda. Seconded by Councilor Ripma. Motion Passed Unanimously.

4. PUBLIC COMMENT

None.

5. PUBLIC HEARING / ORDINANCE (Continued from 10/11/05): An Ordinance amending Chapters 1, 3, 4, 5, 7, 8, 9, 10 and 11 and Appendix A of the Troutdale Development Code (Text Amendment No. 36).

Mayor Thalhofer read the ordinance title and opened the public hearing at 7:05pm.

Rich Faith, Community Development Director stated this ordinance was first introduced on September 27th and a second hearing was held on October 11th. At the conclusion of the October 11th hearing the Council decided to hold a work session to focus on some of the

specific aspects of the proposed code amendments, primarily those dealing with the dimensional standards for rowhouse lots in the Central Business District (CBD). We held that work session on November 1st and in response to the comments received during that work session Council directed some changes in the amendments. The changes that the Council directed staff to bring back were to modify the minimum lot width from the proposed 20' minimum to: Option 1 - 16' minimum lot width and Option 2 would be 16' minimum lot width with a 20' average lot width. Another change Council directed was in the minimum front setback standard. The proposal at the time was a 20' setback to the garage, 15' to the front door and 10' to the front porch. The Council asked that we amend the language to adjust it if there is a rear alley to allow the front setback to be only 10' to the front door and 5' to the front porch. The minimum side setback was to be adjusted to take into account the differences in the topography between adjacent properties and the same was true for the minimum rear setback. After the November 1st work session another work session was held on December 13th primarily to look at the amended language that Council asked for and in addition to that there were some new issues that were being raised by some of the downtown property owners and perspective developers of some of the downtown vacant properties. One of the focuses of the December 13th work session was to clarify what the Council's intent was with respect to allowing the reduced side and rear yard setbacks in terms of adjusting for topography. We also received additional comments at that time from some of the perspective developers for the downtown properties. As a result the Council did provide additional direction for changes. All of these changes are reflected in the minutes and the action agendas for those meetings which I have included as an attachment or exhibit to my written staff report. This evening what I wanted to do was just go over the changes that have occurred in the ordinance since the last public hearing on October 11th. **Chapter 10 Signs:** We proposed amendments dealing specifically with political signs. I think the Council debated that thoroughly and came to agreement in terms of the changes that they wanted to see. Those changes have been incorporated into the amendments as part of this ordinance. **Chapter 3.130 CBD modifications:** The key change that has occurred since the last public hearing is in the minimum lot width for the residential units. Council directed me to make the change to go down to a 16' minimum lot width for residential units, primarily here in the downtown those would be attached rowhouse units. Council also asked staff to include a second option which is a 16' minimum lot width but with a 20' average lot width. The minimum lot width standard, as it is now written, applies to any type of residential development that would occur in the CBD. Another key change that has occurred in the CBD is creating an exception area that encompasses the one block strip between Columbia River Highway and 2nd Street. This was the outgrowth of comments received at the last work session. This exception area is an area in which some of the standards that would otherwise occur in the CBD are being relaxed. The exception area called out in the ordinance is that area between Columbia River Highway and 2nd Street, and since 2nd Street does not intersect with 257th it would be the extension of 2nd Street to 257th and then running from 257th west to what is the right-of-way for SE Sandy Street. One of the standards that was removed in this exception area is the minimum lot depth standard. Previously it was calling for a minimum of 70' but in the exception area there is no minimum lot depth standard being proposed. Because we have no minimum lot depth standard it is very hard to establish a minimum lot area standard so as a result in the exception area there is no minimum lot area standard. However, that would not be true for the rest of the CBD I am speaking just for this exception area. Another change to the CBD is with reduced lot width down to 16' then the minimum street frontage standard is also being reduced accordingly. The front setback modification that I mentioned earlier when you have alley access is if you do have rear access then the

setback standard is reduced to a minimum of 10' to the front façade of the residence and 5' to the front porch. The side yard setback adjustment that we spent quite a bit of time on at the last work session has been modified to allow for a reduction in the side yard setback when it is adjacent to a rear yard of a residential zone and similarly it allows a reduction in the rear yard setback when abutting a residential rear yard in another residential zone. The specifics of that are in Section 3.137. Because this is an important point I would like to go through a short slide presentation to try to demonstrate the changed language and how that will work (copy of the slides are contained in the packet).

Rich Faith stated Section 3.137 says that the minimum side yard setback for residential uses adjoining a rear yard in a residential zoning district and a minimum rear yard setback adjoining a residential district may be reduced by as much as 5' under certain circumstances. First you need to establish the maximum building height or building ceiling and that is determined at the highest point along the common property line, in this instance we are talking about point A on slide 1. What this provision (3.137B) allows for is for each one-foot reduction in the minimum setback the building height ceiling shall be reduced by two-feet, thus a building that is setback the maximum 5' closer to the common property line has a building height ceiling that is 10' lower than the maximum. This slide is merely trying to show where the 20' standard is, a building that is 35' falls well below what the maximum ceiling would be because of the topography difference in this particular case. What this is trying to show (slide 2) is that in this instance where the building is being proposed at the maximum 35' height with it being moved 5' closer it does not result in a reduction in the height of the building simply because the maximum building ceiling, because of the topography differences, is way up here. So in effect moving it 5' closer does not result in having to lower the height of the building at all. However, if this is a flat surface it will change that. (Slide 3) To conform to the proposed standard a building on a flat lot built 15' from the property line could only be 25' in height but on a sloped lot in the previous example it could still be 35' high because it is under the reduced building height ceiling at the 15' setback line. This next slide (slide 4) tries to show how that plays out on a flat piece of property. You can see that on the shared property line if we were to measure the maximum 35' height it establishes a maximum ceiling height that is really the same as the maximum height of the building. So if this building is built at the maximum 35' it will actually top out at the same level as would the established maximum ceiling height at the property line. If however, the builder chooses to move it up to 5' closer, so it would be a 15' setback, for each 1' closer the maximum ceiling height is reduced by 2' so it basically establishes a new and reduced maximum building height which is what the red line on the slide shows. So this building will actually have to be reduced in size in order to be built at the 15' setback line. So it is trying to establish that there will be a tradeoff, that if you do want the reduced setback you can do so but you would have to lower the height of the building in this particular instance. But again going back to an earlier example where you have a significant difference in the elevations of the two properties it is really not going to affect this particular structure simply because the maximum ceiling height is affected by the higher elevation at the common property line.

Rich Faith stated now I would like to go back to the modifications that have been made to the CBD since the last public hearing. Previously we had a 5' side yard setback requirement and that has now been eliminated so that units can be built right on the street right-of-way line as far as corner lots go. With the smaller platted lots that are going to be allowed, going down to the 16' width, it seemed appropriate to modify the maximum density standard to take that into consideration. So where as previously the maximum density was one dwelling unit per 2,000

square feet of land area, the modified version is one per 1,500 square feet and in the exception area the density standard is reduced even more to one dwelling unit per 1,000 square feet of land area. The building height limitation of 35' is increased in the exception area to 45'. The current minimum standard of 5% landscaping for lots developed in the CBD is eliminated in the exception area, so there would be no landscaping requirement in the exception area. Similar to many of these changes in the CBD it was necessary to modify some of the other zoning districts that also occur within the Town Center area. **Chapter 3.100 - Neighborhood Commercial (NC)** is being modified to allow the reduced 16' wide rowhouse units. **Chapter 3.140 – Mixed Office/Housing (MO/H):** The same thing is true in the MO/H for consistency to allow down to the 16' wide rowhouse units. **Chapter 4.700 – Town Center Overlay District (TC):** In the TC itself, which imposes different standards for other zones within it, the 16' wide rowhouse standard is carried over into the A-2 District and for rowhouses that are allowed in R-4 and R-5 Districts. **Section 5.040 – Clear Vision Area:** Another area that is new since the October meeting which I did a very brief introduction to at the last work session has to do with the clear vision area. The clear vision area is a standard that establishes a triangular area at the intersection of two streets and at the intersection of driveways with streets. The idea behind the clear vision triangle is to eliminate structures or landscaping or anything that would obstruct the view of traffic. So it is a safety mechanism in order to provide for clear vision at these intersection areas. Currently Chapter 5 of our Code does establish the clear vision standards. These standards are quite old and I really couldn't even tell you where they originated from. I think they were primarily designed to address the detached single-family lots or detached single-family homes on larger lots, but they don't work very well when we are talking about higher density areas such as the CBD or in our Town Center Overlay. Because we are eliminating the street side yard setback here in the CBD it becomes necessary to address that. The clear vision triangle simply would not allow structures to be built right at the side yard so it is necessary to modify the clear vision area standards in order to remove those conflicts. The simplest solution to doing that was to eliminate the clear vision area standard where no setbacks are required. So that is a new provision in the clear vision section of the Code that simply says that if there is no setback requirement at this intersection then the structure can be placed within the clear vision area. Since we needed to go in and modify the clear vision triangle standards it provided an opportunity to correct some other problems that we have been having in these particular standards. Our current standard measures the clear vision triangle from the property line, so essentially where you have the street right-of-way at a corner abutting a private property the measurement is now taken at the property line. As a consequence of that the clear vision triangle is set well inside the private property line and because of the height restrictions that are imposed in the clear vision area, mainly nothing can exceed 3' in height, it really creates a problem or a hardship on the owners of these corner lots that want to put up a side yard or rear yard 6' high privacy fence. Typically those fences can't be put clear out to the sidewalk they are going to have to be set well inside of the property. We heard something about that at the October 11th hearing when one of our residents came forward and spoke to a problem that they were having with that. The entire clear vision triangle section of the Code has been overhauled so that it is less burdensome to those owners of those corner lots. The new standard, the way it is written, would allow the majority of the private property on these corner lots to now be within the 6' privacy fence and would not be subject to the 3' restriction.

Rich Faith reviewed slides 5 through 10 (copies included in the packet) pertaining to the clear vision standard.

Rich Faith stated I have a couple of final things as part of these modified amendments since the last hearing. **Section 8.235 – Recreation Areas:** We have minimum standards for recreation areas in conjunction with apartment complexes and attached housing developments that have six or more units, the minimum standard is 200 square feet per dwelling unit. That particular standard is being eliminated for the exception area. So any apartments or attached housing in the downtown exception area would not be subject to the minimum recreation area standard. Similarly, **Appendix A** which are our design standards for the CBD those are being modified to be consistent with all of these other changes that we have talked about in the CBD dealing with lot area, lot width, depth, setbacks, landscaping, and building height. Appendix A is now consistent with what is proposed in the CBD. I think captures all of the changes that occurred in these amendments since the last hearing. Staff's recommendation would be for you to adopt these. There certainly could be more testimony this evening for additional changes, but I think up to now we have attempted to address all of the comments that have come in and reflect all of the changes that the Council has directed us to make in view of our previous hearings and work sessions.

Councilor Kyle stated on the clear vision slide you showed, I see that current provisions are shown in blue. There is a tree in the red triangle. Would that typically be planted in a clear vision area?

Rich Faith replied technically there should not be a tree in the clear vision area. The reality is we may have some street trees in that clear vision area. The code does make allowances for trees as long as they are adequately spaced and the same would be true for other things. Section 2.040C says, "except for the occasional tree trunks, mail boxes, street sign posts, or utility poles". You are not to exceed the height restriction but it recognizes that you would occasionally have one of these.

Councilor Daoust stated on the topography adjustment, on page 16 of Exhibit A, Section 3.137B reads, "for each one-foot reduction in the minimum setback, the building height ceiling shall be reduced by two feet". I remember at the last meeting Councilor Thomas and I worked something out but it wasn't quite this. This goes back to the original language you had at the first reading.

Rich Faith replied not quite. The previous language established that you could come closer but you could not exceed 15' higher than the highest point of the shared property line. This doesn't come close to what it said before.

Councilor Daoust asked Councilor Thomas, is that what we were talking about?

Councilor Thomas stated it gives them credit for the slope in the land.

Councilor Daoust stated okay. There is no effect on the height of the building if the slope is a 10' drop; if it less than a 10' drop then they would have to reduce the height of the building.

Rich Faith replied correct.

Councilor Ripma asked is the clear vision area being changed for the whole city?

Rich Faith replied that is correct.

Councilor Ripma stated you specify the 110' length that you would see on local streets and then it says something about county roads. Don't we have any city streets that are more than 25mph? I am just concerned that on some streets we might have higher speed limits. I assume that the 110' is based on the speed of traffic, is that right?

Rich Faith replied that is my understanding.

Councilor Ripma asked do we have streets that are not county streets that have higher speed limits? Would applying 110' citywide create a problem?

Jim Galloway, Public Works Director stated the only city street that comes to mind that has a speed limit higher than 25mph is Hensley.

Councilor Ripma asked was the 110' based on the assumption that traffic would be moving at 25mph?

Travis Hultin, Chief Engineer replied it is actually based on studies that have been done by traffic engineers that indicate how much time or what the distance is that the average person feels comfortable pulling out into traffic. Based on the speed of the vehicle we know how much time it takes that vehicle to travel a certain distance and the amount of time that a person feels comfortable pulling out and the amount of time they feel they have is what determines that distance.

Councilor Ripma asked was it set for 25mph?

Travis Hultin replied yes.

Councilor Ripma asked since we are applying it citywide, I just wondered if that is wise on a street where the speed limit is higher?

Travis Hultin replied there is an allowance for other situations. This is the most predominant situation throughout the city and there are very few exceptions, Hensley being the only one that I can think of. We do include a provision that in other situations a traffic engineering analysis would be done to determine the appropriate clear vision triangle.

Councilor Ripma stated I am thinking that it could be made specific to streets that have a 25mph speed limit. Since we are passing it citywide and we haven't seen it before, I am just raising an issue to make sure that it has been fully considered.

Travis Hultin stated I think that Rich Faith and I could probably take a look at that language and tighten it up a little bit to ensure that it was only applied on streets with that speed limit and that would essentially force a traffic engineering analysis for any other street.

Councilor Ripma stated I think it is worth considering. The other question I have is related to the exception area being proposed. My recollection was that the request was to have something like this exception area and what we discussed at the work session was something like this exception area in the area of the Marino block. I don't remember having it extend the entire length of the south side of the Historic Columbia River Highway between

Historic Columbia River Highway and 2nd Street. That isn't at all what I recall. Let me see if I understand what is involved in that area. There is no minimum lot area, the building height is increased to 45', there is no recreation area at all for multi-family, and no landscaping requirement. Was this proposal of eliminating all of these things in that entire strip on the south side of the Historic Columbia River Highway included in what was put before the Planning Commission (PC) and the Citizen Advisory Committee (CAC)? All I remember is that we discussed it at a Council work session, is that correct?

Rich Faith yes. It was not something considered by the CAC or the PC. It came up during your work session.

Councilor Ripma stated that is a very drastic change to quite a large area downtown. Would it be advisable to have the CAC and PC consider this, especially increasing the height to 45'?

Rich Faith stated in my opinion these changes are still within the parameters of the amendments to the CBD. The things that were discussed, certainly the idea of the exception area was not considered, but amendments to the CBD with the rowhouse lots, all of these things are part of what was discussed and debated at the CAC and the PC. I just don't see any reason why you would take it back to them.

Councilor Ripma asked did they ever discuss raising the height along the south side of Columbia River Highway to 45' for buildings?

Rich Faith replied it was not brought up for consideration. I don't believe it was discussed.

Councilor Ripma stated there are a lot of uphill neighbors that would be impacted by such a regulation. Were there any notices given to the neighborhoods about an increase in building height?

Rich Faith replied notices were sent out prior to the PC hearing about the amendments in general. The increase in the building height and the exception area were not in consideration at that time. This is a continued hearing from October 11th so it was not necessary to re-notify folks for this hearing. That particular change has not really been broadcast but a few individuals that have been concerned about it and have been following along have been attending the work sessions and these hearings.

Councilor Ripma asked could the exception area be limited to between Harlow and Dora on the south side of Columbia River Highway? Is that an amendment that would be consistent with the general flavor of everything else?

Rich Faith replied that is an easy fix that could be made this evening with just a few word changes.

Councilor Ripma asked could the whole exception area discussion be pulled out of the proposed amendments for tonight for further discussion while still going forward with everything else?

Rich Faith replied there are so many things that are intertwined if you take something like that out I would need to go through and look at some of the other sections as well to make sure that everything fits again.

Councilor Ripma asked there are some specific sections dealing with minimum lot area, the increase in height to 45', the removal of recreation areas and the removal of landscaping requirements that seem to me to be very identifiable and I wondered if it was doable, if the Council is willing to consider taking that out in its entirety for further consideration while going forward with the rest? Marnie Allen, in your opinion, is that feasible?

Marnie Allen, City Attorney replied legally you can do that. As you were talking I went through the text and highlighted those places where the language was added that dealt with just the exception area, so I feel comfortable that I have identified all of those areas. What I don't know is if there is general language in other portions of the code that don't refer to the exception area that would have to be changed. It didn't look like it to me.

Councilor Thomas asked if we were to pull that out and pass the ordinance without the exception area language, wouldn't that start the process over and it would have to be taken all the way back to the CAC?

Rich Faith replied I think that is correct, we would be starting a new amendment so it would have to start over.

Councilor Kyle stated it seems to me that we discussed many of these things at the work session but I don't remember that we nailed down an area to include in the exception area. I also don't recall that it extended that far. Where did this come from extending across 257th? I don't remember that.

Rich Faith replied it doesn't extend across 257th but it goes clear to 257th. The discussion started out strictly on the Marino block and as that discussion evolved I recall that it was mentioned why not that entire block between Columbia River Highway and 2nd, why wouldn't we just apply it to the entire block. I interpreted that to mean the entire length along Columbia River Highway.

Councilor Daoust stated I was the one that brought it up and I guess it got put in. I think it would be prudent for the Council to consider a smaller area tonight, maybe just a couple block area rather than drag this through the CAC and PC again.

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

Mike Miller of MGH stated I am here tonight representing the Marino block. In order to implement our design I think we need the exception area passed. We have a very urban design in mind with mixed use for townhouses and commercial. There are still a number of things that I think we need to include in the exception area that we talked about at the last meeting. One of those is the width. 16' is a little bit wide. We would like to see it at 15'. I think the way it is worded now it actually says 16' with an average of 20'. So if you have some 16' wide lots then you would also need to have 24' wide lots. That would reduce the density dramatically on that block and you wouldn't be able to get urban densities with that kind of width. I think the distinction between an average of 20', which is more of a suburban

width townhome, and the 15' that we are asking for is that the lots that we would be creating would be urban and they would be alley loaded not front loaded. The other thing that we would request would be to reduce the setback from 10' to no required setback. Again that is in keeping with what is typically found in the CBD. With a 10' setback we would be reducing the density dramatically as well. Parking spaces, we feel we could get by with one parking space per unit. That is typically what is provided in the Pearl District and other urban areas. Those are the three things we are asking for. We think this is a very well put together document. We would support the exception area in the Marino block, or whatever blocks that you feel are appropriate, but at least the Marino block.

Councilor Thomas stated you mentioned that it would significantly reduce the density, that is a pretty strong term. How much would the density be reduced by using the option of 16' minimum lot width, one house, two houses?

Mike Miller replied it might reduce it by one unit. The Option 2 language would cause a dramatic reduction.

Councilor Thomas asked what is the difference between having two parking spaces versus one?

Mike Miller replied I think that would affect the streetscape. We probably could live with the two parking spaces.

Councilor Thomas stated one of the concerns was preserving parking for the rest of the downtown and most everyone has two cars.

George Diamond stated our request for the parking is for a minimum of one parking space. When you have a 16' wide building you can't put two cars side by side. If you look at the grade on 2nd Street we could probably have two cars parked behind each other but on the side streets you don't have that much on a grade so you can't bring the car all the way out in front or the car would be on the main street, so it makes sense to only put one car. That is why we are concerned about the parking requirement and are asking for a minimum of one. Most of the units may have two parking spaces but if we are required to have two for all the units then we have to find that parking somewhere else.

Councilor Thomas asked are you considering the garage as a parking space?

George Diamond replied yes.

Mayor Thalhoffer asked what is the width of the units in Lake Oswego?

George Diamond replied 16', 18' and 20'.

Mayor Thalhoffer asked what were the setbacks?

George Diamond replied the setbacks I believe were maybe 5', but it was a different layout for the block. The topography was different.

Mike Miller stated for the purpose of what we are talking about tonight we are just establishing the minimums, that is not to say that every unit would be at a zero setback.

Mayor Thalhoffer asked do you have visual aids with you tonight?

Mike Miller stated we just have the same drawing that we should you at the last meeting.

Mike Miller provided the Council with a copy of the drawing (a copy is included in the packet)

Councilor Canfield asked would your proposed project for the Marino block still be viable with the 16' minimum lot width?

George Diamond replied I think it would be. 15' gives us more flexibility but we can't have the average.

Councilor Ripma asked Rich Faith, in the exception area are they automatically exempt from setbacks the way it is written now?

Rich Faith replied they would not have a street side yard setback, we eliminated that. They would still be subject to a front yard setback of 10' to the façade of the building, 5' to the front porch, that is only talking about residential. If it is commercial or mixed use there is no front yard setback.

Councilor Ripma asked if we were to go with the average of 20' lot width, does that apply in the exception area?

Rich Faith replied the way it is written now it would apply.

Councilor Ripma asked could the average of 20' be applied except in the exception area?

Rich Faith replied it could be written so that it would not apply in the exception area.

Councilor Ripma asked is the requirement currently two parking spaces per lot?

Rich Faith replied the current standard in the CBD is there is no off-street parking requirement. With the addition of rowhouses in the CBD, keep in mind this is not permitted under the current zoning, we are now incorporating off-street parking standards that we have in other town center zones. The current standard has been one off-street parking place per residential unit but we have found almost without exception that it has posed problems because most developers have wanted two off-street parking places. In other zones where we have had a minimum of one and a maximum of two we have had numerous requests for a variance to allow three. Most developers have wanted more off-street parking and it has become more of a problem in the downtown.

Councilor Ripma asked the drawing that we just received shows what looks like rowhouses right on Historic Columbia River Highway, am I reading that wrong? Residential homes with no business below?

George Diamond replied no. On the highway that would be retail and the second floor would either be residential or office depending on the market.

Councilor Ripma asked in that case Rich, would there be a front yard setback?

Rich Faith replied not if these are mixed-use with commercial on the ground floor and residential above, there would be no front yard setback from the highway. They are also proposing some other purely residential units on the side streets and on 2nd Street.

Neil Handy stated I am here representing two different properties on Columbia River Highway. I will not accept the fact that we are going to have one excluded area block in this city when we have the same type of character of blocks all up and down Columbia River Highway. That is just not fair and equitable. I am opposed to a one block exclusion zone. I think the proposal that Rich Faith has put forth with the exclusion area that is along Columbia River Highway promotes urban density, mixed-use, commercial development and is a good proposal. I would suggest that you incorporate Mr. Miller's suggestions to accommodate additional density. This Council adopted the Metro 2040 high density urban plan and that is exactly what the discussions at all of the work sessions have been, which is to work towards an urban center. The Urban Growth Boundary (UGB) was set up originally to exclude development outside of it and not to exclude development inside of it. The Development Code needs to be set up so that property owners and developers can do what they should be able to do on their property and that is to build projects into the market place. This particular proposal that we have in front of us tonight that Rich Faith has put together, with the modifications that Mike Miller has proposed, does just that.

Gary Bentler stated I have lived on 2nd Street for 30-years and I own two lots there. I was not notified about any of this. I just recently found out about this. I don't think it is right for the people who live on 2nd who have had a view that have hardly any view now and you want to take more and more of our view away. I think we should be notified about what is going on.

Glenn White stated I live on E. Historic Columbia River Highway. I am a member of the CAC and I attended all four meetings. I also attended the PC meeting and now this Council meeting. At our last CAC meeting we had unanimous support for this proposal. In going to the planning meeting we had a problem with Neighborhood Commercial (NC) because we felt that they should be given the same opportunity that was given to the north side of E. Historic Columbia River Highway with the same setbacks and keeping those in tact. We fought hard to keep those in tact and that is why I voted in favor of the amendments. With this new information I would now have to vote no. I found out Wednesday that the County is going to impose a 10' setback on that property and the city has nothing to do with it. I think we should revisit NC because we made some increases in parking demands which reduces density and it was kind of a shocking blow. I can't stay informed after going to all of those meetings, who can. I feel pretty frustrated in finding that information out just Wednesday of this week. You can't take this on a lot by lot basis, it should be what ever was fair when we built the north side of the street should be fair for everyone that is within the TC district otherwise you are picking and choosing.

Councilor Thomas stated you mentioned some setback changes. Are you referring specifically to NC or are you referring to the proposed changes?

Glenn White stated the properties on that street are all zoned NC and as far as I know the only one that the county is requiring a 10' setback on. The city has no requirement. This just came out of the blue. I just found out about it on Wednesday. I think we should re-look at that zoning and if we are going to be stuck with that additional increase then we need to look at some of the changes that are going to affect that zone and see if we can make some compromises to soften that blow or see if it is even a requirement. It doesn't seem fair that it isn't going to be a requirement on the Marino property and it wasn't a requirement for Jack's Snack and Tackle. I feel like I am being picked on and I am upset that I went through all of that work and effort to find out just a few days before you are going to vote on this that we are going to have another 10' chunk of land taken, I own almost 1,000 feet along that street and you can do the math on 10' that is quite a bit of land.

Councilor Thomas stated I know that you can't speak for the CAC but as a member of the CAC, what do you think about the changes that are being proposed tonight with regards to the CBD?

Glen White replied I think the main goal is that if we are going to do it for one group it should be looked at doing it fairly across the board. I don't have a problem with the height. We are desperate for more land and there isn't any so we need to make the best possible use. I think logic takes over at some point and we should keep things flexible and allow the developments to continue. I think we have a great town and I hate to see the rug pulled out from the last remaining properties, these should be the best developments.

Mayor Thalhoffer asked Rich Faith, do you have any information on this county requirement?

Rich Faith stated Glenn is confusing the setback standard from dedication requirements. What he is referring to is we had a pre-application meeting last Wednesday on a potential development of his property. We notified the county because his property does front on Columbia River Highway which is a county road. The county then looked at the proposal and what they are requesting as part of this proposal is an additional 5' of dedication of road right-of-way and then a 5' easement behind the right-of-way and they do not allow development in the easement. So what he is talking about is under our standard there is a zero setback, that has not changed but with the 5' additional dedication that the county is requiring and the 5' utility easement behind that, he is talking about 10' back from where his current property line is in terms of where he can build. His battle is with the county. He needs to appeal to the county in terms of whether or not that 5' dedication is necessary and whether the easements are necessary. This is not an issue with the code that is being proposed.

Mayor Thalhoffer asked is that going to be all along the E. Historic Columbia River Highway?

Rich Faith replied if they have insufficient right-of-way, that is their call. They are saying that they do not have the full width right-of-way that they would like to have on Columbia River Highway and where there is new development proposed they would like to get the dedication to bring it to their current standard. They have said with downtown they wouldn't impose it because it is already built out so they wouldn't require the additional dedication. But in Glenn's case, because for the most part it is an undeveloped piece of property, they would require it.

Councilor Ripma asked is there anything that we could do with this ordinance that would have any affect on the county's request regarding Glenn's proposed development?

Rich Faith replied our ordinance does not establish what the county's road widths are.

Mayor Thalsofer asked could we pass a resolution to submit to the county?

Councilor Ripma stated if it would be helpful to get the county to back-off on that request, I for one would be in favor of doing that, but that is not the issue before us. If there is some way we can help I would like us to consider helping. There are two bridges that aren't any wider than the road; it is a ridiculous place to be requiring a width requirement like that.

Rich Faith stated that may be a good argument to make to the county. Let me confer with the county and see where they are on this and I can bring back to you what I think is the appropriate action is.

Kevin Young stated I was one of the houses illustrated on the slides for the clear vision triangle. Back in October I came to you with my problem with the clear vision provision. According to the draft that Mr. Faith gave me I am very happy with the new clear vision rule that they are proposing. I appreciate everything that the city has done for me. The only question that I have would be regarding the 110' measurement. Is that extreme for a 25mph road? I am just wondering how you came up with that?

Travis Hultin replied the triangle is established based on the 25mph speed limit that would be typical on a local street. That corresponds with a certain amount of time that a vehicle travels from where you see it to where you pull out at. There have been studies done that establish what people are comfortable with, how far they need to be able to see to comfortably pull out into traffic. Basically we laid out that triangle based on the actual distance from your eye sitting in your car to that vehicle down the street. Based on that comfort zone of time you draw that straight line where it intersects the curb and that establishes the 110'. It is based on an actual engineering analysis.

Kevin Young asked what happens if that 110' goes into my neighbor's property?

Travis Hultin stated it would have to be an incredibly narrow property for that to happen but even if it did then they would have to abide by that clear vision triangle.

Erin Janssens stated I believe in increasing density within the commercial business district. It is a proven successful model of urban planning, it attracts residents, tourism and therefore business. I am curious about the design standards for the development on the Marino block. I am curious about the height requirement that has been established for the north side of the Columbia River Highway, what is that at now?

Councilor Thomas replied 35'.

Erin Janssens asked why would we extend another 10' plus the elevation of the land?

Councilor Thomas replied that was the request that came to us.

Erin Janssens stated that is my only concern. I really support the urban planning and the density reduction however, I question the height increase of 45'. Perhaps a compromise of 40' might be a better solution but 45' would encroach on the views of all of the hillside residences. I suppose the developers will recognize that providing only one parking space will negatively impact the area and hopefully they will do what is right. But I know that I have had parking issues. I do provide off-street parking for my four-plex and often times when the City of Troutdale is having a large event I will often have overflow parking found in my parking lot so that my residents are not able to park there. I provide six parking spaces for four units. I believe that needs to be looked at. I believe that the elimination of the landscaping requirements coordinates well with urban planning and the City of Troutdale does have a park within walking distance in that area so I don't see that as a conflict but I do question the building height requirement.

Councilor Gorsek arrived at 8:30pm.

Councilor Daoust stated there is one building on the north side of the highway that is higher than 35', I think a variance was granted for that.

Rich Faith stated yes one building on the north side, Celebrate Me Home, went through a variance and I believe it is only 36' or 36½'.

Mari Hunt stated part of your job as elected members of this council is to help to enforce the zoning laws and to protect the residents with their property rights. Before I bought my house I went down to the city and I did my research and I found out that I that there would be a 20' easement from my property and a 30' height from the river, that is what I was told. I don't have a problem with that. I am a realtor and I am all for development. But I am all for development that is going to benefit the city. Putting three-story high, skinny, squeezed in townhouses so that you can justify the price. In order to build those units he has to encroach on the setback that was already in place. These zoning laws were already set in place, why are we changing them? He will still make plenty developing this property. As a realtor, I know that when you have townhouses that are three-high, he made the comment that they are selling like hotcakes, they are not selling like hotcakes they are on the market. I just sold two that were on the market for over a year because they are too small. This is about livability, people living in their homes, families, people with two cars, children, and where are they going to play. Realistically do you think that people in the category or price of these complexes are going to be able to come in to a little living room, it is just impossible. The only reason that these finally sold is because it was a single mother with three children, one that is disabled, and it is all she can afford. I would love to see that property developed. I would like to see it livable for people in the community. There has been talk about the view, it isn't about the view. A view of what, a rooftop? The reason that the developer wants to go higher is because right now his property sits low. He went in there and he took off all of the topsoil, he used that to his benefit. If he built two-stories up it is a compromise. It is a compromise for the residents along that bluff; it is a compromise for him because he can build livable housing. I am all for compromise and I am all for development. But to put in these skinny, little, tall housing with 500 square feet on one floor, 500 square feet on another and 300 square feet on another floor; that is impossible to live in. What you will end up with, and you will be proud to show that you put into place, are townhouses that will soon become rentals. You will have a nightmare with parking. Where are these cars going to go? What is going to happen on Buxton? Have you driven down Buxton? I come out on Buxton every

morning to take my kids to school. Do you have any idea what kind of traffic we already have there? I would like to see Mr. Windust develop his property but I would like to see him care about the community he is developing, he doesn't live here. You are responsible for not only the citizens who live in this community but for the future people who are going to live here. I hope that you will uphold the laws that are in right now. I certainly hope that you will take into consideration that if he builds his property at a 45' height my two picture windows are going to face a wall.

Erin Janssens asked what are the design standards for the downtown area? Are we going to maintain the historic theme that has already been adopted on the north side?

Rich Faith replied the design standards are contained in Appendix A and we are not modifying any of those design elements.

Mayor Thalhoffer closed the public hearing at 8:42pm.

MOTION: Councilor Daoust moved that we approve the ordinance amending Chapters 1, 3, 4, 5, 7, 8, 9, 10 and 11 and Appendix A of the Troutdale Development Code, Text Amendment No. 36, with the clarification that we go with the recommended exception area of the one block south as presented by staff and Option 1 for the minimum lot width which would be a 16' minimum lot width. Seconded by Councilor Canfield.

Councilor Daoust stated we have spent a lot of time on this. We have taken a lot of public testimony and we have listened to that testimony and I would say that we have incorporated pretty much all that we have heard. I think that council and staff should be commended on that. I do recall talking about the exception area and I do believe that Neil Handy made a good point which I do recall was brought up at the time we did include all of the south part of Historic Columbia River Highway. It would allow flexibility in the design, if developed; it is not going to change over night. We are still going to have properties that are not developed that will maintain some greenspace areas. The higher density idea that we have heard in relation to the Marino block is applicable to other blocks. It is a proven design in urban planning, especially for a main street. If we keep that exception area the way that it is recommended we are not singling out a single developer, which I think is a main point. There is a lot in here. We have addressed parking, density, political signs, how tall, how wide, how many you can squeeze in, and how far you can see. There is a lot to consider here and we tend to focus on a few things but I think this is a good package that is good for downtown development.

Councilor Canfield stated the number of changes that are being made here are astronomical and we have spent a lot of time on these and we had more input on these changes and for good reason because it does affect how the livability of Troutdale is going to be in the future. With respect to the exclusion zone, the CBD is where this density belongs, that is what a downtown is. Mr. Handy's point is well taken about it not being right for us to cherry pick which blocks get the exception and which blocks don't.

Councilor Thomas asked I was wondering if the maker of the motion would be willing to accept a friendly amendment. I am not comfortable with the 45' height. I thought that the gentleman raised a very good point about living here for 35 years and then all of a sudden loosing what he has. We have applied the 35' standard everywhere else in the city. I would see 45' as the exception rather than the rule.

Councilor Daoust stated that is a good point. I think generally this Council would rather not have to deal with variances time and time again.

Councilor Thomas stated but where variances make sense I see it as a value.

Councilor Daoust stated well we did hear a proposal from the Marino property developers that 45' went along with the design that they were trying to put into place.

Councilor Thomas stated when they came to the last meeting they said they could live with the height restriction, not that they wanted to.

**MOTION TO AMEND: Councilor Thomas moved to amend the motion to drop the standard of 45' height in the exception district to 35'.
Seconded by Councilor Ripma.**

Councilor Thomas stated we have standards and people have lived in the area for a long time and it keeps inline with what the current CBD has along with the Town Center Overlay was all built based on the 35' limit.

Councilor Ripma stated I am not really in favor of the exception area but I can tell I am not going to win on that. I think the change to 45' height which wouldn't apply across the street or across the next street or anywhere else but just that one strip deserves a little more public airing than this has received. It was proposed at a work session, it wasn't even in the first reading of the ordinance, and it wasn't at the four CAC meetings or at the PC meeting. It might have been talked about but it wasn't brought forward that way. I think it makes a dramatic impact and I would feel much more comfortable with the motion if it was amended to do exactly what Councilor Thomas said.

Mayor Thalhoffer stated at this point I would like to ask for some testimony just on this specific question from the developers who are proposing to develop the Marino block and how this height would work for them.

Mayor Thalhoffer reopened the public hearing at 8:50pm.

George Diamond stated in talking about 35', you think about the sites that you develop north and south. You can't build residential there and make it work at 35' and have anything architecturally interesting, you would have to do a flat roof. You can't build two-stories and put parking and put all of your living space on the second floor, it just doesn't work. That is why we need 45'. On 2nd Street you have so much drop off that we can park all of the cars underneath 2nd Street and we can bring the first floor up to 2nd Street and we can put two-stories on top of that and probably live with 35' because then we have the parking below, we have the main level on grade and we have the

housing on top. But we can't build a two-story residential building in an urban area; it just doesn't work unless you want us to do flat roofs. We don't want to do flat roofs, it won't benefit the city and you can't follow design lines. So if there is some kind of compromise here, on 2nd Street we could go 35' but on the sides we have to have the 45'. I think we should have the 45' on Columbia also, but definitely on the side streets.

Mike Miller stated that way it doesn't block the sight lines which I think is the major concern. We still feel that the setback is an issue that we would like addressed. 10' we think doesn't give us a lot of flexibility on that particular block.

Councilor Thomas asked couldn't these be handled through the variance process fairly simply?

Rich Faith replied yes. We seem to be forgetting that there is a variance procedure and with respect to a 35' height limit, you could request up to a 10' increase in the height and it would still put you under the threshold for having to go to the PC. In other words it is still not a 30% variance that triggers a need to go before the PC; it could be handled administratively at the staff level.

Councilor Thomas asked the setbacks apply the same way correct?

Rich Faith replied yes, it would have to be 30% of the dimensional standard before it would have to go to the PC.

Neil Handy stated this height issue, I am not sure why we are caught up in this because when we looked at the study that Rich presented at the first work session, there are jurisdictions that don't even have any height limitation. Urban town centers that we are trying to accomplish here, Beaverton I think has a 60' limit, Sherwood has a three-story provision with no height associated with it. In a commercial building the first floor height is 13'. It makes a difference on what kind of a building you are going to build. So I am not sure why we are caught up in this 45' thing when during the work session we talked about the difference in heights in all of the other different jurisdictions. The compromise I guess would be to 45' on the commercial, to allow that to happen on Historic Columbia River Highway and 35' for residential on the back because the mixed office building you can't do that at 35'. Fairview is higher than 45'. The other thing we have to keep in mind is that the developer is going build what sells. They are not going to necessarily build a 45' building just because the code says you can do it. Nor are they going to build a 16' wide unit just because the code says you can do it. They are going to build into the marketplace. We have been talking about this over and over. This development code should be structured so developers can come in and do a variety of different types of developments rather than just putting the lid on it.

Mayor Thalsofer closed the public hearing at 8:59pm.

Mayor Thalsofer stated I do not support the amendments to the motion for the reason that we are just going to say that you can get a variance, so what have we accomplished except forcing them to go through a variance process. Variances don't appeal to me at all because they are usually expensive and time consuming.

Councilor Canfield stated I am going to vote against the amendment for the same reason that the Mayor pointed out. It doesn't make any sense as to why you would tell someone that they can't have 45' because of the provision in the code but you can go through the variance process. It is just more money and more staff time for the same results.

Councilor Kyle stated I am also against it. It doesn't make any sense to me to put that restriction along main street. Maybe on 2nd Street a height restriction but not along main street.

Councilor Daoust stated I will be against the amendment.

Councilor Gorsek stated I am opposed to the amendment as well for all of the reasons previously stated.

Councilor Ripma stated you do realize that it will apply on 2nd Street if we don't accept the amendment it is not just on Historic Columbia River Highway, it is the entire strip of land. We are different from other cities. We have a downtown with an exceptional layout of interesting terraced housing up the hill, a view of Broughton's Bluff, views out over the Columbia River that other cities may not protect and I think we should. I point out to the Council one more time that the idea that we are going to run it all the way along Historic Columbia River Highway and increase the height was not before the CAC at their four meetings or before the PC or our previous Council meetings. It was in one work session, I don't even remember then that it was going to come through like this. Variances will be granted to 45' also. The reason we have had a 35' height limit is I think consistent with the historic and attractive nature that we have now. I would hope that you would change your mind.

Councilor Thomas stated by extending it to 45' and then you take the 30% above that you could be looking at a 60' building without any involvement by the PC or the CAC. It does open that up quite a bit.

Vote on the Motion to Amend.

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

Motion Failed 2 – 5.

Mayor Thalhofer stated the amendment has been defeated. We will now continue our debate on the main motion.

Mayor Thalhofer stated I favor the main motion.

Councilor Canfield stated I favor the motion. There has been lack of activity on the south side of Columbia River Highway for some time and if there is anything that we can do to be more flexible to encourage more development there, I am in favor of this.

Councilor Kyle stated I support everything that has to do with the exception. My only concern is I do not like the minimum of 16' lot width because it is difficult to live in. I would prefer Option 2 on the lot width.

Councilor Gorsek asked under option one we have the 16', is that correct?

Councilor Daoust replied yes.

Councilor Gorsek stated since I arrived late this evening I have a couple of questions. How did we come to the whole south side getting included in the exception area? Last I tuned in it was only the Marino block, so when did that happen?

Councilor Daoust replied it came up at our last work session and therefore Rich Faith included it in the staff proposal.

Councilor Gorsek asked Marnie Allen, in terms of setting precedent, if we were to approve this would it make it harder to refuse someone else who may want to build giant condos looking to the east? Does it give them more power to ask for an exception to do something like that if we do this?

Marnie Allen, City Attorney replied no. Any citizen can come to the Council and ask the Council to amend the zoning regulations to accomplish a development.

Councilor Gorsek stated so it is not a problem with precedent where they could say well you did it here.

Marnie Allen replied they could certainly say that and you can explain why it made sense here and if you think it makes sense in a future case you could consider it or if you think it doesn't make sense and it is different, differentiate it.

Councilor Gorsek asked Rich Faith, in terms of this question regarding the whole south side, is it true that it hasn't been before the CAC or the PC?

Rich Faith replied that is correct.

Councilor Gorsek asked do we have any feedback from them in terms of that?

Rich Faith replied no, I have not had any contact with the CAC or PC members with regards to the exception area.

Councilor Gorsek stated the snout houses in Chapter 4.780, nobody has a problem with going after snout houses in the central area of the city. I still see no reason to prohibit such a design, many of us live in a snout house. My question is, are we going to approve the amendments with that in it?

Councilor Daoust stated the motion was to accept Appendix A the way it is written.

Councilor Gorsek stated well okay, I am opposed to it based simply on that and I am somewhat concerned about the whole south side suddenly having exceptions.

Councilor Ripma asked the 16' minimum, I just want to be clear, I don't have any problem with it in the exception area, I assume that it is not just limited to that. You want the 16' minimum everywhere?

Councilor Daoust replied yes, the way I read Appendix A it applies to other areas as well.

MOTION TO AMEND: Councilor Ripma moved to amend the motion to go with Option 2, which is an average of 20', minimum of 16' outside of the exception area. Seconded by Councilor Kyle.

Councilor Ripma stated for reasons well stated by Ms. Hunt and echoed by Councilor Kyle, the average of 20', if you recall, allowed for a very interesting mix of widths that were attractive and aesthetic and marketable. If we just go with 16' we could end up selling short the future prospects for downtown Troutdale. I really think it increases the density beyond what street parking and so on will be able to handle. It could lead to undersized, soon to be rental units that would be less desirable than single-family homes. I think we are selling ourselves short if we don't think that the market here, as interesting and attractive of an urban setting here in downtown Troutdale will be and can be. The CAC and PC recommended a 20' minimum. I am just proposing an average of 20', which is a compromise that I hope will be accepted. I am willing to leave it out of the exception area for the purpose of getting the Marino block developed.

Councilor Kyle stated I would echo a lot of what Councilor Ripma said. But I would also remind the Council that yes the PC and the CAC supported 20' and I recall hearing at least two developers that talked to us that said that they would not be interested in doing anything more than 20'. As a realtor I see that they are very difficult to live in. It is hard to arrange the furniture in them. They are uncomfortable. People don't stay in them very long unless it is a single person. I would prefer Option 2.

Councilor Thomas stated I looked at the average 20' and the 16' minimums and mathematically for a lot of the lots downtown it doesn't pan out. You would basically end up building all 20' or a bunch of 30'. I think with what we are trying to do and what the purpose of the downtown is it doesn't make sense to put an average lot size in place.

Councilor Kyle stated this wouldn't apply to the exception area.

Councilor Thomas stated well it is the CBD.

Mayor Thalhoffer stated I favor the motion to amend with the 16' minimum and the average of 20'; it is the least we can do to make attractive homes and a livable space.

Councilor Canfield stated I am going to vote against this amendment. We all have our opinions of what is livable. Livability is in the eye of the person living in it. I strongly believe that the market should decide that. Just because the code says that there is a 16' minimum doesn't mean that all of the units are going to be built that way. A lot of

times I think the market would not support that. The units do have to be attractive and they are not going to build something they can not sell.

Councilor Daoust stated this mathematically really screws things up. I agree with Councilor Thomas. If you require an average 20' width you are going to have to have some very large units and it throws the density calculations off. It will require larger than 20' width units to get an average. When we looked at the example of Fairview Village which I would venture to say that people like the look of Fairview Village, the average there was less than 20' and they looked good. The market should drive this not us. I don't think we can sit here and say that you have to have an average of 20' or else it is not livable. That doesn't make sense to me.

Councilor Gorsek stated for the same reason I was talking about snout houses I would say that I also disagree with this. Who are we to decide what is aesthetically exciting. People will live in them or they won't and I don't know many business people that intentionally build things they can't sell. I don't see the problem with the look of those units. I don't really think we should legislate based on our own taste so I am opposed to this.

Vote on the Motion to Amend.

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

Motion Failed 3 – 4.

Mayor Thalhofer stated the second amendment has been defeated.

Councilor Ripma stated everyone has mentioned how there is a lot of changes and we have had a lot of meetings and that may be a reason for not doing it this way. I think there is so much in here but there are two other items that I want a vote on because I think they are so important.

MOTION TO AMEND: Councilor Ripma moved to amend the motion to reduce the size of the exception area from what is proposed to the area between Historic Columbia River Highway and 2nd, and Dora and Harlow. That covers the Marino property.

Motion to amend died due to a lack of a second.

MOTION TO AMEND: Councilor Ripma moved to amend the motion to remove the adjustment for the topography and go back to the original code language where the setback for the property in front of you does not get reduced just because it is at the bottom of a cliff. Seconded by Councilor Kyle.

Councilor Ripma stated the properties that happen to reside below a cliff shouldn't be granted a smaller backyard just because of that. I think it would be a serious mistake and unfair to the adjacent property owners.

Councilor Kyle stated I agree.

Councilor Thomas stated since this only applies in the CBD, I will support it the way it was proposed in the original motion.

Mayor Thalhofner stated I am against the proposed amendment as well.

Councilor Canfield stated I would be opposed to the amendment.

WITHDRAWAL OF MOTION: Councilor Ripma withdrew his motion for lack of support.

Councilor Ripma stated I appreciate the Council's indulgence; I wanted to get on the record my opposition to these. Because of the failure of some of these amendments, I am not going to be able to support the motion.

Vote on the Main Motion.

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

Motion Passed 6 – 1.

Mayor Thalhofner called for a break at 9:25pm and reconvened at 9:31pm.

6. PUBLIC HEARING / ORDINANCE (Introduced 1/10/06): An Ordinance declaring the need for an Urban Renewal Agency and electing the method for exercising the powers of the Urban Renewal Agency in the City.

Mayor Thalhofner read the ordinance title and opened the public hearing at 9:31pm.

John Anderson, City Administrator stated this is the first step of a two step process. The next item on the agenda will be the first public hearing for the redevelopment plan with a second public hearing on February 14th. At the January 10th public hearing we had discussion about the ordinance as it was drafted at that time. We made two corrections, one was a technical one on the property listed. In finding number two, we changed that owner to Eastwind Development LLC. In Section 4, we included a date certain as to when the authorization of this agency would expire if this was not voted on and approved by the voters. Urban renewal agencies are actually established in every city and county by statute, however they do not have any status until they are activated by city council action and that is what we are considering this evening. This ordinance, as drafted by staff and discussed at the first hearing, includes a sunset provision so that the Troutdale Riverfront Renewal Plan would be presented to the voters on May 16th and if the voters rejected it then that would sunset the creation of the agency or if for some reason there was no vote at all it would sunset on December 31, 2006.

Councilor Thomas asked by adopting this ordinance does that mean that the agency can start incurring debt?

John Anderson replied no, it requires approval of the plan and action by the urban renewal agency.

Councilor Thomas asked can it incur expenses before the election regarding the plan?

Jeff Tashman, City's Consultant replied the urban renewal agency has limited authority without any urban renewal plan in place. An urban renewal agency can take some action. It would not have access to tax increment financing, which is only available if called for in the adopted urban renewal plan. The agency could incur expenses for studies. I would point out that since the council members will comprise the agency, then it would take a decision of the council members sitting as the agency to incur any expenses. But legally the agency could incur expenses.

Councilor Thomas asked is there a way to word it so that can't happen?

Jeff Tashman replied I don't believe so. The other thing is there isn't an adopted budget for the agency so I'm not sure what kinds of expenditures are possible by the agency if there are no appropriations for the agency. Expenses that were incurred during the preparation of an urban renewal plan can be taken on as obligations under the urban renewal plan, but that is a separate decision.

Marnie Allen stated I would agree with what Jeff Tashman has said. The agency has to approve a budget and the budget would have to approve the expenditure of money.

Councilor Kyle asked when is the budget established?

Kathy Leader, Finance Director replied once the urban renewal agency is established and passed by the voters, we would put in place a budget committee meeting. There are exceptions in the budget law that allow, in the first and second year of the adoption of an agency, the Council who are then also the directors of the agency to approve a budget. So we would be doing a budget committee meeting and hearing related to the current year, 2005-06 and also a budget committee meeting and hearing on 2006-07. The committee would have the opportunity at that time to agree to the expenses that are appropriated and incurred in the agency versus the city.

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

Richard Brown stated I was going over the estimate of the first phase of this from Tashman and Johnson and they came up with a minimum projected total of \$12,890,000. I did some estimating on my own and just for this project without the southern access road and no paving and no concrete I came to \$10,490,000. I broke that out by sand, rock, excavation, tear down, labor, and equipment, pretty much everything to get it ready to pave. I wonder if this is the estimate from these people how did they break it down to time, labor, equipment, and material. If this is what we are going to vote on, to be honest with you folks I don't think you are going to get a contractor to back out of their driveway for the estimated amount in table one. If it does run over the estimate who pays for that and how?

Jeff Tashman replied I don't believe that this is a question pertaining to establishing the agency.

Mayor Thalsofer stated in a way it is.

Jeff Tashman stated it is a question related to the urban renewal plan.

Richard Brown asked do you have an estimate where it is broken down by category?

Jeff Tashman replied I was given those numbers by the city.

Mayor Thalsofer stated we can address this when we discuss the urban renewal plan.

John Anderson stated if the Council takes action on the agency the next hearing will be on the plan and there will be two hearings on that ordinance. If there are questions about the estimates then staff could review those estimates between this evenings meeting and the meeting on the 14th. That will give us time to sit down with Mr. Brown and go over his estimates and our estimates.

Councilor Gorsek asked Mr. Brown, what is it you do for a living?

Richard Brown stated I have been in the construction business for 28 years.

Jerry Stitzel stated I was the Chair of the Ad Hoc Downtown Redevelopment Committee. I support this ordinance and encourage the Council to as well. In looking at the overall picture, moving forward, the next issue that you will be taking about is the plan itself, but obviously without this going forward the plan itself would fall apart. I think it is instrumental and timely that we start to look at the old sewage treatment plant and do something with that property. This is obviously the first step and we encourage you to consider that and to vote in favor of this ordinance.

Max Maydew stated I live in Troutdale and I am a member of the Ad Hoc Downtown Redevelopment Committee. The city had a vote to move the sewage treatment plant. The voters of Troutdale agreed to increase their taxes by quite a lot and part of the promise was that the city would develop that property to the benefit of the whole city. I know that the City Council has been struggling with this for a number of years wanting to develop it but because it is landlocked that has caused many problems in being able to get the maximum value for the property. A couple of years ago the city attempted to do an urban renewal district and that was referred to the voters and defeated. When I was appointed to the Ad Hoc Committee I went back and looked at the files of the old urban renewal area to see what it was that could have caused the voters to reject it. Some of the things that I saw was that the urban renewal district was quite large, it went up to 7th Street and included a lot of residential and I think some of those residents were afraid that their property values would be impacted adversely. I think the original version might have even mentioned condemnation. The project went as far west as McMenamans and that caused people even along Sturges Lane and up there to worry that the roads were going to get opened up and it would be causing problems. There was also mention of a new city hall building and Don McIntire picked up on that and published that in the paper and that caused other people to get concerned about it. In my discussions with the Ad Hoc Committee we wanted to do things a lot different this time.

There is a blighted area that is right in the downtown of this city which includes the old sewage treatment plant, Yoshida property and also the railroad property. There are really three major owners down there. That is the only area that we want to consider in this. It has no residences involved; it is only commercial and mixed use properties. We also said in our plan that we did not want to include any public buildings. If a public building, like a city hall, needs to be built it was our feeling that it should be pulled out as a separate item and voted on separately. We also said that the urban renewal agency should not have the ability to do condemnation, that is poison to many people and we thought that would be a good thing to keep out. The city could generate a lot of money by selling that property if it gets access, but you can't do everything that you have in the full vision plan that was presented by Vaivoda the architect. He had some ideas in the vision plan that will make that development really cool, including a riverfront park, public openspaces and a footbridge across the railroad. What we have focused on in our discussions is that the urban renewal plan should include those kinds of things that you couldn't expect a developer to do on their own. Those particular things will make this a project that the city can be really proud of and it will keep that railroad track from dividing the city like it does now. I'll tell you why I would support this plan. Those buildings that we built in downtown Troutdale should last for 100 years or more and so will this. What we are doing is creating an environment that will last for our kids and our grandkids. The additional \$7 million debt that would be incurred by the urban renewal district in my opinion is a very reasonable amount of money to get the kind of amenities that we are talking about and most of that will be funded from the urban growth area itself from its increased values. The property tax increase that was mailed out to everybody said it would be \$7 on a house assessed at \$200,000. That is such a minor impact on the average residence. Once this development is completed it will have a flattening affect on all property taxes in the whole city. This is a situation where if it is done right it will lower everyone's taxes once the bonds are done. The last reason that I would really support this is if you create the urban renewal agency the city becomes a controlling interest in it. If you let this go to the developers without control they do not have the incentive to make this plan as good as the plan could be if you are involved in it. The Ad Hoc Committee, the Citizens Advisory Committee, the Parks Advisory Committee and the Planning Commission have all voter for this one hundred percent unanimously on the basis that you were going to forward it to the voters. That is a wide spectrum of citizens of Troutdale and I hope you will move forward with this.

Pat Smith stated I really don't feel that Troutdale is a blighted area. He said it is going to cost \$7 for a \$200,000 house; this is what on \$15 million. When we passed the bond issue for \$18 million for the relocation of the sewer treatment plant it cost us \$150 for \$150,000 that is a big difference. In a way I was kind of thinking it would be a good idea but then I figured what Troutdale is going to have to give up in land. We have 12 acres that sit in the middle with Yoshida on one side and the Factory Outlet Mall on the other side. They own the land for the driveway to get access and that means we are going to have to pick that up as Troutdale roadway and we are going to have pick up the land going through and they are going to want additional land in the back and it is all going to come out of our 12 acres. The road going straight back to Yoshida's property is our land in the middle; we are giving up a lot. When we constructed the new sewage treatment plant the money that we received from the sale of the old sewer treatment plant site was supposed to go against the \$18 million bond issue to reduce the debt. The property along the river, I presume belongs to Yoshida. Is he going to donate this land for park land? I think there are a lot of things that should be looked into. We don't have definite facts. I am getting very distrustful about people that say

we are going to but then when it is over with we forget about it. Where is the money from the property to go against the sewer treatment plant debt? I don't hear anything about this. If you are going to do this you need to come up with more answers.

Marty McManon stated when I was in the back I heard them say could there be costs incurred, well maybe for a study. If I have my numbers right we are right around \$205,000 right now into studies. I don't think we need to be incurring other costs. They talk about \$15 million, but they say it might be \$20 million. Are we any closer to a deal with Chelsea after 7½ to 8 years and how many thousands of dollars negotiating with them? We are paying somebody \$150 per hour to sit down and talk. They have been in the catbird seat the entire time and we have done absolutely nothing to take them out of it. We've done nothing to give them any incentive to move forward. The last meeting that I was at the City Council was talking about what had already been spent and you were throwing out another \$45,000, then all of a sudden right around the corner is \$15 million. When I sat in the meeting for the \$15 million they were talking about some of the benefits, maybe a library. So what, five years from now you are going to want another how many million to build a library? Where does it end with this property? Mr. Faith asked me the question at the last meeting, what would you like us to do? My answer to him was very simple; I want you to do what you promised the voters you would do back when this whole thing started. First of all the project was \$2 million over, let's not forget that. You would go ahead and sell the property at market value and you would take that money and you would use it towards paying down the cost of the sewage treatment plant and then you would let the developers develop and make what ever profit they make off of it and let it be done. Since Chelsea sits in the catbird seat lets not lose sight of the numbers here. The property has gone up significantly in value so what I am looking at is a property that was \$2 million is now \$6 million and guess what, we are going to pay \$4 million for parking. It sounds like what we have done is said that you have stalled the project and you ran up the cost but guess what we will compensate you by picking up your development cost. I was talking to Mr. Anderson at the meeting and he was saying something about this person does a portion and this person a portion. You know what that sounds really good, except the problem is this, keep in mind my father was a developer and so I have nothing against developers. I want to see this property developed and I want to see the developer make their profit off of it. If you are going to sit there and say to me we are going to share the costs but then we will share the profits and from the profits the developers make we will give you back the money that you have invested, than absolutely I am behind you one hundred percent. But as long as you are going to say to me you pay to develop the property and no we are not going to go by what we promised you before, we are going to do a whole new plan and by the way that is going to cost you more money and not only that we are going increase the value of the property so that the developers can make more at my expense. I'm sorry I will fight you on this. You are not doing what you promised the voters. Why don't you do us all a favor and condemn the property, tell Chelsea you are serious, go ahead and plow through their building and give them their money for what we have done, open up the property and develop it and let whoever has the highest bid have it. Lets stop dragging this on. We don't need an urban renewal district. We don't need a \$20 million project and we don't need a \$2.5 million bridge that goes through the back of the building from a parking lot.

Mayor Thalhoffer closed the public hearing at 10:05pm.

MOTION: Councilor Daoust moved that we approve the ordinance declaring the need for an Urban Renewal Agency and electing the method for exercising the powers of the Urban Renewal Agency in the City. Seconded by Mayor Thalhofer.

Councilor Daoust stated all this does is set up the Council as the Agency. We have to develop our own budget and approve what we spend the money on, it is that simple.

Mayor Thalhofer stated I think we ought to establish the Urban Renewal Agency. A lot of hard work has been done by the Ad Hoc Committee. The Ad Hoc Committee is comprised of very solid citizens and business people of this city. You can take your facts and figures and you can show anything you want to, that we are \$100,000 in debt already or whatever you want it to be. The Ad Hoc Committee has the facts and they can explain and have explained the facts to people at the meetings. This is the first step, the next step would be the Urban Renewal Plan and if there is some problem with that we can go into that at that time. We can get all of the facts and figures from the Agency and adopt the Plan and then let the voters decide whether they want to go ahead with this or not. Everybody talks about what we promised when we passed the bond measure to move the sewer treatment plant. I will tell you what we promised, because I was one of the main campaigners for that ballot. What we promised, in addition to moving the plant out of the downtown, was that we would do something really special for the people of Troutdale on that land including a promenade along the river. There isn't going to be any problem about having land because we already have the land in our ownership for the promenade along the river. These are public amenities that we promised the people when we passed the sewer treatment plant bond measure. I support this.

Councilor Canfield stated I am ambivalent about this. The Mayor is right, you can take the facts and figures and make anything you want out of them, that is kind of what I am afraid of. The voters were promised something special when we decided to move the old sewer treatment plant, but there are two ways we can go with that. We can do something special or we can do something special for the people in Troutdale. There are a lot of steps to go and I am going to be in favor of this. The Agency doesn't mean anything until we activate the Plan and that is where the devil is going to be in the details.

Councilor Kyle stated I haven't supported urban renewal so I won't be supporting the agency either. I don't look at the sewer treatment plant property particularly as a blighted property. I look at it as a landlocked property. This City Council, prior to the discussions of urban renewal, was determined to negotiate access with Chelsea through that property without urban renewal and that is where my focus is.

Councilor Gorsek stated nobody likes to look at that property and it is unfortunate that when we moved the sewage treatment plant there wasn't money to pay off plant and to deal with this piece of land. However, I too stated my misgivings and concerns about urban renewal in earlier meetings and I believe that this area could be opened up and a nice development can occur there without costing the city money and incurring debt, which is what I believe Councilor Ripma was talking about in the past. I don't support urban renewal and I don't support creating this agency.

Councilor Ripma stated I've expressed my skepticism of the idea of urban renewal as a way of developing that property. I think we can develop it without urban renewal. I think it would be quicker and better and more in keeping with what the voters of Troutdale want. I do favor doing something with the land and so we will see what the voters say. This particular ordinance activating the urban renewal agency and making it the city council, I do support that. It is the only way I could support an urban renewal agency, I want it to be the elected city council. I am going to support this ordinance.

Councilor Thomas stated this is a real challenge because both arguments have very good merits. One of the things that I've learned in project management is there is a time to throw a project out and there is a time to continue and regardless of what the costs have been, you can either continue to incur costs or you can drop the project. For me I am not sure that I have reached that point yet. I am really kind of undecided.

Councilor Daoust reminded the Council that we appointed this Ad Hoc Committee to look into this whole thing and they came back with a unanimous decision to look at urban renewal as one of the tools that we can use. The way that is started is to create the agency so we can look at it, otherwise we can't look at it. Let's use the full bag of tools and get on with this. We have support of the CAC, PAC and the PC on top of that.

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

Motion Passed 5 – 2.

7. PUBLIC HEARING / ORDINANCE (Introduction): An Ordinance adopting the Troutdale Riverfront Renewal Plan.

Mayor Thalsofer read the ordinance title and opened the public hearing at 10:15pm.

Rich Faith, Community Development Director stated tonight I would like to focus on the Plan referred to as the Troutdale Riverfront Renewal Plan, which is the document that was prepared with the assistance of the Ad Hoc Downtown Redevelopment Committee. The entire process that we are following for the preparation of the Plan and Ordinance in front of you this evening is outlined under state law for the formation of urban renewal programs. We used Jeff Tashman as our consultant to help us through this process. Much of the decisions of what went into the Plan rested with the Ad Hoc Downtown Redevelopment Committee. The Committee represented a cross section of citizens who met in November and December to help in preparing the major policy elements that are contained in the proposed Plan. What the Plan does in terms of laying the foundation or the basis for an urban renewal program is it outlines the goals and objectives for this urban renewal area, those are found on pages 2-4 of the Plan. The Plan also delineates the urban renewal area boundary. The Ad Hoc Downtown Redevelopment Committee spent a lot of time discussing the specifics of that boundary and ultimately decided upon the boundary that is in the Plan which encompasses 48 acres very specific to the sewage treatment plant site and the immediate properties

adjacent to that. The Plan outlines seven specific projects which involve public improvements but also other activities or improvements that would increase the use and public benefit of the property, those are listed on pages 10 and 11. The projects that are identified in the Plan are based on the Vision Plan that was prepared by our consulting architect, Ned Vaivoda. That Vision Plan is one that was presented to you back in 2003 and in November 2003 this Council fully endorsed that as the desired development for the site. The Vision Plan itself is not part of the Urban Renewal Plan, but again it served as basis for the various projects that have been put in the Plan. In the Urban Renewal Plan the minimum improvements are those improvements that we believe can be funded with proceeds from the sale of the property together with the contributions from the developers and other property owners that will benefit from those improvements. The full vision, or additional improvements, that go above and beyond what we pay for from the proceeds and contributions are the projects that this whole effort of forming an urban renewal program are intended to pay for. Specifically we are talking about the public plaza and promenade, the public parking structure and the pedestrian crossing that would provide linkage between the existing downtown and the new shopping area on these sites. The Plan goes extensively into how it relates to our Comprehensive Plan as well as our Downtown Plan. It authorizes the Urban Renewal Agency to acquire real property to accomplish the projects that are identified in the Plan. A very important point that Max Maydew touched on is that this Plan outlines that the only means of acquiring property by the Urban Renewal Agency is from willing sellers. It does not authorize use of eminent domain or condemnation to acquire those properties. The Plan does authorize the use of tax increment financing to pay for these projects. An important point about tax increment financing is that this Plan sets a maximum amount of indebtedness that can be issued or financed through tax increment financing at \$7,000,000. Another aspect is the termination date; the Plan specifies that no new debt can be incurred and no new projects can be undertaken at the end of the 10-year period. The Plan also outlines a procedure for amending the plan in the future. A lot of the documentation and analysis in terms of the numbers that go into the Plan are contained in the accompanying report which is also attached to the ordinance. That report also serves as the best source for evaluating fiscal impacts related to the Plan. As has been mentioned earlier, this not only received the full endorsement of the Ad Hoc Downtown Redevelopment Committee, but it was also presented to the Citizens Advisory Committee and the Parks Advisory Committee and they have recommended that this go forward to the Council for adoption. The Planning Commission held a public hearing last Wednesday and the same recommendation is coming to you. The only modification in the recommendation from the Planning Commission is in their Final Order they included language about trying to ensure high quality development to be done through the use of Disposition and Development Agreements (DDA) for any of the land that the city owns. The DDA's would be used to stipulate certain guidelines in terms of the type of development that we want there. The same would be true for any land that the Agency may acquire and then want to sell, the PC recommends that they would go through a similar process using DDA's to ensure high quality development. The recommendation of these groups is to adopt the ordinance adopting the Urban Renewal Plan and implement an urban renewal program for quality development of the sewage treatment plant and adjacent properties.

Mayor Thalhofer asked staff to furnish Mr. Brown with a copy of the estimated costs with the details and he can discuss any questions he has with staff before the next meeting.

Councilor Canfield asked what is the source of the estimates for the capital projects listed on Page 13 of Attachment B?

Jim Galloway, Public Works Director replied for the road projects we engaged the services of a professional engineering firm and we asked them to develop a cost estimate for the second access road, that would be the proposed road that would go from Columbia River Highway to the north and underneath the railroad bridge. We then utilized those same numbers and extrapolated them for the other road projects. That is where the road costs came from. The clearing of the existing site came from a study that the City worked on in partnership with the US Army Corp of Engineers and they provided cost estimate for the clearing of the former treatment plant site.

Councilor Canfield asked how old is that study?

Jim Galloway replied the study was done in 1995.

Councilor Canfield asked the ten year old study is the basis for the number here?

Jim Galloway replied that is correct.

Councilor Canfield asked what about the cost estimates for the riverfront park, parking facilities and the pedestrian crossing?

Rich Faith replied my recollection is that the consulting architect that put together the Vision Plan came up with those numbers and I believe he just ball parked them but he did check around to try and get something as close as possible to what he would envision those projects to consist of.

Councilor Canfield asked so these are really soft estimates.

Jim Galloway replied these are certainly conceptual estimates.

Councilor Canfield stated in Attachment B, Page 18, Table 8: Revenues Foregone shows the City of Troutdale with an amount of \$154,873 per year. Can you explain what that means?

John Anderson, City Administrator replied basically the foregone revenue here refers to revenue that is generated by the new tax growth in the urban renewal area. This represents estimates of the value of the increased property tax after improvements are built, the captured tax increment. Jeff Tashman may be able to better explain this.

Jeff Tashman stated the amount of \$154,873 came from the projections of the growth in assessed value within the urban renewal district that would result in the tax increment revenue. We calculated what revenues would be generated by each taxing district's permanent rate against the growth and assessed value. Those dollars are the dollars that the urban renewal agency gets as revenue. In this particular case we didn't try to estimate what development would happen with urban renewal or without urban renewal. Basically this analysis maximizes the impacts because we are saying what would be the impact in terms of lost revenue if all of this development occurred and how much would each taxing district be giving up on the full increase in value considering the urban renewal investments. So we

used the City's permanent rate and the permanent rate of all these other districts and we calculated a per year number and we took the total number of all the annual numbers and we discounted it back to current dollars. So the \$2,013,000 is the total impact in today's dollars. The revenue is not collected by the City of Troutdale by virtue of the use of tax increment financing. We divided that by the number of years that tax increment financing would be in place to get the \$154,873 average per year. At the beginning of the Plan the taxes forgone by the City of Troutdale would be much lower than \$154,873 but at the end of the Plan the taxes per year foregone would be higher.

Councilor Thomas asked how many years did you use for your divider?

Jeff Tashman replied I believe it was fourteen.

Councilor Canfield asked so this assumes that all of the capital improvements would have been completed.

Jeff Tashman replied it is the taxes that would be collected against the full development that is projected in the Urban Renewal Plan.

Councilor Canfield stated you show that the break even point would be during fiscal year 2029-30.

Jeff Tashman stated if you look at Table 10 on the next page, it shows the revenues that will be gained by all taxing districts after the tax increment financing ends. It is projected to end in 2021-22 so starting in fiscal year 2022-23 I carried those gains far enough into the future so that, again in current dollars, it went to a year where the current value of the gains from the tax increment financing would exceed the current value of the taxes foregone. You can see for the City of Troutdale by 2029 the forecasted gains are \$2.655 million and the projected revenues foregone were just a little over \$2 million so in fiscal year 2029-30 we projected gains from tax increment financing will have offset the taxes foregone.

Councilor Canfield stated on Page 14 it shows year by year breakdown of when the revenues and expenditures would occur and it looks like the last project is estimated to be done in 2012, so between the break even point of 2030 and 2012 is about 18 years in total. Based on your experience what is the average break even point for an urban renewal project of this size?

Jeff Tashman replied the starting point for the break even point is not when the last project is finished but when the debt that pays for that project is paid off. The debt is projected to be paid off in fiscal year ending 2022, so the break even point is starting in 2023.

Councilor Canfield asked when is the debt incurred? The first project is the internal road, southern access to Chelsea.

Jeff Tashman stated if you look at the revenues in Table 5 there is a line that reads tax increment debt proceeds, those are the proceeds of bonds and short-term debt. The first bond is fiscal year 2009, so the revenues for the projects in 2007 and 2008 are going to be paid, not from tax increment bonds but from other funds which will include land sale proceeds, developer contributions and SDCs.

Councilor Canfield asked on Table 9, where do the funds from the bond rate impacts go to?

Jeff Tashman replied those go to the Urban Renewal Agency. These bond rates are the only rates that are left that are based on a dollar based levy and so the mechanism can't be the same as for the permanent rate. These are only for bonds that were approved by voters prior to 2001. For these bonds what happens is that the rate for the bonds have to be increased a little so that the levy provides enough money to pay the debt service to the bonds plus provides some additional money for urban renewal. Before Measure 50 it was like this for all of the tax rates now it is just for bonds that were approved prior to 2001.

Councilor Canfield asked at the projected rate impact of \$.03508, what would be the total dollar amount of revenue that would be gained from the bond rate impacts for the life of the project?

Jeff Tashman replied I don't have that number right now. What it shows is at a rate of \$.03508/\$1,000 assessed value would cost \$7.00 for a property that is valued at \$200,000.

Councilor Canfield asked when was the law passed that created these bond rate impacts?

Jeff Tashman replied 2001.

Councilor Canfield stated so it has been around awhile. Is there any reason why this information about the bond rate impact was not provided at the community meetings or to the Ad Hoc Committee until just recently?

Jeff Tashman replied there is a reason and you may not judge it to be a good enough reason and that is a judgment call. The impact of this in terms of the total tax rate for Troutdale taxpayers is .2%. I guess I would have to say that I have made the judgment in my practice that the impact is so low of a percentage that I have felt that it is more important for people to get the point that 99.998% of their property taxes are unaffected by tax increment financing then to focus on this small impact. When it comes to the notice that goes out to people for this hearing there was language that was left over from prior to Measure 50 when the main impact of urban renewal was the tax rates and so the statutes say that you have to tell people in the ordinance that the adoption of an urban renewal plan may impact the tax rate. In that context it's my judgment to show and to mention the extent of the projected impact on tax rates. Reasonable people can differ on that judgment call. I felt in order for people to understand overwhelmingly how tax increment financing works, I felt that I could better get that message across without dwelling on the technicalities of why there is a .2% increase in the tax rate.

Councilor Canfield stated we had Ad Hoc Committee meetings and this was not mentioned. We had neighborhood meetings where citizens were told there would be no impact. The impact was not even brought up by city staff at the Planning Commission. It was Max Maydew from the Ad Hoc Committee who was kind enough to point out the impact. Given the fact that people were given the impression that there would be no impact, I would question the judgment about not giving us something that you feel is insignificant but to me seems a little less than transparent.

Councilor Canfield stated I would like for staff to come up with the total estimated dollars that will be collected by the bond rate impact. I would also like a comparison of the break even point for urban renewal projects of this size and privately funded projects of this size so we can get an idea if this is a good return on our investments.

John Anderson asked I understand getting the urban renewal districts to compare with, can you give me an example of what you might be looking for with the private break even examples.

Councilor Canfield replied similar construction projects with a similar size scope.

Jeff Tashman stated that is comparing apples and oranges. I certainly could provide information on how that break even point compares to other urban renewal plans. It would take more discussion to try and get to a meaningful comparison.

Councilor Kyle stated Mr. Brown brought up shortages. Does the plan address how shortages will be handled?

Jeff Tashman replied there are contingency funds shown that are for the purposes of covering shortages. The estimates I think are correctly characterized as conceptual or soft. That is typical for urban renewal plans because you are making estimates for projects before there has been any level of real design.

Councilor Kyle stated my problem is if we promise to do these certain projects and we get there and we don't have the money, I wouldn't be comfortable dropping them. What is typically done if you are short?

Jeff Tashman stated first of all I would think that it is important to say that the Plan represents the intent and projection, it doesn't represent a promise. As damaging as that may be to a campaign, I think that is the accurate way to say it. If someone were to ask me does the adoption of this Plan guarantee these projects, I would say no, it does not guarantee it.

Councilor Daoust stated when you look at Table 3 on Page 13 it lists the total costs of all of the projects and the source of the money to pay for them. There is a contingency built into that of \$1.5 million correct?

Jeff Tashman replied yes.

Councilor Daoust stated on Table 4 it lists that 34% of the revenue that will be used to pay for the \$18.6 million worth of projects comes from tax increment debt proceeds but a majority, 66%, comes from other sources. Can you clarify what those other sources are?

Jeff Tashman replied they include the land sale proceeds, which are projected to cover the entire cost of the minimum improvements. It includes other contributions from the land owners and developers. It includes some SDC funds for those projects that are SDC eligible. And it includes a relatively small amount of grant money.

Councilor Daoust stated on Table 3 we show \$1.7 million and we call it partial reimbursement of SDC's and property owner contribution. Can you explain that?

Jeff Tashman replied the issuance of debt is always based on current revenues. Even though you anticipate that tax increment revenues will increase annually in the future, the practice is you only issue debt for which you are committing revenues that you are already collecting. The result of that is in the later years of the plan you are collecting more tax increment revenue than is needed to pay off the debt and because you have such a high level of other funds being used, 66%, what we show is in the later years is that some of the tax increment revenue is used to partially reimburse SDC's and/or developer contributions.

Councilor Daoust asked in Table 5, the row that shows the total revenue, if you add all of those years worth of total revenue it adds up to a lot more than \$18.5 million.

Jeff Tashman replied there is always the double counting of the beginning balances and ending balances. If you look at Table 3 it shows the total costs, year of expenditure dollars or year of receipt revenues. Those are the revenues and the costs and they do take into account inflation. There is not the double counting of beginning balances and ending balances.

Councilor Gorsek asked in terms of the meetings that have been held around the city, what have the people specifically been told about what the plan will provide?

John Anderson replied they are being told that it would include the elements in the minimum improvements which are the roads and clearance of the site. They have been told that there would be a park and plaza element and those two combined are \$4 million and a parking ramp at \$4 million and pedestrian crossing at \$2.5 million. These were all discussed as estimates for the projects.

Councilor Gorsek asked in this discussion was anybody told that there would be any additional taxpayer costs?

John Anderson replied when we sent out the notice to all property owners was the first time and I know that we discussed it at the third meeting but I don't believe that we discussed it at the first two meetings.

Councilor Gorsek asked why wasn't it discussed at the first two meetings?

John Anderson replied because it wasn't clear to us until that point that we had a specific impact. We had a general statement saying that if there were bonds issued before October 6, 2001 but we hadn't analyzed that, once we did and found that there was an impact we made sure that we included it in the notice.

Councilor Gorsek asked so who found it? A previous testimony is that Max Maydew is the one who found this.

John Anderson replied he is not the one who found it; he mentioned it at the Planning Commission meeting.

Councilor Gorsek asked what is going on with the deal with Chelsea and the roads as far as negotiations?

John Anderson replied the city has been meeting, via conference calls, approximately every two weeks with Chelsea. This past Friday the initial intent of the meeting was to have our architect and their architect meet downtown and hold a conference call. Their architect wasn't there but we had the conversation about their architect's concept on how they would expand and we were having our architect evaluate that to see if we could reduce the amount of land that their architect was estimating to deal with their parking ratios. So we are to the point where we are looking at architects estimates, counting parking stalls and running that against Chelsea's formula for 5 parking spaces per 1,000 square feet of retail space. Those are the types of things we are talking about. This Monday we had one of our regular conference calls talking about getting our appraiser together with their appraiser and looking at the differences in their methodology.

Councilor Gorsek asked have you been talking about the road at all?

John Anderson replied we have been talking about the road going through. We noted that our minimum standard is a 60' right-of-way; they are interested in something wider. They would like to have more of a visual effect going through there. We have a very preliminary draft developer's agreement from Chelsea; we haven't started to analyze that yet.

Councilor Gorsek stated I want to go back to the original estimates. Would you say that it is normal to base so much on some sections of the estimates that are so old? When we are talking about ten to eleven years old, is that normal.

John Anderson stated I think that Jim Galloway didn't mention the fact that the original plan estimates for clearing the site had been updated. The original was more like \$550,000 and it has been updated to the \$900,000.

Councilor Gorsek asked so everything has been updated that you were talking about Mr. Galloway?

Jim Galloway replied that is correct.

Councilor Gorsek stated my next question goes back to notification to the voters. One of the things that the Council has made very clear is that we are extremely concerned about the voters understanding the process. I know that Mr. Tashman said that was a judgment call in terms of whether .2% is a big deal. I understand that you want to focus on how tax increment spending works, however, if you are going to advise people in a city you should know the political climate of the place that you are working in. East Multnomah County is a very conservative place when it comes to taxes. What may seem very small can simply open the door to people saying you are trying to slip something through, even if it is just \$7.00 a year more it is a problem I think. I see it as a pattern. We weren't told about how we would need more consultant money, we weren't told how we would need more architect money and then we weren't told about the tax. Here is what I fear, I know we have a half million in contingency, I am afraid that is also a soft number. What it looks like to me is we are building a bridge on sand in the middle of a flood and what is going to happen is it is all going to fall down. Our job is to ask does it make logical sense. I would put to the Council that there are very serious concerns here. Do other governments build things this way? Do we build bridges this way?

John Anderson stated I don't know if that is the way it is done when you make the decision to go forward with the bridge project, at that time you would have detailed engineering. This is fairly typical in this stage of developing an urban renewal plan. You are looking over multiple years and multiple projects and so they are preliminary. In terms of making specific decisions about going forward ...

Councilor Gorsek interrupted and stated so what you are saying is it is quite possible for us to incur even more surprises in the future in terms of needing more money.

John Anderson replied or reducing projects.

Councilor Gorsek stated I am very concerned and I very seriously want to take Mr. Brown's comments into account. I can't believe that there could be that much discrepancy. I simply can't believe that with a consultant that we can keep being off so far on these numbers when we are paying a lot of money for this.

Councilor Ripma asked do we have a financial commitment from Mr. Yoshida at this point?

John Anderson replied in terms of something in writing, no.

Councilor Ripma asked is this going to be put to the voters with Chelsea and Yoshida's commitment to the financial projects in place or not?

John Anderson replied our intent was and is to try and get a developers agreement before the election. That is what we have been working towards.

Councilor Ripma asked what would happen if it goes to the voters and the voters vote for it and their financial commitment isn't secure, will the plan be dropped if they don't contribute at the levels that we are committing in public for that vote?

John Anderson replied I would say that the plan wouldn't be dropped but the elements of the plan would be changed because there wouldn't be as much revenue.

Councilor Ripma stated so the voters, instead of the urban renewal district, would end up picking up any shortfall by canceling projects. Once the plan is adopted, if you are not able to reach the commitment along the lines we are talking about, do the plans ever disappear?

Jeff Tashman replied in extreme cases they disappear.

Councilor Ripma asked would it be an extreme case if Yoshida and Chelsea chose not to contribute at the levels we are being promised?

Jeff Tashman replied if they contributed 95% of the levels then it is not going to be an extreme impact. If they only agree to contribute at 40% of the levels then it would be an extreme impact.

Councilor Ripma asked staff to provide Council with the information that is provided to Mr. Brown to answer his question on the project estimate discrepancies.

Councilor Thomas stated based on what I remember was told to the voters years ago is some of this money would go to help pay off that bond. Is it required that all of the sale proceeds go to the urban renewal district or can some of that be used to pay the bond?

John Anderson replied there are no legal requirements that it goes to the urban renewal agency. That is a policy decision.

Councilor Canfield stated regarding promises that may or may not have been made to the voters with regards to moving the sewer treatment plant. I would like staff to see if there is anything on the record that was officially promised (not a campaign promise) to the voters with regards to the bond measure to move the sewage treatment plant out of the downtown area.

Councilor Canfield asked so, all of these numbers do not reflect any repayment or retirement of debt for the new sewer treatment plant?

Jeff Tashman replied that is correct.

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

Maryann Vier stated I am a member of the Planning Commission and I served on the Ad Hoc Redevelopment Committee. I have listened tonight and I am very discouraged because I feel that there are many people in the community who have put a lot of time, energy and thought in developing relationships. That is what I do as a professional. I am a recruiter for CH2M Hill. I see projects happen nationally and internationally and I help them happen by relating to people on very personal levels. I am interested in all of your reactions tonight because I feel as though you don't have an alternative proposal. I am specifically interested in Councilor Gorsek and Councilor Ripma's comment because you originally affected my opinion on this project. I was completely discouraged when I heard you speak at the first meeting regarding this and I felt as though you were speaking negatively towards it. I would love to hear what your alternative is.

Councilor Ripma stated we have one.

MaryAnn Vier stated I would appreciate hearing that and I think people need to hear that. There are a lot of positive aspects to this project that haven't been acknowledged. One is that we have interesting characters in the community that have begun to communicate with us. We have private property owners. We have developed a relationship with an architect and the wonderful staff that you have here at the city. I would hear those positives aspects tonight in a way to balance this discussion in a way that does not hinder the efforts of the people in the community that have taken the time to consider those things that might happen.

Councilor Ripma stated all of those interesting characters will get together and we are going to fix that site if this goes down by our alternative proposal. All the effort you have made...

Maryann Vier interrupted and asked when will we hear the alternative proposal.

Councilor Gorsek stated simply because we disagree with the plan means nothing in criticism of the people who are doing their job. We are simply worrying about the money and the best way to develop it. Please don't think that we are criticizing people's work, we are not.

Councilor Canfield stated I think that the Plan that the Ad Hoc Committee developed is a great plan. But the catch is, it always comes down to money and if we can trust the figures. As much as I like the Plan I have to trust the numbers.

Jerry Stitzel stated I was the Chair of the Ad Hoc Downtown Redevelopment Committee. The questions you are asking need to be answered. What we tried to do as a committee is to provide you with a solid, well thought through plan that you could then do with what you feel is appropriate for this community. We obviously support it. Each and every one of the people who served on the committee had the best interest of this community at heart. The things that we were surprised about, as were you, was the incremental tax rate. That was something that I was not very happy about when I heard about it. However, looking back at it, had we known that it wouldn't have changed what we decided to do.

Mike Greenslade stated I was on the Ad Hoc Committee. We did spend a lot of time on this and I believe, as Jerry just said, we put together a good plan for the City of Troutdale. If you look at the \$7 million, it is a lot of money but in the grand scheme of things for what we could end up with down there it really is not that much. It is something that is going to pay itself back and in the future it will increase our tax revenue which is going to help our schools, police department, etc. I think we need to keep an open mind. I completely agree the numbers have to be confirmed. That happens in the construction business; we put budgets together on conceptual plans every week. I would be willing to bring some excavation contractors in that do this every day and put some numbers together. I don't think the numbers are probably as out of line as Mr. Brown might have thought they are just because of the size of the project. The bigger the project the less per square foot you can work for. I think if we make the right decision today, in the future people are going to look back and think we did the right thing.

Mayor Thalhofer closed the public hearing at 11:35 and stated that a second public hearing will be held on February 14th.

8. PUBLIC HEARING / ORDINANCE (Introduced 1/10/06): An Ordinance amending Chapter 3.08, Transient Lodgings Tax, of the Troutdale Municipal Code.

Mayor Thalhofer read the ordinance title and opened the public hearing at 11:37pm.

Councilor Canfield stated this proposed ordinance will require the West Columbia Gorge Chamber of Commerce to furnish annually a review financial statement by a certain date and if they fail to provide the city with the statement then the tax administrator of the city shall withhold all sums due to the Chamber until the statement is received. In the packet we have the ordinance that I am proposing and we have the option that the Mayor is proposing. There is only one difference between the original proposed ordinance and the Mayor's proposed ordinance and that is what happens if the Chamber does not provide the financial information? The original proposed ordinance withholds funds if the Chamber does not provide the financial report whereas with the Mayor's proposal there is no consequence for not providing the report. I have provided you with a handout (copy included in the packet)

which outlines a couple of changes to my proposed ordinance. Under finding #5 in the ordinance I am suggesting to change the second sentence to read, "Such oversight shall be accomplished by requiring any tourism service provider receiving funds from the City of Troutdale to provide financial data and an annual report designed to demonstrate the achievement of goals relative to the promotion of tourism and commerce in the City of Troutdale". In Section 3.08.020B I am proposing to change that to read, "The City shall dedicate ninety-five one hundredths of one percent (.95%) of the taxable rent to the West Columbia Gorge Chamber of Commerce *in order to fund the promotion of tourism and commerce, including the operation of a visitor center in Troutdale*". I am also proposing to replace all references to "Columbia Gorge Chamber of Commerce" with "any tourism service provider that receives funds from the City". The last change I am proposing is to add as a last sentence to Section 3.08.020C, "Information provided in the annual report shall be set forth by an annual service agreement between the City and any tourism service provider". The reasons why I think these changes are a good idea is with an agreement we can be on the same page as the Chamber and we can all agree on what service will be provided. Under Section B of the ordinance I wondered what would happen if the Chamber moved out of the city and I thought maybe we should tie the visitors center with the dedication of the money. The change to the findings, I just thought it was common sense to define what annual report is to include. I favor my proposed ordinance with the amendments that I have just proposed.

Mayor Thalhoffer stated the Chamber has, at budget committee meetings and council meetings, made financial reports, correct?

Councilor Canfield replied they have provided incomplete financial reports.

Mayor Thalhoffer stated they haven't satisfied you but they did file financial reports.

Councilor Canfield stated they are inaccurate.

Mayor Thalhoffer and Councilor Canfield discussed what information the Chamber has provided to the city in the past.

Mayor Thalhoffer asked what is your complaint about my proposed ordinance?

Councilor Canfield replied there is no consequence if the Chamber doesn't provide the financial reports.

Mayor Thalhoffer stated it reads, "the City Council can accept, reject, or require remedial action after such review by majority vote of the City Council".

Councilor Canfield stated we can vote all we want but it really does not give them any motivation, they are still not required to give us anything.

Mayor Thalhoffer stated there is a date in there and it states remedial action. It doesn't include the punitive language. Your ordinance has punitive language in it and mine does not, isn't that correct?

Councilor Canfield stated your proposed ordinance does not have any teeth. This is water under the bridge to me Mayor, it doesn't matter to me. Lets face it, the city is acting in self-interest and so is the Chamber. They are doing what they are supposed to do; they are acting in their self-interest. We need to have a tool to make sure that we have accountability for the taxpayer's dollars that the City provides to the Chamber. It is not punitive; it is a tool to ensure that we get the accountability that every taxpayer deserves.

Councilor Daoust asked your proposal Councilor Canfield would not only require an annual financial statement but you also want to require an annual service agreement?

Councilor Canfield replied I believe that is in the best interest of the City, yes.

Councilor Gorsek asked Councilor Canfield do you see the City as the only body in a position to do the monitoring of this tax?

Councilor Canfield replied I believe since the City is the one that passed the ordinance to create the increase in the tax and we are the one that collects the money and passes it on to the Chamber, we are the body responsible for the accountability.

Councilor Gorsek asked so when you are talking about in the City's best interest, in reality you are talking about the best interest of the taxpayer, is that correct?

Councilor Canfield replied absolutely.

Councilor Ripma asked in reading the Pendleton ordinance, did you notice that it cost their chamber \$2,500 a year to comply with that ordinance?

Councilor Canfield replied I did.

Councilor Ripma asked are you concerned about the fact that a percentage of the money that we are zealously guarding is going annually for compliance, not for tourism?

Councilor Canfield replied with any budget there is a cost for administration of that budget no matter what size it is. We don't know what the cost would be for the Chamber. You will notice in the email from the Pendleton Chamber Director that they were eager to point out that it was the very money that the city provided that they used to pay for the oversight. You need to have accountability and there is always a cost with budgets for budget preparation and those sorts of things. To be honest, I would question that figure of \$2,500 to provide this information. With the modern software today it is a fairly simple thing to tract costs.

Councilor Ripma stated because we are vigilant and zealous in protecting, monitoring and spending public money, as a council don't we have the ability now to terminate the agreement if the Chamber was doing something wrong with the public money?

Councilor Canfield replied we do have the ability. From a financial point I don't see that the Chamber has done anything wrong. I don't want to take any money from the Chamber if that is what you are getting at; there is no need for that. As far as I know they are doing a good job. This is more an issue of accounting for the tax money.

Councilor Ripma stated in effect we would be imposing a cost for doing exactly what they are doing now.

Councilor Canfield stated I think that Pendleton's City Manager said it best. He said that it just helps us show that the public funds are being used properly. We are charged with using that money for tourism. How is that known unless we get some details?

Councilor Ripma asked what would you expect the City Manager of Pendleton to say about a city ordinance. I think we can make our own judgment. Do we not have the ability now to name a new provider for example if we wanted to? Isn't that a tool that is available to us as a Council if we think there is some misuse of public funds?

Councilor Canfield replied that is not the intent of the accounting of the tax dollars.

Councilor Ripma stated it is part of your changed language about removing the reference to the West Columbia Gorge Chamber of Commerce and putting in any service provider. Is that anticipating a change?

Councilor Canfield replied it anticipates the possible use of additional providers. I think we received some advice from the City Attorney on this also.

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

Max Maydew stated in the last meeting we stated that the Chamber has a policy of being open with our financial records to any city government that we deal with and that hasn't changed. I have been in contact with the City's Finance Director, Kathy Leader by email and we have agreed that we will meet and work out whatever it is that the City wants to see in terms of financial information. I have been involved with the Chamber as a board member fairly recently. As a result of this project I have been getting into some of the things that the Chamber does. If you recall at the Business Summit there was a guy named Jim Renner from OTAK that came out and he is the sign guy for the State of Oregon. We met during that meeting and started talking about signage for Troutdale. The good news is they agreed to have some signage directing people to downtown. One of the things that came up was he said if the Chamber hadn't of been the one who had initiated this, which we did by sending a letter to them, he said we wouldn't have even talked to you; we don't talk to anybody that is not a chamber that represents a city. Tourism service provider doesn't mean anything in terms of a state agency because they know that the chamber of commerce is the one that deals with these kinds of issues. The other thing that I have learned recently is that the visitors center in downtown Troutdale brings approximately 12,000 visitors down here. It is the signage that the Chamber got that brings those people to downtown. Another thing that just recently happened is the new Mt. Hood Byway that has been approved. The Chamber is involved in getting the signage that goes with that. At the Airport Showcase the Chamber represented Troutdale for a 100-acre development of major industry. That showcase featured Speaker Minnis, Port of Portland Manager Bill Wyatt, Chair Diane Lynn, Lonnie Roberts and Mayors. That was pulled together by the Chamber. There are other things we do like the Paint the Gorge. We arranged funding for the advertisement for that. We partner with Troutdale and the merchants for SummerFest and other events. We are involved with a lot of things that affect downtown. When I go through the budget numbers the things that we do for Troutdale far exceed the amount of funding we receive from the transient tax. We

make that up with our membership dues and fundraisers. We have had a chance to review the Pendleton ordinance wording and the proposed wording by Councilor Canfield and some improvements made by Councilor Kyle and also the alternative wording made by Mayor Thalhoffer. We prefer the language proposed by Mayor Thalhoffer and we definitely don't want language included that says service provider. I have three points of why I think Mayor Thalhoffer's language is good: 1) It provides the financial information that the City requires during its budget cycle; 2) It doesn't contain punitive language. My understanding is that kind of language is not used by other entities that you deal with. 3) Mayor Thalhoffer's language has a method of dispute resolution. During our annual review with the City we will present what it is we plan to do and if the city doesn't like it by vote of the Council you can ask us to go back and do something else and we will do that.

John stated I am a local business owner, realtor and on the Chamber Board. It is my understanding that this tax is actually a pass through tax that was solicited by the Chamber to help fund the Chamber. Being that it is a pass through tax is it actually your money or is it the hotel/motel's money and you are just passing it on to the Chamber? I am just wondering if you are asking a little bit much for something that is not yours. If you were to change from the Chamber to a service provider, would the hotels and motels not deserve some say since these funds were designated by them to go to the Chamber for tourism? Are you wanting to put this up for bid every year and why would you do that?

Mayor Thalhoffer closed the public hearing at 12:02am.

MOTION: Councilor Canfield moved to direct staff to bring back a clean version of the ordinance for Council's consideration that would include the language shown in Exhibit A and the additional language in the handout provided at the meeting with a change to the language in Section B of the handout as follows: replace "in order to fund the promotion of tourism and commerce, including the operation of a visitor center in Troutdale" to "in order to fund the promotion of tourism and commerce, and shall include the operation of a visitor center in Troutdale". Seconded by Councilor Thomas.

MOTION TO AMEND: Councilor Ripma moved to amend the motion to substitute the proposed language with the language in Exhibit G, Mayor Thalhoffer's proposed language.

Councilor Canfield stated that amendment changes the entire intent of my motion and your amendment would not be in order.

Marnie Allen stated we have a main motion that was made to direct staff to bring back an ordinance that included the language in the initial ordinance with the changes articulated by Councilor Canfield, that motion was seconded. Now we have a motion that has not been seconded to amend the main motion so that the ordinance that would be brought back by staff includes the language from Exhibit G.

Councilor Ripma stated I was just thinking we could vote on the ordinance.

Marnie Allen stated I don't think that is an amended motion. In terms of the correct procedure, it would be to vote on the main motion, if that motion fails then make a new motion to adopt the ordinance with the language contained in Exhibit G.

MOTION TO AMEND WITHDRAWN: Councilor Ripma withdrew his motion to amend.

Councilor Thomas stated I think there is a lot to think about here. To answer the question, is this really taxpayer's money? Technically yes it is even though it is dedicated to the Chamber. Ultimately we are responsible to ensure that all taxpayer money spent is itemized in our budget, where it goes and how it is spent. From that prospective I have no problem with asking for accountability of the funds. I do like the concept of having a letter of understanding with the Chamber of what we expect, not so much just the financial side but I know there are other things that the Chamber has done that they were asked to do by the City such as SummerFest. I don't believe that there is actually a letter or any kind of understanding between the City and the Chamber that outlines the kinds of things that we expect. I think from a business point of view those are smart things to have so that when someone asks us what does the Chamber do or what do you expect the Chamber to do, both the Chamber and the City can answer the question. Today we can't really answer that question. I think that document is missing.

Mayor Thalhoffer stated I submit that this is a solution looking for a problem. The West Columbia Gorge Chamber of Commerce has been in operation for many years and they have done a wonderful job for this City. I think this whole debate about this and the mean spirited type of ordinance that Councilor Canfield is offering...

Councilor Canfield called for point of order, that is not necessary.

Mayor Thalhoffer stated I said that Councilor Canfield and I stand by it.

Councilor Canfield stated we need to address the issues not the personalities...

Mayor Thalhoffer interrupted and stated I take your direction immediately. But I will tell you this, that it is a mean spirited ordinance.

Councilor Canfield called for point of order.

Mayor Thalhoffer stated I withdraw my comment. This whole exercise has been one of the most disturbing exercises that I have ever seen. Here we have a well-functioning chamber that is doing a great job for this city and we come up with these requests for reports which they were already making. Councilor Canfield does not acknowledge that but I was sitting in the same room with him at the budget committee meetings and city council meetings when they did give us reports. We are accountable for the pass through; we are accountable for all tax dollars. I would hope that nobody on this council thinks that just because they are that nobody else on this council is. Please believe me, we all are. I think the West Columbia Gorge Chamber of Commerce is the one that the hotel/motel people agreed to give this .95% tax money to and that should stay that way. The West Columbia Gorge Chamber of Commerce will make reports under my proposed amendments, the same reports that Councilor Canfield asked for.

There is very little difference if you really look at the two proposals. I am going to vote against the motion and urge my comrades to do the same thing.

Councilor Canfield stated I would like to address these questions about putting this out to bid. I don't want to put anything out for bid like this. The Chamber is doing a great job and this money that is dedicated to the Chamber, that is where it belongs. Nothing in this proposed ordinance says anything about putting this out for bid, its not going to happen. The reason why we should change the wording from West Columbia Gorge Chamber of Commerce to tourism service provider is that there may come a time when we need additional providers. We have different things that we have multiple contractors for and there is no reason why the Chamber of Commerce should have a monopoly. With respect to this being punitive, I respectfully disagree with the Mayor. I don't even think we would be here today discussing this ordinance if there had not been some difficulties over the last year in getting financial information from the Chamber. It is water under the bridge to me; it doesn't matter to me at this point. The Chamber is trying to protect themselves, I understand that. But the City has to protect itself too and it is in our best interest to provide accountability for these tax dollars. This is why we are here and this is why there has to be a tool in this ordinance for the Chamber to give the City the financial information it needs to be accountable. I do think that the Chamber is doing a great job with the funds that we give to the Chamber. All of the things that Max mentioned are true. I totally support the Chamber.

Councilor Kyle stated I have always really disliked this language. I do think that it is overkill. I could live with all of your other proposals; I see the logic in them. As far as reporting, the Chamber is a non-profit organization and they have functions that I wouldn't even want to review. The only information that I would be interested in seeing is what is pertinent to Troutdale. I think as I look at the annual service agreement, I don't know that it needs to be annual. I just see it as a service agreement that sets out the guidelines, what they do for us and what I would like to see reported on at the end of the year. I don't want anybody to have to pay \$2,500 for an accounting process. I find the Mayor's proposal acceptable and I can accept everything else that you have proposed here because I see the logic in it although I don't agree that there should be an annual service agreement.

Councilor Daoust stated the bottom line is I think I would go for Exhibit G, the Mayor's proposal. I think that is all that we need. I stated last time that this level of accountability is actually embarrassing compared to the level of accountability that we don't have on projects that spend ten times the money. We give contractors ten times this amount and we don't require this amount of accountability. It leads one to conclude that the Chamber is being singled out and that is why the Mayor said it is mean spirited.

Councilor Canfield stated we also do not dedicate funds to any other entity.

Councilor Daoust stated we pay other contractors and outside groups more money than the Chamber gets. This level of accountability is not needed. I think Mayor Thalhoffer's wording is all we need. We don't need to have the punitive language. I trust Max Maydew to give us what we need and what the Council needs to hold the Chamber accountable. My desire to get what the Council needs is to rely on Max

Maydew to give it to us and I think he will give it to us according to what he prefers, which is Mayor Thalhofer's wording. I find it interesting that the City Manager of Pendleton says, after the Chamber spends \$2,500 putting the information together, he says, "I just give it a cursory review".

Councilor Gorsek stated this isn't a question of trusting Max Maydew. It is not about trusting anybody on the Chamber. This is about the fact that Max isn't always going to be there, neither is Diane or any of these other folks. When we are responsible not only to the Chamber but to the citizens of this City; it is our job. In terms of tax and contractors, that is mixing apples and oranges. If the city hires a contractor we are doing that with tax dollars that we have to document what we have done with the money. This is a pass-through tax that needs somebody somewhere to document it. It is not the same thing. I can't believe that you would be embarrassed about accountability. I think accountability isn't embarrassing. If we don't do this there is no other body that is going to do it. I support this.

Councilor Ripma stated in answer to the question about this being public money, it is public money. The reason I am supportive of Mayor Thalhofer's language is because I think that is the right way to monitor the expenditure of public money and the wisest way. Councilor Thomas you started out feeling we needed a written agreement because we couldn't say what the Chamber does. I guess I am satisfied that I know what the Chamber does. I am also satisfied that we have the power to remove this money that we give the Chamber if they quit doing it and that is the vigilance that we need, not some automatic trigger or some punitive measure. I just don't think that it is that much of a problem. Even the proponent is acknowledging that the Chamber is doing a good job. We all acknowledge that. The commitment that we have made over the years to the Chamber and the Chamber has made to the City is a two-way street and it does real harm to make that appear that it is a shaky commitment, at least on our side. It will harm the ability of the Chamber to recruit new members and keep good staff. I don't see a reason to make a change as drastic as this. I think the Mayor's language is a good compromise so I encourage the Council to vote no on this motion and I will follow it up with a motion to adopt the Mayor's language, assuming that this motion fails.

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

Motion Passed 4 – 3.

The Chamber requested a copy of the amended language prior to the next meeting.

9. STAFF COMMUNICATIONS

None.

10. COUNCIL COMMUNICATIONS

Councilor Thomas stated the City of Portland and Gresham are looking at adopting regulations on “payday lending businesses”. I have asked staff to put this item on our March 14th agenda with Council’s support.

Council agreed.

11. ADJOURNMENT:

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

Meeting adjourned at 12:31am.

Paul Thalhofer, Mayor

Approved March 28, 2006

ATTEST:

Debbie Stickney, City Recorder