

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

Tuesday, February 14, 2006

1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE

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

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

ABSENT: None.

STAFF: John Anderson, City Administrator; Jim Galloway, Public Works Director; Rich Faith, Community Development Director; Kathy Leader, Finance Director; Marnie Allen, City Attorney; Debbie Stickney, City Recorder; Clyde Keebaugh, Parks and Facilities Supervisor.

GUESTS: See Attached.

Councilor Thomas requested that Item #2.4 be removed from the consent Agenda since the public has not had an opportunity to provide any input on the issue of recycling roll carts.

Council had no objection.

Mayor Thalhofer stated Item #2.4 – A resolution establishing solid waste collection fees related to service using recycle roll carts and amending resolution #1682 will be scheduled for a future meeting.

2. CONSENT AGENDA

2.1 ACCEPT MINUTES: October 11, 2005 Regular Meeting and October 25, 2005 Regular Meeting and Work Session.

2.2 RESOLUTION: A Resolution recognizing the completion of the public improvements associated with the Morgan Meadows Phase III Planned Development and accepting these improvements into the City's Fixed Asset System.

2.3 RESOLUTION: A Resolution authorizing the City's Parks and Facilities Supervisor to sign an Intergovernmental Agreement with Reynolds School District for Multnomah County Youth Cooperative (MYC) youth work services.

~~**2.4 RESOLUTION:** A Resolution establishing solid waste collection fees related to service using recycle roll carts and amending resolution #1682.~~

2.5 RESOLUTION: A Resolution allowing the Mayor to sign an amendment to the current Intergovernmental Agreement for the East Metro Gang Enforcement Team (EMGET).

MOTION: Councilor Thomas moved to adopt the Consent Agenda as read (Items 2.1, 2.2, 2.3 and 2.5). Seconded by Mayor Thalhoffer. Motion Passed Unanimously.

3. PUBLIC COMMENT

Donna Erwin, Columbia River Gallery stated on behalf of the Troutdale Downtown Merchants we would like to propose a new event for Troutdale. On July 22nd of this year during the hours of 11am to 9pm, the Troutdale merchants would like the Council's support for a proposed new annual event called the Troutdale Bite and Bluegrass Festival. We believe that it would be successful enough to be an annual event and draw a lot of attention to our area. It would consist of Bluegrass entertainment and on-street food vendors. We would like your support as follows: **1)** Block off the street between Buxton and Kibling between 9am and 10pm; **2)** support of the Troutdale Police; **3)** use of Mayors Square the day of the event for entertainment; **4)** permission to use electrical, **5)** temporarily install a tent for the event, NW Natural Gas has offered to donate a tent for the event and would like permission to put the tent up on the Friday before the event and take it down on the Monday following the event. We understand there are permits required for the vendors, road closures and sign placements and we plan to comply with all of those. We hope that the City will support our efforts and provide guidance regarding what is required from our group in order to have a successful event.

Council unanimously supported the event and directed Ms. Erwin to contact Rich Faith to work out the details of the event.

Erin Janssens asked the Council to reconsider two exceptions to the zoning ordinance adopted by Council last month. The first exception would be the 45' height allowance. I understand that Troutdale is eager for development of the Marino block, however, allowing that 45' height over the entire block area may cause a detriment to the overall appeal of Troutdale as well as adversely impact property owners between 2nd and 5th. I request that you reconsider the height. I understand the desire to appease the developer in some way, however, the developer indicated that they didn't need the 45' height requirement on 2nd Street and in doing a blanket approval of that 45' may adversely impact Troutdale in the long run. Some of the cities that were referred to for comparison, Sherwood and other small towns, do not have the hillside view or the character that Troutdale has. I think they were poor comparisons. I think that if you look at a town that is attempting to retain its small town and historical feel you can easily look to Bend where prices are in excess of Portland's residential market. I think that Bends prices are the highest in the state. They changed their zoning laws and once they changed them they quickly realized that they had made a mistake and they have retroactively repealed those decisions and have gone back to a two story limit for buildings in their historic district. I am not arguing the 45' height limit on the main street of Troutdale, however, I request that you reexamine that to not include the entire

block and perhaps change it to allow it to be 45' on the street level but as it goes back up that we maintain the 35' height requirement as is mandated throughout the rest of the township.

Mayor Thalhofer stated there is a procedure for this. Marnie Allen, can you give us some advice on this.

Marnie Allen, City Attorney stated if the Council wants to grant this request and reconsider the decision you adopted at the last meeting, which was final action on the Development Code amendments, then someone who voted in support of adopting the 45' height limit would need to make a motion to reconsider. If that motion to reconsider was approved by a majority of the Council then you could reopen and discuss reconsidering this 45' height limit and give staff direction on what you would like staff to bring back to the next meeting. We would need to notify DLCD, who has been notified of the final action you took last meeting. My advice would also be that you have staff notify those that were in attendance who spoke to the 45' height limit.

Erin Janssens stated if I can recap what happened at the last meeting, you called for input from the developer and from Mr. Handy but then you closed off discussion so you excluded any kind of public discussion after that on the height requirement because I was going to get up and comment. Obviously those two people both have a vested interest in the development and the 45' height allowance. The developer indicated that they could go with the 45' requirement on the main street and they thought that they could probably maintain the 35' requirement on the side streets and 2nd Street. Granted the developer said that they thought that they could probably do it, I would like a little more stringency upon that and would like to have something for the citizens to find a compromise between the development and the character of this city, a very unique hillside city.

Mayor Thalhofer stated I understand what you want to do and I appreciate that. Can we put this off until the next meeting?

Marnie Allen replied your Council rules say that if you want to reconsider something that has been voted on and acted upon, it needs to be done either at the same meeting or at the next meeting, and this is the next meeting. I don't think that the Council has to make a decision on the substantive issue of whether or not you want a 45' height limit, but you do need to decide whether you want to reconsider that action you took at the last meeting.

Councilor Ripma stated there is another way we can go. I was against the 45' height limit so I wouldn't mind reconsidering this, but we could send this through the regular process by sending it back to the Citizens Advisory Committee then to the Planning Commission and then have it brought back to us and that wouldn't be reversing our last vote.

Marnie Allen stated that is another option. You could direct staff to prepare a new amendment or proposal to take through the full process.

Councilor Canfield stated we voted on several changes to the Development Code, can we limit the discussion to just this single item about height?

Marnie Allen replied yes.

MOTION: Councilor Thomas moved to reconsider the 45' height limit only on the changes made at the last Council meeting. Seconded by Councilor Canfield.

Erin Janssens stated I would also request that you reconsider the width of the townhomes that was also a point of discussion. I think that it moved at the last minute from an average width of 18' down to an standard width of 16'. For anybody who is not in touch with the real estate market, the hillside of Troutdale is full of low income and rental properties and I don't think we need any more of those. I think what we would like to attract, and what we all dream and have a vision of is attracting more affluence to help support the community. I fear that building only 16' wide townhouses may only turn into entry level housing and that in turn as those are sold and those families gain more that they will move and they will sale them and the people who will buy them will be landlords who will turn them into rentals. We dropped down from an average width of 18' which would have some mixed housing units with 20', and instead adopted a standard of 16' across the board.

Councilor Daoust stated I thought it was a minimum of 16'?

Erin Janssens stated yes, what do you think they will build?

MOTION TO AMEND:Councilor Thomas moved to amend the motion to also include reconsidering the 16' width. Seconded by Councilor Kyle.

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

Motion Passed Unanimously.

Mayor Thalsofer stated we will take this issue up at the February 28, 2006 meeting.

Peter Tuomala, Director of the Troutdale Farmer and Artists Market stated the reason I am here this evening is because we are up against a bit of a deadline. Last year was a pretty good start even though it was late in the season. I think what we need to do to better the market and to better help the merchants and vendors is to move this event from Sunday to Saturday. I attended one of the merchant meetings last week talking about the economics of the area and some of the downtown merchants would like to see the market move downtown, which I agree with. They have recommended Depot Park. I can't think of a more fantastic, beautiful setting than that.

Councilor Thomas asked could Mr. Tuomala just work with Rich Faith on this. It sounds like it may be an issue that Rich Faith would need to look into and address the concerns and if there are concerns that require changes then we would look at it.

Mayor Thalhoffer asked does moving the location and changing the day of the event require Council action?

Marnie Allen, City Attorney replied I don't think that in the Code or by Council action that we specify the date and location of Community Events.

Rich Faith, Community Development Director stated last year when Mr. Tuomala came before you, you endorsed the Farmers Market giving your support to the event. We did determine at that time that we would be willing to allow them to use the open area behind the City Conference Building. I don't think it is a major task to switch the event to Depot Park if the Council is in agreement with that. We would need to work out some of the details and the ground rules, but if the Council is okay with moving the event to Depot Park I think we can work out the details and I don't think there is a reason to bring it back to the Council.

Mayor Thalhoffer stated my only concern is the business people downtown might have something to say about this and we aren't giving them that opportunity.

Peter Tuomala stated I did share with you that I attended the recent Merchants meeting and there was no opposition voiced and everybody was looking forward to having the market at Depot Park. There is another meeting next week which I plan on attending. We definitely don't want to step on anybody's toes. We want to enhance the community and the market and create a destination point.

Council agreed to let the staff work out the details of changing the location of the event to Depot Park and agreed to change the date to Saturdays.

Chad Tippin stated in the February issue of the Mt. Hood Gorge Connection Mari Hunts writes "When people drive up 257th they see a beautiful quaint city with historic buildings. With this City Council they will see sardine packed row houses...and within a few years...run down rentals. We will not be attracting families here with this Council's vision. We need to maintain the integrity and beauty of Troutdale. We need to be aware of who we are attracting to our city. The developers build, squeeze in the units, and return to their homes. We, however, will be stuck with what is left behind." That statement was regarding the last Council meeting. Ms. Hunt of course wrote about the vote to make downtown high density but she included our entire city in her appraisal saying that there is already a glut of rentals and we know we are courting more. I speak of the proposed Tyson's Place Condos on the current landlocked portion of what belonged to Mr. Winkler of Troutdale Terrace. I live in Sedona Park. The proposed will drastically alter the nature of my neighborhood. It will take it from a quiet, safe, destination neighborhood with all of the kids playing outside to a cold busy thoroughfare with increased traffic, crime and diminishing property values that high density development would bring. We, the 53 homeowners, have sought counsel and will fight the development at the Phase III hearing. However, we thought that you, our City Council, should know that one, we feel precisely as does Ms. Hunt and two, should we fail to prevail in the Phase III hearing we will thereafter be appearing before you with our appeal. Perhaps depending on whether the Supreme Court has reached a decision on Measure 37, we will have claims in hand. We also find it interesting that Tyson's Place

Condos has been advertised on the internet for sale. Does this indicate that the developer's confidence in getting his way with Troutdale? I am just curious. Soon the time will come when the City Council will have to choose between standing behind our neighborhoods and the campaigns that the city council persons ran on, or behind a handful of developers who will come and go like the tenants that high density attracts. I am submitting to you an appeal that was signed by all of the members of Sedona Park and other members within neighborhood associations near us. That is just written notice.

Mayor Thalhofer asked when is this coming before the Planning Commission?

Chad Tippin replied March 22nd.

Marty McMahan stated the way that the city council meetings are scheduled, especially those that pertain to really important city council issues, you load too many things on one city council meeting and it becomes really difficult especially for people with families to stay around long enough to offer comments. If there is any way to break some of these public hearings up that would be really helpful. Secondly, just an observation that came up since I last attended a meeting. I drive on 257th pretty regularly and there is a subdivision going up there, roughly 20 acres. I did a little bit of checking, but it doesn't appear that in the entire development process that there was any money spent by the city on consultants or architects, which I am assuming was required to complete the project, so I am assuming that the developers must be paying for that. Also the City wasn't paying for parking or paying for streets, it seems like the developer is absorbing those costs also and taking it out of whatever their net profits are going to be. Not that I would want to draw any parallels to anything else, but it is just an observation I had that seemed kind of coincidental. How is it possible that that development is happening without the City doing all of that other supplemental funding?

4. PUBLIC HEARING / ORDINANCE (Continued from 1/24/06): 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 7:30pm.

Councilor Canfield stated on January 24th the Council did hold a second public hearing at which time we directed staff to bring back a clean version of the ordinance regarding the transient lodging tax. Exhibit A shows the revisions, however there is a problem with Section B. I don't think what the Council agreed to was to remove dedication of the ninety-five one hundredths of one percent from the West Columbia Gorge Chamber of Commerce to any tourism provider. I believe our intent was for Section B to read that the money is dedicated to the West Columbia Gorge Chamber of Commerce.

Councilor Canfield stated in the last couple of days Council has received some correspondence from Max Maydew on behalf of the Chamber asking for some clarification on the definitions. We have received some advice from Marnie Allen, our City Attorney, on some definitions. Can we provide a copy of this memo to those in attendance?

Marnie Allen, City Attorney replied I prepared a memo to the Council which constitutes legal advice and the Council should decide as a body if you are comfortable releasing this legal advice to the public in general.

Councilor Canfield stated I think that Marnie's memo answers the questions that Max was asking.

Council agreed to provide copies of the memo to any interested party.

Councilor Canfield stated we need to fix Section B to make sure that the .95% is still dedicated to the West Columbia Gorge Chamber of Commerce. Other than that the rest of the ordinance, along with the memo that Marnie has provided to us, this is ready for discussion to see if we can pass this tonight.

Councilor Ripma asked are you proposing to change the language back in both Section B and C?

Councilor Canfield replied I believe we can keep the language as is in Section C. The reason is that if in the future we wanted to have additional providers we would not have to change the ordinance.

Councilor Daoust stated the Council can name the West Columbia Gorge Chamber of Commerce (WCGCC) as the service provider.

Councilor Canfield stated I believe that Marnie Allen suggested that would be a good idea and that if this passes we should pass a resolution indicating that the WCGCC is the tourism service provider.

Mayor Thalhofer asked does that get us into a contract situation?

Marnie Allen replied the last sentence in Subsection C of the ordinance that is before you reads, "Information provided in the annual report shall be set forth by an annual service agreement between the City and any tourism service provider". It does contemplate that there will be an annual service agreement. If you dedicate the WCGCC as the tourism service provider under this ordinance, then there would be that one agreement that would need to be worked out with the Chamber. In the future if you decide to have more than one service provider you would address that by separate action and there would be another agreement.

Mayor Thalhofer stated I am glad that we are talking about making a change in Section B.

Councilor Ripma stated I would prefer we make the change to both Section B and C.

Councilor Daoust stated a lot of the questions that Max Maydew raised aren't really covered in Exhibit A as far as how the City is going to get involved with goal setting with the Chamber. Councilor Canfield, should we define annual service agreement further?

Councilor Canfield replied that is probably something that the Finance Director and the Chamber could work out.

Councilor Daoust asked is it the intent of Exhibit A to require the WCGCC to hire a CPA firm to perform a review of the financial statements? Or is the intent to just have the WCGCC provide a financial statement to us?

Councilor Canfield replied I don't believe that any of the language requires them to hire a CPA firm.

Councilor Daoust asked is it the intent then of Exhibit A to require some sort of review of the financial statement before submitting it to the City, or will that be the City's role to review the financial statement? I see the word review in the language and I just wonder what your intent is.

Councilor Canfield replied my intent would be for the City to review the information. I think this is something that our Finance Director and the WCGCC can work out. I don't believe that we need to require the WCGCC to hire a CPA.

Councilor Gorsek stated in the letter from Max Maydew, item #1 says there is some problem with using terms like "tourism service provider" and in item #2 he mentions problems with the term "review financial statement". Is there any way that we can address those issues in this ordinance or does it matter if we use those terms? How specific does the language need to be?

Marnie Allen replied the more specific the Council is the clearer it is for people in the future who are not here today to interpret and apply the ordinance. Having said that, in the memo I provided I explained that tourism promotion agency is the term that is used in the state statute and we could apply and follow that same definition unless you direct staff to interpret it differently, that is the advice that I would give staff in apply it. For "review financial statement" what I just heard from the Councilor that drafted or proposed this language is that he does not expect a CPA to do a separate independent review, instead it would be our Finance Director reviewing the financial statement that the WCGCC provides to us. Similarly, we could go through the other issues that the WCGCC has raised and make sure that it is reflected in the minutes that the majority of the Council supports that and that is what staff would look to in applying the ordinance, or the other option is to define each of those terms and put them into the ordinance.

Councilor Gorsek stated that is frequently what we do, isn't it?

Marnie Allen replied yes.

Councilor Gorsek stated that would probably be the best way to go.

Councilor Ripma asked my understanding was that the original idea was to amend the ordinance to make the WCGCC more accountable to the Council and the citizens in some way, is that right?

Councilor Canfield replied yes.

Councilor Ripma stated this version of the ordinance is different than what we had at the last meeting in a way that worries me. I am wondering what your intent is. Now we are changing it from the WCGCC to any service provider and you added a provision that requires annual service agreements which means that any provider only has a year in which they know they are going to be our service provider. Is your intent to get rid of the WCGCC?

Councilor Canfield replied absolutely not. There is an agreement now between the City and the WCGCC. It is extremely generic and has to do with duties during SummerFest and other community events. Previous agreements were more definitive with respect to expectations and that sort of thing. I think at the previous meeting Max Maydew stated that the WCGCC is interested in getting together with our Finance Director and defining what type of information the City and the WCGCC would like to include in the review of financial statement.

Councilor Ripma asked and you are okay with that?

Councilor Canfield stated should the City Council choose to negotiate other things then we could direct staff to do that as well.

Councilor Ripma stated I wonder than if the language is really an expression of what you really want. This does specify things, it doesn't admit to some sort of negotiation. We are laying down the law here and it also includes an annual agreement which I think would be a real harm to any organization by not knowing what to expect from year to year and only being able to look at one year at a time for receiving funding. I share what you just said but I am wondering if you really want to go forward with this wording.

Councilor Canfield replied yes I do. We need to continue to dedicate this funding in the ordinance to the WCGCC.

Councilor Ripma stated it seems inconsistent. This specifies exactly what they are supposed to provide and requires an annual contract. Is that what you really want?

Councilor Canfield replied yes.

Councilor Ripma stated Pendleton indicated that it cost them approximately \$2,500 annually to comply with wording that was the model for this ordinance out of their funds. The city attorney has indicated that while that wouldn't come out of city money it could certainly come out of the money they receive from the transient lodging tax. If it costs the WCGCC \$2,500 out of their budget every year to comply with this, would that affect your thinking about the wording here?

Councilor Canfield stated Councilor Daoust asked if it was the intent to require the WCGCC to hire a CPA as the City of Pendleton does. I don't think that is necessary. I think that is what the large percentage of the cost is for Pendleton.

Councilor Ripma stated the wording here is costing the Pendleton Chamber \$2,500. If your real desire is not to have that cost for our Chamber, we ought to change the wording to something that accomplishes what you want to do in the way of financial accountability but without the requirement in your wording of, "shall set forth with particularity in accordance with generally accepted accounting principles...". I urge you to think about that.

Councilor Thomas stated I need to declare that I have talked to several people in regards to this that are in the hotel/motel industry. I also talked to staff regarding changes. I also met with members of the WCGCC Board and WCGCC members in regards to this issue.

Councilor Kyle asked what would the impact be on Section C if we were to remove the word "review"?

Kathleen Leader, Finance Director replied I did some research because the terminology "review financial statement" is not common wording that I have seen. I spoke to the CPA firm that we use for our audit and they said that in that industry "review" does have significance to them. This form of review has some set of standards and practice that is lower in scope than an audit but it does require an independent review by an outside CPA firm and an opinion would need to be issued based on inquiry and some financial analysis. My recommendation, if it isn't the intent of Council to require them to have an independent audit, is to clarify the language by maybe removing the word "review" and just requesting a financial statement.

Councilor Kyle asked the Chamber, I assume that you have an accountant prepare reports for you annually or quarterly, is that correct?

Max Maydew, board member for the WCGCC, stated we do have an accountant that prepares financial reports for us. We know that we are potentially subject to an audit from different governmental agencies that supply information and funds to us so we are going to be very careful to have really good information. I have spoke to your finance director about our plans for supplying the city with information. I think that we will be able to agree quite easily on the kind of information that would be satisfactory to the City to show that we are spending the money that you give us in the way that we say we are.

Councilor Kyle stated my purpose in asking was to determine whether this language places an additional burden on the Chamber if it states "review financial statement" versus just "financial statement". It sounds like to me to prepare a "review financial statement" goes above and beyond an accountant. Does that language place an extra burden on the Chamber?

Max Maydew replied this term review financial statement is not something that I can find in the generally accepted accounting principles and I looked everywhere including the AICPA which is the American Public Accountants website. They do have reviews. There are certain things about reviews that are expensive. When Kathy asked Pendleton what their interpretation is, they go out and get a CPA firm and spend \$2,500 of the tourism money for this review. I think it is very intrusive and I don't think it is necessary.

Councilor Daoust asked in the very last sentence in Section C, is it your intent Councilor Canfield that this thing called an annual service agreement would tie funding to the WCGCC on a yearly basis? In other words the WCGCC could not get funding until they signed this service agreement, is that what this last sentence means?

Councilor Canfield replied no. The funding is tied to Section B. The funding is not tied to whether or not there is an annual service agreement.

Councilor Daoust asked why do we need that last sentence?

Councilor Canfield replied the complete sentence reads, "Information provided in the annual report shall be set forth by an annual service agreement between the City and any tourism service provider". What that means to me is the information that the Finance Director and the WCGCC are going to work on is going to be provided in the annual agreement.

Councilor Daoust stated we could define what the annual report will include in the sentence above it so I am wondering why we need a service agreement to say we need an annual report which is already defined? I guess I am proposing to drop the last sentence.

Councilor Canfield stated I think it is important that we have some sort of an agreement to specify what the Chamber and the City expect from each other.

Councilor Daoust stated but funding is not tied to it.

Councilor Canfield replied not the way it is written and that is not the intent.

Councilor Ripma stated then it wouldn't have to be annual if it is an agreement, which isn't what this sentence says, it says an annual service agreement.

Councilor Thomas stated it is simple enough to strike the word annual.

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

Dave Munson stated I am kind of disappointed in some of the councilors as far as this seems a little too contentious. I appreciate Councilor Canfield bringing this to our attention but after that it seems like you could work together a little better.

Pat Smith stated I was on the City Council when we passed to the ordinance to dedicate the funds. The Chamber went to each of the motels/hotels and they agreed to the increase if it was going to go to the Chamber. I don't see how you can say other service providers, to me that sounds like you are making up your own rules. If our Chamber, at the end of the year can account for the money, and they are doing good work for the city, I don't see how you can say if you don't do this we are going to take your money away from you. I don't think it is legal for you to get another service provider unless you want to go to each of the Troutdale motels/hotels and get them to say they don't want that money to go to the Chamber, because that is what it was originally set up for.

Brad Fudge stated I am on the WCGCC Board. I don't serve on the board because I have to, I serve there because I want to. There are a number of volunteers that bring a lot of talent to that board and if you were to ever go to an outside contractor I think you would find that you would be paying much more for it than what you are. Any attempt to break up the Chamber is a mistake; it is a bad policy move. There is a plaque that hangs on the outside wall and it says "united for positive growth". It talks about the cities of Gresham, Fairview, Wood Village and Troutdale pulling together so that they can build a stronger community. If you start to separate yourselves from the WCGCC that serves all of the cities, you affectively take one more swipe at isolating yourself and becoming cities that bicker among themselves. Frankly, I think you have an ordinance that has been poorly drafted. Even among yourselves not everyone is sure what the intent is or what it says. I think you have a bad ordinance and I think it is a bad policy move. I think you should simply reject the ordinance.

Max Maydew stated I want to make it very clear that the Chamber and I personally support the objective of having accountability for any organization that receives public funds. At the last meeting it was getting late and I think there was some language being crafted that I think was unfortunate. Some of the terms that ended up in the proposed ordinance were, "tourism service provider" which is non-defined term, I couldn't find it anywhere. The other thing the ordinance ended up with was "review financial statement". I already commented to that and I don't think is something that even exists. The way that Pendleton implemented this, because of those words, ended up costing them a lot of money. Words are really important. You are all professionals, there are lawyers, educators and I know you can do a lot better with these words and make this very clear as to what you expect from the parties involved. Usage of imprecise language has consequences. The term tourism service provider has caused great concern from the hotels and motels. If it is the intention of the City to change the agreement without involvement from the hotels and motels, it shouldn't be done. The hotels/motels agreed to this tax only on the condition that the Chamber represent them when it was related to tourism. Because of this language the hotels/motels have written several letters. I would like Diane to read the letters into the record.

Diane McKeel stated the first letter comes from the Troutdale Hospitality Group, which is the Holiday Inn Express. "Dear City of Troutdale Council. In 1999 when the Chamber of Commerce approached the City of Troutdale about receiving a portion of the transient room tax collected by the City to market the area the City told the Chamber that the money they collected was already allocated in the General Fund. They advised the Chamber that if they would go talk to the hotels and motels and ask them to raise the tax a certain percentage, they would put that money in an ordinance dedicated to the Chamber of Commerce. The Chamber approached all of the lodging properties and they generously said yes, if the money goes to the Chamber for marketing, no, if it goes anywhere else. So the Chamber went back to the City Council and in a unanimous vote the ordinance was passed. We feel that changing of the wording in the ordinance to contracted tourism service provider is not what was agreed to by the lodging properties. In the spirit of the partnership that was originally agreed upon between the Chamber of Commerce and the lodging properties, we believe the ordinance should stand as is." The second letter comes from Cedar Place Inn Bed and Breakfast. "To whom it may concern. I am in favor of keeping the transient lodging tax dollars for the WCGCC. We work closely with them and feel that they not only direct their attention to tourism but to the benefit of the business community in general." The third letter

is from the Comfort Inn. "Dear Mrs. McKeel. I understand that you will be attending the City Council meeting being held on February 14, 2006. Due to other commitments I will not be attending but would greatly appreciate you speaking to the Councilors on my behalf. I clearly do not understand why after seven years the wording in the ordinance concerning allocation of funds to the Chamber would need to be changed. What exactly does any service tourism provider mean? Does this in fact open the door for other tourism providers to apply for part of the funds? I need to know that these funds are being used by someone who has the business best interest in mind. It troubles me greatly that the City Council did not consider asking the hotel owners for what their input might be. This hotel, and many others, gives large amounts of lodging tax to the City every year. If the Chamber is held accountable for their part of the funds, then why should the City not be accountable for who may now have access to these funds. Furthermore, I have asked that the City Council put this agenda aside tonight so that all of the hotel owners and operators would have ample time to discuss and review this issue. I appreciate your time and efforts on our behalf."

Councilor Kyle asked Marnie Allen did you define "tourism service provider" in your memo?

Marnie Allen stated that is addressed on page 1 of the memo under undefined terms. The state statute, regarding transient lodging taxes, uses the term tourism promotion agency. It seemed to me that may have been consistent with what you might have meant in using the term tourism service provider.

Councilor Daoust asked is it your position that rather than define everything, you support Mayor Thalhofer's language that we have in front of us?

Max Maydew replied it is an example of clarity in my opinion. It says exactly what parties are involved and what is expected from the parties.

Councilor Gorsek stated in the letter that Diane read it mentioned that some folks would like an opportunity to testify, how many people have indicated that they haven't had a chance to come talk to us about this?

Diane McKeel replied as far as the lodging folks, these three were the only ones that I had an opportunity to contact.

Councilor Gorsek stated it sounds like what they are saying in those letters is that the agreement between the hotels/motels, the City and the Chamber is that they would see it as a breach of that agreement if we were to say that maybe we will give the money to someone else. Is that correct?

Diane McKeel replied yes.

Councilor Gorsek asked as far as an annual statement, that wouldn't be anything more than what you already have and wouldn't be a problem to show to the City would it?

Max Maydew replied no.

Councilor Thomas stated the only thing that I am concerned about here is the money that you receive directly as tax revenue from the City. I don't want to be involved in the Chamber operation. I just want a report on the money you receive from the City that shows how it is being spent and what it is being spent on.

Phyllis Thiemann, WCGCC President, stated I just wanted to let the Council know that, in a rough estimate, the volunteers have done over 3,000 hours of volunteer work in the last year for the City and for the Chamber. That is a significant number of hours. I just want to make sure that you know that it is a membership organization but there are a lot of volunteers who give a lot of time and energy.

Mayor Thalhofer closed the public hearing at 8:25pm.

MOTION: Councilor Thomas moved to adopt the ordinance with the following changes (changes added are shown as underlined text and ~~deleted are stricken out~~): Paragraph B – The City shall dedicate ninety-five one hundredths of one percent (.95%) of the taxable rent to ~~any tourism service provider~~ the city designated service provider, which is the West Columbia Gorge Chamber of Commerce, in order to fund the promotion of tourism and commerce, which shall include the operation of a visitor center in Troutdale. Paragraph C - Any ~~tourism service provider~~ tourism promotion agency that receives funds from the City shall furnish annually without cost to the City of Troutdale a ~~review~~ financial statement using a comprehensive methods of accounting displayed ~~The annual accounting, at a minimum, shall set forth with particularity and~~ in accordance with generally accepted accounting principles the amount and nature of all expenditures made with the transient lodging tax moneys. ~~Said review statement~~ The statement shall be submitted annually to the Tax Administrator no later than March 1, following the fiscal year just ended. If any ~~tourism service provider~~ Tourism promotion agency that receives the City funds (meaning the .95% of the lodging tax) ~~from the City~~ fails to provide the City the above described ~~review~~ statement the Tax Administrator shall withhold any and all sums due the ~~tourism service provider~~ tourism promotion agency under this Ordinance until the above described ~~review~~ statement is received by the City. Any interest accruing on the funds withheld by the Tax Administrator under this section shall be and remain the property of the City of Troutdale. Any ~~tourism service provide~~ tourism promotion agency that receives funds from the City shall make all of its books, records and accounts, which in any manner relate to the expenditure of transient lodging tax moneys available to the Tax Administrator for examination or audit upon reasonable notice. In addition, the City shall require annual reports from ~~any tourism service~~ the provider ~~that receives funds from the City~~ designed to demonstrate the achievement of goals relative to the promotion of tourism and commerce in the City. Information provided in the annual report shall be set forth by an ~~annual~~ service agreement between the City and any ~~tourism service provider~~ tourism promotion agency. Seconded by Councilor Canfield.

Councilor Thomas stated I think this adds some clarity along with adding the accountability. I did have a chance to talk to some people about the accountability and they felt it was important.

Councilor Canfield stated I appreciate the changes that have been suggested. This will give the city the information it needs to make sure that we are accounting for the tax dollars. Let's get this passed and move on and continue the great relationship with the Chamber.

Mayor Thalhoffer stated this started out as a request for an annual report which they have already been doing for many years. We are blessed to have such a great Chamber. There is no quarrel about filing annual reports; they have already been doing that not only to the Budget Committee but to the City Council. There is no problem with requiring them to continue to do that. I think that is great. I just think that it ought to be the WCGCC in this language period and not be mentioning other service providers, which I think is going to be a whole can of worms if we get into other service providers and criteria for annual service agreements, etc. This is a very poorly written ordinance and it leaves a lot of openings for debate and questions about what is intended. I don't think all of this is necessary. I have drafted some proposed language that is much simpler. I am going to oppose this motion and if it is defeated I would proposed my language.

Councilor Kyle stated I am glad to see that we added the WCGCC to Section B because I don't believe it was our intent, at least it wasn't mine, to take that out. As a member of the Chamber and a volunteer, I certainly wouldn't belittle the benefit of the Chamber or the work they do. I know that our finance director will work with the Chamber to work out what information is going to be provided.

Councilor Daoust stated I think Councilor Canfield's ordinance is a little too much. I think Councilor Thomas' amendments are fairly good. I am going to oppose the motion in order to surface Mayor Thalhoffer's proposed language because I think it deserves to be surfaced. I am not going to support this ordinance the way it is written. I think Mayor Thalhoffer's language is clear, precise and unambiguous. Our only intent here is to get a financial statement every year from the Chamber. That is all we are asking for and that is what Mayor Thalhoffer's language basically says.

Councilor Gorsek stated here are a couple of problems that I have with things as they are. First, under the motion made by Councilor Thomas I don't see a provision to add definitions to the ordinance and I would be real hesitant to pass it without that. In Section B, absolutely you want to have WCGCC listed. As Councilor Daoust was saying, the idea here is to get records and documents and in Section C it says, "...any tourism service provider that receives funds from the City designed to demonstrate the achievement of goals relative to the promotion of tourism and commerce in the City." I don't believe that we have defined what those goals are. As it is being proposed I would not support it. I support a lot of what Councilor Canfield is after, but I have a problem with Section C as I just mentioned and the lack of the definitions.

Councilor Ripma stated I have always been in favor of the idea of clearly stating what we expect from the Chamber in the way of financial reporting on the money that they receive from the hotel/motel tax, which is taxpayer money. If that was all that I read in the proposed ordinance or the motion that was made I would be in support. The trouble is I think it says too much, is too confusing and is poorly written. The motion changes from naming the WCGCC to tourism promotion agency. I think if we were coming here tonight to have a clarification of what we were voting on, we are not there. We are way off from that. I wasn't supportive of what I think is the overly heavy-handed language originally proposed by Councilor Canfield. With that in mind, I favor the Mayor's language. Another option is to vote this down and leave it as it is today because I think the Chamber has always been very forthcoming and will be more forthcoming if we want them to be. They want to respond to the requests that are being made for financial statements or financial information. I think the alarm that I have about the way this is worded is it could cost them money that should go to the promotion of tourism. I am also worried that it somewhat shakes the confidence of any organization when they have been named all along as the recipient of that money and from the very beginning the hotels and motels wanted the money to go to the Chamber. In fact one of the letters read by Diane McKeel stated if it goes to the Chamber, yes they support the .95% additional tax and no if it goes to anyone else. That was my understanding of it when it passed. I think we are shaking that a little, we are introducing some doubt with the language that is in the motion. I think at the least we should go back to the hotels and ask them if they want this kind of change. I think a tacit deal was made, absent some problem, changing the organization that receives the money is an option that I don't want introduced. It sounded like Councilor Canfield didn't want to do that either and I don't think Councilor Thomas wants to do that, but read the wording of your motion; it introduces it as a possibility. Instead, I think we should be expressing a vote of support for the Chamber rather than doing something that could do real harm. For that reason I am going to oppose the motion.

FRIENDLY AMENDMENT: Councilor Thomas made a Friendly Amendment to replace all references to "tourism promotion agency" with "West Columbia Gorge Chamber of Commerce" and in Paragraph C delete "achievement of goals relative to the" leaving the rest of the sentence as stated in the original motion. Seconded by Councilor Canfield.

Councilor Thomas stated changing the reference from tourism promotion agency to the WCGCC would remove some of the ambiguities as far as who the agency is. The achievement of goals tends to imply that we want to know what there goals are. I think what we really want to know, or what I would like to know, is what they are doing for the city. They have done that in the past and it has been very helpful. The service agreement I think is necessary. I think it is valuable for all of us to understand what each of us expects of each other.

Councilor Ripma asked what you are saying is real close to what Mayor Thalhoffer's proposed language is.

Councilor Thomas stated there are several things in the Mayor's language that I don't like. One is the involvement of the City Council. I don't think the Council needs to be involved in reviewing the financial reports. I think that it should be handled at the staff level. It doesn't provide any language to allow any kind of recourse if they don't provide the reports. I think it is imperative that if you are going to put a rule in place you have to have some way to enforce the rule.

Councilor Canfield stated the amendment that Councilor Thomas made is very important in that it makes sure that the .95% is dedicated to the WCGCC. That is very important and that was my intent all along. It wasn't to try and take any money away from the WCGCC or to give it to any one else. I was just after an accounting of the .95% that the City gives to the Chamber so that we can have accountability of our tax dollars. The Mayor mentioned that the Chamber has provided this financial information all along. With all due respect, this is why we are here. About a year ago I sent an email to the Chamber before the Budget Committee meetings asking what they are doing with the \$45,000 a year the City is giving them. The answer was you can't have it. I sent another email, they said the same thing you can't have it. They showed up at the Budget Committee meeting and they showed us very skeletal information showing a deficit of \$10,000. As a matter of fact the Chamber's accountant had other documentation saying that they ended the year with tens of thousands of dollars in surplus. The WCGCC eventually gave us a letter saying that the City does not give the Chamber any money and they weren't going to give us anything. That is the real reason why we are here. That is water under the bridge to me. As long as we can get an agreement to have the Chamber provide us with this information so that we have accountability for these tax dollars; that is our responsibility. The key language in Section C is if the Chamber fails to provide the City with the financial statement then the Tax Administrator shall withhold any and all sums due the Chamber. They are saying this is punitive, mean spirited or whatever. The thing is, this would be the Chambers choice to withhold the money if they chose to withhold the financial information. This is not something that the City would choose to do, it would be something the Chamber would chose to do by withholding the financial information. The only difference between what the Mayor wants to provide and what I am proposing is his language has no consequence if the Chamber refuses to provide the information. We are accountable to the citizens for all of the taxpayer money, including the .95% transient lodging tax. That is all this is about.

Mayor Thalhoffer stated I am going to oppose the motion even as amended because there are a lot of problems in this proposed ordinance. My proposed language does what everybody has now said that they want.

Councilor Daoust stated I am going to vote no because I don't think a service agreement or the punitive language is needed and they are still in the proposed language.

Councilor Gorsek stated I don't think you addressed the issues I raised so I am still opposed.

Councilor Ripma stated I like the amended motion much better than the first one, but I still don't like it. For the reasons stated by others, I am not going to support the motion.

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

Motion Failed 2 - 5.

Councilor Ripma stated Mr. Mayor...

Councilor Thomas stated Mr. Mayor I moved to table this until the next meeting so we can move on with the agenda. Seconded by Councilor Canfield.

Mayor Thalhofer stated Councilor Ripma had the floor.

MOTION: Councilor Ripma moved to adopt an ordinance amending Chapter 3.08, Transient Lodgings Tax, of the Troutdale Municipal Code, with the following changes: 3.08.020 Tax imposed - A. For the privilege of occupancy in any hotel in the city, each transient shall pay a tax in the amount of six and ninety-five one hundredths percent (6.95%) of the rent charged by the operator. The tax constitutes a debt owed by the transient to the city, which is extinguished only by payment by the operator to the city. The transient shall pay the tax to the operator of the hotel at the time the rent is paid. The operator shall enter the tax on its records when rent is collected if the operator keeps its records on the cash accounting basis and when earned if the operator keeps its records on the accrual accounting basis. If rent is paid in installments, a proportionate share of the tax shall be paid by the transient to the operator with each installment. In all cases, the rent paid or charged for occupancy shall exclude the sale of any goods, services and commodities. B. The city shall dedicate ninety-five one hundredths of one percent (.95%) of the taxable rent to the West Columbia Gorge Chamber of Commerce. C. The West Columbia Gorge Chamber of Commerce shall submit annually without cost to the City of Troutdale: 1) a financial statement using a comprehensive method of accounting approved by the Finance Director of the City of Troutdale and 2) a review of tourism and business related activities. Such submissions shall be presented at a regular meeting of the Troutdale City Council no later than March 1 following the year for which the reviews are required. The City Council can accept, reject or require remedial action after such review by majority vote of the City Council. The West Columbia Gorge Chamber of Commerce shall make all of its books, records and accounts, which in any manner relate to the expenditure of transient lodging tax moneys available to the City for examination or audit upon reasonable

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notice and upon request of the City Council. Seconded by Councilor Canfield.

Councilor Thomas stated what I don't like about this language is that it is the Council and I think it should be the Finance Director. I don't believe the Council is the right place to review this type of information. The Finance Director is the person that deals with all of the finances. I understand if there needs for remedial action that needs to come to the Council. I prefer the original ordinance.

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

Motion Passed 6 – 1.

Mayor Thalhofer called for a break at 9:05pm and reconvened at 9:14pm.

5. PRESENTATION: A presentation from Metro Councilor Rod Park regarding the upcoming Metro Nature in Neighborhoods bond measure.

Rod Park, Metro Councilor stated I am here to talk about the 2006 Metro Nature in Neighborhoods bond measure to protect the natural areas, stream water and fish and wildlife.

Rod Park showed the Council a PowerPoint presentation that contained information regarding the upcoming Metro Nature in Neighborhoods bond measure. (A copy of the presentation is included in the packet.)

Rod Park stated the proposed local share on a per capita basis for Troutdale is almost \$600,000. We have had discussions with your staff regarding possible uses. We do need a resolution brought to the Metro Council by March 1st in order to incorporate your projects into the resolution and the ballot measure. The next step for us is public input. We have gone out and held regional forums across the region. We will hold three Metro Council public hearings starting next Thursday.

6. RESOLUTION: A resolution identifying eligible projects under Metro's Local Natural Area Legacy Fund as part of the November 2006 Nature in Neighborhoods bond measure.

Mayor Thalhofer read the resolution title.

Clyde Keebaugh, Parks and Facilities Supervisor stated as Metro Councilor Rod Park just stated as part of this project we do need to submit a list to Metro of projects that we would want to spend that money on. We have put together a list of projects that are eligible for funding with the bond money. The four projects are: 1) Acquisition of natural areas to the west and southeast side of Troutdale. Candidate sites are the significant groves of trees on the Baker property on the south side of Sweetbriar and a grove of trees on the County Farm

property immediately below Sedona Park subdivision. 2) Construction of a pedestrian path adjacent to the Sandy River on the former Sewer Treatment Plant (STP) property, the riverfront promenade shown in the STP Vision Plan. 3) Improvements to Mt. Hood Community College (MHCC) natural area including the removal of invasive plants, native plant restoration, trailhead facilities and nature trails. 4) Upgrade and repairs to the existing trail system within the Beaver Creek Greenway.

Councilor Canfield stated in Exhibit A is says that funds from the bond measure can't be used to replace dedicated local funding. What is the definition of dedicated local funding?

Rod Park replied I believe this section is to address concerns about backsliding. There are certain parts of the Goal 5 habitat fees that were required in agreements, primarily with the Tualatin Basin group. They said they would do certain things as part of their requirement. Those familiar with what occurred in the Oregon bond measure on parks where the voters put money in and the legislature backs, we want to make sure that this money is actually being used in addition to what they have already said they would do and that it doesn't become a replacement for things they were already going to do under another program. It is just a safeguard.

Councilor Canfield stated so if the urban renewal plan passes, part of the plan is the construction of the pedestrian path adjacent to the Sandy River. If we used this bond money to help build this path, is that considered replacing dedicated money? Is the urban renewal money considered dedicated funds?

John Anderson stated I would have to refer to Metro, but the way we put it together under other funds we have developer contributions, system development charges and we also have a small category called grants.

Rod Park stated the answer to your questions Councilor Canfield is no. You are not under an agreement, DEQ stipulated order or anything like that.

Councilor Daoust asked did you consider the replacement of the restroom at Glenn Otto Park?

Clyde Keebaugh replied we currently have a grant for that project.

Councilor Gorsek asked what is the status of the stairs at Kiku Park? Are they still out?

Clyde Keebaugh replied yes.

Councilor Gorsek asked could that go on this list?

Clyde Keebaugh replied we are not going to replace them.

Councilor Ripma stated the purpose of this is to set out projects for Troutdale's portion. It doesn't sound like it is fixed in stone. If we fund these another way we could reapply or something.

Clyde Keebaugh replied yes.

Councilor Thomas asked with the \$600,000 how many of these four projects could be completed?

Clyde Keebaugh replied we could conceivably work on all of these projects depending on how extensively you get into them. The largest share would go to the path development at the STP plant and acquisition. The remainder of around \$100,000 would be split with approximately 80% going to the development of the MHCC properties and 20% going to the improvements to the trails in the Beaver Creek Canyon. A lot of that depends on the redevelopment of the STP property and what other funds are going to be available as to how much of this money will be needed for that.

MOTION: Councilor Gorsek moved to accept the resolution identifying eligible projects under Metro's Local Natural Area Legacy Fund as part of the November 2006 Nature in Neighborhoods bond measure. Seconded by Councilor Thomas.

Councilor Gorsek stated this is a really important bond measure and I think these things would enhance the parks and greenways that we have. For such a small city we are really blessed with some amazing things like Beaver Creek Canyon. Anything that we can do to preserve what is left is extremely important.

Councilor Thomas stated I think this will give us some additional resources to help make some of those recent acquisitions more accessible to the public so that they can enjoy them.

Mayor Thalhoffer stated when the land is gone it is gone. If we are going to buy land this is the time to do it. However, I think it is going to be a tough sell.

Councilor Daoust stated I think it is an excellent strategy to get local buy-in.

Councilor Ripma stated it is a strategy that worked the last time and I think it will be a tough sell like any bond measure is, but I for one will be supporting it. I support the motion.

VOTE: Mayor Thalhoffer – Yes; Councilor Canfield – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Gorsek – Yes; Councilor Ripma – Yes; and Councilor Thomas – Yes.

Motion Passed Unanimously.

7. PUBLIC HEARING / ORDINANCE (Introduced 1/24/06): An Ordinance adopting the Troutdale Riverfront Renewal Plan.

Mayor Thalhoffer read the ordinance title and opened the public hearing at 9:45pm.

Rich Faith stated during the course of the testimony received at the January 24th meeting there were four items of information that the Council requested that we come back with this evening. The first was a question on the small increase in the taxes as a result of bonds issued before October 6, 2001. The question was, what would be the total estimated dollars that would be collected as a result of the bond rate impact? I need to point out that in our haste to get our written report to you, some of the numbers in my written staff report are not correct so I will be updating some of that information as I present it to you. In my written staff report I had mentioned that we estimated that the average annual tax collected would be about \$41,200 and that over the projected 14-year period to pay off the bonds that it would amount to over \$500,000. The more recent information is that the actual retirement period for the bond is 16 years. 16 years times the annual \$41,200 is just a little under \$660,000. So the answer to the first question is \$660,000 based on our best estimate. The second item that we were asked to look at was comparison of the break even point with other urban renewal projects similar in size. The report that accompanies the urban renewal plan identified a break even point projected out to year 2029/2030 (2022/2023 shown in the staff report was in error). The break even point is projected to be eight years after the debt is retired or repaid on the bond. The memorandum provided to you this evening lists out other urban renewal plans. You can see from the seven different plans ours is the only one with less than a 20 year duration. The debt period for retiring the bonds varies from 16 to 25 years and ours would be the lower of those at 16 years. The break even period, at which point the revenues collected exceed the amount of revenues that were forgone vary from 1 year to as much as 15 years; ours is projected at 8 years. The third requested item came from testimony from Rich Brown which he had questioned some of the estimates we had provided for some of the projects. We had a contractor, Mike Greenslade, who owns Bremik Construction and was involved in the acclaimed Orenco Station project on the Westside and has had experience in similar projects take a look at our estimates. They focused on two specific projects in the urban renewal plan, the interior road system and the parking structure. They have put together a cost estimate for those projects. In my staff report I compared our estimates to those provided by Bremik Construction. Our estimate was \$6,210,000 and Bremik's estimate was \$5,755,200. The fourth item requested was that we go back and take a look at the 1998 Waste Water Treatment Plant bond measure that was put before the voters in Troutdale to see if there was anything officially put on the record that promised the voters that we would apply proceeds from the sale of the STP site to help pay off the debt service on the bond measure. We looked at the explanatory statement that was published during that election and based on the information there it does not appear that there is anything in the language that suggests a promise of any type that we would be taking proceeds from the sale of the property and applying it towards the bond. I've outlined a couple of options for you in my staff report. Given the discussions that have taken place already and some of the questions that have been raised, we just wanted to point out that you could adopt the Plan as it is written or you could make modifications to the Plan. One such modification might be to prioritize the major projects that are listed in the Plan. Another possible modification could be to reduce the scope of one or more of the projects. For

example the Sandy River Park is estimated at \$3 million, you could scale that back and make it a \$2 million project. At this time we are staying with our original recommendation and that is the one that came forward from the Parks Advisory Committee (PAC), Citizens Advisory Committee (CAC), Ad Hoc Downtown Redevelopment Committee and the Planning Commission (PC). That recommendation is that we go forward with the Urban Renewal Plan as drafted.

Mayor Thalhofer stated I think we ought to stick with what the Ad Hoc Committee came up with. Is there some reason why you mentioned changing the priorities?

Rich Faith replied if there is concern among the Council in terms of our ability to accomplish all of the projects, one way to address that would be to establish priorities on how you would want us to approach or tackle those projects.

Mayor Thalhofer asked is that something we need to talk about tonight or could the Agency address that?

Rich Faith replied I am sure you could do that as the Agency but at this point you, as a City Council, are adopting the Plan that is actually then referred to the agency for implementation. It seems to me that the Council could establish what those priorities are.

Mayor Thalhofer stated the Ad Hoc Committee made its recommendation and it looks very well done. I don't see any reason why at this point we would want to change it. We can always change it as the Agency.

Councilor Canfield asked there is nothing in the Plan about a project for a civic center or an auditorium is there?

Rich Faith replied there are no public buildings shown in the Plan.

Councilor Kyle stated we state in here that the CAC approved this. When they passed this on to us was it with the understanding that there would be no cost to the citizens? Was that information revealed after this was approved by the CAC?

Rich Faith replied are you talking about the \$.035/\$1,000 assessed valuation that applies to bonds issued prior to October of 2001?

Councilor Kyle replied yes.

Rich Faith stated that information was not available at the time it was reviewed by the CAC.

Councilor Daoust stated since tax increment financing is only financing 34% of the projects according to the table and if urban renewal passes at the May 16th election I read in here where the Agency is supposed to establish a budget prior to June 30th, in other words the next month. How can we put together a budget if 66% of the costs come from sources other than tax increment financing, like the sale of the property. Do we just make estimates for 66% of the budget?

Kathleen Leader, Finance Director replied we would put together a budget not only for the existing fiscal year that we are currently in but also for the following year. In the first year there would be no tax increment money in order to fund debt financing so we would hopefully utilize city land sale proceeds as loans to that district to fund construction in the first phases and then as tax increment comes in we would pay the loans.

Councilor Gorsek asked in terms of the project estimates, did you talk to the gentleman who testified at the last meeting about our estimates being wrong?

John Anderson, City Administrator stated I gave Mr. Brown the same packet you have. He still had a question or two. I invited him to stop in and talk to Mike Greenslade, I don't know if he did or not.

Councilor Ripma stated as it turns out our estimates were conservative. The suggestion of prioritizing the projects, the current resolution before us and the Plan does not do that, is that right?

Rich Faith replied correct.

Councilor Ripma stated I am not really in favor of doing that.

Councilor Thomas asked out of the committees that reviewed this, which ones did not have the information about the \$.035/\$1,000?

Rich Faith replied at the time the various committees took this up none of them had that information.

John Anderson stated I think the PC had the information.

Rich Faith replied that is correct, I stand corrected.

Councilor Thomas asked how about the public meetings.

John Anderson stated we didn't have that information at the first public meeting but we did for the second two public meetings. Once we learned of the \$.035/\$1,000 we specifically mailed notice to all of the committee members who had acted on this plan.

Councilor Gorsek asked did anybody have any reaction to it?

John Anderson replied two or three CAC members called me and we talked about it.

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

Jerry Stitzel, Chair of the Ad Hoc Committee, provided the Council with a letter (copy included in the packet). The letter reads, "Respected Members of the City Council: Due to a prior commitment it is with regret that I am unable to be in attendance." My scheduled

changed so I am here this evening. "So in lieu of my attendance I am writing this letter to express my full support for the Troutdale Riverfront Renewal project. I believe that this project is important for many reasons but particularly because it will allow the renewal of an area that has been an eyesore for many years. When the voters of Troutdale approved the project to move the sewage treatment plant from the proposed renewal area it created a unique opportunity to convert this property into a vibrant welcoming front door to our city. In my opinion the urban renewal plan submitted by the Ad Hoc Committee is the most effective way to move forward in developing this property for two reasons. First, it establishes a ten year window for project funding that will encourage faster development of this site, and second, it gives the citizens of Troutdale a stronger voice in how this site is developed. I am aware that some have suggested another plan for development of the site which would put the project into the hands of private developers who would then develop the property based on their self interests. I believe that choosing this option would lead to further development delays. Frankly, if private development is such a good option why hasn't it happened yet? I'm concerned that if we take this approach ten years from now we'll still have a sewage pond and an old factory instead of a vibrant addition to our wonderful downtown. I strongly encourage the council to approve the Troutdale Riverfront Renewal Plan and refer the issue to the citizen voters of Troutdale. As chairman of the Ad Hoc Committee I was responsible for ensuring that this opportunity was thoroughly discussed and that all committee concerns were addressed. During this process many opinions were expressed and discussed with the eventual outcome being a unanimous agreement to recommend this renewal plan to the City Council for approval and referral to voters. Your approval would be a validation of the hard work and personal commitment of the citizen members of the Ad Hoc Committee."

Councilor Kyle stated the reason that property hasn't developed is because there is no access. Whether or not urban renewal happens we will need to get access.

Councilor Ripma stated don't sell the alternate plan so short. If the voters happen to turn down urban renewal that is what we will be doing and we can still support this Plan. It will not require turning it over to the developers to do it the way they want. The land hasn't been for sale. The Committee did a great job. Believe me I have heard from that Committee.

Councilor Thomas stated I have also heard quite extensively from several members of your Committee by email and other communications encouraging me to support this.

John Wilson stated I am encouraging all of you to pass this.

Max Maydew stated it was always the intention of the Committee members that this would go to the voters so we wanted to craft a plan that we thought would be acceptable to the voters. We wanted to limit the scope so that it would only be commercial properties, there would be no private residences. The amount of funding would be limited so that there would be no chance of having a fiasco like what is going on in Portland. We wanted to limit the timeframe so we set a 10-year timeframe for incurring debt. According to Jeff Tashman that is probably one of the shortest timeframes he has ever seen for an urban renewal agency. We specifically said there should be no power of condemnation from the urban renewal agency because we didn't feel that was the right thing to do. We also specifically said that there shouldn't be any public buildings. Last time when the urban renewal agency came forward it

said there could be funding for a new city hall. We said if the city needs a city hall let the voters vote on that separately. The last thing we said is there should be no or very little impact, on the private citizens in terms of the increase in property taxes. Unfortunately there is going to be a slight impact which is approximately \$7.00 per year for a house that is valued at \$200,000. The projects that we talked about are things that we didn't believe that you could get out of a developer that is trying to develop that property. The trail along the riverfront and connecting to the 40-Mile Loop would be desirable. The connectivity of the main street to this development will cause the town to be one unit instead of being divided like it is now by the railroad tracks. Public spaces and the parking structure, those things were also important and included in the Plan. This \$7 million for the Plan is a very modest amount of money. I called the Mayor's office in Gresham and asked them how much their urban renewal agency was in Rockwood and he told me it was \$92 million. During the process this Plan was unanimously approved by the Ad Hoc Committee, PAC, CAC and the PC. I just hope that the City Council will approve it and let the voters have a chance to decide.

Marianne Vier, Ad Hoc Committee member, stated my experience with the Ad Hoc Committee was very positive. I think we have a strong talent base to support you if you become an urban renewal agency. You should know that I think this is more about process than anything. I feel very strongly that the people in the community should have a voice in what happens and how we proceed. I ask that you relay this to the members of the community and remain inclusive because this process has been inclusive up to now and should continue to be.

Pat Smith stated I am still against urban renewal but we have spent so much money now on all of the consultants and architects that we might as well go ahead and put it before the voters. I take issue with what was said about what ended up on the ballot for the 1998 bond measure. When I was on Council it was talked about, people asked about it and I still have people say that they remember that the money from the sale of the STP site was to go against the bond. What was talked about and what ended up on the ballot was two different things. If this doesn't pass in May are you planning to put it on the ballot again in November?

Mayor Thalhofer replied I think it is too early to make that decision.

Mike Greenslade stated we worked hard on this Plan. A lot of people have looked at this Plan. I think this is a fantastic opportunity for the City of Troutdale today and for the future. I think we owe it to the voters to let them make the final decision. I would encourage the Council to take that step and see how the vote comes out, hopefully it is positive and we can move in the right direction. We did look at the cost estimates in the Plan and I commend city staff, they did a very good job. Steve Konell, owner of Konell Construction and Demolition, which is a very well-known excavation contractor, met with me on-site to look at the demolition portion of it. Bruce McIntosh who has been an estimator for Konell for 24 years went to the site twice and felt comfortable about it. It is a preliminary budget. We tried to account for some of the unforeseen things. For example the road, we looked at some elevation maps and we looked at cutting out 3' of dirt and putting in 3' of rock which is quite aggressive. That is how we approached this. I would be the last guy who would want to support a budget that I didn't feel good about and I feel pretty good about this.

Teri Sunderland, General Manager of the Columbia Gorge Premium Outlets and an employee of Chelsea Property, stated over the last several months my company has been visiting with city staff for the continued discussions about the potential of this project, we have appreciated their patience and professionalism. It has been a good experience no matter what the outcome is. Secondly, if I can take off my Chelsea hat, I just wanted to say that I have worked in this community for a decade now and I am personally excited about the potential of what could happen to that property.

Mayor Thalhoffer closed the public hearing at 10:24pm.

MOTION: Councilor Daoust moved that the City Council adopt the Ordinance adopting the Troutdale Riverfront Renewal Plan. Seconded by Mayor Thalhoffer.

MOTION TO AMEND: Councilor Thomas moved to amend the motion to establish priorities listing the waterfront promenade first, then the parking, then the pedestrian bridge. I would also move to take \$1 million from the sale of the property and dedicate it to the stabilization of the sewage treatment plant bond. Seconded by Councilor Canfield.

Councilor Daoust stated I agree with the testimony that I heard. We have a good Plan. I think the statement made by Marianne that how we proceed should be inclusive, that rang a bell with me. It is not just that fact that we have a Plan and a list of projects, but how we proceed is important and the fact that we carry forward a full bag of tools to use. I don't think we want to drop any of the tools yet and that is why we agreed that we should let the voters decide this issue. Councilor Thomas, I realize your desire to pay off the sewer treatment debt quicker and that makes a lot of sense financially but it makes more sense to me to keep the money for projects that we are trying to sell as part of this package rather than divert \$1 million to pay off the debt. I think it is more important that we are able to pay for the projects that we are trying to sell. In the first place it wasn't part of the original strategy, it wasn't mentioned that we would use the proceeds to pay the bond off. I am hesitant about the amendment to the motion.

Mayor Thalhoffer stated it is a good Plan. We had a good committee that worked hard on this Plan.

Councilor Gorsek stated the sorts of concerns that I have always had about this project have nothing to do with the project, they have everything to do with the financing. My original concerns for developing the property with the proceeds from the sale of the property without going into urban renewal was basically so that we wouldn't go into further debt. However, it is a very nice plan that has been well thought out. Staff has done a good job of responding to the questions especially after Mr. Brown testified that the estimates are out of line. Everything that we have requested has been answered to my satisfaction. While I still think that it would have

been better not to go into debt, I certainly will not oppose this. I will vote in favor of it and I believe that the voters should have the final say in what happens.

Councilor Ripma asked an urban renewal vote does not require a double-majority vote even though it increases our property taxes?

Jeff Tashman, Consultant, replied the double-majority requirement is specifically for the levying of a new tax. The estimated \$.035 increase in tax rates is a mechanical consequence of the working of tax increment financing and is not considered to be levying a new tax even though the reality is that people will be paying an additional \$.035/\$1,000 valuation.

Councilor Ripma asked are you sure?

Jeff Tashman stated it has gone to elections in Gresham, Woodburn and Tigard will also have it on the ballot in May. All of the legal analysis from the City Attorneys and special counsel that have worked on those plans have concluded that it was not a double-majority. To my knowledge that has never been challenged.

Councilor Ripma asked has anyone ever passed an urban renewal vote by less than the double-majority and it was not challenged?

Jeff Tashman replied I don't know the exact numbers but I don't think that all of the votes that have approved urban renewal had 50% voter turnout.

Councilor Ripma stated the last time urban renewal went to the Troutdale voters it failed by 70%, which is one reason I wasn't in favor of going forward with urban renewal as a process for developing this site. I favor the same program using land which has already been stated. However, for the same reasons that have been stated, the money has been spent on the architectural work and on the consultant and I am going to favor sending it to the voters. I am not in favor of the amendment that was proposed because I think it reduces the flexibility. The prioritizing, we could debate. I was okay with the priorities you mentioned although you failed to mention the roads which I would assume would be the first priority.

Councilor Thomas stated I made the assumption that the roads would be paid for with other money.

Councilor Ripma stated I oppose your motion. The other thing I'm troubled by is the diverting of the \$1 million. This is not that large of a budget for all of the things we are trying to do; it is a total of \$18 million over ten years. If we have money left over I am all for paying down the bonds but I think it is unwise to lock ourselves into that. I favor the main motion but I do not favor the amendment.

Councilor Thomas stated I agree that we need to send this to the voters. My concern and the reason I proposed an amended motion is I was thinking primarily of the urban renewal part of it. Option 1 essentially pays for everything but the three additional

things (the parking structure, pedestrian bridge and the promenade) that I mentioned which is the reason we need urban renewal, primarily. We can do everything else without it. As far as putting in the road, selling the property and access to the property, at this point we are six months into the process and I don't know where we are at. Without access it doesn't really matter so that is the absolute key. The other part that I am concerned about is in regards to what a lot of people believe they were promised when they passed the \$16 million bond measure. Whether it was written or not, a lot of people out there believe that the sale of the property was going to help pay off the bond, myself included. I think it is imperative that somehow we stabilize that fund which at this point is going down faster than we are able to raise funds so we have had to raise rates and raise the tax rate to cover the payment of the General Obligation Bond. In order to build trust with the taxpayers we need to tell them what we are going to do and go do it. I think we can, with the \$1 million from the sale of the property, help stabilize and reduce some of the impact on the taxpayer.

Councilor Canfield stated what we are going to be voting on and what is before us is adopting the Urban Renewal Plan itself and I think the Plan is great as far as what the Ad Hoc Committee came up with. As I have said before the devil is in the details and the financing. Councilor Thomas is right, this is about promises made and promises kept. I disagree respectfully with staff that in the explanatory statement for the \$16 million bond to move the treatment plant there were no promises made. Under Exhibit A, which is the explanatory statement, it says that you are going to dismantle the existing plant and construct a new one. I have sat having many cinnamon rolls and coffee at the General Store looking out at the old sewer treatment plant site and unless I am mistaken I don't think we have dismantled the sewer treatment plant like we promised the voters we would. I think Councilor Thomas' idea is a good one. I have some other concerns with some of the numbers. The construction numbers for things down the road are a little soft but we can't help that, you can't predict construction costs that far in advance. Some confusion lies with for instance what the consultant said, well it is a tax but it is not a tax. I think the Plan itself is a good plan but I do think we need to finish the promise we made to the voters and use part of this money from the sale of the property to finish the first job. We built the new sewage treatment plant and now we need to use some of the money to dismantle the old plant. I will vote in favor of the amendment and the motion.

Councilor Kyle stated I am going to support the motion. I do have some concerns about the expenses but I don't know how you check the expenses now that will occur down the road. I am not going to support the motion to amend. I don't personally want to prioritize these projects and I don't want to jump in here at the eleventh hour and add any language that is going to repay a sewer bond. I think if we were going to put that in it should have been included in the beginning.

Councilor Daoust asked for clarification on Councilor Thomas' amendment. I think that Councilor Canfield is assuming that you want to spend the \$1 million on demolishing the old treatment plant. I don't think that that is what the amendment is.

Councilor Canfield stated I realize it is to stabilize the funding because the current method is coming up short for the annual payment. The concept is we did not fulfill a promise in the first place.

Mayor Thalhoffer stated I favor the motion and I do not favor the proposed motion to amend. I don't think that was promised at the time. I was one of the leading campaigners for the sewer bond measure. We did promise the voters that there would be some public amenities on the old sewer treatment plant site and that we would do everything we could to have a very nice riverfront development with a promenade along the river. As one of the lead campaigners I know what I said and we didn't promise them that we were going to pay off or down the debt with the proceeds of the land.

Vote on the Motion to Amend:

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

Motion Failed 2 – 5.

Vote on the Main Motion:

VOTE: Mayor Thalhoffer – Yes; Councilor Canfield – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Gorsek – Yes; Councilor Ripma – Yes; and Councilor Thomas – Yes.

Motion Passed Unanimously.

8. RESOLUTION: A resolution calling an election to submit to the voters the question should the Troutdale Riverfront Renewal Plan be approved to authorize development using urban renewal with tax increment financing.

Mayor Thalhoffer read the resolution title.

John Anderson, City Administrator stated this resolution asks the voters to approve the Troutdale Riverfront Renewal Plan and tax increment financing as one tool to redevelop the old Sewer Treatment Plant (STP) site. We are required to meet a March 16, 2006 filing deadline with the Multnomah County Elections Office. That will give voters an opportunity to respond to the ballot caption, which is the language you are approving tonight.

MOTION: Councilor Gorsek moved to submit this resolution to the voters with the question should the Troutdale Riverfront Renewal Plan be approved to authorize development using urban renewal with tax increment financing. Seconded by Councilor Thomas.

Councilor Gorsek stated this is just a formality in sending this to the voters which is where it belongs.

Councilor Canfield stated people wanted the City Council to just vote to establish the urban renewal agency and related financing but thank goodness almost all of us wanted the voters to decide. I am very happy with that.

Councilor Kyle stated I am going to support this knowing that we have a backup plan in case the voters opt not to do this.

VOTE: Mayor Thalhafer – Yes; Councilor Canfield – Yes; Councilor Kyle – Yes; Councilor Daoust – Yes; Councilor Gorsek – Yes; Councilor Ripma – Yes; and Councilor Thomas – Yes.

Motion Passed Unanimously.

9. STAFF COMMUNICATIONS

John Anderson, City administrator stated on the Troutdale Development Code reconsideration, we initially talked about doing that at the next meeting which would be the 28th of February; however, Rich Faith will be on vacation. We would like to suggest scheduling this for March 14th. At the break Marnie Allen was able to talk to Erin Janssens about changing the date.

Council agreed.

John Anderson stated you pulled Item 2.4 from the Consent Agenda this evening and you mentioned that you wanted more citizen input on that item. What does the Council expect from staff on that?

Councilor Thomas replied we discussed this at a work session but it came back to us on the consent agenda and the public really never got notice or had an opportunity to speak to what their thoughts were on this issue, so we really never had public involvement on this process. I would like to see this go through a standard hearing.

John Anderson stated we need to schedule an executive session to discuss some of the negotiations for the property acquisition and sale with Chelsea Corporation. Would March 7th work for the Council?

Councilor Gorsek stated I am not available on March 7th.

John Anderson asked would March 21st work if we can't fit it on the agenda for the 14th of March?

Council agreed that would work.

John Anderson reminded the Council that for the next 4 Cities meeting they need to have their agenda items submitted by February 24th.

Rich Faith asked the Council if they wanted the new event that they voiced support for earlier this evening called the Bite and Bluegrass Festival to be recognized as a Community Event?

Council agreed.

10. COUNCIL COMMUNICATIONS

Councilor Thomas asked for Council support to have the Citizens Advisory Committee (CAC) look at the feasibility of having a WIFI Cloud (allows people access to the internet using a wireless frequency) in Troutdale.

Council consensus was to receive more information on the issue at a work session before forwarding it to the CAC.

11. ADJOURNMENT:

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

Meeting adjourned at 11:02pm.

Paul Thalhofer, Mayor

Approved May 23, 2006

ATTEST:

Debbie Stickney, City Recorder