

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

Tuesday, March 14, 2006

1. ROLL CALL and 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; Marnie Allen, City Attorney; and Debbie Stickney, City Recorder.

GUESTS: See Attached.

2. CONSENT AGENDA:

2.1 ACCEPT MINUTES: December 13, 2005 Regular Meeting and Work Session.

2.2 MOTION: A motion to approve the Annual Performance Evaluation of the City Attorney as evaluated by the City Council on February 28, 2006.

MOTION: Councilor Kyle moved to accept the consent agenda. Seconded by Councilor Gorsek. Motion Passed Unanimously.

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

None.

4. PUBLIC HEARING / ORDINANCE (Introduction): An ordinance adopting a new Chapter 5.06 of the Troutdale Municipal Code regulating payday lending.

Mayor Thalhofer read the ordinance title and opened the public hearing at 7:03pm.

John Anderson, City Administrator stated this is being brought before Council at the request of Councilor Thomas. We have been working with the City of Portland and Gresham

ordinances so that our ordinance would be based on their ordinances. We have attached a copy of the Gresham draft ordinance to our staff report. The Troutdale Municipal Code Chapter 5.04 provides for the licensing of businesses in Troutdale. The City of Troutdale has one payday lending business that currently holds a Troutdale license. Payday lenders have not been previously regulated any different than other Troutdale businesses.

Councilor Thomas stated in the last few years I am sure many of you have noticed the growth of the payday lenders in the Metropolitan area including the City of Troutdale. It has been hard to miss. On nearly every corner in our working class neighborhoods a payday loan shop offers quick cash advances. Payday loans are virtually unregulated by state law. Payday lenders face few regulations and no interest rate caps, in contrast to many other states. Because of the lack of regulation the State of Oregon has the highest concentration of payday lenders on the entire West Coast. In fact the City of Portland alone has sixty-nine payday lenders. There are fourteen in Gresham, one in Wood Village and one in Troutdale. A bill providing meaningful statewide regulation unfortunately failed to pass the legislation last year and in the absence of a state regulation it has fallen upon the local governments to act to protect the working families, seniors and single parents. A need for local regulation is critical to protect the financial security of our working citizens struggling to lift their families out of poverty. Payday loans charge exorbitant fees and interest for loans of just a few short days at rates which commonly exceed 500% annual interest. The reality is that most borrowers are unable to pay the loan back and resort to paying another round of outrageous fees and interest to extend the loan or rollover the loan. Thus, borrowers soon find themselves in a never-ending cycle of debt, forced to choose between paying their loan fees, buying food or paying for basic necessities for their families. Obviously there is a need for these lenders. Equally as obvious, there is a grave need to level the playing field between the borrowers and the lenders. Some sense of fairness needs to be instilled in payday lending. This proposed ordinance is designed to give borrowers a chance to end the cycle of debt which often occurs in the payday loans. The ordinance helps prevent borrowers from becoming further impoverished because of lending practices of many payday lenders. This regulation requires payday lenders operating in the City of Troutdale to pay an additional fee, which is being proposed at \$1,500. The fee is being proposed at a rate to allow the City to enforce provisions of this ordinance and to work with individual lenders to resolve consumer complaints. In addition it will require payment of a portion of the loan principal before renewing the loan. It will give the borrowers the ability to rescind the payday loan within 24-hours. It will give the borrowers the ability to convert a payday loan into a payment plan. Although state law prohibits the city from adopting interest rate caps, these are essential changes in payday lending practices that will protect many working families. While this ordinance is a necessary first step to providing regulation of the payday loan industry, the state legislature must proceed with more stringent statewide regulations. This ordinance lets our state legislature know that the City of Troutdale would cap interest rates if they could and calls upon the legislature to take such action in the future. I believe it is imperative that the City of Troutdale adopt this ordinance along side both the City of Portland and Gresham.

Councilor Thomas stated I was supposed to bring a letter from David Widmark, Gresham City Councilor, unfortunately I left it at the office. His letter encouraged us to pass the ordinance in conjunction with Gresham.

Senator Laurie Monnes Anderson stated I would like to give you some history of what happened at the state legislature. I am really excited that the City of Portland, Gresham and possibly Troutdale will actually pass the ordinance before you. The state legislature spent a lot of time drafting a bill that is exactly like the ordinance before you except it had a cap of 15% on the interest rate, which cities can't do. It did pass the Senate and it went to the House but it did not proceed through the legislative process. I know that it will be brought back again through the state legislature. We are going to try hard to make sure that it is not going to be in conflict with anything that the cities are adopting. So far what the City of Portland and Gresham have adopted is exactly what the state is going to hopefully pass.

Shannon Callahan representative for Commissioner Dan Saltzman of the Portland City Council stated three weeks ago the City of Portland passed an identical ordinance. The Commissioner worked with Councilor Thomas as well as Councilor Widmark and Warr-King to ensure that there would be consistent ordinances, if the cities chose to enact them, across Multnomah County. Unfortunately payday loans are going to be virtually unregulated at the state level and the lack of interest rate caps is a very big concern. Cities can not cap interest rates so this is just the first step in helping people who are trapped in these loans. By passing this ordinance, you along with Gresham and Portland will send a message to the payday loan industry and to the legislature.

Angela Martin, Public Policy Advocate for Oregon Food Bank, stated this is a really important way to provide some relief as we work through the process at the state level. Oregon Food Bank is the hub of a statewide network of almost 900 hunger relief agencies. There are 20 regional food banks that collect food from farmers, industry, retailers and individuals and distribute that food through our network. Last year alone one in five Oregonians ate from an emergency food box. The reality is that more and more hard working families are simply finding that they have less money in their bank account than they owe in bills. This economic reality, coupled with the relaxed regulatory environment, is driving more hard working families not only to emergency food sites but also driving more families into debt. That is exactly the niche that payday lenders have stepped in to fill, that growing need for emergency cash just to get by. These families with few options and little clout are turning to payday lenders to cover their medical care, prevent evictions and purchase groceries. The very idea that someone would finance groceries at 500% APR puts us at the middle of this issue. Payday loan companies understand this dynamic and that is what they have taken advantage of in the environment of relaxed state regulations and in this rush to make huge profits from Oregon's most financially vulnerable consumers. The cost of these loans are a burden for families and they are creating financial distress at the community level as families living on the margin turn to non-profit charities for assistance. Policy makers and community leaders like yourselves have the opportunity to address this issue with this ordinance that is before you this evening. The ordinance will provide relief to consumers who turn to payday lenders.

Phillip Kennedy-Wong representing the State Association of Economic Ministries of Oregon stated we represent seventeen Christian denominations. We worked on the payday lending bill in the legislature and have worked with the industry and other advocates on the bill. These folks are using these payday loans to purchase groceries, car repairs, medical bills

and other bills. This gives you a sense that these are people that are trying to gain financial control over their own lives. One of the Christian values is family stability. We all know that debt can cause a lot of stress for families. This ordinance is very important in order to have some fairness and responsibility on both sides, the borrower and the lender. I know you can't address the interest rate but it will give borrowers a fair shot at paying a loan back by offering a payment plan. We encourage adoption of this ordinance.

Mary Ann Olson stated I live in a foster care home. In November 2004 I found out that I needed a special pair of orthopedic shoes which cost \$145. After unsuccessfully trying on several occasions to obtain the money for the shoes I went to a payday loan business to obtain the money. For three months I paid \$26.40 interest and when the full amount was due on the fourth month, \$176.47, I did not have the full amount, I only had a portion of it and they refused partial payment. So I went out and sought another payday loan so that I could pay that loan off. Then it escalated because I found out that the second loan that I had received also wanted a monthly payment and full payment in the end that was far more than what I receive monthly. In the end it turned into seven payday loans. The interest rate on these loans varied from 100% APR to 560%APR. I really wasn't aware of the interest rates because everything went so fast. This has caused a great deal of hardship and embarrassment for my family, friends and me. The emotional stress has also caused health issues for me. I want to assure you that there are people out there that go to these payday loans and are unaware of what they are facing. I think these should be regulated.

Rob Brading, Co-founder, along with Paul Warr-King, of East County Citizens for Fair Lending Practices, stated you have just heard a very touching story about people that have been abused by payday loan companies. People have been taken advantage of when they are at their most vulnerable. The repeating fees and charges create astronomical costs to escape the cycle of debt. It isn't just the numbers and it isn't just these vulnerable people who call on us as a community to take actions. The proposed ordinance reigns in some of the most flagrant practices of payday lenders and will do much to protect our most vulnerable individuals and families. Your action tonight will serve as a call to the legislature for responsibility and accountability. I urge you to adopt the proposed ordinance to insure fair lending practices for all of the people of East County and to protect our most vulnerable individuals and families.

Richard Brown stated my brother-in-law was roped into a payday loan. Four weeks ago he had a stroke and we have been trying to help him out. I called the payday lender to find out how much it would take to pay his loan off. They told me they couldn't give me any of the information because I didn't have power of attorney for him. The interest and the debt is still growing and there is nothing we can do. We can't get power of attorney from someone who can't speak for themselves. What you are doing tonight is a huge thing especially for people who can't defend themselves. It is amazing that our legislature couldn't pass this especially when you have the Speaker of the House taking \$10,000 in contributions from payday lenders and then kills the bill in the house. If the Speaker is taking that kind of money she should be ashamed of herself. And if she is changing her tune now because it is election year, that is wrong also. I would rather give someone \$100 than see them go to one of these

payday lenders. Maybe we can all do something as human beings instead of watching these sharks rip everyone off.

Ann Richards, Chair for SnowCap stated we are an emergency service agency that serves East County. Payday loans take advantage of people when they are down by using aggressive marketing to attract uninformed people and then exploiting them with unfair practices. More and more of our clients cite payday and car title loans as the reason they are forced to call upon us for food assistance. As this industry grows our community is being asked to subsidize that industries profits by providing more and more food boxes, heating assistance, as well as health and other living expenses. Regulating the terms of these loans is simple justice and long overdue. Low wage workers barley have sufficient cash to repay these loans in full. Accepting partial payment is essential if the full debt is ever to be repaid. Making regular payments to repay the debt is a well established way to get out of debt. People should have the right to rescind their loan within 24-hours. We agree that there is a need for services that provide short-term cash but it should be provided in a way that is fair and reasonable to all of the parties.

Lee Dayfield stated I want to thank you for joining with Portland and Gresham in adopting an ordinance to restrict payday loans. They are a considerable hardship on people that are in need of getting money quickly and it is evident that the legislature was not forthright enough to bring this to a vote. I think Senator Laurie Monnes Anderson was very gracious in the way she explained how the legislature dealt with payday loans when in fact Speaker Minnis did not allow payday loans, or the bill, to come to the floor to even be voted on. I would hope when the legislature meets again they will see that the citizens have spoken and that the cities of Troutdale, Portland and Gresham have joined forces and spoken to the legislature on how important this is and that they will go a step further and put a cap on the interest that is charged.

Marnie Allen, City Attorney, stated I want to make the Council aware of information that came to the City's attention that some payday lenders apparently have indicated their intent to possibly challenge the City of Portland and Gresham's payday lending ordinances. They are claiming that local authority to regulate this is preempted by state law. If the City of Troutdale adopts the same ordinance then I just wanted the Council to be aware that the ordinance may be subject to a legal challenge as well and I would anticipate that we would join with Portland and Gresham in defending the ordinance.

Councilor Kyle stated the ordinance states that the enforcement falls on the shoulder of our city administrator. How many payday lending businesses do we have in Troutdale?

John Anderson, City Administrator replied one. We have the opportunity of relying on the expertise of the City of Portland if we contract out the enforcement piece to them.

Councilor Daoust stated we are looking at requiring a \$1,500 license fee. On top of that would there be a permit fee in addition to the license fee?

John Anderson replied currently the regular business license fee is \$65.00. I didn't differentiate between whether this would be \$1,500 in addition to the \$65. \$1,500 was the fee the other communities were using. I did not ask them whether or not the \$1,500 replaced their other fee or was in addition to. I can clarify that before the next meeting.

Marnie Allen stated what the ordinance says is that the annual cost of the permit will be established by Council resolution. The City of Portland set their permit fee at \$1,500. We would need to bring back a resolution to set that permit fee.

Councilor Gorsek stated we have banking laws in the State of Oregon, how is it that companies like these payday lenders come into existence but they don't meet the standards that are out there.

Marnie Allen replied there is a chapter in the ORS that specifically deals with payday lenders and it has some restrictions and regulations that apply to them. What they don't do is set a cap on the interest rate. What those regulations also don't do is set the limits in the three primary areas that are being proposed in this ordinance. The first is some limit on when a loan will be renewed. Second is some limitation on canceling a loan without a charge to the consumer who goes out the next day and decides that they don't really want the loan. Thirdly, the ordinance offers a payment plan and makes payday lenders offer that to borrowers once they have extended their loan the maximum number of times under state law.

Councilor Gorsek asked can you ban these types of businesses?

Marnie Allen replied probably not.

Councilor Ripma asked Mr. Anderson, are you confident of your ability to administer this?

John Anderson replied we have no experience so I would be working cooperatively with Gresham and Portland to learn from them as to how to do that. I think we would probably look to contract the enforcement with Portland.

Councilor Ripma asked has there been an expressed willingness on the part of Portland?

John Anderson replied an informal offer through Gresham.

Councilor Ripma asked is that the way Gresham is going to do it?

John Anderson replied they haven't said whether they were or not. I could look into that before the next meeting.

Councilor Canfield asked if we passed this ordinance and the payday lenders do challenge this, what kind of cost would we be looking at if we went down that road?

Marnie Allen replied that is hard to answer. It is not the kind of claim that is covered by the City's insurance policy. I would envision working with Portland City Attorney and Gresham City Attorney on a cooperative joint defense.

Councilor Thomas asked could staff could bring forward the resolution establishing the fee at the next meeting?

John Anderson asked Council for guidance on the amount of the permit fee.

Councilor Thomas stated my preference would be to have the permit fee set at \$1,500 in addition to the \$65 business license fee.

Council agreed.

Mayor Thalhofler asked would the Council be agreeable to adding findings to the ordinance to make the ordinance effective immediately upon adoption?

Council agreed.

Mayor Thalhofler closed the public hearing at 7:56 and stated this is the first hearing on this ordinance, a second hearing will be held on March 28th.

5. MOTION: A motion regarding reconsideration of the minimum 16-foot lot width and maximum 45-foot height standard adopted on January 24, 2006.

Rich Faith, Community Development Director stated on January 24th you adopted a rather extensive package of amendments to the Troutdale Development Code. Those amendments apply to a broad variety of issues but the majority of the amendments that you adopted related to the Town Center area dimensional standards and setback standards.

Rich Faith showed the Council a PowerPoint Presentation (copy included in the packet). The area that we are talking about that is outlined in our Code as the Town Center Overlay District is shown on the first slide in a white dashed line. It encompasses pretty much the entire downtown area and extends from our western boundary on 244th all the way to the Sandy River, it takes in the Factory Outlet Mall, former Sewage Treatment Plant (STP) site and to the south it encompasses properties touching on the Sedona Park subdivision up the hill on 257th. The ordinance that the Council adopted established a 16' minimum lot width standard throughout the Town Center Overlay District and also allows for buildings as high as 45' within an exception area in the Central Business District Zone rather than the 35' that we currently have. The exception area that you adopted (shown on slide 2) is the area between Columbia River Highway and 2nd extending from 257th to the intersection of Sandy Street right-of-way and Columbia River Highway. I think it is important to point out what the exception area meant in terms of modifications to the standards. The modifications made for the exception area were: No minimum lot depth; no minimum lot area; maximum residential density of one dwelling unit per 1,000 square feet of net land area when dwellings are all on one lot; no maximum residential density for units on individual lots; 45-foot maximum building

height; no minimum landscape requirement; and no recreation area requirement for multi-family (apartments) or rowhouse developments. At your February 14th meeting one of our downtown property owners, Erin Janssens, asked the Council if you would reconsider the 16' lot width standard and the 45' height standard that was adopted on January 24th. The Council agreed to do that. In the meantime Ms. Janssens in conjunction with another property owner, Mari Hunt, filed an intent to appeal to the Land Use Board of Appeals (LUBA) in order to preserve their right if this matter is not resolved to their satisfaction. Even though the Council unanimously moved to reconsider these two issues, that action did not repeal or in anyway stay the effective date for those amendments. So these amendments went into effect on February 24th. What the motion to reconsider did was afford an opportunity for the Council to look at how it would like to modify or what change, if any, you would like to make on these two particular matters. For purposes of discussion I would like us to take a closer look at the 45' height limit. In the Development Code the definition for building height is "the vertical distance from the average grade to the highest point of the roof of the building". The reason for that is we have hillsides in Troutdale so that means that many times you are going to be building on land that is sloped and that is why the language talks about the average grade, which in most cases would be somewhere near the mid point between the rear and the front. There is another area of the Code that talks about building height and that is specific to the Central Business District (CBD). In our Code we have Appendix A, which contains the design standards for the CBD. Appendix A calls out a different way of measuring the building height specific to the CBD. It reads, "The maximum height of a structure fronting on Historic Columbia River Highway shall be measured above the grade of Historic Columbia River Highway as it occurs adjacent to the lot". We try to take out any kind of guess work in terms of side profiles, understanding that there was at the time that the CBD was adopted, a significant drop-off from the street level to the property below, we have simply said that for these structures along Columbia River Highway, we will measure the height from the grade of Columbia River Highway. That has played out with a variety of building heights (see slides 7 - 16) along the north side of Columbia River Highway. The 45' height requirement is one of the issues being reconsidered. The various parties that have been following this issue and commenting on it have differing views about it. The 45' requirement came into play towards the end of the process at one of the last work sessions when the prospective developers of the Marino block shared with you their proposed plans for how they were going to develop the property and indicated to you that in order to make it work for them that they felt they needed to have a 45' height standard particularly for the buildings along Columbia River Highway. For buildings on the upper end of the block fronting along 2nd they didn't feel that they would need buildings that high and perhaps they could get by with 35' height. In speaking with the developers and Ms. Janssens, I think they both shared the same general notion which is the concern about the height along the uphill side along 2nd Street and if we could come up with some language that deals with allowing 45' high buildings fronting along Columbia River Highway but cap it at 35' for buildings along 2nd Street that would be a fair compromise. The question is what happens between 2nd Street and Columbia River Highway, what do you establish as the height for those buildings. There needs to be some language that gives us a specific or enforceable height for the buildings in between 2nd and Columbia River Highway for the transition as you come down the hill. In a conversation that I had with Councilor Thomas he mentioned using the same concept that we used in another area of the Code dealing with reduced setbacks where we would allow a reduced

setback but we established a ceiling that you couldn't exceed. I have drafted some proposed language for your consideration (slide 17). The language would establish a maximum ceiling height as measured from 2nd Street. So we would establish a 35' ceiling height, and we would do that for each of the six square blocks that are in the exception area, so where that plane is would be slightly different for each of those square blocks depending on the actual grade. We would measure at mid point along 2nd Street between the side streets and that 35' height constitutes the maximum ceiling. The maximum building height is still 45' but the building could not penetrate the maximum ceiling height.

Councilor Daoust asked would that be measured from the midpoint of the slope or from 2nd Street?

Rich Faith replied it is measured on 2nd Street at the mid block point between the two side streets.

Rich Faith stated I have shared this proposed language with the prospective developers of the Marino block and with Ms. Janssens. I think in general they feel that this is a good starting point. Unfortunately I don't have anything to offer to you for further discussion relating to the 16' lot width.

Councilor Ripma stated I think in a desire to see development occur on the Marino block I think we went too far. The 16' lot widths, does that apply to the entire Town Center?

Rich Faith replied that is correct. It applies in every one of the zones but in some instances it is specific to a type of housing, mainly if you are talking about attached rowhouses, whether they be a duplex, tri-plex or whatever. In some of the zones it merely refers you back to the lot width standard of the CBD for specific kinds of housing. The answer to your question is throughout the Town Center boundary that 16' lot width applies.

Councilor Ripma asked right now the ordinance allows for someone to submit plans for a development consistent with the current ordinance we just passed. If we were to reconsider and pass changes would an applicant who submitted plans before we make the changes be allowed to develop under the current rules?

Rich Faith replied as long as it was determined that they had a complete application they would be vested under the current rules that were just adopted.

Councilor Ripma stated they took affect on the 24th. Has anyone come forward with a development application?

Rich Faith replied no.

Councilor Ripma asked if we were to direct staff to come back with an ordinance making changes to the Code, how much time are we looking at before the new changes would take affect?

Rich Faith replied if they are simple changes and they could be drafted without affecting other areas of the Code, I would say that we could have the ordinance on the next agenda. We would need to hold two hearings and if you adopted the ordinance with the emergency provision it could go into affect immediately after the second reading. If you did not want the emergency provision then it would go into affect in 30 days.

Councilor Ripma stated it could be a couple of months before the changes went into affect if we decided to make an amendment to what was adopted. That would offer a couple month window for any developer to come forward and file a completed application and work under the current rules.

Rich Faith replied that is correct.

Councilor Ripma stated I appreciate the chance to revisit this. I think we all want to see the Marino property developed. I think in our haste we did something improvident particularly with the 16' lot width in this area. I don't want to see us make the same mistake that Gresham did under Gussie McRobert, look at all of the apartments that they ended up with.

Councilor Canfield asked are apartments allowed in the Town Center boundary right now?

Rich Faith replied not in every one of the zones but in the majority of the area they are allowed.

Councilor Canfield asked someone could build apartments and have 16' wide apartment units couldn't they?

Rich Faith replied the 16' width does not apply to the structure. If someone wanted to build an apartment complex they are working with a lot that is much wider than 16'. We don't regulate the size of the apartment units in terms of the square footage, width or anything.

Councilor Canfield stated I just want to be clear on that. What we are talking about has nothing to do with potential apartments at all.

Rich Faith replied not really.

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

Erin Janssens showed the Council a PowerPoint presentation (copy included in the packet). I support local businesses. I am not opposed to density or inevitable growth that we will have. I am looking forward to the full potential of Troutdale and I want to see Troutdale thrive. However our growth needs to be managed. On January 24th Council adopted additional changes to the long-standing existing City Code affecting the CBD. The Council also created an exception area between Historic Columbia River Highway and 2nd Street from 257th going east to Sandy Avenue right-of-way. There were numerous changes to the Code that evening that were complicated. The time to consider those issues and discuss implications and gain public input was short and unfortunately I don't feel like we had the

opportunity to make a real informed decision about the long-term growth and success of Troutdale. I think that some of the review by Mr. Faith this evening has been extremely helpful. Two changes occurred in the exception area that caused serious concern for me was the building height standard increasing from 35' to 45' not only along Historic Columbia River Highway but stretching all the way to 2nd Street. Also the minimum residential lot width decreased from a 20' minimum to a 16' minimum. I have serious concerns that increasing the building height to 45' and decreasing the minimum width to 16' could have an adverse impact on our community. Regarding the 45' height allowance, I am concerned about: 1) the disproportionate building height to the existing North side businesses causing the loss of our small town appeal therefore having adverse impact on existing businesses; 2) loss of terraced appearance of a hillside community and impacting the small town feel and the potential walled effect; 3) variances can be obtained allowing developers to exceed the height by 30% which has the potential of reaching a height of 58' 6" without public notice; 4) creates more of an urban feel and we can not compare or compete with Portland, our strength is our charm and character of a small town feel; 5) there is also loss of existing views of current property owners and residents of Troutdale, primarily those between 2nd and 4th Streets; 6) there is also the potential of shading of existing sunny sidewalks that pedestrians desire; 7) there is also the potential to increase wind velocities due to a tunnel effect; 8) because of all these things we could have an adverse impact to existing real estate appeal and values.

Erin Janssens showed slides that depict what Historic Columbia River Highway would look like with 45' high buildings on the south side.

Erin Janssens showed slides that depict the sun's radius to show how there is potential for shading on the sidewalks along the south side of Historic Columbia River Highway.

Erin Janssens stated that my concerns with decreasing the minimum width standards are: 1) the potential for additional entry-level housing for which Troutdale, in my opinion, is saturated; 2) the potential for additional rentals for which, in my opinion, Troutdale is saturated; 3) it is not appealing to a more diverse socio-economic group; 4) and smaller units means an increased number of units and therefore it increases parking demands which reduces the availability for the community, visitors and customers. My bigger concern is the fact that when I drive home and look at the hillside I see a lot of rental units and apartments and I think why hasn't Troutdale taken off, why hasn't that occurred? We are only 20-minutes from downtown Portland. It is a great location, a beautiful city and a beautiful place to live. If you look over at Camas and they have the same great view and they have the same wind and you see million dollar homes all over their hillsides. What are they doing that we are not? Just something for you to think about. One study that I found was the Gallup Poll and it asked people what kind of place they want to live in. 34% said a small town, 24% said a suburb, 22% farm and 19% said they wanted to live in a city. If you look on page 4 of the Riverfront Renewal Plan, which is an excellent plan, one of the goals on page 4 is to reflect historical Troutdale in future development. Another goal on page 4 is to promote development and redevelopment that is designed to respect Troutdale's natural resources. Goal 10, attract high quality residential development. Number 7 under Goal 10, design concepts that include, but are not limited to, attractive pedestrian-oriented streets, providing a complimentary mix of commercial and residential development, a connected network of

streets and accessways to reduce automobile dependency and avoiding walled streets. On page 19 of the Plan it prescribes a maximum building height of 35'. Another area reads, the Sandy River is a historical and recreational resource that helps give Troutdale its character and encourages environmentally sensitive site planning and design that provides access to and views of the river. Now I am kind of wondering, does that just apply to the new developments, or are we doing anything to take care of the people on 2nd and 3rd? Sunset Magazine just came out with an article in February 2006 on all the things that make a successful small town and all of the things that many towns are seeking to develop which included: small town feel, walkable neighborhoods, open space nearby, classic street grid, a downtown that buzzes, a working city center-live/work lofts, safe easy access, big lots not forgotten-space for larger more expensive homes, convenient schools and invisible garages. This all leads me to responsible stewardship. The Marino block has so much potential and has been inspirational and it has so much hope for people. I know that you have enormous pressure on you from everybody to do something. What I think we need to be conscious of is that while it has so much potential and while it holds so much hope, we need to be cautious in our development so that we don't allow something that is a permanent problem. We need to do the best we can to preserve the character, history, and the integrity for future generations. What I am going to propose is if the Diamond Bros. were to submit their application within the next few weeks under the current regulations, I would agree to drop the appeal if the Council would agree to re-adopt the 35' height allowance and the 20' minimum width requirement, returning it to the previous existing code with the exception of the Marino block allowing the Diamonds to move forward under the current Code as it stands today.

Councilor Daoust asked so you are okay with allowing 45' height along the Columbia River Highway just for the Marino block?

Erin Janssens replied correct. I am concerned that it may not be the right thing for Troutdale but if we limit it to the Marino block we are providing an opportunity or a light at the end of the tunnel for the business owners. If it ends up being the type of development that has a positive impact on Troutdale then we can look at amending the regulations at that time.

Councilor Daoust asked did you understand what staff was proposing?

Erin Janssens replied yes.

Councilor Daoust asked and you are against that proposal?

Erin Janssens replied it is not my first choice. My first choice is that we restrict it exclusively to the Marino block and that we return or re-adopt the previous existing Code.

Councilor Thomas asked by returning to the existing Code, are you talking about taking away the exception area all together?

Erin Janssens replied yes.

Councilor Thomas asked so you want one exception area for one specific project?

Erin Janssens replied yes.

Councilor Thomas asked you are aware that the current exception area has no lot size limits?

Erin Janssens replied yes. The 16' minimum lot is not part of the exception area as I understand it.

Mayor Thalhoffer stated the 45' height applies just to the exception area and the 16' minimum lot width applies to the whole CBD. How do you feel about the 16' minimum lot issue? You don't even want that in the exception area?

Erin Janssens replied no, I don't believe that it is positive in the long-term interest of Troutdale. We need more socio-economic diversity. In order for a town to be successful it requires a mix of people and right now we are struggling with that mix. We are lacking on the upper end of that mix. It is simply about supporting and having a well-balanced community. I think that 16' lot width minimums allows tiny structures and is not in the best interest and is not going to attract more affluent folks that we have the potential of attracting.

Mayor Thalhoffer asked do you realize that we have the highest family income of any city in Multnomah County?

Erin Janssens replied I think there is probably a few folks that take us up off the charts.

Councilor Gorsek stated that is not true and I think you are impugning a lot of the citizens of Troutdale the way you are depicting some of us as socio-economic disadvantaged. I think that is really offensive to a lot of citizens in the City.

Erin Janssens stated I don't mean for it to be offensive. I stand corrected. My concern is strictly that I am seeing a lot of apartments and entry level housing built in areas that have prime views.

Councilor Gorsek stated in other portions of the City there are very nice houses.

Erin Janssens stated you are absolutely correct.

Councilor Canfield stated I appreciate your visual on the height restriction. Ever since I voted on that I have had second thoughts about it. You mentioned that you feel that entry level housing is saturated in Troutdale, can you elaborate on that.

Erin Janssens replied I have no factual information on that. I can't really attest to it other than the area of Troutdale that I am in I see a lot of townhouses being built.

Councilor Canfield asked do you feel that 45' with a variance up to 58' would block the view from your 4-plex?

Erin Janssens replied it would diminish the views.

Councilor Canfield asked do you feel that would diminish the potential value of your property?

Erin Janssens replied probably.

Councilor Canfield asked where is your property in relation to the Marino block?

Erin Janssens replied the Marino block is in between the Historic Columbia River Highway and 2nd Street between Harlow and Dora. My property is located directly up Harlow on the southeast corner of 3rd and Harlow.

Councilor Canfield asked if the Marino block were built at a 45' height or with a variance up to 58', is that going to block your property.

Erin Janssens replied I had plans of floating balloons up to a height of 45' but it has to be warm weather for that to happen, so it didn't work out. I couldn't tell you exactly how it would block my property; I know it would block it some. I think it will probably take out the river view but I would probably still have a view across to the mountains. If that is the best for Troutdale I am willing to make that compromise.

Councilor Canfield stated I am thinking of the folks who do live directly south of the Marino block. Your proposal would impact their views more than it would the other blocks. Is your proposal fair to the folks living on the south side of the exception area and would it be fair to other property owners within the exception area to limit the 45' to just one block. Why don't we just take away the possibility of even the Marino block being at the 45' height?

Erin Janssens replied why give an exception to just one block? I think it would allow you to look at how that really fits into the grand scheme of Troutdale. To see if it really causes a disproportionate view and if it changes the small town feel before you start a domino effect and you can't control it. It just seems like it would be a more prudent way to go so you could test out this change.

Councilor Canfield stated I appreciate your presentation. I agree with parts of it and I disagree with other parts. We are all trying to think of what is best for the City.

Councilor Thomas stated Rich Faith's proposed language of a 35' ceiling at 2nd Street really flattens the property out.

Erin Janssens stated almost. 45' actually is lower than 35' at 2nd Street. 35' at the mid point of the building on the side streets might be more even or inline with 45', but 35' at 2nd Street, which is a revision to even the previous Code, would still obscure more views than going back to the old Code.

Mayor Thalhoffer called for a break at 9:14pm and reconvened at 9:26pm.

Mari Hunt stated I have a vision of the beautiful historic buildings no higher than they are now. We do have a lot of entry level housing here. I know, I sell these homes all the time. I have been attending all of these meetings since the beginning along with my neighbor. We were concerned because a couple of developers wanted to put in 16' wide townhouses and they wanted to go up 45' high. This is not only going to affect the views of many people, but also property owners and businesses. I want to focus on the width. It is very difficult for people to live in a 16' wide townhouse. I see them all of the time and frankly I can't even sell them. If you look around Troutdale right now you will see for rent signs on several of those newer townhouses. Some developers might lead you to believe that these are high-end housing, they are not. High-end housing isn't \$225,000. That is entry-level housing in today's market. People are moving in because it is all they can afford. They move in and try to live in there but they are too small so they move out and then they are not new any longer and they are difficult to sell and they become rentals, which is what we have here in Troutdale. I think that some of the developers would like the business owners to believe that their businesses are struggling because we need more entry-level housing. I don't agree with that. We don't need more entry-level housing; I have nothing against entry-level housing. I just think we need to attract higher-end housing here to support these shops. I think we are inundated with apartments, townhouses, rowhouses and manufactured homes. I think people will pay more money for 20' houses. I know it is tougher for developers because they will not be able to put as many units in. I think the Diamond Bros. proposal is genuine. I think this is a great solution. We have a problem with the Marino block. The 45' rule is already in place now and would take a vote of the Council to change it. So right now it would make sense. I would also be willing to drop the appeal if we could come to the compromise to have a 35' height limit and the 20' width in all of the CBD. Today I went through an open house on a 16' wide townhouse that is relatively new on Columbia River Highway. I went into the garage which is full of stuff because there is no room in the townhouse to put the stuff. You walk in from the garage to a room that is 9' x 9', that is it. Then you turn the corner and walk up the stairs to the 2nd floor which has a small living room and the kitchen and a small bathroom. The 3rd floor has two small bedrooms. 20' wide may not be a good size for the developers because they want to make more money, but it is good for people and families, which is what we need here. I hope we don't develop to just have rowhouses, townhouses and manufactured homes. We are so visible from 257th and I-84. The north side of the town is so quaint. I would love to see the same kind of development on the south side. We have an opportunity here and tonight you are going to make a decision on what we are going to do in our city. I hope you will vote in favor of the 20' width and the 35' height as recommended by the Citizens Advisory Committee. I am asking you to do your job and to do what is right for the City.

Mayor Thalhoffer asked do you want the exception area to just be the Marino block?

Mari Hunt replied I was prepared to come here and say no. I don't even want one 45' building. The only reason I am agreeing is because it is already in place. I met with the Diamond Bros. and I really think they care about the City and I don't really think they are going to go up 45'.

Councilor Canfield stated you said that the 16' units are difficult for people to live in. Would it be difficult for you to live in or for everyone to live in?

Mari Hunt replied difficult for anybody.

Councilor Canfield asked would you agree that there are some people that would find these livable?

Mari Hunt replied I think there are some that would find these attractive, probably single people or a couple but not a family.

Councilor Canfield asked do you think we should limit Troutdale to only people who have large families?

Mari Hunt replied no. We have so many rowhouses here in Troutdale already that are for rent.

Councilor Canfield asked how many are for rent right now in the CBD or Town Center?

Mari Hunt replied I can't answer that because I didn't drive around with that question in mind.

Councilor Canfield asked what is the price for a 20' or 16' new rowhouse?

Mari Hunt replied there were some for sell for \$229,000 and they actually sold for \$137,000. I just sold two of them.

Councilor Canfield asked were they new?

Mari Hunt replied yes.

Councilor Canfield stated I would like to see the information on that.

Mari Hunt stated I can tell you that they were on Powell Valley Road.

Councilor Canfield stated that is not in Troutdale.

Mari Hunt replied no. The one I walked through today is in Troutdale.

Councilor Canfield asked what is the asking price?

Mari Hunt replied \$175,000.

Councilor Canfield stated you mentioned that in this unit the garage was full of stuff because it wouldn't fit in the 16' unit. I have driven around Troutdale a lot and I see a lot of two and three garage houses that are 2,000 to 3,000 square feet homes and they are parking in their

driveway. I know why, because it is like my house and the garage is full of stuff. I am not sure that is a good argument.

Mari Hunt stated take the garage out of the equation. Just look at the 9' x 9' room, and the small living room and small kitchen on the 2nd floor.

Councilor Canfield stated you may not want to live there but perhaps some other people would be very attracted to that. Aren't we really talking about diversity of housing is different types of housing from high-end to medium to low and different sizes and shapes.

Mari Hunt stated that is what we are talking about and what I was trying to say is that 16' wide houses are very difficult for families and people to live in. I sell real estate and I know that these homes come back on the market and they are tough to sell. Those on Powell Valley were up for sell for almost a year. They are too small to live in.

Councilor Canfield stated if you can show us some statistics for Troutdale in the CBD or the Town Center area to substantiate your claims that they are hard to sell and they are full of renters I would be more than willing to look at that. Otherwise we are talking about preferences only.

Mari Hunt stated I don't think so. Not in my professional opinion as a realtor who has been in business for ten years and sells real estate daily to first time home buyers and other people.

Charlie King stated I live on Harlow and 2nd Street. Using a slide from Rich's presentation Charlie showed the Council the location of his house in relation to the Marino block.

Charlie King stated I purchased this home in December for three reasons: 1) proximity to the downtown area; 2) because of the light that comes in the side windows; and 3) because of the view it has. I think it would be great to limit the height to 35'. I don't know what affect that will have on my property but I know that if it goes higher than 35' it will block the whole back end of my house, especially if there is a variance to allow 58'. I would really appreciate if there was some consideration given by you to adopt a 35' height for that whole area.

Pat Smith asked have any of you ever been in a 16' wide unit? My daughter bought one down here. When you don't have windows on the side of your house, all you have is a window in the front and back it is very dark, you have to leave the lights on all the time. Her living room was 10' wide by 12' long with a short kitchen. In between the kitchen and the living room was the bathroom that was so small you couldn't put a regular door in, you had to put a pocket door in. The closet across from the bathroom had to be used to store your vacuum and brooms. She decided to move after only living there for one year and she couldn't sell the unit. She put an ad in the paper and she had seventeen inquiries and they all wanted the unit, the only problem was that fifteen out of the seventeen were on Section 8, unemployed and they had a bunch of kids. She ended up renting the unit to a business person here in Troutdale and it has worked out. For some reason when it comes to renting these you have a real hard time. Why do you have a Citizens Advisory Committee and a Planning Commission that makes recommendations and you take them and you adopt them

and then when someone comes to you at a meeting and says they want 16' wide you say that is a good idea and you come back at the second meeting and pass it. You don't give anybody a chance. To me that is not doing the job that you should be doing and going through the process. If you wanted to change it you shouldn't have changed it on the spur of the moment with no one else knowing. If you allow 16' you are going to have nothing but problems in the downtown area. If the other developers can build at a 35' height then the rest of the town should match that. We shouldn't use this one block as a test.

Jean Ice stated I am a resident in Troutdale and I work here. My concern is the 16' width. I was in the open house today which was a 16' wide unit. I don't see it as a terrible place to live. If I was a single person I would have lived there. It is not where I would choose to live right now. My concern is not the unit itself; it is the quantity that we are dealing with. Between Glenn Otto Park and here I counted 21 rowhouses. All of the new construction that has happened is rowhouses. We are not talking about the entire City of Troutdale when we are talking about diversity. We have great diversity in Troutdale; we are talking about the downtown area. I didn't count the houses here on Harlow and on the hill. I don't recall seeing, in the last ten years, anything else being built in the downtown area. The concern is the diversity in the downtown area. We have a lot of these small rowhouses. We need a variety; we need some upper-end and middle to have diversity. If we end up with a city that is full of tiny rowhouses we are going to have some problems down the line. We are concerned about the vision of Troutdale. I want people to understand the beauty of this town. We are not like the other little towns; we have history, rivers and views. This is such a special incredible place here. You are endowed with an incredible stewardship for this town; you have an awesome responsibility for the future of this town. I would ask you to look to the future and to the vision.

Donna Irwin, owner of Columbia River Gallery, stated I think that even if every building on the south side was 35' high that would still be a giant wall. I am all for high density. There are several housing areas around Troutdale; we have plenty of family housing. I think it is a mistake to even market this to families. I think this is professional living. I think the key is that they need to be high-end not entry-level. We have plenty of affordable housing in Troutdale already. I think 35' is high enough; you can get variances to go higher. When you think about this it makes you wonder how could we possibly screw this up. We are on two major rivers, we are on the mouth of the Columbia River Gorge and we have a major freeway. We are in the most incredible, beautiful place. Our grand boulevard into Troutdale is 257th and we have storage units, mobile homes and apartment buildings. Those are incredible views and it just seems like you missed a huge opportunity, that land really could have been something special. I see the historic downtown area with more high-end; stop building the \$200,000 units. Make them a little wider and go for the high-end. I think 35' is high enough and there should be a 20' minimum width.

Tracy Cleys stated I drive through downtown Troutdale every day and I walk my dog though downtown Troutdale. I do believe that a height of 35' should be the limit and that there should be a 20' minimum lot width. Right now it is beautiful the way it is on the north side, they did a great job. I think if you go higher than 35' you will ruin the balance, aesthetics and small town feel. I hope you will reconsider 35' across the board.

Frank Windust stated I need to defend my 16' townhouses. I built the three duplexes above City Hall and the five rowhouses. They are filled with professional people. I rent those for \$950 to \$1,050 per month. There are small families with small children living there. They are high class people not low class people. I've been a realtor for 35 years. Townhouses are a thing of the future. There are a lot of young single people and older retired people that want that type of living. My units are 16' wide, 1,500 square feet. They are not small and they do not have 9' x 9' rooms. I have had almost zero vacancy. The ten rowhouses that were just built one block down from me sold before they were completed. She got \$219,000 for the interior units and \$229,000 for the end units. The other option for those lots instead of the 16' rowhouses is apartments. I do have some problems with the 45' height. If they built at 45' or even 35' right in front of my units above City Hall, it would block the view of the river from my windows and decks. I think it could be done with 45' on Columbia River Highway and if half way up the street you built at 35' that would provide the stair step effect.

Nick Diamond showed the Council a PowerPoint presentation (copy included in the packet). The Code that was approved for the exception area was a maximum height of 45'. After Ms. Janssens filed an intent to appeal we met with her. We took a hard look at the block and asked ourselves, what makes sense. We have a steep grade change here and all of these people on the other side of 2nd Street bought their homes when the existing Code said 35'. So we said lets compromise and make good for everybody and so we are proposing 35' height limit on 2nd Street. One of the reasons we are asking for 45' on Columbia River Highway is for different opportunities. When you have a 35' height and you put retail on the bottom you need 14' to 15' for retail on the ground floor. After that at 35' you have two options, you have office or apartments. Regarding the width, instead of talking about our block we looked at what the industry standard is for urban development for downtown zones. We looked at Gresham, Portland, Beaverton and Tigard and in their town center zones they do not have a lot width minimum.

Mike Miller stated we are excited to develop here. Our objective is simple. We want to create a vibrant mix of uses, not just residential but commercial as well. We want to bring people to downtown to live, not just rich people but all kinds of people. The number one tool that we need to get the Marino block off of the ground is density. Part of that is the width, the height and the flexibility to create something. The Code that we are talking about tonight is just the framework, we still have to prepare the plans and hire the architects. The Code does allow condos of any width, but what we are talking about here is what width a fee-simple lot could be. We have the ability to build a 16' condo right now, which sells for as much as a fee-simple lot. In my experience as a planner, lower density and wider buildings do not necessary create higher property values particularly in urban areas. We are concerned about property values and we do not want to lower the status here.

Councilor Daoust asked what would it do to your proposal for the Marino block if we had a 20' lot width minimum and a 35' height restriction?

George Diamond replied the 35' height with the slope just doesn't work because the units would be too wide. You have to go three stories on the side blocks because of the slopes.

Mike Miller stated we are trying to create more than just housing opportunities, we want to have a mixed use development. With the first floor of retail at 14' to 15' with housing on top of that we would need the 45'. The market is really demanding the 10' ceilings.

Councilor Daoust asked so you need the 45' to put the third floor on?

Mike Miller replied yes.

Councilor Daoust asked along Columbia River Highway are we talking about 16' to 20' lot widths or are we talking about that on the side streets?

George Diamond replied on Columbia River Highway it will be totally different. It will be a retail storefront and on the second floor it could be office or housing.

Mike Diamond stated to answer your question of what will it do to our proposal if there is a minimum 20' lot width and a 35' height limitation. The 20' minimum lot width would reduce the density of the site and the height limitation on Columbia River Highway would reduce the options that we would have for a mixed use development.

Councilor Ripma stated under our current zoning you could go forward with the ultimate flexibility, the 45' height and the 16' minimum lot width and everything that you asked for. Can you get a plan submitted in the next three to four weeks?

Mike Miller stated I don't think we could submit a complete application.

Councilor Ripma asked how long would it take?

Mike Miller stated it would take months of work to come in with a final set of plans.

Mayor Thalhofer asked so you are saying 35' height on 2nd Street and 45' on the Columbia River Highway?

George Diamond replied yes.

Neil Handy stated I am representing the Handy family who owns two parcels in the exception zone. I have a question on the proposal that Rich Faith put together on the height. The height of the buildings on 2nd Street would be capped at the 35' plane. Would that preclude any variance from taking place above that plane?

Councilor Daoust stated you would still have the 45' maximum height on Columbia River Highway, the maximum height would not be up to that plane. They would still have to request a variance to go above 45'.

Neil Handy asked would they grant a variance above the plane?

Rich Faith replied there is no automatic approval of a variance. There are criteria in the Code that have to be met and you need to justify it. A variance could be asked for to exceed either the 45' building height or the 35' ceiling but you would have to meet the criteria in the Code.

Neil Handy asked so a building height plane only has to do with the 45' original height of the building?

Rich Faith replied the 45' refers to the maximum building height, the 35' ceiling applies to that imaginary plane that is created from a measurement off of 2nd Street. Those are the two things that you have to satisfy. You can not exceed the 45' building height or the 35' ceiling.

Neil Handy stated the 35' ceiling plane does not override the variance request.

Rich Faith replied no, I am saying that is also a subject for a variance request.

Neil Handy stated I was thinking about what affect the 35' building height on the buildings on the north side of Columbia River Highway had on the south side buildings. My building is only 15' high and most of the other buildings are lower than 35'. I was wondering if there was any consideration as far as what effect the 35' high building would have on those buildings on the south side. Basically that is the issue that we are talking about now. It is a little odd that now we are so concerned about a building height that may be 8' to 10' higher when in fact we weren't concerned about it before. Personally, I think that a 45' building height may or may not be 45' just like the north side of the street is not 35' continuously, it is all different heights. I personally do not have a problem with 16' width because they are not going to build rowhouse after rowhouse 16' wide, they will vary in width. A 16' wide rowhouse to me is better than a 12' or 14' wide apartment. I don't think that you want apartments built in the CBD downtown. You need to have a Code that encourages people to come in here and build something besides apartments. I am afraid that if you go with a 20' minimum width that is what will happen. I don't have a problem with the proposal for the building height. The 16' lot width needs to be allowed in the CBD to allow for high density housing.

MOTION: Councilor Ripma moved to go back to the 35' height in the exception area. Seconded by Councilor Thomas.

Councilor Ripma stated my main concern is that while the Diamonds are going to build a quality development the zoning is there and they are not going to be the only folks building, it could go all along the Historic Columbia River Highway. The Diamonds don't even know for sure what they are going to do on the Historic Columbia River Highway. The citizens, if you can recall earlier in the evening, brought up persuasive points that I would like you all to consider. It is not just the views from up the hill it is the look of the town along the Historic Columbia River Highway. Why rezone the entire south side of the downtown to accommodate buildings that are too tall; 45' is too tall.

Councilor Thomas stated Councilor Ripma brought up some valid points. I think the

new proposal with the 35' ceiling plane will help alleviate some of the concerns for the people on 2nd Street. 45' may be a little taller than I like, maybe 40' makes better sense.

Councilor Kyle stated my concern with the cap is it doesn't stop a variance. 40' might be better.

Councilor Ripma stated if you are willing to go with 40' I will amend my motion.

Councilor Daoust stated the only arbitrary thing that we included last time was the extent of the exception area going all the way from 257th to the end of the block. I thought it was a good idea at the last meeting because it would enable every other developer to think about the same thing but the more I here testimony about the possible effects of that the less I am willing to live with the possibility of 45' heights along the whole downtown area. What got worked out between Erin Janssens and the Diamonds as far as what Erin was proposing sounded good to me which is to allow one block to try out the 45' height along Columbia River Highway and go with the staff ceiling proposal of 35' on 2nd Street.

Councilor Ripma stated Erin was talking about just between Harlow and Dora, the Marino block not this compromise that Rich and several have talked about with the 45' along the entire south side of the Historic Columbia River Highway to 35' up at 2nd. It is not the same thing that Erin was talking about; it is the whole exception area.

Councilor Daoust stated I am thinking just the Marino block. I couldn't second your motion because I think we ought to give the 45' flexibility in the downtown area.

Councilor Ripma asked in that one block?

Councilor Daoust replied yes.

Councilor Gorsek stated a lot of the testimony that we have heard was focused on helping a couple of citizens, and I understand that. But to say lets demonstrate with one building which may then turn out to be a horrendous mistake and then keep everything else lower, I think that is unfair. If you are going to zone the downtown it should all basically look the same in terms of the potential for its height. To say lets experiment with this block because it helps some people, that is not fair. I think Rich Faith's proposal is an excellent proposal and that is why I can not support the motion.

Mayor Thalhofer stated I can't support the motion either. The more I have thought about it, what we do for the Marino block we have to do for the entire exception area. It won't end up being developed as 45' all along Historic Columbia River Highway. We have Mayors Square that won't be developed. We have made some big mistakes in Troutdale. I have fought some of the mistakes that we have made. I think for this

area this is the way we need to go for an urban development, it is happening that way all around us and the units are selling. We have to take gambles now and then to make things happen. That Marino block has been sitting there for about four years now and it is sucking the air out of downtown. We have an opportunity here with a high-class developer that is shown by the work they have done elsewhere, that they can build something really nice here. Now, are we going to limit that to the Marino block? I say no, we can't do that. We have to do that all the way down to 257th to give everybody else a chance to develop. I think there will be different designs. I don't think they will all be 45'. This is the way to go right now. We are going to do 35' on 2nd Street all the way down the exception area.

Councilor Canfield stated I am going to be voting against the motion. I don't think it is fair to limit what we are trying to do downtown to just one block just for a couple of people. We have to give the other property owners a chance to create something just as great as the Diamond Bros. are going to do. I think Rich Faith's proposal is a good compromise.

Councilor Daoust stated this isn't the only place where we will have the option for high density urban development. We will have the same opportunity and discussion when we develop the riverfront area. One thing that Donna Irwin mentioned is where do you want the historic feel of Troutdale to be and where do you want high density urban. I think we want the historic feel of Troutdale to be in the old part of downtown and the way to get that is to minimize the 45' height.

Councilor Gorsek stated I don't agree with you. If you look at Lake Oswego, I think that is a wonderful elevation. I don't think that would diminish the historic feel at all.

Councilor Canfield stated there are still design standards for the CBD.

Councilor Ripma stated the Lake Oswego model doesn't fit our historic downtown.

Councilor Gorsek stated I think it does. Historic is illusory here. Everything on the north side of Historic Columbia River Highway is new.

Councilor Daoust stated my point is that the look that we have down there now is the look that we like, I assume. I like the Lake Oswego look and I think we will see that down in the riverfront area but the look we have now is the look we like.

Councilor Gorsek stated you can have that façade and still have high density.

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

Motion Failed 1 – 6.

MOTION: Councilor Thomas moved to adopt the language proposed by Rich Faith amending Section 3.134E of the Troutdale Development Code by adding the following language to the end of Section 3.134E: ...provided that the structure does not exceed the maximum building height ceiling measured as follows: 1) The maximum building height ceiling shall be a plane established for each square block within the CBD exception area. The maximum building height ceiling shall be 35 feet as measured from the grade of SE 2nd Street at the mid-block point (between abutting side streets) of SE 2nd Street. 2) Within each square block, the height of a building may not exceed the maximum 45-foot building height, nor may it project above the maximum 35-foot ceiling for that block. 3) The maximum height of a structure fronting on SE 2nd Street shall be measured from the grade of SE 2nd Street as it occurs adjacent to the lot. Seconded by Councilor Gorsek.

Councilor Thomas stated I think this provides the protection by giving the people on the south side of 2nd Street the same sightlines they would have had prior to the Code being changed at the January 24th meeting.

Councilor Gorsek stated I think it is a good compromise. This will allow clarity for developers and we can move forward.

Councilor Daoust stated I do like what staff came up with but I only want to apply it to the Marino block.

Councilor Ripma stated the trouble with this is it leaves the 45' height along Historic Columbia River Highway. The Council is caving in to the request of one developer who doesn't even have a final plan for the site, yet we are going to change forever the look of downtown Troutdale, ruin its look as you approach the city. We have made colossal mistakes over the years and I have probably been part of them but this is another colossal mistake to keep the 45' along Historic Columbia River Highway. This compromise is better than the straight 45'.

Mayor Thalhoffer stated we aren't caving into anybody. These folks are genuine people and they have shown us what they have done in other areas. I resent the statement that we have caved in to some people who don't even know what they are going to do yet. I have a great deal of faith in them.

Councilor Canfield stated what we are trying to do is solve a problem. We are not going to make everybody happy. This is a good solution and compromise. This will be good for Troutdale. Troutdale is going to change no matter what we do. I am getting tired of sitting at meetings at 11:30 at night and having my fellow councilors going off of the issue and speaking to personal opinions such as caving in, mean-spirited, I don't care what it is I am tired of it. We should be speaking to the issue alone.

Councilor Ripma stated this is a judgment call and I apologize if you took it wrong. I am asking you to think about it.

FRIENDLY AMENDMENT: Councilor Ripma moved for a Friendly Amendment to amend the language in 3.134E1 reducing the ceiling height along 2nd Street from 35-feet to 30-feet and amend the language in 3.134E2 which reads, “nor may it project above the maximum 35-foot ceiling for that block” to read, “nor may it project above the maximum 30-foot ceiling for that block”.

Several councilors stated they did not agree with the amendment.

Councilor Ripma withdrew his friendly amendment due to lack of support.

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

Motion Failed 6 – 1.

MOTION: Councilor Ripma moved that we consider directing staff to change the minimum lot width for residential in the Town Center Overlay from 16’ to 20’.

Motion died due to lack of a second.

MOTION: Councilor Ripma moved that outside of the exception area, the rest of the Town Center Overlay, we change the minimum lot width which is currently 16’ to 20’. Seconded by Councilor Kyle.

Councilor Ripma stated this motion allows the Diamonds to go forward with the plan that they are talking about and allows 16’ lots with no recreation areas and all of the other things in the exception area all along Historic Columbia River Highway and 2nd Street. For single-family homes on separate lots it provides for a 20’ minimum, that is what was recommended by the CAC and approved by the Planning Commission and forwarded to us. Condominiums and other types of developments can be built at 16’ still, but for single-family homes on separate lots it would be a 20’ minimum.

Councilor Kyle stated I heard a lot of talk about diversification and I personally have looked at a lot of 16’ attached housing so if we are going to diversify we should probably try something bigger, that is why I am going to support this.

Councilor Daoust stated I think if you want to diversify you don’t have any lot width requirement. I look at Portland, Beaverton, Gresham and Tigard and they have no lot

width requirement. I like the testimony I heard, it made a lot of sense but I am not quite there to go from 16' to arbitrarily say that 20' is now our minimum and you can't do anything less than that. That just doesn't make sense to me when other cities are very successful in getting diversity with no lot widths.

Councilor Gorsek stated I would like to echo what Councilor Daoust just said. It was very interesting to see all of those different samples of cities around us and finding that they have done quite well without restrictions. I think Councilor Daoust is right, if you want diversity you don't put a number on it.

Councilor Thomas stated I think what is happening tonight is we are confusing what the actual building is versus the lot. Going to 20' isn't really going to solve this. If you go to 20' you are assuming that they are building zero lot line homes and if they are not the stand alone you are looking at a 10' wide house by the time you take 5' off of both sides of the property. I don't think we should change the code.

Mayor Thalhofer stated I have fought for the core area, what we are calling the exception area. On the other hand I think outside of the core area we need to have a little wider lot. I wouldn't want to see 16' width lots all over the Town Center Overlay. This would require 20' lots outside of the exception area.

Councilor Canfield stated I am voting against this. It doesn't matter what the width of the house is, it is how you build it. If this said that every single rowhouse must be 16' wide, I would be against this. In reality that is not what happens, there is always a mix of widths. We need to give flexibility to allow variety.

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

Motion Failed 3 – 4.

Mayor Thalhofer stated the 16' remains throughout the entire Town Center Overlay.

Marnie Allen stated staff will bring back an ordinance with the proposed language with the change in the height. The typical process for adopting an ordinance is that you introduce it and have a public hearing at one meeting and you adopt the ordinance at a second meeting with a public hearing. We have had numerous public hearings and work sessions on this topic. There is an option available to Council under our Charter where you could adopt the ordinance if we include findings, and if everyone agrees, at one meeting and you could do that without a public hearing. The ordinance would need to be available 24-hours before the meeting. My question to the Council is do you want me to include findings allowing you to adopt the ordinance at one meeting or do you want to go through your usual process and hold two public hearings.

Council directed staff to prepare an ordinance with the proposed language regarding the

change in the building height with findings for adoption at one meeting.

6. STAFF COMMUNICATIONS

John Anderson suggested rescheduling the executive session that was scheduled for this evening to March 21, 2006.

Council agreed.

7. COUNCIL COMMUNICATIONS

Mayor Thalhofer stated we received an invitation from the City of Gresham to join them in welcoming the Oregon Economic & Community Development Commission to Gresham with a reception and dinner on March 16th from 5:00pm to 7:30pm at Persimmon Country Club. We have decided that the Councilors could attend this event and the City will pay for it.

8. ADJOURNMENT:

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

Meeting adjourned at 11:55pm.

Paul Thalhofer, Mayor

Approved June 13, 2006

ATTEST:

Debbie Stickney, City Recorder