

MINUTES
Troutdale City Council – Regular Meeting
Troutdale City Conference Building
223 Buxton Avenue
Troutdale, OR 97060-2099

Tuesday, September 13, 2005

1. ROLL CALL

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

PRESENT: Mayor Thalhofer, Councilor Gorsek, Councilor Ripma (7:02pm), Councilor Thomas, Councilor Canfield, Councilor Kyle, and Councilor Daoust.

ABSENT: None.

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

GUESTS: See Attached List.

Mayor Thalhofer asked are there any agenda updates?

John Anderson, City Administrator, stated there are no changes but we have two additions. One is a letter for Agenda Item #4, which you should have at your place, and the other is an item that was faxed to you from the downtown business community for Agenda Item #5.

2. CONSENT AGENDA:

- 2.1 ACCEPT MINUTES:** May 10, 2005 Regular Meeting, May 10, 2005 Work Session, May 17, 2005 Work Session, May 24, 2005 Regular Meeting, May 24, 2005 Work Session, June 7, 2005 Work Session, and July 12, 2005 Work Session.
- 2.2 RESOLUTION:** A Resolution authorizing the Mayor and City Administrator to sign renewal No. 18 to Intergovernmental Agreement No. 3012987 with Multnomah County for road maintenance.
- 2.3 MOTION:** A motion authorizing the expenditure of \$5,000 in FY 2005-06 for the Confluence Project.
- 2.4 MOTION:** A motion authorizing the Mayor to submit a letter in support of a DLCD Technical Assistance Grant Application for an Economic Development Action Plan for the Columbia Cascade River District.

Councilor Thomas requested that Consent Agenda Item 2.3 be removed from the consent agenda and be placed on the regular agenda for discussion.

Council agreed.

MOTION: Councilor Daoust moved to adopt Consent Agenda Items 2.1, 2.2 and 2.4 and place Item 2.3 on the Regular Agenda for discussion. Seconded by Councilor Kyle. The motion passed unanimously.

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

None.

4. PUBLIC HEARING / RESOLUTION: A Resolution approving the annexation of approximately 14.08 acres (Land Use File No. 05-044, Baker Property). *(Property is located south of Sweetbriar Road, north of Strebin Road, and east of Troutdale Road.)*

Mayor Thalhofer opened the public hearing at 7:07pm and read the resolution title.

Marnie Allen, City Attorney, stated this item on the agenda tonight is a quasi-judicial land use hearing. What that means is there are specific procedures in state law and in our Municipal Code that govern the way that the City Council and Mayor will preside over this hearing. In accordance with state law and our Municipal Code, a staff report has been made available seven days before the hearing tonight. If you'd like a copy you can request one and we'll provide one for you. That staff report refers to the Planning Commission decision that was made and their recommendation. In the Planning Commission's decision all of the approval criteria that applied, and that the Council will consider in making its decision, are spelled out. If you would like those criteria to be read please let us know and I can do that or you can refer to those criteria in the Planning Commission's decision because those are the criteria that guide the decision tonight. The procedure that the Council is required to follow in state law begins with the staff making a report and presentation. The Mayor will then open the public hearing. The applicant has the opportunity to go first and present their application to the City Council. Anyone who is here to testify in support of the application then has an opportunity to testify before the City Council. After the applicant and those in favor have testified, anyone who is here who is opposed to the application for the annexation will then have a chance to testify. If there is testimony in opposition to the application then the applicant has a final chance for rebuttal to respond. After everyone has testified tonight the Mayor will close the public hearing and the City Council may deliberate and adopt a decision. If you want to leave the record open, if there is additional information that you think the City Council needs to consider and that you want to submit, you need to make that request when you testify and ask the Council to leave the record open or to continue the hearing. Otherwise when the Mayor closes the public hearing after everyone has testified, no new evidence or information can be presented or will be considered. If you are going to testify, please give your name at the beginning of your testimony so that it is in the record. If you have exhibits or letters those also need to be identified so that we can make sure they are in the record. Any issue that you want to raise on appeal, if you were to disagree with the City Council's decision, needs to be raised in your testimony or in written information that you

submit with enough clarity that the City Council can understand what your issue is and respond to it. If you fail to raise any issue you will be barred from raising that issue later on if it is appealed to LUBA or in Circuit Court if you were to bring action for damages in Circuit Court. I would like to remind the Mayor and Councilors to declare any ex-parte contacts, conflicts of interest, or bias if there are any.

Mayor Thalhoffer stated I have had ex-parte contacts. I have been out to the area and looked at it and briefly talked to some of the people who live in the area. I did not discuss the issue of this hearing tonight, I told them I couldn't.

Marnie Allen stated if there is anyone here who has questions or concerns about the Mayor's disclosed ex-parte contact, when you are testifying please raise that if you want to know the specifics of what was talked about otherwise any objection will be waived and cannot be raised later on appeal.

Councilor Canfield stated I went out and looked at the property however I have not discussed it with anyone.

Councilor Kyle stated I looked at the property.

Councilor Gorsek stated I looked at the property.

Councilor Ripma stated I also looked at the property. I live rather close, on Troutdale Road, and one of my neighbors handed me a copy of Attachment 3 of Exhibit B which was information about the proposed development. There is a copy of that in the packet.

Rich Faith, Community Development Director stated this is an application requesting annexation into the City of Troutdale. This is a Type IV proceeding which means this has gone through the Planning Commission and is now being forwarded to you with their recommendation. The subject property is owned by Florence Baker; I believe it is actually held in trust for her late husband. The applicant is Centex Homes who is purchasing the property with the intent to develop it.

Rich Faith showed a PowerPoint presentation (copy included in the packet).

Rich Faith stated this slide (slide 2) shows the subject property. The affected territory is comprised of a portion of two tax lots, tax lot 500 and 600. The entire annexation is approximately 14.08 acres which is comprised of about 12.5 acres of property that is in the Baker Trust with the balance of the property comprised of abutting County right-of-way. The affected territory is bounded by Sweetbriar Road on the north, to the north of Strebin Road and east of Troutdale Road and to the west of Briarwood East and Berryland Estates subdivisions. The annexation is being evaluated against the criteria contained within the Troutdale Development Code. The first of the criteria that applies to annexation is that the proposal conforms to the Comprehensive Land Use Plan, or substantial changes in conditions have occurred which render the Comprehensive Land Use Plan inapplicable to the annexation (slide 3). The staff report that was prepared for the Planning Commission hearing

concluded that the criteria was met. The Planning Commission's findings and recommendation concurred with that. However, I would like to go through the various Comprehensive Plan Goals so that we can speak to each of those individually. Goal 1 deals with citizen involvement. The mailed, posted and published notices and the public hearings in this matter satisfied the policies of Goal 1. Specifically what has occurred is that notices of the Planning Commission hearing were mailed to all owners of property within 250' of the subject territory. A Planning Commission hearing was conducted on July 27th with opportunity for any interested party to attend and testify. Notices for this particular hearing before the Council were also mailed to interested parties, that would be those persons who either attended the Planning Commission hearing and testified or submitted written testimony. The particular written comments that were received by the Planning Commission either prior to their hearing or at the time of their hearing have been included as Exhibits to my staff report that you received, so you have copies of all of the written comments. Goal 2 deals with land use. The subject territory is within the City's Urban Planning Area boundary. The County adopted the City's plan designation and the low density residential zoning of R-10 on this property in 2002. We actually entered into an Urban Planning Agreement in 1998 but the transfer of jurisdiction for zoning and so forth did not occur until 2002. Because it already carries the City's plan designation and zoning there is not a concurrent map amendment as part of this annexation. The applicants are staying with the low density residential designation and the R-10 zoning. The underlying zoning of R-10 usually requires a minimum 10,000 square foot lots. However, because this property does have wetlands it makes it possible to create lots smaller than 10,000 square feet but it can not exceed the overall density. By that what we are saying is that the maximum number of lots allowed at the minimum 10,000 square foot lots can not be exceeded even though smaller lots can be created in order to preserve the wetland area. As an example, if the owners/developers of this property were able to create forty (40) lots at 10,000 square foot minimums through the provisions allowed in the code, by allowing smaller lots to compensate for the protected wetland and buffer area they still could not build more than forty (40) lots but they could be smaller lots leaving a large open space for the wetland and buffer. The only way that they could increase the density over the maximum allowed number of lots is either to get a zone change to a higher density zone or to go through the planned development procedure. Through a planned development they can seek deviation from the normal minimum lot sizes and actually even request a bonus or increase in the number of lots to be created. Either way it would require a public hearing and public notification. Goal 5 the Comprehensive Plan relates to open spaces, scenic and historic areas and natural resources and Goal 6 deals with air, water and land resources quality. As I mentioned the affected property does have some significant wetlands and also includes a significant stand of trees. Concerns about the wetlands and storm water runoff were raised at the Planning Commission. When the property is developed the development standards of the Code must be met with respect to wetland protection. This will result in a substantial open space area as part of this development regardless of what method of development they use. Goal 7 relates to areas subject to natural disasters and hazards. Development standards which implement this goal pertain to flood plain and steep slopes. This property has neither steep slopes or is a part of the 100-year flood plain, so this does not affect this particular proposal. Goal 8 pertains to recreational needs. At the Planning Commission hearing a neighbor did raise a concern about the lack of parks in this particular area of the city. There is no standard in the

Development Code that requires a developer to deed recreational land to the city as part of an annexation procedure. As land develops we collect system development charges at the time that building permits are taken out for residential dwellings and those system development charges or fees are then earmarked for acquisition of land for recreational needs and for improvements of parks and recreational land. Goal 9 relates to the economy. I think the only economic factor that we can point out about this proposed annexation is that by bringing it into the city it will add land to the city's tax rolls upon development. Goal 10 relates to housing. The primary type of housing that is allowed in the R-10 zoning district is single-family detached dwellings. Development of the affected territory with single-family dwellings will help meet the demand for adequate housing supply within the Portland Metropolitan region. The maximum number of dwelling possible on the site will be determined through either the regular subdivision process or the Planned Development proceeding. Goal 11 relates to public facilities and services. What this speaks to particularly is public improvements such as streets, water, sewer, and storm sewer lines, police and fire services and public schools. Construction of the sewer, water, streets and those types of infrastructure will be made at the time the property is developed. The property is within the Gresham-Barlow School District. We have received no comments from the School District relating to this proposed annexation. The affected territory is within Fire District #10, however, upon this annexation it would be concurrently de-annexed from Fire District #10 and brought into the City of Troutdale and then it will receive fire service through our contract with Gresham Fire and Emergency Services. Police services are currently under the jurisdiction of the Multnomah County Sheriff's Department but upon annexation it will then come under the Troutdale Police Department. Goal 12 relates to transportation. There are two main access roads to this property, from the north we have SE Sweetbriar Road and to the south is Strebin Road. These are both county roads but the County has no objection to the annexation of the property or the abutting road right-of-way. SE Sweetbriar Road is already within the City limits. However, as part of this annexation request Strebin Road that would immediately abut the property to the south is included in the annexation. Also as we get over to the southern part of the Briarwood East subdivision, the southern half of that County right-of-way is not currently within the City, so that is going to be brought in as well to clean up the boundary lines for the City. Based on a request from the Police Chief, bringing in the entire segment of Strebin Road all the way out to Troutdale Road will clear up confusion of jurisdiction between the County and the City for police services. The applicant has agreed to include the entire length of Strebin Road all the way out to the intersection with Troutdale Road. Goal 13 of the Comprehensive Plan relates to energy conservation and this particular goal is dealt with primarily at the time of building permits and through the building code. There are energy related standards that are in the State Building Code that are administered at the time of building permits. Goal 14 relates to urbanization. The City of Troutdale's urbanization policy, as presented in the Comprehensive Plan, is to provide for an orderly and efficient transition from rural to urban land use and to provide urban services ultimately from Strebin Road on the south to the Columbia River to the north, which is the area within in our urban planning boundary. This slide (slide #14) shows the urban planning area to the south of the city, the dashed area are properties that are outside of the city limits but within the Urban Planning Area with the exception of this piece here (the Asakawa property) which was recently annexed into the City. So it is part of our Urban Planning Area and has been earmarked for eventual annexation into the City. There are a number of

criteria that are contained in the Metro Code, which is the umbrella regional code as it affects all annexations within the Portland Metropolitan region, so these also need to be evaluated. The first of these is that the annexation is consistent with the City's annexation plan as identified in this Urban Planning Area Agreement with the County. Next, that it is consistent with the Comprehensive Land Use Plan of the City. Third, it is consistent with the Metro Regional Framework and Metro Functional Plans. Fourth, that the annexation is timely, orderly and promotes the economic provisions of public facilities and services. And finally that it is consistent with state and local laws pertaining to annexation. All of these criteria were found to be met through the Planning Commission's findings and recommendation. The second criteria contained in the Development Code relating to annexations is that inclusion of the territory within the City would be consistent with the purpose served by the City. Once again, the Planning Commission's findings as they have been made and forwarded to you do make the finding that this criteria has been met. In conclusion, the recommendation that is before you is one that has been forwarded by the Planning Commission. It is their recommendation that this annexation be approved. This annexation would be comprised of 14.08 acres. The particular property is reflected in the exhibits to the resolution which are part of your packet. We did receive a letter yesterday from George and Renae Fraizer on this matter and a copy has been provided to you. I believe that you have all of the information relevant to this annexation application.

Councilor Thomas stated I assume that they are going to expand the portion of Sweetbriar Road that touches their development to the current standard. Are there any plans from that piece of land back to Troutdale Road, because that is fairly narrow?

Rich Faith replied they certainly will be required to make the half-street improvements abutting their property. With respect to the balance of that, I would have to say that would have to depend on whether there is a traffic study performed that would say that the area to the west out to Troutdale Road poses certain hazards because of its design. That would be something that would have to be evaluated at the time of the subdivision application.

Mayor Thalhoffer asked how many acres are in the wetland area?

Rich Faith replied I don't believe that we have anything yet that quantifies the exact acreage. We have received some rather generalized maps that show us generally where that wetland is and its required vegetation buffer, but I have not seen an acreage figure associated with that. Perhaps the applicant will have that information.

Mayor Thalhoffer stated at some point I think the Council gave you direction that we would like developers that come forward with a subdivision application to be required to set aside parkland, but we don't have that requirement yet.

Rich Faith replied we have talked about that and it is on my "to do" list but it has taken second seat to many other issues that we have been dealing with this year.

Mayor Thalhoffer stated 10,000 square foot lots, R-10, but because of the water feature it can become an R-6 or R-7 as long as they don't build any more than forty lots.

Rich Faith stated under the regular subdivision procedure the lots can not be less than 7,000 square feet. The provision in our Code related to protection of the water feature, whether it is a wetland, stream or whatever, allows for reduction in the lot size up to 3,000 square feet. So that would mean for a 10,000 square foot minimum you could go down to as low as 7,000 square feet provided that none of the lots encroach within the vegetation buffer. They would have to go through a planned development process to specifically request anything less than 7,000 square feet.

Mayor Thalhfer stated there was one person at the Planning Commission hearing that stated that they would rather have their kids go to the Reynolds School District instead of the Gresham-Barlow School District because the whole City of Troutdale goes to Reynolds except for this area. Is there anything that could be done about that so that the kids in this area could be sent to Reynolds?

Rich Faith replied I don't know what the procedure is to have a child go to a different district than the one they are physically located in.

Mayor Thalhfer asked that should be able to be worked out shouldn't it?

Rich Faith replied are you asking whether this particular resident can petition to have their child go into a different district or are you asking if this entire property can request to switch to Reynolds School District?

Mayor Thalhfer replied if the people who live there would like to address that maybe we could make an inquiry to the School District to see if that can't be worked out with Gresham-Barlow where the children could go to Reynolds School District where all of their friends and neighbors go. We could pursue that couldn't we?

Rich Faith replied we would not be able to be the decision maker in that but we could lend our support in that.

Councilor Canfield asked could you clarify for us the reasoning behind allowing the reduction in lot size from 10,000 to 7,000 square feet if they are not allowed to develop in the vegetarian area?

Rich Faith replied the concept is that we are putting a priority on protection of wetlands and other water features and rather than holding at the delineated boundary of the wetland, in addition to that we establish a minimum buffer area along the perimeter of the wetland. The issue is that we are putting a high value or priority on the protection of the resource and consequently taking away area that can be developed. To compensate, so to speak, for what we are taking away we are saying you would normally be entitled to a certain number of lots but we are taking away some of the land area that you could have otherwise developed but in order to compensate for that we are willing to allow you to reduce the size of the lots so that you can get as close as possible to that maximum number of lots. It is tied to a takings issue

and a fear that if we don't allow some compensation of that type we would be vulnerable to a takings claim.

Councilor Kyle stated I am looking at Attachment 4, which is a map of the proposed layout, and it says that three of the lots are less than 7,000 square feet. Didn't you say that the lots couldn't be less than 7,000 square feet?

Rich Faith replied this is a preliminary sketch. It is nothing official. It was submitted, if I recall, for consideration at a pre-application meeting. The whole purpose of a pre-application meeting with the City staff is so that we can evaluate what they think they can do and we can inform them of the reality of what they can actually do. This may have been something that they thought was permissible, but it is not. Again, if they go through the regular subdivision process they would not be able to create lots under 7,000 square feet. They would have to go through a planned development process, which the Council has the final say in, to create lots that are less than 7,000 square feet.

Councilor Kyle asked what were the actual lot sizes for the Asakawa property?

Rich Faith replied that is zoned R-7 and they also have some wetlands and a vegetative buffer area and consequently they were approved for some of the lots at less than the 7,000 square foot minimum.

Councilor Kyle asked what is the zoning on Berryland Estates?

Rich Faith replied R-10.

Councilor Kyle asked what is the range of the lot sizes for that subdivision?

Rich Faith replied it is my recollection that there is nothing under 10,000 square feet and there may be some lots that are in the 12,000 to 14,000 square foot range because of the configuration.

Councilor Daoust asked the wetland boundary that has been delineated by OTAK, the engineering firm, did they delineate that or did we delineate that?

Rich Faith replied they would have hired someone to do that.

Councilor Daoust stated we can see where the boundary of the wetland is, that pretty much takes that whole narrow area in the middle and basically leaves a greenspace. Could they develop within that openspace, in other words cross over the wetland and develop in the middle there?

Rich Faith asked are you referring to that little island there in the middle?

Councilor Daoust replied yes, which is not within the wetland area but it is called openspace Track A on Attachment 5. Could they develop within that area?

Rich Faith replied technically speaking they could but the difficulty is getting access to that because we wouldn't be able to construct roads through the wetlands. From a purely technical standpoint of the Code that could be developed.

Councilor Daoust stated maybe at a later date if they gained access from the west.

Rich Faith stated it all depends on whether or not they are going to set that entire track aside as an openspace track precluding any development there or they put certain covenants and restrictions on that. From a technical standpoint it could potentially be developed.

Councilor Ripma asked is any of the property going to be public ownership?

Rich Faith replied the wetland track is up for negotiations. It hasn't been determined whether they will retain ownership of that as part of a homeowners association. I think that they might be willing to deed it to the city if we are open to accept it, but that has not been determined for sure.

Councilor Ripma asked how can it be a taking if you buy a piece of property that is partly wet and can't be built on, doesn't that affect the price? Why is it a taking if there is no requirement that they dedicate to the public. They own it all and they know that they have to build R-10 10,000 square foot homes. I am not following the rationale.

Rich Faith stated the issue is not the delineated wetlands, it is the wetland buffer. It is what we call the vegetation corridor that surrounds that wetland. So we acknowledge that a delineated wetland is restrictive to development, that is a federal law that pertains to wetlands, but it is the 50' buffer surrounding that which is a City requirement that is reducing the lands that they otherwise could develop. So that is the portion that they are basically being compensated for through reduced lot sizes, but not for the wetland itself.

Councilor Ripma stated Berryland Estates is right next door to the proposed development and Berryland Estates was developed as 10,000 square foot lots. Why is this property obviously being restricted in some way that the very next property wasn't? I don't follow that. What is so different?

Rich Faith replied I am not certain, but I don't believe that the wetland at the time was shown to extend across the property that is now developed as Berryland Estates. Even if it did we were operating under different rules at that time, I think that was back in 1995 when that was subdivided. The wetland buffer requirement came into effect in 2000 as part of what we call the Title 3 amendments and that is when we imposed the 50' buffer around wetlands and the provision that allows for reduced lot sizes to compensate for that buffer. That was not in effect in 1995.

Councilor Ripma asked was Berryland Estates developed in 1995, I thought it was more recent than that?

Citizens stated 1998.

Councilor Ripma stated but anyways the rules were different.

Rich Faith stated I could be mistaken, I thought it was 95 but it was prior to our current standards, that I do know.

Councilor Ripma stated current standards for these setbacks which I think were a Metro requirement weren't they?

Rich Faith replied they were part of Metro's model code that most jurisdictions in the Metro area borrowed bits and pieces from.

Councilor Ripma asked in the consideration of this annexation are we permitted to consider the density of the proposed development? This request to have higher density than R-10 lots, is that a permissible thing for us to consider in the annexation request which is what is before us?

Rich Faith replied in my opinion there is no request before you tonight for a specific development. Nor is there a request before you tonight for any change in the zoning. The developer is going to be required, if this annexation is approved, to develop the property in compliance with our Development Code and in compliance with what the R-10 zoning permits as well as other provisions of the Code.

Marnie Allen stated I agree with that. The question before you isn't how many lots or what should the size of the lots be because you don't have an application for the development to tell you how many lots or what sizes, you don't have an application that shows that they can build all 10,000 square foot lots. That really comes in the next phase once you make the decision on whether or not to annex the property.

Councilor Ripma asked is Centex Homes now the owner, have they bought the property?

Rich Faith replied I don't know, you would have to ask Centex.

Councilor Ripma asked who is the applicant?

Rich Faith replied Centex Homes.

Councilor Ripma asked as owner?

Rich Faith replied they don't necessarily have to be the owner. Florence Baker signed as the property owner at the time this annex application was submitted.

Councilor Ripma asked in the future when an application for the development of this property comes through you mentioned something about the City Council having the right to agree to

these smaller lots or not. How much authority do we have to decide if we are going to accept these smaller lots when the development comes to us?

Rich Faith replied let me clarify this. If the application is for a regular subdivision, not going through a planned development, that is considered by the Planning Commission. The Planning Commission makes a decision, which can be appealed to you. So you would only have a say in that subdivision if the decision of the Planning Commission is appealed to you. If it is a planned development that will automatically come to you after the Planning Commission because that goes through the Type 4 procedure. In a planned development you would have the final say and in a regular subdivision you would only have the final say if it is appealed to you.

Councilor Ripma asked could it be developed in a way that just went through staff with these smaller lots and never even goes to the Planning Commission?

Rich Faith replied if their intent is to subdivide the property into more than three parcels then it has to go through the Planning Commission. Our administrative review ends at three lots.

Councilor Ripma asked so our time to weigh in on the size of the lots and whether there is a give back or a taking or all of the issues involved in that is not now, it is either if it is a subdivision and appealed to us or if it is a planned development?

Rich Faith replied correct.

Mayor Thalhoffer stated you said in regards to setbacks that we are taking away an area which could otherwise be developed. When they look at the area in the beginning don't they understand that it is an area that they can't develop because of the setbacks? There it is, this is what you can develop and this is what you can't. So why are we taking anything away?

Rich Faith replied that is partially correct. Yes they are aware of what they can't develop. By the same token they are aware that the Code allows for some smaller lots as a result of the fact that they can't develop that area. So they are looking at the whole picture, not just half of it.

Councilor Canfield asked to clarify, the only thing that is before us right now is whether or not this annexation proposal meets all of the various requirements of the City, is that correct?

Rich Faith replied yes, specifically the criteria related to an annexation.

Councilor Canfield asked so any discussions about lot sizes, street sizes, as important as they are, really are not germane to the issue before us, is that right?

Rich Faith replied I would have to say that is correct.

Marnie Allen asked Rich Faith, if a subdivision application that comes in under the R-10 which requires 10,000 square foot lots, can they through the straight subdivision process that

would end at the Planning Commission reduce the lot sizes or would that have to go through a planned development which would mean that it would come before the Council if they were going to change the lot sizes?

Rich Faith replied as it is now written in the Code they would be allowed to create lots smaller than 10,000 square feet as long as they don't exceed the overall density and as long as no lot is less than 7,000 square feet as part of a regular subdivision.

Mayor Thalhoffer opened the public hearing at 8:00pm and asked the applicant to come forward.

Farrand Livingston stated I am an attorney and I represent the Baker family. I am also a trustee of the William W. Baker Trust so in that respect I am also a property owner. I would like to introduce you to the Bakers and give you a little background about the Bakers and their history with the City of Troutdale.

Farrand Livingston introduced the Baker family members, Florence Baker and her son Bob.

Farrand Livingston stated the Baker family goes back a bit. Many of you may recognize the tree that is growing at the intersection of Stark and Troutdale Road. I stopped today and looked at the plaque beside that tree and that tree was planted in 1883 approximately when Alfred Baker, Bob Baker's Great Grandfather, first started to farm in the Troutdale community. I noticed that the plaque said that Alfred also, in addition to farming, was a stage coach driver. In about the 1900's Cora Hopkins and Nellie Hopkins, Alfred's daughter, first started farming the property that is located to the south of the original Baker farm, which is part of the property that is the subject of this annexation. Florence and her now deceased husband, Bill Baker, inherited the property from Bill's parents and Florence and her son Bob are now living on the property. In essence the Baker family has owned the property that is the subject of this annexation since approximately 1900. The property has been a farm. Obviously nobody in this room has seen this property used for anything but farming all of these years. The Bakers have seen urbanization approach their property from the north and from the east. They have held out quite a while in terms of their use of the property. Certainly it was never acquired by the Bakers for investment, it was acquired by the Bakers for a farm and that is what it was used for. Family developments have occurred over the last year or so that have caused them to realize they really had to sale part of the property to meet some family needs. Someone asked the question about the status of this transaction with Centex Homes. The property is still owned by Florence Baker and the William Baker Trust. There has not been a transfer of title at this point and time.

Andy Tiemann, Centex Homes stated during the Planning Commission hearing and also through staff and other inquiries there have been a lot of interested parties wondering what the development is going to look like. We have scheduled a neighborhood meeting for tomorrow night to present our proposal to the neighborhood and I would like to welcome everybody that is here tonight to attend that meeting where we can get into the more specific details of the subdivision proposal.

Jerry Offer, Planning Consultant for OTAK Inc. stated as far as the application before you tonight, it is an annexation request; it is not a request for development of the property. As far as the annexation request I don't have too much to add to what Rich Faith and the Planning Commission has said in the staff report and in the Planning Commission's decision. We believe that we have clearly met the criteria for annexation. The request to bring this property into the City is consistent with the City's Urban Planning Area Agreement with Multnomah County. It is consistent with the City's plan to provide public services and facilities to this area and it is consistent with the Goals and Policies of the Comprehensive Plan as Rich Faith went through with you tonight and as we have in our submittal to you. The comments that have come in from the various service providing agencies have all indicated that there are adequate services to serve urban development of this site. With that, I think that we have made our case that the property should be annexed. As the Council has questioned Mr. Faith already and as most of the testimony and questioning at the Planning Commission happened to be regarding development. We know that is the ultimate issue but as far as tonight's application, we would ask that you annex the property. We are glad to hear a lot of dialog in advance of our submitting the development application. In some ways it is some trouble for us to go through a lot of discussion and meetings and a lot of controversy in the neighborhood but it is good for us to hear those comments up front rather than later on down the road. We had a good discussion with the Planning Commission of what they would like to see. A number of the neighbors were at that meeting. We have set up a neighborhood meeting for tomorrow evening at 6:30 at Sweetbriar Elementary School and we welcome people to attend so we can receive their comments. Again, I want to keep you focused on the annexation being what is before you tonight but you did raise some questions that I do think we need to respond to as far as the development. Councilor Ripma asked about Berryland Estates subdivision to the east and why they have 10,000 square foot lots. My understanding is that there were no wetlands on that property at the time it was developed and there was probably less wetland buffer requirements than there presently are because we have found that there are wetlands right up to the edge of that property. If you applied the current 50' buffer from the wetlands there would be a required buffer on three of the lots in Berryland Estates. Those lots either would not have been built at all or they would have had to been smaller than 10,000 square feet. It was asked what the acreage was of the wetlands, unfortunately I don't have the actual acreage figure for you, but our exhibit does show the area of the wetlands and the 50' buffer. The wetland itself is not that large, but the 50' buffer takes a big chunk out of this property and takes it away from development. At the time that this property was designated for urban development and designated for low density residential urban development with the R-10 zone, there was not a requirement for a 50' buffer. So as the City has amended their code and increased the buffer from wetlands and other water resources to 50' it has taken away some of the developable property on the Baker property. That is why the City's code provides for the transfer of density. Transfer of density is allowing you to take land that otherwise could have been subdivided within that wetland buffer area, not the wetlands themselves, but the buffer area, to transfer that density to the areas that are not constrained by the buffer and allows you to reduce the lot sizes to no less than 7,000 square feet. One of the Councilors asked about Centex coming to this site and knowing about the regulations. Did we not know that there were wetlands on the site? Did we not know that there was a buffer? Yes we did know that there were wetlands. We had a wetland biologist go out and find out exactly where the wetlands are and determine

where the buffer is. But, we were also aware that the City's VECO Overlay provides for this opportunity to transfer the density. That is all that we are asking to do. We are not asking for a zone change, we are not asking for any special treatment other than to just utilize the City's codes as they are, although, we will be asking to do this as a planned development. We will be looking at doing this land division so that it comes before both the Planning Commission and the Council. We are going to likely ask for some flexibility with regards to some of the standards. We intend to meet all of the setbacks of the R-10 zone but we may have some adjustments to the lot width standards in our subdivision just as Berryland Estates did. They didn't do it as a planned development, they just received variances to the minimum lot depth of 100' in the R-10 zone. We are faced with some lots where we are going to need to do that as well. We know that we are going to have to do this as a planned development and we know that we are going to have to come back before both the Planning Commission and the Council so we are glad to receive your comments so that we can take them into consideration as we design the subdivision. We have done some preliminary designing of the subdivision and we have had at least two pre-application conferences with city staff. In presenting conceptual plans to the staff we did submit a plan that shows some lots that I believe were as small as 6,800 or 7,000 square feet. The planned development ordinance does not require that the minimum be 7,000 square feet. We have talked to the city staff about that and they said don't go there and so that is something that we are trying to do, we are trying to hold all of our lots to 7,000 square feet and above as we develop a development plan. We have also heard concerns from the neighbors to the east about matching up with their lots. We are trying to put as many of our 10,000 square foot lots on the eastern boundary of the site and trying to keep our lots that might be 7,000 to 8,000 square feet internal to the subdivision. I would ask that you allow us to go through the process and come up with a design and bring to you the design and have you determine at that time whether it is consistent with your idea of sensitivity to the neighborhood and not to prejudge the development based on the conceptual plans that we have drawn or some of the comments that have been made. Let us come up with an urban land division that is consistent with the City's codes. We are aware that the Berryland Estates property is R-10 and has primarily 10,000 square foot lots and Briarwood East is also primarily 10,000 square foot lots. The area to the north is zoned R-7 and is primarily 7,000 to 9,000 square foot lots. I think you need to look at the total area not just one side of this property and look at how we can make this consistent with the totality of this area. As the rest of the Baker property and other properties within the Urban Planning Area are annexed, you likely will be facing similar discussions as we have had tonight with regard to the transfer of density through the VECO Overlay. A number of those properties also have wetlands or wetland buffers on them and so I think it is likely that you are going to see a variety of lot sizes as the properties head to the west. Not every property is like Berryland Estates with no wetlands on it. One of the Councilors asked about the Asakawa site, the Asakawa site I believe is also R-10. Our lot sizes in the Asakawa property subdivision are 7,000 to 11,000 square feet. We will have houses that will be very much the same as we would be looking at developing on this portion of the Baker property.

Councilor Thomas stated most of my questions have to do with your planned development which really isn't part of this process.

Mayor Thalhoffer stated you heard me ask Mr. Faith about the requirement for parkland as development comes in and we just haven't gotten around to it which is unfortunate because if we had there would be a requirement for you to provide a park. Do you have any plans to do so?

Jerry Offer replied well we do not have our plans fully developed for what will happen in the wetland buffer as well as the upland area. The woodland on the eastern portion of this site that abuts Berryland Estates is not within the buffer and is not within the wetlands. We have talked about the possibility of having some trails out to that area and we have talked about the possibility of some recreational facilities within the buffer area. We did discuss with city staff whether the city would be interested in dedication of that area. We would be happy if you would give the staff some guidance.

Councilor Kyle asked can you identify on your map where the wetland extends west, approximately the westerly edge of the wetland?

Jerry Offer asked the far westerly edge or on our property?

Councilor Kyle stated I am wondering what the extent of that wetland on the piece of property you are looking at and the neighboring westerly property.

Jerry Offer showed the wetland area on the map. This was all wetland as shown on I believe the City's wetland inventory or the State's wetland inventory. We did not know for sure that there were wetlands on this piece of the property that Centex was looking at acquiring until they sent their wetland biologist out and only then did they find that the wetlands extended further over to the eastern boundary of the site. So it is possible that this could extend even further. This is a fairly conservative estimate of where the wetlands are based primarily on the soil surveys and aerial photo views and not field work.

Councilor Kyle stated I am curious if once the property to the west might want to develop if that would allow development of this openspace area, Track A, that is why I was trying to visualize where the wetland was.

Jerry Offer stated I think that is a good question and something that we discussed in the pre-application conference on the subdivision and the city staff said typically the city doesn't look to acquire small pockets of openspace. I think we are showing two and a half to three acres of wetlands and buffer and the wooded upland. They said they weren't sure that the city would be interested in that and I suggested that they might want to look at the big picture and look a little further to the west and see if maybe that would change their mind about what they might be interested in.

Councilor Daoust stated I am not trying to get specifics of the development plan because I know that is not what we are here for. Given the boundary of the wetland area and the given the buffer, I don't see that you could fit any more lots in than what you show in the conceptual plan that you have provided us.

Jerry Offer stated I don't expect to fit anymore in. We are trying hard. Our job working for Centex is to try and find as many lots as we can within the allowances of the City Code. I think that the conceptual plan that we have is pretty close to what we will end up with but we are looking at tweaking lot dimensions and lot sizes especially along the eastern boundary.

Andy Tiemann stated there is a little area that is upland and it is not protected and we felt that we did not want to impact the resource and cross it with a road, we want to protect it and protect the trees along there and so we decided not to touch any of the wetland and protected areas and to leave that area alone.

Jerry Offer stated that is our intent and that is part of why we would be doing this as a planned development. However, our wetland biologist said that we could probably get permits to cross that small wetlands to get to some upland that has some development potential, we don't want to do that.

Councilor Gorsek asked you said that you talked to city staff and they were unsure as to how we would feel about acquiring this central section, is that correct?

Jerry Offer replied that is correct.

Councilor Gorsek asked Mr. Faith, do you have a response to that? I want to make sure that we don't have our wires crossed here because in my mind the city is very interested in that piece of property.

Rich Faith stated I think it is a struggle with any piece of property that is developed as to whether it is in the City's best interest to accept these constrained lands, the undeveloped portions. They certainly do offer amenities. They don't offer the full range of recreational opportunities that you might want in a park, it certainly can't be developed for playgrounds and ball fields, but they certainly have value as wildlife areas. Obviously there are maintenance costs and costs to the City when we accept these in terms of maintaining them so you have to weigh what are we really getting. It is a tough struggle every time we see one of these whether or not it is in the best interest of the community to accept them as public lands to maintain and do we have adequate resources to maintain them. It would always be helpful if we had clear direction on those issues from Council.

Councilor Ripma stated one of the approval standards for annexation is that your proposal complies with the Comprehensive Plan, or something along those lines, and your proposal that we have seen seems like it is a little questionable whether it complies because it has lots smaller than 7,000 square feet. You made a comment that with a planned development you can have lots smaller than 7,000 square feet and that is not what staff said. How do you address the inconsistency there?

Jerry Offer replied I think that what Mr. Faith said is that with the VECO Overlay we could not get lots under 7,000 square feet. With a planned development you can get lots smaller than 7,000 square feet, but we don't want to go there. You are saying that the plan isn't consistent with something specific. Our conceptual plan you are not viewing as being consistent with

the Comprehensive Plan because we have lots smaller than 7,000 square feet. That is a conceptual plan and it is not a development plan at this point. Any development plan that we will submit will need to be reviewed by the Planning Commission and the Council and you will need to determine whether or not that development plan is consistent with the standards. What we are asking for tonight is for permission to come into the City through annexation so that we can develop a detailed plan and submit it to you.

Councilor Ripma stated your proposal though, in order to qualify for annexation, needs to be consistent with the Comprehensive Plan. Are you saying that you will not be making a submission for a plan with lots 6,000 square feet; you will not be doing that?

Jerry Offer replied that certainly is not our intent.

Councilor Ripma asked does your purchase of the property require you to have so many lots? Why can't you just build 10,000 square foot lots on the land that is buildable?

Andy Tiemann replied when we looked at this property we looked at the Development Code and the VECO Overlay section and we looked at the opportunities for development potential. We drafted a number of different conceptual plans to see how many lots and the lot sizes. We still have not finalized that; we are still working on that. These drawings were conceptually created and submitted to staff so that we could discuss in detail these development sections. Our intent is not to come in after the fact and have lots under 7,000 square feet even though the conceptual plan that we submitted for the pre-application conference might show that, that was months ago and we have done further due diligence on the development opportunities and we will make our final determination with our subdivision application or planned development application.

Councilor Ripma asked but you are saying definitely some of the lots will be less than 10,000 square feet?

Andy Tiemann replied there could be a possibility of that yes.

Councilor Ripma stated I know there is a stream that flows through the Baker property. From the aerial photo, are you sure that there are wetlands there, it doesn't look like it. Could you characterize what is there that is wetlands?

Andy Tiemann replied we had our wetland biologist walk the property, he will recommend that it is a wetland and then you have to go through the process with the state to do the delineation to get concurrence from the state that it is actually a wetland. As far as the description of the area, it is very deceiving looking at it at first to tell that it is wetland, but our wetland biologist, by testing the soil and looking at the plants species, identified it as a wetland area.

Councilor Ripma asked well I assume it is in your interest to not over delineate the area. Is there any chance that you will get a second opinion or challenge the wetland designation or is that not part of the process?

Andy Tiemann stated we hired a wetland biologist and he will submit his information to the State Department of State Lands. The Department of State Lands will review the application and determine if it is a wetland and the limits of the wetland area and if it is too conservative or aggressive the State will make that final decision of what is the wetland area.

Councilor Ripma asked would it make any difference if the wetland was not natural in some way? For instance if the construction of the Berryland subdivision some how shifted the water flows due to filling or grading or something and caused it to be an unnatural wetland, maybe it is just a wet area that could be properly drained. Is that a possibility and does that make any difference?

Andy Tiemann replied it is my understanding that with soils it takes many years for those soils to become hydrate and they test the soil. Our wetland biologist is not here to answer this question. I know that it takes a long time for an upland to become a wetland.

Councilor Ripma asked longer than since 1998?

Andy Tiemann replied probably.

Councilor Ripma asked would it make any difference to you in this annexation application if you thought that the City Council might, for example, require you to build only R-10, 10,000 square foot lots and you would therefore have fewer lots if that is within our power? Are you prepared to go forward either way?

Andy Tiemann replied it would be our interest that this property be annexed with the current Development Code that is allowed in R-10, just like the properties that have developed to the east and to the north, at that time they followed the Development Code. We are not asking for a zone change, we are just asking for the annexation and with our subdivision or our planned development application we will follow the Development Code.

Councilor Ripma stated which does allow the possibility of the City Council making a decision different than the Planning Commission and you are prepared to go with that?

Andy Tiemann replied correct. That is the process. You make the ultimate decision on our proposed development application.

Councilor Ripma stated including 10,000 square foot lots.

Andy Tiemann replied correct.

Councilor Gorsek asked Marnie Allen, if the Development Code is structured as they have described and they follow that, we can't turn around later and say we don't like that can we?

Marnie Allen replied you have to judge their application when it comes forward according to the standards that are in our Code.

Councilor Gorsek stated that we have set in our Code.

Marnie Allen replied correct.

Councilor Gorsek stated we adopted the Code so I don't know why we are beating up on these guys, it is our Code.

Councilor Ripma asked and our Code does allow the City Council to make the final decision.

Marnie Allen stated you would look at all of the criteria and decide if those criteria are met.

Councilor Ripma stated nobody is beating up on them.

Councilor Gorsek asked does the Council get to violate its own Code?

Marnie Allen replied no.

Councilor Gorsek stated then that answers the question.

Councilor Ripma stated no, it doesn't answer the question. The question is within our own Code could the City Council have the final say? I understand from Rich that the City Council could consistent with our own Code. It is not a question of violating our Code, I am not suggesting that for a minute.

Councilor Gorsek stated we wouldn't be able to change what the Code already says.

Councilor Ripma stated absolutely not.

Councilor Gorsek stated I just want to clarify that because it sounds like you are trying to go around the Code.

Councilor Ripma stated no, I am just saying we could in the end require 10,000 square foot lots if we make the proper findings after analyzing the application, it is possible.

Marnie Allen stated I want to raise one point of clarification. I don't know if the wetland buffers on this site and minimum density standards could both be achieved if the lots were 10,000 square feet, that would be the only issue.

Councilor Ripma stated that could be handled, for example, if we acquired the land for parks or something. There are other ways of getting at it that we aren't really addressing tonight. The suggestion that I am proposing something that would violate our Code is completely wrong. I am saying in the end you might end up with only 10,000 square foot lots perhaps, can you live with that. You said yes, I am satisfied.

Mayor Thalhofler asked at what point, if the Council so desired, should we talk about dedication of parkland, should we be doing that now or at some point in the near future?

Marnie Allen asked is the question relative to this development or are you talking about a citywide development code amendment?

Mayor Thalhofler replied this development, because it was brought up.

Rich Faith stated my understanding of what Mr. Offer said was that they will be coming forward with a planned development application, and as part of that they could propose that the wetland area and buffer, any portion that is going to be retained as an openspace track, be dedicated or deeded over to the City and that would be part of the decision that you would render.

Councilor Daoust stated only if they proposed it, is that what your answer was?

Rich Faith replied they could propose it or you could in fact commission it that way. The decision can be rendered at the time of the planned development application.

Councilor Thomas stated from my perspective I think it would be smart to have Clyde Keebaugh look at the site to see if it fits into the overall Master Plan and if it ties together with the rest of the greenspace or wetlands, I know they go clear to Troutdale Road, if there was some way to make the trails connect at some point. It may make a lot of sense so that they know that we want to do that.

Mayor Thalhofler stated but apparently this is not the time to talk about it, is that correct?

Rich Faith replied I don't think we are here to make that decision.

Councilor Gorsek stated I guess I am a little puzzled as to how city staff would be ambiguous about our feeling about park space. We have a huge undeveloped area along Beaver Creek, we constantly are worried about not having enough money to buy park space, so I guess I don't understand Rich why you would say why would we want this when obviously we do want it and we want any piece of property that is part of a natural wildlife scenic area. How could that be ambiguous? I am puzzled.

Councilor Thomas stated good question.

John Anderson, City Administrator stated part of what you don't have in front of you this evening is the Park Master Plan. As we discuss the possible sale of the County property to McMenamins and the School District, in some of those parcels there was a designation on the Park Plan for potential acquisition of that. So we have different competing priorities for parkland. We have different needs, some are openspace and some are for facilities. But I think before you go down that road, yes you want to review it, but you want to look at it in the context of the Park Plan and see how it fits in and if it fits in.

Councilor Gorsek stated I understand that but was this piece of property in the Park Plan?

Councilor Thomas stated a portion of it is, not this particular piece but some of it in that area is.

Councilor Gorsek stated in terms of policy we are interested in any of those sorts of discussions and those discussions should always come to us whether it is now or later and it shouldn't be a guessing game where you guys kind of pretend that you don't know what our wishes are. We know what our wishes are whether it is in that Plan or not.

Mayor Thalhofer stated point well taken but this isn't the time to discuss that, there will be a time in the near future that we will be discussing that, correct.

Rich Faith replied yes.

Councilor Thomas stated Jerry you were talking about two and a half to three acres that you thought were wetlands, in looking at your map it looks like the two and a half to three acres really doesn't cover that whole center portion of land. You have the top section where you go off to create a bigger portion on the southern edge. You have northern edge that comes down to where the wetland starts then you have your triangle shaped area (looking at attachment 4). Then there is kind of a U shape to the left which looks like it could be developed when the property to the west of that develops. Is that something that you are considering?

Jerry Offer replied the wetlands are everything west of this line (Jerry referred to the map), this is the fifty foot buffer and you can see how the wetland boundary gets quit close to Berryland Estates up here and everything west of this western most line is the wetlands. This is a little bit of upland woods, some of the buffer includes woods. We would be looking at setting that all aside as an openspace track with the ownership to be determined I guess.

Councilor Kyle asked because the Council does place a high priority on livability and water resources, wetlands, along with the annexation could the Council recommend 10,000 square foot minimum lot sizes? Could you give me an idea of what the ramifications of that might be?

Marnie Allen replied I think it would be very difficult to legally defend that kind of a condition because there is a strong argument that our zoning regulations implement our Comprehensive Plan and are consistent with our Comprehensive Plan so if we are now imposing a condition that changes the zoning regulations, it would be very challenging to justify that kind of a condition.

Mayor Thalhofer called for a 10-minute break at 8:45pm and reconvened the public hearing at 8:55pm.

Mayor Thalhofer asked is there anyone here that would like to testify in opposition to the annexation?

Nick Snyder stated it is not ambiguous that once the property gets annexed that it's going to be developed so all of the questions that arise here about whether it is appropriate to address the development issues, size of the lots, etc., it is absolutely relevant. It is amazing that Centex and representatives have brought a lot of information to the table but conspicuously absent are the development plans and the lot sizes, everything else is here but that is very absent. Its no secret either that it appears that Centex is looking to annex all of this property including the wetlands for an advantage to them to be able to put smaller lots on this property as well. You addressed the R-10 designation earlier. If you annex this property with the wetlands in it, that allows them to put homes on lots smaller than the R-10 designation onto these properties. That is what they are looking for, I think that is fairly obvious and we all agree on that. If the City Council does not approve this annexation as it is you have some options here. You can separate out the annexation, say the north end and the south end without annexing the wetlands or maybe there is a way of doing it in three separate annexations. That would force Centex to build in the spirit of the R-10 designation and would keep them within those guidelines based upon our codes. If they are allowed to purchase those wetlands then you might as well just throw those codes out because then you are going from a low density area to basically a moderate or high density area and they will be allowed to do that and you will be doing that for them by annexing the whole thing together. What they are doing is taking advantage of the loopholes that are in our codes as they stand. There are additional concerns for all of this also. If it goes through as it is once you have a higher density area there are concerns as far as fires spreading more rapidly from one house to another. Safety of children is a concern. If you don't have front and back yards for kids to play in because houses are jammed in, they will be out in the street playing. That brings up the issue of parks designation, that hasn't been addressed tonight and it was requested that it be addressed by this time and it wasn't. Finally, with regard to additional concerns of traffic around the area, we've seen what is happening with the closure of Stark Street on Troutdale Road along with Sweetbriar Road, it is significant. With higher density population in this area is there any plan in place with their proposed annexation on traffic? Any plans for roads, traffic signals, stop lights, speed limits, what is going to happen? They didn't bring any of that to the table. They are looking to jam this property up with houses. With all respect to the Baker family, this is based on what we heard tonight, it sounds like there is an area of land that is potentially developable, identified as openspace on their graphs. If that is the case I am guessing that maybe they aren't getting offered their fair share for this property if that land does end up being buildable. I don't know what their ideas about the future of their property is, but with regard to the rest of the community we are very concerned about this development staying consistent with the spirit of the R-10 designation and the spirit of the vision that was proposed for this whole area. I ask that since we don't have all of the information in front of us here, and I have to say that it is rather interesting that the meeting that we may be getting all of this information at is tomorrow night, but they couldn't bring it tonight. That is something to look at. I think there is a lot more information that needs to be considered before you decide how to annex this property, not whether to, but how. None of us expected this property to not be developed at some time, we all have that expectation, but we do expect it to stay within the spirit of the zoning that has been set out by the City. I move that this hearing be held over until we get more information so you can make a more educated decision on this.

Stephen Patten stated there is this spirit of what we are looking at in that area with R-10. Maybe looking at the small picture is not what we need to do especially with the interest in parks and wetlands and looking at how this annexation will take place. I would recommend that the annexation as submitted tonight for your approval not be approved because when you look at annexing the wetland maybe in total at some point so that you are not going to have this come up step by step by step and then if you do that we would then end up with two separate annexations a north and a south and because there would be no wetlands and no buffer the 10,000 square foot lots would be there because it would be a separate annexation of two parcels with wetlands not included. That would hold to the spirit of the law. To hold to the spirit of the law, please deny the proposal tonight and look at annexing it in sections so that the spirit of the law and the spirit of what people want in this area that have bought 10,000 square foot lots can be addressed.

Dave Lear stated I have lived in Troutdale for twelve years and have always looked forward to development of newer homes in the community, I've always felt that Troutdale deserved it. Our first home was on Wright Place and was a 10,000 square foot lot. Four years later we researched zoning plans before we built our new house, which is currently on an 11,000 square foot lot in Berryland Estates. Thanks to development and proper zoning we were able to find this rare lot. We built this home because future development surrounding this area is R-10. We could have built anywhere in the Metro area but we choose to stay in Troutdale because of what was in the zoning plan, R-10 lots. We are not against annexation or development; in fact the Bakers have been great neighbors. We keep saying this is an annexation issue, but the application submitted is for smaller than 10,000 square foot lots in the annexation application. We need to look at this application. I have some photos to show you (the photos were submitted into the record and are contained in the packet). My neighbor and I are lots 1 and 2 of Berryland Estates. We are probably the two most impacted homes in this development; we sit right on Sweetbriar Lane. If you look at Centex plan map they have two homes that would abut against ours. Those homes are going to be placed on the lot sideways, so actually we will have a side home setback facing our backyard, which means their house will be built 10' off of my fence line. My basic view will be of a side of a house that will be 25' from the corner of my living room. The photos show you where the current property line is and where 10' past the property line, or where the side of the house would be. By jamming these homes into a 7,500 square foot lot versus keeping them at 10,000 square feet, someone who has built on a 10,000 square foot lot does not want to look right into the back of my house as well. By crunching those lot sizes down, it is not going to enhance what is already an enhanced neighborhood. If 10,000 square foot lots were kept I feel that development will be forced to build homes that are more neighbor friendly and I would think that building houses farther apart will only add value to the community. My family will vote for annexation, and support the Baker annexation, if 10,000 square foot lots are kept and if the builder takes into consideration the view of the current homeowners and the value of the neighborhood.

Rob Hawks stated I am a resident of the Briarwood East subdivision and have been there for nine years. I am against the annexation of this land as the proposal is written. I realize there was a Planning Commission meeting on July 27th about this but I didn't know about it. In

trying to find out why I didn't know about it I checked the list of notified residents and found out that the Open Door Baptist Church was notified and they are located on the corner of View Point Drive but none of the residents living on View Point Drive were notified, so this is my chance to speak to the subject now. Like many of my neighbors I was attracted to the Briarwood East subdivision because of the large areas, large spaces between the homes, and the wide streets. When the Berryland subdivision was developed those same qualities were preserved. 10,000 square feet meant 10,000 square feet for our neighborhoods and that is jeopardized with this potential annexation. I read the minutes from the Planning Commission and it showed that at least four individuals had issue with either the size of the lots or inclusion of the openspace in the annexation and they all spoke out against it. The developer stated in the minutes that they would not rebut the comments of the citizens because they were not doing anything inconsistent with the City Code. This tells me that they have no plans to really accommodate the requests of the community and they are just going to build their plans as they please. As written I have not seen any connection between the two, the north and the south section of this proposed neighborhood. This decision has long-term effects as much of the wetland area in question extends out west towards Troutdale Road. It's likely that if small lots are allowed in this subdivision that would continue out west towards Troutdale Road. I ask you to please consider the request of the citizens of Troutdale who are speaking their mind and trying to be a part of this decision making process of the government. I believe strongly that citizen involvement is critical in government decision making in Troutdale. I am not against the development; I just want to preserve the character and openness of the two south Troutdale neighborhoods and the additional neighborhoods as they are added south of Sweetbriar Road. There are other options and annexing the two sections separately would probably not be as convenient for planners, I realize that, but an option such as that would maintain the integrity and satisfy the request of the citizens in the area. I believe that this or other possible options should be explored prior to this annexation to ensure that 10,000 square feet means 10,000 square feet. Again, I would like to say that I am not against annexation or development, just this annexation as it is written.

Ron Black stated I live in Berryland Estates and I am very happy with our neighborhood and all of our good friends and neighbors around us. It is a wonderful place to live, perhaps the best place I have ever lived in my entire life. What I love about Troutdale is we have a sense of community; we have a sense of purpose and a sense of one another and friendships. I salute the Bakers and their long-term family standing. I understand what it is like to be a long-term Oregonian. I understand what it is to be part of the land. I understand what it is to be a developer; I was in the plumbing business for fourteen years. I am not new to these sorts of issues. What I would like to see done in this situation is I would like for it to wait awhile. I need more information. I have dove into this problem trying to figure out what was going on, trying to figure out how large the lot sizes are going to be and like others in my neighborhood we like the 10,000 square foot lots that is what brought us to the area. For several years before owning this home we lived right across the way on the other side on Althaus Road and my son, daughter-in-law and granddaughter bought that home several years ago so we are vested in this community very strongly. I would like to honor these people and allow them and encourage them to develop those properties. We need more good neighbors in Troutdale. We have lots and we have room for many more. The thing that I would like to see is I would like to see our sense of community, our sense of honor, our

sense of standards held to the highest level not the minimum standards, not to the 6,000, 6,500, 6,992, 7,001 square feet but to the 10,000 square foot lots or as close to that as is legitimate. We were told that on the Asakawa property that there were going to be a few, I think you all remember hearing that, a few lots that might be as small as 7,000 square feet. There are twenty-seven lots that are less than 10,000 square feet. There are only ten lots that are 10,000 square feet or more. A few to me means a few, not two-thirds less than the standard. I know that property is different; I know that there are not wetlands on it etc., but it seems to me that action speaks much louder than words gentlemen. I can only believe what I see done not what I am promised and not what I hear but only what I see done. Please allow us to have more information before you render a decision on this, please allow us to get fully interested, fully involved and fully apply our sense of fairness, our sense of community if you will.

Sandy Glantz stated I live on Sweetbriar Lane. I would ask you to postpone any decision on this annexation until some more information can be gathered. That information would come from several areas. First I don't know that traffic has been addressed, I know that it has been brought up a lot but I don't really know that there has ever been any reports done or anything to indicate what we're really dealing with here. Second, I would like to look at the Parks Master Plan and I would like to have this referred to the Parks Department as a possible acquisition. It's my understanding that part of the development cost when a subdivision goes in does go to parks and I don't see why some of that shouldn't go directly back into the property. Purchasing some of the property would solve the problem by having an area separate for city park and then an area that is developed keeping the 10,000 square foot lots. I heard earlier, we are trying to preserve and protect the wetlands and the buffer, is that just going to be for the local residents? Is there access to it? Are they going to maintain it? None of that was in any of the annexation report that I read. In the spirit of the law, when we are talking about all of the codes, are those written in stone or are those guidelines? It seems to me, especially in this case, that there are contradictory guidelines or codes and what is the purpose of even putting this through planning and the City Council if it's not to say well in this case this code doesn't apply or this code doesn't make any sense. I'm sorry if someone has to do some more paper work and file some more papers, but I think it is all being rushed into. On the schools, everyone around them would be going to Gresham-Barlow, so my daughter asked me to state on her behalf that while it would be really nice to have some kids her age going to her school, but they are already pretty crowded classroom sizes. We have heard tonight that this is going to be a planned development but should something change and they change it to a subdivision that isn't required to go to the City Council unless it is appealed, can citizens make that appeal or is it only the Planning Commission that makes that appeal?

Marnie Allen replied either the applicant or a citizen who went to the Planning Commission and participated and was a party to that initial hearing and decision before the Planning Commission can appeal it.

Sandy Glantz stated I would like to speak to some of the Goals. There has been a lot of discussion tonight about how the application is just for annexation and it meets all of the requirements. I am not sure that it really does meet all of the requirements. Some of the

Goals that are talked about include the economy and from what I understand in this development it is not doing much for our local economy. Most of the product comes from out of market, it is not hiring local builders, it is not hiring local realtors. There are no real funds coming back into this besides lot fees and some taxes. I am not sure that is a good choice. One of the other Goals is transportation and that doesn't seem to have been addressed. Once again I say that we are rushing into to this. What is the difference between a subdivision and a planned development?

Rich Faith replied a regular subdivision is processed in accordance with a specific chapter of the Code that outlines the steps and is reviewed and heard by the Planning Commission only unless appealed to the City Council, so the Planning Commission makes the final decision. Then the subdivision can be developed in accordance with the strict standards of the Code in terms of minimum lot size, minimum lot width, depth, etc. A planned development is another procedure in which the developer can request deviation from the underlying standards whether it is minimum lot size, lot width, lot depth, setbacks, etc. A planned development allows for greater flexibility in the design of a subdivision. The concept is that you might want to create smaller lots or even different kinds of housing. For example rather than single-family detached you may want to build row houses. The trade off is that you are going to be setting aside more area for openspace or whatever. The process is different in that it has to go all the way through a hearing before the City Council for final decision.

Sandy Glantz stated there was discussion that by having some of the smaller lot sizes that this would be consistent with some of the properties to the north. It was my understanding that when all of this was designated that the goal of having R-10 housing was to make a more rational transition to open farmland. Some of this property has been recently annexed in with part of the Metro Growth Boundary, that I understand, but it seems awkward that on the temporary plan there were 10,000 square foot lots up against the 7,000 square foot lots. I don't see how that is being consistent with the neighborhood. I just don't think this is well thought out and I think it should be at least readdressed at another time once some other options are looked at or denied.

Caryn Snyder stated I live on Sweetbriar Lane in the Berryland Estates development. I am certainly not an expert in development. I am not a developer or a builder. I am a resident just like most people here and I shouldn't be an expert in this. I shouldn't have to read all of the Development Codes because I should be able to trust that when I move into an area or when I buy into an area that when I see R-10 zoning I should trust that it will be R-10 zoning and that our neighborhood will be developed in the future like it was intended. Instead I receive a notice in the mail from Centex Homes saying that the proposed development will be 7,000 square foot lots, which is not at all the type of neighborhood that we envisioned. There is nothing wrong with a 7,000 square foot lot if the size of the home is appropriate for a 7,000 square foot lot. But the size of the home that they plan to put on the lots is not appropriate, it is a 2,403 square foot home, that is going to be an incredibly dense neighborhood, which is not the type of neighborhood that we all decided to move into or decided to build in. As far as the Development Codes, it seems like when it was asked can we just take the wetlands out of the average and can we just make this an R-10 development, people made this sound impossible. But when I read the Development Code it didn't sound that way to me. It looked

as if there were numerous provisions that allowed for R-10 development. For example there are three provisions that I found that allow developers to increase the density. In each of those three provisions, I believe from what I read and understand, it looks as if there are ways to make this an R-10 neighborhood. What I am asking the City Council is to be creative and to be flexible, and those are two words that are continually brought up throughout the Development Code and the Comprehensive Land Use Plan. I just ask you to please be creative and be flexible and to look at other options, don't be so hasty to annex this property because not only is it just this property that we are looking at, but we are also looking at the property west of it in the future. I think that everybody here echoes the same thing, we are concerned about the density and we just want to keep our neighborhood open and give our kids yards to play in and to just keep the neighborhood the way that we thought it would be.

Todd Hansen stated I live on Viewpoint Drive. My wife and I moved to that neighborhood specifically for its spacious lots. I want to go on record as not wanting to deny the Baker family their right to develop that property. I think they have every right in the world to do that, I think they should. I tend to be a yes person or a no person. I have heard a lot of I don't know and maybes, possibly, or we could. I don't like that, I don't trust that. I would like a little more time on this matter. I would like to maybe see whether the City Council has checked into other developments that Centex has done in neighboring communities. I know of one fairly large development in Gresham south of Willow Parkway and west of Eastman Parkway. They packed a lot of homes in there. I would like to know what the original plan was versus the final plan.

Sandy Glantz stated as there is a meeting scheduled tomorrow night with the residents, I don't mean to be suspicious but I inherently am, the purpose of the meeting is more to listen to us than it is to have any effect. That would be a second reason that I would invite you to get copies of the minutes of the meeting before making a decision on the annexation.

Nick Snyder stated I am concerned about going down a slippery slope if you do go through with this and not wait to get more information. Taking advantage of the loopholes in our own Codes, does this set precedent for future development? Are we going to run into this in the future in other areas in Troutdale where we'll have an area that is designated a certain zoning like R-10 or R-7 and they end up being significantly smaller lots because of these loopholes that are in our Code. I think we should take a close and cautious look at this and all future developments.

Mayor Thalhoffer asked if the applicant had any rebuttal testimony?

Farrand Livingston stated I represent the Baker family and I am one of the Trustees of the William Baker Trust. The Centex representatives will address some of the more specific comments that were presented during the testimony from the opposition. My first comment would simply be let's not lose sight of the criteria that is before the Council here tonight and that is annexation. I submit that about 90% of the discussion has been related to the development phase of the process and it tends to obscure what I believe are the real issues and I just urge the Council to continue to focus on what those real issues are. There is ample opportunity to address all of the issues regarding setbacks, lot sizes, planned development,

and the subdivision all in accordance with the Development Code which is on the books and it is the ordinances of the City of Troutdale. The other thing that strikes me is that I hear references to the loopholes in the Development Code and that somehow the Bakers and the developers are seeking loopholes. It seems to me that it is just the opposite. There is a Development Code and the Development Code as it has evolved in the City of Troutdale added at one point the 50' buffer zone to the wetlands as an area of which you couldn't build. In exchange for that some relief was granted to the lot sizes otherwise provided for in the zoning ordinances. That is not a loophole that is a provision that is in your Code. What I hear in terms of loopholes is lets deny the annexation and instead of allowing the annexation to proceed as a whole and the property to be developed as a whole lets annex one little corner over here and another little corner over here and one in the middle. It seems to me if there is a loophole here that is being proposed it is being proposed by the opponents to deny the Bakers of the use that would be permitted of their land under the zoning ordinances that are in place. Another question that was asked that I frankly don't think was answered, at least from the Baker's point of view is, what difference does it make whether there are 10,000 square foot lots or smaller lots which still equals the 10,000 square foot lot density for the area as a whole. I submit to you that it might very well make a difference because when the Bakers entered into a contract to sell their property to Centex Homes my experience tells me that what Centex Homes looks at is how many units are they going to build on the property and then they make an estimate of what they can afford to pay for the land in order to justify the purchase price based on those estimates. So if you think anybody might get hurt, one of the people that might get hurt by this end-around is the Bakers because it could conceivably lead to a situation where they can't sell their property, certainly they can't sell it for the price that was agreed to based upon Troutdale's Code. So it does have financial realities that could potentially come into play. Some might argue that the Bakers could conceivably seek to play by some other rules then the current Development Code in the development of their land. They are not trying to do that. The plan is to submit this property to the development process in accordance with the current Development Code. The Bakers aren't seeking these exceptions; they are willing to play by those rules. We believe that the annexation should be approved and if there are issues regarding lot size, setbacks, lot widths, etc., the proper place to hear those is in connection with the actual development of the property that they are really not relevant to this annexation issue.

Dana Krawczuk, counsel for Centex Homes stated I would like to echo a little bit of what Mr. Livingston had to say. Obviously we are all interested in ultimately what are the lots and the homes going to look like on this property. As we have said over and over again that is not the issue that is before us tonight. We have heard a lot of requests for extension of time so we can see what is going to be developed there. An application has not been filed; there is not a development proposal at this time. All that is before you at this time is for you to annex this property with the existing R-10 zoning. That is all that is before you. Another thing that we have heard this evening is that the development process, once we submit a development application it goes through the public process. It is a fluid process, I am sure you have sat through several hearings where lot patterns change, lot sizes change and it gets bounced back and forth. That is all a public dialog. So even if we continue the public hearing so that we can submit our latest snapshot of the thinking, we all know it is likely to change. It is not a game or something that Centex is playing; it is the natural public process that we go through.

From a realistic perspective, before any developer can invest the time and energy into developing that kind of plan to be submitted to the City for that public dialog they have to have assurance that it will even be reviewed by the City. The way you provide that assurance is you annex the property. Right now the City doesn't have the jurisdiction to even accept this application. An application has not been submitted, you have only seen sketches and yes there was a suggestion at one time for lots less than 7,000 square feet. We have heard loud and clear that is not a good idea, so when we go to submit our development application we will keep that and everything else we have heard this evening in mind but that is not what is before you. What is before you is a question of can we even get there? Can we annex this property? I think it is helpful to have a brief reminder of how we got here chronologically in an urban planning sense. In 1998 the City of Troutdale entered into a Urban Planning Area Agreement with Multnomah County saying this is where the urban growth boundary is, this is where our urban services area is, lets figure out between the two of us who is going to plan for what and what the zoning ought to be. In the interim, in 2000, you changed your Code to have this VECO Overlay that allows for the transfer of density from protecting resources to the developable piece of property. In 2002 you entered into an IGA with Multnomah County saying that you will take on that property as far as zoning and that is when this property was zoned R-10 including the VECO conditions that allow for the variation in lot size. We are not asking to change that, we are only asking to be annexed which your Comprehensive Plan anticipates. It says that the City intends to annex the urban services area, we are just implementing the City's intent and the Comprehensive Plan and a number of its agreements with the County. As far as excluding the wetland area, I think Mr. Livingston spoke to that. I also think you need to take a big picture approach. If we start plucking out less desirable pieces of property, for whatever reason, today it is the wetland issue and the allegation of the end-run around the Code, what will it be tomorrow? What will the neighbors be asking for tomorrow, I don't mean this neighborhood necessarily, but citywide. What is your city going to look like in 20 years? You are going to have pockets of unincorporated Multnomah County within the city. What does that do for urban services? What does that do for your tax base? And what does that do for your development of your agreements with Multnomah County and your Comprehensive Plan. I think you need to take a big picture view of this and include the wetlands in the annexation request. It is part of the entire piece of property and it is part of the territory that is presented to you. Approve the annexation and we can get to work on the development proposal. It will be a very vigorous debate I am sure. One last comment, we have been focusing on the lot sizes quite a bit but this is also a fantastic opportunity to improve and preserve this wetland area. We have talked about trails in the area, and I think that is a real community asset that we should keep in mind in considering this. One last clarification, there was a lot of discussion about 10,000 square foot lots. I want to make sure that it is very clear that Centex's position is that we are requesting the existing zoning, the R-10 and everything that comes along with that, the pluses and minuses that come with that.

Andy Tiemann stated a traffic study will be required as part of our subdivision application and with the submittal of our development application we will have a traffic study that will look at the public road systems for any inefficiencies. We have not conducted that study yet because we are waiting for the annexation to be completed to finalize our application.

Dana Krawczuk stated the Statewide Transportation Planning Rule (TPR) that requires comprehensive traffic studies is often triggered when you change the zone, but we are not changing the zoning designation, so the TPR is not triggered by this application.

Mayor Thalhoffer closed the public hearing at 9:42pm.

Councilor Thomas asked we are looking at this annexation request as one piece. Is it possible for us to split that up and deal with it separately or do we have to deal with it as one piece?

Marnie Allen replied my recommendation is that you view it all as one piece and either approve or deny it. The City can initiate an annexation but this isn't a City initiated annexation. This is an application filed by the applicant who described the boundary. If we don't think that the property they want to annex complies with our Comprehensive Plan for these reasons, and you identify why, and maybe those reasons had to do with just a portion of the property, maybe the wetlands, and if you were to deny the annexation subject to some kind of condition that required them to then remove the wetlands you would have to change the boundaries. That is one option but it would be complicated to try to implement. My recommendation is that you approve or deny it and you not try to approve an annexation of something less than what they have requested or deny it with some kind of condition.

Councilor Thomas asked is it possible we could be looking at a Measure 37 issue here?

Marnie Allen replied sure.

Councilor Thomas asked on the setbacks for a 10,000 square foot lot, aren't they 15' for a side yard setback?

Rich Faith replied the R-10 zoning setbacks are: 20' front yard, 10' side yard and a 20' rear yard.

Councilor Thomas asked so it is the same as a 7,000 square foot lot?

Rich Faith replied the R-7 zone, but this is not an R-7 zone and it would be subject to the R-10 zoning even if there are 7,000 square foot lots. But for comparison sake, in the R-7 zone the setbacks are: 20' front yard, 7-1/2' side yard and a 20' rear yard. So the difference is in the side yard. But unless they request variances or go through a planned development requesting deviation from it, even with the smaller lots in the R-10 zone they are subject to the same setbacks.

Councilor Thomas stated the southern end of the water supply is at 20psi, which is like a minimum standard. Assuming they built it at the R-10 level, if they were to be more compressed in there housing, would it be able to maintain that and if not who would pay to have that upgraded?

Travis Hultin, Chief Engineer replied I believe your question was if pressures were substandard in the subdivision who would be required to pay to boost those pressures. It would be the developer that would be required to install whatever facilities were necessary to meet our minimum pressure standards which are actually 45psi.

Councilor Thomas asked are we looking at that in this particular case? I was looking at one of the items in the report that talked about water pressures and it showed 20psi at the southern edge. If our minimum is 45psi what do we do?

Travis Hultin replied they would be required to put in a booster station to bring the pressure up to 45psi.

Councilor Thomas asked so we wouldn't have to change pipe sizes?

Travis Hultin replied it is hard to say what exactly will be required to achieve that pressure. That is a very technical question that would require a lot of analysis; it is not a simple calculation.

Mayor Thalhoffer stated I am really concerned. It seems to be such a simple issue because we keep being reminded that it is only about annexation. But it is a case where we have not only the owner but the developer who is proposing the annexation and is telling us pretty much what they have in mind. However it is not the development plan yet and tomorrow night is going to be the time when we can all see the plan I guess. I think it might be a good idea for us all to go to that meeting and kind of get more of an idea before we make a decision on this. I would like to see the City of Troutdale take a look at the park acquisition issue as well and whatever ramifications that might have in regards to this. I would be in favor of putting this off for another meeting to explore those issues and perhaps the water pressure and some other things that maybe we just don't have nailed down yet. One thing that bothers me is the people move into an area that is zoned R-10, that is why they came here and yet we have a situation where these people may get a development right next door that should be R-10 as well, it is zoned R-10, but because of the water features all of a sudden it can become R-7. That bothers me a lot because I know how I would feel if it was me. It is a quality of life issue with these folks. These folks moved out into an area where we specifically imposed 10,000 square foot lot zoning and they moved in there relying on that zoning. Now because of water features and so on the 10,000 square foot zoning no longer really is 10,000 square foot zoning, due to the water features it can be changed to 7,000 square foot lots. Therefore, I would be in favor of having a second meeting on this and doing some work in the interim. One thing would be giving direction to staff to address the park problem, we should be getting this land for park purposes and that might make a difference, maybe it would, maybe it wouldn't but at least I think we should do some more investigation on that.

Councilor Thomas stated I would concur with your comments assuming that based on our City Attorney's evaluation that would make any difference on the application.

Marnie Allen stated is the question that if you got new information about the City's ability to acquire the wetlands...

Councilor Thomas interrupted and stated attend the meeting, does that make any difference on the application as we are looking at it tonight?

Marnie Allen replied it is hard for me to evaluate the relevance or the weight that you might give to that information. I would like to take this opportunity to remind the Council of the role that you have in this kind of proceeding. It is equivalent to a judge, this is a quasi-judicial hearing. I would caution you not to go to the neighborhood meeting tomorrow where it has not been scheduled as a public meeting and if you have a majority of the Council in attendance talking about something that will come before you there are public meetings law issues. If you didn't have public meetings law issues and only three of you attended there would still be ex-parte communications and some potential challenges for you if and when the planned development or subdivision application comes before you and your ability of being impartial. Having said that, if what you are wanting is information about what is presented at the meeting, a presentation from Centex Homes, or staff to do some research you could continue this over to a date and time certain, re-open the public record and the public hearing and receive that information and have it included in the record and review it and talk about it. So you can still get information if you want to but the way you go about getting that information is a little bit narrower than how you typically work as a Council.

Councilor Canfield asked if the Council, at this point, decides to deny the annexation application what would be the options for the applicants?

Marnie Allen replied to appeal the City Council's decision to the Land Use Board of Appeals.

Councilor Kyle asked I am wondering if they are not annexed tonight will there be a meeting tomorrow night? Why would the effort be there if they don't know if they can develop? Why would there be another meeting? I think I am confused about that. That is my concern. I am puzzled if they have no reason to go forward, I know the development and everything cost them money. I guess I am hesitant to stop anything tonight.

Mayor Thalhofer stated it just means we are going to have another meeting it doesn't mean that we are going to deny it.

Councilor Kyle stated I know Mayor but it was my understanding that what they did submit originally was just basically the same as drawing on a napkin and you can't really hold them to that. It could end up totally different. I don't work in development but I guess I am confused about their process at this point. If we don't approve the annexation why would they go to the next step?

Councilor Daoust stated I think as far as the open house tomorrow, Centex can correct me if I am wrong, but we have already seen what they are going to present tomorrow night in the conceptual plan. We have a map here with the lot sizes on it, so that is pretty much what you are going to present tomorrow.

Andy Tiemann replied its close.

Councilor Daoust stated I guess I would agree with the City Attorney that we caution ourselves showing up at an open house like this. I think the City Council is over complicating a simple process, a quasi-judicial hearing that we are simply going through tonight. Let's not over complicate this whole thing. All we are here to do tonight is to decide whether or not we want to annex the property. There is ample opportunity to let the citizens testify again before the Planning Commission or before the City Council about lot sizes, set backs, and the number of homes. We are over complicating the issue by asking, in my mind, too many questions tonight when the question is really a simple do we want to annex the property or not. It is a process thing that we can easily get through tonight, we don't have to set it over and ask additional questions and open up another public hearing and ask all these people to come back and show up another time when the best time for them to do that would be later. I just don't get why we are over complicating this hearing. The question before us is whether we want to annex this property and move on to the next phase.

Councilor Gorsek stated I would say that Councilor Daoust is absolutely right. All we are here to do is to decide whether we are going to annex or not. I would be opposed to trying to break it up; Marnie said it would be very difficult to do that. I think also in fairness to the Bakers that would be depriving them of the potential that they can get out of their land and I think in a way that is a taking. If we are worried about a taking from other people we should also be considering the Bakers as well. I agree with what Councilor Daoust just said.

Councilor Ripma asked can we act tonight because I heard that several people asked for more information and to me that constituted a request to keep the record open, I don't think we can act tonight.

Marnie Allen replied the Statute says that if a person requests a set over at the initial evidentiary hearing then that request shall be granted, the record be left open for at least seven days for new information to be submitted or a new public hearing set no sooner than seven days out. The legal question is the statute says at the first initial evidentiary hearing. There has been one evidentiary hearing, arguably the first evidentiary hearing before the Planning Commission. So you can grant the request. This is the first hearing before this body but it also would be legally defensible. The statute does say the first hearing and the first hearing occurred before the Planning Commission and many of these comments and testimony were presented at the Planning Commission hearing as well.

Councilor Ripma stated so it is our choice to act or not.

Marnie Allen stated it is your choice.

Councilor Ripma asked who was notified for the Planning Commission hearing? Certainly some of my neighbors are on the list, but I must be just outside the line. Mr. Hawks mentioned he wasn't notified and he lives awfully close.

Rich Faith replied he is more than 250' from the western boundary.

Councilor Ripma stated so some people on Jennifer Court, for example, were notified because they were within 250' and some were not.

Councilor Gorsek stated however there was a physical sign that was posted along the road was there not.

Rich Faith replied yes.

Councilor Ripma stated that doesn't meet the legal requirements.

Marnie Allen stated legally it is within 250' of the site and usually you look at who the property owner is on record with the county. That list of property owners on record within 250' is in the record.

Councilor Ripma stated yes I noticed it was in the record and I noticed some houses quite close to my property were on the list but some just further down weren't and I just wonder how you draw the line. Is it 250' out from every edge of the outer perimeter and are we satisfied that everyone who should have been notified was?

Rich Faith responded yes.

Councilor Ripma stated there is more information that could be gathered so there is a reason not to act tonight. This property is within our urban planning area and its probably going to be annexed into the city. Its just the nature of the way this is, the plan I guess shall we say, and its inconsistency with our Comp Plan the way I read it gives me pause and that is one of the requirements if we are going to annex. I think there is a feasible way that this property could come in. The Bakers could be fully compensated and only R-10 lots could come out of it if for instance the city was interested in acquiring that parkland in the middle using the parks funds and everybody gets compensated and we don't set a bad precedent of a higher density development on the parts that are buildable. I just think it is a shame to accept it the way it is. I didn't hear that you couldn't split up the annexation and annex the wetland part later if we should make some sort of agreement to buy it, that hasn't been discussed. But I want to save that area for the low density development that was envisioned and I think this is a terrible precedent. I am not in favor of moving forward, I think we ought to set it over a couple of meetings to learn what we can and maybe work the way the Mayor suggested on the parks issue, perhaps direct staff to see if we might acquire the wetlands. I am talking about with compensation, nobody loses money here. Mr. Livingston said that the price might be different but he didn't say it was different whether they got 40 houses on what was left outside the wetlands or not, that is not on the record and it doesn't have to be, that is a private matter. I am in favor of setting this over to the first meeting in October or something to see what we can do.

MOTION: Councilor Gorsek moved to accept the annexation of the Baker property as it presently stands. Seconded by Councilor Canfield.

Councilor Canfield stated this is difficult for me because I totally disagree with the affects of our Code and if it were up to me I would say sure, 10,000 square foot lots. But this is a quasi-judicial hearing as our City Attorney pointed out and unfortunately we can not consider evaluation of details of future development when we are considering whether or not to annex this property, it's just not allowed. As Marnie mentioned also, if we were to deny this annexation and it did meet all of the criteria it would be appealed I am sure to the Land Use Board of Appeals and I am certain they would overturn us. This is a difficult decision to make. I hate these small lot sizes with a passion. The buffer zones were forced on us by Metro. The bottom line is this, we have to decide whether or not to annex this on specific criteria and I believe that the applicants have met that criteria and therefore I have to vote yes on this in this instance. I hate to do it but we were all sworn to uphold the law of the City of Troutdale and that is what we have to do this time.

Councilor Thomas stated this is a really tough issue in that if I understand our City Attorney correctly we have to address what the application says which has to do with whether the property going to be annexed or not and what they have asked for is under the R-10 designation which is currently the way it is defined and I don't know that we can take into consideration what the future development is going to be. I am not sure what the City Attorney's opinion is on that. Councilor Thomas asked Marnie Allen, if the annexation is purely annexing the property, then waiting for later for example and trying to factor in what they might do with the property once it is developed, that doesn't apply to this particular annexation question, correct? To me you have to weigh the facts based on the request.

Marnie Allen replied right you do. You have to get enough information in the request to show that we can serve the property. So they have to give us some information about how they plan to develop it so that we can make sure that water, sewer, and roads can be provided to serve it before we say that we will bring it into the city. But it is a much lower threshold; it is not a review of whether or not they meet all of our development regulations for the subdivision, planned development, or what ever they come forward with. The more information that comes into the record relative to the subdivision or planned development then the more tendency there is to want to review it under those criteria and make decisions about what that development should look like, then the harder it is to justify the more basic threshold questions relative to annexation.

Mayor Thalsofer stated I want to set this over to another meeting. Citizens have requested us to do that. There is some argument that says the law provides for that. It might be ambiguous but our attorney determined that tonight we could keep this record open because citizens have asked us to do that. Also I think there is some information that we need to gather before we make this very large decision. I know some of the Councilors think that we just need to go along with this and get it over with, we don't have to. We can get additional information about parkland. We certainly work for the citizens of Troutdale and there are a bunch of them here tonight

who want us to get more information and want us to take a closer look at this thing and I for one have always felt that the citizens of Troutdale are the ones who we work for and we need to listen to. So I am listening to them tonight and I want to set this over and get more information. Marnie Allen mentioned that the Planning Commission hearing was the first hearing, I don't think so. This is the first hearing before the City Council and we had a request from the citizens to keep this record open and set it over to another meeting.

Councilor Kyle stated I don't like the small lots either and the term planned development means even more adjustments and setbacks. I am not trying to project what that means because what we have before us is annexation. I am ready to vote on the annexation and hopefully the City Council will watch over the development and speak to some of those other issues.

Councilor Daoust stated I don't like small lots either but it is very clear to me what decision we have to make tonight. I think it is very clear to Centex what they have heard tonight. They have heard it from the citizens and the Council that we don't like small lots. That is not the decision we have to make tonight though. The Mayor said some of us just want to get it over with, that is not how I see it. This is just the beginning of the more appropriate phases where we decide on those things. We are not just trying to get over things and get it done with tonight; we are trying to close a door so that the next more appropriate door can be opened to you folks. That is how I see things. We are not just trying to make a decision to shut a door tonight; that is not what we are doing. We are making a decision to bring the land into the City of Troutdale that is it. There will be ample opportunity to review the actual development plan we don't even have the actual development plan in front of us. We have a conceptual plan and you all know what the word conceptual means. We are doing the appropriate thing if we vote yes on this, it is not going to shut the door on working with Centex and actually I don't think it is going to shut the door on the City negotiating with Centex on buying park property. Even if we decide tonight that we want to annex the property we still have the opportunity to work with Centex and the landowners on acquiring park property so we are not shutting doors tonight we are just simply making a simple decision and I think we should proceed.

Councilor Ripma stated with all do respect we are shutting the door if we act tonight on the annexation. There is no question about it. This presentation of a request to annex including a huge area of wetland drives the decision on what gets built and how small the lots are. A different configuration of the land proposed for annexation would not be allowed to have such small lots and we are closing a door on an opportunity if we just approve this. We are not allowed to consider the proposed development but we are allowed judicial notice shall we say of the fact that there are wetlands that make up the way this is configured. The way the annexation boundary is configured happens to have a lot of wetlands that drives the development to smaller lots. We have had a request from the citizens here for more information and a no vote on this motion does is not denying the annexation. A no vote on this motion is denying a premature motion that shouldn't have been made and we shouldn't even be

considering. We should put this over for a couple of meetings and work on it. I heard the majority of the Council at the last meeting talking about acting prematurely, well this is acting prematurely. We are permanently closing a door on the annexation question if you support this motion and you are forcing the higher density development that you say you don't want and I just urge the Council not to support this motion. I would follow-up with a motion to set this over which is what we should do, that is what they want and it is definitely what I want. We are making a big mistake if we annex this and it is closing the door, no question.

Councilor Daoust stated the wetland boundary is already drawn.

Councilor Ripma stated the boundary of the proposed annexation area is carefully drawn to include a huge area of wetland, it doesn't have to. There is other property that they could have annexed. They could have just applied to annex the top and the bottom and those would have had to been built at R-10 but because of the way this was configured and because we are lacking an imagination in how to address this we are just going to go forward taking the Centex proposal and we know where that is going to lead. Please vote no on this motion and we will set it over.

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

Motion Passed 4 – 3.

Marnie Allen clarified that we will need to adopt findings to support the decision to approve the annexation. With Council's approval I would like to work with staff to prepare those findings and bring them back for you to adopt at the next meeting.

Council agreed.

5. DISCUSSION / DECISIONS: A discussion and decisions regarding the Sewage Treatment Plant (STP) site redevelopment and funding options including: Urban Renewal, General Obligation Bonds, and Local Improvement Districts.

John Anderson stated the City Council held a work session on Tuesday, July 12, 2005 to further the City's approach to the redevelopment of the former Sewage Treatment Plant (STP) site and to evaluate the option of urban renewal funding. Since that meeting the City has received a letter from the Chelsea Group opening formal negotiations. Their stated goal is to negotiate an exchange of access through the current Premium Outlet Mall for the purchase of a portion of the City's STP site. This exchange would allow the Outlet Mall to expand by about 85,000 square feet. We have a representative from the Chelsea Group here this evening, Erna Harvey. The City has had two conference calls with the Chelsea Group and we have provided some updates of those conversations to Junki Yoshida of the Yoshida Group. Right now we are working through a negotiation punch list shown in Exhibit C. Staff is using that to guide us through the process. During the first two negotiation sessions we have clarified the need for the City to better understand the scope of the

proposed STP redevelopment project. For example, Chelsea has indicated a willingness, to date, to discuss the possibility of shared public parking. Presently, the parking facility is an improvement that, if built, will require some public funds. On page 3, in Table 1 and Table 2 you will see that the parking facility is in Table 2, which is the full vision project. The Chelsea Group has also indicated interest and desire for both a visual attraction and possibly a business attraction that would encourage people to go through their site from West to East so when they do expand the easterly development will be attracted to potential shoppers. For the City to enter into a development agreement with the Chelsea Group, which would entertain jointly financing facilities such as a parking facility or a promenade or a special visual attraction, those of us who are on the negotiating team need to know if these can be part of the package and if so how they might be paid for. The City has also had discussions with Union Pacific Railroad's regional representative John Trumbull. He is the representative we worked with and he will be the one reviewing the proposal to build the road under the Union Pacific Railroad Bridge at the west end of the Sandy River. In our meetings we have learned that we need some additional specific information for that application as noted in the report. Estimates for engineering costs will be from \$6,200 to \$8,500 and we are proposing to pay for that out of the Street Improvement Fund. The City has also collected some information on what the preliminary estimates would be to relocate the Parks Department. I think all of you are aware that they are kind of scattered in various locations on the former STP site. It looks like the cost to put them in new structures might be about \$331,000. When you add architectural design costs and other costs we are estimating \$420,000 to \$450,000 and that is assuming that we will be locating them on some existing parkland. That brings us to the key questions for Council's consideration this evening. 1) Does the Council still wish to work toward the "Full Vision" for the STP and Yoshida site or would you prefer that we pursue the Minimum Improvements? We have provided some tables on page 3 so you can compare what elements will be in the minimum improvements or the full vision plan. 2) If Council confirms pursuing the Full Vision, what mix of financing tools, including General Obligation Bonds, Local Improvement District and Tax Increment Financing, does Council wish to use to supplement the proceeds from the sale of the STP site? Exhibit D lists some pros and cons on the financing options. 3) If Council finds that tax increment financing will be necessary as one of the financing tools does the Council wish to place the proposed urban renewal plan before the voters, or would you prefer to use an extensive public involvement process? Exhibit E lists the pros and cons on this option. Under fiscal impacts on the top of page 3, the minimum improvement plan is similar to the chart you saw on July 5th the update to that chart is the relocation of the Parks Department at \$450,000. The full vision project includes three major elements, riverfront park and plaza estimated at \$4,000,000, pedestrian crossing from the Historic Columbia River Highway estimated at \$2,500,000 and public parking estimated at \$4,000,000. The proceeds of the land sale exceed by about \$2.3 million the elements currently listed in Table 1 for the minimum improvements. To go to the full vision staff anticipates, along with some estimates that the consultant provided, that would require tax increment financing and a couple of other elements such as Chelsea participating possibly through a local improvement district in paying for some of the infrastructure. Those are the types of things that would be negotiated to cover those elements. The recommendation is that Council pursue development of the full vision plan and pursue use of Local Improvement District and Urban Renewal with tax increment financing to supplement the revenues that we would receive from the sale of the STP property. We also recommend

that you schedule an election for May 16, 2006 on urban renewal. The full vision option was approved by City Council in November 2003. Max Maydew, on behalf of interested local businesses, read a letter to the Council at the Council's June 21st Business Summit. That letter of support wasn't presented then but has since been provided to you (copy included in the packet). Max is not here tonight but Mike Greenslade representing that group is here to respond to questions. The last exhibit is a timeline for the tentative urban renewal election. If you start with the consideration for urban renewal, later on during the process you have the opportunity to change your mind, however, if you start without it we won't be able to keep that timeline and that would just extend the timeframe out.

Councilor Thomas asked in regards to moving the Parks Department, is there any existing city facilities where they could be relocated?

John Anderson replied we just looked briefly at two possibilities.

Councilor Thomas stated there is a fair amount of open space at the public works shop.

John Anderson stated I don't know if there is. We have talked about space that is on the east side of public works but that is a fairly steep slope.

Councilor Thomas stated I am referring to in the current building.

John Anderson replied there probably is for the staff but they have quite a bit of equipment.

Councilor Thomas asked where was that equipment stored before the waste water treatment plant moved?

Councilor Gorsek stated it was at the Depot Building.

Councilor Thomas asked your proposal is basically to talk about the STP area?

John Anderson stated the proposal is primarily focused on that. The request of the business community and discussions about including some property on the south side of main street is a refinement that could be worked on as we put the package together. If you look at the timeline you will see that we have suggested the possibility of forming a downtown advisory committee and that committee could work on refining both the geographic area and elements to be included in that. The way we were envisioning that is they would be working on that and come up with a draft and that would be handed off for the presentation to the neighborhoods and then they could refine it. It could be refined all the way up to the point where you start having notices that the Planning Commission will be reviewing the plan.

Councilor Thomas stated I think for tonight's purposes I would suggest that we limit discussions to just the STP site and deal with the Marino property as a separate issue all together.

Mayor Thalhoffer stated I disagree. I am going to take this Ad Hoc Committee's (business community letter/petition) recommendation. I received it and read it and I said yes, that is exactly what we should do. They are, for the most part, downtown business people who know what is going on. Some of them are citizens of Troutdale as well. What they are proposing is what we should do. We need to address that Marino property in case the pending sale(s) fall through. That burned down property is sucking the air out of downtown and we need to deal with it, either it is sold or we need to address it with urban renewal.

Councilor Canfield asked if we were to include the Marino property in an urban renewal district, what we would be doing with the tax increment financing on that portion of property. Have we talked about that?

John Anderson replied because you draw a tax increment boundary, for instance if you include ten parcels, that doesn't mean you have to do an improvement on all ten parcels but it does mean that you capture the increment of the development that occurs from all ten parcels. If the developer who purchases the Marino property decided that they could make their proposal work without the assistance of any public financial incentives, then that is fine they could go ahead and develop that.

Councilor Canfield stated you and I have had discussions where you talked to developers where it just doesn't pencil out for any development to occur there. So are we then thinking of giving some sort of discount, incentive or subsidy to who ever ends up with that piece of property with this tax increment financing?

John Anderson replied if it is in the urban renewal district it would be open for those kinds of conversations, yes.

Councilor Canfield stated I agree with Councilor Thomas. I am really uncomfortable with that but I am comfortable with discussing the STP site. I think we should set aside the Marino property for the moment and concentrate just on the STP site.

Councilor Kyle stated I agree. I am not comfortable with the Marino property being tossed in here.

Councilor Daoust stated I am okay with the Marino property being considered. It gives us more flexibility and we are able to address the blighted areas in the City. We have until March 4th to pass a resolution calling for an election in May according to the timeline, correct?

John Anderson replied correct.

Councilor Daoust stated so we don't have to decide that we are going to have an election in May on the urban renewal district, is that correct?

John Anderson replied correct. You can abort that decision right up until the time you would file.

Councilor Daoust stated so we could have all of the public hearings and see what the public feels about an urban renewal district through the months of November, December and January. We could sense how they are feeling about it rather than making a quick decision like we absolutely need to have a public vote.

Councilor Gorsek stated I am trying to imagine whether we need the full vision or the minimum plan. Obviously I still worry about the whole issue of being able to do it with money we have versus going into debt. However, if we are going to go forward and have public hearings and test the waters and see how people are feeling, if people in the community were supportive of that then I would support that. However, I don't much like the inclusion of the Marino property in this. I worry that it may cloud the waters especially if there are really people interested in this piece of property now and they are doing this of their own accord, there seems less need for us and I would much rather see us not do it and somebody else do it. In terms of allowing the voters to guide us on this, I think that is a good idea so I would support that.

Councilor Ripma stated I don't know how many times we have had sessions on this but here we are back with another staff report clearly recommending urban renewal again. I sensed we were quite divided on that although I don't remember just how that went. I am disappointed that you are coming back again with urban renewal. Your options start with urban renewal, move on to an election for urban renewal and finally decide that if it fails we will go ahead anyways. It is just a terrible plan. While I respect the Ad Hoc Committee on Urban Renewal (downtown business group) totally, these are business people who have investments in Troutdale, but they are not the ones who decide at the election. Some of them are citizens who live in Troutdale. What it comes right down to is the citizens of Troutdale sense the risks of urban renewal financing and they vote it down and then where are we? We are back to square one. You are just breezily going on and saying we will go ahead without it and do part of the plan. I say we got Chelsea talking, we have Union Pacific talking, Mr. Yoshida is here and I assume he is talking or he is interested in talking, we have the players ready to roll on putting in the access that is needed for that property. We can go ahead without urban renewal. I just think it is so unwise to go forward with urban renewal. We own 12 acres of land there, we can exchange it for the access we need. The minimum improvements list proves it and has several times. We can see where we are after we provide access. That land is valuable and it could be much more valuable than we think, what is left over of the city land. The park, pedestrian overpass, the full development can wait. What will happen if we go forward with this staff recommendation is that nothing will happen until May 16th, whereas right now Chelsea is already talking and the other parties are on the verge of talking if they aren't already talking and if we go ahead with this plan we are going to wait until May 16th to see what the voters say and nobody is really going to want to commit to anything, I wouldn't, not until we know whether the city is going to have this huge pot of money. I am just so disappointed that this is coming back to us this way. Let's continue with the discussions with Chelsea and the other property owners and get the road started from both ends. If we want to do urban renewal later, okay.

Councilor Daoust asked so you are for the minimum improvements?

Councilor Ripma stated I am for at least getting going. If we go with the maximum plan we are talking urban renewal, we are talking about a May 16th election and everything holds until then. I think it is unwise for the City to do urban renewal despite the fact, again I respect the Ad Hoc Committee members, but they tend to be made up from people who will benefit from the urban renewal. They are going to be the ones who will show up at the meetings, if we have public commit it will be from the people who will stand to benefit the most. When we put it out to the voters they are going to be suspicious of it and they should be. We are causing the city to take on a lot of debt and start up an urban renewal process that hasn't won an election, I don't know if ever, in Troutdale. The last one went down 70%. Lets get started. Lets go with the minimum. If we want to do embellishments later, we can do urban renewal later. I realize that has disadvantages in that some of the construction would have already been done. I am against the staff recommendation for the full vision, lets continue the talks.

Councilor Thomas stated in looking at urban renewal in general, I like the full vision. I think it is a good idea. Really what we are talking about, I think, is with or without urban renewal we can start the process. We can do the first half. What the full vision gives us is the extra \$4 to \$6 million to do the other things that would really benefit downtown as far as the pedestrian access to and from the property. I think that is important. I think what will happen is once the developers come in and start developing they may come up and say we need your assistance and they may help us get it through. I agree that urban renewal has not fared well in Troutdale. I have my doubts whether this one will. I think if we kept it small enough, that is why I want to exclude the Marino property. We don't have any numbers for the Marino property or what the public infrastructure need is. To me urban renewal is putting in the public infrastructure so the private developer can take care of the property. If you're not putting in public infrastructure why build it into urban renewal, it doesn't make any sense to me. What we are really talking about is a \$6 million difference. I think even if we decided to pursue urban renewal we will still go forward with the initial part, sell the property and build the other stuff as long as people know what is happening. That is the main reason I want to pursue and deal only with the STP property and get that out of the way and deal with the other property as a separate issue on its own.

Mayor Thalhoffer stated again we have an Ad Hoc Committee of people that I respect, business people who are trying to make a living in this town. Some of them aren't doing as well as they would like to but they want to see something good happen. They have signed this thing and I am sure most of them are going to be able to support the campaign to pass the urban renewal when the vote comes. They are in to this with all of their lives pretty much. When they come to us with this petition, which I think is right on, then I am going to support it. We keep saying that urban renewal has always failed in Troutdale and it has. It always failed in Gresham to, but not the last time, it passed. One of the reasons why it didn't pass last time is we included too much residential land in the urban renewal district and a lot of those people had nice houses and they were included in the urban renewal district. As you recall Roman York's house was included in the urban renewal district and he had a very nice house. Sharon Nesbit's house was in the urban renewal district and she has a very nice house. That was dumb to put the urban renewal district that far up the hill and include those houses. This one with the full vision just includes downtown and excludes the north side of downtown which doesn't need urban renewal help as far as blight is concerned but they need

some help in getting rid of this burned down Marino building which I hope sells. If it sells that problem is solved. I am talking about if it doesn't sell that problem still sits there and it is bad for downtown Troutdale. So I want to do something about it. Either it sales and if it does fine, but if it doesn't sell then we take urban renewal and we fix it. It is time to fix it. It has been that way for three years and I am tired of looking at it and we need to do something about it for the sake of the downtown area and the whole City of Troutdale. So we can do it. We can set up another advisory committee to help us pass this. I am all in favor of this. I think we need to move forward.

Councilor Canfield stated I would not support urban renewal, tax increment financing, unless the Troutdale voters approved it. There is no way I would ever vote for that unless the Troutdale voters approved it. The thing that I think happened with the previous times that the City tried urban renewal is that the City Council just decided to do it without really trying to sell it to the voters like we are planning to do this time. I think if we went out to the neighborhoods and did a good job of showing what the benefits would be to the citizens and being forthright about what the risks would be and what the benefits would be, I think there is a good possibility that we could win an election on this. With respect to the Marino property, I could see it if we were going to put some public improvements there, a city hall or a library, then I could see how tax increment financing could help. But again I am not ever going to approve or vote for tax increment financing so that a developer could afford to buy a piece of property. If the market isn't there to develop the property, then it shouldn't be developed. I am not in favor of that sort of public/private partnership to help somebody. I believe tax increment financing should be used for improvements, such as the pedestrian crossing, the public parking, putting a road through the Chelsea property, those are things that tax increment financing should be used for. We need to keep the Marino property out of this discussion unless we are going to put some sort of public use there, not just to allow a developer to finish their project. I think we should go ahead and try our best to sell this to the voters and have a good conversation with them over the next few months and see if we can make the full vision option work, which by the way was approved by this Council in November 2003 and that is what we should go for right now.

Councilor Kyle stated we approved the concept in November 2003. I also don't like the thought of public/private financing if that were to happen on the Marino property. I think it should be left out of this mix. I will totally listen to what the voters tell me on this topic. It seems to me in our discussions that we had to identify the plan before we moved ahead with our timeline because we couldn't jump in half way down the road and decide.

John Anderson stated that is correct. By the time you have those formal meetings at the Planning Commission and the City Council we have to have the plan in concrete form. On the timeline we show the neighborhood meetings earlier so they can help formulate the exact plan. Right now you would be starting off with an initial proposal. Jeff Tashman, our consultant, would be working with the downtown committee getting a preliminary plan together, review it with Council, take it to the citizens where the boundaries can be modified and elements can be modified right up until the first Planning Commission meeting is held.

Councilor Kyle stated if we were to start some of the minimum improvements right now and then four months down the road when we already have some of the minimum improvements under way then we decide to do tax increment financing...

John Anderson interrupted and stated that is something to talk to Jeff Tashman about. I think I understand what you are saying and that might help give citizens a picture of something starting to happen.

Councilor Kyle stated I was thinking if we started those right now and then we jumped in four months down the road and decided we needed to do tax increment financing, we have already lost our zero base.

John Anderson stated it depends on which kinds of improvements they are. If they are public improvements they don't pay any taxes. If they are Chelsea's 85,000 square foot expansion they are. I think what you are saying makes a good point. I think working with Jeff we could see if there is some kind of timeline where some of the public improvements might start a step ahead of some of the things that are depending on whether or not we have the tax increment. We don't know how long it is going to take to finish the negotiations with Chelsea. I don't think we will start with any improvements until we get that development agreement.

Councilor Kyle stated of course, just so that we move ahead and not just sit still.

John Anderson stated I understand what you are saying.

Councilor Kyle stated who knows what the public will tell us on tax increment financing, but I am willing to listen to what they have to say.

Councilor Daoust stated I can understand your concerns about public/private financing of the Marino property. But consider this, if we include the Marino property in the boundary of the urban renewal district any increment in value, if a builder buys the property and constructs a building there we will capture that increment and we can use it anywhere within the urban renewal district. That would be the benefit of including the Marino property. If we had certain rules for ourselves like we really don't like public/private financing but still went ahead and included it within the boundaries so we can capture that increment in value, I think that would be a good way to go. From that perspective, I would like to keep the Marino property within the boundary but limit ourselves as to whether we use public/private financing, we can discuss that in more detail.

Councilor Thomas stated my proposal was to deal with the Marino property as a separate issue.

Councilor Daoust stated I am not seeing your argument.

Councilor Thomas stated every time we toss the Marino property into the discussion it has created animosity amongst the council members mainly because nobody is really sure they want to bite off urban renewal in the first place and by limiting it to the STP site and possibly

the Chelsea property if they want to become a part of it, it limits the scope for this discussion and we can deal with the numbers we have. At a later time lets talk about the Marino property and lets see what the numbers are and if we are going to generate anything from it at all that makes it worth putting into an urban renewal district if that property owner is even interested in urban renewal, they may not be. In some ways urban renewal is really nice but in the same token, that money that goes into urban renewal doesn't go to the schools and it doesn't help support police and everything else so there is that off-set that doesn't come back to fund city services either. I would like to deal with the Marino property as a totally separate issue. Lets deal with the STP site tonight and figure out what we want to do there and start that plan going forward and give staff ample time to deal with the Marino property at a later date.

Councilor Daoust stated I don't see any problem with including it within the boundary of the urban renewal district if it is not on the project list to spend money on. What is the harm in including it within the urban renewal district? That is the part of the argument that I don't understand yet.

Councilor Ripma stated that is not what the Mayor is saying. He wants to spend money.

Mayor Thalhoffer stated I am saying put it in the urban renewal district as the Ad Hoc Committee (downtown business group) is recommending and lets get the show on the road with that property. That is a blighted property and that is what urban renewal is for.

Councilor Canfield stated I disagree.

Mayor Thalhoffer stated I know you disagree. These are downtown people trying to make a living downtown. They are business people and I will say that they are making business decision on something that we aren't. We aren't making a business decision here. We are worrying about all kinds of other stuff here in my opinion. What they want to do makes perfect sense to me and I want that Marino property gone one way or another.

Councilor Daoust stated this is obviously contentious within the Council and I guess maybe I would propose that we keep it within the boundary of the urban renewal district and get input from the public on what they think we should do with it. I am trying to negotiate here so we can get past this Marino wall in front of us to at least keep the flexibility there where we are still considering it within the boundary of the urban renewal district. My answer to staffs first question is, I am in favor of the full vision plan. The second question is how to fund it, I am pretty much agreeing with the recommendation of the staff that we should look at local improvement district and tax increment financing. Whether we put it before the voters, I agree with that but I think we have time to make a final decision on that. I agree that it probably should go to a public vote, but I agree with the Mayor that this is completely different than the previous two votes. I really don't think that it will go down in flames like the previous two votes did. I think we are in completely different times and completely different circumstances and a completely different plan. Bottom line is I am agreeing with staff's recommendation and I would include the Marino property within the boundary and lets get some further input on that.

Councilor Gorsek stated I hear what you are saying but on the other hand I think that it does muddy the water so I would pull the Marino property at least at this time. Do you remember lightrail's proposal in north Portland? It went to a vote and there was this big long drawn out thing and the city voters said no and the city turned around and did it any way. Milwaukie, the voters said no to south lightrail and the Councilors and the Mayor pushed it through, I think half of them got recalled. My question for you is if we say we are going to listen to the voters, I think we should, and if the voters tell us no, it is very dangerous for us to say well then we will just do the scaled down model. Once again it feeds into this conception that people have that the government doesn't really listen to people, if they tell us no for the big one we will just do the little one. I think this is something that we need to think about. There is a danger in asking the voters rather than just going straight for it because if they say no I think we need to think carefully about what that means.

Councilor Daoust asked so you are against a public vote?

Councilor Gorsek stated no I am not against the vote. What I am saying is that if we go with the public vote with the full deal and it fails I think we stop. Whereas if we go forward with what Councilor Ripma has proposed and do the initial stuff that we can afford and we don't have to ask for anybody's approval, in fact it makes great sense to go forward with all of these things because it opens the door to other opportunities, then we don't have a problem either way with the voters and we don't go into debt, which is even better. I know how many people, and I react the same way when the government says, hey look we have \$1 million lets use it for this that we said we couldn't fund. People really react against that stuff. I know lots of people downtown and they are hard working folks but we are making an assumption that the downtown businesses do everything correctly. We are assuming that they are as competitive as they can be. Pat Smith made a statement, I think at the budget committee meeting, that perhaps some of the business owners need to take some of the responsibility for what goes on downtown. I don't know about you, but other than the restaurants a regular community member who works 8-5 can't get services in downtown Troutdale because the place is closed. So we need to be very careful about saying everything that the business community does is to succeed because in some ways they are shooting themselves in the foot. In terms of the parks department relocation, one of the things that we might consider is taking a piece of the property that is supposed to be developed for the city hall and build a facility that would be compatible with a city hall if it were ever built there. We have the property and it is in a central location.

John Anderson stated that could be explored.

Councilor Ripma stated I think this is a very confused issue that is presented to us. I am at least confused. The discussions include, are we going to go with the full vision, we all support the full vision. I have visions of even greater things but the question that I am hearing is, are we going to go at it by kicking off an urban renewal program. Is that the question tonight? We can start on the vision with the property we own and make sure that it happens, make sure that a road goes into the property from both ends leaving us with valuable, marketable property at the end. We could do that without worrying about the

Marino property or urban renewal. That is a good use of Troutdale's citizen owned assets, which is the land down there. I am all for the full vision when we can afford it. But if what we have to vote on tonight is to vote on urban renewal when we haven't even decided between us what the district would encompass, I am going to vote no. I am in favor of continuing the staff work they have been doing just the way they have been doing it, lets get the roads built, lets get the access in there and not worry about urban renewal because it is a dream.

Councilor Daoust stated and we will do the full vision ten years from now?

Councilor Ripma stated it has been ten years and that is better than nothing. I truly think that if urban renewal goes down it is a vote against the whole idea; it is a vote against the project. It will delay things for years. It is a risk where as we have in our hands a way to go forward and build the roads without worrying about it.

MOTION: Councilor Thomas moved to exclude the Marino property from tonight's discussion and deal with it at a later date as a separate issue. Seconded by Councilor Gorsek.

Councilor Daoust asked for some clarification on this.

Councilor Thomas stated I think the Marino property should be dealt with at a later date when we have the information that goes with the property.

John Anderson stated whether that is in a month or two months, when we have the information that is when staff will bring it back.

Councilor Thomas stated then if it needs to be included in urban renewal we can put it there but for right now I want to deal with just the STP site.

John Anderson stated I think we can bring back more information in a timely fashion so that if it needs to be in it can go in and if it doesn't it won't.

Councilor Daoust asked what more information are we going to get in a couple of months?

Councilor Thomas stated it would be nice to have some cost figures, what is the cost, what is the benefit.

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

Motion Passed 6 – 1.

John Anderson stated having addressed that, if the Council would look at the first paragraph under recommendation, that sums up the recommendation that staff is asking you to

consider. Again the key word there is pursue, we have a long timeline to refine this as we go along.

MOTION: Councilor Canfield moved that the City Council approve the staff recommendation to pursue development of the Full Vision Option, pursue use of Local Improvement District and Urban Renewal with tax increment financing to supplement the revenues from the sale of the City's STP property and schedule an Urban Renewal election date for May 16, 2006. Seconded by Councilor Daoust.

Councilor Canfield stated there is a lot of information that we still need but this will get the ball rolling and give the staff approval to do the things that need to be done to get the minimum improvements going.

Councilor Daoust stated I agree. I don't know whether we need to set the election date right now but we can pursue that. I think we need to get this thing rolling and I guess we will have to deal with the Marino property later.

Councilor Thomas stated I agree. I like the full vision. I would like to pursue the first option to at least get moving so we can say this is what is happening. Really what we are asking the people for is to fund these other two or three items that are on here. Based on that, if we could break it out that way that would be great.

Mayor Thalhoffer stated I favor this.

Councilor Kyle stated I still believe that in the minimum improvements, once we have access through the Chelsea property everything else will fall into place without tax increment financing. I have felt that way from the beginning and I still feel that way.

Councilor Gorsek stated I like the full vision plan; I think it is a great plan. I am very excited to hear that Chelsea actually even wants to have a little bit wider street; that is a good sign that they are interested. On the other hand, it is the budget that keeps hanging me up. I just worry about us going into more debt when we really don't need to. I do appreciate the idea of crafting that so people will understand that it is possible to go forward even if this fails. I think that helps us with the general public but philosophically I just think that we could go forward and get things rolling and not go into debt, so I am opposed to it.

Councilor Ripma stated the motion to me contemplates that we pursue LID and urban renewal and we stop pursuing Chelsea and the other property owners. I think it is terrible direction to staff. That will cause a stop in negotiations until May 16th.

Discussion took place as to whether or not the motion will stop the negotiations.

Councilor Ripma asked so staff is clear that you are not going to stop talking with the property owners.

John Anderson replied absolutely, we have lots of work to do with Chelsea and Yoshida.

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

Motion Passed 4 – 3.

Councilor Thomas asked would it be possible to hear from Chelsea and Yoshida as to what their plans are?

Council agreed.

Erna Harvey, Representative from Chelsea Group stated I was asked by Mr. Kline to make a statement on behalf of the Chelsea Group that the Chelsea Group is very excited about the redevelopment of the STP property and the City has our support in this and we would like to work with the City in getting this started and would like to include an expansion of our stores.

Junkie Yoshida stated I am really interested in this project. I believe that the project will become a landmark for East County and Troutdale. I have no opinion tonight; I am leaving it up to you. You do a great job. My position is that I will give you full support of what ever you decide. This is my final retirement project. Just count on me whenever you make a decision that I will be behind you.

2.3 MOTION: A motion authorizing the expenditure of \$5,000 in FY 2005-06 for the Confluence Project.

This item was set over to the next meeting due to the late hour.

6. STAFF COMMUNICATIONS

None.

7. COUNCIL COMMUNICATIONS

Councilor Thomas expressed his concern for the people in the storm ravaged area and encouraged folks to help out if they can.

Councilor Canfield asked for the Council's approval to invite the Chamber of Commerce or an appropriate representative from the Troutdale TMA to give us an up-to-date report on the status of the first year action items that were in their Final Report. I would also like the Chamber to clarify: what exactly they have done; a summary of what is going on; a summary of their budget; and to update us on how the TMA is going.

Council discussed Councilor Canfield's request.

MOTION: Councilor Thomas moved to ask the Chamber of Commerce to make a presentation to the City Council on the TMA to answer the questions that Councilor Canfield has asked as soon as possible at a Regular City Council meeting. Seconded by Councilor Canfield.

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

Motion Passed 4 – 3.

Council asked the City Attorney for a legal opinion on the Council's role in the oversight authority on the hotel/motel transient lodging tax money collected and dedicated to the Chamber.

Councilor Gorsek requested to have Tri-Met come to a meeting to discuss mass transit issues as soon as we can get it scheduled.

Council agreed to hold a work session with Tri-Met.

Councilor Ripma stated the Troutdale Historical Society will be having a trek to Pendleton. Anyone who is interested in going should contact the Historical Society.

8. ADJOURNMENT

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

Meeting adjourned at 11:47pm.

Paul Thalhofer, Mayor

Approved December 13, 2005

ATTEST:

Debbie Stickney, City Recorder