

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

Tuesday, November 8, 2005

1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE

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

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

ABSENT: None.

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

GUESTS: See Attached.

2. CONSENT AGENDA

- 2.1 RESOLUTION:** A Resolution declaring certain personal property as surplus and authorizing disposal.
- 2.2 RESOLUTION:** A Resolution establishing the Ad Hoc Downtown Redevelopment Committee.

MOTION: Councilor Daoust moved to approve the Consent Agenda. Seconded by Councilor Kyle. Motion Passed Unanimously.

3. PUBLIC COMMENT

Robin Ceciliani, President of the Larch Mountain Country Artisans, presented the Council with a hand-turned bowl crafted by Dale Larson. The bowl was made from the fallen Black Walnut tree that was located in front of the Harlow House.

4. APPOINTMENTS

4.1 A motion accepting the Selection Committee's recommendation for appointments to the Public Safety Advisory Committee.

David Nelson, Chief of Police stated on July 14, 2005 you amended Chapter 2.20 of the Municipal Code to add a Public Safety Advisory Committee. On October 19, 2005 we conducted interviews of those folks interested in serving on the Committee. Chief Nelson introduced the candidates recommended for appointment by the Selection Committee.

MOTION: Councilor Thomas moved to accept the Selection Committee's recommendation for appointments to the Public Safety Advisory Committee. Seconded by Councilor Gorsek.

Councilor Thomas stated I think this Committee has been long needed and will be very helpful to public safety and our future direction.

Councilor Gorsek stated I think it is great to see these people who are interested and excited about serving on this very important committee.

Mayor Thalhofer stated I am sure this committee will function well for the city and I will be anxious to see how it performs.

Councilor Kyle stated I think I can speak on behalf of the entire Council how much we appreciated visiting with each and every one of you and we appreciate you stepping up to help with this committee and we look forward to working with you.

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

Motion Passed Unanimously.

4.2 A motion accepting the City Council's recommendation for appointments to the Ad Hoc Downtown Redevelopment Committee.

Mayor Thalhofer stated we have established, under the consent agenda this evening, the Ad Hoc Downtown Redevelopment Committee. Mayor Thalhofer introduced the candidates being recommended by the City Council for appointment to the Ad Hoc Downtown Redevelopment Committee.

MOTION: Councilor Daoust moved to accept the City Council's recommendation for appointments to the Ad Hoc Downtown Redevelopment Committee. Seconded by Councilor Kyle.

Councilor Daoust stated this is another great group of people that are willing to help us through this high priority task.

Councilor Ripma stated this is a great group and we appreciate their efforts.

Mayor Thalhofer stated I am happy that these folks are all willing to serve. This is a very important committee for the redevelopment of the old sewage treatment plant site.

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

Motion Passed Unanimously.

5. DISCUSSION: A discussion with Tri-Met regarding service to Troutdale and explore the Re-creation of the I-84 Express Bus.

Councilor Gorsek stated as you recall when we were discussing the Transportation System Plan (TSP) I had submitted to you a memo about Tri-Met operations in our area and I also passed that memo on to Tri-Met. They have accepted the invitation to join us this evening to briefly talk about some of the issues around Tri-Met transit in our area. Just as a brief reminder of what was in my memo, Tri-Met is obviously the service provider for this area. The only area that is provided for by another transit agency is Sandy which is serviced by Sam, providing service from Gresham to Sandy. In past times before the creation of light rail there was an express bus that came out I-84 to the dog tracks I believe. That particular service was then curtailed with the end of the construction project for light rail. If you look around the region what you see is that there are still a number of subsidiary express busses especially on the west side with what I would consider to be companion service or enhanced service along with the light rail system. There is also a really good rush hour bus that runs from Oregon City, Clackamas Community College into downtown Portland. So in writing about this one of the things that I was suggesting was that we consider asking Tri-Met to reinstitute an express bus on I-84. For many of us in this section of the county it is hard to get to light rail and then it is a long run on light rail into downtown. Being in the far northeast quadrant of everything our running times are relatively high compared to other parts of the city. We don't represent Corbett but on the same token they are right next to us and the Springdale/Corbett area doesn't have any service but there is service provided to the Orient area which is comparable with the Sam service out to Sandy. The other question was whether we could do a little bit more in terms of routing the Line 80 so that it would serve more of the residential areas inside Troutdale itself.

Tom Mills, Service Planner for Tri-Met stated this is a really good time for us to have this conversation. Every year Tri-Met publishes its Transit Investment Plan (TIP) (copy provided to the Council, included in the packet). This is our 5-year strategic plan that is updated every year and it guides where our investments are going to be over the next five years. I want to reiterate some of the ideas that Councilor Gorsek had in his letter. The idea of an express service to downtown Portland, it is true that we did have that service at one point in this region. Improvements on Line 80/81 and service to Glenn Otto Park were also mentioned in his letter. These are the types of suggestions that we like to look at when we update our TIP. We like to meet with the jurisdictions and talk about these ideas and work through how it would work operationally, how much would it cost, what would it take to do it, does the

community want it. That is the kind of process we go through in order to start something like that. The three areas that the TIP focuses on are: high capacity services which is primarily light rail service; frequent bus system, which includes buses that run every 15-minutes all day long; and local service and this falls directly into the type of work that Councilor Gorsek is referring to. How does our TIP fit with the rest of the regions plans? First we look at the Regional Transportation Plan that is developed by Metro with input from all of the jurisdictions in the region. That has a 20-year horizon. Secondly we look to the local transportation system plans to give us some direction as to where to go. They usually have a 10-year horizon. Prior to inclusion of service ideas into our TIP we have to balance those ideas with operational constraints. For example can we run a bus down a certain corridor and can we get out of there if we do. Secondly, we look at the cost efficiency. If it is going to cost us \$8 per rider to run a bus into a certain area then maybe that is not the wisest investment of our funds. Thirdly, everything in the TIP is really dependent on the availability of funds. Right now Tri-Met is constrained quite a bit from what we can do financially. This is primarily due to the sluggish economy. The price of diesel fuel has hit us quite hard. In fact we are now considering the third fare increase within the past year. This is not something that we like to do but it is something that we unfortunately have to do due to the price of diesel. Despite our financial constraints, we are happy to work with the City of Troutdale in looking at the various options that Councilor Gorsek mentioned in his letter or any options that come up through a process of working with your staff in trying to improve service out here. It may not be something that we can do immediately, but it may be something that we can get into the TIP which means it is on the list of improvements.

Councilor Daoust stated if we are talking about an express bus down I-84 I would guess that we are talking more than Troutdale, probably Fairview, Wood Village and Gresham residents would probably use it also. In order for a new line to be added in your TIP, like an I-84 commuter bus, I am not sure what Metro's plan would show you and I am not sure that our TSP has any bus routes going down I-84. To address your cost efficiency how would you determine how many riders you would possibly have for cost efficiency calculation?

Tom Mills replied the first thing we would do is look to what we had before. There use to be Line 91, the MKC Flyer. We would initially look at the ridership from that. That was twenty years ago, however, that may provide us a better indication then any model that we could use. We do have models that estimate ridership. Line 91 wasn't just a Troutdale line. It started at what is now Cleveland Station and went up to the MKC and then along Halsey then up 181st and then got on I-84. The question would be, through a process of working with your staff, do we want to replicate that service or do we want to do something more. I think there is value in doing something different where you hop on the freeway quickly the problem of course is you are picking up fewer passengers. If you do something that replicates what you had before or does a different route picking up passengers along the way prior to getting on the freeway, you get more passengers but it takes more time. That is something that would have to be determined through the design of what you want to evaluate and once we know that we can balance what the ridership was with what we see in our model and hopefully we could come up with something realistic.

Councilor Daoust stated 20 years later it is quite a bit different and that would be a hard one to guess how many riders you would have. The freeway entrances at 7:15am are crowded with people going to downtown Portland. If you were to propose a commuter bus, would you institute your regular fare system, or would there be a possibility of charging like a pass, a different pass specifically for the commuter bus to make it cost efficient?

Tom Mills replied a pass that would be a discount or do you mean something that would help subsidize the cost.

Councilor Daoust replied subsidize the cost.

Tom Mills stated that is something that we don't do right now, but that is something I can take back to Tri-Met and see what they say.

Councilor Gorsek asked is it possible if we were having some problems with funding or something else to consider an alternative which might be to run an express from Gateway Transit out the freeway to Troutdale where you would be avoiding a lot of the inner I-84 traffic?

Tom Mills replied that is something that we can take a look at. I can tell you that typically we don't like to run express service so close to the light rail. An express line often times will beat the light rail. The light rail was a significant investment by the region and we don't feel that we should be providing service that might drain customers away from it.

Councilor Gorsek stated and the issue there is not to take away, but it takes a long time for anybody in Troutdale to get to light rail in Gresham and then to downtown especially when, even with bad traffic, you can probably make the trip in your vehicle in 25 minutes. Has Tri-Met considered the anchor for this being Mt. Hood Community College instead of the former dog track? That might help generate more riders. The question of the Orient/Boring rush hour service, has there ever been consideration of doing the same thing for Springdale/Corbett?

Tom Mills replied I don't know of anything now. We do recognize that there is not service in that area and that is something that we can discuss.

Councilor Gorsek asked several of us were at the recent Mayor's forum and one of the things that was interesting was that Metro kind of forgets about us out here. I realize that moving Line 80 around is probably not a high priority but when we looked at our transit plan, in the Sweetbriar area for example the Line 80 really doesn't get down to it. According to our statistics it would support service. Those are the kinds of things that are important also.

Tom Mills stated regarding feeling left out I can see how that happens at times and we will do our best to not leave you out and in fact I hope to work with you from here out.

Councilor Gorsek asked Metro only has one piece of commuter rail that it is considering which is the Wilsonville to Beaverton right.

Tom Mills replied yes.

Councilor Gorsek stated one thing that would be nice is if we at least considered the use of more commuter rail in the whole regional system to complement bus and light rail.

Tom Mills stated I can't speak for Metro.

Councilor Gorsek stated Councilor Daoust works for the Forest Service and he has talked to us and there have been articles in the paper about the air quality and the concern about the Gorge. I just wondered if Tri-Met would have any ideas or plans about running something like the Blue Lake Shuttle in the Gorge?

Tom Mills replied our service boundary ends in Corbett, so by state law we are not allowed to run outside of that area so we would not be able to serve the Gorge. We could do it if there is a jurisdiction on the other side of our boundary that is willing to reimburse us for the cost of running beyond our boundaries. Right now we haven't pursued it because of that.

Councilor Gorsek asked for instance if Cascade Locks said they would help with the service or the casino.

Tom Mill replied if a casino or Cascade Locks offered to reimburse us for the whole cost we would take a look at it. I can't promise that we would do it. The truth of the matter is if the casino wanted to do it they could probably do it cheaper themselves.

Councilor Ripma asked the Halsey bus does come into downtown Troutdale and turns around and the City has made numerous requests over the years to extend that bus from downtown Troutdale to Glenn Otto Park which is only another mile. Tri-Met never seems to find the wherewithal to do that. While you are considering service options there still remains an ideal parcel of land available right across from the park that we were exploring using our own transit funds to help buy for a transit center turnaround and each time Tri-Met expressed interest in not extending the line. While you are making a list, please add the extension of Line 77 down to Glenn Otto Park for a turnaround. That would actually attract some of the Springdale/Corbett residents.

Mayor Thalhoffer stated we have been trying to get Line 77 extended to Glenn Otto Park for several years and Tri-Met has given it some consideration but always comes back and says no. Can you address that?

Tom Mills stated I actually looked into this a little bit and got some of the history from some folks at Tri-Met. After a meeting with Mr. Anderson I drove out there and looked at the parcel of land. My understanding is that there are three issues that come up as road blocks. 1) As it stands right now we would not be able to turn around in that area because that parcel that you are referring to is not developed. So as of today we are not able to go out there because of the lack of a turnaround. 2) I have been told that in terms of developing the parcel, I read a memo that the owner of that parcel actually offered to sell it to Tri-Met, however we didn't

have the funds at the time to buy the parcel. I have also been told that because it is so close to the river we would run into some DEQ issues and Goal 5 issues and that may have scared some Tri-Met folks away from wanting to develop that. 3) By extending service, in order for us to maintain the frequency, every 15-minute frequency, the longer we extend the service the more it costs. It's likely we would have to run an additional bus at a cost anywhere from \$50,000 to \$100,000 per year. With all of that said, I wouldn't say that any of the issues are insurmountable, but they are significant. I think by working together we can take a look at those.

Mayor Thalhoffer asked would you be willing to work with our staff about the Goal 5 and the other environmental issues to see if there is some way we can mitigate those to make that possible?

Tom Mills replied I would be happy to work with your staff to determine specifically what the issues are in terms of Goal 5 and what mitigation would be required.

Councilor Canfield stated I appreciate that you and Tri-Met are willing to continue discussions on improving service out here. I urge Tri-Met to do everything possible to help out Troutdale. It really isn't convenient, if you have to rely on a bus, to utilize light rail.

Tom Mills stated he will contact John Anderson to set up a meeting to further discuss these ideas.

6. REPORT: A report from Multnomah County on roads and the East County Justice Facility.

Representatives from the County were unable to attend the meeting.

7. PUBLIC HEARING / ORDINANCE (Introduced 10/25/05): An Ordinance modifying public contract and purchasing procedures and amending Chapter 2.24 of the Troutdale Municipal Code.

Mayor Thalhoffer read the ordinance title and opened the public hearing at 8:05pm.

Jim Galloway, Public Works Director stated we are coming forward with some suggested changes to Chapter 2.24 of the Municipal Code pertaining to public contracting. We have a variety of dollar thresholds in the purchasing code that have been tied to the Oregon Revised Statutes. The last session of the Legislature changed one of those and that is the threshold in which public work requires the payment of the prevailing rate of wage. That increased from \$25,000 to \$50,000. We are recommending making that same change to the other thresholds within our Municipal Code. The second portion of my recommended changes has to do with clarifications. As I mentioned to you at the last meeting those included: clarifying that the various thresholds we use apply to construction of public works projects as well as the purchase of goods and services; clarifying when a cashiers check or certified check can be used with a local bond; making it clear in our code that we use the same definitions that

are used in the ORS; and unless specifically prohibited when our code doesn't call out a specific item we would defer to the ORS for the procurement requirements.

Council had no questions.

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

No testimony received.

Mayor Thalhoffer closed the public hearing at 8:07pm.

MOTION: Councilor Thomas moved to adopt the Ordinance modifying public contract and purchasing procedures and amending Chapter 2.24 of the Troutdale Municipal Code as submitted by staff. Seconded by Councilor Canfield.

Councilor Thomas stated this will bring us in-line with state law and it will simplify our process and will allow us to get the smaller projects done without having to go through additional steps that are required for the larger projects.

Councilor Canfield stated this is some housekeeping that makes sense.

Councilor Daoust stated it is always good to keep our contracting and purchasing rules up to date.

Councilor Gorsek stated I think Mr. Galloway does a great job and it is a good thing to try and manage our affairs in-line with the state, however, I am opposed to this mainly because of changing the value from \$25,000 to \$50,000. That allows for sidestepping the process of going out for competitive contracts, not saying that our people are doing that. I think the reason we have these requirements is to help keep the process clean and competitive.

Councilor Ripma stated I am in support of this change. I think it is a good change. I think it is right to be concerned about it being a relaxation or somehow not being above board. If something like that were to happen I think there are other remedies. My concern is the cost of having to go out for bid which spends taxpayer's dollars. Advertising alone we heard was \$1,000 just to put something out to bid.

Mayor Thalhoffer stated I also support it. If we find this isn't working we can always change it.

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

Motion Passed 6 - 1.

8. RESOLUTION: A Resolution providing for budget transfers and making appropriation changes for Fiscal Year 2005-06 (consulting services for redevelopment of old Sewage Treatment Plant site).

Mayor Thalhoffer read the resolution title.

John Anderson, City Administrator stated this item was discussed two weeks ago and is back again in an effort to respond to specific questions that City Council had. We are bringing this matter to City Council to increase the budget authority to provide for additional consulting services in our negotiations with Chelsea Corporation. This budget authority as requested would allow staff to avoid further delays in the initial development of the property. The exhibits demonstrate staff efforts to bring information forward that Council is looking for. Exhibit A provides the General Fund Budget Summary Comparison. Exhibit B lists the expenses that have been incurred by the City for the redevelopment of the property over the last five years. Exhibit C is the proposal from the architectural firm Yost Grube Hall. Exhibit D is Tashman Johnson's proposed scope of work. We have also provided a sample disposition and development agreement as Exhibit E. As I mentioned at the last meeting, normally this is a two-step process. First the City starts working on an urban renewal district and then after that is secured they begin working with a developer to get a disposition and development agreement. We are working on both of these processes at the same time. One of the things I noted last meeting was that we did not, in our budget preparation, think about budgeting for both of these processes being handled at the same time. I think everyone is familiar with the fact that the basic concept of the disposition and development agreement is we are interested in acquiring some right-of-way through the Mall to provide access to our property and the Yoshida property to the east and the Mall is interested in acquiring some of our property so that they can expand. As noted in the staff report we will be concerned about the Mall's expansion fitting into our vision plan and the two parties are going to have to work towards the possible coordination of joint elements like a plaza or parking facilities. Those are the types of things that get spelled out in detail in the disposition and development agreement. I also mentioned at the last meeting that we included in the budget \$25,000 for the urban renewal portion of this but had not budgeted for the negotiations with Chelsea. In talking to Mr. Tashman that was determined to be another step that we needed to add so I requested a proposal from him. We also requested a proposal from an architect to help us review specific site plan development that might be coming forward from Chelsea during the negotiations. Mr. Vaivoda and Mr. Tashman are here to respond to specific questions you might have regarding those services and the reason they feel they are needed. We have provided three options in the staff report. With a typical redevelopment project, once it is up and running it has the ability to reimburse expenditures that were provided to get the project started.

Councilor Daoust asked I see in your report numerous times where you mention that this \$45,000 would be reimbursed, I just want to have you confirm that and expand on that if you need to?

John Anderson replied normally when a redevelopment project gets established the urban renewal district doesn't have any revenue when it first gets started and you have planning

expenses. It is a standard practice to be able to reimburse. Mr. Tashman has done a lot of these projects and could probably respond to that question as well.

Councilor Daoust asked so we are going to get the money back?

John Anderson replied that is correct.

Councilor Daoust asked the question is whether we use existing staff or consultants?

John Anderson replied that is correct.

Councilor Daoust asked would you say that using the consultants strengthens our position or capability in negotiations?

John Anderson replied yes it definitely would.

Councilor Daoust stated I noticed that the total cost for the architectural work is not to exceed \$17,000 and the total cost for the other consultants is not to exceed \$25,000 which added together is \$42,000. Is that the dollar amount that we are talking about or are we still talking about \$45,000?

John Anderson replied \$45,000 is what we brought forward two weeks ago because I did not have the final written estimate from Mr. Vaivoda. The final amount could be \$42,000 if that is what you wanted to do.

Councilor Gorsek stated Councilor Daoust was just asking you if it would reduce the likelihood of successful negotiations with Chelsea and Yoshida. Can you explain why that would be?

John Anderson replied usually city staff generalists like myself or finance people don't have the background that the national corporations like Chelsea would bring to the table, particularly in the final stages of the negotiations. Having people who participate in those kinds of negotiations on our side of the table helps us so that we don't take a misstep in that process. In addition to that the documents, disposition and development agreements, are fairly technical and so we would want to supplement legal staff as well. Legal staff could probably do most of the work but again having a second opinion to guide us.

Councilor Gorsek asked are we currently having problems with Chelsea and Yoshida in terms of negotiations?

John Anderson replied I would not say that we are having problems. I would characterize it as getting off to a slow start. We are doing that sequentially starting with Chelsea and we have kept Mr. Yoshida in the loop.

Councilor Gorsek asked and you believe that with redevelopment the \$45,000 would be reimbursed, is that how this would work?

John Anderson replied that is correct.

Councilor Ripma asked who is reimbursing us?

John Anderson replied we would do that one of two ways. If we created a redevelopment district then some of the proceeds from the tax increment generated from the project would be used to reimburse it, that is the most typical route...

Councilor Ripma interrupted and stated that is taxpayer's money?

John Anderson replied it is, so is the General Fund money. Either way it is.

Councilor Ripma stated and so are the proceeds of the sale of the land.

John Anderson replied that is correct.

Councilor Ripma stated so it is not reimbursed, it is taxpayer money that we are spending. It is not reimbursed like it is free, right?

John Anderson replied that is correct. We would not have access to the additional taxpayer money which represents the increment if we did not have an urban renewal district. So it would be access to taxpayer money that we normally wouldn't have access to if we didn't have an urban renewal district.

Councilor Ripma stated but the \$25,000 was for the urban renewal district. This \$45,000 that you are asking for is going to be reimbursed by the taxpayers either down the road from less money to spend on something else or a slight reduction in the proceeds from the sale of the land. It is reimbursed in the sense that this particular \$45,000 will come out of the taxpayers pocket some other way. I guess I don't call that reimbursed. It is taxpayer's money. It's not a reason not to spend it, I am just clarifying.

John Anderson stated reimbursing the general fund would be a better way to characterize it.

Councilor Ripma asked what is different now about the situation than when you brought the \$25,000 budget item to the Budget Committee? That was for what sounded like both the urban renewal district and the necessary transactions we needed to put the road through and whatever was going to fall within this fiscal year, that was what the \$25,000 was for, what is the extra \$45,000 for? Why is it different than what it was at budget time?

John Anderson replied the first budget amount for the urban renewal district was to provide an urban renewal plan and to bring that plan forward in the documents as Mr. Tashman did several years ago and to work with community involvement. This piece deals with Chelsea and negotiating a development agreement. Normally that is sequentially the second step. As I said we did not anticipate and plan for that when we put the budget together. That was an oversight on our part.

Councilor Ripma stated we did know that we were going to do that.

John Anderson replied yes we did know that.

Councilor Ripma stated my recollection is that the Budget Committee was sold the \$25,000 expenditure on the basis that that was the amount needed to do this. Don't you recall that was the discussion? This is exactly the same thing we were going to do. It is disappointing that an oversight tripling the cost occurred. I am skeptical.

Councilor Thomas stated I don't understand why we need the architect.

John Anderson replied the proposal is that Chelsea is going to be doing some design for their facility when they punch the road through and when they do that design we want to make sure that it is coordinated with our vision plan. Also when they say it will cost them a certain amount to remove part of their building and put the new end caps on and things of that nature, we will be able to evaluate those things. One of the major things will we be discussing with Chelsea is the amount of parking. We have a parking ordinance that has a minimum number of parking spaces that requires less than Chelsea has. So one of the things that we will be discussing is how much parking can we fit in and how it can be configured on the site. We used Mr. Vaivoda earlier on to help us determine how we might be able to fit the parking in to minimize the amount of land we would be required to sell to Chelsea to accomplish their goals.

Councilor Daoust asked do we have any architects on staff?

John Anderson replied no.

Councilor Thomas asked at this point what are the stumbling blocks as far as getting this process going?

John Anderson replied I would say right now Chelsea is in the process of, and has been for some time, hiring an appraiser so that they can verify our appraisal amount and to bring on board an architect. Basically we have spent time in conversation with them and they haven't got those people up to speed yet. That is my characterization of it.

Councilor Thomas stated that delay has been going on for about five or six years. Have we considered the condemnation concept?

John Anderson replied the city staff laid that out as a possible tool in the early conversations and City Council's desire was that we fully explore the negotiations and that is what we are doing. We have worked on creating a timeline with Chelsea. (John Anderson provided Council with a copy of the timeline, a copy is included in the packet.) This timeline was prepared by Mr. Tashman. We haven't had a chance to have Chelsea review this yet. A number of the elements included were based on the joint conversation we had with Chelsea.

Mayor Thalhofler asked wouldn't it be fair to say that you didn't necessarily overlook the \$45,000 budget item but Mr. Tashman recommended that we hire these two folks to help us facilitate negotiations with Chelsea and Yoshida?

John Anderson replied that is correct. If we would have had that conversation a year ago we would have been able to put it in the budget.

Councilor Canfield asked giving your experience in this city and other locations, what is the likelihood that you are going to need additional funds similar to what you are asking for tonight at a future date?

John Anderson asked in addition to this \$45,000?

Councilor Canfield replied yes.

John Anderson replied I don't know right now. We will be doing our budget planning this winter and we will be looking at that. I can't tell you exactly what that would be.

Councilor Kyle stated I would probably echo that question. My concern is that we have proposed hours and that makes me a little nervous. It seems to me like it was late in the summer when we had the conversations about this that you had just opened a letter of communications with Chelsea for the first time, a formal communication. That was just this past summer so it is not like we have had an on-going communication to resolve this.

John Anderson stated we formally sent them a letter in August and they responded with a confirmation of a letter that they had sent a year earlier saying they were interested in expanding. That was the letter that opened the negotiations.

Mayor Thalhofler asked Mr. Tashman to give the Council a brief summary of his reasons for asking for the services that would require a \$45,000 expenditure of the city.

Jeff Tashman stated it is a little bit of an unusual situation for me. A normal situation is that a client has a need and they approach me to fulfill that need. That is normally how things go so I am not normally in the position of speaking to a city council and providing information about why the money should be spent on my services. If you look at negotiations of private development transactions across the Metro region, across the state, they typically or almost always require specialized expertise that you don't normally expect to find in a city below a certain size. The City of Portland with a large staff and a development commission, they still bring in outside counsel to help with development agreements but they have professional staff that can take the lead. When the decision was made to do an urban renewal plan and when it became clear that the Council was also very interested in making rapid progress on the transaction with Chelsea, specifically not wanting to wait until May for the election on urban renewal to move forward on the first part of the development that is when I made the suggestion to John. The proposal that I have provided, to respond to Councilor Kyle's concern, is a not to exceed proposal. It is called a time and materials contract so that if I spend less time than that I will bill for less time but I will not bill for any more time unless the

scope of work substantially changes and the city agrees. It was my suggestion to John that he consider having urban design/architectural experience on the team because you are dealing with a really important site to the city. The design of this project is not going to follow any particular cookie cutter or mold, you can't open a book and say this project is going to be one of those. It is a project, that for the city to be proud of, it will have to be very well designed. There are going to be a lot of issues in terms of how does the project incorporate/relate to the Chelsea expansion? How does the project incorporate/relate to a riverfront park? How does the project include a public space or plaza and how do you best arrange uses around that? We had a concept plan that had been revised and refined by Mr. Vaivoda and in my experience during the course of negotiating a development agreement the site plan issues are important. I think that I was, in making these suggestions to John, working on the basis of my past experience and how other cities have done it.

Councilor Daoust asked so the consultants you are recommending is for work that you yourself can not do?

Jeff Tashman replied no. The contract for the negotiations is primarily with me and the only additional people in my contract are two subcontractors who have a relatively small part of it. One is an attorney who is going to be able to work with Marnie Allen who has very deep experience in negotiating development agreements. Her role in this project is clearly just an advisory role. The hours are not there for her to be drafting the agreement. The other subcontractor is a real estate economist, and again that is a small piece. She would be able to tell me or the City if Chelsea proposes certain economic terms to the transaction based on their expectations of what kind of revenues they are going to make on the project, if they are reasonable, low or high. I considered the budget to be generous. I put together the estimate to allow for difficulties, delays and for a lot of time. If the project goes smoothly then my anticipation would be that I would not bill for the full amount.

Councilor Gorsek asked I know that you have the other two consultants, but I think Councilor Daoust's question was, do you not have the expertise to fill in for those other two folks? In other words you can't do it all yourself, is that what you are saying?

Jeff Tashman replied yes. If I had to do it I could do it. What I am saying is that I think in terms of what package of services is going to best meet the city's needs, I felt that the value of bringing those two people in was very much worth it. They are being brought in for their expert advice. It is very a efficient use of a consultant's time. I am going to be the one on the phone, at the conference calls, at the meetings, working with Marnie Allen, that is why the big hours are there for me.

Councilor Gorsek asked I thought originally we were talking about another \$45,000 correct?

John Anderson replied this proposal is for \$45,000.

Councilor Gorsek stated but what I see for Mr. Tashman and his team members is for \$25,000?

John Anderson replied correct and \$17,000 for the architect shown in Exhibit C.

Councilor Gorsek asked Mr. Tashman, you and your folks do not have the expertise to take on the architect piece is that correct?

Jeff Tashman replied correct.

Councilor Gorsek asked and we didn't know about all of these things before hand?

Jeff Tashman replied your city staff hasn't done a project like this. I think that when we were putting together the budget for this year, knowing what the scope and the schedule was, if someone would have asked me last spring should the city have budget resources for this kind of work I would have said yes.

Councilor Gorsek asked we heard testimony last time from a citizen, an unhappy citizen, who said we have a city manager, city staff and a city attorney, why do we need you and your group to do this. Can you answer that?

Jeff Tashman replied I think what I can say most comfortably is that the practice for negotiating these transactions is such that those kinds of services are brought in, especially in a smaller community where you don't have an economic development manager and even if you did it wouldn't necessarily be somebody that would have the experience and skills needed. In my experience these are the skills that are normally needed and normally used and beyond that it is totally up to you whether you believe you need it or not.

Councilor Gorsek asked hypothetically, if we were simply going to say that we were just going to put the road through and we weren't going to force the development we were going to just let the development happen without trying to craft it and take more of a hands off approach to it, would we be in the business of getting an architect to look at what Chelsea is doing?

Jeff Tashman replied perhaps not. The need would certainly be a lot less.

Councilor Gorsek stated so in a sense we need all of this extra stuff because of the extra steps we are taking.

Jeff Tashman stated I think the need for it is based on the full vision plan.

Councilor Gorsek stated I don't get out much as far as when it comes to hourly billing rates. Are these normal?

Marnie Allen, City Attorney replied I would say they are probably on the low end for the hourly rate for that type of expertise.

Councilor Ripma asked the \$25,000 that was in the budget, was that intended to be just the urban renewal planning or was there money in there for some other things?

Jeff Tashman replied I didn't do a proposal until after that budget was put together. If John would have asked me what would be a good number to budget for an urban renewal plan that is what I would have said. I don't know if we had that conversation or not but that would strike me as a number just for the urban renewal plan. That number allows for, and is designed around, a lot of intensive work with the public. Honestly the technical work here is kind of defined and a lot of it has been done. Again, it is a budget that allows for a lot of meeting time and a lot of public involvement time with the understanding that the city wanted an urban renewal plan that people in the community understood.

Councilor Ripma asked was your thought that we wouldn't get into the higher price services that we are now talking about until after this urban renewal issue was resolved?

Jeff Tashman replied I really don't think that at any time I was looking ahead. When John gave me a call it was that the city is thinking that it might pursue something like this and we began working together and talking about how that might pan out.

Councilor Ripma asked was that before the budget?

Jeff Tashman replied I don't remember when we had that conversation.

John Anderson stated we put the budget estimates together in January 05.

Councilor Ripma asked do cities typically go forward on two tracks, one to sell the land and raise the money that way and do the negotiations while they are also putting together an urban renewal plan just in case? Is that a normal practice?

Jeff Tashman replied its not a common practice. The resources to do the full vision plan would require the land proceeds and urban renewal proceeds. The basis for moving forward with the urban renewal plan was to realize the full vision plan. I think that what you have here is a good situation to be in because you do have the opportunity of moving ahead with the minimum plan, moving forward with the land transaction and the basic program of infrastructure irrespective of the outcome of the urban renewal plan vote in May.

Councilor Ripma asked the projects budgeted in Exhibits C and D would not be useful if the urban renewal doesn't pass? We would have to start over and go for the minimal plan.

Jeff Tashman stated one of the things that will have to be dealt with in the development agreement is that the city has a contingency regarding adoption of the plan both by you and the voters. In moving forward you will want a scenario under the minimal improvements plan where there is no parking structure and all of the parking for Chelsea is going to be surface parking lots. That is one contingency. The other contingency is the urban renewal plan is approved by both the council and the voters and we go for the full vision plan and there is a parking structure. In that case there is going to be a significantly smaller amount of parking for Chelsea in terms of surface parking. Any time spent on that particular aspect of the development agreement, if the urban renewal plan fails, will be effort that is not going to be useful at that time.

Councilor Ripma asked in that case then aren't we putting the cart before the horse. We are expending money in anticipation of the passage and adoption of an urban renewal plan that is only going forward on a 4-3 vote here with potential for it losing. Is it your opinion that we should be spending money in anticipation of the passage of the urban renewal plan when we don't even know if it is going to pass? Why don't we do something that could be used for the fall back plan or wait?

Jeff Tashman stated that is totally a policy decision.

Councilor Ripma stated keeping in mind that I am not in favor of urban renewal, I have a few more questions. I am in favor of good negotiations and good planning, so I am all for the other parts. For instance Yoshida, has anyone approached Yoshida about this because he is a key player. You are talking to Chelsea, spending money talking to Chelsea, is there any indication that Yoshida is ready to move at this point?

Jeff Tashman stated I have been present in a meeting with John and Junki at which he said just that, that he does want to move forward.

Councilor Ripma asked and there is a million dollars or so that he has to contribute and he has expressed an interest in doing that?

Jeff Tashman replied that is part of the negotiations.

Councilor Ripma asked the architects review of the end caps, isn't that something that would be done by the building department later? We are running a road up through the middle of their building, the architectural details of how it is constructed doesn't have to be funded and studied now do they?

Jeff Tashman stated that will contribute to the business points, to the deal points. To the extent that Chelsea says that it will cost us x that has one bearing on the negotiations, if they say it costs xxx that has a different bearing. It is part of the overall package of who pays for what.

Councilor Ripma asked in your experience in a case like this where we are trying to put together numbers and we don't even know if we have the urban renewal plan and you are trying to negotiate firm numbers when the city doesn't know the resources it has available, has that ever happened? Or is it more likely than not that it will not be closed and a deal reached with firm numbers until after that urban renewal is decided?

Jeff Tashman replied it is common in development agreements that there will be contingencies in the agreement that are signed off on that do depend on how future events occur. The whole point of this approach is to allow for moving forward with or without the urban renewal plan. The way this is designed is to keep making forward progress and if the urban renewal plan is not approved then you go one path and if it is approved you go another path.

Councilor Ripma stated so if you spend enough money and negotiate it two ways and have all of the contingencies in there you are saving some time in the end.

Jeff Tashman stated yes.

Councilor Thomas asked looking back at the budget process we didn't have an extra dime, so if you would have known this was going to cost \$75,000 would you have put that in the budget this year?

John Anderson replied it might have been a different decision.

Councilor Thomas asked looking at the project timeline it doesn't appear that it ends until mid 2007, does that mean we will need your service until August 2007?

Jeff Tashman replied it depends. There are a number of steps that would be taken if the urban renewal plan passes which would be a request for qualifications, a developer selection, negotiating an agreement for the development of the rest of the site. That is a process that I would probably be able to assist on and it would be typical that I would assist in that. I would say that if the urban renewal plan is not approved then there are going to be different decisions about requesting developer qualifications and all of those actions will be very different in scope, probably smaller in scope.

Mayor Thalhoffer stated I think I fully understand why we need the additional funding and what you want it for.

Councilor Canfield stated basically what you are spending this time on is to get the A or the B forks in the road so no matter what happens something is going to happen, so in essence we are moving along, is that correct.

Jeff Tashman replied yes.

Councilor Canfield stated with respect to Chelsea, they are a national organization so it is pretty safe to say that they already have this expertise on board.

Jeff Tashman agreed.

Councilor Canfield stated so it would behoove us to come to the table with equal expertise in order to give the city the best possible deal, would you agree with that?

Jeff Tashman agreed.

Councilor Kyle asked you know that three of us went kicking and screaming into this. I am in total support of good negotiations and I see the importance of that. I understand the negotiating part, but can you explain the reasoning behind budgeting for an architect at this point prior to the passage of urban renewal?

Jeff Tashman stated site planning issues are right at the middle of any negotiations for public/private projects and are really critical. This is an extraordinarily special site, it is not a typical site in any way. You have river frontage, freeway exposure, close to a charming downtown. This is a site where you have an opportunity to have something that is a gem or something that is half a gem or not a gem at all. The idea of the urban design services and the architect services are primarily to keep moving on the path towards having a gem, something that the city can be proud of.

Councilor Kyle asked if urban renewal does not pass do we need the architect prior to that time?

Jeff Tashman replied probably less but you don't know that right now. The price of waiting to find out is you put on hold a bunch of stuff until May.

Councilor Kyle asked does it affect out negotiating?

Jeff Tashman replied I believe it does because we want to get to a project where there is a plan A that allows Chelsea to move forward with surface parking but which allows for modifying that plan if or when in the future there is a parking structure. The urban renewal plan could be defeated and there may still be at some point a way of financing the parking structure, how I couldn't say right now. The whole idea is to negotiate a project where you are not precluding future good options that you want. You want to take into account that maybe it is just this part that is going now but you want it to happen in a way that you are not cutting off future development of the site that would really meet the city's objectives.

Councilor Kyle stated I am totally supportive of negotiating access through. I just don't want to put a bunch of money into something, I am not talking about the negotiation at all because that is something that we need to do. I am just trying to see if we can do part of this and not the other part. Is the architect key to the negotiation? I know that they will be key to the project if urban renewal passes, I understand that part.

Jeff Tashman stated I certainly think it will give you value even if it doesn't pass. There are points in the site plan and design that the city could negotiate for with or without urban renewal. Between city staff, myself and the subcontractors we wouldn't bring design expertise to this at all.

Councilor Kyle stated I am just trying to see if this particular person is key to the negotiations of the access through the Mall. I am just trying to see if the architect can come in after that is what I am trying to determine. Do we need to budget for that now or can we budget later for it.

Jeff Tashman stated you have the choice of doing less now and waiting until May to do more. Certainly what I have heard at the council meetings that I have attended is that you are concerned about delays so that is what we have been responding to, a way of moving forward.

Mayor Thalhoffer called for a break at 9:21pm and reconvened the meeting at 9:34pm.

Mayor Thalhoffer asked Mr. Vaivoda to come forward and provide a summary on his take on all of this.

Ned Vaivoda of Yost Grube Hall Architecture Inc. stated for years I have been very familiar with this site. When I spoke with Erik Kvarsten a few years ago it seemed like a fabulous opportunity. Troutdale has all of these amenities that jurisdictions around the state would die for. It has a freeway with 110,000 trips per day, an airport, recreational opportunities, and a charming downtown. The pieces are all there and what Erik and I spoke about was the site has had two plans already done. One that was a bit junior varsity level and another one done by traffic engineers and both plans lacked vision. I think that is what this plan that was presented in the fall of 2003 offered the city. The issue before us now is what do you do with this. This is a vision and the charge was put to me not to think about codes, don't think about current land use, think in the future, think what it might be rather than what is acceptable. What we saw was a great site with all of the amenities that I just mentioned and the stars are beginning to align to make this happen. I grew a little bit disillusioned by the fact that nothing became of the vision plan until more recently when John and I had a conversation and there have been conversations with Chelsea and the railroad. Those kinds of directions lead to the next step. The next step is to take the vision and give it a greater reality base. In other words now it is time to consider code issues and zoning issues. There are a lot of questions to still be answered as you begin to implement the vision. I have heard questions by the Council on the value of an architect at this point. I think everyone on the Council could look to the Outlet Mall at this point and say that could have been done a lot better. Things have changed. I suspect that whatever role we would play as the scope of work describes, is useful whether or not we go ahead with urban renewal. There needs to be an evaluation of what Chelsea proposes. I had conversations with them two years ago and we were on different tracks, they wanted to do more of the same and we wanted to take it towards a different vision. In evaluating what was put forth Chelsea felt they needed nine acres, we think they need less than six. On the surface you might think we end up selling less land, but what that does is it gives you more land for an even better use, to bring a residential base to that part of the city to encourage connections to the existing downtown. I think these are the urban design issues that need to be flushed out early on rather than later. The longer you have to evaluate decisions the better the plan will be. This is a vision plan, the next step is a master plan. A master plan is more than just planning for long periods of time or for big pieces of land, it is something that is a document that has predictive capabilities. It also allows you to benchmark consequence, what happens if we do this. That is what I would like to do, that is what our scope of work begins to do. It evaluates your most likely candidate, Chelsea Group, and your first developer. We have also had conversations with Junki Yoshida and he is anxious to do something with the site but I think he is probably waiting to see what this group does. It is also part of our scope of work to look at the parking. Is a parking structure warranted? Parking structures become warranted when it makes more economic sense to build two-stories rather than a surface lot. It is economically driven but it is designed based on what you can produce with the land that you didn't take up for parking. Those are two aspects of what we would do. We would like to talk to the railroad about using

their right-of-way for some of this parking. That is in of itself another negotiation. I would like to be a part of this and my firm would like to be a part of seeing a very special property end up being as much as it can be. I think there is value to what we would bring at this time versus trying to gallop through a process if we wait until May. Lets not lose site of the vision, lets reevaluate the vision and make sure we are doing the right things in terms of 2005-06 and test those against what was produced two to three years ago.

Councilor Ripma asked your vision plan did that include a parking structure?

Ned Vaivoda replied it included a two level parking structure, yes.

Councilor Ripma asked which is what you are talking about in this budget proposal?

Ned Vaivoda replied that is one of four or five items in my scope.

Councilor Ripma stated that is one that I understood from Mr. Tashman that would be dependent on the vote on the urban renewal, other things were not. Is that right?

Ned Vaivoda replied I would evaluate it from more of a land use prospective. I think that Jeff's work would evaluate it from an economic view.

Councilor Ripma asked is part of the scope of this evaluation to examine things like our citywide 35' building height as it applies to this site?

Ned Vaivoda replied yes.

Councilor Ripma asked is that necessary in these negotiations?

Ned Vaivoda replied I think it is necessary to maintain a vision and to keep that part of it in mind so that you don't make compromises with your negotiation that you can't recapture down the road.

Councilor Ripma stated Mr. Tashman stated this is a not to exceed. I assume that \$17,000 is going to be the full price.

Ned Vaivoda stated Mr. Tashman's proposal was independent of what my proposal is. My proposal is a not to exceed without authorization. I think that I can accomplish the scope of work and deliver the kind of tools that will enable the Council to make good decisions.

Councilor Ripma stated I am a proponent of good architecture. You mention that the Outlet Mall could have been better and there is no question. Would you say the same thing for our downtown? That didn't have an architectural plan. Could the north side of our downtown have been better?

Ned Vaivoda stated I think things that grow without an umbrella of control grow and develop and change in one way and that is what provides the charm to downtown. Zoning was

initially put together so that people didn't have to live near factories for one example. Look at the Pearl District, we have people living near rail yards and adjacent to freeways. Mixed use developments are happening around the world because people's ideas about land use have changed and lifestyles have changed. I am not sure that answered your question.

Councilor Ripma stated you mention that the next step is the master plan and that this contract is to begin that.

Ned Vaivoda replied correct.

Councilor Ripma asked how much of what you are talking about is going to be accomplished with this \$17,000?

Ned Vaivoda replied I think it should present a good springboard for a full master plan to be undertaken if it is necessary. If it turns out that Chelsea would like to buy half of the acreage for example and it turns out that is in the best interest for the city, which is what Mr. Tashman and I are here to protect, there is less land left to be developed so the master plan becomes simpler.

Councilor Ripma asked just to avoid surprises in the future, say that was the way it played out and they wanted half of the land, how much are we buying with the \$17,000?

Ned Vaivoda replied to do a master plan of the sewage treatment plant site, which involves land use, design control, utilities, circulation, and traffic. I would say that is probably an \$80,000 effort to master plan that entire site.

Councilor Thomas asked you are talking about building codes, we have staff that has knowledgeable of our codes; they work with them everyday. How is that going to save our staff time and money?

Ned Vaivoda replied I would imagine that staff has other things to do beyond this project.

Councilor Thomas stated we are losing money every year in potential revenue on this site. How do you expect your process to speed this project up?

Ned Vaivoda replied what I would like to do is to bring to light issues that may impede that process and evaluate proposals that are made by Chelsea and others and be a part of that process that protects the city's interest and helps to ensure the vision that we set out to do.

Mayor Thalhoffer asked Kathy Leader, Finance Director to come forward.

Kathy Leader provided Council with a corrected copy of Exhibit A and a copy of the resolution which was omitted from the packet. When we put together the initial budget we put in place a beginning fund balance of \$1.7 million and when the year ended we actually ended with an ending fund balance in the General Fund of \$2.5 million. A portion of that related to the building inspection program that had been moved back into the General Fund and they

ended the year with an operating excess of about \$300,000. Only about \$2.2 million of that ending fund balance relates to General Fund activity. What Exhibit A shows you is the initial adopted budget with the \$1.7 million beginning fund balance and based on our estimates of revenue and expenditures we were going to show a net operating loss of \$376,000. A final ending General Fund budget, excluding the Code Specialties activity, the revised Exhibit A schedule shows \$1.1 million. There were two revisions made by the Council, one was a transfer of \$5,000 from the contingency in the General Fund for the Confluence Project and there was also a \$25,000 transfer for a police vehicle. So \$30,000 of additional expenditures were brought out of contingency. The second column indicates what our actual ending fund balance was so you can get a feel for where we see our projected ending fund balance at the end of fiscal year 2005-06, which this revised schedule shows \$1.9 million in the General Fund excluding Code Specialties. The final column in that schedule shows you the impact if you were to approve this resolution of the transfer of an additional \$45,000 from contingency. When we put together the budget we did so conservatively. We are early in the year but looking at the first quarter revenues we were above budget.

Councilor Gorsek asked so right now we show that we will be at a loss for the current years net operating income?

Kathleen Leader replied yes.

Councilor Gorsek asked have the predictions about our budget picture getting worse over the next few years changed since our last budget discussions?

Kathleen Leader replied obviously the swing in our ending fund balance of about \$1.2 million has provided us with some preserves that we didn't anticipate. This is the first year where we are going to have an increase in our fire service and there is a significant increase in our PERS cost so my projections still do show that in future years we are going to be operating at a deficit.

Councilor Ripma asked is there any other source for the \$45,000 other than contingency? Maybe a contribution from the two property owners that stand to benefit from this project.

Kathleen Leader replied in order to not impact the ending fund balance negatively we could look for cost savings in other areas and try to utilize city staff efficiently in this project, that would keep the fees down for the consulting services.

Councilor Ripma asked but even then it would come out of contingency for now?

Kathleen Leader replied yes.

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

Pat Smith stated this all sounds good but I would like to know what was done with the \$100,000 four years ago? Was there master plans done or did we just pay \$100,000 to all of these people and not have anything to show for it? This is taxpayer's money. After urban

renewal was voted down by 70% Chelsea didn't want to go forward after that and everything was more or less dropped. Since this only helps two business people we shouldn't be using urban renewal. First of all it is going to raise the tax base on properties in downtown and look how many businesses are closed. We can't even keep businesses on the main street. I realize that when the mall was built in the first place that it was a big mistake to not have a road put through but I don't feel it is fair to ask to the taxpayers to pay for it. If they want a road through let them put the road through. If we don't go through with urban renewal is Chelsea going to back out again this time. I feel that urban renewal is a bad mistake for the City of Troutdale. People that have urban renewal are towns like Portland, Gresham, and Beaverton. They all have big business tax bases. We don't have that. You are putting a bind on everybody in this town just so we have something to show for two people down on the frontage road. I realize we will get tax money from the businesses eventually but what about our main street; it is dying. If we don't have the businesses how can you turn around and spend money that we don't have and then want a tax on top of it. I feel it is a bad situation and we should at this time table it or let them come up with the money. What money we have in the contingency fund, just because we have it doesn't mean we have to go out and spend it. We better keep it for a rainy day.

Teri Sunderland, General Manager of the Columbia Gorge Premium Outlets stated I have worked for this company for six years and I was sitting here several years ago when urban renewal came up and of course that didn't go the way many people had hoped. It is my recollection not so much that my company backed away from wanting to do this expansion as it was that we were waiting for the city staff to give them the time to think this through and to see where they wanted to go with it. It was a real disappointment for the city and the staff. My best recollection is we thought we were being professional and gracious and waiting for the city to come forward to us after they had done more leg work, appraisal work, etc. and come to us as was done this last summer. We are very excited and motivated to expand the mall. We would like to be more competitive and enhance what was done a decade ago. From my point of view I sit in the office here in Troutdale and I know I have been working diligently with my company since this summer trying to take steps to make this go forward. I can say that I am working closely with our Executive Vice-President of Real Estate. He is very interested and he is working with me to make sure that we are getting things done methodically, doing it correctly and hiring appraisers and architectures. Yes we did have some setbacks early on in the summer and we had to choose some different appraisers and architects. I can say that it has been by our coordination and our cost to set up biweekly conference calls with the city. We have been trying to keep communications open and to share what we are doing on our end and we have set a timeline now. We are really trying to make this move forward and we are certainly not stalling.

MOTION: Councilor Daoust moved to adopt the resolution providing for budget transfers and making appropriation changes for Fiscal Year 2005-06 for consulting services for redevelopment of the old Sewage Treatment Plant site, the \$45,000 that we have been talking about. Seconded by Councilor Canfield.

Councilor Daoust stated this Council makes some difficult decisions on funding things and this is no different. I just spent today at work working on the same identical type of thing. We work with leadership teams and people with leadership roles trying to determine what you spend your money on, what your priorities are and what your goals and objectives are. That sort of discussion usually ends up with asking what are our priorities and what are our goals and objectives. I spent all day doing this and this is the same thing in my mind. We have a priority goal and objective to move forward on a full vision plan. It has been a goal of this Council to move forward with the full vision plan. Knowing that things change during the year does not change what your priorities are. It is disappointing that we didn't catch this at budget time, we probably should have handled it then but that is not disappointing enough to derail the whole thing. It is a high enough priority that we need to correct the oversight. The Council goal is that we have no loss of time, I assume that is our goal, and that we want to move forward. If we don't fund this then we the Council will be adding to the delay which I assume we don't want to do. It has been the direction of the Council, we gave the green light to negotiate with Chelsea and Yoshida. It is our Council goal, I assume, that we want to have strong capability in the negotiation process. I assume every one of us would agree to that. I assume that it is also a Council goal to have efficient use of consultants and use experts that are only used to protect the interest of the city. I assume that is also a Council objective especially if we don't have any city staff to cover that need and we don't. I listed the pros and cons and I have a whole list of pros and the con I have is the impact on the General Fund. The pros add up to the fact that it is one of our highest priority projects in the entire city. If this were a project where it was not one of our priorities I could understand the list of questions. We always want to clarify what we are spending our money on no matter what the priority is but to me it is clear that the questions should just be to validate the fact that we are spending our money in the right places and not in the wrong places. I can't emphasize enough that this is one of our highest priority items to fund with the recognition that the General Fund will be reimbursed. I hope we get the votes to move forward and not delay this any further.

Councilor Canfield stated Councilor Daoust is correct. This is one of the major goals that the City Council has been working on for about six years. Sure there is a negative of \$45,000, that is not an insignificant cost. However, as Councilor Daoust said the positives of going ahead outweigh the negatives. This is a goal that we need to make happen and do our best to turn it into a reality.

Councilor Ripma asked for clarification on the motion. Would the supporters of this motion entertain directing staff to minimize the cost expenditure in support of things that would not be used if urban renewal does not pass and direct most of the expenditures to things that will be used either way, whether it passes or not. That is my only objection. If it weren't for that I wouldn't mind this. The staff is pushing forward with this resolution the way it is worded, I am worried about the way it is being moved. The staff appears to be moving forward, urban renewal full meal, let's spend extra money on parking structure designs and other things, even though it would be wasted, it wouldn't even be used by the taxpayers. If the sense of the

Council was to focus this expenditure on what would be used either way, whether urban renewal passes or not and minimize the part that would be wasted if urban renewal doesn't pass, I could support the motion. I wonder if the mover and second of the motion would join in a direction to staff along those lines.

Councilor Daoust stated I understand your point and your questions but the answer is no.

Councilor Ripma asked you want the money wasted on the part that wouldn't be used?

Mayor Thalhoffer stated that is not what he said.

Councilor Canfield stated I have heard the motion and staffs explanation and I believe that is already the intent of the staff.

Councilor Ripma stated I didn't hear that at all.

Councilor Daoust stated according to the testimony I saw benefits whether we went with urban renewal or not because the things we are buying are a market analysis, real estate feasibility analysis, architectural services for urban design and site planning and the parking garage working with both Yoshida and Chelsea. Those are valuable services that we need to develop that site properly the way we want to whether urban renewal goes forward or not.

Councilor Gorsek stated I wish that it was 1995 because we would have plenty of money. Unfortunately we can't go back so we must deal with what we have. This whole thing strikes me as urban renewal and everything else; it is like we are painting the ship as it sinks. We are in deficits and we are going to continue to be in deficits, there is no happy savior coming over the hill to save us and we are all acting as if we've got so much money we can just throw it out in the street. I think that is wrong. No offense to Mr. Tashman, but Mr. Tashman is here and I don't know if there is another consulting group that can do some of these things or not. I worry when a consultant who is charging the City of Troutdale taxpayers a lot of money to say I can't do it all, I need to get some extra people to help for \$185 and \$125 per hour. I think this is ridiculous and unfair to the citizens of this city and we need to step back from urban renewal and simply do what we can already do in our budget, which is to simply open the road up, sell our land and walk away before we lose even more money. I am opposed to this. To me this says we couldn't get it all through before so offer \$25,000 at first and then come along with an additional request for money later in the hopes that it will fly. At \$70,000 it is not going to fly here. I think we are all sinking.

Councilor Ripma stated I have different reasons for my concern. I personally respect and think highly of the consultant that we selected. There might be people who could provide the service cheaper but that isn't my issue. I am disappointed about the

mistake that the staff indicated was made in not bringing forward money in the budget to do this. That also wouldn't be enough, my main problem is that we are pushing forward with the urban renewal expenditure on things like the parking structure analysis that, by what was said here tonight and previous nights, won't happen if urban renewal doesn't happen. It will be money wasted if urban renewal doesn't happen. There are good reasons to have a good negotiating team to negotiate with Chelsea and Yoshida and get the best deal for the City without wasting money. This proposal doesn't do that and the maker of the motion obviously doesn't want to even limit that to money that wouldn't be wasted on urban renewal. I think negotiation can be done successfully and effectively with money expenditures on the services we need but we ought to have a proposal that isn't driving it towards urban renewal. I think we are ignoring what the voters have said many times here. I think it will cause further waste of taxpayer's money and then we are going to come back after urban renewal doesn't pass and we will have wasted some of the money that we are spending today. I don't want to do that. If there was some way to get around wasting taxpayer money I could support this budget transfer, which is really all that is before us. I see no direction coming from Council to avoid that waste so I can't support the motion.

Councilor Thomas stated I agree with what Councilor Daoust was saying and I also agree with what Councilor Ripma and Councilor Gorsek are saying. I do think we seem to be geared towards the urban renewal. I really see this thing as a two phase project. My preference would be to not waste money on things that we know are clearly urban renewal. The chance of that passing at this point is a snowballs chance I think. We don't have any kind of reports back from the Ad Hoc Committee saying that this is what the costs are going to be, can urban renewal even begin to pay for it. I think additionally, we are losing thousands of dollars per year in tax revenue because the property hasn't moved. There is the potential of maybe \$30 million in actual value later that we could be collecting revenue on. I think from that perspective it is at least worth pursuing at this point as long as we are not pushing urban renewal. I think we need to get those basics until we are sure of what is going to happen with urban renewal and right now we are not.

Mayor Thalsofer stated I support the motion. I think the money, after hearing all of the testimony, is money well spent. I was wondering about it in the beginning and that is why I wanted to have Mr. Tashman and Mr. Vaivoda here tonight and hear from our finance director. I have heard all of their testimony and I am satisfied that this is a proper expenditure. We will be pursuing this both ways whether urban renewal fails or passes we will be going down the road as fast as we can go and saving time. Time is money and we have wasted a lot of money in lost time over the past few years. The previous urban renewal district was way too big and it was defeated before it started because it included residential property almost to the top of the hill. This urban renewal district is very limited. It is limited to the sewer treatment plant site. Sure urban renewal has failed in Troutdale before, at least twice that I know of, and it has failed in Gresham several times. But then it passed in Gresham the last time because they proposed an urban renewal district that made sense to the people.

This urban renewal district, I think, will make sense to the people because there won't be a bunch of residential dwellings included. I think urban renewal will pass this time. We have an Ad Hoc Committee that I think will help us a great deal in bringing this to the voters. We will be having other ways of communicating with the voters and showing them what we are going to do and how we are going to do it. I think it has a good chance of passing.

Councilor Kyle stated I could have supported this motion with Councilor Ripma's suggestion. I also agree that some of the presentation sounds like urban renewal is already in place and it hasn't passed the voters yet. I am totally supportive of good negotiations, it is critical. I didn't hear testimony to satisfy me that we need the architecture to the extent of the proposal so I will not support this.

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

Motion Passed 4 – 3.

MOTION: Councilor Thomas stated I would like to offer a subsequent motion. I did feel there was a concern on the Council as far as direction to staff as to how to proceed with the evaluation and stuff and I think that is important to address. I think it is necessary that staff take into consideration what some of us have said about ensuring that the money that is spent is spent on what we know is a benefit versus the possibility that something may happen with urban renewal. Seconded by Councilor Ripma.

Mayor Thalhoffer asked are you asking us to reconsider the motion?

Councilor Thomas replied no I am asking for a follow-up motion to give staff direction.

Councilor Daoust stated I am not clear what that means. When I made my motion it was to go ahead and spend the \$45,000 which included the list of jobs that the architect would do, the list of jobs that Tashman would do and the subcontractors. I am unclear which one of those would be not necessary.

Councilor Thomas stated I think there are pieces of all of it that are necessary and that was one of the reasons I supported the motion. But there are some parts that would clearly be underneath urban renewal that we wouldn't necessarily need to address today. I guess it would be more of a direction to staff to keep it focused on the primary objective which is what we know we have, which is Plan 1. Plan B is only if urban renewal passes.

Councilor Daoust stated I think this is basically the same question that Councilor Ripma asked me and I said no so I would have to say no on this also.

Councilor Gorsek asked who gets to say no?

Mayor Thalsofer asked the City Attorney for a legal opinion, I think this would change the intent.

Marnie Allen, City Attorney stated if the motion was to approve a budget transfer that contemplated authorizing expenditures to negotiate terms that might include improvements that will be funded with urban renewal, than that matter has already been decided and you would have make a motion to amend or set aside that prior action. What I am hearing from the Councilor that made the motion was that was the intent and that is what the motion covered. I think if you look at the material in the packet, the amount of the request for the budget transfer contemplated negotiating terms that would include the full vision. Unless the majority of the Council disagrees with how I am interpreting what was approved and what is in the staff material, or Mr. Anderson has a different view, then I think it has been decided and is covered by the motion. You would need to set-aside or reconsider that motion.

MOTION WITHDRAWN: Councilor Thomas withdrew his motion.

9. RESOLUTION: A Resolution prohibiting use of alcohol by groups renting the Sam Cox Building.

Mayor Thalsofer read the resolution title.

Clyde Keebaugh, Parks and Facilities Supervisor stated the city rents out the Sam Cox Building for a lot of different functions. Over the past number of years alcohol has been allowed in the Sam Cox Building and we have seen an increase in the size of the groups having alcohol related functions in the building. The Parks Advisory Committee (PAC) has held two meetings on this subject because concerns were raised by the park caretakers, park staff and the police department concerning some of the things taking place at these functions. During the course of the PAC meetings they came up with a number of concerns and options related to the alcohol use in the building. It was because of these concerns that they are asking for a ban on alcohol while they consider a number of their concerns and the options related to those concerns. With these larger parties the caretakers are having some problems getting people to end the parties at the appropriate time. There has been some concern for their safety in that people are inebriated and aren't always real cooperative with wanting to shut the party down. The on-duty police officer, which is required at these functions, is also experiencing problems with keeping people in the building which is required. There have also been concerns brought forward by the parks staff and the caretakers in regards to park sanitation after some of these functions. We find a lot of beer cans and bottles, full and empty, in the park on the days following these functions. Since the park does host the City's recreation functions and other park users are using the park we have a lot of concern for the safety of the park users. There have been some unsanitary practices also associated with these parties out in the bushes. There are also concerns over the supervision of children at these parties. A lot of them are family oriented where there are a number children running around unsupervised and the adults are consuming alcohol and there is a concern for safety of the children. We have also realized a fair amount of damage

to park property, shrubs are being trampled and things are being broken. There are quite a number of concerns related to these parties since they are becoming fairly large and they are becoming difficult to maintain. The city's liability is also a concern. There could be possible underage drinking and it is very difficult for the police to ascertain that due to the large size of the groups. There is concern of people leaving the events having consumed too much alcohol and one officer can't possibly run tests on all of the folks leaving. There has been some desire to do some upgrades to the building. The carpet has sustained quite a bit of damage due to spilled alcohol and food during some of these events. We are reluctant to do very much upgrading just to have those efforts go down the drain. It has been suggested to provide extra police for these functions. The police are somewhat reluctant to wanting to come in and do the overtime for the events because they are becoming a little marginal and unruly. We are receiving some negative feedback from the police department on how these events have changed over the years. They use to be primarily an event with alcohol and now the alcohol is becoming the event. The PAC discussed these issues and are quite concerned. We have received quite a bit of feedback from the caretakers and the police on these issues. The PAC felt that it was prudent to hold off on any more alcohol until these issues could be further discussed. In the interim they felt that it would be wise and prudent to ban alcohol until they can decide how to manage the events. Some of the options discussed were: 1) discontinue any alcohol use in the building whatsoever; 2) discontinue alcohol consumption except for established community groups; 3) limiting the permits to a certain number of people if alcohol is involved but that has some control issues; 4) requiring applicants to come before the Council for parties that are wanting to use alcohol; 5) pay for more officers; 6) higher rental fees; 7) liability insurance; and 8) bringing in an OLCC licensed bartenders. With regards to the fiscal impact, it would be difficult to determine if there would be any impact or not. If we did not allow these groups using alcohol to rent the building we don't have any way of knowing if they would still have their function or if this particular group did not rent the building would we have been able to fill that slot with someone else. We just have no way of knowing that. We have a janitorial service scheduled now that comes in every Sunday morning to help clean the building. Sunday mornings was a time that we use to be able to rent out the building to various churches which we can't do now. There is also additional staff time that is required to clean up after these events. The PAC is recommending that while these issues are being looked at that the City Council approve a resolution prohibiting alcohol use in the Sam Cox Building.

Councilor Daoust stated this is a complicated issue. We have established community groups that use that building and have alcohol at their events and have for years. Your report mentions that there are ten building rentals each year that involve alcohol. Of those ten, do we have problems with all ten events?

Clyde Keebaugh replied all ten events have an impact. They have all been large functions which have created issues.

Councilor Daoust asked are these the established groups?

Clyde Keebaugh replied these are not the established groups. These are larger parties that are taking place.

Councilor Daoust stated I know we don't need to talk about the solution tonight but there is not that much difference between the fees we charge for alcohol versus no alcohol. To me if we want to discourage alcohol we change the fee system to dramatically increase the fee if you are going to use alcohol. I agree that the PAC should continue and work on some solutions, I just don't know whether we want to shut it off right now while they are working on the solution.

Councilor Ripma asked alcohol isn't permitted in the park outside of the building correct, in other words this resolution is limited to the building, I assume that alcohol is prohibited elsewhere in the park?

Clyde Keebaugh replied yes.

Councilor Ripma stated even though it does seem to be finding its way there. In light of the situation I think we should do this.

Councilor Thomas stated I never saw any reason to have alcohol there in the first place. Not all parties require alcohol. The trend across the country seems to be to get rid of alcohol in public places.

Mayor Thalhofer stated I think we should allow the alcohol while we do the studies. I understand the problem but we have community groups that have been using the building for years that utilize alcohol in moderation with no problems. The Shriners would be one example of a group that would be shutting off by this action. Has there been a problem with the Shriners?

Clyde Keebaugh replied not this last year.

Mayor Thalhofer asked has there been a problem with the Lions? Have we had a problem with the majority of the weddings that take place there?

Clyde Keebaugh replied not the majority of them no.

Mayor Thalhofer stated people utilize this park for weddings and special occasions, family gatherings, and reunions. Just because we have some wild parties that we haven't been able to control, we are going to ban alcohol. I don't see it. I think we need to control these wild parties. Why not limit the size of the parties for instance. As Councilor Daoust mentioned we could raise the fee for when people use alcohol. We can have a rule that if you have a group that uses the building and they have left it in disarray or damaged it they can't use the facility again.

Councilor Canfield stated I read the September 20th PAC minutes and it looks like they talked at length about all of the things being brought up tonight and they came to the conclusion that safety rules above all else. It is kind of interesting that one of the police officers mentioned that even with trying to control the crowd they said there would need to be at least three or

four officers and even that may not be reasonable or effective. There are a lot of folks that have used the park/building responsibly, however, there are some real safety issues here. I would tend to agree with the PAC for a short term until we can figure out how to handle this. That would be the safest course to follow.

Councilor Kyle stated I attended the last PAC meeting and there was a lot of discussion and the PAC came up with a good list of information that they want to take a look at. I personally don't think it would be a good business practice to shut this off until we have also had an opportunity to look at some of that information. Some of the questions I have are, is it size related? Maybe we need to come up with some solutions where if there are more than so many people there is no alcohol allowed. It is unfortunate to punish everybody for a few bad apples. I probably would not support prohibiting alcohol at this time. The park rentals during the winter are not very high, it is the summertime that has the higher uses correct?

Clyde Keebaugh replied yes.

Councilor Kyle stated I don't remember if the PAC had a timeframe for reviewing this. I think they were going to try and do this as quickly as they can. I know that the PAC wanted more information on liability insurance. They wanted to look at having an OLCC person attend. If we required an OLCC person there would we ask for proof of their liability insurance? There were so many questions and those would also be the things that I would want answered before I would say that we should prohibit alcohol.

MOTION: Councilor Gorsek moved to accept the resolution prohibiting the use of alcohol by groups renting the Sam Cox Building. Seconded by Councilor Thomas.

Councilor Gorsek stated we can rescind this when we receive more information. I think that safety is a serious issue and I am worried that we will be giving a sign to the caregivers and the police department that we don't care much about their safety and I think we do care.

Councilor Thomas stated I agree with Councilor Gorsek. I would like to support what the PAC has recommended and give them a chance to review this further. I understand some of the arguments about group sizes. I think trying to limit the group sizes is something that we may not be able to control. I really support this and I think that we need to avoid any further damage to the building because we are the ones that have to pay to fix it.

Councilor Daoust stated I have listened to the Council but I am not going to support this. I think it is an over reaction where we are punishing everybody for the few bad apples. I think there is a myriad of options that we could utilize to limit the problem. I am glad that the PAC is going to look at that and they will come up with some good solutions. To cold turkey it right now while they are looking at solutions doesn't make sense to me.

Councilor Ripma stated we heard about this six months ago. The caretakers made a very good case for a problem. I think the parks staff has known about this and have tried to work the problem, that is more or less the direction we gave them at the time and we referred it to the PAC. It is obviously not working and things are out of control at times. This isn't necessarily forever, the PAC may come up with a compromise. I think we do need to cold turkey it because of the problems that have been identified. We saw it six months ago and I think staff made an attempt to resolve it in some other way. I am willing to try this so I favor the motion.

Mayor Thalsofer stated I don't favor the motion. I think we can impose limitations. If we have a rowdy group then they won't be able to come back, you know who the rowdy groups are. If they are rowdy before and they have a different guy signing up this time, you know it is the same rowdy group. To penalize other law abiding citizens who want to use the building doesn't make sense to me. I care about the safety of the people using the building and the park, and I care about the safety of the caretakers and our police officers. I think there are other ways to address this issue. limiting the size of the group is one example. I think we need to work on a solution and we can start with a size limitation and not allowing rowdy groups to use the facility anymore.

Councilor Canfield stated the safety issue here is paramount. The police officers say that even three or four officers would not be effective or prudent. The pictures that the caretakers showed us a few months ago, I was appalled at what I saw. The damage that has been done, even if we put a prohibitive deposit requirement to cover the damage, the building is never the same. Maybe when the PAC further discusses this perhaps established community groups or events or long standing groups are something we can consider but for now it has reached a dangerous point where I think the park folks have done there best to get a handle on this. I say better safe than sorry for now. Let's give the committee some time to come up with some reasonable prudent solutions to solve this so that people don't get hurt and we can protect our city's property and keep our employees and our residents safe.

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

Motion Passed 4 - 3.

10. STAFF COMMUNICATIONS

None.

11. COUNCIL COMMUNICATIONS

Councilor Thomas thanked Rich Faith for going above and beyond the call of duty to help out Kelly Young. I spoke with Mr. Young and he is very satisfied with the results.

Mayor Thalhofer stated he will be scheduling a Council Communications/Relations work session in the near future.

12. ADJOURNMENT:

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

Meeting adjourned at 11:20pm.

Paul Thalhofer, Mayor

Approved February 28, 2006

ATTEST:

Debbie Stickney, City Recorder