



# CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

## AGENDA

### CITY COUNCIL – SPECIAL MEETING

TROUTDALE CITY HALL

104 SE KIBLING AVENUE

TROUTDALE, OR 97060-2099

#### Mayor

Paul Thalhofer

#### City Council

Pat Smith

David Ripma

Bruce Thompson

Jim Kight

Paul Rabe

Doug Daoust

### **Tuesday AUGUST 14, 2001 – 7:00 P.M.**

- (A) 1. PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE
- (I) 2. PUBLIC COMMENT: Please restrict comments to non-agenda items at this time.
- (A) 3. PUBLIC HEARING / ORDINANCE (Introduced July 24, 2001): An Ordinance declaring that blighted areas exist in the City of Troutdale, Oregon, establishing the need for an Urban Renewal Agency in the City and electing a method for exercise of the powers of an Urban Renewal Agency within the City. Erik Kvarsten, City Administrator
- (A) 4. PUBLIC HEARING / ORDINANCE (Introduction): An Ordinance making certain determinations and findings relating to and adopting the Troutdale Town Center Urban Renewal Plan. Rich Faith, Community Development Director
- (A) 5. PUBLIC HEARING / ORDINANCE (Introduced July 24, 2001): An Ordinance terminating the franchise of RCN Telecom Services of Oregon, Inc., and releasing the company from its obligations under the franchise. Steven Jolin, Consultant for MHCRC
- (I) 6. COUNCIL CONCERNS AND INITIATIVES
- (A) 7. ADJOURNMENT

  
Paul Thalhofer, Mayor

Dated: 8-9-01

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

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**August 14, 2001**

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

**PLEDGE OF ALLEGIANCE, ROLL CALL, AGENDA UPDATE**

Mayor Thalhofer called on Councilor Daoust to lead us in the Pledge of Allegiance.

**PRESENT:** Smith, Ripma, Thompson, Thalhofer, Kight, Daoust.

**ABSENT:** Rabe (excused).

**STAFF:** Faith, Galloway, Williams, Kvarsten, Allen, and Stickney.

**GUESTS:** See Attached List.

Mayor Thalhofer asked are there any agenda updates?

Kvarsten replied we have no update Mr. Mayor.

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

Mayor Thalhofer called this item.

Dave Munson stated I have two things on my mind. We were on a trip to Alaska. During our trip we visited Watson Lake where they have a sign forest and there are about 40,000 signs from all over posted there. The city was kind enough to donate a sign, so now there is a "Welcome to Troutdale" sign along with the other 40,000 signs. The other item that I have is one that I came before the Council with before and the problem has not been taken care of. This is in regards to vegetation around light standards. I also have a photograph of a fire hydrant that I am afraid that the Fire Department would have a difficult time trying to locate because of the vegetation. I have pictures if you would like them.

Mayor Thalhofer asked could you give those pictures to Mr. Faith please and he can pass them along to Jack Hanna. The Community Development Department will review this.

Munson stated that Mr. Galloway knows about the hydrant, I pointed it out on a map for him.

**3. PUBLIC HEARING / ORDINANCE (Introduced July 24, 2001): An Ordinance declaring that blighted areas exist in the City of Troutdale, Oregon, establishing the need for an Urban Renewal Agency in the City and electing a method for exercise of the powers of an Urban Renewal Agency within the City.**

Mayor Thalhoffer read the Ordinance title and opened the Public Hearing at 7:05pm.

Erik Kvarsten, City Administrator, stated there are two ordinances before you this evening. Some background on the first ordinance; the City Council adopted a goal to form an Urban Renewal Agency to fund infrastructure facilities needed to continue revitalization of the Town Center area. This includes the sewer treatment plant site as well as the County Farm parcel. To establish an Urban Renewal Agency the Council has to enact two ordinances. The legislation considered under this agenda item sets up the Urban Renewal Agency and provides the powers of the agency to be retained by the City Council. The ordinance also adopts findings that the district meets the statutory definition of a blighted area. In legal terms the definition of blight has broad parameters. The blight that is present in the Town Center area is primarily due to transportation, access and other public infrastructure areas. Consequently, the projects that the Urban Renewal Plan authorizes address those needs. Again, urban renewal in this sense, in our proposal, is very straight forward and primarily public works and transportation type of program. The ordinance you are considering under this agenda item, which establishes the agency, the City Council retains the powers of the Urban Renewal Agency. The second ordinance, which Mr. Faith will introduce following this ordinance, will be the Proposed Urban Renewal Plan.

Councilor Ripma asked for clarification on what we are considering first tonight. In our packet there are white pages, buff colored pages and green and blue. Just so I am clear, item 3 is the white pages in our packet?

Kvarsten replied the buff and green colored pages are part of the Plan, which will be the focus of the second ordinance.

Councilor Ripma asked the Exhibit "A" seems to have the items in it that will set up the agency. What I am referring to is on page 24 of Exhibit "A", it refers to amendments to the Plan, I just want to be clear, those are separate from setting up the agency, those are how you run the agency?

Kvarsten replied you are correct Councilor.

Councilor Kight asked on page 4 it references to the land that it zoned A-2 or high density multi-family, what is the process if we wanted to reduce that acreage, which I see here is approximately 61 acres and 40% of that is developed and the other is not developed. If we wanted to reduce that acreage for multi-family, is this cut in stone so that we don't have that flexibility under this Plan?

Kvarsten replied I think it is very important to recognize urban renewal is truly a funding mechanism and a tool to fund improvements that have been identified through other public processes and forms. Urban renewal, does not in any way, affect the Comprehensive Plan,

land use standards or the zoning designations, those are completely separate processes. Obviously, if should you choose to change the Comp Plan in any way or change the Development Code, that would take place in the urban renewal district as well. The Urban Renewal Agency itself is not a land use board.

Councilor Kight asked so they are a total separate entity, is that correct?

Kvarsten stated it is difficult to discuss these without talking about both things, but as we get into the plan presentation, the urban renewal tool truly implements the Town Center Plan, which you all know was developed several years ago after lengthy meetings, discussion and input. It also incorporates elements of the City's Capital Improvement Plan for water, sewer and streets as well as it will incorporate the redevelopment plan for the sewer treatment plant site which the Planning Commission has heard and has made their recommendation and the Council will hear. It is the tool to get the job done, it is not land use.

Councilor Kight stated so the short answer is yes and no. Yes we can change it, but outside of the agency.

Kvarsten replied this is not the vehicle.

Councilor Kight stated sometimes it is difficult to see where the agency stops and starts.

Kvarsten replied the powers of any Urban Renewal Agency are primarily to fund already identified programs and projects.

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

Gail Thurber stated with me is Roman York and Mark Knieriem. We are here to discuss the Urban Renewal Plan and specifically, we will look at the ordinance first. We support improvements in our community but we do have some concerns that we would like addressed. In our reading we didn't see that it was clear who the individuals behind the agency are, so we would like that question answered. And, whom will they be accountable to? We believe that 1/3 of the agency should be elected from interested property owners to provide balance in representation. City Councilors, we believe should not serve as members of the agency if that creates a conflict of interest and they cannot impartially oversee the agency. There should be an independent so if conflict arose there would be an impartial person to review the situation and make recommendations. On page 2 A of the ordinance there is reference to blight that should be reworded we believe, to within the Plan area there are sights of blight. Otherwise you are including the new businesses and housing development that occurred in recent years.

Roman York stated our city should not be labeled blight because not all of the city is a garbage dump. We certainly have areas that are eyesores and we have slime landlords that take no pride in their property and are devaluing properties of other people. We feel that this part is a really important part and should be addressed in the ordinance.

Thurber stated on 2 of the ordinance, Section A, which is the second paragraph which reads "The area designated the Plan is the Plan area, meets the statutory definition of blight". We felt it would be more appropriate to say...

Mayor Thalhoffer stated I don't think we are following you.

Thurber stated the ordinance that we received is called ordinance #, and it just has a line across it, and on page 2.

Mayor Thalhoffer stated the ordinance we have has page 1 and page 2 and that is it.

Thurber stated we have page 1,2 and 3.

Kvarsten stated they are referencing the second ordinance, which implements the Plan.

Thurber stated we thought we received one ordinance and we received the proposed Troutdale Town Center Urban Renewal Plan and the Report on the proposed Troutdale Town Center Urban Renewal Plan. Is there some other ordinance that you are referencing?

Mayor Thalhoffer stated that is coming up soon. The heading of the ordinance before us is, an ordinance declaring that blighted areas exists in the City of Troutdale, Oregon, establishing a need for an Urban Renewal Agency in the City and electing a method for exercise of the powers of an Urban Renewal Agency within the city.

Thurber stated looking at page 24 of the proposed Troutdale Town Center Urban Renewal Plan, can you address that now, or does that fall under the next item?

Mayor Thalhoffer replied no. That will fall under the next agenda item.

York stated what I am looking at is the language that is designating us blight. Blight has a very broad definition and consequently we feel that it kind of takes the whole area and in that area we have the new businesses and new homes, remodeled homes and probably the wording could be changed and reworded. In this area we have certain spots that do meet the blight and it means underdeveloped and lack of services. We should be a little more specific not just take the whole area. Not all of our city is, there are parts like main street and newer developments and newer homes. It is our suggestion to target the greatest eyesores and designate those as areas of blight.

Mayor Thalhoffer stated this ordinance says an ordinance declaring that blighted areas exist. It does not say that it is all blighted, just that certain blighted areas exist within the boundary.

Mark Kneiriem asked is this a vehicle to get federal funds? Do you need to pass this ordinance first in order for the urban renewal project to go forward? What is the purpose of this first ordinance?

Mayor Thalhoffer replied it is tax increment financing. That is how an Urban Renewal Agency operates. Mr. Kvarsten would you explain that to them.

Kvarsten stated that Mr. Tashman is here and under his presentation he will be more specific than I. In very general terms, urban renewal is a tool that is unique in municipal financing mechanisms. In the general sense the taxes of existing property owners in the city or in the area are not affected. Rather, that when the development that the urban renewal helps to occur by building a street or other infrastructure, the additional revenue that is created by that helps to pay for those improvements, that is why it is called tax increment financing. There are no specific federal funds from this. Now, at times, urban renewal agencies may apply for federal funds as some other specific project, that is not part of our plan here. Mayor, I would like to address Mr. York, he is very correct that in the sense that within the Town Center area there is obviously beautiful homes and businesses, again the statue says you have to note blighted areas within the Plan area which we have done. We are similar to Tualatin, Eugene where within the boundaries of the area there may be some very prosperous businesses and homes but there are also those blighted areas. Urban renewal was never intended to declare an entire area blighted. You get mixed into the required statutory language that we have to put into the documents, we can check with legal counsel and if there is a why to word that differently we can bring that back under the plan.

Mayor Thalhoffer asked is there anyone else who would like to speak to us on this ordinance?

No additional testimony received.

Mayor Thalhoffer closed the public hearing at 7:21pm.

**MOTION: Councilor Daoust moved to adopt the ordinance that was introduced on July 24<sup>th</sup> at the first public hearing, declaring that blighted areas exist in the City of Troutdale, Oregon and establishing a need for an Urban Renewal Agency in the City and electing a method for exercise of powers of an Urban Renewal Agency within the City. Seconded by Councilor Kight.**

**Councilor Daoust stated all this ordinance does is declare an urban renewal area in Troutdale, it defines it. It sets up the City Council as the Urban Renewal Agency, which I think was one of the questions that the folks had, that it wasn't clear but the City Council by this ordinance, would act as the Urban Renewal Agency. This is a very valuable tool to allow the city to borrow money and spend it on specific projects that we all agree to and the tax increment that we get from that increased value of the property would help pay back the loans. It is just a valuable financing tool that I think the city needs in specific areas of Troutdale to further promote development of specific sites. That is why I recommended that we adopt this.**

**Councilor Kight stated without being redundant, I would agree with Councilor Daoust. Again, this sets up a new agency within the City of Troutdale. As Councilor Daoust pointed out, we will target specific areas that need rehabilitation and that need**

improvement not only to buildings specifically but to vacant land as well as infrastructure, streets, sidewalks, water and sewer lines so that we can provide a vehicle for future development within the city and have some control over what kind of development will happen within our city. Development will happen with or without this, but this provides some type of control from your elected officials which are directly responsible, not only to the people in this room, but to every citizen within our community, to provide what we hope to be a quality development within our city. Not unlike what we have done in downtown Troutdale on the north side. For many years the City of Troutdale had no north side, but the City, in its foresight, put in a parking lot and the infrastructure and within the fifth year all of that infrastructure will be paid back by increased taxes with the new buildings. Not to mention, increased development and having a new downtown.

Councilor Ripma stated I am going to support this ordinance because I think it is the only way that the citizens of Troutdale can fund some very necessary civic improvements. I don't like urban renewal in principle, I wish there was another vehicle for doing it. The way the tax laws are set up in Oregon with the initiatives that have been passed in the 1990's, Measure 50 and Measure 5, Troutdale is absolutely broke. We are unable to fund some improvements that I think are very valuable and needed for the city including new park land, improvements to our streets and the acquisition of additional park land that I think we are going to need in the future. I have to say that I don't think we would be doing right by the citizens if we didn't do this Urban Renewal Plan. I wish there was a better way to do it. The City Administrator did explain tax increment financing and I understood what he said because I have studied it for a while. I wouldn't blame a lot of you if you didn't understand it just because it is so complicated. It is a way for us to raise money and finance needed improvements and frankly we don't have any other way to do it that is as good, this is the best. I have thought long and hard about it and I have talked with a lot of people and I have studied this. I have been pretty skeptical all along but I do think it is justified and I think there will be good that comes out of it. It affects the entire city because all of the citizens in Troutdale end up contributing to the needed urban services that new development requires here in this urban renewal area and that is why I believe firmly that the City Council should be the agency that exercises the power of this agency because really it is the entire city that is affected by it and the elected officials are the ones that ought to exercise the power. We the Council have worked long and hard, we have had many workshops on this and I am going to support it. It is going to be a good thing for Troutdale. It does allow us to control things, I would still rather have the tax system in Oregon would allow us to simply go to the voters and ask would you like to finance this improvement but we have our hands tied and we wouldn't be doing right by the citizens of the future if we didn't go ahead and do this. There will be a lot of good that comes out of it, so I do support it and I commend the staff.

Councilor Thompson stated I am going to support this motion because I think we need the financing mechanism to pay for the infrastructure that needs to be paid for to take care of these new areas of development in the city. It is a good funding mechanism.

Mayor Thalhofer stated I am going to support it for many reasons. One of which the people of the City of Troutdale made a huge investment in the city when they voted to remove the sewer treatment plant from downtown Troutdale. We have been hoping and wishing we could do that for years but we didn't think we had the wherewithal to do it. Finally we stepped up and had a campaign and the people supported us and the sewer treatment plant is being moved and the new plant is almost ready to open. The people in Troutdale have made that investment, they believed in us and they believed in the project. So, we need to find the mechanism to provide the infrastructure to make good things happen in that area. It has been mentioned about park land and other public amenities like a boardwalk along the river, promenade along the river and perhaps a museum, maybe a Lewis and Clark exhibit, things like that, which could be beneficial to the public. It hasn't been decided what is going to be there but no matter what goes in there we will need the infrastructure to make it happen and that is very expensive and urban renewal will make that possible for us. We also have other areas that the agency will help, one being the pig farm across from McMenamins. It has some environmental constraints, which make it difficult to develop, and this will help provide a mechanism for funding some of the infrastructure there as well. The city is a beautiful city now, downtown is just glistening, but over there where the lagoon and the sewer treatment plant is, which will soon be gone, is not so pretty, that is a blighted area. Other areas of this city have blight as well. Of course most areas of the city are very very nice, but we need to clean up the blighted areas and this will be a mechanism for doing that. The people of Troutdale have made a huge investment in their city when they passed the multi-million dollar bond issue to remove the sewer treatment plant out of downtown. I will not soon forget the fact that they stepped up to the plate and did that, not many people thought that they would but they did. So we have to follow up and make sure that good development takes place there and that there are public amenities there and that it is something that all of the people of Troutdale can be proud of. That is why I am supporting this.

Councilor Smith stated I am going along with this but I have had a lot of reservations about the urban renewal. I think we are opening a can of worms, but for the same token, with the money situation the way it is, tight, here in Troutdale, this seems to be our only vehicle for even looking into the future and doing anything as far as upgrading things that need to be do. So for that reason I will go along with it but I still have very strong reservations about urban renewal for the City of Troutdale itself because I feel we have done a lot without this type of thing but yet I do see that we do have problems.

**VOTE: Councilor Daoust – Yes; Councilor Smith – Yes; Councilor Ripma – Yes; Councilor Thompson – Yes; Mayor Thalhofer – Yes; Councilor Kight – Yes.**

**The Ordinance was approved by a vote of 6-0.**



**4. PUBLIC HEARING / ORDINANCE (Introduction): An Ordinance making certain determinations and findings relating to and adopting the Troutdale Town Center Urban Renewal Plan.**

Mayor Thalhoffer read the Ordinance title and opened the Public Hearing at 7:34pm.

Rich Faith, Community Development Director, stated with me this evening to assist in presenting the staff report is Jeff Tashman who has been our consultant on the Urban Renewal Plan and on this entire urban renewal process. Jeff will speak to the financing aspects and also the process for amending the Plan at the conclusion of my remarks. Last year the City retained the services of Tashman Johnson to help us in evaluating the feasibility of an urban renewal district and establishing an urban renewal program. Jeff did much of the preliminary work, which is folded into the Plan and the accompanying report. Earlier this year a presentation was made to you and at that time you did authorize us to go forward in putting together an Urban Renewal Plan and to do all the other necessary things to accomplish an urban renewal program. Urban renewal is a local program that is available to local governments within the state in which you identify a specific area and establish a public investment program in order to be able to bring quality development to that area through the financing aspects of the program. Urban renewal provides local governments with tools that are not otherwise available to them. For example it does allow an Urban Renewal Agency to collect tax increment revenue, Jeff will speak more about that in his remarks. It also allows for special powers for the agency to buy and assemble sites for development or redevelopment if that is their desire and if it is specified in the Urban Renewal Plan. Urban renewal allows greater flexibility and authority in working with private property owners and developers in forming private/public partnerships to accomplish many of the goals and projects that are outlined in the Plan. The authority and the procedure for establishing and urban renewal program is outlined in State Laws, specifically Chapter 457 of the Oregon Revised Statutes. In order to establish an urban renewal program the city must first establish an Urban Renewal Agency, and you have just taken that first step in the previous ordinance you just adopted in naming yourself as the Urban Renewal Agency. Along with that you must also adopt an Urban Renewal Plan and that is the subject of this ordinance and in your packets it is the yellow or salmon colored sheets. The Plan must also be supported by an analysis that documents the various figures that supports the Plan and that is also contained in your packet as the green sheets.

Mayor Thalhoffer asked does everyone in the room have these different colored sheets?

Faith replied if people came into City Hall in the past several weeks to obtain this information, they probably did not get the different colored sheets. We have color coded them for your packets.

Mayor Thalhoffer asked is there some way we can make it so the people that are here can follow along with us otherwise they get confused? Do you folks in the audience have exhibits A, B and C?

Thurber replied they are not labeled as such but exhibit A is the proposed Troutdale Town Center Urban Renewal Plan and B is the Report but that is not clear, it is mentioned in the ordinance but it is not marked on the documents.

Kvarsten stated to clarify, the documents that were made available to the public that were referenced in the notice that was mailed out are two documents, one is the Proposed Troutdale Town Center Urban Renewal Plan and the accompanying document with that is the Report on the Proposed Town Center Urban Renewal Plan. Those are the two documents that were made available to the public over the last few weeks.

Mayor Thalhofer asked can they follow what we are doing here?

Kvarsten replied yes. Mr. Faith and Mr. Tashman will reference the Proposed Plan or the Report on the Plan. Those are documents that are required by Statute as we proceed through this.

Mayor Thalhofer stated if you get lost at any time just let us know and we will help get you on track. Don't be bashful about that.

Faith stated the Urban Renewal Plan and accompanying Report provide the foundation for the urban renewal program. The Plan does act in a number of different ways and I would like to run through what the major features of the Urban Renewal Plan are. First of all the Plan outlines its overall goals and objectives and those are found on pages 3-5. It also delineates the Town Center Overlay Zoning District as the Urban Renewal Plan area boundary within which the Plan will operate. The Town Center Overlay District is a zoning district that was adopted in February of 1998 when the Council adopted the Town Center Plan. It is an already established boundary and we choose to follow that because it does define what we call our Town Center. The Plan also describes the urban renewal projects that are to be undertaken. The principal activities that are identified in the Plan that will be accomplished consist of public improvements and financial incentives for the rehabilitation, infill and redevelopment within the Central Business District, for redevelopment of the sewage treatment plant site and for development of the County Farm Property also referred to as the Pig Farm property. There are a range of public improvements that are spelled out in the Plan, those include street improvements, water, sewer, pedestrian ways, trails and even parks and civic buildings are also identified in this Plan as projects that could be funded through the urban renewal revenues. Those are outlined on pages 8-10 of the Plan. The Urban Renewal Plan shows how it relates to existing city policies contained within the Troutdale Comprehensive Plan. The whole purpose of this Urban Renewal Plan is to be consistent with policies already adopted by the Council as part of our Comprehensive Plan, Town Center Plan and other documents. The Urban Renewal Plan authorizes the acquisition of real property for public improvement. It authorizes the acquisition and disposition of property by sale, lease or other means to a private party for any use in conformance with the Plan. Those specific projects that have been identified for acquisition are contained on page 21 of the Plan. It specifies the use of tax increment financing to pay the costs associated with implementing the Plan. It limits the amount of indebtedness that may be issued or incurred under the Plan. It outlines a procedure to follow to amend the Plan and Jeff will speak to that

in a few minutes. It sets a termination date of 25 years for completion of the urban renewal projects that have been listed in the Plan. Therefore, no new projects can be undertaken after the 25-year period and no further indebtedness can be incurred. The documentation and analysis for the project cost and the various fiscal impacts are provided in the Report, which is labeled as Exhibit "B". State Law sets out this procedure in terms of how you go about creating an urban renewal district and adopting an Urban Renewal Plan and one of the requirements is that the Plan must go before the Planning Commission for their review and recommendation before it comes to the City Council, the final deciding body. Consistent with that requirement, this Plan was presented to the Troutdale Planning Commission at a public hearing on July 18<sup>th</sup> in order for them to take public comment. In their review of the Proposed Plan the Planning Commission identified two concerns. The first of these was that the Plan contained no procedures for disposing of property acquired and owned by the agency. The second concern was that the Plan did not outline a mechanism for citizen involvement or for an urban renewal advisory committee or any kind of an advisory function as part of the citizen involvement process. The Planning Commission is recommending adoption of the Urban Renewal Plan, however they do have these following two modifications as part of their recommendation. The first is that the disposition of land acquired by the Agency for private development be done through a disposition and development agreement approved by the Urban Renewal Agency at a public meeting. The second modification that they are recommending is that the Agency appoints an Urban Renewal Advisory Committee as part of the public involvement effort. The first of their recommendations has been addressed in the specific plan before you tonight. We have incorporated in the Plan language that deals with disposition of property, which is consistent with the Planning Commission's recommendation and that is on page 22 of the Plan. The second recommendation pertaining to the appointment of an Urban Renewal Advisory Committee has not been incorporated into the Plan. However, staff does recommend that the Council, in conjunction with the adoption of the Plan, that you by motion appoint the Planning Commission to serve as the advisory committee to the Urban Renewal Agency. There is one other recommended change that staff would like to make to the Plan and that is on page 9, which contains the various projects that have been listed. Under Section B, Public Facilities, you will see that it refers to city hall development and in the first sentence it says, "Participate in the development of a new city hall on a site located west of Buxton and south of 2<sup>nd</sup> Street". Staff would like to recommend that we do not specify an exact location, that we provide for some flexibility in the location of the city hall and that can be accomplished by simply modifying the language to say, "participate in the development of a new city hall on a site to be determined by the City Council". This gives greater flexibility should another site come to mind or if something should change in the future we haven't specified a specific location. That is a staff recommendation to incorporate into the adoption of the Plan. As was alluded to earlier this evening, we have provided notice of tonight's public hearing to all postal patrons within the city. In response we have received three letters pertaining to the proposed Plan and these are being submitted into the record. The first of these letters was submitted by Brian McCarl & Co., who represent the Handy Bros. Service Inc. dated July 26<sup>th</sup>. The second letter submitted by Jeffrey L. Kleinman, an attorney representing Martin and Bev Frank who are the owners of Lot 24 in the Troutdale Town Center Subdivision. I have spoken to Mr. Kleinman and pointed out to him that I thought that the subject matter of his letter was more appropriately addressed to the sewage treatment plant redevelopment plan, which will be

coming up for consideration on August 28<sup>th</sup>. He agreed after I explained that, however, to play it on the safe side he did ask that it be put in the record for both this hearing and the hearing on the 28<sup>th</sup> but he does acknowledge that a more appropriate forum for that issue will be the consideration of the sewage treatment plant redevelopment plan. The third letter was submitted by Diane Linn on behalf of the Multnomah County Commissioners in response to the presentation that was made to them, as we are required to do, that letter was submitted on August 10<sup>th</sup>. Each of those letters have been provided to you as part of your packet of material. Staff believes that the issues that have been raised in each of these letters can be addressed outside any amendment to the Proposed Plan and therefore we will be addressing issues raised in those letter but we are not recommending any amendments to the Plan in response to those letters. That concludes my remarks and I will let Mr. Tashman proceed with his presentation.

Jeff Tashman stated as Rich stated I would like to briefly go through the financing of the Plan and the processes you can use in the future to make changes to the Plan. The ordinance that you are considering adopting tonight has findings in it that the Plan is financially feasible. As has been explained by Mr. Kvarsten, the revenues for urban renewal are those that result from property tax revenues applied to growth inside the district over and above the value that exists today. In analyzing the financial feasibility of this Plan we made projections of growth in the area that are very reasonable. We took into account what land is vacant and what land might be underdeveloped and might be subject to redevelopment in the future. We correlated the vacant land with the zoning to see what kind of development was possible under the zoning categories and then we used current figures on what average values are for the kinds of development that happens in those areas. The estimates of the revenue from the Urban Renewal Plan, we didn't pick numbers and we didn't just project a percentage, we actually went through and looked at where there was vacant land and what kind of development could happen and what that development is likely to be worth as the Plan goes on. Similarly, when we listed the costs of the projects and the urban renewal share of those costs, we looked at what kind of projects are going to be those that need to be more or less completely funded by the Urban Renewal Agency through this Plan and what kinds of projects will have other kinds of revenues that will contribute to them. We came up with costs for total projects, but for public improvement projects, like streets and water, storm and sanitary sewer it is reasonable to expect that there are going to be other sources of funds for that. The city has funds, they get system development charges and there are requirements when people develop to make improvements to the property, so we adjusted the share of the urban renewal cost to reflect that there are other revenues that contribute. Finally, for urban renewal, the money that is received from tax revenues on growth is not used directly on particular projects; rather it is used to pay principle and interest on debt. In order to calculate what the borrowing capacity was going to be we used very realistic and current figures on interest rates and terms and things like that. We were able to take a stream of projected revenues, and then we used very reasonable and conservative assumptions about how much debt that would support. I wanted to explain that because it is an important finding that you are making that the Plan is financially feasible and I want you to understand that the analysis that went into it was very reality based. If this Plan gets adopted and as it is implemented, you don't make financing decisions all at once for the whole Plan. The nature of decision-making will be in stages. There will be some early growth and some early projects and you

will get a chance to make the important decisions about the financing as time goes by, but state law does require us, through the whole life of the Plan, to make a reasonable estimate as to how this all fits together, and that is what we have done. The other thing I wanted to talk to you about was the process for making future changes to the Plan. It is very likely that future changes will be necessary. That is discussed in the Plan on page 24. There are two types of changes under state law, to make those kinds of changes you have to go through the very same process that we have gone through to present the original Plan. Those are described as substantial amendments on page 24 under paragraph A. Those amendments are increasing the maximum amount of indebtedness that can be issued under this Plan. Going back in earlier sections of the Plan there is a limit of \$16,500,000 of debt that can be issued under this Plan. If in the future circumstances warrant and it becomes in the public interest to issue more than that amount, that is the kind of change that has to go back through the same public process that you have done for this original Plan. Similarly, if it becomes in the public interest that you need to increase the size of the district by more than 1%, that change has to go back through the whole process. There is a second set of amendments called Council Approved Amendments, those require almost the same amount of process but they don't require that the city send notice of a public hearing to individual households. The city would give notice in its more typical way that it gives notice for its public hearings. The kind of changes that would be dealt with that way are adding a new project into the Plan that is not already in the Plan that costs more than \$500,000 in current dollars. Extending the termination date of the Plan, which is stated in chapter 13 of the Plan as being 25 years. Also authorizing the acquisition of real property by any means including eminent domain or condemnation. Right now in the Plan there is only one property identified that could be acquired that way and that is the County Farm site. This is important, private property owners are commonly and understandably concerned about the urban renewal program condemning their property for redevelopment. What I wanted to point out is that to do so you would have to amend the Plan to identify that property specifically and there is a large amount of process that you would have to go through in order to make that change. Amendments other than those are minor amendments and they can be done by resolution of the agency. I will answer any questions you have.

Councilor Daoust asked on page 21 where it talks about properties to be acquired, the agency may acquire interest in the County Farm site, is that the only piece of property that is specifically identified in this Plan?

Tashman replied that is correct. Property that is needed for public improvements, like streets or an easement for sewer, does not need to be identified and basically the city has that authority already, there is no new authority given by the Urban Renewal Agency to condemn property if needed for public improvements. So those kinds of things, if the city needs a strip of right-of-way, those kinds of things don't need to be identified specifically. But, if the agency is going to buy property for private redevelopment, that is required to be identified in the Plan.

Councilor Daoust stated so we have this piece of property, the County Farm site, listed in our Plan and the financial information that backs up the Plan, the \$16,000,000 indebtedness for

the urban renewal share, lists \$50,000 for land acquisition, how does that \$50,000 play into a larger valued property?

Tashman replied the way it is contemplated now, again this can change if circumstances change, but for now the \$50,000 would only serve to acquire an option in the property. The thought for this project is that the property would be acquired from the county and then conveyed to a private developer for development. The actual purchase price of the property would be supplied by the purchaser and developer. What is budgeted for in the Plan is just the cost of the option agreement.

Councilor Daoust asked if we authorize the acquisition of other property by means of eminent domain and identified parcels for acquisition, we do have to go through a citizen involvement process including going before the Planning Commission first?

Tashman replied yes.

Councilor Daoust asked this wasn't part of the Planning Commission's recommendation; this is state law, the substantial amendment process?

Tashman replied the substantial amendment is part of state law, the kind of amendment that you just referred to is a Council Approved Amendment and that does require going through all of the procedure for a substantial amendment except for providing notices to individual households. So that kind of amendment would require going to the Planning Commission and talking to other taxing districts. These amendments are considered very important but they just stop short of that extra step of providing individual notice because that is so expensive.

Councilor Daoust asked but that is state law?

Tashman replied state law is for the substantial amendments. The process that we are doing for Council Approved Amendments is really at the discretion of the City Council. If you, as the City Council, believe that these amendments should occur with less of a public process, it would be legal for you to do that.

Councilor Daoust asked but the proposal we have in front of us, if we were to identify additional real property for acquisition, this proposal has us go through the citizen involvement, the Planning Commission and notification to the county?

Tashman replied that is correct. The judgment call here is that these are all kinds of amendments that, even though they are not identified by the state as substantial amendments, they are very important issues and they deserve a fair amount of process.

Councilor Daoust stated yes, I agree. Related to Multnomah County Commission, Diane Linn wrote us a letter representing Multnomah County Commissioners as the Chair, my first question is, do we have to have Multnomah County Commission's support of this Plan? They have a couple of recommendations that they would like to see included in the Plan and that is

a stronger emphasis on affordable and special needs housing as well as a focus on providing some living wage jobs for low income residents. We kind of touch on those issues briefly in the Plan but we don't really get as explicit as the County would like us to be. Do we need their approval and secondly, they reference the fact that we need to accept, reject or modify their proposals, can you elaborate on that?

Tashman replied the County Board of Commissioners does not have to approve this Plan for it to be adopted by the Council. What we are required to do is meet with them and discuss the Plan and Erik and I did that a couple of weeks ago. The language that you just read about accept, reject or modify is a process requirement that states if any of the taxing districts that are affected by the Plan send the Council written comments, the Council has to explicitly discuss those and dispose of the comments one way or another. I think reject is a harsh word. The requirement would be that you would need to discuss the County's concerns and find that the Plan as we present it deals with them appropriately or else suggest some changes.

Councilor Daoust asked but we should discuss them?

Tashman replied the law does state that you need to accept, reject or modify, so you do need to discuss specifically those issues.

Kvarsten stated Councilor Daoust, you may recall from Mr. Faith's presentation that staff would like an opportunity to visit with the County between now and the 28<sup>th</sup> to see if we can clarify some of their concerns and provide Council with a draft response.

Councilor Daoust stated so staff is going to talk with the County between this meeting and the next meeting that we have and give us a proposal on how to deal with those?

Kvarsten replied that is correct.

Tashman stated we did talk to the County Commissioners and we pointed out that the investment in infrastructure for areas of the city that are zoned for multi-family within the Town Center could likely have the affect of assisting in the development of affordable housing. Even though the Plan doesn't specifically target the investment to that kind of housing, we pointed out that by providing infrastructure the Plan does provide some support. By their comments they are asking for more emphasis than that.

Councilor Daoust stated I guess the emphasis that we give is on page 14 when we talk about alternative housing types, we get into discussions about senior citizen housing and a mix of multi-family housing which kind of skirts around the issue they are wanting us to address. I have one more question, we will probably hear from the Handy's on this but I want to hear staffs' interpretation. On page 13 we talk about the Town Center Plan objectives, number 4, says eliminate the auto related focus in the established Central Business District. What do we mean by that?

Faith stated that was a policy that was adopted with the adoption of the Town Center Plan in 1998 and that has already been implemented through the zoning for the Central Business District. Concurrent with the adoption of the Town Center Plan you also adopted amendments to the Troutdale Development Code and one of the things that we did was modify the area that constitutes our central business district and we eliminated auto related industries such as auto repair as permitted or conditional uses in the central business district. So we have already implemented that policy in our current development code. We are merely repeating existing policies in trying to show how this plan will be implemented and be consistent with existing policy. If the Council wanted to change the policy you would be looking at going back and amending the Comprehensive Plan because this policy has since been carried over into the Comprehensive Plan, it is not just stated in the Town Center Plan, it is now stated under Goal 9 of our Comprehensive Plan.

Councilor Ripma asked regarding the staff recommendation that the Council by motion appoint the Planning Commission, will you bring us the appropriate motion to the next meeting for us to consider?

Faith replied sure.

Councilor Ripma asked the \$16,500,000, how did you arrive at that number, I heard you explain that it has to be appropriate and conservative but I went through the whole thing and I didn't see how you came up with that number?

Tashman replied the way that we came up with that number was we started with a projection of what kind of development was reasonable to expect over the next 25 years in the Town Center area given the investment in the infrastructure, facilities and other programs under the Urban Renewal Plan. We did that by looking at vacant land and the different zoning categories and we made some assumptions about how much of that would develop over the next 25 years. Then we assigned real market values to those properties by looking at what the typical real market value of an apartment project or a town house project or office space or retail space would be. We projected those values and we had to convert them into assessed values because under Measure 50 assessed values draw ties to real market value. So we converted that into projections of assessed value and then we took the current consolidated tax rate of the city and we multiplied that rate against the annual projection of growth of property value to come up with the tax increment revenues that would pay for the projects in the Plan. So we basically went from development projections to putting values on the development and calculating what taxes would be on that development. We then looked at issuing debt at various points in the Plan and calculated what the cost in principal and interest would be to pay that debt and we correlated the cost of paying the debt with the revenue that we projected from development.

Councilor Ripma stated it sounds like you started with the projects that you wanted to finance, which was a little over \$16 million, if I understand you correctly. The very first statement you made, you said you started with about \$16 million worth of projects and see how that would play out over the district.



Tashman stated to the extent that we started with anything, it would be more accurate to say that we started with the revenue side in terms of what is a reasonable amount of revenue to project and used that as a constraint on the cost of projects.

Councilor Ripma stated the reason this is important is that we are fixing this number and it is a maximum and it is very vital that we get that close to being right. So, you take the property that is in the district and project the tax revenues that would be realized from a reasonable development pattern, given some infrastructure improvements but not all of them on the list? Or do you start with a given that there will be infrastructure improvements?

Tashman replied you are projecting what development is going to occur with the improvements that are going to occur.

Councilor Ripma asked presumably if you start with a bigger number of improvements you will get a bigger number on the increased revenue and that helps justify the bigger number.

Tashman replied conceivably, I think that governs the kind of development that we project, it is not so much the level of investment. The pace of the development would be improved by the public investment. It could happen sooner with the Urban Renewal Plan than it would happen otherwise. It will probably happen better with the Urban Renewal Plan. We didn't project kinds of development that wouldn't be, we took it as a given what the Comprehensive Plan calls for, so we worked within that. We didn't project development on anything that was denser than what you would want.

Councilor Ripma asked on the council-approved amendments, if you add a project of more than \$500,000 it goes through the council-approved amendments. That doesn't increase the amount of the indebtedness number by \$500,000 does it?

Tashman replied no it doesn't. That would be a matter of just adding the project and adjusting expenditures within the \$16,500,000.

Councilor Ripma asked the list of projects on page 15 of the report has something like \$16 worth of projects. Adding a project of more than \$500,000 does that mean deviating from these numbers by more than \$500,000 or does that mean a whole new project, how does that relate to these?

Tashman replied the way it is framed now is that amendment would come into play if you decided that instead of doing \$500,000 of one of the projects listed here, you instead wanted to spend \$500,000 or more on something that wasn't listed in the Plan.

Councilor Ripma stated for example, land acquisition has a budget line of \$50,000 if we wanted to spend \$551,000 on land acquisition, is that a council-approved amendment?

Tashman replied that is actually a minor amendment. As I said there is kind of a two-part test for council-approved amendment. It has to cost over \$500,000 and it has to be something that is not already in the Plan. So on that land acquisition project you could spend \$550,000

or in fact you could spend \$1,050,000 and it would be a minor amendment to the Plan because the project is already listed.

Councilor Ripma asked the minor amendment process for example, if you wanted to do a project that costs \$500,000 that is called a minor amendment and you can find the money within the \$16 million dollars, you can do that project under the minor amendment?

Tashman replied if it is a project that is already listed in the Plan, if you want to spend \$500,000 more on a project that is listed in the Plan then that is a minor amendment. If you wanted to spend \$500,000 or more on a project that is not listed in the Plan that would be a council-approved amendment.

Councilor Ripma stated I am not quite following that. Where is it that it requires it to be on the list?

Tashman stated it is under council-approved amendments, it is the first one, it says, "council-approved amendments consist of amendments that; add a project not already authorized under the Plan which has a cost in year 2001 dollars of more than \$500,000.

Councilor Ripma stated I am a little concerned. It seems easy to me to extend the Plan or add a project of more than \$500,000. I guess you are saying that the council-approved amendments process is actually fairly stringent, state law would allow a simpler process with less public participation.

Tashman replied yes.

Councilor Ripma stated that is some comfort. I am back to the list on page 15 of the identified projects. The rehab loans, we have \$1.3 million for rehab loans. I am wondering why that number and what that is all about?

Tashman replied rehab loans is a program where the Urban Renewal Agency would lend money to property owners to do things like improvements or bring their building up to code or some other rehab to the property. It is a very common thing in Urban Renewal Plans to do that. One of the conditions that was identified as a blighting condition in this area was the fact that there were some buildings that could use rehab. This is a way of addressing that problem. Basically in the finding in characterizing the area, which is in the report, one of the things that needs improvement, in some cases, is the condition of some of the older buildings and this is a way to do that. It is very common in Urban Renewal Plans but it is not required. In other words, if you felt we shouldn't do that, it wouldn't have to be in here by state law. It is usually a way of leveraging quite a bit of private investment. There are programs that never provide more than 25% of the cost of the project and they are pretty successful because that is enough to make it feasible where it wouldn't be otherwise.

Councilor Ripma stated maybe I am misunderstanding but a loan seems like something that ought to be paid back. If you are lending money, first of all, money is available on the private market. Anywhere in this urban renewal district I think someone with collateral can get a

loan. I guess I am puzzled as to why do we want to spend \$1.3 million dollars of public money rehabbing private buildings?

Tashman stated I can give you the rationale and then the decision is the Councils to make. The rationale is that there are some buildings in an area that probably over the course of time will be torn down and something new will be put up. There are other buildings where it is in the public interest to fix those up and conserve them. A rehab loan program, typically run by an Urban Renewal Agency, will have some aspects of it that are better than market rate loans. They will be at a lower interest rate or maybe they will allow for more flexible repayment terms or they can go so far as to have different credit requirements.

Councilor Kight stated it would be riskier.

Tashman replied it would be riskier.

Councilor Ripma stated so the city would borrow money at 5% on the bond market and then lend it out to somebody who can't get regular credit at 3%, is that the idea?

Tashman replied the actual way that the program would be set up would be something that would be a subsequent decision of the Agency. This just says that there will be a program that we estimate will spend that much money. On the next page where we have revenues we show a little under \$600,000 as the loan repayment. The reason that we are only showing less than half of the money coming back is that the loans are given over the course of the project and it is assumed that some of those repayments will occur after the termination of the Plan.

Kvarsten stated as an example of how rehab loans are used in some other urban renewal agencies that we evaluated; maybe an historic building that is in such poor condition that conventional funding just simply will not pay for the cost of the rehabilitation of the building. Again it is established, one of the things you will note in the Plan is we talk about historic buildings and the value they have. The Urban Renewal Agency could talk about the public interest of maintaining or restoring that building, that rehab loan helps bridge the gap between what a bank may be willing to do and what is needed to rehab that building. People could be perfectly credit worthy, it is just that the old dilapidated building doesn't fit within their formula.

Councilor Ripma stated the only thing is \$1.3 million dollars worth of public money is going into subsidizing the rehab of a building. The building is still there, the collateral is still there, it is just the incremental difference between the market rate and the rate we are giving them. We are giving a break to somebody and that seems like a lot of money even over 25 years to be using public money. I am struggling to think of what buildings in town in this area would use up that much money. Was there an identified set of buildings or building?

Tashman replied not to name specific properties but primarily this is in the central business district. Obviously, the north side of Columbia River Highway is new and if you look at the south side there are several buildings there that could be rehabbed.

Councilor Ripma stated we will get a lot of the \$1.3 million back, so it doesn't seem like that is a proper charge on the Urban Renewal Agency. Even if the loan goes bad, I assume that we don't loan the money without getting a mortgage and a hold on the deed.

Tashman stated it is going to be up to the Council to decide whether this program stays or gets reduced or eliminated. If you decide it is appropriate as an estimate, how you loan the money is going to be a whole other set of decisions. You can decide that you will give an interest rate break but we don't want to take any more risk than a bank would. There are all those judgment calls to make when the program is developed.

Councilor Ripma stated that is good to know. \$1.3 million is the total, as set up here in this Proposed Plan, that we would look at lending. We could, as the agency, require that the money be paid back.

Tashman stated if you look at page 9 we are showing that there is about \$600,000 of the \$1.3 million that would come in during the life of the Plan as repayment of the loans that went out. The only reason that the whole \$1.3 isn't being shown as coming back in is because the repayment will extend beyond the life of the Plan.

Councilor Thompson asked could you clarify for me the tax increment financing mechanism?

Tashman replied if this Plan is adopted the County Assessor will measure the total assessed value within the Town Center Area. Starting in the year 2002-03, if the total property value has increased over its value this year, the taxes that are generated on the increase, instead of going to the City, County, School District, Educational Service District, Metro, and the Port, the taxes on the increase comes to the Urban Renewal Agency. So the taxes that are paid on the existing level of property value in the area continue to go to the City, County, School District, Educational Service District, Metro and the Port, the taxes on the increase over that level comes to the Urban Renewal Agency on an annual basis. So that results in revenues to the Agency and as more growth occurs the revenues go up. The revenue will be small in the beginning and as the property values increase over the base level the Agency gets more money. The Agency uses that revenue to pay back loans that it gets in the form of bonds and it uses the money that it borrows to finance projects. Again, at the beginning the numbers are small on both sides. There is a small amount of revenue and the Agency will be able to borrow only a small amount of money. As the revenues increase the Agency can borrow more money but it is always directly tied. It is not speculative even though it might seem that way. The ability for the Agency to borrow is going to have to be very firmly demonstrated, it is not going to be something where the Agency goes out and borrows a lot of money on the hopes that development might occur in the future to pay it off.

Kvarsten stated Councilor Thompson one way to think about the impact on the tax payers is lets say there is somebody that has a bare piece of ground within the Urban Renewal Agency. Right now they are paying \$1,000 taxes on that and now the Urban Renewal Plan is adopted and they build a building and the taxes they pay on that building goes into the Urban Renewal Agency and the taxes that they pay on the bare land stays with the other taxing

entities. Now, if they build that building they would pay the same taxes whether there is urban renewal or not. We have a permanent tax rate in Troutdale after Measure 50, so if that person builds a building they are paying the same taxes with or without urban renewal, the only difference is with urban renewal the additional taxes that they are paying because of the new building goes specifically to the Agency to repay debt for improvements.

Councilor Thompson asked the revenue stream has to come in before money can be borrowed.

Tashman replied yes it does. So the hard part of these plans is the beginning and that is where you try to look at leveraging the tax increment funding part of it with other sources of funds like grants or private funds. The only exception to that is, and this is applicable for Troutdale, if a developer comes to an agreement with the city, lets say with development of the old sewage treatment plant site and there is a legally binding agreement to develop a project on that, the city can borrow against that anticipated revenue because there is a legally binding agreement to produce that development.

Mayor Thalhoffer asked so we are going to be operating as a City Council and as an Urban Renewal Agency and there will be times when we will want to do something as the City Council that will make life easier for the Urban Renewal Agency, is that correct?

Tashman replied yes. The two bodies will work side by side.

Mayor Thalhoffer asked but they do have different jobs to do?

Tashman replied yes they do. When you are meeting as the Agency Board, your interest is in the Urban Renewal Plan but the Urban Renewal Plan serves the public interest. I think it is hard to really totally separate the two. The right way of doing it is when you are the Agency, you are meeting as the Agency you will adjourn your meeting as the Agency and you convene the meeting of the City Council. The Budget process has to be separate, it is the same steps but it has to be separate. Most of the cities across the State have chosen to appoint the City Council as the governing body and the two basic reasons for that is one, accountability. People feel that the City Council has to get reelected and they have the ultimate accountability to the voters, where as an appointed body wouldn't. The other reason is that the urban renewal projects are very important and City Councils are really reluctant to delegate complete authority over those to a separate board.

Mayor Thalhoffer stated if we decided to do any tweaking of zoning, the City Council would do that.

Tashman replied absolutely. The Urban Renewal Plan automatically has to conform to what your Comprehensive Plan is.

Mayor Thalhoffer stated lets take an example of a park in the old sewer treatment plant site. How do we create the money for that improvement? The park is not going to generate money it is going to use money for maintaining it.

Tashman replied typically on a project like that the money that would be generated by the private development that would occur on the site would pay for public improvements on the site. For that particular site the main items for public improvements would be access to the site and a river front park. So basically what happens is the money from the private development supports the public development.

Mayor Thalhfer asked you were talking about some grants that we could use to leverage money, give me an example of how that would work.

Tashman replied there are grants that are available, for example from ODOT there are grants that you can use on local street improvements including some of the street improvements in the Plan. There is a fund that is called a community incentive fund that was funded for \$5 million dollars in the last biennium and is being funded for either \$25 or \$30 million this session. Most of the money is earmarked for grants to cities that they would use in conjunction with other funds to fix up their downtown. There are also some parks and open space grants through the state and federal government that you might be able to access to do some parks, especially river front parks.

Mayor Thalhfer asked are there grants available for museums or interpretive centers or something like that?

Tashman replied there are grants available. Usually a fairly big percentage of the funding for these grants comes from private donations or fund raising, but there are some available. What is good now is the people at the state level that are in charge of evaluating grant applications have become quite familiar with urban renewal and tax increment financing and if the community has this financing tool, to them it is usually a plus because they can see how the community will have a way of paying the local match.

Councilor Kight asked in the Portland Metropolitan Area, with the Portland Development Commission, there has been quite a bit of success with urban renewal. However, once in awhile there is a snag, I would like to know what the worse case scenario is? If for whatever reason this agency gets into financial trouble, would the city be held harmless? In other words is there any financial obligation on the part of the city to bail out the Urban Renewal Agency?

Tashman replied legally speaking, when the agency issues debt it always contains clauses that say this is not a general obligation of the City of Troutdale. That being said, if there were financial problems that the agency got in to, it would probably not be in the city's interest to let that loan go into default. As a practical matter, the realistic answer is yes, if the agency got into trouble the Council would probably find it in the public interest to help fix the problem even though legally the bonds contain the language that it is not a general obligation. In terms of the likelihood of the agency getting into that kind of trouble, it has been very rare. I don't know of any Urban Renewal Agency that has defaulted, I have been in the field for twenty years. The worse case scenario seems to be that the area doesn't develop the way people had hoped it would.

Councilor Kight stated that is a good answer, however, I don't consider twenty years a long history. The other item is on page 15, which Councilor Ripma was referencing to and he has some concerns with the \$1.3 million in rehab loans and I share that same concern. How fixed are these numbers? If we wanted to change these numbers prior to or at the next meeting, would we have that flexibility of doing that before adopting the Plan?

Tashman replied within reason yes.

Councilor Kight asked what do you mean within reason.

Tashman replied the within reason part is that when we did the projection to the revenue it was assuming a certain set of improvements. If you said you don't want to spend any money on street improvements, at that point it would be difficult to say that all that development would occur with no public investment of street improvements.

Councilor Kight asked but that isn't to say that without the rehab loans that development wouldn't happen. The Urban Renewal Agency could operate just fine without having these rehab loans available.

Tashman replied the money from improved buildings wasn't such a substantial source of revenue that if you eliminated it the whole thing wouldn't work. I think you would have that flexibility. The other thing you might want to take into account is the actual decisions on this kind of thing happens as a result of the budget process every year. What we are required to do is estimate the cost and show how those estimated costs can be recovered by projected revenues. These numbers are not binding on how the Plan gets implemented.

Councilor Kight stated I guess from my perspective, when you were talking about loans that were riskier that brings up in my minds eye a caution flag. Before I would adopt this I would like to see a set of criteria that the city would look at when someone applies for a loan.

Tashman stated it is an estimate of how much money could be spent on that. In terms of what you are talking about, what is the criteria, those are decisions that are made after the plan is adopted. If in the future the Agency says we want to establish a rehab loan program, the process for establishing a program would be one which the Agency will make the decisions about what the rules are. So if the feeling of the Agency is the public shouldn't have loans that are riskier than a bank would undertake, then you would have the same criteria for lending as a bank would have and maybe you would give a break on the interest rate. There are a number of ways of helping people rehab their property and one of them is you can be more generous with the lending criteria but that is not the only way and you are not obligated to do that.

Councilor Kight asked if we set up this rehab loan program who is going to administer it?

Tashman replied as a practical matter the way agencies normally do it is they normally contract with a bank.

Councilor Kight asked you gave the number \$16.5 million for the projects, has this been indexed to the cost of living projections on property increases and so on?

Tashman replied yes. That number includes inflation.

Mayor Thalhofer called for a break at 8:50pm.

Mayor Thalhofer reconvened the public hearing at 9:02pm.

Councilor Daoust asked most of the project costs are in streets, parks and pedestrian ways. You made the comment that revenue has to come in before indebtedness can occur. Maybe our vision of being able to put streets and sewer and water lines in before development occurs as an incentive for development really can't occur then. We have to wait until we have a developer that wants to come in and we work a private/public partnership with them and tell them that we will put this stuff in and you develop the site.

Kvarsten stated I think Councilor Daoust you are correct in the sense that there has to be for major improvements, the bird in hand. I think as Jeff explained before the urban renewal market is a conservative market. It is different then some of the more speculative local improvement districts in the late 1970's and early 1980's in Oregon where truly it was just rolling the dice. It is just a different mechanism and that is why absent some agreement and some real commitment from development this would be real slow initially.

Councilor Daoust stated I think we had in mind the parking lot we built downtown first and then the development happened later. That image was carried over to this but now that is clarified that we have to have the bird in the hand first.

Kvarsten stated I think that is an excellent example because truly in a real conceptual sense the downtown project was urban renewal, not legally but in the sense of an investment that spurred private investment, which ultimately repays the public piece of that. We were able to do that over a very short-term loan because of the size of the project. The difficulty here, as we know, is dealing with the redevelopment of the sewage treatment plant site and the County Farm parcel, the magnitude of expenditures necessary are too great. As Councilor Ripma said, that is what led us to urban renewal in the first place. There is just no other tool available to make these things happen.

Councilor Ripma asked Jeff when you answered Councilor Kight's question about the numbers on page 15, you said something like they are not binding, it is an annual budget process that fixes them for that year. But they do have some life, the numbers aren't just arbitrary they are binding in a certain sense. If we go outside these numbers over the life of the Plan we have to do an amendment or something, is that right?

Tashman replied if you go outside the total of \$16.5 million, yes.



Councilor Ripma stated there is a number at the bottom, contingency of \$1,181,000 what is that?

Tashman replied contingency in this sense is a percentage figure on capital projects that you build in to cover cost overruns.

Councilor Ripma asked is that money that could be shifted around between the projects within the constraints of the amendment process?

Tashman replied yes.

Councilor Ripma asked if the Council wanted the Plan to come back with slightly different numbers, lets say we want to reduce the rehab loan amount, is that just something we can suggest tonight?

Tashman replied yes.

Councilor Ripma asked if we wanted to reduce that amount, I would guess we would have to identify some other place that the money would go to make it balance.

Tashman replied yes.

Councilor Ripma asked it couldn't just be contingency, could it? Isn't that amount fixed by a percentage?

Tashman replied I would have to look into that.

Councilor Ripma asked I understand that the City Administrator is going to be meeting with Multnomah County to discuss the letter from Chair Linn. It sounded like in order to properly address that letter there will be some sort of formal response, would you be drafting something and bringing that back to us?

Kvarsten replied we would draft a proposed letter for Council approval for the Mayor to sign.

Mayor Thalhofer stated there has been a lot said about the rehab loan, I wanted to ask you why was \$1.3 million put in the rehab loan, did you have a reason for that or did you just pick a number?

Tashman replied somewhere between the two. I obviously didn't do a break down of what buildings might be rehabbed and what that would cost. Again, most of this would happen in the central business district. I looked at the overall scale, how many buildings were there and what type of buildings there were. I have also done research on what other similar sized communities have done and it seem like in my professional judgment it was a number that was big enough to get a significant amount of work done but not to big for the area.

Mayor Thalsofer asked I think you said that there would be some other agency that would handle the loans, is that correct?

Tashman replied typically smaller cities would contract with a bank for that service.

Councilor Kight stated it sounds like from what I have heard so far, to get this agency up and running and to get revenue, it is going to be slow getting out of the gates. Is there any way to jump-start this? Could we use system development charges for street and sidewalk improvements until we start to see a revenue stream from the improvements to the urban renewal district?

Tashman replied absolutely.

Councilor Kight stated then as the funds come in, could it pay back the system development charges?

Kvarsten stated with a very strong caveat, system development charges have to be on an already approved Capital Improvement Plan. So if there is an expenditure that is not already included in that you can not spend system development charges on it whether it is in the urban renewal district or not. That standard remains for the system development charges.

Councilor Kight asked are you saying if the project isn't identified now that we couldn't make street, sidewalk or other public improvements with system development charges?

Kvarsten replied correct. Obviously, a lot of the projects identified came from the Capital Improvement Plan, so many of them are included on there and it would be a very legitimate expenditure of system development charges. I didn't want there to be a notion that because there is system development money that it is available absent the normal process of including it in the Capital Improvement Plan and identifying the expenditure and the process that we go through each year.

Councilor Kight stated I am just looking for a way to get this thing going otherwise it could be five or ten years down the road before we have any substantial income so we can start to do something.

Tashman stated what happens is we use the small amount of tax increment revenues. What you really hope to do in the beginning is really access grant money or some other money like the system development money and leverage that quite a bit. Later in the Plan the urban renewal revenues make up a bigger part of the cost. You do have two areas in this Plan where you do have the opportunity more than most smaller cities would, to do some fairly major projects right away because with both the County Farm site and the sewage treatment plant site, there is the possibility that you could reach an agreement with a developer such that you could undertake a fairly large amount of improvements because you would have that legal commitment in place to produce the development. There are some cities that do urban renewal that don't have these big opportunity sites and for them it is much more constrained.

Councilor Kight asked did you make any kind of projections of the tax increment increase on what kind of an increase the city should be looking at the first five years of this program? What kind of revenue stream would we be looking at irrespective of grants and SDC's and other revenue streams?

Tashman replied I didn't so much have it governed by what the city would need as much as what was a reasonable projection of what could be produced.

Councilor Kight asked so what kind of numbers should we be looking at?

Tashman replied what I can do is respond to that and have some information back to you for the next meeting.

Councilor Kight asked or give an example of other cities that have had some success with urban renewal and what kind of revenue streams they had within the first two, three or five years. At the same time you have alluded to a list of different sources for grants, could you provide us with a list of those and what kind of money we could be looking at.

Tashman replied sure.

Councilor Daoust asked what type of legal agreement do we need with a developer? When we were looking at developing the County Farm site MeMenamins said we are going to develop it, they even showed us some plans to develop it. We were ready to go and put money down on the property and it fell through. What kind of legal agreement do we need with a developer such that we can start projects?

Tashman replied what you want from the agency side is you want enough assurance that development is going to proceed on a schedule that they said it would and if it didn't there would be penalties involved and there would be some correspondence with the penalties they pay and the debt that you have incurred. What you aim for is a situation where you would get revenues, in any case, sufficient to pay off the debt even if the project doesn't go forward.

Kvarsten stated Councilor Daoust, in these kinds of deals remember that when it is finally put together, the City is represented by bond counsel who are looking out for the City's best interest, in our case that is Preston, Gates and Ellis. You also have the insurance that the lender has counsel as well, so you have the bank, the lending agency that has counsel that in many ways shares our interest so that leaves you with the borrowers counsel and having sat through some of those meetings it is often two to one.

Marnie Allen, City Attorney, stated the city would traditionally obtain a development and disposition agreement with the developer that is going to come in and develop the property and that would set forth all of those terms. So you will have not only bond counsel advice and financial agreements but a development and disposition agreement as well.

Kvarsten stated and we did not get there with McMenamins.

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

Roman York stated what I would like to see here and our reason for being here is maybe there is some criticism, I hope it is constructive. Perhaps we are here because our past experience and the treatment we have received as property owners that have contributed significantly to our city, we have not exactly been treated in the best manner. We are somewhat apprehensive and we see a power grab happening under this kind of development. We also see missed opportunities here, for instance within several blocks of City Hall we have these eyesores that we were talking about before. I have come and visited with Mr. Kvarsten and I gave him a booklet from the City of Portland that has a tool for dealing with slime landlords and people that are neglecting their properties. This City Council has failed to use this to force some of these people to improve their property. You do not attract developers to invest in a town when someone across the street will devalue the property. We have talked about it with all of you, you know we have a very wonderful developable property but you know why we haven't done anything with it? Because there is no support. There is no communication; there is a long way to go in terms of communication in the city. It is when the horse has left the barn, then we know, then we come and we try to catch up from behind the eight ball. The bureaucracy does not have the monopoly on good ideas, nor does City Council. Why not have the property owners brought in, why not invite us to City Hall for coffee and meet, sit down and let's share our ideas. This is our City. We all have its best interest at heart. Even though we have some undesirable elements there should be a way of dealing with it. We sometimes don't have tools, we don't have tools for people fixing cars on the street and dumping oil on the street which runs into our sewer and pollutes our river and poisons our fish. We don't have a way of dealing with people who have three feet tall weeds or the grass on the street that clogs your sewer. It would be a matter of minor enforcement, my neighbor Jeff will probably address another issue. His wife made several phone calls on disposed old mattresses in a trailer, old diapers, human excrement that poses a danger to his children. Nothing was done. So you see we could improve our city by just a little bit of elbow grease from some of the slugs and landlords that are really devaluing our city and are keeping some of the development out of our city.

Gail Thurber stated I would like to bring us back for a moment to the proposed Town Center Urban Renewal Plan, Exhibit "A" page 24. With the council-approved amendments, I would like it to go on record that we are opposed to the way this is worded. It says that the Council can authorize acquisition of real property by any means including eminent domain and identify such parcels for acquisition. That gives a cart launch to council members to take any property for any reason. The only safeguard there would be your ethical stance that you wouldn't do something like that in an unethical manner. I would like to see another safeguard because that does away with all safeguards particularly given the following clause that says, "Council-approved amendments shall be adopted using the same process as for substantial amendments". I would like to see a period right there. Not the "except that the additional notice provisions of ORS 457.120 1999 edition, shall not be required. Generally this means that notice of a public hearing of the City Council to individuals or households within the City of Troutdale shall not be required." I have real concerns about that as all our neighbors have. We talked with a number of neighbors and we said this gives unlimited ability to cease properties without work behind the scenes, without the accountability. You could say, well we

wouldn't do that, but how do we know that. There doesn't appear to be due process here. We would like a period after, "council-approved amendments shall be adopted using the same process as for substantial amendments." We want to go on record, as that is what we are requesting to go in this document on page 24. As well, we would add, "If the properties being acquired by any means or under eminent domain, then the specific purpose for which the property is being required must be stated." So that not only can you just say we are going to take this piece of property, you have to give the reason and purpose you are taking it for. Quite frankly it is like me saying I am going to pass a law that says I can take any one of your vehicles and I will decide how much I will pay you for it and I will decide which of your vehicles I will take. How would you feel if you thought any of your vehicles could be taken, or your home, in this case your home or your property can be taken because I have decided that I want that property and then I can turn around and sale it to a developer at a great profit. There are no safeguards in here. I think people just haven't had time, first of all a lot of citizens didn't get this material, you can say they didn't call and request it, but they just didn't get it and they don't understand the legal way that it is written.

York stated I find this clause very troublesome. It is really an intent to circumvent the process of open government and open public scrutiny. As a matter of fact it is really contrary to our constitutional rights. It was really nice that you open the meeting with the pledge of allegiance, but there are certain things that you really, when you think of the pledge of allegiance, as a citizen it is your duty to protect the constitution. I think this is really bordering on tampering with the constitutional rights of the people. I have a real problem with that clause. If you get involved to the extent of eminent domain powers, that you get involved in open public process. Perhaps mine is a little more troublesome than other people and I will tell you why, because these types of laws were used to confiscate my parent's property. I became a US Citizen for the constitution and what it guarantees you, liberty, property rights and security. This kind of language empowered to a small group of people troubles me and the ultimate power ultimately corrupts, I am not accusing anyone of that but I am hesitant to see that there is an attempt to do something without public involvement and a persons property is involved.

Thurber stated process is very important and you would want to have an open process so that you will be perceived as being fair. They only way that can happen is open process. We would like a period in that sentence on the bottom of page 24. That would guarantee that there would be safeguards in place.

Mayor Thalhoffer stated the only other safeguard would be that every individual would be notified, everybody in town.

Thurber stated the citizen involvement and providing notice to individual households that a certain land will be acquired for certain purposes, like it is under the substantial amendments.

Mayor Thalhoffer stated, as I understand it, everything that we have to do under substantial amendments we have to do under this except the individual notification of every household in the city.

Thurber stated point of clarification. How would you see this process unfolding? Lets say you decide as a group, working as the Agency, that you want to buy a piece of property for whatever reason, park or whatever, how would you see that process unfolding?

Tashman replied the process would unfold differently if the Agency was acquiring land for a park for a public improvement, that is a different process than if the agency was acquiring land from one private party to convey to another private party. The first kind of acquisition, that is not a new authority that the city gets through urban renewal, they already have that power.

Thurber asked under this clause of eminent domain, you mean they have that power.

Tashman replied even without the Urban Renewal Plan, the City of Troutdale has the power to condemn property for a park or a public facility, that already exists. So in the Urban Renewal Plan the thing that is different is urban renewal allows an agency to acquire property using eminent domain if they have to for private development, that is the additional authority. The provisions of the Plan really focus on that kind of acquisition. The Mayor is correct, the way the Plan is proposed, identifying property for acquisition for private redevelopment goes through the council-approved amendments and the only difference between that and the substantial amendments is that there is not notice sent to each individual household. The council-approved amendments would require citizen involvement; they would have to go to the Planning Commission.

Thurber stated citizen involvement would occur here?

Tashman replied yes, it is all of the steps that are listed up here except the individual notice.

York stated each household, the people that are involved would be consulted?

Tashman replied if you are a property owner and the acquisition is occurring with eminent domain there is whole body of law that sets out your rights as a property owner and sets out the requirements for any governing agency including an Urban Renewal Agency. The requirements for when you condemn property are very elaborate and the City Attorney could attest to that. The main thing to be said about that is that any condemning agency, any public agency, has to pay the real market value of the property.

Thurber asked what would stop, for instance, I am not saying this would happen, but what would stop the Council from deciding that they are going to acquire this property and then sale it to a friend that is a developer who will then redevelop it and make a lot of money out of it? What is in this process to stop that?

Tashman replied the main thing that is in the process is that there is all this public process. To make this kind of an amendment to the Plan, they would have to have a public hearing just like this, the only difference is in the type of notice. There would be a development agreement that has to be approved by the Agency at a public meeting and would have to be

accessible to the public. The Agency is not allowed to make decisions; no public body is allowed to make decisions that aren't open to the public.

Councilor Daoust asked who would be notified then?

Tashman replied in that case, for that kind of an amendment, it would be whatever the city normally does to post and publish the agenda, whatever the normal city process is for giving notice for public hearing, that is what would be followed.

Councilor Daoust stated in the newspaper. So actually, those people who read the newspaper would be notified.

York asked would people, the actual property owners, would they be receiving notification in the mail. Lets say a person happens to be on vacation and doesn't see the paper, right there the rights were negated. I think, we can receive water bills, tax bills we receive our Champion from Troutdale, why would there be a problem saying Mr. Doe your property is coming on the auction block, why not just have the courtesy and mail that person a letter?

Tashman asked if you are talking about notifying the people who own the property, I am not an expert on the legal notification requirements, but as a practice, because I have been involved in these types of transactions...

York stated I want to tell you, it scares us because there was a development down the street and the notice was thrown up near our door and we have wind in Troutdale which took it away, but that basically satisfied the legal notification. Is this really fair? If we are talking about thousands of dollars, is a short letter and a postage stamp too much to ask for?

Tashman replied the practice is that nobody really wants to go to condemnation. It is not easy and it is not the preferred route. In practice there would be a lot of contact directly with the property owner by the agency regarding whether they would be willing to sale and whether something could be negotiated. I believe that it is a requirement that before you initiate any kind of condemnation you have to have tried and failed, you have to demonstrate that you have sat down and tried to negotiate a deal.

York stated this is perhaps a suggestion for the Council and administration, when you have this kind of thing going on and it misses some of these parts it does scare people. It would not be unreasonable perhaps to ask to maybe work on improving the communication a little bit.

Mayor Thalhofer stated I think in the case of condemnation or anything to be done under this Urban Renewal Plan, there would be notice to the people that are directly involved. There has to be, those are legal notices. The City Attorney could perhaps comment on that.

Marnie Allen stated it is really important to point out, as has been discussed, that there are legal requirements for acquiring and disposing of private property. Generally when the city is going to acquire property from a property owner, the first step is to contact that property

owner and see if you can negotiate the purchase of their property. So a private property owner will know that the city is interested in acquiring the property and will have gone through that process and step. Assuming the city is not able to reach an agreement on acquiring the property and believes that there is a real strong public purpose for that property and that the city needs the property to serve a public purpose, then the city can initiate eminent domain proceedings. That would require notification to the property owner. All of the decisions that are made by the city to reach those conclusions are done in a public meeting that is subject to notice, it is published in the paper. The notice requirements do not and will not require a notice to be sent to everybody in the city, but the property owner that is affected will have notice and will have received something either orally or in the mail and been in communication with the city and also the notification will be published in the paper and posted. A similar process and requirements exist for disposing of the property. After the city acquires the property there is a process that is required and again it involves public meeting and notice for decision to dispose of the property to a developer for development.

York asked lets assume we are talking about X,Y,Z property that is being required and it is transferred to a developer and the property is at that time in a higher grade zone, lets say industrial, which means an increase in value of property, when the rights of domain are exercised, how is the price established for the land?

Thurber stated we are talking about land use and obviously the value of land is directly related to its use and therefore if you go to a higher use and higher density you increase the value of land. Roman is asking for clarification, whether or not if a party sells R-5 for instance and it gets rezoned to commercial to the new developer, would the seller receive some of the increased value, would the market value that the city offers reflect that or would it not?

Allen replied the eminent domain proceeding is based on an appraisal, the appraisal will look at the highest and best value and use of the property. So the value of the property will be based on that appraisal and it will look at the zoning and the uses that can occur on that property at the time the city condemns the property.

Jeff Card stated I appreciate the comments brought forth on this subject, it further enlightened my knowledge of this. My wife and I have a few comments on this. On the rehab loans, if a person is unable through conventional means to obtain a loan, generally it is because the conventional lenders find it a bad risk or public credit risk and I would hope that Council members would see that as such and abstain from that risk to public funds. I would much rather see those funds spent on something that the public could enjoy as parks and such development on the STP property that is soon to become available. That is one location that I would enjoy seeing a park on. It would further the livability feel of the downtown area properties that have been developed in such a well manner. I grew up here in Troutdale and I remember when that use to be just a berm straight down to the railroad tracks so it has come a long way. One of the opportunities that I saw, it had been brought up tonight, I don't know if it was Multnomah County's direction that they were trying to get away from street use and get more into pedestrian access. On the public improvement on page 8, letter C, access to the STP site from downtown, that I feel would be better used by utilizing existing overpass that we have that has been upgraded in the last ten years of 257<sup>th</sup>. To me it would seem



futile to spend such an enormous amount of money to create an additional overpass three blocks away where we could probably make better use of the one we have. Pedestrian bridge would be beneficial and that would be going with the feeling that has been setup in the downtown area.

Mayor Thalsofer stated there will be a public hearing on that issue.

Card stated my wife had a question on the Multnomah County comments, were they going to be accepted, rejected or modified. They want higher density in this area. I believe that Troutdale has done a wonderful job in creating a communal area that has drawn families. When I first moved here there was 1500 people in the town of Troutdale. I used to pick berries in Strawberry Meadows, not it is full of homes, which is wonderful to see versus what Gresham has done and just slammed in a lot of apartments which has brought down the livability of the area and created more of a transient atmosphere. Troutdale has a lot of established home communities where you know your friends and neighbors more than the comings and goings that happen in the major apartment complexes. If there is any consideration there, if this is something that could be done without that requirement that Multnomah County is imposing upon us, I would like to see it done that way. I have already mentioned the park at the STP site, so those were the opportunities I would like to voice my opinion on. I do appreciate the time that you all have taken this evening to draw out some comments as I was not very well versed in this but feel more so after having spent these last few hours here.

York stated Troutdale already has more than its fair share of low-income housing. Low-income housing will not generate the kind of revenue that you are looking for under this proposed redevelopment and you really need to perhaps communicate that we need a little bit of development to attract a few professional practices and perhaps a high-tech company and bring a little higher source of revenue so the city can share in those benefits.

Mayor Thalsofer stated your points about notice are well taken, there will be substantial notice to the parties involved.

Neil Handy stated as part owner of Handy Bros. Service I am here to spend about sixty seconds talking about my letter. This came about after discussion with Brian McCarl who has some extensive experience with urban renewal with the City of Portland. Our concern was that the agency possesses condemnation and quick take powers that could in effect come in a take a person's property of an ongoing business. This letter was in response to that concern. A lot of the questions that I had coming into tonight have been answered in the previous discussion. However, I think it is important that the quick take issue be explained, Mr. Tashman could explain that to me?

Tashman replied I believe what you are referring to is called take immediate possession, is that what you are referring to?

Handy stated as I understand it, it is possession and a sixty-day ownership of the property and then it is litigated after the fact.

Tashman replied there is a provision for any public agency that does a condemnation to take possession of the property if it is needed in a certain amount of time and to take possession prior to the final price of the property being determined. In order to do that what the agency has to do is deposit in an escrow account the appraised value of the property. There is not any different process for an urban renewal agency as compared to the general government. If the city needed to take possession of the property for a street improvement, it would be the same authority. The only thing I am not sure of is the amount that gets deposited, it is either the appraised value or the amount offered to the property owner. This is only done when the property is absolutely needed.

Marnie Allen stated I believe that the quick take proceedings require an action or filing with the court. So it is a court proceeding, it has been awhile since I have looked at the statute so I would want to look at the statute before I elaborated or summarized the entire process. My recollection of the statutes is similar to Mr. Tashman's recollection, but I just wanted to point out that it does require a court action.

Handy asked is there in the Plan any preference for, like us, operating businesses in a zone that doesn't allow the use for which we are performing, a non-conforming use, is there any emphasis on upgrading those properties?

Tashman replied this is not really an urban renewal question. Generally speaking when a use is a non-conforming use then that use is allowed to continue and normal maintenance is allowed, it is a policy thing and I don't know what the specific laws are in Troutdale. The policy would generally be that non-conforming uses when they finish that use then it becomes conforming.

Councilor Daoust asked but it is not unique to urban renewal?

Tashman replied no it is not.

Councilor Daoust stated the same rules would apply even if we didn't have urban renewal.

Tashman replied yes.

Handy stated I understand that. What I am asking is if those areas are going to be targeted.

Tashman replied you are asking if non-conforming uses would be targeted for condemnation or acquisition?

Handy replied yes.

Tashman stated the Plan right now only authorizes acquisition of the county farm property. So really there is not guidance in the Plan in terms of what properties might be targeted in the future. There is no policy in the Plan that says the agency should identify non-conforming uses and try to acquire them.

Mayor Thalhoffer asked is there anyone else who would like to speak to us on this issue.

No further testimony received.

Councilor Ripma stated I would like to ask that we adjust the number on page 15, for rehab loans, and ask that it come back as an alternate proposal for us to consider, that the rehab number be reduced from \$1.3 million to \$300,000 and that the \$1,000,000 go to land acquisition. My reasoning on that is that might allow us to consider purchasing the Pig Farm property.

Mayor Thalhoffer stated it is so noted that you would like the rehab number reduced from \$1.3 \$300,000.

Mayor Thalhoffer closed the public hearing at 10:02pm and stated that this matter will be considered at the August 28<sup>th</sup> meeting.

**5. PUBLIC HEARING / ORDINANCE (Introduced July 24, 2001): An Ordinance terminating the franchise of RCN Telecom Services of Oregon, Inc., and releasing the company from its obligations under the franchise.**

Mayor Thalhoffer read the ordinance title and opened the Public Hearing at 10:07pm.

Norm Thomas stated I am Troutdale's representative on the Mt. Hood Cable Regulatory Commission. Tonight what we have before you is a motion to remove the franchise granted to RCN last fall. RCN has agreed to cover the cost that we have incurred by paying their franchise fees that they are required to pay as a result of having that franchise, which is somewhere around \$50,000. They have not done anything within the City of Troutdale that could cause harm in that there has been no construction. Other than just removing the franchise there is really no risk to the City of Troutdale. This also opens it up a little bit so we can negotiate a little stronger with WIN.

Councilor Ripma asked did they pay us any money yet?

Thomas replied they did pay the franchise fees of \$50,000, which were payable to MHCRC and they will reimburse the city based on the agreement we have with the cities.

Councilor Ripma asked did the city get \$50,000?

Thomas replied the \$50,000 went to the MHCRC and that is split between all five jurisdictions.

Councilor Ripma asked how much will Troutdale get?

Thomas replied after expenses I am not sure, it will be figured in the budget next year.

Councilor Ripma asked have the other cities involved all released RCN?

Thomas replied yes.

Councilor Ripma asked so at least it is safe to say that we will get some money. It might be very little but we will get some. They were granted a franchise that may have discouraged other bidders at some point, it is not just a trivial thing to be released from a franchise in my opinion.

Thomas stated the reason that they are backing out of the Portland area is because the economics did not support three franchises, based on what they said. With the recent change in the economy, they couldn't get the financing to build anyway. That is one of the reasons that WIN is asking for an extension.

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

No public comment received.

Mayor Thalhofer closed the Public Hearing at 10:11pm

**MOTION: Councilor Ripma moved to adopt the ordinance. Seconded by Councilor Kight.**

**VOTE: Councilor Daoust – Yes; Councilor Smith – Yes; Councilor Ripma – Yes; Councilor Thompson – Yes; Mayor Thalhofer – Yes; Councilor Kight – Yes.**

**The Ordinance was approved by a vote of 6-0.**

## **6. COUNCIL CONCERNS AND INITIATIVES:**

Mayor Thalhofer called this item.

Councilor Daoust stated I was called by Metro Councilor Rod Park and asked to be part of a Metro committee that they are calling a Green Ribbon Committee. Over the next several months what we will be doing is taking a careful look at the 11,000 acres of open spaces and parks managed by Metro and determining which of those are most promising for enhancing public access. The meetings start next week and we will be identifying eight to ten priority projects or program activities within Metros existing open spaces properties to provide greater access to the public. We are to come up with recommendations on how to finance that and recommended revenue sources. The Chair of the committee will be Walt Hitchcock, the former Mayor of the City of Sherwood, there are about 20 members on the committee.

Councilor Ripma stated Metro seems to have a desire to develop and keep building buildings on places like Oxbow and Blue Lake Park. Blue Lake Park may be more justified. Access is great, the real push I think for our region, and I can't help giving my thoughts on it, is that we

acquire more green space while it is available rather than keep trying to pave it over which I am afraid Metro sometimes seems to want to do. I am glad you are on the Committee Doug because you care and you are a good choice.

**7. ADJOURNMENT:**

Mayor Thalhofer called this item.

**MOTION:** Councilor Thompson moved to adjourn. Seconded by Councilor Kight.


**VOTE:** Councilor Daoust – Yes; Councilor Smith – Yes; Councilor Ripma – Yes; Councilor Thompson – Yes; Mayor Thalhofer – Yes; Councilor Kight – Yes.

The meeting was adjourned at 10:16pm.

  
Paul Thalhofer, Mayor

Dated: 9-26-01

**ATTEST:**

  
Debbie Stickney, City Recorder

# CITY OF TROUTDALE PUBLIC ATTENDANCE RECORD

August 14, 2001  
CITY COUNCIL SPECIAL MEETING

PLEASE COMPLETE THE FOLLOWING

NAME <small>(please print)</small>	ADDRESS	PHONE #
DAVE MUNSON	1150 SE 34 CIR.	669-1044
Mark A. Knieriem	136 SE 5 <sup>th</sup>	661-8246
Arsa Knieriem	136 SE 5 <sup>th</sup>	661-8246
ROMAN YORK	160 SE 4 <sup>th</sup>	667-4622
Gail Thurber	160 SE 4 <sup>th</sup>	667-4622
WAYNE WALKER	325 SE 192 <sup>nd</sup> Ave	5038072230
Betty Edgett	1638 SW Chapman Ct.	666-8187
Bill Edgett	1638 SW Chapman CT	666-8187
John NOELFLE	1167 SW MITCHELL CT	666-4574
L. Daniels	The Oregonian	294-5943
Pat Fawell	" "	294-5927
Laura Newton	PO BOX 474 Trtle	661-2164
Steve Pearson	501 SE Hawthorne <sup>Rm 320</sup> 77014	988-3278
Paula Watani	2122 SW Cerise Way	667-5945
Drane McKeel	P.O. Box 245	669-7473
Greg Hasey	1105 S.W. Hasey	526-3120
Michelle A. Card	105 SE 4 <sup>th</sup> St	667-2967
JEFF Card	" "	" "
Wendy Marshall	246 SW 7 <sup>th</sup> St	661-0219
Neil Day	146 W. Col. Hwy	665-4752

-- PLEASE COMPLETE THE FOLLOWING --

NAME (please print)	ADDRESS	PHONE #
Norman Thomas (THORC)	2751 SW Clara CT	662-4320
Beverly Frank	387E. West Cal Realty	503-667-2143

DATE \_\_\_\_\_

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