

**MINUTES**  
**Troutdale City Council – Regular Meeting**  
**Troutdale Police Community Center – Kellogg Room**  
**234 SW Kendall Court**  
**Troutdale, OR 97060**

**Tuesday, January 23, 2018 – 7:00PM**

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

Council President Ripma called the meeting to order at 7:0pm.

**PRESENT:** Councilor President Ripma, Councilor Lauer, Councilor Morgan, Councilor White, Councilor Allen, and Councilor Hudson.

**ABSENT:** Mayor Ryan (by phone at 7:56pm)

**STAFF:** Ray Young, City Manager; Ed Trompke, City Attorney; Sarah Skroch, City Recorder; Travis Hultin, Chief Engineer; Chris Damgen, Community Development Director and Erich Mueller, Finance Director.

**GUESTS:** See Attached List.

Councilor President Ripma asked, are there any agenda updates?

Ray Young, City Manager, replied there are no agenda updates.

Councilor White arrived at 7:03pm.

**2. PUBLIC COMMENT: Public comment is limited to comments on non-agenda items.**

Saul Pompeyo, Ristorante Di Pompello, stated I have a handout for the Council regarding the possible curb extensions in downtown Troutdale (a copy can be found in the meeting packet). This is a big issue for the business owners. Did you know that more than 100 people work in downtown Troutdale? We don't need curb extensions on each side of the street. I have started a petition and more than 80 people have already signed it to stop the curb extensions from being put in downtown. If we have less parking we have less customers and less money.

Don Jones, Troutdale resident, stated I'm the owner of Global Lint & Dust inspections and I've been doing it for 40 years. I grew up here in this town. There's things that I found in the Sandy River and some things I would like to show you guys. I have a map of a Dinosaur tour (a copy can be found in the meeting packet). If you look at it and look big there's 2 dinosaurs on the map. I've found at least 5 dinosaurs in the river. I'm trying to get people to come through the town. Down at the caboose you have some dinosaur stuff, dinosaurs underneath the bridge and this whole area is a dinosaur area. You have to

think big here. You can see a foot, a hand and a head. There's another one lying next to it. What happened is the one fell first and the other fell second and pushed the others head back and popped his teeth out. The teeth are sitting in the Troutdale City Park down there. If you go to the bathrooms and walk straight towards the mountain, the teeth are down there. I've been seeing this for 4 years. This would be a 2 hour tour and then go up to Dalton Point. There's a head of a dinosaur as big as Dalton Point. I actually found an Anchisaurus there and someone took it. Channel 2 News had someone come down and take it. It was big like a ton. Next month I would like to bring some more paperwork down. This is just something for you to look at. I would like to find out what I've got to do to sell tickets or maps. A lot of this money will be donated to things. Right now my daughter is real sick so I'm trying to get some money going for her. You really have to come to the tour. I would really like to see if I could use the Glenn Otto Park. You could go in and see the pictures and then go out and actually see what you're looking at when you're out in the field.

Council President Ripma asked, are you wanting to know if it's okay to walk people around the park?

Don Jones replied no they could just come buy a map and then do their thing. They'll see the pictures and they'll just be on their own or I can have a tour.

Council President Ripma stated if you want to promote a walk or some sort of attraction I think you need to talk to Ray, our City Manager. We encourage anyone who wants to promote tours in Troutdale.

Ted Tosterud, Fairview Mayor, stated I come here tonight with tongue in cheek to thank the City of Troutdale. There was an article written on January 16, 2018 about the 223<sup>rd</sup> Avenue Bridge which is really in danger for public safety. It said in the article that Troutdale has pledged \$50,000.00 in the upcoming year. I wanted to thank all of you for that and I have an invoice for you.

Bruce Wasson, Troutdale resident, stated I'd like to pick up on the issue of curb extensions. From a practical side of looking at curb extensions, to me they're a total waste of money and resources. If you drive a rig any bigger than a small car when you turn to go around those corners you cannot make it into the next lane without crossing over into oncoming traffic. If you drive a pickup truck or an SUV you cannot and will not get around that corner without crossing into traffic unless you run over the curb.

Councilor Allen asked, can we have a meeting on this?

Ray Young replied it depends on what kind of meeting. We are working with Multnomah County right now to arrange a downtown business owner's meeting in the next few weeks to discuss these issues and make sure they're fully explained. There is a lot of misinformation out there regarding what these curb extensions mean. The County and the City Staff has already gone door to door downtown to communicate with the business owners with this coming. The Council on 3 different occasions in the last 10 years has approved curb extensions for downtown and 2 years ago at the specific request of

Councilor White, staff prepared a very extensive memo for Council talking about the curb extensions. There's been a lot of discussion in the City over the last decade about these curb extensions. There's never been any evidence of any misunderstanding as to the new safety issues involved here. We are doing everything we can to discuss these issues with the business owners. We may have to have a meeting with the Council, maybe a Work Session to discuss this. My suggestion is that we wait until the County and City have the meeting with the business owner's downtown and then we'll see if there's a need to have another meeting. Staff has spent a lot of time recently with some of the concern with the business owner's. We have not ignored this issue. We are concerned about this. What I've told people is that any loss of parking, which based on the current plans for just the few intersections that are being proposed right now, is at the most maybe 4 parking spots. But those 4 parking spots were illegal spots to begin with and created substantial hazard for pedestrians downtown.

Paul Wilcox, Troutdale resident, stated my first public comment is actually regarding public comment. There are a whole slew of resolutions on tonight's agenda. In the past, public comment on resolutions was allowed only at the Mayor's discretion. The Citizens Advisory Committee was recently involved in revising the Troutdale Municipal Code sections related to public comment at Council meetings, and now public comment is permitted on every agenda item. Since this is the time to address consent agenda items, I have a couple corrections to make to the content of the minutes for the 12/19 Work Session. I am not disputing the accuracy of the minutes themselves as a report of what was stated verbally, so approval of the minutes is not at issue. Although not actually included in the minutes, I did want to clarify implications I made regarding point 11 in my commentary on plurality-at-large during the Work Session. It was in reference to the possibility of candidates switching position numbers and that it had occurred in Tualatin. The example was that two incumbents had exchanged position numbers. After further research, I found that it had been a simple clerical error wherein the position numbers were reversed on the ballots but there was no effect on who ran against whom. I'm sure that's way too esoteric to interest anyone here but I just wanted to be honest and transparent. The second correction has to do with a statement made by Councilor White. During the discussion on plurality-at-large voting for Councilors, Councilor White stated that, "There's only 19 cities out of 240 that follow this." I was planning to give this issue a rest but when I saw this in print I felt obligated to correct the record. Sometimes when we don't quite trust what someone has said we'll ask them to put it in writing. Here we have it in print, even though not by Councilor White's hand. I believe that seeing something in print lends a certain air of legitimacy to it even though we're also admonished to not believe everything we read. As for the accuracy of Councilor White's statement, I'd be interested in hearing how he performed his research. My methodology in determining which cities used which system was very simple and basic. If you go to each county's election site you can review election results, from which you can discern between plurality-at-large, elect-by-position and Ward or District. Plurality-at-large cities will always say vote for more than one. I've seen as few as two for a four-member Council, to as high as six, which was the entire Council. Position and Ward cities will specify a Position or Ward number and say vote for one. After hearing and reading the misinformation being presented by Councilor White I felt it necessary to expand my survey to the entire state, which he claims to have done. Some of the smaller population counties did not have the

information readily available but I was able to review over 200 of the 240. My results indicated that more than half used plurality-at-large vs. elect-by-position and Wards, a far cry from Councilor White's claim of less than 10%. Also, about a quarter of those electing by position were geographic Wards, which must have separate position numbers according to their designated areas. I believe the Councilors enjoy a higher level of credibility due to their positions so they shouldn't abuse that by providing false information.

Councilor White stated the PowerPoint presentation that was given by Zach Hudson showed 19 cities that use plurality-at-large. My information was obtained from the League of Oregon Cities. They keep track of that. Their number is actually slightly less but when I saw this presentation I gave Zach the benefit of the doubt. I wasn't trying to mislead anybody.

**3. CONSENT AGENDA:**

**3.1 MINUTES:** December 12, 2017 City Council Regular Meeting and December 19, 2017 City Council Work Session.

**3.2 MOTION:** A motion to appoint Councilor Brian Cooper of Fairview as the Alternate Member on the Metro Policy Advisory Committee (MPAC).

**MOTION: Councilor Morgan moved to approve the consent agenda. Seconded by Councilor Lauer. The motion passed unanimously 6-0.**

**4. RESOLUTION:** A resolution appointing Rodney H. Grafe as Municipal Judge Pro Tempore and authorizing contract negotiations for the Municipal Court Judge position.

Ray Young stated we had gone through a process last year of starting to replace me as Municipal Court Judge. We have an agreement with the City of Fairview that we would work together to hire the same person because it's much more practical. We had a joint committee which included both Councilor Lauer and Councilor White and 2 Council members from Fairview where they reviewed the information, checked references and did interviews. The committee was unanimous in recommending to this body that you approve Mr. Grafe as the new Municipal Court Judge. The City of Fairview approved him last week.

Councilor White stated I did a reference check with Canby Mayor, Melody Thompson and she's worked with him and I think he's going to be overqualified for Troutdale. He really enjoys being a Municipal Court Judge. I think he'll bring a lot of wisdom to Troutdale.

Councilor Lauer stated speaking with him during his interview, there was no concern from me before and definitely no concern after speaking with him. He's a great guy.

Council President Ripma asked, the resolution appoints him, is he appointed during contract negotiations?

Ray Young replied yes because our current Pro Tem Judge is not available on February 14<sup>th</sup> so he needs somebody to fill in and we may not have the contract negotiated by then.

We need the Council to make him almost the interim Judge until we can finish the contract.

Council President Ripma asked, this resolution will both appoint him as Pro Tem and then approve his appointment?

Ray Young replied correct.

**MOTION: Councilor Lauer moved to approve the resolution appointing Rodney H. Grafe as Municipal Judge Pro Tempore and authorizing contract negotiations for the Municipal Court Judge position. Seconded by Councilor Morgan.**

**VOTE: Councilor President Ripma – Yes; Councilor Lauer – Yes; Councilor Morgan – Yes; Councilor White – Yes; Councilor Allen – Yes and Councilor Hudson – Yes.**

**Motion passed 6-0.**

**5. RESOLUTION: A resolution approving the Purchase and Sale Agreement with Eastwinds Development LLC for the purchase of real property.**

Erich Mueller, Finance Director, stated tonight is an approval on the part of City Council for the Purchase and Sale Agreement with Eastwinds Development LLC. It is for purposes of the City to resolve remaining obligations that the City has in the LOI agreement that was signed by all 3 parties, the City, Agency and Eastwinds back in February of 2016.

Councilor Allen stated I have a potential conflict of interest as I am currently engaged in a lawsuit with Eastwinds Development, the seller. I will abstain from voting.

Erich Mueller stated the City's role tonight is really just to sign off on the agreement that allows the Agency and Eastwinds to proceed with the real estate transaction. The second item that is included is the limited development agreement which was the additional consideration that we discussed last week that the City is providing as part of the negotiated sale. That draft agreement is included as Exhibit B and Exhibit C is simply the LOI that started this phase. The primary action was taken last week by the Urban Renewal Agency with the ability to move forward with some certainty about acquiring the property. It's encouraging to finally get to a point where one entity will control the real estate that's in need of redevelopment.

Councilor Morgan asked, this is the final agreement and everything is finalized and there are no changes?

Erich Mueller replied the purchase and sale agreement is final. The limited development agreement is not yet finalized.

Paul Wilcox stated this is from the staff report way back in August that says, “Additionally surveying and subdividing off riverfront parcels is needed for the riparian zone and trail as these yet to be created parcels would not be resold to future developers.” I want to emphasize that original approval by the voters was to protect the riverfront. I want to be sure there’s not going to be a wall of riverfront condos between the trail and the bluff. My other thing is also related to the Eastwinds property. “The intent is to completely clear the combined site of all structures and materials resulting in a clean, empty, shovel ready site prepared for development. It is crucial that the site be free of any obstacles to full and flexible redevelopment use.” In the paragraph or 2 prior to that there’s reference to the water tower possibly being removed. I wanted to make sure that if that was being considered that the City staff didn’t have authority to go forward with that without Council approval.

Ray Young stated as much as I hate to speak in absolutes I will absolutely say that as long as I’m the City Manager there will be public space all along the waterfront from the railroad tracks all the way to the freeway. That water tower will not be removed during the cleaning of the property. It will not be removed until the URA has accepted a proposal that asks for it to be removed. It cannot be removed until City Council has approved that or accepted a development agreement.

Ed Trompke stated if it were to be removed I think it might be removed by the Urban Renewal Agency rather than as City Council but it is you folks that would have to vote on it.

Erich Mueller stated as it relates to your earlier question about the riverfront, any development is going to have to be subject to comply with the Riverfront Renewal Plan and it calls for that trail and riverfront access. The Plan would have to be changed and that certainly would have to come through the entire process.

**MOTION: Councilor Lauer moved to adopt the resolution approving the purchase and sale agreement with Eastwinds Development LLC for the purchase of real property. Seconded by Councilor Morgan.**

**VOTE: Councilor President Ripma – Yes; Councilor Lauer – Yes; Councilor Morgan – No; Councilor White – Yes and Councilor Hudson – Yes.**

**Motion passed 4-1.**

**6. RESOLUTION: A resolution adjusting the System Development Charges for Water and rescinding Resolution No. 2001.**

Council President Ripma stated I was informed by our Legal Counsel that we can take up in discussing System Development Charges (SDC’s). There are 4 resolutions that we’re considering tonight and we would vote on each one separately but we can combine the discussion and starting with the first one. All the SDC’s and all 4 of the resolutions are being raised and the issues of whether we should or shouldn’t raise them are related or the same. I think it would streamline the discussion if we just take up the 4 SDC’s and

have the staff talk about them and discuss them together unless you prefer to do it another way.

Council agrees.

Councilor White stated I have a friendly request for a short break to read over staff's answers to my questions.

**Council President Ripma calls for a break at 7:48pm.**

**Council President Ripma call the meeting back to order at 7:56pm.**

Mayor Ryan joined the meeting by phone at 7:56pm.

Council President Ripma stated just so you know, Casey, we're going to discuss them all together. We'll vote on them separately but we will discuss them together.

Travis Hultin, Chief Engineer, stated I'm going to give you a quick summary of the staff report. System Development Charges are what some people refer to as impact fees. These are fees that are charged on development at the time development occurs. We've had several Master Plan updates that led to a Capital Improvement Plan update in 2016. Subsequent to that the City commissioned FCS Group, a consultant that specializes in this type of work, to go through and perform a SDC methodology study. Just a quick reminder that SDC's only pay for capacity enhancing improvements to serve growth. They do not pay for routine operation and maintenance charges. There is a reimbursement component of the SDC's that can be used for Capital Improvements that are not for growth. That reimbursement component essentially reimburses the ratepayers and taxpayers for infrastructure they funded in the past that new development coming into the City will benefit from and utilize. One thing I want to mention that there's been a lot of discussion about is the impact on development and the SDC fees and I really think you should consider the fact that SDC's can be viewed as pro-development. Development drives the need for infrastructure. If you don't have the ability to fund the necessary infrastructure to serve growth then growth can't occur. As a result of the methodology study there were substantial increases indicated for the water and sewer SDC's and some modest increases indicated for transportation and stormwater SDC's. The staff has brought you back a resolution that proposes to implement these increases in a phase in approach. That phase in would occur over the course of several months, almost a year really. The first step of the phase in would occur March 1<sup>st</sup> of 2018, the second step is September 1<sup>st</sup> of 2018 and the last step would be January 1<sup>st</sup> of 2019. Each of those would be a 1/3 step in the increase of the total increase.

Councilor Morgan asked, how many permits have been pulled since our meeting in December?

Travis Hultin replied I don't have that information.

Councilor Morgan asked, is it the belief of staff that if we don't do these increases that it would limit our ability to be competitive to expand development in other parts of the City?

Travis Hultin replied these rates themselves would not fund any improvements related to expanding the Urban Growth Boundary. If the UGB is expanded that will likely necessitate some additional infrastructure improvements and may result in a change in the SDC rates to fund that. This SDC methodology in the Master Plans and the CIP is based on being prepared for the existing City limits.

Councilor Morgan asked, are the rates competitive currently for a needed expansion if that was to occur? If Metro is looking at this right now, today?

Travis Hultin replied I'm not an expert on the UGB process but I think that Metro sees a City that is not funding for structure improvements or not preparing to fund infrastructure improvements. My guess is they would be less likely to okay a request for a UGB extension.

Councilor White stated I was a little shocked when this first came up because we were always told that our infrastructure was overbuilt. We had a population estimate of 30,000 for Metro we based that on the new sewer treatment plant and other infrastructure. Then we got a correction here recently from Metro that the estimate is at around 20,000 at buildout. I'm wondering if you can expand upon that.

Travis Hultin stated as far as I'm aware, I've worked here 20 years and the highest population I've seen from Metro was about 25,000. The Master Plans were based on a lower number than that. It depends on which Master Plan because they were done at different times and each time the current Metro population forecast is used. I think the Water Master Plan, I'm going off memory here, was estimated closer to a 20,000 population estimate. The other one was more recent so that was probably more like 19,000 or something like that. I would have to go back and look at those Master Plans to pull those numbers out.

Councilor White stated the reason I brought it up was because during the last League of Oregon Cities we had a tour of the City of Troutdale with other Mayors and City Councilors that toured the City. I know staff prepared notes and not to put Ray on the spot but one of his comments was that our sewer treatment plant is at 50% capacity.

Travis Hultin stated that's true with the sewer treatment plant. We will have excess capacity. A lot of that depends on what kind of industry. You get one type of industry that can be a very low discharger or you can get an industry that is a huge amount of discharge. Based on the assumptions that were made and based on the land use designations in the sewer treatment plant was designed and looking at the forecast and the land use designation that are there now. My expectation is the sewer treatment plant will have excess capacity barring a large discharging industry. But that's just the treatment plant. That's only one component of our infrastructure. The projects that really drive the improvement cost basis on the sewer SDC are not treatment plant projects. They're



collection system projects. When you get down to the north area of the City it's all very flat down there so a lot of that sewer is moved by pump stations.

Ray Young stated if I had a sewer plant big enough to handle New York City it would be worthless to me if my pipes to it were only 4 inches wide and I had small pumps. It's 3 components, it's the pumps, the pipes and then the waste water plant itself. Yes, the waste water plant is built wonderfully but the rest of the infrastructure cannot handle the growth that we anticipate. The second element that we mentioned earlier about the waste water plant is that one of the elements of the SDC is what's called the reimbursement portion. All of you and the citizens of Troutdale paid for a 50% bigger waste water plant than they needed for their own needs. Part of the SDC's is used to help the citizens recover so they're not subsidizing the Amazons and Fed- Ex and the large developers to get back what they overbuilt because the need is for the new people coming in.

Councilor White stated it's too late to capture Amazon at this point.

Ray Young stated yes, I wish we had this conversation a year ago.

Council President Ripma stated the longer we wait the less new development we can capture.

Councilor White stated I thought we were pretty much at buildout even at the TRIP property.

Ray Young stated that is not accurate. The Port of Portland is only in Phase II of 3 phases for the TRIP property. There is still a substantial amount of development that's not even prepared for development. Lot 10, which is across the street from Fed-Ex, is in the early processes of being a spec building. A week ago we got a statewide proposal about a business that is out of state that wants to come in here and have a business for 400 employees. That site would be really nice for them for what they wanted. They asked us if we were able to handle that new plan that they called "Project Blake." They told us that they're going to need 1 million gallons a day of water and 500,000 gallons a day of effluent coming out of this plant for 400 employees. Under our current SDC funds and our current infrastructure it will almost not be possible to attract that development unless we work out some deal with them. We told them to go ahead and put us into the hopper for a possibility of getting that business but if they select Troutdale we're going to be shaking in our boots, honestly. We currently do not have the infrastructure in place to handle that development. Even with the current CIP there would have to be some changes. If we don't have the funds to make those improvements essentially we would have to tell Project Blake we can't do it and we're going to have to leave that lot empty. We are at the point now where we are facing the real possibility of turning down a very large employer in town because of our infrastructure.

Councilor Allen stated my experience has been that you have rural areas that get targeted for development and investment money comes in and the property becomes valuable and the municipalities that are there don't have enough money to pay for the increase in need for utilities. When I look at Troutdale I see that's not really us. We're mostly built out and

we're more of a fill in city. I do agree that we need enough SDC's in order to support the development that we desire. High SDC's are a barrier for dreams. I prefer to keep SDC's as low as I can while still keeping the system functioning. It's a matter of trying to find the right number.

Council President Ripma stated there is a fundamental misunderstanding, Rich. If someone wants to start a business that puts \$20,000.00 worth of load on the pipes and systems that need to be built, either they're paid by the business that is causing the need for that infrastructure or they're paid by all the other ratepayers in higher rates. The SDC's need to be fair. No one can argue with that. The staff did a detailed calculation of the SDC's that we're proposing tonight that are completely defensible under the Oregon laws. We're not asking for more than we are allowed to. The staff proposal tonight is to phase them in. The longer we take to raise them the more burden it puts on all the citizens who pay rates.

Councilor Lauer stated I agree with Councilor President Ripma. SDC's are a normal part of business and a normal part of development. Everybody sitting in here knows that SDC's are a normal part of developing anywhere in any city. Unfortunately it's not normal in Troutdale. It's abnormal because we're abnormally low. If we're abnormally low with the developers coming into developing there's going to be certain times when we won't be able to have that development. If we do deem that development absolutely necessary with our low SDC's then the other portion of that SDC is going to come out of the general fund and then we're all going to subsidize that. That's not fair.

Council President Ripma stated it's always hard to raise rates on anything. We are very limited on State law on what we can charge. One of the reasons ours is so low is because for years we didn't bite the bullet and charge them. We just left them low because it was easy. We're not being fair to our citizens by doing that. We need to look ahead for what the right things to do is.

Ray Young stated just to follow up with what Travis was saying, Councilor Allen is correct, you just can't look at the neighboring cities and make a decision based on that. This is why we have complex methodology studies that the City spent thousands of dollars with an expert to come up with the proper way to establish SDC's under State law. That's what you already had the reports on 4 months ago. We also like to do an external check. And that's why those charts that you have in your packet are really important because it lets you know if there's anything wrong with Troutdale in terms of charging way too much. Even with the increases, whether it's single family or multi-family, we're still going to be in the bottom third of what other areas in the Portland Metro area are charging. Some could say houses sell for more in those areas or they have more income in those areas. That's probably why we're only charging half as much as they are because we can't support that larger number maybe. It's important to look internally and externally. Some people will ask, will these raisings of SDC's slow development in Troutdale because it's too expensive to develop? We know how expensive it is to develop in other communities around us and that's not stopping their development. Most importantly, I've done a lot of research over the last few days and it is impossible for anybody to definitively say whether SDC rate increases impact positively or negatively on development in any particular city.

I found a study from 2014 that was put together by the economics department at the University of Oregon in conjunction with the League of Oregon Cities and the question they had for this report which was done with professors, League of Oregon Cities and the honor students at U of O was, "This project was proposed by the League of Oregon Cities who had observed that a number of Oregon cities Councils were discussing the role of SDC's that may have been deterring development." They went through and reviewed all the studies and looked at all the data and information and these experts concluded it is impossible to determine if SDC's had any impact on development or not. Whether somebody develops in a city is so multi-faceted and complex, SDC's is just one factor in what moves development or slows development. Their conclusion was, "In summary of what can be said about how commercial building permits are effected by SDC charges, there is no clear result." Then they say, "Similarly what is found in the residential building permits is not very supportive for making a policy decision when viewed in that context." Whether it's commercial or residential the experts who study this say there's no way to ever know the impact as Travis indicated. If you don't put infrastructure in you'll shut down development which are needed for SDC's. And if you increase them they may impact some people's development but as for a policy decision you can't use that as the decision making tool. As I indicated earlier with Project Blake we may get in a situation where we have to have a moratorium on development. Development causes infrastructure stress and we have to alleviate that stress. There's only one of two ways to pay for it. It's either SDC's or you charge the current ratepayers. You can't just not pay for it and somebody has to pay for it. The bottom line is that SDC funds have been below what they needed to be for the last 9 years. I appreciate the Homebuilders Association. Their testimony last month was that our methodology is just fine, it's perfect. But they say they'd like a couple years in the letter that you got in your packets. Staff is responding to what you have told us and this is the answer that staff can only come up with under the statute. This is the 3<sup>rd</sup> public meeting we've had on this issue in the last 4 months. We've had experts and public testimony. Staff understands that increasing SDC's put a burden on people who come into town to develop and that's not something we like to do. Nobody likes to increase fees but whenever you increase usage you put pressure on the system and somebody has to pay for it. We're just responding to what the needs of the City are proposing these rates. If the Council decides that they want to use the ratepayers to finance these improvements that's a decision you can make also if you don't want to make a decision on SDC's. But that's something you will have to direct staff to do. At this point, with the tools that staff has, the best way we can advise Council on how best to be prepared for future development is to increase the SDC's as we've recommended.

Councilor White stated you said something similar at the last meeting, Ray, and I disagree with you on parts of it like the question of us not knowing if it's going to affect development if we raise them. We don't have a crystal ball for the future but we have history. History showed us in 2008 we were experiencing a rash of vacancies in our downtown. We did what was called the open for business plan and we waived all SDC's to get businesses in and many of them are still there to this day. They were paid out of the general fund. Then in 2014, that was the last time we did a change to the SDC's and we actually lowered the Parks SDC's by \$5000.00. Councilor Ripma made the second on the motion. He's saying we should've done this a long time ago, he's been on the Council longer than anybody. These aren't normal increases either. I call it pulling the rug out from under

somebody. They're massive. I don't think Troutdale can survive this. I think we're going to lose the charm of our town. A lot of the comparisons of the other cities that Ray sent us, not one of them was in Multnomah County which has a lot more taxation and fees and regulations than outlining counties.

Ray Young stated to answer your question, Councilor White, first of all in the prior program back in 2008/2009 that was a completely different economic system that is going on now. Now development is gangbusters. They can't even find workers with all of the development we have in town so the situation is different. The second thing is, the study that I referred to that the League of Oregon Cities sponsored makes a couple passing statements that there really is no evidence that actual government provided incentives like lower SDC's really haven't proven to be that effective in hurting development actually. There's so many other market conditions that can effect development. Fluctuating or manipulating SDC's are not that big of influence either way.

Councilor White stated we kind of sent a message though, to the developers when we lowered it in 2014. The next thing we did was we simplified our code because the idea is we're so close to buildout. We spent staff time and the Planning Commission did a wonderful job of completing it and now our code is like 304 pages which is the equivalent of other cities one chapter. The idea was let's finish off Troutdale, there's so little left.

Councilor Allen stated if you look at what Troutdale is and why we like living here, Troutdale is quaint. It's got a lot of small businesses and unique restaurants. They can't just easily go somewhere else. It's not going to be the large corporation that's going to be hurt by this. It's going to be the small businesses. It's going to be the places that make Troutdale what it is today and why we love it so much. These are the people that are going to be hurt by high SDC's.

Council President Ripma stated keep in mind that the people who are living here, the citizens of Troutdale don't pay SDC's on their house and people who have businesses in existing buildings or even if they move into an existing building don't pay SDC's. It's only new development that puts a burden on the system. As Ray said, somebody has to pay for the additional capacity for the pipes, plants, stormwater and everything else. If we don't put it as much as is fair on the development that causes that need then it goes on the rest of the citizens who didn't cause it in the first place. I'm baffled at how you're seeing the fairness. It's our job to represent all the other people that are here who are the ratepayers of the City. I don't like raising rates. The reason we're doing it is because it's very unfair the way it is now. They need to be adjusted and we've waited too long. Too much has been put on the ratepayers already. If we don't do something we're going to continue the unfairness.

Travis Hultin stated there is one minor correction in the resolutions and it's in Section 7 of each resolution where it talks about the automatic adjustment for inflation. If you look at the end of that section it says, published by Engineering News Record for the proceeding calendar year, that should be the preceding calendar year. If you could make that correction in each resolution so that when we go to make these adjustments annually we're not floundering trying to find an index that doesn't exist.

James Adkins, Homebuilders Association Metropolitan Portland, stated I'll start with a modified ask of what we had in the letter that I sent you today. We would ask that any development that's in the pre-app/land use process be grandfathered in at this point. I think it's really important when you're thinking about these increases of just how long it takes someone to get to that point. I disagree with the way that development's being characterized. I keep hearing that the developer comes into town, makes their money and takes off. It starts with the person that owns the land. Those are local folks. They've made the investment in Troutdale. Secondly, these are local developers. These are your folks and many of them live in the City. One of the many facets of where people choose to develop is the cost of land. The cost of land and how much it's going to cost and the infrastructure is equally as important. You have a person who owns land, they think it's worth something and the developer says sorry, we can't pay you that. Your investment and what you thought it was going to be worth is not going to be what it's worth in reality because of the cost of infrastructure is going to be very high to develop this land. We support SDC's, we don't have any problem with them but that's one part. Secondly, you go down the line, you come up with your plan, you go into contract and get your lender then you come into a delay and the SDC's go up and you're not really going to be able to go back and ask for more money. We think it's reasonable to ask that you grandfather in the folks where they're at and kick it out to January 1, 2019 and phase in 1/3 per year.

Councilor Morgan asked, over 3 years?

James Adkins replied phased in over 3 years. If Amazon is not going to be able to pay for these increased infrastructure needs then I find this whole argument about putting it on ratepayers doesn't really make sense. Lastly, I have no doubt that the City Manager is excellent, does everything in his power to do what's right for the City, but I worked in the civil service for 5 years and I never asked for a thank you for anything I did.

Councilor Lauer asked, you guys represent homebuilders? All across the State of Oregon or Washington?

James Adkins replied ours is every county that touches Portland and all the cities and the City of Portland. Anyone who builds or does business with them there. We have local guys doing 4 homes a year and we have a few of the national builders as well.

Councilor Lauer asked, do you represent all the builders who are here now?

James Adkins replied no.

Councilor Lauer asked, when a developer that you do represent or is under the Homebuilders Association develops in a city and their SDC's are significantly higher than what ours are, do you go to that Council and ask them to lower it for those developers so it's more fair on the developer and not on the City?

James Adkins replied yes. We have a similar policy. You can look at it on our website.

Rip Caswell, Caswell Gallery, stated I live here in Troutdale and have several businesses in Troutdale. I'm all in with Troutdale. I love it here and care for this town's community. I started doing my first development here about 2 ½ years ago. Being naïve I really didn't know what it was going to take to get through this whole process. It's been a daunting process and a very expensive process. I went to the bank and I got all of the estimates for building, construction, the estimates for the SDC's and permits together and it was substantial. It's a lot of money to pay out. I finally got my bank financing and had to put a lot of money upfront to get that. That was 2 years prior to paying for my SDC fees. So I've paid my SDC fees and well under construction but had I got to that point 2 years in and then had my fees doubled or tripled I probably would've had to file bankruptcy. I rolled the dice and I'm trying to build this building and with all the added expenses I'm way over budget. I had to sell my home in Troutdale and move into one of my apartments so that I can finish this development. Had the SDC fees hit me in the middle of it and blindsided me I would've filed bankruptcy. I plead with you to not disrupt somebody that is in the process and has gone through bank financing and made these plans. Not all developers are wealthy people. We have an acre there and we're about half built out and I want to do a second phase to it someday but if it continues to go up I won't be able to. I dream that we continue the path that we're on and encourage small businesses. With these kind of fees going in I'm fearful that we're discouraging that kind of growth.

Mike Greenslade, Bremik Construction, my wife and I have a business here in Troutdale and I built my first house in Troutdale in 1984. I understand and support SDC's. I would ask Council to use caution. It seems like a very big leap that we're talking about here. I think there probably needs to be an increase but I think that increase should be a smaller and over time increase. I like the 1/3 over 3 years. There is an awful lot of upfront expense. I also am involved with one of the developers for the Discovery Block. We've had that for a long time and we tried to make a run at it in 2007 and ended up giving the property back, the economy tanked and we ended up buying it again. The first phase of the development we put in some of infrastructure and then we started talking about the townhomes. We took a gamble and our timing was pretty good and the economy was on the upswing. We didn't get rich off of those. If we had been looking at the proposed SDC's today that would still be a vacant lot. It's no less expensive to build in Troutdale, Portland, Beaverton, Canby or West Linn but our rents are less out here. It's a challenge to make it work.

Brent Ricks, Columbia Gorge Outlets, stated for the past 8 years I've been the Operations Director for the Columbia Gorge Outlets. I've been employed by Simon Property Group and now Time Equities Inc. I'm not a resident of East Multnomah County. We adamantly fought and fought to stay out of the UGB. We also came up with a 3 cities, 1 county and Metro, important deal this last spring. I also served for a couple years on the PUC Water Division and an Advisory Committee. As one of the big properties in Troutdale we certainly don't oppose SDC's and I certainly know the difference between capital and operations because right now I'm right in the middle of another capital project improving the property and improving Troutdale. I can't call Time Equities and say that I need X amount of dollars for capital just because of this reason. At the same time we would love to see the URA developed. After being part of the property for 8 years we've seen all of the battles going over URA. If you jump all the way to tripling these, you're putting the cart in front of the

horse. How can we help assist the City in a 20 year plan? Certainly you need to raise them. I understand that. Phasing them in is going to be a lot easier for the development and after \$5 million to get the URA shovel ready without a pipe. What is the plan? You're looking at 20 acres that is the heart of Troutdale. We would love to see the property developed to its full potential. I know the methodology and I understand all of these things and you do need to increase the SDC's but I think in a step format. I think you're really going to hammer what may happen. The underdeveloped areas on the Halsey Corridor we're looking at and all these areas and there still isn't a plan. I have a little different perspective on the Town Center Committee because I'm not an East County resident.

Councilor White asked, do you have a recommendation on how you would like to see it phased in?

Brent Ricks replied I think you would have to look at a minimum of 2 years.

Councilor Allen stated it seems to me that we've finally got some interest in investment in Troutdale and there are some possibilities in our future which would help make this town an even better place to live. My concern is that I feel like we would be damaging what we could be and what future we could have.

Brent Ricks stated the Columbia Gorge Outlets represent the major retailers and brand names throughout America. I look at downtown and support downtown which is built exactly what you're pointing to. You're not seeing big brand name restaurants. You're seeing everyone who is doing exactly what you're saying Councilor Allen. Their dreams, their small opportunities and entrepreneurship and I can concur and I really feel that they make Troutdale a desirable place. I believe our task with Town Center Committee was to really drill down and identify these areas because certainly the URA has endless possibilities. But I do not believe for one minute that a large commercial endeavor is going to be a sole item in that property. There's 20 acres there and it needs to serve a variety of purposes and an esplanade is absolutely a fantastic idea for that area.

Carey Sheldon, Sheldon Development, stated I am a small developer/builder. I've invested in land here in Troutdale. I love Troutdale. I concur with everybody else in here. Baby steps. This City is a gorgeous, nice, friendly, small business oriented City. If you raise the SDC's then you're going to be competing with Sunnyside Road, Happy Valley, West Linn and Lake Oswego. SDC's will be passed onto the home buyer and that's a huge hit. All these smaller builders and developers that you have in this city a lot of them went away in 2008 and a handful of us survived. I've invested in Troutdale and I've been working on several pieces of property here for a long time and they're in my budget and in my banking system ready for applications and you're throwing a number out here that is huge. I want you to deeply consider that any project that has already been in a pre-application process and is in the works be grandfathered in because their budgets are established. It can make or break projects. I think a lot of people would and could walk from Troutdale. Increase is needed but not at 400% all at once. Do it in small increments and give the builders time. Is this increase caused from Amazon not paying their fair share when they were let in this city?

Ray Young replied because the City has delayed for years doing this, we should have started this sooner. If we had done it, of course Amazon would have paid more if we had started it sooner but that, as Councilor Ripma has already said, is water under the bridge and done.

Taney Staffenson, Planning Commission Chair, stated I have lived in Troutdale for over 40 years. Planning Commission just got done looking at restructuring planning and permit fees and that's coming your way in the near future. As we were finishing this up the discussion came up about SDC's. SDC's do affect development and that kind of comes back around to planning. In 2017 we dropped a development code on your doorstep that was a complete comprehensive re-write of the development code for Troutdale. One of the things the Planning Commission was tasked with was to reduce barriers to development and also this fall you tasked the Town Center Committee to figure out what Troutdale is going to look like in 20 years and look at development structure of Troutdale. I'm trying to figure out where we're going. One thing I was wondering as I was looking through this is, how much are the utility rates going down with the SDC's going up?

Council President Ripma replied SDC's don't pay for the operation of the system.

Taney Staffenson stated it said in the report that utility rates would be going down. In the staff report under pros it says reduces monthly utility rates to all customers.

Ed Trompke stated it reduces any increase in utility rates because otherwise the utility rates would have to rise to cover the costs.

Taney Staffenson stated it says it lowers.

Ray Young stated it keeps it from rising above the current rate. That is incorrectly written. It is written poorly.

Taney Staffenson stated we did take kind of a pretty good utility rate increase this year. That was to help fund infrastructure. I believe that funding our infrastructure is necessary. But I also think that sometimes we have to be competitive. I question immediately when we go up 154% maybe we should've gone up before but maybe we need to look at possibly stair stepping this over 3 years. It would be great if we had a month for the Planning Commission to look at this. Maybe there's a project on here that everybody can come to an agreement that could be evaded. Going up 154% I think is a little high. When you're higher than Sherwood, Canby, Portland and Forest Grove I think that might be a factor considering what we're offering and what they're offering. And we're 23% higher than Gresham.

Councilor Morgan asked, when was the last time Gresham adjusted their rates?

Taney Staffenson replied I don't know. If we had it phased in we probably might not be as apt to make adjustments. I think it's a tough decision and I think a lot of times it doesn't hurt to have another set of eyes on it. We have looked at things before and I think we've



made good, sound recommendations. We would like to look at it. But at least I think a more phased in approach than 3 months.

Councilor White stated you guys recently looked at the development rates and fees and application fees. I want to know if the Planning Commission was aware that SDC's were also planning on having this big increase at the same time if it would have affected your decision.

Taney Staffenson stated no it would not. We were focused on the planning fees only.

Councilor White asked, are you the only one that wants to review this?

Taney Staffenson replied no that was a unanimous decision of the Planning Commission at the meeting.

Councilor Allen stated I know that you analyze things quite a bit and I'm just going to throw this out there just in case you've already analyzed it. It seems to me that development is not all cost to the City. When we get large projects or development within the City it increases land value, increases taxes to the City, there's other fees that come into the City. It's not all cost. It seems like we don't necessarily have to put all the cost on the ratepayers. We'll actually make money in the long run. Have you done any analysis?

Taney Staffenson replied it obviously depends on the business, the value of it, personal property and real property. Those things all have to be taken into account. Something I keep thinking about with this is we're trying to get it all back and that's fine. You're going for \$19,000.00 and you may end up with nothing. Would it be better to start out at 10, 12 or 15 and get something rather than go for 19 and get nothing?

**MOTION: Councilor Morgan moved to extend the meeting. Seconded by Councilor Lauer.**

**Councilor White stated I would like a discussion because I definitely want to hear from the public.**

**Council President Ripma stated we keep putting it off. That's what you're trying to do again, Glenn, is to put it off. Let's keep going. Everybody's here. Do you object to extending?**

**VOTE: Council President Ripma – Yes; Councilor Lauer – Yes; Councilor Morgan – Yes; Councilor White – Yes; Councilor Allen – Yes; Councilor Hudson – Yes and Mayor Ryan – Yes.**

**Motion passed 7-0.**

Terry Emmert, Emmert Construction, stated we recently bought property in Troutdale and got involved in some future projects for development. Nobody at staff told us there was going to be an increase. We just learned about it in December. We feel we should've

been told so we could get our apps in by such and such time because it's happening. Even Clackamas County or the City of Portland always give you a warning if the fees are coming up and give you the opportunity to get your fees locked in. Which is only fair because you don't want to be blindsided. I've heard a lot over the years about the college professors and students figuring out how fees should be and predict how fees should be raised. They make the comment that it's impossible to say if high SDC's slows development. The college professor or the students don't have to make payroll and they don't have to pay the bills. I can honestly tell you that there is absolutely a direct affect because the City of Portland, back in the 80's started getting wild with their fees and starting in the 90's we started doing almost everything in Clackamas County because of that. It does make a big difference to the bottom line. I believe a fair way to do it would be to have a certain deadline and give people advanced notice if you have pre-apps in and that would lock in your fees and phase it in over a 3 year period.

Greg Handy, Troutdale resident, stated it seems to me you're dealing with inaction that took place in the past. Have you thought about how you're going to deal with moratorium if you don't pass the SDC's? The issue shouldn't be dealt with emotionally. It should be dealt with rationally. You have trust in your Public Works, they give you a recommendation and you've acquired a report by FCS Group. We need SDC increases so we can maintain a quality and adequate service that's reliable and allow for future development. If you don't have SDC increases then you're going to deal with a moratorium at some moment in time. I would encourage all of you to remove all of the speculation and emotion and deal with the facts.

Alex Mauck, Troutdale resident, stated my family originally moved to Troutdale in 1940. The tone has changed a lot on this since the last meeting I went to. Not everybody is opposed to raising SDC's. I would not be opposed to a small increase. I've watched lots go up in price by 20% in 12 months-time. Now we're getting ready to do an apartment project and from what I understand when you own apartments I get to pay the sewer and water for the stuff I already pay to bring in. I'm not opposed to seeing some increase in SDC's but I think it's a benefit for all of the citizens. Councilor Ripma has repeatedly said we shouldn't raise the rates on the rest of the payers but I think what's good for one is good for all. We have to be careful how fast rates go up.

Councilor Morgan asked, didn't we not very long ago raise the rates on everything else?

Ray Young replied right, for current users for their monthly rates.

Alex Mauck stated it would appear that we're taking the easy way through this but taking the path of least resistance by putting it on the people who want to develop.

Saul Pompeyo stated the SDC's is very complicated and I don't understand it very well. The increase of the SDC's is too fast. If somebody come to our country they can't afford these numbers. The prices jump too much. We need to pay a fair price. Paying \$400,000.00 for a restaurant is too much. A business cannot subsidize.

Council President Ripma stated under State law we are required to notify property owners.

Ray Young stated it's a 60 day notice period.

Council President Ripma stated we have been talking about this for a long time. I understand the points that were made. When do the SDC's lock in for someone developing a piece of property?

Ray Young replied this has been a point of discussion very intently between myself and the Public Works Department. It's a very good point. Some people say to lock it in at pre-app. That creates a logistics nightmare for your City. A pre-app could sit there for years. Sometimes if there's a deadline they will submit plans and sometimes there's substandard to whip it out and get in to lock in a rate then staff has to review something that is incomplete and engage in more work to get them to give us what we need to approve their plan. A number of years ago staff put together a very detailed 3 page SOP on how SDC's are actually billed and what day they are billed. What Steve and I have talked about very clearly that we should probably not change our longstanding policy is when permits are issued. I also told him that we would be very liberal in if anybody felt that staff caused a delay and they were caused more money because of the delay that we would be very liberal in reviewing their request that we honor an earlier SDC rate. It's really a tough balancing point to figure out when you lock them in or not and we appreciate that problem. It's just hard to come up with an answer that meets everybody's needs and we've thought it was best to continue the current policy. While it's clear that I, your City Manager and a representative of the staff, we support the resolutions before you, it's not personal. We are operating under direction from you. The Council has told us with the input from the Planning Commission that this is your Capital Improvement Plan. Whatever decision you make tonight either complies with what you've asked us to do before or change it. And we're fine. But if you choose not to use this tool that you gave us and you change the tool, somebody has to pay for these improvements. If it's not the SDC's the ratepayers will have to pay for them in some fashion or another. It's a policy decision that's best left to the elected officials like you to decide whether we spread the cost to new development over our existing citizens or we place the greater burden on people who are developing property. I'm not saying one is better than the other. Staff is prepared to carry out the mission that you give us. Either way you go we are happy.

Councilor White stated I wanted to give a couple of examples of when we didn't follow staff's recommendation. One was Title 13 where Council took that on for about a 1 ½ years. At the end of it we realized that our own department head was asking for over and above what Metro wanted. We were able to settle that issue quite rapidly after we discovered that. Another one that comes to mind is the Space Needs Study that was done for the new City Hall in case we didn't want to rebuild the old one. None of us liked that. Dave, you hated that one.

Council President Ripma stated in this case the staff recommendation is not some over reach beyond what we asked them to do. Are you challenging staff's calculations? We

had several Work Sessions and meetings about this. I know you don't like the SDC's but their calculations are defensible. That isn't the same thing as what you're talking about.

Councilor White stated our last City Administrator, Craig Ward, back in 2014 when we lowered the SDC's said if we did it right we would actually go back and revise those Master Plans, have a full conversation about what the Master Plans for all the Parks should be, generate a Capital Improvement program for each park and roll those into a Master Capital Improvement Program and that would then be the basis for a new overall System Development Methodology. That would take a while and it did and we actually did that. Staff was objecting then because we were lowering it. This came out of thin air, people. They hit us with this in the middle of a holiday season. It took me months to write my questions after doing research and on some of my questions I needed Council approval to ask the question because it was going to take too much staff time to answer it. I'm not real happy about that. I don't think we've done our due diligence. When I asked Chris Damgen how long does it take if I have a legal lot and I want to build a house tomorrow, how long can I expect to wait before I get an answer? Or what my SDC's are so I can lock them in. He said 1 year. I think that's pretty typical. We also are facing more regulations coming down the pipe. I agree with giving the projects that have already started a grandfather clause. I think we should at least take a year to do our jobs and send this to the Planning Commission. They unanimously asked that occur and that's what we typically would have done. I think we're making a mistake.

Councilor Hudson stated I would like to move to consider some of the proposed adjustments for a potential phase-in. I would like to float the idea without making a formal amendment to the 3 year phase-in that was proposed.

Council President Ripma stated currently the proposal that we have in our packet is 1 year in 3 stages. What are you proposing the stages be?

Councilor Hudson stated January 1, 2019, January 1, 2020 and January 1, 2021.

Council President Ripma stated I understand that. Is there a reaction?

Ed Trompke stated just from a numbers standpoint, remember that this is based on construction costs. The construction costs were estimated or computed as of June 2017. Construction costs are going up faster than the CPI is because skilled construction labor is extremely hard to get. Material prices have gone up a lot too. If we stretch this out over 3 years we're likely to have numbers here that are a good 10 to 15% under what is necessary to do the work here.

Council President Ripma stated Zach's proposal is along the lines of what we did with the Parks which didn't involve redoing our entire Capital Plan. We just made a political decision, we ignored the numbers and dropped the rates. We aren't allowed to do that and Zach's proposal is something in the way of a compromise and a proposal that has that element to it and I appreciate it for that. I think it was proposed by several people and I would be interested in what the rest Council thinks of it.

Travis Hultin stated the other thing to consider and not just the loss to inflationary costs but also consider that projects will occur during that time and will pay their SDC's you will lose that increment on those projects and that is money that you will then have to make up somewhere else down the road in order to fully fund those projects.

Councilor Allen stated I'm sensitive to market realities. If we ignore market realities we will not get the desired development that we are hoping for. What does that mean? If you think about it, if I can build a building and cost is the same whether I build it here or build it in another town, the cost to build the building is the same but the fees are different. If I can sell that building in another town for more money, then I could take a higher hit on SDC's and still be fine.

Council President Ripma stated that's the point you've been making but how about Zach's proposal?

Councilor Allen stated my thought is that I like the idea of raising them over time over the years as Zach has proposed but I am concerned about how high we let it go and I'd like to remain competitive with our surrounding jurisdictions.

Councilor Lauer stated so on the fourth line down you would like to see each of those reduced. I prefer to stay with the way it's written right now. It's going to be more costly if we do let it go 3 years and we're going to be having a discussion every year after that. I'd like to take it back to Mr. Handy and remind everyone that we need to take the emotions out of it. We have numbers right in front of us. The firm that our Public Works department hired to do this study came back after doing their due diligence and suggested this is what we need to do. I'd like us to take a logical approach and stick with the resolutions.

Council President Ripma stated keep in mind Zach, this is a compromise itself by extending it over a year. We had before us the option in December of raising them which was the agenda item all at once.

Councilor White stated we've also heard from every major business that are already currently in Troutdale that they ask for 2 years on this. Edgefield asked for 2 years. Edgefield is planning on spending, without being required to, \$3 million for the Halsey Corridor project. They didn't want a sidewalk. They wanted something better and they chose to build a pathway on both sides of Halsey at their own expense. That's the goodwill I think we can expect from our big players in the City because they care about Troutdale. I think we need to see some cooperation here.

Ed Trompke stated it's very easy to amend the Capital Improvement Plan to include those improvements along the Halsey Corridor and in fact you will have to do that at some point which will make those SDC's creditable so it will come back to them. Anything that they pay in excess will come back to them as credits they can either use somewhere. SDC's are really complicated.

Travis Hultin stated if Edgefield develops the property they own they will be required to do those 3 improvements at their own expense anyway as any other developer would.

Councilor Morgan stated the concern that I have is what Ray said about Project Blake and the capacity of infrastructure.

Ray Young stated with large development like that it brings lots of jobs to the City who has employees that buy the houses they're building, they are most impacted by not having larger infrastructure because they need large infrastructure to have their businesses. If we don't have the SDC's to provide the infrastructure we will have to tell them sorry.

Councilor Hudson asked, for Project Blake, is our offering of lower SDC's enticing?

Ray Young replied probably not because if you look at the regions that we're competing with in the Portland area, we're at the lower end anyway. Even with these approvals we're with the lower half and they're looking all over Oregon for places to go. Generally our SDC's for the whole state are not considered high. The point of this is everyone needs to be treated fairly. We don't give higher rates to big developers and lower rates to lower developers because the impact and how they're calculated is the same whether you have a small restaurant or a large restaurant. The impact is going to be calculated the same so we'll be fair to everybody.

Travis Hultin stated the methodology study is just pure math. There's no favoring.

Councilor Morgan stated the concern that I have is if we go out too far then we'll have to re-evaluate again. My preference would be to have these changes begin in phase 1 on July 1, 2018 and the second phase taking effect January 1, 2019 and the third take place July 1, 2019. There's about 18 months where people can begin getting their permits now.

Councilor Hudson stated I like the direction you're heading with that. One of the questions was the grandfather clause as in people in process right now and July might be too soon. We could look at January 1, 2019, July 1, 2019 and January 1, 2020. That's 2 years.

Councilor Morgan stated the issue I want to prevent is having to still trying to get that number to be flattened out or faired out because it's not fair. I'm sticking with original dates.

Council President Ripma asked, could you live with Larry's proposal?

Mayor Ryan stated I'm in favor of Larry's proposal for 18 months.

Councilor Lauer stated if the 18 months gets us there I'd be willing to move to 18 months.

Council President Ripma stated so would I.

Councilor Allen asked, is there any consideration for not surpassing the fees of Gresham and Portland? Just so we don't totally kill development in Troutdale.

Travis Hultin stated even with the max increase we're still low.

Councilor White stated it takes a year to lock in SDC's just for one house.

Ray Young stated that's not accurate. Mr. Damgen, generally from the time someone walks in your office with plans, how long does it normally take?

Chris Damgen, Community Development Director, stated Councilor White, can you restate your question?

Councilor White replied unless I misunderstood your answer, I asked you if I have a legal lot that I own and I want to build a house on it starting today, how long before I can lock my rate in on SDC's? You said it's the last thing that gets calculated because you have to know the plan, how many bathrooms, how many sinks and all the fine details. You mentioned a year.

Chris Damgen stated I don't recall that figure being used. What I would tell you, just to clarify, our staff through Public Works provides a worksheet which effectively based on parameters of your construction, square footage, number of toilets and size of the piping, etc. is provided to the builder or developer at the time when they apply for a permit application. The SDC's themselves get collected at on permit issuance when the permit is released.

Travis Hultin stated the key factor there is that as it stands right now the SDC rate you pay is the rate in effect on the date that your building permit is issued.

Chris Damgen stated with a single family home you don't do it through a land use process because it is assumed it is a legal lot. Assuming there are no needs to subdivide or partition the property and you are ready to go and submit plans, a single family house does not go through any land use approval. The planning staff gets involved to check setbacks and make sure there are no other issues with the code. On average residential plan review can run anywhere with the initial plans set for 2 to 3 weeks. If there are corrections or if there are deferred steps that will add to the length of the period of time. We see that increasingly. On a single family home, assuming the plans are in good shape, you can be through our residential planning review at best case I would say the fastest we've had recently is 3 weeks and typically you're looking at 2 months.

Councilor Morgan asked, so worst case scenario is 2 months?

Chris Damgen replied worst case is the plans are not good. We've had house plans that have sat in our office for a year. We can only do so much. We review the plans. We can't control the quality of the plans or if they require renovation or a revision. I'm just giving you a prototypical example.

Councilor Allen stated the charts are different this time than the last meeting. I'm a little concerned about that.

Travis Hultin stated this is not what we collected. This was information produced by the Homebuilders Association and came available last month. We thought you would be interested in seeing the data the homebuilders themselves came up with.

Councilor Allen stated I'm not complaining about that. There's different ways of calculating SDC's. I just want to remain competitive. That's all. Is there a chance that you can do just 2/3 of it and then review what we've done?

**MOTION:** Councilor Lauer moved adoption of the resolution adjusting the System Development Charges for Water and rescinding Resolution No. 2001 with the 18 month amendment for July 1, 2018 for the first step, January 1, 2019 for the second step and July 1, 2019 for the third step and to change the spelling of proceeding to preceding in Section 7 of the resolution. Seconded by Councilor Morgan.

Councilor Allen asked, Councilor Lauer, would you accept the friendly amendment that we do a sanity check before that last step?

Councilor Lauer replied I would like to stick with the motion that I made.

**AMENDED MOTION:** Councilor Allen stated I would like to remove the last step and review it in Council before implementation. Seconded by Councilor White.

Council President Ripma stated the motion made to raise the rates in 3 steps is amended to have it just go through the first 2 steps and then reconsider some more. That's the motion to amend.

Councilor Allen stated I don't want the third step automatically implemented without Council review.

Ed Trompke stated in effect it requires that the third step be removed. The third step of the increase would have to be voted on separately at a subsequent meeting.

Councilor White stated I think Councilor Allen's motion is kind of a last ditch effort here. I fear there's already the votes to pass this. I think we do this at great risk. We're going against our beloved, biggest entities in the City. We could've gotten more answers. My questions were barely answered on the questions I submitted. I just think we needed more time to exhaust every source of information before we pulled the rug out from under these people. It takes a lot of courage when you're a builder when you have to work with our staff to come in here and testify. They're taking a chance because there could be repercussions for their statements.

Travis Hultin stated there will not be any repercussions for anyone that testified here tonight.



Councilor White stated from their perspective. I'm not saying that's going to happen.

**MOTION:** Councilor Morgan called for the question.

The motion died due to lack of a second.

Councilor White stated it looks like this is going to pass and its dramatic increases. What I would like to add is a friendly amendment that the developers be allowed to make the payments over a 10 year course of time. I believe it's part of the legal language within the SDC. Otherwise we're going to cut out our local builders completely. That's my fear.

Council President Ripma stated we have an amendment on the floor by Councilor Allen. I'll just say I recommend we vote no on it and go forward.

Councilor White asked, Ed, can you answer that?

Ed Trompke stated there is a provision in the statutes that deals with payments over time. However, payments over time includes all of the borrowing costs of the City because the City is expected to go out and borrow the money and have the payment over time paid back. There can be considerable overhead administrative costs. Yes it exists but it isn't for everybody especially not for small users because the proportionate cost is very high.

Council President Ripma stated let's vote on Councilor Allen's amendment to remove the third step.

**VOTE:** Council President Ripma – No; Councilor Lauer – No; Councilor Morgan – No; Councilor White – Yes; Councilor Allen – Yes; Councilor Hudson - No and Mayor Ryan – No.

**Motion failed 2-5.**

Council President Ripma stated now going back to the main motion made by Councilor Lauer.

Councilor Hudson stated under the 18 month plan that you've suggested to phase in the third tier would come in July of 2019 it might be worth amending Section 7 to say the SDC hereby imposed shall be adjusted automatically on January 1 of each year beginning 2020 so that it doesn't start adjusting while we're still phasing in.

Ray Young stated that's the cost of living adjustment that started from the old motion.

**AMENDED MOTION:** Councilor Hudson moved amend Section 7 of the resolution to say the system development charge hereby imposed shall be adjusted automatically on January 1 of each year

beginning in 2020 for inflationary cost impacts. Seconded by Councilor Morgan.

**VOTE:** Council President Ripma – Yes; Councilor Lauer – Yes; Councilor Morgan – Yes; Councilor White – No; Councilor Allen – Yes; Councilor Hudson - Yes and Mayor Ryan – Yes.

**Motion passed 6-1.**

Council President Ripma stated as amended we are back to Councilor Lauer’s motion.

**VOTE:** Council President Ripma – Yes; Councilor Lauer – Yes; Councilor Morgan – Yes; Councilor White – No; Councilor Allen – No; Councilor Hudson - No and Mayor Ryan – Yes.

**Motion passed 4-3.**

**7. RESOLUTION:** A resolution adjusting the System Development Charges for Sanitary Sewer and rescinding Resolution No. 2002.

**MOTION:** Councilor Lauer moved to adopt the resolution adjusting the System Development Charges for Sanitary Sewer and rescinding Resolution No. 2002 with the mentioned changes and amendments.

Ed Trompke stated for clarification before there’s a second. This would be in Section 5 changing the rate effective dates from March 1, 2018 to July 1, 2018, September 1, 2018 to January 1, 2019 and January 1, 2019 to July 1, 2019. Then in Section 7 automatically on January 1 of each year beginning 2020. And changing proceeding to preceding.

Seconded by Councilor Morgan.

**VOTE:** Council President Ripma – Yes; Councilor Lauer – Yes; Councilor Morgan – Yes; Councilor White – No; Councilor Allen – No; Councilor Hudson - No and Mayor Ryan – Yes.

**Motion passed 4-3.**

**8. RESOLUTION:** A resolution adjusting the System Development Charges for Transportation and rescinding Resolution No. 2003.

**MOTION:** Councilor Lauer moved to adopt the resolution adjusting the System Development Charges for Transportation and rescinding Resolution No. 2003 with the same.

Ed Trompke stated in Section 5 changing the rate effective dates from March 1, 2018 to July 1, 2018, September 1, 2018 to January 1, 2019 and January 1, 2019 to July 1, 2019. Then in Section 7 automatically on January 1 of each year beginning 2020. And changing proceeding to preceding.

Seconded by Councilor Morgan.

**VOTE:** Council President Ripma – Yes; Councilor Lauer – Yes; Councilor Morgan – Yes; Councilor White – No; Councilor Allen – No; Councilor Hudson - No and Mayor Ryan – Yes.

Motion passed 4-3.

**9. RESOLUTION:** A resolution adjusting the System Development Charges for Stormwater and rescinding Resolution No. 2004.

**MOTION:** Councilor Morgan moved to adopt the resolution adjusting the System Development Charges for Stormwater and rescinding Resolution No. 2004.

Ed Trompke stated in Section 5 changing the rate effective dates from March 1, 2018 to July 1, 2018, September 1, 2018 to January 1, 2019 and January 1, 2019 to July 1, 2019. Then in Section 7 automatically on January 1 of each year beginning 2020. And changing proceeding to preceding.

Seconded by Councilor Lauer.

**VOTE:** Council President Ripma – Yes; Councilor Lauer – Yes; Councilor Morgan – Yes; Councilor White – No; Councilor Allen – No; Councilor Hudson - No and Mayor Ryan – Yes.

Motion passed 4-3.

## **10. STAFF COMMUNICATIONS**

Ray Young stated I want to remind you all that the Town Center Open House is next Tuesday evening here in the Kellogg Room from 5 to 9.

## **11. COUNCIL COMMUNICATIONS**

Council President Ripma stated there was a letter in our packet from the Historic Landmarks Commission requesting that the old City Hall be considered for historic designation. I'm not sure of the process we need to go through but, could that be put on a future agenda?

Ray Young replied right now we're planning on having a March 6<sup>th</sup> Work Session to discuss the City Hall building itself and that would be a great part of that discussion then.

Councilor Morgan stated Measure 101 prevails.


Councilor White stated I just have one question of staff. I see on the February 27<sup>th</sup> agenda we have a presentation from Metro and also Shirley Craddick on Metro's housing efforts. Can you tell me what that entails?


Ray Young replied Metro has some initiatives they are going to do. I understand it may involve something with legislature they want to do to be able to increase the ability of developers to borrow money and do private partnerships and she's probably going to bring that information to us.

**12. ADJOURNMENT**

**MOTION: Councilor Morgan moved to adjourn. Seconded by Councilor Lauer. Motion passed unanimously.**

Meeting adjourned at 10:46pm.

  
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**Casey Ryan, Mayor**  
Dated: 3/13/2018

**ATTEST:**  
  
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**Kenda Schlaht, Deputy City Recorder**

# CITY OF TROUTDALE

City Council – Regular Meeting  
7:00PM

Tuesday, January 23, 2018

## PLEASE SIGN IN

Name – Please Print	Address	Phone #
WASSON, BRUCE	TROUTDALE	YES!
Carey Sheldon	11	503 805 8741
GREG & SUE HANCOY	TROUTDALE	
Alex Mauck	Troutdale	503-666-2280
Jean Ice	Troutdale	503-319-1110
PAUL WILCOX	TROUTDALE	
James Adkins	HBA PDX	503-420-2612
Mike Grozoslade	Troutdale	503-914-8673
Don Jones	Troutdale	503 805 7683
Rip Caswell	Troutdale	503 502-7756
Lois Summers	Troutdale	503 587-1703
Stephanie Roth	Taurine	503-666-4369
David Coyle		
Coray Brooks	Troutdale	503.901.5348
Shirley Prickett	Troutdale	503-784-3103
TANNY STAFFORDSON	TROUTDALE	503-319-7732
Larab's	Troutdale	503-481-9449
Martin Burlus	Troutdale	503-515-5996