

AGENDA

REGULAR CITY COUNCIL MEETING

September 12, 2011

5:30 p.m.

CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
 - A. Memorial Tribute for Albert Brown
6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

7. CITY MANAGER REPORT
8. CITY ATTORNEY REPORT
9. CITY COUNCIL REPORTS
10. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

CITY OF THE DALLES

"By working together, we will provide services that enhance the vitality of The Dalles"

- A. Approval of July 25, 2011 Regular City Council Meeting Minutes
 - B. Approval of August 8, 2011 Special City Council Meeting Minutes
 - C. Approval of August 26, 2011 Special City Council Meeting Minutes
11. PUBLIC HEARINGS
- A. Public Hearing to Receive Testimony Regarding Proposed Water Rates [**Agenda Staff Report #11-084**]
12. CONTRACT REVIEW BOARD ACTIONS
- A. Award Contract for Runway 12-30 Rehabilitation - North at Columbia Gorge Regional Airport [**Agenda Staff Report #11-085**]
13. ACTION ITEMS
- A. General Ordinance No. 11-1315 Amending Section 5.050.050 of General Ordinance No. 98-1222 Regarding Development Standards Regarding Height of Buildings in the Central Business Commercial District [**Agenda Staff Report #11-083**]
14. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk

_____

MEMORIAL TRIBUTE

WHEREAS, Albert Brown, veteran of World War II and the oldest American survivor of the Bataan Death March, passed away on August 14, 2011, at the age of 105; and

WHEREAS, Albert Brown, who served as a captain in the Army, was also held as a prisoner of war for three years after surviving the Bataan Death March; and

WHEREAS, the documentation and publication of his experiences has helped many veterans to understand there is hope and promise of a better tomorrow and helped them to have the strength to overcome their own battle experiences; and

WHEREAS, Albert Brown should be honored for his military service, patriotism, and his help to other veterans by sharing his story; and

WHEREAS, Albert Brown is survived by his son Robert Brown Sr. and grandson Robert Brown Jr. both of The Dalles and the City Council wishes to pay tribute to the family of Albert Brown;

NOW, THEREFORE, I, James L. Wilcox, Mayor of the City of The Dalles, on behalf of the City Council and citizens of The Dalles, express heartfelt condolences to the family of Albert Brown and express our appreciation for Albert Brown's courage, patriotism, and sacrifices for our country.

APPROVED AND DATED THIS 12TH DAY OF SEPTEMBER, 2011

Signed:

James L. Wilcox, Mayor

Attest:

Julie Krueger, MMC, City Clerk





AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
September 12, 2011	Consent Agenda 10, A - C	N/A

TO: Honorable Mayor and City Council

FROM: Julie Krueger, MMC, City Clerk

THRU: Nolan K. Young, City Manager

DATE: August 29, 2011

ISSUE: Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

A. ITEM: Approval of July 25, 2011 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the July 25, 2011 regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the July 25, 2011 regular City Council meeting.

B. ITEM: Approval of August 18, 2011 Special City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the August 18, 2011 special City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the August 18, 2011 special City Council meeting.

C. ITEM: Approval of August 26, 2011 Special City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: the minutes of the August 26, 2011 special City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes the minutes of the August 26, 2011 special City Council meeting.

MINUTES

REGULAR COUNCIL MEETING
OF
JULY 25, 2011
5:30 P.M.
CITY HALL COUNCIL CHAMBER
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Brian Ahier, Tim McGlothlin

COUNCIL ABSENT: Dan Spatz

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Community Development Director Dan Durow, Senior Planner Dick Gassman, Police Chief Jay Waterbury, Administrative Intern Will Norris, Public Works Director Dave Anderson, Airport Managers Chuck Covert and Jim Broehl, Engineer Dale McCabe, Water Distribution Manager Ray Johnson

CALL TO ORDER

Mayor Wilcox called the meeting to order at 5:30 p.m.

ROLL CALL

Roll call was conducted by City Clerk Krueger; Councilor Spatz absent.

PLEDGE OF ALLEGIANCE

Mayor Wilcox invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

It was moved by Wood and seconded by Ahier to approve the agenda, including the supplemental agenda, as presented. The motion carried unanimously, Dick and Spatz absent.

PRESENTATIONS/PROCLAMATIONS

Americans With Disabilities Day Proclamation

Mayor Wilcox read a proclamation, declaring July 26, 2011 as Americans With Disabilities Day in The Dalles.

Presentation by ODOT Regarding Interstate 84 Marina Interchange Landscaping Project

Brad DeHart, Oregon Department of Transportation (ODOT), provided an overview of the I-84 landscaping project at the marina interchange. He said the project had been funded through an ODOT grant program and in-kind services of the crew. DeHart said he was talking with local groups about their adopt a landscape program and hoped someone would take responsibility for maintaining the project.

Councilor Dick in attendance at 5:38 p.m.

Mayor Wilcox provided Mr. DeHart with a Certificate of Appreciation for the work and dedication to beautify the marina interchange.

Councilor Wood suggested Mr. DeHart contact the Extension Office to see if Master Gardeners might be interested in helping maintain the landscaping.

Presentation by The Dalles Business Team Regarding Business Recruitment and Retention

Mike Zingg, 703 Creek View, The Dalles and Dana Schmidling, Chamber of Commerce, provided an overview of the work their group was doing. Mr. Zingg said they had a vision to create a group who could help walk people through the process of starting a business in The Dalles and bring all the agencies together to be more business friendly. He said they planned to have members serve as advocates, walking people through the process of getting the permits they needed for their businesses.

MINUTES (Continued)
Regular Council Meeting
July 25, 2011
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Update from Economic Development Policy Committee

Committee Chair Mike Zingg said the group wanted to investigate community attitudes and was currently interviewing people in the community. He said the goal of the group was to provide a positive and healthy environment for business growth. He said they hoped to bring recommendations and a report to the City Council in October.

Mayor Wilcox said he had no problem allowing additional time for the Committee to complete their work.

AUDIENCE PARTICIPATION

None.

CITY MANAGER REPORT

City Manager Young said a public meeting was scheduled for August 1 at 6:00 p.m. regarding the Third Place Streetscape Design project.

Young reported on the downtown Wi Fi project, saying 15 units were now in operation and the project would be completed mid-August.

Young said Water Quality Manager Ken Rawson would be retiring and said staff was working on the recruitment process to fill his position. He noted that Jeff Miller had received his Water Treatment Level 4 certification, the highest level of certification available for our water treatment plant.

City Manager Young said the Administrative Intern had been working on census statistics, which would be provided to the Council in the near future.

CITY ATTORNEY REPORT

City Attorney Parker reported he would be attending a worker's compensation hearing in Portland next week and said he would be on vacation the week of August 8th.

CITY COUNCIL REPORTS

Councilor McGlothlin reported he had attended an event regarding the history of the Oregon Territory and presented a booklet that he had accepted on behalf of the City.

Mayor Wilcox said he had introduced Senator Merkley at his 100th Town Hall meeting, which was held in The Dalles over the weekend. He reported on his attendance at an Armed Forces picnic, saying it was well attended and hosted by Mid Columbia Medical Center.

Wilcox said the Sister City Association had decided to remove the sign in the downtown area because it had become faded. He said some type of replacement would be made in the future.

Wilcox said the Walmart application was slowly moving forward and it was hoped the Corps of Engineers process would be completed by mid-August.

Councilor Dick said he appreciated having public agency representatives on the Urban Renewal Advisory Committee so all interests were represented.

CONSENT AGENDA

It was moved by Wood and seconded by McGlothlin to approve the Consent Agenda as presented. The motion carried unanimously, Spatz absent.

Items approved by Consent Agenda were: 1) approval of July 11, 2011 regular City Council meeting minutes; authorization for City Clerk to endorse annual OLCC license renewals; and 3) approval for outside city limits sewer connection application.

PUBLIC HEARINGS

Public Hearing to receive Testimony Regarding an Annexation Request by Gary Honald

Mayor Wilcox reviewed the procedure to be followed for the hearing.

Senior Planner Gassman reviewed the staff report. He said no comments were provided by neighboring property owners.

Testimony

No testimony was presented.

Council Deliberation

It was moved by Wood and seconded by Dick to approve the annexation and direct staff to return to Council with an ordinance for adoption. The motion carried unanimously, Spatz absent.

MINUTES (Continued)
Regular Council Meeting
July 25, 2011
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Public Hearing to Receive Testimony Regarding a Proposed Amendment to the Land Use Development Ordinance Regarding Height Requirements in the Central Business Commercial District

Mayor Wilcox reviewed the procedure to be followed for the public hearing.

Senior Planner Gassman reviewed the staff report. In response to a question, Community Development Director Durow said staff had talked with the Fire District and they were comfortable that fire suppression of taller buildings would not be a concern.

Councilor Ahier said he supported the amendment because it would promote development and jobs for the community.

Testimony

No testimony was presented.

Council Deliberation

Wood said it would be important to keep the historic flavor of the downtown in mind when considering conditional use permits for taller buildings.

It was moved by Ahier and seconded by McGlothlin to approve the proposed amendment as recommended by the Planning Commission with the findings of facts and conclusions of law as contained in the staff report and to direct staff to prepare an ordinance adopting Zoning Ordinance Amendment 79-11, to be presented at a future City Council meeting. The motion carried unanimously, Spatz absent.

CONTRACT REVIEW BOARD ACTIONS

Award Contract for Purchase of Electric Shuttles for The Dalles Dam Tours

Administrative Intern Will Norris reviewed the staff report. He said the vehicles would resemble a long golf cart and would follow the previous route used by the tour trains. Norris said the rail would be removed and paths installed for the electric shuttles.

It was moved by Wood and seconded by Ahier to authorize the City Manager to enter into contract with Cruise Car Inc. in an amount not to exceed \$43,8000 for the procurement of two electric shuttles and accompanying ADA accessible trailers. The motion carried unanimously, Spatz absent.

MINUTES (Continued)
Regular Council Meeting
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Award Contract for 2011 Sanitary Sewer Slipline Contract

Engineer Dale McCabe reviewed the staff report.

It was moved by Wood and seconded by McGlothlin to authorize the City Manager to enter into contract with Insituform Technologies, Inc in an amount not to exceed \$329,740. The motion carried unanimously, Spatz absent.

ACTION ITEMS

Approval of Golf Course Memorandum of Understanding

Airport Managers Chuck Covert and Jim Broehl reviewed the staff report.

It was moved by Wood and seconded by Ahier to authorize signature of a new Memorandum of Understanding with the same terms with a new expiration date of June 30, 2012. The motion carried unanimously, Spatz absent.

Approval of a Water System Agreement Between the Columbia Gorge Regional Airport and Dallesport Water District

Airport Managers Chuck Covert and Jim Broehl reviewed the staff report.

It was moved by Wood and seconded by Dick to approve the Water Supply Agreement with Dallesport Water District contingent on approval by Klickitat County Commission. The motion carried unanimously, Spatz absent.

Special Ordinance No. 11-542 Vacating a Portion of Terrace Drive and East Terrace Drive Located Adjacent to the Mayfield Property at 513 East Terrace Drive

City Attorney Parker reviewed the staff report.

Councilor Dick excused himself from deliberations due to conflict of interest. He stated he was the attorney for the estate of Mr. Mayfield.

City Clerk Krueger read Special Ordinance No. 11-542 by title.

It was moved by Wood and seconded by McGlothlin to adopt Special Ordinance No. 11-542 vacating a portion of Terrace Drive and East Terrace Drive located adjacent to the Mayfield property at 513 East Terrace Drive, by title. The motion carried unanimously, Dick abstaining; Spatz absent.

Resolution No. 11-025 Accepting a Deed of Dedication from Stanley G. Mayfield

City Attorney Parker reviewed the staff report.

Councilor Dick excused himself from deliberations due to conflict of interest. He stated he was the attorney for the estate of Mr. Mayfield.

It was moved by Wood and seconded by McGlothlin to adopt Resolution No. 11-025 accepting a deed of dedication from Stanley G. Mayfield. The motion carried unanimously, Dick abstaining; Spatz absent.

General Ordinance No. 11-1313 Amending Land Use Development Ordinance No. 98-1222

Senior Planner Gassman reviewed the staff report.

City Clerk Krueger read General Ordinance No. 11-1313 by title.

It was moved by McGlothlin and seconded by Ahier to adopt General Ordinance No. 11-1313 amending Land Use Development Ordinance 98-1222 by title. The motion carried unanimously, Spatz absent.

DISCUSSION ITEMS

Report Regarding Water Rates and Water Capital Improvement Plan Re-Evaluation

Administrative Intern Will Norris presented a PowerPoint presentation and reviewed the staff report.

Councilor Ahier asked that the presentation be added to the City's website for citizens to view. He said it was interesting that with the addition of businesses and homes to the community, that water usage had not increased. He said it could be assumed people were using conservation measures.

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Regular Council Meeting
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Public Works Director Anderson noted several projects that had been completed which had not originally been included in the Water Capital Improvement Plan, including the DEQ temperature mitigation, Port water line extension and Third Street Streetscape Project.

Anderson said it was important to note that if the Dog River Line project was delayed for too long, as outlined in Option #3, the permit process would have to be started over.

Councilor Ahier said he believed Option #1 would be too much of a burden on rate payers and he preferred Option #2, which had a more balanced rate increase while still allowing important projects to be completed. Public Works Director Anderson said the Dog River project could stay on schedule using the Option #2 structure.

Mayor Wilcox said increasing the water rates would create more brown lawns and our community would be ugly. He said new development needed to happen in the town to pay for the projects.

There was a discussion regarding lowering the base usage from 10,000 gallons to 5,000 or 8,000. Councilor Ahier said he would like to see data to see what would happen with the revenues if the base was lowered.

Mayor Wilcox said the cost of living index did not help citizens when their water rates were doubled. He reiterated the need to focus on bringing new users on the system to help pay for the projects.

Councilor Wood said there was no guarantee that there would be enough new customers to pay for projects. She said in order to get bonding for the projects, the City would have to prove it's rate structure would be adequate to repay the bond.

City Manager Young explained that reducing the base usage amount would not change the revenue very much and he said unit costs may have to be increased to compensate for a lower base usage amount.

Councilor Ahier said he would like to see the data regarding the reduced base usage.

Mayor Wilcox said he preferred Option #2B to bring forward for discussion at a public hearing. It was the consensus of the City Council to develop information for the public hearing based on Option #2B. Mayor Wilcox suggested proceeding with the hearing regarding rates and look at other base usage models later. City Manager Young said staff would look at other alternatives that would be revenue neutral and include the information in the report, but would proceed with the rate hearing using option #2B.

MINUTES (Continued)
Regular Council Meeting
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Discussion Regarding Department Managers Salaries

City Manager Young reviewed the staff report.

Mayor Wilcox said he didn't believe Department Managers were all equal and said Police and Public Works were the most vital departments of the City. He said the Police Chief and Public Works Director had more responsibilities and were more vital and should be paid a higher salary.

Councilor Wood said she had spoken with a Human Resources person who told her the City should hire an outside agency to set criteria for the salaries. She said the City implemented the equal pay for Department Managers to have internal consistency and that she believed prior to that, there had been gender issues with female Department managers being lower paid.

Wilcox said he had spoken with former Councilors who told him the current plan was the easy way out, not the right way.

Councilor Ahier said other cities did not pay all their Managers the same salary and said the City was de-valuing the Police Chief by underpaying him.

Councilor Dick said the Council should not discuss particular employees, rather positions. He said if changes were to be made, criteria should first be developed to determine the salary levels.

City Manager Young said he would look at the positions and develop common criteria for the positions and consider external and internal equity. He said as a group, the Department Managers were the lowest paid compared to others and suggested comparing with Pendleton salaries. He said providing a 1.4% cost of living adjustment and an 1.25% increase would bring the City's salaries more in line with the pay scale for Pendleton Managers.

Extend Time of Meeting

It was moved by Dick and seconded by Ahier to extend the meeting to 9:00 p.m. The motion carried unanimously, Spatz absent.

EXECUTIVE SESSION

Mayor Wilcox recessed the meeting to Executive Session at 8:34 p.m. in accordance with ORS 192.660 (2) (d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations.

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Reconvene to Open Session

The meeting reconvened to open session at 8:44 p.m.

DECISIONS FOLLOWING EXECUTIVE SESSION

None.

ADJOURNMENT

Being no further business, the meeting adjourned at 8:44 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

MINUTES

SPECIAL COUNCIL MEETING
OF
AUGUST 8, 2011
NOON
NORTHWEST ALUMINUM SPECIALTIES TOUR
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Brian Ahier, Tim McGlothlin, Dan Spatz

COUNCIL ABSENT: None

STAFF PRESENT: City Clerk Julie Krueger, Public Works Director Dave Anderson,
Administrative Fellow Cooper Whitman

CALL TO ORDER

The meeting was called to order by Mayor Wilcox at 12:00 p.m.

TOUR INFORMATION

Staff from Northwest Aluminum Specialties provided information about the facility and provided a tour.

ADJOURNMENT

Following the tour, the meeting adjourned at 1:20 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED: _____
James L. Wilcox, Mayor

ATTEST: _____
Julie Krueger, MMC, City Clerk

MINUTES

SPECIAL COUNCIL MEETING
OF
AUGUST 26, 2011
NOON

SECOND FLOOR CONFERENCE ROOM
CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

COUNCIL PRESENT: Bill Dick, Carolyn Wood, Brian Ahier, Tim McGlothlin,
Dan Spatz

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker,
City Clerk Julie Krueger, Community Development
Director Dan Durow, Administrative Fellow Cooper
Whitman

CALL TO ORDER

The meeting was called to order by Mayor Wilcox at 12:01 p.m.

APPROVAL OF AGENDA

It was moved by Ahier and seconded by Dick to approve the agenda as presented. The motion carried unanimously.

EXECUTIVE SESSION

Mayor Wilcox recessed the meeting to Executive Session at 12:04 p.m. in accordance with ORS 192.660 (2) (d) to conduct deliberations with persons designated by the governing body to carry on labor negotiations; ORS 192.660 (2) (e) to conduct deliberations with persons designated by

MINUTES (Continued)
Special Council Meeting
August 26, 2011
Page 2

the governing body to negotiate real property transactions; and ORS 192.660 (2) (h) to consult with Counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Reconvene to Open Session

The meeting reconvened to open session at 1:10 p.m.

DECISIONS FOLLOWING EXECUTIVE SESSION

It was moved by Dick and seconded by Ahier to authorize the City Manager to sign a Memorandum of Understanding with the Confederated Tribes of Warm Springs regarding the commercial dock at Union Street. The motion carried unanimously.

It was moved by Spatz and seconded by Wood to authorize the City Manager to sign the negotiated collective bargaining agreement with the Police Association. The motion carried unanimously.

ADJOURNMENT

Being no further business, the meeting adjourned at 1:14 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk



CITY OF THE DALLES
Department of Public Works
1215 West First Street
The Dalles, Oregon 97058

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
September 12, 2011	Public Hearing 11, A	11-084

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

THRU: Nolan K. Young, City Manager *ny*

DATE: August 29, 2011

ISSUE: Water Utility Rates Hearing.

CITY COUNCIL GOALS: Goal 4, Tier 1, B: Re-evaluate water and sewer rates to meet operations and capital improvement needs.

PREVIOUS AGENDA REPORT NUMBERS: #11-080

BACKGROUND: On July 25th, Will Norris, Administrative Intern presented information to the City Council regarding the City's water utility financial needs and potential rate adjustment options. From that presentation, the Council directed staff to evaluate water rate options that adjusted the amount of water included in the monthly base rate for residential customers and expressed a preference for Option 2B (copy attached). Attached is a follow up report from Mr. Norris analyzing the financial impacts of reducing the base volume to residential customers from 10,000 gallons per month to 8,000 and 5,000 gallons.

Also attached to this report is a draft resolution for Council's consideration. The draft resolution proposes a 4% rate increase (of the water rate that was increased by 6% on September 1, 2011) effective November 1, 2011 and subsequent annual increases through fiscal year 2020-21 as outlined in Option 2B of the July 25th report. As currently drafted, the resolution anticipates maintaining a 10,000-gallon base volume for residential customers.

The draft resolution also addresses two other issues that are not included in the City's current rate structures. The first is to provide monthly rates for commercial/industrial customers with 8-inch, 10-inch and 12-inch metered services. Currently, the largest City customer service meter is 6-inch

and that is the limit of the current water rate schedule. However, over the last year, there have been considerations of larger water meters for some existing customers and, if implemented, rates would need to be adopted. The second issue is similar and relates to water System Development Charges (SDCs) – the current rate system only provides SDC rates for water meters up to 8-inch diameters; the draft resolution proposed SDCs rates for 10-inch and 12-inch diameter service meters. The proposed monthly rates and SDCs for the larger meters maintain the same correlation between meter size and rates as do the current rates for the smaller meters.

Following the public hearing, staff will be seeking direction from Council regarding finalizing Resolution No. 11-026. Staff proposes to present a final resolution to Council for adoption on September 26, 2011.

BUDGET IMPLICATIONS: None at this time. If the rates proposed in the Resolution are approved by the Council, customers of the water utility will have rate increases in the amount set forth in the rate schedule in the Resolution. Collection of revenue in accordance with the proposed rate schedule will allow the City to complete capital improvements as set forth in the City's capital improvement plans and Water Master Plan which is summarized in option 2B of the Will Norris report.

RECOMMENDATIONS:

1. **Staff Recommendation:** Direct staff to finalize Resolution No. 11-026 for City Council consideration on September 26, 2011.
2. Provide additional direction to staff on how to proceed.

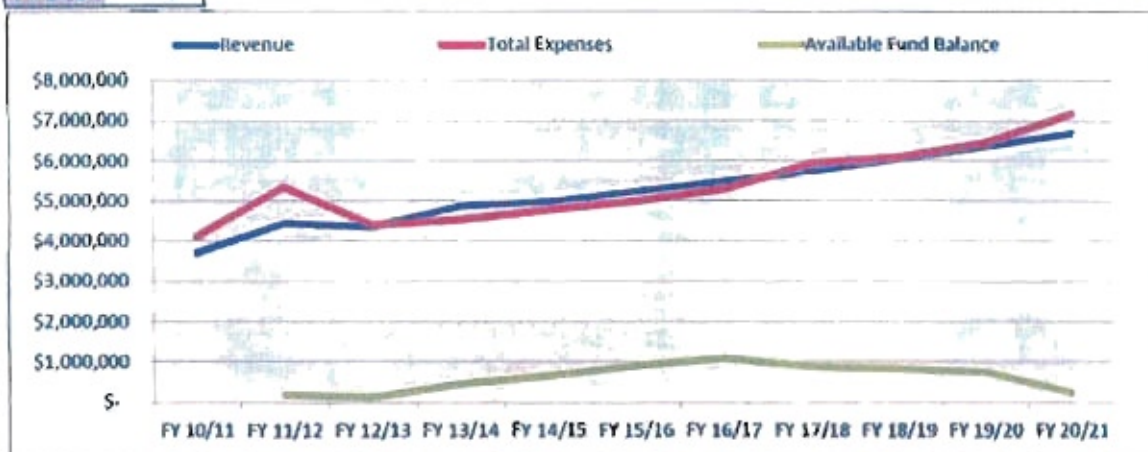
Option #2B

Option #2B differs from #2A only in that it places an emphasis on stabilizing rate increases. The timing of capital projects and bonding are unchanged. This requires rates to be increased earlier, but end lower. For a ¾ in residential meter, the option #2B would cost a residential user \$6 more per month in five years and \$6 per month less in ten over option #2A. It should be noted that all figures are actuals (nominal) instead of inflation adjusted. A longer discussion on how inflation is treated in this model is in Appendix C (p. 10).

In this alternative reserves are built up to just over \$1 million in FY 2016/17 in anticipation of future capital projects. Without the need to quickly raise rates just before the beginning of a project, rates can be nearly uniform over the next decade. Additionally, building reserves instead relying on just-in-time rate increases allows for more year to year revenue variability without risking contingency funds.

Payment = Proceed = 		Bond Issuance and Payment Schedules: Option #2									
		11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21
Thompson 19th St					\$1,311,272	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108	\$ 92,108
DEQ Temp Mitigation					\$ 733,595	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530	\$ 51,530
Sorosis Reservoir					\$ 322,818	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027	\$ 23,027
Columbia View Reservoir							\$1,101,310	\$ 77,359	\$ 77,359	\$ 77,359	\$ 77,359
Port Pipeline Development							\$7,843,064	\$ 553,730	\$ 553,730	\$ 553,730	\$ 553,730
Dog River Line Replacement							\$ 697,040	\$ 48,992	\$ 48,992	\$ 48,992	\$ 48,992
3rd St Streetscape										\$ 1,285,770	\$ 88,982
Lone Pine Well Enhancement										\$10,000,000	\$ 705,942
Finished Water Pipeline											\$ 215,038
Bond Issuance Cost					\$ 100,000		\$ 188,393				
FY 14/15 Bond					\$2,472,603	\$ 166,605	\$ 166,605	\$ 166,605	\$ 166,605	\$ 166,605	\$ 166,605
FY 16/17 Bond							\$2,819,785	\$ 693,052	\$ 693,052	\$ 693,052	\$ 693,052
FY 19/20 Bond										\$11,531,800	\$ 794,924
2008 & 2009 FFC ARRA Loan		\$854,689	\$861,459	\$856,533	\$ 805,016	\$ 808,216	\$ 858,710	\$ 857,660	\$ 895,035	\$ 895,820	\$ 857,245
Total Payments		\$854,689	\$861,459	\$856,533	\$3,327,705	\$1,025,861	\$1,025,375	\$1,704,397	\$1,705,752	\$1,702,537	\$2,498,890

		Sample Charges in FY 15/16 (nominal)			Sample Charges in FY 20/21 (nominal)		
FY 11/12	10%	Residential 3/4 in. Meter			Residential 3/4 in. Meter		
FY 12/13	10%	Base	Rate per 1,000 gallons		Base	Rate per 1,000 gallons	
FY 13/14	10%	\$	73.15	\$	1.52	\$	113.56
FY 14/15	10%	Charge at 15k gal \$			Charge at 15k gal \$		
FY 15/16	8%	80.74			125.34		
FY 16/17	8%	Commercial 3/4 in. Meter			Commercial 3/4 in. Meter		
FY 17/18	8%	Base	Rate per 1,000 gallons		Base	Rate per 1,000 gallons	
FY 18/19	10%	\$	50.31	\$	4.06	\$	78.11
FY 19/20	10%	Charge at 15k gal \$			Charge at 15k gal \$		
FY 20/21	10%	90.95			141.20		



Appendix B: Capital Projects

Completed Capital Improvements	Amount
Dog River and Crow Creek NEPA and Land Purchase for Crow Creek	\$ 205,256
Wicks Clear Well	\$ 4,149,776
Lone Pine Well and Pipe Line Phases I and II	\$ 986,446
Wicks Near Term Improvements	\$ 456,404
Vista Reservoir	\$ 1,025,539
Issuance Costs	\$ 160,000
TOTAL	\$ 6,983,421

Future Capital Improvements	Amount	Bond Issue for Each Option		
		# 1	# 2	# 3
Thompson / 19 th Street	\$ 650,000	11/12	-	-
Clean Garrison Reservoir	\$15,000	-	-	-
DEQ Temperature Mitigation	\$1,200,000	11/12	14/15	14/15
Sorosis Reservoir Rehabilitation	\$670,000	11/12	14/15	14/15
Painting Columbia View Reservoir	\$300,000	11/12	14/15	14/15
Dog River Line Replacement	\$6,800,000	11/12	16/17	19/20
Port Pipeline Extension	\$950,000	11/12	16/17	19/20
3 rd St. Streetscape	\$600,000	16/17	16/17	19/20
Lone Pine Well Enhancement	\$1,000,000	16/17	19/20	19/20
Finished Pipeline Replacement	\$10,050,000	16/17	19/20	19/20
TOTAL	\$22,235,000			

2011 Dollars, except the Finished Pipeline is an actual
 Garrison Reservoir occurs this fiscal year and is paid out of reserve funds
 Thompson/19th Street occurs this fiscal year and is paid out of reserve funds in Options #2 and #3



CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
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AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
September 12, 2011	Public Hearing 11, A	11-084

TO: Honorable Mayor and City Council

FROM: Will F. Norris, Administrative Intern

THRU: Nolan K. Young, City Manager

DATE: 8/5/2011

ISSUE: Structural changes to the City's water rates

BACKGROUND: The Council directed staff to consider modifications to the structure of water rates. Three analyses were performed. The first calculated the increase revenue if the base volume of water was reduced, but rates held constant. Next, the revenue neutral rates were calculated given different base volume allowances. Lastly, the increased revenue with reduced base volume allowances was calculated assuming 5%, 10% and 15% reductions in water consumption.

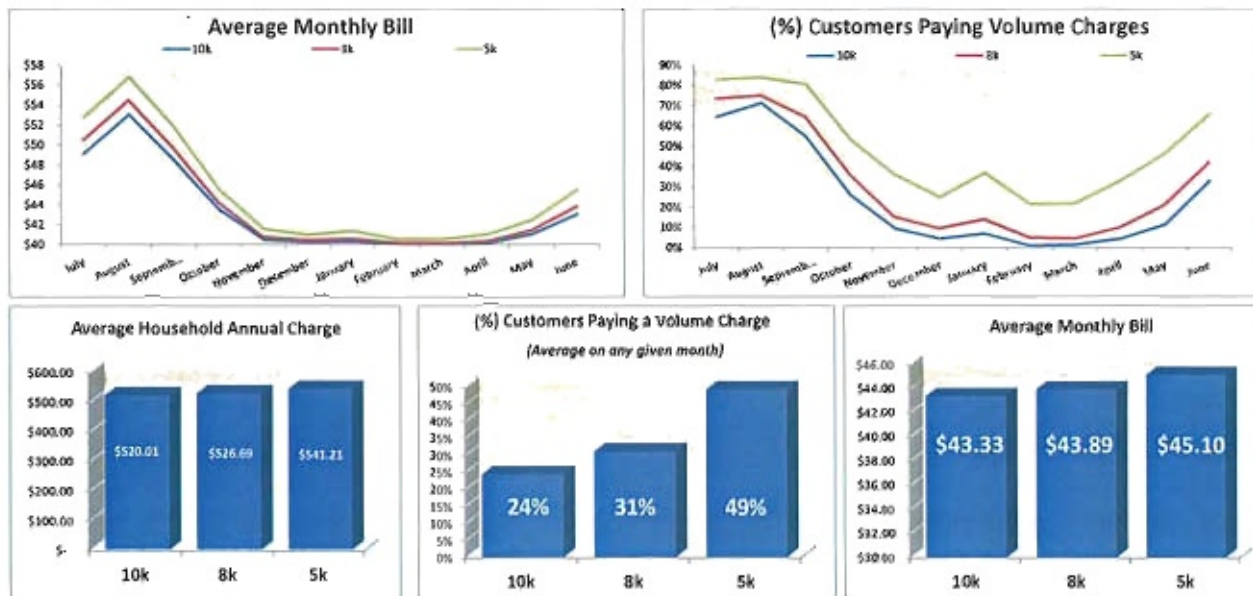
Calculations were based on a random sample of two-hundred residential customers. The City's water utility billing software does not have the functionality to export every customer account into a single database that can be queried. To achieve this simple random sample, each customer location code was exported into an excel file. Then a random number generator was used to pull 200 location codes. The monthly consumption for the last year was then manually recorded. This method produced 95% confidence interval between +/- 3,000 gallons to +/- 344 gallons depending upon the month. These statistics mean that there is a 95% chance that the sample of 200 households accurately represents the true population within the stated intervals.

ANALYSIS:

Reduced Volume Allowance with Constant Consumption

The consumption of each of the sampled households was run through hypothetical rate structures of 8,000 and 5,000 gallon base water volumes. These calculations would simulate the billing if consumers did not change their consumption in reaction to the modified structure. With rates at a base charge of \$40.26 and a volume charge of \$0.96, then reducing the base water allotment to 8,000 gallons would be the equivalent to increasing rates 1.3% and a reduction to 5,000 gallons would be equivalent to a 4.1% increase. 95% lower and upper confidence intervals are provided to show the possible error of estimation.

Base Volume	Lower Confidence Interval Annual Charge	(%) Increase	Mean Annual Charge	(%) Increase	Upper Confidence Interval Annual Charge	(%) Increase
10,000	\$ 514.43		\$ 520.01		\$ 526.64	
8,000	\$ 520.10	1.1%	\$ 526.69	1.3%	\$ 534.52	1.5%
5,000	\$ 532.51	3.5%	\$ 541.21	4.1%	\$ 551.55	4.7%



Revenue Neutral Reduced Volume Allowance with Constant Consumption

The next calculation set rates to produce a revenue neutral result when paired with the base volume reductions. If customers began paying volume charges at 8,000 gallons, Base rates could be reduced by \$0.56 and volume charges reduced by \$0.01 without reducing revenue. If the base volume was reduced to 5,000 gallons a revenue neutral result would be achieved by reducing base rates by \$1.77 and volume charges by \$0.04. It is important to reiterate that this doesn't take into account any consumer reaction to the shifting structure and is based on one-year of data for 200 randomly sampled homes.

	Base Water Allotment	
	8000 gal	5000 gal
Base	\$ 39.70	\$ 38.49
Volume	\$ 0.95	\$ 0.92

Reduced Volume Allowances with Declining Consumption

Changes to the base volume allotments will have the result of incentivizing conservation. A sensitivity analysis was run to show the effects of revenue of several conservation scenarios. The consumption of each household in the data set was reduced by increments on 5%, 10% and 15% to determine the effects on average household billing.

While each reduction in base allotments produces extra revenue, much of the revenue generation is lost if consumers react by using less water. At a 10% conservation rate, reducing the base allotment to 8,000 gallons will roughly break even. A reduction of the base water allotment to 5,000 gallons still produces about a 1.5% increase in revenue, even if consumers reduce their usage by 15%.

Base Volumes	Reduced Consumption Percentages			
	0%	5%	10%	15%
10,000	\$ 520.01	\$ 516.72	\$ 513.45	\$ 510.29
8,000	\$ 526.69	\$ 523.03	\$ 519.37	\$ 515.86
5,000	\$ 541.21	\$ 536.84	\$ 532.46	\$ 528.08
Revenue Reduction		-0.7%	-1.4%	-2.1%

DISCUSSION OF KEEPING RATE STRUCTURES CONSTANT: Alternatively to modifying the structure of The Dalles water rates, there are several advantages to retaining the current system. Having a high base allotment mirrors the high fixed versus variable cost structure of the water utility itself. This high base allotment and flat fee adds stability to the water fund. Reduced variance in revenues allows for smaller reserves. Lastly, accurately predicting how consumers will react to structural rate changes would require the expertise of a trained economist. Retaining expert consultation adds expense to a water utility fund already under financial strain.

The largest costs within the water utility fund are maintaining and building infrastructure. Very few costs are directly associated with the water running through the system. Only expenses such as chemical usage and filter cleaning vary directly with the amount of water running through the system. A 24 hour water treatment staff, replacement of aging lines and meeting federal regulations are all costs that must be incurred simply to have the opportunity to produce water, regardless of the specific volume. In this way, it is logical that water rates would reflect the opportunity cost of having piped potable water and not be determined by the customers actual level of use. If increases in water consumption were driving capital costs, instead of regular replacement of infrastructure and federal requirements, this would argue for more volume based pricing.

The high fixed charge structure of The Dalles improves the predictability of its revenue. The direct, robust and linear relationship between rate increases and revenue increases was important when creating the recent rate plan. This relationship exists because the majority of the revenue in the water fund is derived from the base charges. Therefore, when rates are increased there is a one to one base charge revenue increase. When a larger proportion of the rate is contingent upon usage, much of a rate increase is lost to conservation. In addition, the high base rate has the unintended benefit of stabilizing monthly revenue, especially during the winter months. This steady stream of income assists with managing liquidity. Reduced peaks and troughs in revenue allow smaller reserve balances. Considering that the current Oregon

State Short-term Fund is returning 0.5% annually, smaller reserve balances equate to a total savings for the utility. This reduced variability between months may help ratepayers budget within their households as well.

Lastly, this analysis cannot accurately predict what the conservation reaction there would be to structural rate changes. Determining the true elasticities of demand would require the work of a trained economist and may not even be possible due to the unpredictability of human behavior. The rate scenarios presented to council on July 25th relied on using all available fund balances at some point in next three years. Adding the uncertainty of consumer conservation reacting to lower base allotments could mean that higher fund balances would be required to guard against this uncertainty. Maintaining the higher balances would result in even larger rate increases, at least in the near term.

RESOLUTION NO. 11-026

**AMENDING RESOLUTION NO. 06-028, ESTABLISHING
METERED WATER RATES AND SANITARY SEWER FEES AND SYSTEM
DEVELOPMENT CHARGES FOR THE CITY OF THE DALLES**

WHEREAS, on September 12, 2011, the City Council held a water rate hearing with the public during which citizens had an opportunity to submit testimony concerning the proposed rate adjustment resolution, in conjunction with the provisions of ORS 294.160; and

WHEREAS, the Council wishes to adopt a water base charge adjustment effective November 1, 2011; and

WHEREAS, after considering the testimony presented, the Council has adopted a water base charge consistent with its policies;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS
FOLLOWS:**

Section 1. Resolution Amended. Resolution No. 06-028 passed and adopted by City Council on July 24, 2006 is hereby amended. Resolution No. 06-028 shall remain in force to authorize the rates which are in effect until Resolution No. 11-026 becomes effective, and continue to authorize rates not amended by Resolution No. 11-026.

Section 2. Water Fees for Residential and Commercial Accounts. Effective November 1, 2011, the monthly fees charged to City of The Dalles water system users shall be set as follows:

A. **Residential.** Residential water rates are established based upon meter sizes with a fixed charge which includes a 10,000 gallon monthly volume use and an additional charge per thousand gallons of consumption above 10,000 gallons per month. The residential rate shall apply to accounts which serve duplex and residential account customers.

Inside City Limit

<u>Meter Size</u>	<u>Fixed Charge</u>	<u>Volume Charge</u>
3/4"	\$44.29	\$1.06 per 1,000 gallons over 10,000 gallons per month
1"	44.29	1.06 per 1,000 gallons over 10,000 gallons per month
1.5"	53.14	1.06 per 1,000 gallons over 10,000 gallons per month
2"	67.31	1.06 per 1,000 gallons over 10,000 gallons per month
3"	97.44	1.06 per 1,000 gallons over 10,000 gallons per month

Outside City Limit

<u>Meter Size</u>	<u>Fixed Charge</u>	<u>Volume Charge</u>
3/4"	\$66.44	\$1.59 per 1,000 gallons over 10,000 gallons per month
1"	66.44	1.59 per 1,000 gallons over 10,000 gallons per month
1.5"	79.71	1.59 per 1,000 gallons over 10,000 gallons per month
2"	100.97	1.59 per 1,000 gallons over 10,000 gallons per month
3"	146.16	1.59 per 1,000 gallons over 10,000 gallons per month

B. **Commercial.** Commercial water rates are established based upon meter sizes, with standard volume charge for monthly usage in excess of 5,000 gallons. The commercial rate shall apply to accounts which serve commercial, triplex, four-plex, five-plex, and government account customers.

Inside City Limit

<u>Meter Size</u>	<u>Fixed Charge</u>	<u>Volume Charge</u>
3/4"	\$35.00	\$2.83 per 1,000 gallons over 5,000 gallons per month
1"	39.50	2.83 per 1,000 gallons over 5,000 gallons per month
1.5"	48.36	2.83 per 1,000 gallons over 5,000 gallons per month
2"	62.00	2.83 per 1,000 gallons over 5,000 gallons per month
2.5"	79.99	2.83 per 1,000 gallons over 5,000 gallons per month
3"	93.46	2.83 per 1,000 gallons over 5,000 gallons per month
4"	142.88	2.83 per 1,000 gallons over 5,000 gallons per month
6"	255.29	2.83 per 1,000 gallons over 5,000 gallons per month
8"	410.74	2.83 per 1,000 gallons over 5,000 gallons per month
10"	604.37	2.83 per 1,000 gallons over 5,000 gallons per month
12"	836.84	2.83 per 1,000 gallons over 5,000 gallons per month

Outside City Limit

<u>Meter Size</u>	<u>Fixed Charge</u>	<u>Volume Charge</u>
3/4"	\$52.50	\$4.25 per 1,000 gallons over 5,000 gallons per month
1"	59.25	4.25 per 1,000 gallons over 5,000 gallons per month
1.5"	72.54	4.25 per 1,000 gallons over 5,000 gallons per month
2"	93.00	4.25 per 1,000 gallons over 5,000 gallons per month
2.5"	119.99	4.25 per 1,000 gallons over 5,000 gallons per month
3"	140.19	4.25 per 1,000 gallons over 5,000 gallons per month
4"	214.32	4.25 per 1,000 gallons over 5,000 gallons per month
6"	382.94	4.25 per 1,000 gallons over 5,000 gallons per month
8"	616.11	4.25 per 1,000 gallons over 5,000 gallons per month
10"	906.56	4.25 per 1,000 gallons over 5,000 gallons per month
12"	1,255.26	4.25 per 1,000 gallons over 5,000 gallons per month

C. Both residential and commercial accounts for water usage outside the City limits shall be charged 1.5 times the applicable rates in lieu of debt service property taxes collected inside the City for bonded water system improvements.

Section 3. Future Water Fee Adjustments. Water rates shall be adjusted under the following schedule. Rates will become effective on the dates listed.

Effective date	Base and Volume Charge Increase
FY 2012-2013: September 1, 2012	10% Residential/commercial base/volume charges
FY 2013-2014: September 1, 2013	10% Residential/commercial base/volume charges
FY 2014-2015: September 1, 2014	10% Residential/commercial base/volume charges
FY 2015-2016: September 1, 2015	8% Residential/commercial base/volume charges
FY 2016-2017: September 1, 2016	8% Residential/commercial base/volume charges
FY 2017-2018: September 1, 2017	8% Residential/commercial base/volume charges
FY 2018-2019: September 1, 2018	10% Residential/commercial base/volume charges
FY 2019-2020: September 1, 2019	10% Residential/commercial base/volume charges
FY 2020-2021: September 1, 2020	10% Residential/commercial base/volume charges

Section 4. Sewer Fees. The monthly fees charges to users of domestic sanitary treatment facilities of the City wastewater system shall continue as set forth in Section 4 of Resolution No. 06-028.

Section 5. Future Sewer Fee Adjustments. Sanitary sewer rates shall be adjusted under the schedule set forth in Section 5 of Resolution No. 06-028.

Section 6. System Development Charges. Effective November 1, 2011, Section 6, A of Resolution 06-028 shall be amended to add the System Development Charges for the following meter sizes.

Units shall be computed by the schedule from the following table:

Water Unit Calculation	
10 Inch Service or Meter	122 units
12 Inch Service or Meter	172 units

Note: Applies to all meters and services, including irrigation. Minimum 1 unit applied to all new services. A new fire connection is one unit. Service expansions or upgrades are subject to SDC differential charges.

Section 7. Classification of Fees. Pursuant to ORS 310.145, the City Council declares the fees and charges imposed by this Resolution as being not subject to the provisions of Article XI, Section 11b of the Oregon Constitution.

Section 8. Effective Date of Resolution. The effective date of this Resolution is November 1, 2011.

PASSED AND ADOPTED THIS 26TH DAY OF SEPTEMBER, 2011

Voting Yes, Councilmembers: _____

Voting No, Councilmembers: _____

Absent, Councilmembers: _____

Abstaining, Councilmembers: _____

AND APPROVED BY THE MAYOR THIS 26TH DAY OF SEPTEMBER, 2011

SIGNED: _____

James L. Wilcox, Mayor

ATTEST: _____

Julie Krueger, MMC, City Clerk



AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
September 12, 2011	Contract Review Board 12, A	11--085

TO: Honorable Mayor and City Council

FROM: AMI, Airport Managers

THRU: Nolan K. Young, City Manager

DATE: August 29, 2011

ISSUE: Runway Rehabilitation Project

BACKGROUND: The Runway 12-30 rehabilitation project bids were opened on August 23, 2011. Attached is a summary of the bids received for the project and the engineer's estimate for the project. The board of the Columbia Gorge Regional Airport met on August 26, 2011 and recommends that the City of The Dalles and Klickitat County award the rehabilitation contract to Granite Construction as the low bidder.

BUDGET IMPLICATIONS: Funding to be provided by a Connect Oregon III grant and funds from the FAA.

ALTERNATIVES:

- A. **Staff Recommendation:** Motion to approve awarding the runway 12-30 rehabilitation project to Granite Construction in the amount of \$3,295,929.56.



August 25, 2011

Aeronautical Management, Inc.
Attn: Chuck Covert
45 Airport Way
P.O. Box 285
Dallesport, WA 98617

**SUBJECT: COLUMBIA GORGE REGIONAL / THE DALLES MUNICIPAL AIRPORT
RUNWAY 12-30 REHABILITATION - NORTH
AIP PROJECT NO. 3-41-0059-009 / PAE PROJECT NO. DAL002**

Dear Mr. Covert,

Enclosed is the bid tabulation for the Runway 12-30 Rehabilitation – North project at Columbia Gorge Regional/ The Dalles Municipal Airport. Five bid proposals for the above-referenced project were opened and read on Tuesday, August 23, 2011. Based on our review of all bid packages submitted to The Dalles/Klickitat County, the low bidder is Granite Construction. A summary of the bid tabulation results is shown below:

<u>Bidder</u>	<u>AIP-Eligible</u>	<u>Non-AIP-Eligible</u>	<u>Total Bid</u>
Granite Construction	\$2,777,661.26	\$518,268.30	\$3,295,929.56
Crestline Construction	\$2,935,825.41	\$427,707.63	\$3,363,533.05
JAL Construction	\$2,808,068.89	\$556,452.86	\$3,364,521.75
Wildish Standard Paving	\$2,973,299.64	\$544,764.62	\$3,518,064.26
Goodfellow Bros.	\$3,064,388.09	\$514,059.99	\$3,578,448.08
Engineer's Estimate	\$2,614,112.29	\$481,158.24	\$3,095,270.53

Of the bid packages submitted, we noted the following informality:

- Wildish Construction submitted their Bid Schedule on the incorrect form

It is our opinion that Granite Construction is qualified to undertake this project, and has submitted a complete bid package that is in compliance with Section 20 of the General Provisions of the Contract and does not contain an informality that would be cause for rejection of the bid.

Accordingly, we recommend that the City of The Dalles/Klickitat County consider awarding the contract to Granite Construction. You will need to send a letter to Kevin Latschaw at FAA requesting concurrence and receive approval from the FAA prior to execution of the contract with Granite Construction.

Sincerely,

PRECISION APPROACH ENGINEERING, INC.

A handwritten signature in black ink, appearing to read "Robbie L. Norton".

Robbie L. Norton, PE
President

RLN:jky

Attachments: Bid Tabulation, Bid Submittal Review

c: Kevin Latschaw/FAA


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**CITY of THE DALLES**313 COURT STREET
THE DALLES, OREGON 97058(541) 296-5481 ext. 1122
FAX: (541) 296-6906

AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
September 12, 2011	Action Items 13, A	11-083

TO: Honorable Mayor and City Council**FROM:** Gene E. Parker, City Attorney**THRU:** Nolan K. Young, City Manager **DATE:** August 5, 2011

ISSUE: Adoption of General Ordinance No. 11-1315, amending Section 5.050.050 of General Ordinance No. 98-1222, concerning development standards regarding height of buildings in the Central Business Commercial District.

RELATED CITY COUNCIL GOAL: None

PREVIOUS AGENDA REPORT NUMBERS: #11-072

BACKGROUND: On July 25, 2011, the City Council conducted a public hearing upon the Planning Commission's recommendation to approve Zoning Ordinance Amendment #79-11, which would provide an exception to the maximum height limit of 55 feet for structures in the Central Business Commercial District, to allow for a maximum height of 75 feet subject to the issuance of a conditional use permit. Following the public hearing, the Council voted to approve the Planning Commission's recommendation, and directed staff to prepare an ordinance setting forth appropriate findings of fact and conclusions of law. General Ordinance No. 11-1315 has been prepared for the Council's review. Notice of adoption of the ordinance has been posted in accordance with the City Charter, and the ordinance can be adopted by title only.

BUDGET IMPLICATIONS: None.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt General Ordinance No. 11-1315 by title only.*

GENERAL ORDINANCE NO. 11-1315

**AN ORDINANCE AMENDING SECTION 5.050.050
OF GENERAL ORDINANCE NO. 98-1222 CONCERNING
DEVELOPMENT STANDARDS REGARDING HEIGHT
OF BUILDINGS IN THE CENTRAL BUSINESS
COMMERCIAL DISTRICT**

WHEREAS, the City of The Dalles Planning Commission conducted a hearing on July 7, 2011 to consider a proposed amendment to the City's Land Use and Development Ordinance, which was assigned Zoning Ordinance Amendment #79-11; and

WHEREAS, the amendment proposed to revise Section 5.050.050 of General Ordinance No. 98-1222, which establishes the development standards for the Central Business Commercial District, to provide an exception to the maximum height limitation, to allow for a 75 foot height maximum provided the applicant obtains a conditional use permit; and

WHEREAS, following the public hearing on July 7, 2011, the Planning Commission voted 6 to 1 to adopt Resolution No. P.C. 511-11, recommending that the City Council approve Zoning Ordinance Amendment #79-11; and

WHEREAS, on July 25, 2011, the City Council conducted a public hearing to consider the Planning Commission's recommendation to approve Zoning Ordinance Amendment #79-11; and

WHEREAS, following the close of the public hearing, the City Council voted 4 to 0 to approve the Planning Commission's recommendation to approve Zoning Ordinance Amendment #79-11, and directed staff to prepare an ordinance setting forth the appropriate findings of fact and conclusions of law; and

WHEREAS, the City Council has reviewed the proposed findings of fact and conclusions of law, attached to this Ordinance as Exhibit "A", which Exhibit is incorporated herein by this reference;

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES
ORDAINS AS FOLLOWS:**

Section 1. The City Council hereby adopts and approves the findings of fact and conclusions of law set forth in Exhibit "A". Based upon these findings of fact and conclusions of law, Section 5.050.050 of General Ordinance No. 98-1222 which establishes the development

standards for the Central Business Commercial District, shall be amended to revise the section entitled "Building Height" to read as follows:

Building Height 55 ft. maximum, except 75 ft. maximum with a conditional use permit

Section 2. This Ordinance shall be effective 30 days after its passage and approval.

PASSED AND ADOPTED THIS 12TH DAY OF SEPTEMBER 2011.

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 12TH DAY OF SEPTEMBER 2011.

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

EXHIBIT “A”

FINDINGS OF FACT AND CONCLUSIONS OF LAW FOR ZONING ORDINANCE AMENDMENT #79-11

1. BACKGROUND INFORMATION

Section 5.050.050 of General Ordinance No. 98-1222, which is the City’s Land Use and Development Ordinance (“LUDO”), sets forth the development standards for uses in the Central Business Commercial District. The section concerning building height in this District currently provides that the maximum height of buildings within the zoning district shall not exceed 55 feet. There is a prospective developer who is interested in building a new hotel in the downtown area, who is considering submitting an application to build a structure, which would exceed the 55 height restriction.

Under the current provisions of the LUDO, if the applicant wanted to submit an application to build the type of structure, which they are considering, they would have to request an adjustment or a variance. There is no assurance that such an application would be approved by the City. In order to facilitate development of the type being considered by the potential applicant, and to provide the applicant with a mechanism to have the opportunity to submit their application knowing the specific criteria that would be required to be satisfied to obtain approval of the application, before the applicant spends a significant amount of time and resources to submit the application, City staff initiated the process to amend the provisions of Section 5.050.050 of the LUDO concerning the maximum height standards for buildings in the Central Business Commercial District.

On July 7, 2011, the City Planning Commission conducted a hearing upon Zoning Ordinance Amendment #79-11. The amendment proposed to provide an exception to the current maximum height limitation of 55 feet, to increase the maximum height limitation to 75 feet provided the applicant obtain a conditional use permit. Following the public hearing, the Planning Commission voted to adopt Resolution No. P.C. 511-11, approving Zoning Ordinance Amendment #79-11.

On July 25, 2011, the City Council conducted a public hearing upon the Planning Commission’s recommendation to approve Zoning Ordinance Amendment #79-11. Following the public hearing, the City Council voted to approve the amendment as recommended by the Planning Commission, and directed staff to prepare an ordinance setting forth appropriate findings of fact and conclusions of law.

2. EVALUATION OF CRITERIA

2.1 LAND USE AND DEVELOPMENT ORDINANCE

Section 3.010.040(F). Applications for Legislative Actions. A legislative action may be initiated by the Director, the Historic Landmarks Commission, the Planning Commission, the Council, or at the request of an applicant or resident of the City.

Findings of Fact: This application was initiated by the Director pursuant to the provisions of Section 3.010.040(F).

Conclusions of Law: The criteria in Section 3.010.040(F) have been satisfied.

Section 3.020.060 Legislative Actions.

- A. Decisions Types. *Legislative actions include, but are not limited to, the following:*
2. *Ordinance Amendments*
- B. Public Hearings.
1. *The Commission shall hold at least one legislative public hearing to review applications for legislative actions, and, by duly adopted resolution, make a recommendation to the Council to approve, approve with conditions, or deny the request.*
 2. *The Council shall hold a legislative hearing on applications for legislative actions within 30 days of the date of the Planning Commission or, where appropriate, the Historic Landmarks Commission resolution recommending approval, conditional approval, or denial of the request.*
- C. Notice of Hearing. *At least 10 days before the legislative hearings of the Historic Landmarks Commission, the Planning Commission, or the Council, notice of the hearing shall be published in a newspaper of general circulation. Subsections (1) through (5) set forth the required elements for the notice of the hearing.*

Notice of Hearing as Required by ORS 227.186. ORS 227.186 requires that all property owners whose property is rezoned must be provided notice at least 20 days but not more than 40 days prior to the date of the first hearing. For purposes of this provision, a “rezone” includes any change that limits or prohibits uses previously allowed in a zone.

Findings of Fact: The application was for a single amendment to the LUDO in accordance with Section 3.110. The Planning Commission conducted a hearing upon Zoning Ordinance Amendment #79-11 on July 7, 2011. Notice of this hearing was published in The Dalles Chronicle on June 26, 2011. Following the Planning Commission’s public hearing, the Commission voted to recommend approval of Zoning Ordinance Amendment #79-11 by adoption of Resolution No. P.C. 511-11. The City Council conducted a public hearing upon the Planning Commission proposed recommendation on July 25, 2011. Notice of the City Council hearing was published in The Dalles Chronicle on July 10, 2011. The notices for the Planning Commission and City Council hearings explained the proposed zoning ordinance amendment and changes to the LUDO; listed the applicable ordinance standards and criteria, Comprehensive Plan Policies, Oregon Planning Goals and Guidelines, Oregon Administrative Rules, and Oregon

Revised Statutes which were relevant to the application; set forth the geographical reference to the subject area; explained the LUBA appeal rights; and included the name and address of the Planning Director to contact for additional information.

Concerning the provisions of ORS 227.186, the proposed amendment does not propose to limit or prohibit any use, which has previously been allowed in the Central Business Commercial District. The Council finds and concludes that the proposed amendment does not come within the definition of a “rezone” as defined in ORS 227.186, and therefore, no notice of the application to individual property owners was required.

Conclusions of Law: The criteria in Section 3.020.060(A), (B), (C), and ORS 227.186 have been satisfied.

Section 3.020.060(B)(3). Legislative Hearings shall be conducted per the procedures of Section 3.020.070: Public Hearings.

Section 3.020.070(3) Staff Report. A staff report shall be presented which identifies the criteria and standards applying to the application and summarizes the basic findings of fact. The staff report may also include a recommendation for approval, approval with conditions, or denial.

Findings of Fact: Staff reports were prepared for both of the hearings held before the Planning Commission and the City Council, which identified the criteria and standards as they related to the application, and summarized the basic findings of fact. The staff reports included a recommendation of approval of the proposed amendment.

Conclusions of Law: The criteria in Section 3.020.060(B)(3) and 3.020.070(A)(3) have been satisfied.

Section 3.110.030 Review Criteria. Proposed Text Amendments shall be consistent with the Comprehensive Plan, and State Laws and Administrative Rules.

COMPREHENSIVE PLAN

Goal #1: Citizen Involvement. To develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.

Policy #3. The land-use planning process and policy framework shall include opportunity for citizen input as a part of the basis for all decisions and actions related to the use of land.

Findings of Fact: This proposal is consistent with Goal #1 of the Comprehensive Plan. Notices of the public hearings were published and the public has had an opportunity to provide testimony on the proposed change before the Planning Commission and the City Council. No public testimony was offered during either hearing in opposition to the proposed amendment.

Conclusions of Law: The provisions of Goal #1 of the Comprehensive Plan been satisfied.

Goal #2: Land Use Planning. To establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual basis for such decisions and actions.

Policy #6. Implement this Plan through appropriate ordinances and action. Implementing measures shall be developed to allow administrative review and approval authority.

Findings of Fact: Testimony during the Planning Commission hearing on July 7, 2011, indicated it was the consensus of the Planning Commission members that the proposed amendment which would increase the height of structures in the Central Business Commercial District to a maximum of 75 feet, but only with the issuance of a conditional use permit, should be applied to the entire zoning district, provided there were guidelines or a process in place to ensure that the style of buildings which exceeded the current 55 height restriction would be compatible with the style of existing buildings in the district. The Council finds and concludes there are some design standards in Section 5.050.070(B) of the LUDO for the Sub-district CBC-2 (the Downtown Core) which establish guidelines for building exterior finishes (brick, rock, stucco, plaster, cut stone such as marble or granite and similar materials), roofs, and minimum building heights.

Conclusions of Law: The provisions of Goal #2 of the Comprehensive Plan been satisfied.

Goal #9: Economic Development. To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens.

Policy #9. Encourage investment in The Dalles Central Business District, and support project activities in the Columbia Gateway/Downtown Urban Renewal Plan

Findings of Fact: Expansion of the existing height restriction of 55 feet to 75 feet, with the issuance of a conditional use permit, in the Central Business Commercial District, will provide an opportunity for the construction of taller buildings, which will allow denser development in the downtown core area. Approval of the proposed amendment will facilitate the potential development of properties located within the block of streets bordered by Washington and Court Streets, and First and Second Streets. This type of development is specifically identified as a project to be completed under the Columbia Gateway Urban Renewal Agency's Plan.

Conclusions of Law: The provisions of Goal #9 of the Comprehensive Plan been satisfied.