

AGENDA

REGULAR CITY COUNCIL MEETING

December 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. Report from the Economic Development Policies Committee [**Agenda Staff Report #11-109**]
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.

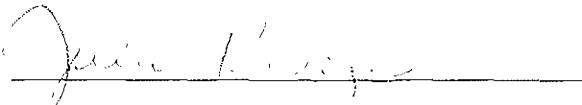
CITY OF THE DALLES

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

- A. Approval of November 28, 2011 Regular City Council Meeting Minutes
11. CONTRACT REVIEW BOARD ACTIONS
- A. Resolution No. 11-032 Adopting Revised Local Contract Review Board Rules
[Agenda Staff Report #11-110]
12. ACTION ITEMS
- A. General Ordinance No. 11-1316 Amending Article V of General Ordinance No. 97-1213 Concerning Extension of Sewer Service to Property Outside City Limits
[Agenda Staff Report #11-107]
 - B. Approval of Airport Fixed Base Operator Lease Agreement **[Agenda Staff Report #11-112]**
 - C. Consideration of Greyhound Site Lease at Transportation Center **[Agenda Staff Report #11-113]**
 - D. Approval to Receive Additional ARRA Loan Funds to Help Pay for Needed Cast Iron Pipe Replacement for Terminal Reservoir Project **[Agenda Staff Report #11-108]**
 - E. Resolution No. 11-031 Approving a Rate Increase Resulting From Increased Landfill Disposal Costs Incurred by The Dales Disposal **[Agenda Staff Report #11-111]**
13. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk





CITY of THE DALLES

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AGENDA STAFF REPORT

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
December 12, 2011	Presentations 5, A	11-109

TO: Honorable Mayor and City Council
FROM: Dan Durow, Community Development Director
THRU: Nolan Young, City Manager *ny*
DATE: November 30, 2011

ISSUE: Report and Presentation from the Committee to Identify Economic Development Barriers.

BACKGROUND: The Committee to Identify Economic Development Barriers met over an eight (8) month period and completed a summary report, which is attached to this staff report. The Committee members included: Mike Zingg (Chair), Andrea Klaas, Jim Broehl, Dwight Langer, Ron Schmidt, and Dana Schmidling. Committee members will present this report and will be prepared to discuss it with the Council and Mayor during the presentation portion of the meeting.

The report contains, along with findings, recommendations and suggestion for further action.

REPORT TO THE MAYOR AND CITY COUNCIL OF THE DALLES
DECEMBER 2011

FROM THE

COMMITTEE TO IDENTIFY BARRIERS TO ECONOMIC DEVELOPMENT

Introduction:

The Committee members Mike Zingg (Chair), Andrea Klaas, Jim Broehl, Dwight Langer, Ron Schmidt, and Dana Schmidling were nominated by the Mayor and confirmed by City Council by Resolution No. 11-007 on February 28, 2011. The Committee received assistance and support from Carole Trautman, Dick Gassman, and Dan Durow with the Community Development Department.

The charge given to the Committee was to identify barriers that may be hindering economic development and provide recommendations to address those barriers.

The committee met on 10 occasions over 8 months. A total of approximately 20 in-person, one-on-one interviews were conducted with a cross-section of people in the community. (Some of these were only partial interviews so were not part of the tabulated results seen later in this report.) The interviews included; employers (large and small), business owners, elected and appointed officials, contractors, commission and committee members, and involved citizens. In addition, committee members added their own comments to the information gathered from the interviews.

Although the interviews did not follow scientific standards, they were done using a standardized format that captured a lot of useful and pertinent information. This format allowed each person to speak freely on those areas of special interest to him or her as well. Additional comments were recorded. The comments received were diverse in perspective, point of view, and passion.

In addition to interviews, the committee reviewed and discussed a broader list of topics, some of which included; system development charges (SDC), land use ordinances(LUDO), local improvement districts (LID), infrastructure (roads, water, sewer, storm water, airport, electric energy, and communication), schools, health care, planning, banking, utility rates, land availability, housing, and our urban growth boundaries.

Summary of Findings:

The Committee found that from an economic development outlook the community has much for which we should be grateful and much from which we can learn and improve.

A. Interview Findings Summary

This summary is a compilation of findings from the interviews. The interview format allowed many of the responses to be categorized and tabulated into “Positive, Neutral, or Challenge”. The color coding shows those categories that are predominantly **positive (green)**, **neutral (blue)**, and **challenge (red)**. For this summary, the positives and neutrals were added together and if the difference was greater than two (2) then the category was either positive or challenge; if two (2) or less, the category was determined neutral.

Category	Positive	Neutral (P+N)	Challenge
Utility Rates	11	3 (14)	2
How Does The Dalles Stack Up	10	1 (11)	7
Construction Costs	7	4 (11)	8
Comprehensive Plan/LUDO	3	6 (9)	6
Regulatory Agencies’ Attitudes	8	1 (9)	7
Tax Rates	6	2 (8)	10
Education (K-12)	3	1 (4)	12
Housing	3	0 (3)	13
System Development Charges	2	4 (6)	10

Community Strengths, in rank order. (8 = number of similar responses) Location / (4) Weather, Economic Development Efforts / (3) Small Town Attributes, I-84, Portland and PDX / (2) Government Efforts, CGCC. *Others* – utilities, economy, work force, outdoor activities, business people, planning, health care, and housing.

Community challenges, in rank order. (5) Schools, Economic Development Efforts / (3) Small Population, Housing, Labor Force / (2) Location, Infrastructure, Developable Land, Economic Base, Government, Market Area. *Others* – downtown, family environment, turnover of doctors, appearance, infighting.

Greatest Business Challenge. (2) Poor Economy, Community Support, City and County Planning Departments, No Challenges. *Others* – being an absentee landlord, being a normal hours business, appearance of the town, importing raw materials (environmental issue), work force, schools, lack of professional workers, financial mix, hard to do business, land supply.

What works well for business. (3) Location, Easy to do Business / (2) Work Force, Serving People, Government. *Others:* - planning department, hiring consultants, word-of-mouth, transportation facilities.

B. *Committee's Findings Summary:*

This summary is a compilation of findings from the interviews, the interview findings summary, and other collective personal experiences of committee members.

- The Committee found that there are two (2) categories of economic development challenges; those that are in the community's control and those that are not.
- The Committee found that there are two (2) groups of major industrial and commercial developers; larger developers, mostly from outside the area, and smaller developers, mostly from the local community.
- Larger developers will look at all community facets including; housing, schools, taxes, land availability, climate, location, work force, energy, transportation, and etc. For this group, local codes and SDCs are less significant than these other facets.
- Smaller developers are more concerned with local codes, process, and SDC charges, and see these as deterrents to development and/or their expansion. The committee noticed a large percentage of economic development comes from within the community from current businesses/employers.

Challenges:

1. *Education (K-12)*

- There is a strong community perception that School District 21 is not doing a good job. However, the Committee found that this perception is not an accurate reflection of the quality of education that is available. Whether a quality education is available or not, the negative perception is a barrier to economic development.
- The D-21 schools are less about buildings and more about students, teachers, and parents. A very good education can be had when all three care and are working toward the common goal of a quality education.
- School facilities are in great need of upgrading and refurbishing to better provide for a quality education and to give a better appearance to those that may want to relocate an existing business, or create a new business, in The Dalles.

2. *Housing*

- The housing stock is generally aging, lacks quality and in some areas upkeep, and there are few defined, uniform neighborhoods.
- Rental properties are generally full and command medium to high rents.

- Housing represents a major challenge for convincing those that may want to relocate an existing business, or create a new business, in The Dalles.
- Improvements to the housing situation will require a concerted effort by all interests.

3. System Development Charges

- SDC's are generally viewed by local developers as a burden, especially the Transportation (T)SDC. Larger developers either don't comment or are generally positive about the charges.
- The Committee found that the TSDC is the most challenging.

Neutrals:

1. Tax Rates

- Property taxes are generally thought of by those interviewed as necessary and on the higher end.
- The Enterprise Zone tax abatement program for industrial development has been an important tool for generating new jobs over the years.
- The community will be asked to vote on several bond measures in the near future for needed public facility improvements.

2. Regulatory Agencies' Attitudes

- Although the attitude of regulatory agencies was found to be generally neutral, there were a few notable exceptions that create development challenges.
- The attitude of regulatory agency personnel in serving citizens has a major effect on the ability of developers to complete projects, especially for those that only do developments on a rare occasion.
- The administration and enforcement of the fire codes is not working in partnership with the other economic development partners and is a barrier to economic progress. Current interpretation and administration of the fire code is viewed as harmful and punitive toward economic development and growth.

3. Construction Costs

- Although not a hindrance, it was noted that development costs can vary from less than Portland rates to at least as high. However, markets in The Dalles, compared to those in Portland or other larger nearby communities, cannot command the same return on investments or higher rents, making economic success less certain.

Positives:

1. Comprehensive Land Use Plan (CLUP) and Land Use and Development Ordinance (LUDO)

- The CLUP and its implementing ordinance, LUDO, provide certainty in development expectations and a level playing field for both outside and local developers.
- The CLUP and LUDO can be a challenge to the less experienced developer, most of whom are local people.
- The City Community Development Department's customer satisfaction survey is a good tool to measure the quality of service provided by planning staff.

2. Utility Rates

- Utilities rates for electric power, natural gas, water, and sewer, were a strong positive and the outlook is that we will remain very competitive into the future.

How Does The Dalles Stack Up?

The responses to this question tend to show that there is an overall positive attitude toward the economic development future of The Dalles.

C. Findings on Other Economic Development Matters:

- A. Health Care: The community's largest employer, Mid-Columbia Medical Center, has been a vital partner in providing services that support economic development and new jobs. However, the continuing challenge of recruiting and keeping doctors has been the source of many complaints over a long period of time.
- B. Banking: Since the loss of the local Bank, Columbia River Bank, financing local projects is subject to the approval of bankers living far from this community. This has become a barrier for those wanting to get financing for economic development projects.
- C. Infrastructure: The City's Urban Renewal program has proven to be an important tool in the Downtown area to build and replace infrastructure, create development opportunities, and be the catalyst that encourages private investment.
- D. Downtown: There appears to be a growing number of vacant buildings and rental space in the downtown area. The Oregon Main Street program is well underway and should be an important tool in helping to fill those vacancies and create greater demand for more space.

- E. Long-range Planning (Urban Growth Boundaries): Expansion of the State and Federal mandated urban growth boundaries is a critical component of all future economic development success in the community. Without the expansion of these boundaries, the existing boundaries will continue to be the major barrier for economic development.
- F. Leadership of local elected officials: This is a critical factor in effective economic development and the involvement of local elected officials is critical to the success of The Dalles economic development efforts. This committee feels that it is very important that our elected officials stay informed and are the strategic decision-makers who can connect the policy “dots,” be effective communicators, and take a leadership role in economic development. It is critical that elected officials, and the agencies they represent, collaborate with each other on a regular basis to ensure each agency’s goals and objectives support other area agency’s goals and objectives with regard to economic development.

We feel that all elected officials should be knowledgeable about economic development in order to be effective leaders. Here is a list of nine points to think about:

- What are The Dalles local strengths and weaknesses?
 - How do we fit into the region/What do we have to offer?
 - Do your agency’s goals support the City of The Dalles economic development vision?
 - What are your agency’s economic development strategies?
 - Connections between economic development and your agency’s policies.
 - The Dalles regulatory environment.
 - The Dalles economic development partners and stakeholders.
 - Don’t forget about our existing businesses.
 - What agencies’ attitudes are hindrances?
- G. Need for financing. The formation of a Community Economic Development Corporation and/or Fund was discussed that would assist businesses with financing, business planning, and mentoring.
- H. Tax rates. While tax rates were viewed as relatively neutral by those interviewed, the Committee notes that The Dalles has the second highest rate in the State. In order to keep the support of the community, the local tax assessing entities should coordinate and prioritize all future bond measure requests.

Recommendations:

1. Establish a standing committee to be comprised of Economic Development Partners for economic development that would report to the City Council at least annually on issues, action items, and progress. This committee would begin by January 2012 and have a first report within six months.
2. Select representatives of elected boards to meet annually to review barriers of economic development as reported by the standing committee.
3. Investigate the creation of The Dalles Community Development Corporation. The Standing Committee will appoint the research group. Due by March 2012.
4. Encourage and help to develop public relations strategies for School District D-21 that creates a positive image of K-12 education that our schools are achieving, and a clear picture of the facilities challenges and other challenges that face public education in the community.
5. Recommend that the standing committee task an Ad Hoc committee to develop a housing renewal program and to carry out a demonstration project. Pilot program to be completed by January 2013.
6. Review and amend the Transportation System Plan (especially the project list) and the transportation system development charges that are needed to accomplish the revised list. To be completed by December 2012. Staff can recommend group or continue it on as an Advisory Committee role.
7. The customer satisfaction survey used by the Community Development Department should be expanded to allow for customer responses to the services provided by other agencies involved in the permitting process. Surveys should continue to be compiled at the City Manager's office and sent out to the various agencies. To be completed by March 2012.
8. All local taxing entities should collectively coordinate and prioritize bond referendums with the assistance of the standing committee.

Suggestions:

1. Ask all local governments, agencies, private organizations, and citizens to use the Vision Action Plan as a guide when making decisions that affect the economic vitality of the community.
2. Continue the annual update of the LUDO and encourage interested individuals and groups to participate in the update process.
3. All economic development partners need to join in a common effort to support the expansion of the State and Federal urban growth boundaries to accommodate a 20-year

and a 50-year buildable land supply. This is a highly critical issue for long-range economic development success.

4. Resources needed to update the infrastructure master plans for water, sewer, storm water, and transportation need to be identified so that these planning efforts are ready to be undertaken when the urban growth boundaries are expanded.

Final Words:

History may show that these economic times are the new normal. Past successes in economic development have been the result of many individuals being involved. Involvement and participation were recurring words used by those that were interviewed as keys to their own success as well. Each citizen of this community is a participant in the community's economic development efforts. The attitudes, the feelings, the messages shared with one another, or with someone looking to our community as a place for his or her home or business, all contribute to the community's success.

This report leaves unanswered questions but there will always be unanswered questions. After all, it's about progress not perfection.

The members of the committee would like to thank Mayor Wilcox and the City Council for asking us to serve the community in this capacity. We would also like to thank all those that volunteered their time to participate in the surveys and to thank the Community Development Department staff for their support of this Committee.

END OF REPORT



AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
December 12, 2011	Consent Agenda 10, A	N/A

TO: Honorable Mayor and City Council

FROM: Julie Krueger, MMC, City Clerk 

THRU: Nolan K. Young, City Manager

DATE: November 30, 2011

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

A. **ITEM:** Approval of November 28, 2011 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the November 28, 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 November 28, 2011 regular City Council meeting.

MINUTES

REGULAR COUNCIL MEETING
OF
NOVEMBER 28, 2011
5:30 P.M.
THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

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

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Finance Director Kate Mast, Administrative Fellow Cooper Whitman, Police Chief Jay Waterbury, Community Development Director Dan Durow, Engineer Dale McCabe

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; all Councilors present.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

Mayor Wilcox noted changes to the agenda, including a supplemental agenda to add an Action Item concerning the Thompson Street local improvement district (LID) and East 19th Street extension project; add authorization to endorse an OLCC change in privilege application by Clock Tower Ales; and to ask for the City Attorney's Report prior to Audience Participation. It was moved by Wood and seconded by McGlothlin to approve the agenda as amended. The motion carried unanimously.

PRESENTATIONS/PROCLAMATIONS

Audit Presentation

Finance Director Kate Mast introduced Tonya Moffitt of Merina and Company, who provide a review of the fiscal year 2010-11 audit. Ms. Moffitt reviewed the executive summary, noting they had provided a clean opinion. She highlighted the areas of required communications to those charged with governance and reviewed the audit comments and disclosures. Moffitt noted one control deficiency in the fixed assets area.

Councilor Ahier said there appeared to be a word missing on page 108, second paragraph from the end. He asked if the word "indicate" should be inserted between the words might and significant. Ms. Moffitt said the word indicate should be inserted.

It was moved by Wood and seconded by Spatz to accept the Audit as presented. The motion carried unanimously.

RECESS TO URBAN RENEWAL AGENCY MEETING

Mayor Wilcox recessed the meeting to the Urban Renewal Agency meeting at 5:46 p.m.

Reconvene City Council Meeting

The City Council meeting reconvened at 5:53 p.m.

CITY ATTORNEY REPORT

City Attorney Parker said he had received correspondence directed to the City Council, which included allegations that the Department of Justice was investigating Police Chief Waterbury.

MINUTES (Continued)
Regular Council Meeting
November 28, 2011
Page 3

Parker said this was not true. He said there were some issues regarding employee related issues. Parker said this was not a matter for discussion with the City Council and any comments regarding the matter should be directed to the City Manager.

Parker reported staff continued to work with the resale businesses to develop amendments to the resale business ordinance. He said it should be coming to the Council for consideration in January.

Parker said the law firm hired to review the City's franchise ordinances had provided him with information and recommendations which would be reviewed by staff. He said the information would be coming to Council in two to three months for consideration.

AUDIENCE PARTICIPATION

None.

CITY MANAGER REPORT

City Manager Young said the Lewis and Clark Festival Area project had started today and the Commercial Dock project was scheduled to start later in the week. He said both projects were scheduled for completion in May, 2012.

CITY COUNCIL REPORTS

Councilor Ahier reported the Mid Columbia Council of Governments meeting was last week, with the audit being the primary subject.

Councilor Spatz said the next meeting of Mid Columbia Economic Development District would be mid-December.

Mayor Wilcox said the Airport group was currently working to develop water agreements, work on the industrial park design and building a hangar for the Fixed Base Operator. He said a new airplane had been purchased for flying lessons.

Wilcox noted the Canton Wok would have a reception Tuesday at 5:00 p.m. to celebrate the completion of their recent expansion.

Mayor Wilcox said he had presented information at a meeting of agencies about how everyone could work together to move permits forward to allow for development on industrial lands.

CONSENT AGENDA

It was moved by Spatz and seconded by Ahier to approve the Consent Agenda as amended. The motion carried unanimously.

The items approved by Consent Agenda were: 1) approval of November 14, 2011 regular City Council meeting minutes; and 2) authorization for City Clerk to endorse OLCC change in privilege application for Clock Tower Ales.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding a Proposed Rate Increase of 2.2% by The Dalles Disposal, Effective January 1, 2012

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

City Attorney Parker reviewed the staff report.

Testimony

Erwin Swetnam and Jim Winterbottom of The Dalles Disposal said the proposed increase would offset increasing costs of operation, including an increase in tipping fees at the landfill, increasing fuel costs and employee benefit costs. It was noted that they performed free community programs including free yard debris drop off twice a year, supported the Community Clean Up Day and supported youth activities in the community.

Councilor Ahier questioned what the employee benefit costs included. Swetnam said it was an increased cost for health care premiums, which had increased approximately 7%.

Councilor Spatz said he had expressed concern a year ago that the company investigate ways to absorb their employee costs instead of passing it on to the rate payers.

Mr. Winterbottom said they had made efforts to increase recycling which would reduce the amount hauled to the landfill.

Councilor McGlothlin asked what youth activities were supported by The Dalles Disposal. Winterbottom said they sponsored the High School basketball team, a baseball and soccer team, and participated in Earth Day events at three of the local schools.

Mayor Wilcox added they supported the Christmas Tree pick up program for the community.

Pat Combs, 733 Lee Street, The Dalles, spoke in opposition of the rate increase, saying she lived on a war widow's pension and could not afford to pay more money for the service. She cited a Wall Street Journal report which said the third quarter report on Waste Connections showed 16.8% profit for the company and said The Dalles Disposal should offset their employee costs with their profits and not pass it on to rate payers.

Brad Lynch, 1406 East Ninth Street, The Dalles, opposed the proposed rate increase. He said fuel costs were going down, not increasing and said it was wrong to pass on rate increases to the citizens during this difficult economic time. He said sponsorship of teams was their choice and should not be supported in the rates.

Winterbottom said they were not asking the rate payers to help support team sponsorships. He said the CPI information used to calculate the proposed rate increase had indicated a rise in fuel costs.

Hearing no further testimony, the public hearing was closed.

Resolution No. 11-031 Approving a 2.2% Rate Increase by The Dalles Disposal

Councilor Ahier said he recognized the economic hardships of the citizens. He asked if The Dalles Disposal could provide more detailed information regarding the benefits that would be supported by the rate increase.

Councilor Spatz said he understood the good deeds of The Dalles Disposal in supporting the community through their programs. He said the Council did need to consider the economic times and said he too would like detailed information regarding the benefits.

Councilor Wood said the tipping fees were implemented by Wasco County and were a fixed cost of doing business. She said that part of the requested rate increase was not negotiable.

Councilor McGlothlin said it seemed bad timing for a rate increase at this time.

Councilor Dick said the employees of The Dalles Disposal also lived in the community and they did provide jobs.

In response to a question from Council, Mr. Swetnam said The Dalles Disposal did have a low income/elderly/handicap rate program which was administered by the Community Action Program.

Swetnam asked the Council to at least consider approving the tipping fee portion of the increase because it would be implemented on January 1, 2012.

It was moved by Dick and seconded by McGlothlin to direct staff to prepare a Resolution to approve the tipping fee increase to be effective January 1, 2012. The motion carried unanimously.

The City Council asked for additional information, including a detailed accounting of the increased employee benefits and updated information regarding fuel costs to be reviewed in April 2012.

ACTION ITEMS

Consideration of Department Managers Salaries

Mayor Wilcox said he supported a salary increase for only two positions, the Chief of Police and Public Works Director. He said the others were within 2% of comparable salaries, but the Chief and Public Works Director positions were much lower than comparable positions.

Councilor Dick said he had received a telephone call from a constituent who supported an increase for the Police Chief, but not the other Managers. It was noted Councilors Spatz and McGlothlin received similar telephone comments. It was the consensus of the Council to allow public comment regarding the subject.

Public Comment

Brad Lynch, 1406 East Ninth Street, The Dalles, said he disagreed with giving a salary increase for the Managers because they already made a very good income. He said if the City wanted a greater salary spread between the Managers, the Council should reduce the other Managers salaries. Mr. Lynch said the City's salaries should not be compared to other cities and that if they were dissatisfied with their salaries, they could move to other cities who paid more.

Gary West said he had written the letter referred to in the City Attorney's report and said the City Attorney had misrepresented the truth and that it was wrong to disregard his letter. Mayor Wilcox said this testimony was not appropriate and would not allow it.

Marilyn Clifford, 1380 Oak Hill Drive, said the City staff was very well paid and if they wanted more money, they should go somewhere else to work.

MINUTES (Continued)
Regular Council Meeting
November 28, 2011
Page 7

Shirley Walsborn, 1912 Thompson Street, The Dalles, said she appreciated the Police Officers and said she obviously was not aware of any problems. She asked how she could obtain the information which was being discussed.

City Manager Young said the Manager's salary information was available on the City's website or could be obtained from the City Clerk's office.

Sherry Jones, 515 West 19th Street, The Dalles, said the City Council had just asked a company to find ways to absorb costs. She said it was not the time to spend more money and the City should show it's being responsible and not give salary increases at this time.

Bob Fraley, The Dalles, said it was not a good time for the City to spend more money and the City should instead focus its efforts and job creation in the community. He said once the economy was strong again, the City could talk about wage increases.

Pat Combs, 733 Lee Street, The Dalles, spoke in opposition to a salary increase for Managers, saying their current monthly income was more than her annual income as a war widow. She said many people in the community lived below the poverty level.

Andy _____, 1605 East 12th Street, The Dalles, said the City should be the example of not spending additional money during these difficult economic times. He said people of his generation, recent graduates, were employed, but were barely able to make ends meet.

Council Deliberation

Councilor Wood said the subject of increasing salaries was not initiated by the City Council. She said the Mayor had asked to review the matter. Wood said the Managers were excellent employees and were well paid. She said the current system of having the Managers in one pay group was appropriate and that they all had very different responsibilities, but it brought harmony and balance to the group.

Councilor Ahier said he didn't agree with the principle of paying all Managers the same salary, but did not support a salary increase for anyone at this time. He said the budget had been approved and should not be changed. Ahier said it could be addressed during the next budget cycle.

Councilor McGlothlin said he also did not support any salary increases at this time but was open minded to discuss in the future. He said it may be appropriate to consider a higher pay scale for the Police Chief and Public Works Director positions, but not at this time.

Councilor Spatz said it was poor timing to give pay increases at this time, but would consider it during the upcoming budget process.

Councilor Dick said he was not swayed either way, but agreed it was not the time for salary increases right now.

Mayor Wilcox said public safety was the most important concern of the City and the public works infrastructure was also vital to the community. He said these two positions had the most responsibility and should be compensated at a higher rate than the other managers.

It was the consensus of the Council to direct the City Manager to provide additional salary information and a recommendation through the next budget process.

Recommendation Regarding 19th and Thompson Street Local Improvement District

Thompson Street

City Manager Young reviewed the staff report and noted that the staff report had referred to support for the project requiring two-thirds majority. He said the two-thirds referred to the dollar amount of the project, not the number of property owners. Young said the staff report also made reference to foreclosures on properties with City liens. He clarified that there had been a foreclosure on a vacant lot in the early 1990's and possibly some in the 1980's, but there had been no foreclosures on residences. Young further clarified that the interest rate could be reduced by the City Council because part of the project funding is from bond financing. He said the rate could be reduced to 5%, with a 15 year term to repay it.

Young said if 19th Street was not extended the City would continue to provide minimal maintenance on Thompson Street until an LID was formed. He said if the LID was delayed, staff could be directed to develop a pavement plan to extend the life of Thompson Street travel surface for an additional five to ten years.

It was the consensus of the Council to approve the 5% interest rate with 15 year repayment if the LID was approved.

Councilor Ahier said he didn't believe there was much support for proceeding with the Thompson Street LID. He said he would support delaying the project.

Public Comment

Ken Allmer, 2119 East 16th Street, the Dalles, asked for clarification of the cost per foot for the LID. He said a figure of \$300 had been mentioned, then a cost of \$150.

City Manager Young said improvements for new development were approximately \$300 per foot, but the cost for the proposed LID was approximately \$150 due to the City adding funds to complete the project. Young said if the project was delayed, those funds would likely be used to complete other projects and would no longer be available to offset the cost of the Thompson Street LID.

Sheldon Ayres, 2310 East 19th Street, The Dalles, said extending 19th Street as a collector street would create between 5,000 and 10,000 trips per day and would add significant traffic on Thompson Street.

Public Works Director Anderson said the Traffic System Plan did not assign trips per day to streets, but a collector street was designed to handle more traffic and would be designed in a manner to last a long time. He said the type of street constructed was tied to performance standards, not trips per day.

Sue Madsen, 2400 East 16th Street, The Dalles, asked if the Thompson Street LID was delayed, whether the City would discontinue improvements to the street.

City Manager Young said Thompson Street had been a County Road and did not currently meet City standards. He said if it was improved to City standards, then the City would provide maintenance, but until that time, there would be minimal maintenance to the road, likely just some work on the travel surface.

Debbie Richelderfer, 2310 East 19th Street, The Dalles, said if the LID was rejected because two-thirds of the project did not want it, the project would only be suspended for six months. She said the estimated costs provided to the owners could increase if the project cost more than anticipated. Richelderfer said this proposed project had been scaled back from previous proposals and it took parking away in the neighborhood by installing sidewalks. She said the project was not affordable for property owners at this time and that if the project proceeded, they would not be able to make the payments.

Councilor Dick noted a concern that the costs could be even higher if the project was delayed for several years due to increasing construction costs and that the City's funding may no longer be available to offset the LID costs.

Cyndi Vipperman, 1300 Thompson Street, the Dalles, said the residents paid taxes and deserved to have the City make improvements on Thompson Street. She said the street would have more use if the 19th Street extension was constructed. Vipperman said she could not afford to pay the proposed assessment on her property and that the poor economy made for bad timing for the project.

David Childs, 1806 Thompson Street, The Dalles, said he loved his neighborhood and did not think the 19th Street extension was necessary for traffic patterns on the east side of the community. He expressed concern regarding pedestrian safety on Thompson Street if the traffic increased along that street. Childs said he did not support the School District giving up their property for the street because that property was needed in the neighborhood for recreation purposes.

Tom Griswold, representing Bethany Lutheran Church, questioned why the proposed assessment for the church was so much more than others in the neighborhood.

City Manager Young explained that the corner lot relief program was only available for residential properties, though the City Council could make a decision to include the church and make them eligible for the corner lot relief.

Mr. Griswold said the church had no means to pay for the proposed assessment.

Councilor Ahier said he didn't consider a neighborhood church to be a commercial use and would support including churches and non-profits in the corner lot relief program.

Cherri Keller, 1812 Thompson Street, The Dalles, said there had been many changes in the Thompson Street neighborhood over the 30 years she had lived there and she did not support the 19th Street extension because it would add traffic congestion on Thompson Street.

Shirley Walsborn, 1912 Thompson Street, The Dalles, said she felt threatened by the staff saying the cost would be higher if the project was delayed. She asked why 16th Street could not be used as a connecting street.

City Manager Young said the Developer and City had an agreement that 16th Street would not connect until after 19th Street extension was completed.

19th Street Extension

City Manager Young summarized the recommendations for 19th Street extension, saying it was the best option for connecting the east side of the community. He said there had been some

discussion regarding providing future bike lanes. Young said if the Council directed, he would speak with the School District about an option to provide an additional two feet of right of way to provide for future bike lanes in the area. Regarding the radius, he recommended giving the School District the option for the size of the radius.

Diana Cheadle, 1715 Thompson Street, The Dalles, said the projects could not really be separated because if the 19th Street extension was constructed it impacted Thompson Street. She asked for clarification regarding liens on the properties for the project.

City Manager Young said LID assessments were considered a lien on property, but they would not be foreclosed on. Young said if people were delinquent in their payments, the City would collect the assessments at the time a property transferred ownership.

Ms. Cheadle asked how much property the School District would donate for the project. City Manager Young said it would depend on the size of the turning radius they requested, but it was projected to be approximately one acre. Cheadle questioned if the District was getting an adequate return for the donated land, compared to a recent land sale by the City to Mid Columbia Medical Center. City Manager Young said the property recently sold by the City was approximately \$5.00 per square foot and the proposed improvements by the City in exchange for the School District land was approximately \$9.00 per square foot.

Ms. Cheadle said her family moved to the neighborhood because it was peaceful. She said additional traffic in the area was not desirable.

Brad Lynch, 1406 East Ninth Street, The Dalles, said the City willingly annexed properties from the County and they should pay for the maintenance of the streets they annexed. He said the City should provide corner lot relief for the church and that he believed the 19th Street extension would only benefit Mid Columbia Medical Center.

Extend Time of Meeting

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

19th Street Extension, Continued

Colleen Tenold Sauter, Sun Ridge Development, said she wanted to be on record that she was the owner of the Sun Ridge Development and that the City had not spoken with her regarding any amendment to the 16th Street extension agreement. She said she had not been approached by the City.

Debbie Richelderfer, 2310 East 19th Street, The Dalles, questioned how long the City would continue to pursue the 19th Street Extension project. She said the neighbors had opposed it every time it was brought up, but the City continued to make it a goal. She questioned why the City didn't negotiate with Sheldon Ayres to purchase a portion of his property for the extension instead of taking property from the School District. Richelderfer said the City had tried in the past to take Mr. Ayres' property from him and didn't know why they weren't interested in purchasing it now.

Sheldon Ayres, 2310 East 19th Street, noted the current design had been reduced by approximately 13 feet. He questioned why the design had changed, with sidewalks being removed and asked if pedestrian safety was no longer a concern.

Public Works Director Anderson said sidewalks were currently only proposed for one side and if the other side of the street was developed in the future, sidewalks would be required to be installed at that time.

Sherry Jones, 515 West 19th Street, The Dalles, said she had attended the School Board meeting and did not believe they were excited about the proposal of the project.

Council Deliberation

Councilor Ahier said the main issue with the Thompson Street LID was the timing of the project. He questioned whether a survey was needed to determine whether there was support for the project.

Councilor Spatz said that based on the testimony, he didn't feel there was support for the project at this time and didn't think it was necessary to send out a survey.

Councilor Dick said he would support sending a survey, noting that many people who were property owners within the proposed LID project had not expressed an opinion.

Councilor Wood said she supported sending the survey and said the Council had not heard from those in support of the project. She said the property owners should be sent full information about the project along with the survey.

Councilor McGlothlin said he was an employee of the School District and would not participate in discussion regarding the 19th Street Extension project, but that he was comfortable discussing the Thompson Street LID. He said some kind of improvements needed to be made on Thompson Street and that the testimony had indicated to him that a survey was not needed to know there was not support for the project at this time.

Mayor Wilcox said the area had grown over the years and he did not want people to feel threatened by the City saying the cost would increase if the project was delayed. He said that was an attempt to provide full information regarding the project.

Extend Time of Meeting

It was moved by Ahier and seconded by Spatz to extend the time of the meeting to 9:15 p.m. The motion carried unanimously.

Council Deliberation, continued

Councilor Dick said he believed all the affected property owners should be provided with the information contained in the staff report and said he supported the staff recommendation.

It was moved by Dick and seconded by Wood to direct staff to provide the staff report information to the property owners; send a survey, providing them with their assessed costs and annual payments over a 15 year period; and to notify property owners that the City would suspend the project for two to five years if the majority of the property owners opposed the project, providing for minimum maintenance on Thompson Street. The motion carried, Ahier voting no.

Councilor Ahier said he was an employee of Mid Columbia Medical Center (MCMC), but had no conflict of interest in the 19th Street Extension project and that MCMC was not the prime beneficiary of the project and would receive no financial benefit from it. Ahier said it was important to look at the broad picture of the need for access in the east side of the community, and to expand the urban growth boundary in the future.

Councilor Dick said there had been a lot of development on the east side of the community. He said no one liked a lot of change and no one wanted to pay for it, but many people who live in the area did want to see the 19th Street extension go through and 19th Street was the most logical location to have a through street in the area. He said the School District said they did intend to use the property to build a school in the future so the street would be needed.

Councilor Wood said there were laws dictating how cities could grow and that the LID process was one of the methods for making necessary infrastructure improvements in a community.

Councilor Spatz said from a community-wide perspective, 19th Street extension would be instrumental in the future expansion of the urban growth boundary.

MINUTES (Continued)
Regular Council Meeting
November 28, 2011
Page 14

Extend Time of Meeting

It was moved by Spatz and seconded by Wood to extend the time of the meeting to 9:20 p.m.
The motion carried unanimously.

Continued Council Deliberation

It was moved by Dick and seconded by Spatz to direct staff to inform the School District that the Council was not interested in the 17th Street option; give the Board the option of increasing the right of way from 42 feet to 44 feet to allow for bike lanes in the future; and the option to provide a larger or smaller radius at Thompson Street. The motion carried: voting yes, Dick, Spatz, and Wood; voting no, Ahier; abstaining, McGlothlin.

ADJOURNMENT

Being no further business, the meeting adjourned at 9:20 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk



AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
December 12, 2011	Contract Review Board 12, A	11-110

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney

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

DATE: November 30, 2011

ISSUE: Resolution No. 11-032, adopting revised Local Contract Review Board Rules for the City of The Dalles Local Contract Review Authority

RELATED CITY COUNCIL GOAL: None.

PREVIOUS AGENDA REPORT NUMBERS: None.

BACKGROUND: On February 28, 2005, the City Council adopted Resolution No. 05-008 approving revised rules for the Council acting in its capacity as the Local Contract Review Board Authority for the City. These rules were subsequently amended by adoption of Resolution Nos. 06-016 on May 8, 2006, and 08-028 on September 8, 2009.

The Oregon Legislature recently adopted House Bill 3316 which required local contracting agencies such as the City, to change the public contracting rules concerning the award of contracts for architectural and engineering services to incorporate a "quality based selection process". This legislation becomes effective January 1, 2012.

The following is a basic summary of the changes involved in adoption of the "quality based selection process":

1. For contracts involving architectural and engineering services, and other specified types of professional services listed in the legislation, for services valued up to the sum of \$100,000, the City can directly negotiate a contract with the consulting professional for those services, without having to undergo some form of a competitive solicitation process.
2. For contracts involving the designated professional services of a value of \$100,000 up to the sum of \$250,000, the City will be required to use a process whereby they select the consultant from a pre-qualified list of consultants. The City then is allowed to use what is referred to as an “Informal Selection Procedure”. The key elements of this “Information Selection Procedure are as follows:

Creation of a Request for Proposals which at a minimum includes the following elements:

- A. A description of the types of services to be provided.
- B. The anticipated Contract performance schedule.
- C. Conditions or limitations which may constrain or prohibit the selected Consultant’s ability to provide additional services related to the project.
- D. The date and time that proposals are due and directions for submitting proposals.
- E. The criteria for selecting the most qualified Consultant. A key point is that information concerning the Consultant’s pricing policies or other pricing information only becomes relevant criteria if the contract is one for the Consultant to provide what is defined as “Related Services”
- F. A statement indicating that proposers responding to the RFP do so solely at their expense.
- G. A statement that explains the applicable protest procedures.

Proposals that are received are reviewed and ranked, and the three highest ranked Proposers are selected. The City would then begin negotiations with the highest ranked Proposer for an agreement for the project, which would spell out the Consultant’s performance obligations and schedules, the payment methodology and maximum amount payable to the Consultant which is fair and reasonable to the City, taking into account the value, scope, complexity and nature of the services to be provided, and any other provisions the City believes are in the City’s best interests. If the City cannot successfully negotiate an agreement with the highest ranked Proposer, the City would then begin negotiations with the next highest ranked proposer.

3. For contracts involving the designated professional services of a value of \$250,000 or more, the City will be required to use what is referred to as a “Formal Selection Procedure”. The key elements of this “Formal Selection Procedure” are as follows:

This process requires the City to either publicly advertise for a Request for Proposals, or a Request for Qualifications followed by a Request for Proposals. The Request for Qualifications process is designed to evaluate potential Consultants, and establish a “short list” of qualified Consultants to whom the City could issue a Request for Proposals. The Request for Qualifications has certain minimum requirements, and can also include the following requirements:

- A. A statement describing the Consultant’s general qualifications and related performance information.
- B. A descriptions of the Consultant’s specific qualifications to perform the requested services described in the RFQ, including the Consultant’s committed resources and recent, current, and projected workloads.
- C. A list of similar services performed by the Consultant, and references concerning past performance.
- D. The number of Consultant’s experienced staff available to perform the services, including their specific qualifications and experience, and an estimate of the proportion of time that such personnel would spend on those services.
- E. The Consultant’s approach to the services described in the RFQ.
- F. The Consultant’s geographic proximity to and familiarity with the physical location of the project.
- G. The Consultant’s ownership status and employment practices regarding women, minorities, and emerging businesses or historically underutilized businesses.
- H. The Consultant’s ability to assist the City in complying with the solar energy technology requirements of ORS 279C.527.
- I. Any other information the City deems reasonably necessary to evaluate the Consultant’s qualifications.

An evaluation committee would received the responses submitted for the Request for Qualifications, and then rank the proposers and create a “short list” of at least three qualified Consultants. The City would then issue a Request for Proposals to the Consultants on the short list.

The rules require very detailed elements for a Request for Proposal, including information concerning the Proposer’s ability and capability to perform the services, the experience of the Proposer’s key staff persons in providing similar services, the recent, current and project workloads of the staff of the Proposer, and the Proposer’s demonstrated ability to complete successfully similar services on time and within budget. An evaluation committee would review, score, and rank each proposal received. The City would then initiate negotiations with the highest ranked Proposer, with the goal of reaching an agreement which would set forth the Consultant’s performance obligations and performance schedule, and the payment methodology and the maximum amount payable to the Consultant which is fair and reasonable to the City., taking into account the value, scope, complexity and nature of the services. If the City cannot reach an agreement with the highest

ranked Proposer, the City can terminate negotiations with that Proposer, and initiate negotiations with the next highest ranked :Proposer.

4. The new law also includes services provided by a “photogrammetrist” with the types of contract for professional services who will be subject to the new requirements. A photogrammetrist is a professional licensed with the State Board of Examiners for Engineering and Land Surveyors, who provides services such as aerial photographs that show the contour and topography of land.
5. The new law also includes provisions applicable to contracts for transportation planning services for projects that are subject to the National Environmental Policy Act.

The City’s Local Contract Review Board Rules are modeled after the model rules prepared by the Attorney General’s Office. Resolution No. 11-032 includes a copy of revised rules which have been prepared, incorporating the revisions recommended by the Attorney General’s Office. A copy of the revised rules is available for review on City’s website.

BUDGET IMPLICATIONS: For certain projects, the City will not be allowed to use the element of price in the initial screening process to select consultants to provide certain professional services. The goal of these revised rules is to ensure that local contracting agencies receive the highest quality of services, and the price of the services may not always be the determining factor in awarding the contract for the services.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt Resolution No. 11-032.*

RESOLUTION NO. 11-032

**A RESOLUTION ADOPTING REVISED LOCAL CONTRACT
REVIEW BOARD RULES FOR THE CITY OF THE DALLES
LOCAL CONTRACT REVIEW AUTHORITY**

WHEREAS, on February 28, 2005, the City Council adopted Resolution No. 05-008 approving revised rules for the Council acting in its capacity as the Local Contract Review Board Authority for the City; and

WHEREAS, the Council adopted amendments to these rules by adoption of Resolution No. 06-016 on May 8, 2006, and Resolution No. 08-028 on September 8, 2008; and

WHEREAS, the Oregon Legislature recently adopted House Bill 3316 which required local contracting agencies such as the City, to change the public contracting rules concerning the award of contracts for architectural and engineering services to incorporate a “quality based selection process”, which legislative becomes effective January 1, 2012; and

WHEREAS, the Oregon Attorney General’s Office has just completed revisions to the Attorney General’s Model Rules for implementing the public contracting law; and

WHEREAS, the City’s Local Contract Review Board Rules are patterned after the Attorney General’s Model Rules; and

WHEREAS, it is necessary to revise the City’s Local Contract Review Board Rules adopted by Resolution No. 05-008, and amended by Resolution Nos. 06-016 and 08-028, to ensure those rules comply with the provisions of House Bill 3316;

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

Section 1. Revised Rules Adopted. The Revised Rules set forth in Exhibit “A”, attached hereto and incorporated herein by this reference, are hereby adopted and approved as the rules for the City’s Local Contract Review Board Authority. These Revised Rules replace the rules adopted by Resolution No. 05-008, as amended by Resolution Nos. 06-016 and 08-028.

Section 2. Effective Date. This Resolution shall be effective as of December 12, 2011.

PASSED AND ADOPTED THIS 12TH DAY OF DECEMBER, 2011

Voting Yes, Councilor: _____

Voting No, Councilor: _____

Abstaining, Councilor: _____

Absent, Councilor: _____

AND APPROVED BY THE MAYOR THIS 12TH DAY OF DECEMBER, 2011

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk



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 #
December 12, 2012	Action Items 13, A	11-107

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney

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

DATE: November 28, 2011

ISSUE: General Ordinance No. 11-1316, amending Article V of General Ordinance No. 97-1213 concerning extension of sanitary sewer service to property located outside of the City limits.

RELATED CITY COUNCIL GOAL: None

PREVIOUS AGENDA REPORT NUMBERS: None.

BACKGROUND: Section 17 of General Ordinance No. 91-1133 which contains the provisions concerning the provision of water utility service, provides that such service shall not be extended outside of the City limits without the express permission of the City Council, which may include, but shall not be limited to, a consent to annexation signed by the applicant, and installation of the necessary improvements to allow the applicant to receive water service, or pre-payment by the applicant for the costs of such improvements as set forth in Resolution No. 07-007 for residential local improvement districts. Staff recently discovered that the City's sanitary sewer ordinance, No. 97-1213 does not include a similar provision concerning the extension of sanitary sewer service to property located outside the City limits. To establish a uniform policy for the provision of utility services for property outside the City limits, staff has prepared an ordinance to amend the City's sewer ordinance to include language similar to the language in Section 17 of General Ordinance No. 91-1133.

Notice of adoption of the ordinance has been posted in accordance with the provisions of the City's charter, and the ordinance can be adopted by title only.

BUDGET IMPLICATIONS: None.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt General Ordinance No. 11-1316 by title only.*

GENERAL ORDINANCE NO. 11-1316

**AN ORDINANCE AMENDING ARTICLE V OF GENERAL
ORDINANCE NO. 97-1213 CONCERNING EXTENSION OF
SEWER SERVICE TO PROPERTY LOCATED OUTSIDE
THE CITY LIMITS OF THE CITY OF THE DALLES**

WHEREAS, Section 17 of General Ordinance 91-1133 which contains the regulations for the provision of water utility service by the City, includes provisions for the extension of service to property located outside the City limits of the City, including prior approval by the City Council and provisions for the execution of a consent to annexation and installation of necessary improvements to receive water service by the applicant requesting such service, or prepayment by the applicant for the costs of such improvements in accordance with the provisions of Resolution No. 07-007 implementing the policy for residential local improvement districts; and

WHEREAS, General Ordinance No. 97-1213 which contains the regulations for the provision of sanitary sewer service, does not include any provisions which address the scenario when an applicant who owns property located outside the City limits, desires to have sanitary sewer service provided to the property by the City; and

WHEREAS, the City Council believes it is in the best interests of the health and welfare of the public to amend General Ordinance No. 97-1213 to include provisions comparable to those in General Ordinance No. 91-1133 concerning the extension of utility service to property located outside the City limits:

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

Section 1. Amendment. Article V of General Ordinance No. 97-1213 shall be amended by adding a new Section 10, which shall read as follows:

Section 10. Under no circumstances shall sanitary sewer service be extended to persons or premises located outside of the City limits of the City of The Dalles without the express permission of the City Council, which may include, but shall not be limited to, a petition for consent to annexation and installation of the necessary improvements to receive sanitary sewer service by the applicant requesting such service, or prepayment by the applicant for the costs of such improvements in accordance with the provisions of Resolution No. 07-007 implementing the policy for residential local improvement districts.

Section 2. Effective Date. This ordinance shall take effect thirty days from its passage and adoption.

PASSED AND ADOPTED THIS 12TH DAY OF DECEMBER, 2011

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Abstaining, Councilors: _____
Absent, Councilors: _____

AND APPROVED BY THE MAYOR THIS 12TH DAY OF DECEMBER, 2011

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

**AGENDA STAFF REPORT**
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
December 12, 2011	Action Items 12, B	11-112

TO: Mayor and City Council**FROM:** Nolan K. Young, City Manager *nyj***DATE:** November 18, 2011**ISSUE:** Airport FBO Lease Agreement

BACKGROUND: The Airport currently has a Lease/FBO Agreement with Gorge Aviation Services, LLC (GAS). The agreement was a five-year agreement that began on March 1, 2007 and ends on February 28, 2012. The Airport Board recommended that the City and the County negotiate a new lease with GAS. At that time GAS indicated that they were interested in signing a new lease, however the financial arrangements would need to change in order for them to sign an agreement that was financially feasible for them.

County Commissioner Dave Sauter and City Manager Nolan Young worked with GAS on the revised contract. The Airport Board has recommended that the City and County approve the attached agreement. Following is a summary of the agreement revisions:

1. Five-year agreement starting January 1, 2012.
2. Section 3 Leased Premises: We have clarified that there is not a specific requirement to operate a restaurant. We have removed the large maintenance hangar, which is addressed in item 3 below. And added T-Hangars B8 and 9 for airport maintenance until a new maintenance hangar as described in Section 3B is available. There would be no rent charge for these hangars. The current rent for both hangars is \$530/month.
3. Section 3 B: This new section identifies that the lease for the large maintenance hangar (currently \$2350 paid to GAS) will be used to construct a new maintenance hangar utilizing a ten-year loan. The hangar will be available to GAS for full time aircraft maintenance.

4. Section 4: Term: We have added a provision that the agreement will be opened for negotiations if the tenant isn't providing full time aircraft mechanic services as required in Section 10.
5. Section 6: Rent: We are currently charging \$3,300 per month rent of which \$2350 the tenant gets back by lease of the large maintenance hangar. This is changed to \$1/year with the lease of the large maintenance hangar going toward the building of the new building, which the Airport will own. We have also changed the provision where the tenant now receives the revenue from the tie-down and parking fees they collect.
6. Section 10: Use of Premise: Lessee is no longer required to provide a courtesy car. They are required to provide access to rental car service provide by others. We have clarified that tenant is required to provide full time aircraft maintenance by a certified aircraft mechanic.
7. Section 21: It is clarified that any sublease currently in place may continue.
8. Section 31: Use of Airport: Added at the end is a sentence that clarifies the landlord will make reasonable attempt to require any construction activities on the runway to minimize closure of the airport.

BUDGET IMPLICATIONS: Under this new lease, the Airport will receive \$3300 per month less revenue from the current lease, which is \$39,600 per year. This revenue is mostly being made up by the revenue we will receive from the BPA Lease over the next two years. In addition the Airport will be losing \$530/month in the rental of two T-hangars until the new maintenance hangar is built. At the end of 10 years the Airport will own outright the new maintenance hangar.

COUNCIL ALTERNATIVES:

1. Klickitat County Commission and the City of The Dalles City Council authorize signature of the proposed FBO Lease Agreement.
2. Postpone recommendation on the FBO Lease Agreement to allow further negotiations on specific points of the agreement on which the Council has concerns.
3. Amend and then authorize signing the FBO Lease Agreement.

LEASE
BETWEEN
City of The Dalles, Oregon
Klickitat County, Washington
AND
Gorge Aviation Services, LLC.

TABLE OF CONTENTS	PAGE
1. <u>PARTIES</u>	1
2. <u>PURPOSE</u>	1
3. <u>LEASED PREMISES</u>	1
4. <u>TERM</u>	2
5. <u>HOLDING OVER</u>	2
6. <u>RENT</u>	2
7. <u>ADDITIONAL PAYMENT PROVISIONS</u>	3
8. <u>ALTERATIONS AND ADDITIONS</u>	3
9. <u>MAINTENANCE, REPAIR AND STORAGE</u>	3
10. <u>USE OF PREMISES</u>	4
11. <u>UNLAWFUL USE</u>	5
12. <u>UTILITIES</u>	5
13. <u>WASTE, QUIET CONDUCT, HAZARDOUS SUBSTANCES AND PROPERTY INSPECTION</u>	5
14. <u>STORMWATER DISCHARGE</u>	6
15. <u>RULES AND REGULATIONS</u>	6
16. <u>SECURITY</u>	6
17. <u>HOLD HARMLESS AND INDEMNIFICATION</u>	7
18. <u>INSURANCE</u>	7
19. <u>TAXES</u>	8

20. <u>INSPECTION, ACCESS AND NOTICE</u>	8
21. <u>ASSIGNMENT, SUBLETTING, SALE, AND ENCUMBRANCE</u>	9
22. <u>SURRENDER OF POSSESSION</u>	9
23. <u>DEFAULT</u>	10
24. <u>LANDLORD'S REMEDIES</u>	12
25. <u>TENANT'S REMEDIES</u>	13
26. <u>DISPUTES</u>	13
27. <u>RELOCATION OF HANGAR</u>	14
28. <u>DESTRUCTION</u>	15
29. <u>NON-DISCRIMINATION</u>	15
30. <u>OPERATION OF AIRPORT</u>	19
31. <u>USE OF AIRPORT FACILITIES</u>	20
32. <u>NOTICES</u>	22
33. <u>INVALID PROVISIONS</u>	22
34. <u>PROVISIONS</u>	22
35. <u>MECHANIC'S AND MATERIALMAN'S LIENS</u>	22
36. <u>WAIVER</u>	23
37. <u>MEMORANDUM OF LEASE</u>	23
38. <u>LEASE COUNTERPARTS</u>	23
39. <u>WRITTEN AGREEMENT</u>	23
40. <u>FURTHER ASSURANCES</u>	23
41. <u>CONSENTS</u>	23
42. <u>TIME</u>	24
43. <u>BINDING ON SUCCESSORS</u>	24

LEASE
BETWEEN
CITY OF THE DALLES, KLICKITAT COUNTY
AND
GORGE AVIATION SERVICES, LLC.
FOR THE USE OF THE UNDERGROUND FUEL FARM,
TERMINAL AND HANGAR AT THE
COLUMBIA GORGE REGIONAL/THE DALLES MUNICIPAL AIRPORT

1. **PARTIES**

Effective on **January 1, 2012**, the City of The Dalles, a municipal corporation of the State of Oregon, and Klickitat County, a municipal corporation of the State of Washington, acting solely in their proprietary capacity as the Lessor and not in any governmental capacity unless so stated, hereinafter referred to as "**Landlord**," and Tenant, an Oregon Limited Liability Company, hereinafter referred to as "**Tenant**," hereby mutually agree and promise as follows:

2. **PURPOSE**

The purpose of this Lease is to provide for the lease of those parcels of real property located at the Columbia Gorge Regional/The Dalles Municipal Airport, described in paragraph 3 of this Agreement, upon which Tenant intends to maintain and operate the underground fuel farm, terminal building and hangar. The Airport is owned by City of The Dalles and Klickitat County.

3. **LEASED PREMISES**

A. For and in consideration of the rent and faithful performance by Tenant of the terms and conditions and the mutual covenants hereof, Landlord does hereby lease to Tenant, and Tenant hereby leases from Landlord, subject to all easements and encumbrances of record, the following described property:

B. The ground floor of the terminal building, (including the restaurant area and the restrooms); the areas adjacent to the terminal building, including the landscaping and the automobile parking area; the fuel island, fuel pumps, dispensers, tanks and related equipment; including the office/work space and parking areas and ground surrounding the hangar; all tie down parking space areas; and the area where pilots/visitors park their vehicles which is described as the unpaved area east of the terminal building. T-hangar B-8 and B-9 for aircraft maintenance until new maintenance hangar described in Section 3B is available. Landlord agrees to use revenue from lease of Large Maintenance Hangar to the west of the terminal building to build a new maintenance hangar within one year. The size of the hangar will be determined by the amount of funds that can be obtained in a 10 year loan with annual debt payments not to exceed \$28,000 per year. This hangar will be available to the tenant as long as the full time aircraft maintenance as required in Section 10 is provided.

4. **TERM**

This Lease shall be for a term of five (5) years, and shall commence January 1, 2012, which date shall hereinafter be referred to as the "**Commencement Date**" of this Lease and

shall be considered to be day one of the original Lease Year, and shall terminate on December 31, 2017. However, Failure by Tenant to provide the mechanic services required in Section 10 (Use of Premises) for a period of more than 120 days or more will result in a requirement that Landlord and Tenant immediately commence negotiations for a new lease agreement, and in the event the parties cannot mutually agree upon the terms of a new lease agreement this lease agreement will terminate.

5. **HOLDING OVER**

In the event Tenant shall remain in possession of the Premises herein leased after the expiration of this Lease, such holding over shall not be deemed to operate as renewal or extension of this agreement and Lease, but shall only create a tenancy from month to month which may be terminated at any time by Landlord on thirty (30) days written notice.

6. **RENT**

Tenant shall pay Landlord the sum of \$1 per year for rent for the use of the leased premises during the term of this Lease in accordance with the following provisions. The first payment shall be made on the 1st day of January 2012, with a similar payment to be made on the 1st day of January thereafter. Tenant shall also pay Landlord a flowage fee in the sum of seven cents (.07) per gallon for all fuel pumped by Tenant at the Airport, with the flowage fee to be paid to Landlord by the 5th day of the following month for the fuel pumped during the previous month. Tenant shall receive the revenue from tie down and parking fees collected by the Tenant.

7. **ADDITIONAL PAYMENT PROVISIONS**

- A. Late Payments. In the event Tenant fails to pay to Landlord any amount payable under this Lease within thirty (30) days after such amount falls due, Tenant shall pay to Landlord interest on all unpaid amounts at a rate of one and one-half percent (1½%) per month, from the date said payment was due and payable until paid in full.
- B. Place of Payment. All rents and fees shall be made payable to the CITY OF THE DALLES, and shall be mailed by first class mail, postage prepaid, or personally delivered to City Hall, 313 Court Street, The Dalles, Oregon, 97058, or other addresses as may be designated in writing.

8. **ALTERATIONS AND ADDITIONS**

Tenant shall not make any material external alterations to, or erect any additional structures or make any material improvements on the Premises without prior written consent of the Landlord, which consent shall not be unreasonably withheld. Any external alteration or addition approved by Landlord shall be constructed at the sole expense of Tenant. Upon approval by Landlord of any such alteration or addition, Landlord shall notify Tenant whether such alterations made shall remain on and be surrendered with the Premises on expiration or termination of the term, or shall be removed from the Premises by Tenant at its sole cost and expense. If Landlord elects to require Tenant to remove any alterations, Tenant at its sole cost, shall remove such alterations and restore the Premises to the conditions existing immediately

prior to the addition of such alteration (reasonable wear and tear excepted) on or before the last day of the term of this Lease.

9. **MAINTENANCE, REPAIR AND STORAGE**

- A. Tenant shall, at its sole cost and expense throughout the term of this Lease, maintain the interior walls of the Premises in the condition at least equivalent to the condition it was in on the Commencement date of this lease. All painted interior surfaces and surfaces requiring treatment of any kind shall be maintained in at least as good condition as they exist at the beginning of this lease and shall be repainted or treated as often as reasonably required in the sole discretion of Tenant. All maintenance, repairs, and replacements shall be of a quality substantially equal to the original materials and workmanship.
If the Tenant fails to comply with the terms of this lease, then upon written notice by Landlord, Tenant shall perform the maintenance required by this lease. If said maintenance is not undertaken and diligently pursued by Tenant within thirty (30) days after receipt of written notice, Landlord shall have the right to enter upon the Premises and perform such necessary maintenance, the cost of which shall be reimbursed by Tenant to Landlord as additional rent, without offset, upon Tenant's receipt of Landlord's request for said reimbursement.
- B. Except for the Tenant's responsibilities set out in paragraph 9(A) above, Landlord shall be responsible for the maintenance and repair of the leased Premises. By way of example but not limitation, Landlord shall be responsible for all maintenance and repairs related to the installed fuel farm, pumps and dispensers, except for repair or replacement of damage caused by an act or abuse or negligence committed by Tenant or any of Tenant's employees or agents. All repairs to the Premises related to the structure, foundation, roof, exterior walls, electrical system, plumbing and sewer systems, heating and air conditioning that exist on the Premises at the start of the lease, shall be the sole responsibility of the Landlord.

10. **USE OF PREMISES**

Except as otherwise provided herein, Tenant shall use the Premises for the non-commercial and commercial use of aircraft and related services and materials related to the use, sale, storage, maintenance and repair of such aircraft, including but not necessarily limited to, flight planning, flight training and study, and other mechanical and clerical functions associated with the use, storage, maintaining, owning, flying, leasing, chartering and maintaining currency of aircraft and pilots without limitations; operation of the installed fuel farm including the following required minimum services: full service Jet A and 100LL seven days per week, jet fuel truck, catering services, access to rental car services provided by others, pilot supplies, snacks and coffee, flight instruction, aircraft rental for flight school, airport advisories over the Unicom radio, start cart, and generator. Tenant may, but is not required to, use the Premises for activities related to leasing, renting, sales, chartering airplanes and trips and all other uses related in any manner to those activities reasonably related to providing services to the aviation community and

surrounding geographic area. Tenant shall provide full time aircraft maintenance by a certified aircraft mechanic, commencing January 1, 2012.

11. **UNLAWFUL USE**

No building, structure, or improvements of any kind shall be erected, placed upon operated or maintained on the Premises, nor shall any business or operation be conducted or carried on in violation of any applicable ordinance, law, statute, by-law, order, or rule of any governmental agency.

12. **UTILITIES**

Tenant shall pay, on Tenant's own account, for all utilities used or consumed on the Premises, including but not limited to, electricity, garbage disposal, sanitary storm, janitorial services, and telephone services. Landlord shall reimburse Tenant for utilities used in the second story of the terminal building. The amount of that reimbursement shall be one half of Tenant's cost of utilities, water and sewer for the Terminal building.

13. **WASTE, QUIET CONDUCT, HAZARDOUS SUBSTANCES AND PROPERTY INSPECTION**

Tenant shall not commit, or suffer to be committed, any waste upon the Premises. Tenant shall at all times comply with all applicable laws, rules and regulations of federal, state or local governmental agencies. Tenant shall not permit any activity on the Premises which directly or indirectly produces unlawful amounts or levels of air pollution (gases, particulate matter, or smoke), water pollution, noise, glare, heat emissions, radioactivity, electronic or radio interference with navigational and communication facilities for the operation of the Airport and its use by aircraft, trash or refuse accumulation which is hazardous or dangerous by reason or risk of explosion or fire.

- A. **Condition of the Premises.** Except as otherwise expressly stated in this Lease, the Premises are conveyed in an "as is" physical condition with no warranty, express or implied, on the part of Airport as to the condition of the existing improvements, the condition of the soil or the geology of the soil.

14. **STORMWATER DISCHARGE** Tenant shall assure that no pollution or hazardous material, as defined in Section 13. Waste, Hazardous Substances, of any type will be discharged by Tenant into the stormwater system at the Columbia Gorge Regional/The Dalles Municipal Airport, and shall be held responsible for any such discharge either by Tenant or by any of Tenant's subtenants, agents, or employees, during the entire term of this Lease. Any fine or cost of remedial action required of the Landlord as a result of Tenant's activities, by any agency or agencies having jurisdiction there over, as a result of actions on or discharges from the Premises, will be charged to Tenant, and Tenant shall reimburse Landlord for these costs upon demand. In addition, any discharge of pollutants or hazardous materials, as defined herein, on or from the Premises shall be considered a default of this Lease and shall be grounds for its termination. Tenant shall have no liability for any pollution or hazardous material and/or equipment present, including but not limited to the fuel farm, on the Premises at the Commencement Date of this lease, or its discharge from the Premises at any time and Landlord shall reimburse Tenant for all

costs Tenant incurs related to any pollution or hazardous materials or equipment located on, in or under the Premises as a result of the actions and/or omissions of anyone other than Tenant.

15. **RULES AND REGULATIONS**

Tenant agrees to observe and obey all policies, rules, and regulations promulgated and enforced by Landlord and any other appropriate authority having jurisdiction over the Columbia Gorge Regional Airport and the Premises described in this Lease, during the term of this Lease.

16. **SECURITY**

If at any time during the term of this Lease, additional security requirements are imposed on the Airport by the FAA or any other agency having jurisdiction over Airport, Tenant agrees to comply with said security requirements upon being notified of such requirements in writing by Landlord. If the cost of such security requirements exceeds \$500.00 the Landlord shall be responsible for the total of such costs. If Landlord is fined by FAA for a security violation caused by intentional negligence of Tenant, or any of Tenant's sub-tenants, Tenant shall reimburse Landlord upon demand.

17. **HOLD HARMLESS AND INDEMNIFICATION**

Tenant shall indemnify, defend, save, protect, and hold harmless the Landlord, its officers, agents and employees from any and all claims, costs, and liability, including reasonable attorneys' fees, for any damage, injury, or death, including without limitation all consequential damages from any cause whatsoever, to persons or property arising directly or indirectly from or connected with Tenant's performance of its operations, the acts, errors or omissions of Tenant, its agents, contractors, guests, or employees, or the use and possession of the Premises, by Tenant, its agents, contractors, guests, or employees, save and except claims or litigation arising through (and only to the extent of) the sole negligence or willful misconduct/omission of the Landlord, its officers or employees, and, if required by the Landlord, will defend any such actions at the sole cost and expense of the Tenant.

18. **INSURANCE**

Tenant shall at all times carry and maintain liability insurance in a company or companies rated in the current edition of Best's General Ratings as at least A (Excellent) or better, and Financial Size category of not less than Class X, or better, or in such other company or companies not so rated which may be acceptable to Landlord, insuring Tenant against all claims for damages for personal injury, including death, and against all claims for damage and destruction of property, which may arise by the acts of negligence of the Tenant, its agents, employees, or servants, in accordance with the coverage limits set forth below. The Landlord and the Regional Airport Board shall be named in all such policies as an additional insured. The policies shall provide that the policies cannot be canceled without the company first giving Landlord at least thirty (30) days written notice.

Coverage shall be provided with the following limits:

Airport Premises Liability*	\$2,000,000 combined single limits
*coverage must include entire Airport premises and not be limited to leased premises	
Hangarkeeper's Liability*	\$100,000 per aircraft per occurrence
*coverage must include entire Airport premises	
Fire legal or Tenant Legal coverage	\$50,000
On-Airport Premises Automobile Liability	\$2,000,000 combined single limits
Products/Completed Operations	\$2,000,000 combined single limits
Contractual Liability*	\$2,000,000 combined single limits covering the lease agreement
*coverage must be listed by endorsement on policy and included on certificate of insurance	
Worker's Compensation*	Statutory Coverage
*Coverage needs to provide a waiver of subrogation in favor of the City, County, and Regional Airport Board	

19. **TAXES**

Tenant agrees to pay before delinquency all personal taxes, assessments, license fees, and other charges which are levied and assessed upon Tenant's personal property installed or located in or on the Premises by Airport, or other legally authorized governmental authority. Landlord shall pay all real property or other taxes related to the Premises imposed by Klickitat County or any other governmental authority upon the Premises, except that Tenant will pay property taxes for Large Maintenance Hangar.

20. **INSPECTION, ACCESS AND NOTICE**

Landlord and any of its agents shall at any time upon reasonable notice to Tenant have the right to go upon and inspect the Premises and Improvements, erected or constructed, or in the course of being erected or constructed, repaired, added to, rebuilt or restored thereon. Landlord shall have the right to serve or to post and to keep posted on the Premises, or on any part thereof, any notice permitted by law or by this Lease, any other notice or notices that may at any time be required or permitted by law or by this Lease. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, or other damages arising out of Landlord's entry on the Premises as provided in this Section.

21. **ASSIGNMENT, SUBLETTING, SALE, AND ENCUMBRANCE**

Tenant shall not sublease, sell, voluntarily assign, or encumber its interest in this Lease, in the Leased Premises, or allow any other person or entity (except Tenant's authorized representatives) to occupy all of the Premises, without first obtaining Landlord's written consent, which consent shall not be unreasonably withheld. If a response is not received within 15 working days, Tenant may assume that the request has been approved. Any such assignment, encumbrance, sale, or sub-lease by Tenant without Landlord's prior written consent shall be voidable and, at Landlord's election, shall constitute a default of this Lease. No consent to any assignment, encumbrance, sale, or sub-lease shall constitute a further waiver of the provisions of this Section or of the Lease. Irrespective of the foregoing, it is agreed that Tenant may, without any further prior consent of Landlord, sublease portions of the Terminal building for the use of restaurant or aviation activities, and the Tenant may sublease portions of the Hangar not being used for aircraft maintenance to other sublessees' at Tenant's discretion. Any sublease currently in place may continue without additional approval.

22. **SURRENDER OF POSSESSION**

Title to all Improvements permanently constructed by Tenant upon the Premises, and all alterations or additions thereto required by Landlord to remain, shall transfer to Landlord upon the expiration, cancellation, or other earlier termination of this Lease.

Title to personal property belonging to Tenant shall at all times during the term of this Lease, or any extension thereof, remain in Tenant, and Tenant shall have the right at any time to remove any or all personal property of every kind and nature whatsoever which Tenant may have placed, affixed, or installed upon the Premises, provided that upon Tenant's removal of such personal property, Tenant restores the Premises to its original condition. Tenant shall have the right to remove same provided that upon any such removal, Tenant shall repair, at its own expense, any damages resulting therefrom and leave the Premises in a clean and neat condition, with all other improvements in place.

If tenant elects to remove improvements, this must be done within ninety (90) days after termination or cancellation. If tenant fails to remove improvements, Landlord may take possession of premises. If Tenant fails to remove or surrender the Premises to Landlord on expiration or ninety (90) days after termination or cancellation of the Lease as required by this Section, Tenant shall defend, indemnify, and hold Landlord harmless from all claims, liability, costs, and damages resulting from Tenant's failure to surrender the Leased Premises, including without limitation, claims made by a succeeding lessee or sub-lessee.

23. **DEFAULT**

The occurrence of any of the following shall constitute a default by Tenant:

- A. Failure to pay rent when due, if the failure continues for thirty (30) days after written notice has been given to Tenant.
- B. Abandonment and vacation of the Premises. Failure to occupy and operate the Premises for thirty (30) consecutive days during any period shall be deemed an abandonment and vacation of the Premises.

- C. Failure to undertake maintenance required of Tenant under the terms of this Lease, if the failure continues for thirty (30) days after written notice has been given to Tenant, unless a serious safety matter exists, in which case Tenant shall have ten (10) days from receipt of such written notice to commence repairs. However, Tenant shall be deemed to have complied with the terms of this requirement if it commences repairs within the stated time and proceeds to complete the repairs in due diligence.
- D. Insolvency, and adjudication of Tenant as bankrupt, or the loss of possession of the Premises, or any portion thereof, by virtue of any attachment, execution or receivership, if the bankruptcy proceedings are not terminated in Tenant's favor within, or the insolvency of the loss of possession continues for, sixty (60) days thereafter.
- E. Assignment for the benefit of creditors.
- F. Failure to comply with any of the provision of Section 29.A. Non-Discrimination.
- G. Failure to perform any other provision of this Lease if the failure to perform is not cured within thirty (30) days after written notice has been given to Tenant.
- H. In any case in which a default cannot reasonably be cured within the period provided for such herein, Tenant shall not be in default of this Lease if Tenant commences to cure the default within the period in which Tenant may cure such default and diligently and in good faith continues to cure the default. Tenant shall commence and diligently and in good faith prosecute the cure of any safety hazard immediately upon Tenant's acquisition of actual knowledge of the existence of such safety hazard.
- I. Written notices given under this Section shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this Lease or pay the rent that is in arrears, as the case may be, within the applicable period of time, or quit the Premises. No such notice shall be deemed a forfeiture or a termination of this Lease unless Landlord so elects in the notice.

24. **LANDLORD'S REMEDIES**

Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law or equity.

- A. Landlord can terminate this Lease and Tenant's right to possession of the Premises. No act by Landlord, other than giving written notice to Tenant, shall terminate this Lease. Acts of maintenance, efforts to re-let the Premises, or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. In the event Landlord elects to terminate this Lease because of a default arising under Section 23. Default, Subsections D. or E., this Lease shall not be treated as an asset of Tenant.
- B. Landlord, at any time after Tenant commits a default, can cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by

Landlord shall be due from Tenant to Landlord immediately from the time the sum is paid upon notice given by Landlord to Tenant, and if paid by Tenant at a later date, shall bear interest at a rate of twelve percent (12%) per annum from the date the sum is paid by Landlord until Landlord is completely reimbursed by Tenant. The sum, together with interest on it, shall be additional rent.

- C. Upon termination by default by Tenant, Landlord has the right to recover from Tenant any amount and court cost necessary to compensate Landlord for all actual costs incurred by Landlord caused by Tenant's improper termination of lease.

25. **TENANT'S REMEDIES**

Tenant shall have the following remedies if Landlord fails to fulfill its obligations under this lease or Landlord terminates this lease without a default by Tenant. These remedies are not exclusive; they are cumulative and in addition to any remedies now or later allowed by law or equity. If Landlord terminates this Lease during its term for convenience, eminent domain, or other purposes except by default by Tenant, the Tenant has the right to recovery and be full reimbursed at fair market value at the time of termination for all the improvements on the land made by Tenant. All terminations of any kind must be in writing. In the event Landlord elects to terminate this Lease, it will be treated as an asset of Tenant. On termination, except by default by Tenant, Tenant has the right to recover from Landlord any amount and court costs necessary to compensate Tenant for all detriment proximately caused by Landlord's termination of lease. The above remedies shall not apply in the event the Landlord relocates the hangar pursuant to Section 27. Relocation of Hangar or the U.S. Government exercises rights pursuant to Section 29.C.5. Non-Discrimination, Development of Premises.

26. **DISPUTES**

- A. Any controversy or claim arising out of or relating to this lease or the breach thereof, if not resolved by the parties within 15 days, shall be submitted to an experienced mediator who shall promptly initiate formal, non-binding mediation of the dispute for up to five (5) business days before an action is initiated in Court. The parties shall mutually select the mediator and shall mutually share the costs of the mediator. If, during the mediation, a party makes a written offer of compromise to another party which is not accepted by said party and the refusing party fails to obtain a more favorable judgement, the refusing part shall pay the offering party all costs and expenses, including reasonable attorney's fees, incurred from the time the offer is refused, notwithstanding any other provisions of this lease governing costs and expenses.
- B. This lease shall be enforceable solely in Wasco County Oregon or Klickitat County Washington if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein.

27. **RELOCATION OF TERMINAL BUILDING**

If at any time during the term of this lease, the Landlord requires that the terminal building be relocated to another portion of the airport, all costs of relocation will be paid for by the Landlord. If at any time during the term of this lease any building is constructed on the

Airport, including but not limited to, a new FBO style and/or terminal style building and owned by the Airport or the City of The Dalles or Klickitat County, the Tenant shall have the first right to lease such building(s). If a new FBO style and/or terminal style building is constructed on the airport during the term of this lease Tenant shall have the option to terminate this lease by providing 60 days notice of such election to Landlord. Landlord shall have no such right to terminate this lease.

28. **DESTRUCTION**

If a substantial portion of the Improvements on the Premises are damaged or destroyed in the amount of at least twenty-five percent (25%) of the replacement cost of construction, Tenant shall have the option to either terminate this Lease or to replace and rebuild the Improvements and structures so they are in substantially the same condition as they were in immediately before damage or destruction. Tenant shall give written notice of such election to Landlord within forty-five (45) days of the date of the loss or destruction of the Improvements and structures. If Tenant elects to terminate this Lease under this Section, this Lease shall terminate. If Tenant elects to rebuild, rent will be abated in an amount proportional to the damage for a period not to exceed three (3) months from date of such written notice.

29. **NON-DISCRIMINATION**

A. **Non-discrimination**

- (1) The Tenant for itself, its heirs, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Premises described in this lease agreement for a purpose for which a Department of Transportation ("**DOT**") program or activity is extended or for another purpose involving the provision of similar services or benefits, the Tenant shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, DOT, Sub-title A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.
- (2) The Tenant for itself, its successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that: 1) no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to, discrimination in the use of said facilities, 2) that in the construction of any improvements on, over, or under the Premises and the furnishing of services thereon, no person on the grounds of race, color, sex, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination, and 3) that the Tenant shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, DOT, Sub-title A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted

Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

- (3) In the event of breach of any of the above non-discrimination covenants, Landlord shall have the right to terminate this Lease agreement and to re-enter and repossess said Premises and the facilities thereon, and hold the same as if said lease agreement has never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.
- (4) Noncompliance with Subsection 29.A above shall constitute a material breach thereof and, in the event of such noncompliance, Landlord shall have the right to terminate this Lease and the estate hereby created without liability thereof or, at the election of the City or County or the United States, either or both said Governments shall have the right to judicially enforce the provisions of said Subsection 29.A.

B. Airport Use and Development

- (1) The Landlord reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires or view of the Tenant and without interference or hindrance.
- (2) The Landlord reserves the right, but shall not be obligated to the Tenant to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of the Tenant in this regard. If the landing area of the Airport become unusable by aircraft for any reason Tenant shall have the right to terminate this lease at no cost or further liability to Tenant.
- (3) This Lease shall be subordinate to the provisions and requirements of any existing or future agreement between the Landlord and the United States, relative to the development, operation, and maintenance of the Airport.
- (4) There is hereby reserved to the Landlord, its successors, and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the Premises herein leased. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through said airspace or landing at, taking off from, or operation on the Columbia Gorge Regional/The Dalles Municipal Airport.
- (5) Any physical taking of the subject Premises for use by the Landlord, other than as provided herein, shall be considered a taking pursuant to the governmental power of eminent domain

C. Development of Premises

- (1) Tenant agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulation in the event future construction of a building is planned for the Leased Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Leased Premises.

- (2) Tenant agrees that it will not erect nor permit the erection of any structure or object, nor permit the growth of any tree on the Leased Premises to exceed the established height contours. In the event the aforesaid covenants are breached, the Landlord reserves the right to enter upon the Leased Premises hereunder and to remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Tenant.
- (3) Tenant, by accepting this Lease, agrees that it will not make use of the Leased Premises in any manner which might interfere with the landing and taking off of aircraft from Columbia Gorge Regional/The Dalles Municipal Airport or otherwise constitute a hazard. In the event the aforesaid covenant is breached, Landlord reserves the right to enter upon the Premises hereby leased and cause the abatement of such interference at the expense of Tenant.
- (4) It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).
- (5) This Lease and all the provisions hereof shall be subject to whatever right of the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation, and taking over of the Columbia Gorge Regional Airport by the United States during the time of the war or national emergency.

30. **OPERATION OF AIRPORT**

- A. **Aviation Hazards.** Landlord reserves the right to take any action it considers necessary to protect the aerial approaches of the Columbia Gorge Regional Airport against obstructions, together with the right to prevent Tenant from erecting or permitting to be erected any building or other structure on the Premises which, in the opinion of Landlord or the Federal Aviation Administration, would limit the usefulness of the Airport or constitute a hazard to aircraft.
- B. **Navigational Aids.** Landlord reserves the right during the term of this Lease or any renewal and/or extension thereof to install air navigational aids including lighting, in, on, over, under, and across the Premises in the exercise of any of the rights hereof. Landlord agrees to give Tenant no less than ninety (90) days written notice of its intention to install such air navigational aids.

31. **USE OF AIRPORT FACILITIES**

- A. Tenant, shall have the rights of access to and use of all areas and facilities of the Columbia Gorge Regional/The Dalles Municipal Airport which are intended for the common use of all Tenants and occupants of the Airport, including but not limited to the take-off and landing areas, taxi areas, reasonable access thereto

from the Premises, and air control facilities. Such areas and facilities are hereinafter referred to collectively as the "**Airport Facilities**".

- B. For the purposes of this Subsection, the following definitions shall apply:
- (1) "**Airplanes or Aircraft**" shall mean airplanes and/or aircraft of any type, including but not limited to, fixed wing, helicopters, unmanned aerial vehicles and blimps which use the runways at the Airport and can take off and land at the Airport as of the commencement date of this Lease and which use the Premises.
 - (2) "**Use**" shall mean any use consistent with the use as described in Section 10. Use of Premises, of this Lease.
 - (3) "**Wholly unusable**" shall mean that there is no reasonable access for airplanes from the Premises to the runways at the Airport or that all runways at the Airport are reasonably unusable by airplanes.
 - (4) "**Partially Unusable**" shall mean the runways and related facilities and landing areas are restricted to the extent that neither Tenant nor Tenant's subtenants can make reasonable use of the Premises for the stated purposes of the Lease for a period of at least sixty (60) days.

If the Airport becomes Wholly or Partially Unusable by Tenant for any reasons, including, but not limited to, Casualty as set out in Section 28, but excluding weather, the provisions of this Subsection shall govern.

After sixty (60) days during which the Airport becomes Wholly Unusable, Tenant shall be permitted to fully abate rent otherwise payable under this Lease upon written notice given by Tenant to Landlord . If the Airport shall be Wholly Unusable for a period of six (6) months or more, Tenant may terminate this Lease on written notice to Landlord. In such event, Landlord shall not be responsible for the reimbursement of the value of Tenant's personal property or improvements to Tenant.

In the event the Premises become Partially Unusable, Tenant shall be entitled to a prorata reduction in rent based on the percentage of Tenant's loss of income in relation to the rent payable under this Lease for the period of time during which the runways and related facilities and landing areas are Partially Unusable. Landlord will make reasonable attempt to require that any construction activities on the runways minimizes closure of the Airport.

32. NOTICES

Any and all notices given under this Lease, or otherwise, may be served by enclosing same in a sealed envelope addressed to the party intended to receive same, at its address, and deposited in the United States Post Office as certified mail with postage prepaid. When so given, such notice shall be effective forty-eight (48) hours from the date of the mailing of the same. For the purposes thereof, unless otherwise provided in writing by the parties hereto, the address of Landlord, and the proper party to receive any such notices on its behalf is:

City Manager
313 Court Street
The Dalles, OR 97058

and the address of Tenant is:

Gorge Aviation Services, LLC.
17786 NW Elkcrest Court
Portland, OR 97229

33. **INVALID PROVISIONS**

It is expressly understood and agreed by and between the parties hereto that in the event any covenant, condition, or provision contained herein is held to be invalid by a court of competent jurisdiction, such invalidity shall not invalidate any other covenant, condition, or provision of this Lease, provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either Landlord or Tenant in their respective rights and obligations contained in the valid covenants, conditions, and provisions of this Lease.

34. **PROVISIONS**

All provisions, whether covenants or conditions, on the part of Tenant and/or Landlord shall be deemed to be both covenants and conditions.

35. **MECHANIC'S AND MATERIALMAN'S LIENS**

Neither Tenant nor Landlord shall permit any mechanic's, materialman's, or other lien against the Premises or the property of which the Premises forms a part in connection with any labor, materials, or services furnished or claimed to have been furnished. If any such lien shall be filed against the Premises or property of which the Premises forms a part, the party charged with causing the lien will cause the same to be discharged, provided, however, that either party may contest any such lien, so long as the enforcement thereof is stayed.

36. **WAIVER**

The waiver by Landlord of performance by Tenant of any covenant, term, or condition of this Lease shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

37. **MEMORANDUM OF LEASE**

A Memorandum of Lease shall be prepared by Landlord and shall be executed and recorded by the parties hereto. This will be in lieu of recording the entire instrument.

38. **LEASE COUNTERPARTS**

This Lease may be executed in one or more counterparts, each of which shall be deemed a duplicate original, but all of which together shall constitute one and the same instrument.

39. **WRITTEN AGREEMENT**

Neither party has relied on any promise or representation not contained in this Lease. All previous conversations, negotiations, and understandings are of no further force or effect. This Lease may be modified only in writing signed by both parties. The headings of the paragraphs

are for convenience only and are not a part of this Lease; nor shall they be considered in construing the intent of this Lease.

40. **FURTHER ASSURANCES**

Whenever and so often as requested to do so by the other party, Landlord and Tenant will promptly execute and deliver, or cause to be executed and delivered, all such further assurances, documents, or instruments and will promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to carry out, give effect to, and comply with the terms and intent of this Lease.

41. **CONSENTS**

Whenever consent is required, it shall not be unreasonably withheld.

42. **TIME**

Time is of the essence of each and every provision of this Lease.

43. **BINDING ON SUCCESSORS**

The covenants and conditions herein contained shall, subject to the provisions as to assignment, apply to and bind their heirs, successors, executors, administrators, and assigns of all the parties hereto.

SIGNATURES

CITY OF THE DALLES

By _____
Nolan K. Young, City Manager

APPROVED AS TO FORM

By _____
Gene Parker, City Attorney

**BOARD OF COUNTY COMMISSIONERS
KLICKITAT COUNTY, WASHINGTON**

Chairman

Commissioner

Attest: _____
Clerk of the Board

Atport/FBO
111811

ATTEST

By _____
Julie Krueger, City Clerk, MMC

GORGE AVIATION SERVICES, LLC

Member

Commissioner

APPROVED AS TO FORM

By _____
Lori Hctor, Klickitat County PA



AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
December 12, 2011	Action Items 12, C	11-113

TO: Mayor and City Council

FROM: Nolan K. Young, City Manager *NKY*

DATE: November 28, 2011

ISSUE: Greyhound Bus Lines Curbside Lease at Downtown Transportation Center

BACKGROUND: Since September 2010, the City has had a month-to-month lease with Greyhound Bus Lines for \$300/month for curbside service at the Transportation Center. Greyhound has been providing bus service from this location for over 15 years. They previously had provided ticket services through programs that left the facility in 2010.

In December 2010, the City Council signed a two-year lease for the Veteran's Service Office at the City's Transportation Center at 1st and Federal. At the November 14th City Council meeting a volunteer at the Veterans Service Office expressed concerns about the Greyhound busses stopping several times a day at the location of the Veterans Service Office. Among other things she was concerned about personal safety from irate customers that expected Greyhound ticket service beyond that provided by the bus drivers. Attached is a copy of the Council Minutes.

After some discussion the Council directed staff to monitor Greyhound's relocation efforts and to bring the issue back to the City Council in December to determine if additional action was necessary. Greyhound has been trying to find a new location since the curbside lease was signed over a year ago. They have been unsuccessful to date. City staff has given some options to them to further consider and expressed the City's desire that they aggressively search for a new location.

The current lease with Greyhound can be terminated by either party with a 30-day notice. Staff would be concerned about not giving Greyhound a longer amount of time in which to find at least a temporary location should Council decide to terminate the lease.

BUDGET IMPLICATIONS: The City \$300/month from Greyhound for the curbside lease. If the lease were terminated those funds would no longer be available to the City. The County in lieu of rent for the Veterans Services Office painted the interior, installed new carpet and maintains the public restroom including providing paper products.

COUNCIL ACTION:

Give staff further direction regarding the lease with Greyhound at the Transportation Center.

MINUTES (Continued)
Regular Council Meeting
November 14, 2011
Page 2

AUDIENCE PARTICIPATION

Pat Combs, 733 Lee Street, The Dalles, said she was a volunteer at the Veteran's Service Office and wanted the City Council to know that it was a problem to have the Greyhound buses stopping there several times each day. She said some people were belligerent and angry with the staff and she was concerned about personal safety. Mrs. Combs said she was also concerned that the people going in and out of the building during the winter would be very hard on the carpet.

City Manager Young said staff had been in contact with Greyhound and they were looking for a different place for their bus stop but he was reluctant to cancel the lease, saying the City was receiving \$300 for the curbside lease. He said staff would continue to encourage Greyhound to find a new location.

It was the consensus of the Council to direct staff to monitor their relocation progress and to bring back to Council in December to determine whether additional action was necessary.



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 #
December 12, 2011	Action Item 13, D	11-108

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

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

DATE: November 29, 2011

ISSUE: Authorization to receive additional American Recovery and Reinvestment Act of 2009 (ARRA) Funds

CITY COUNCIL GOALS: NA

PREVIOUS AGENDA REPORT NUMBERS: Agenda Staff Reports #07-058, #07-096, #08-007, #08-040, #09-021 and #09-028; memorandum titled "Failure and Replacement of cast iron pipe" dated October 26, 2011.

BACKGROUND: The City was previously awarded federal funding authorized by the American Recovery and Reinvestment Act of 2009 (ARRA) for the construction of the new Terminal Reservoir. While the new reservoir has been constructed, it is not yet on line as it has been determined that an additional existing cast iron water main needs to be replaced to accommodate the increased water pressures. Information related to the needed pipeline replacement was distributed to Councilors on October 28, 2011 in a memorandum from the City Manager (copy attached).

The design of the new pipeline is currently underway. Staff is estimating that the cost of the pipeline replacement may be about \$750,000. The City currently has about \$410,000 in unspent ARRA loan funds available from the original project funding. The City has been offered an additional \$400,000 in ARRA loan funds at the same terms of the original loan (3% interest over 20 years) to help fund the pipeline replacement. This report seeks authorization from City Council to accept the additional loan funds.

BUDGET IMPLICATIONS: Acceptance of the additional loan funds will help pay for the needed cast iron pipe replacement without the use of limited Water Reserve funds currently allocated for the future repainting of Sorosis Reservoir. If the additional funds are accepted, the annual debt payment of the ARRA loans would increase by about \$27,000/year, from \$200,894 to \$227,779 per year.

RECOMMENDATIONS:

1. Staff Recommendation: Authorize the acceptance of up to \$400,000 in additional ARRA loan funds to pay for replacement of existing cast iron pipe and complete the Terminal Reservoir Construction project.
2. Deny authorization to accept additional ARRA loan funds and pay for the cast iron pipe replacement from existing Water Reserve funds.



CITY OF THE DALLES
Department of Public Works
313 Court Street
The Dalles, Oregon 97058

MEMORANDUM

TO: Honorable Mayor and City Council

DATE: October 26, 2011

FROM: Nolan Young, City Manager *NJ*

RE: Failure and Replacement of cast iron pipe

As you recall, a section of 16-inch diameter cast iron water main experienced a catastrophic failure near 806 East 20th Street on May 26, 2011. The failure occurred while the contractor was pumping water to the new Terminal Reservoir for the first time. Review of operational and telemetry information indicates that there was nothing that caused a “water hammer” or temporary high pressure event in the system above what the new normal system pressures would be with the new reservoir on line. Actions that can cause water hammers include such things as opening or closing a valve too quickly or turning a pump on or off. After failure of the pipe, the new reservoir was taken off line and staff immediately began an investigation to determine the cause of the failure; the reservoir remains off line at this time.

One of the primary purposes of the Terminal Reservoir project is to increase water pressures in the higher elevations of the City. The design of the project included measures to control the increased pressure as 7 new mainline pressure regulating valves (PRVs) and about 270 individual residential PRVs were installed as part of the project.

The existing 16-inch diameter mainline that carried water from Sorosis Reservoir to the eastern portions of the community was made up of various types and ages of pipes. It was believed that the existing sections of concrete pipe would not be able to handle the new increased pressures and it was all replaced as part of the project – a total of 7,200 feet of 16-inch pipe. However, based upon record information available, it was believed that about 4,600 feet of existing 16-inch cast iron pipe would be able to handle the new pressures and was not replaced. It was a section of the cast iron pipe that failed on May 26.

On June 3, following the failure, the ruptured section of cast iron pipe was sent to Professional Service Industries (PSI), a national engineering, consulting and testing firm, for laboratory evaluation in an attempt to determine the cause of the failure and estimate the actual pressure rating of the pipe. PSI provided a report on June 19, 2011 indicating that the pipe that failed was “very sound” and “in good condition.” The report also identified a pinhole leak in the pipe that was determined to be the “most probable point of failure initiation”, the point where the rupture started.

The PSI report with all test results was forwarded to Kennedy Jenks Consultants, the design engineers for the Terminal Reservoir project. Kennedy Jenks conducted a review of available information in an attempt to determine the pressure rating for the old cast iron pipe. The results of their evaluation were inconclusive due to variations in pipe wall thicknesses and borderline metallurgical results. Kennedy Jenks provided a draft report to the City dated July 12, 2011 in

which they recommended collection and analysis of additional pipe samples in the area; the final report was dated August 3, 2011.

With receipt of the draft report and recommendations, staff contracted with Crestline Construction to obtain pipe samples from 4 different locations along the remaining cast iron pipe route. The samples were obtained and delivered to PSI for analysis on August 11. PSI submitted a report to the City on August 18, 2011 summarizing the results of its metallurgical tests which staff immediately forwarded to Kennedy Jenks.

Kennedy Jenks completed their evaluation of all the metallurgical data and provided a report back to the City dated October 14, 2011. In that report, Kennedy Jenks recommended replacement of the remaining sections of cast iron pipe. Staff reviewed the report, concurred with the recommendations, and gave Kennedy Jenks authorization to proceed with design engineering for replacement of the rest of the cast iron pipe on October 17.

To date, the City has a balance of about \$410,000 in uncommitted American Recovery and Reinvestment Act (ARRA) loans for the Terminal Reservoir project. At this time, and prior to having any engineer's estimated cost of construction for the additional pipeline, staff is estimating that the cost to design and replace the additional 16-inch cast iron may be about \$750,000. Staff has requested additional ARRA loan funds to complete the project. The Oregon Business Development Department today awarded an additional \$400,000 at 3% interest, the same terms as the existing ARRA loan.

As the design proceeds, it is anticipated that staff will be bringing two issues to City Council for consideration over the next month or so – authorization for a change order to replace the existing 16-inch cast iron pipe as part of the Terminal Reservoir Construction Project, and authorization to accept additional ARRA loan funds.



AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
December 12, 2011	Action Items 13, E	11-111

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney

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

DATE: November 30, 2011

ISSUE: Adoption of Resolution No. 11-031, approving a rate increase resulting from increased landfill disposal costs incurred by The Dalles Disposal Service, Inc.

RELATED CITY COUNCIL GOAL: None

PREVIOUS AGENDA REPORT NUMBERS: #11-104.

BACKGROUND: The Dalles Disposal submitted a request to the City to consider granting an increase averaging approximately 2.2% in the rates charged by the company for solid waste and recycling services, to be effective January 1, 2012. The increase was requested due to increased operational costs and tip fees. A portion of the rate increase was requested due to a disposal increase for the landfill to be imposed by Wasco County, and a pass through Household Hazardous Waste tax of 3% as of January 1, 2012.

On November 28, 2011, the Council conducted a public hearing to allow for testimony concerning the requested rate increase. The Council heard testimony from representatives from The Dalles Disposal Service concerning the reasons for the requested rate increase, and also heard testimony from citizens expressing concerns about the potential financial hardship of any increase in the rates charged by The Dalles Disposal. The Council determined that the increase associated with the increased costs of disposal of waste material at the Wasco County Landfill

was necessary and appropriate. The Council determined not to approve the balance of the requested rate increase at this time, primarily because of the concerns of the potential negative financial impact upon certain citizens of the City. The Council indicated that it would be willing to re-examine the issue of a rate increase for other operational costs for The Dalles Disposal Service in April, 2012.

BUDGET IMPLICATIONS: As a result of the approved rate increase, the City will probably receive a modest increase in the amount of the franchise fee collected from The Dalles Disposal, as the franchise fee is calculated on the amount of gross revenue received by The Dalles Disposal.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt Resolution No. 11-031, approving a rate increase for increased costs incurred by The Dalles Disposal Service for disposal of material at the Wasco County Landfill.*

RESOLUTION NO. 11-031

**A RESOLUTION APPROVING A RATE
INCREASE RESULTING FROM INCREASED
LANDFILL DISPOSAL COSTS INCURRED
BY THE DALLES DISPOSAL SERVICE**

WHEREAS, The Dalles Disposal Service, Inc. submitted a request on October 31, 2011, for a rate increase averaging approximately 2.2% for increased operational costs and tip fees, and for an adjustment to the company's rate schedule as a result of a pass through by Wasco County for an increase for disposal costs at the Wasco County Landfill, and a pass through Household Hazardous Waste tax of 3%, which is scheduled to take effect on January 1, 2012; and

WHEREAS, Section 11 of General Ordinance No. 92-1155 provides that the City Council shall review all requests for a rate increase for companies providing solid waste collection services, to determine whether the proposed rates are just and reasonable and adequate to provide necessary collection services; and

WHEREAS, pursuant to ORS 294.160, the City Council conducted a public hearing on November 28, 2011, to provide an opportunity for public comment upon the proposed rate increase; and

WHEREAS, The Dalles Disposal Service, Inc. submitted testimony that the company has incurred recent increased operational costs including costs for health care, and truck and equipment repair; and

WHEREAS, The Dalles Disposal Service, Inc. provided further testimony that their company uses the Federal Bureau of Labor Statistics CPI Index for Portland/Salem to benchmark their operational costs, and the most recent comparison for the months of June 2010 to June 2011 showed an increase of 2.60%; and

WHEREAS, The Dalles Disposal Inc. submitted additional testimony that the individual rates included in the rate schedule change by different percentages based upon the disposal weight component of each rate. A service with no weight (e.g., a carry out charge) might increase 2.20%, while a per ton drop box overage charge will only increase 0.4%, and all other rates will increase by some combination of the two percentages, averaging out at approximately 2.0%; and

WHEREAS, the City Council finds that approval of the portion of the requested rate increase resulting from the increase costs of disposal of waste material at the Wasco County Landfill is appropriate and necessary, and that approval of the remaining portion of the requested

rate increase is not appropriate at the present time due to the difficult economic circumstances that many citizens and residents of the City are currently facing;

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

Section 1. Rate Increases Approved. The rate increase requested by The Dalles Disposal Service, Inc., resulting from increased costs for disposal of material at the Wasco County Landfill, as set forth in the attached Exhibit "A", is hereby approved, and shall take effect on January 1, 2012.

Section 2. Effective Date. The effective date of this Resolution shall be December 12, 2011.

PASSED AND ADOPTED THIS 12TH DAY OF DECEMBER, 2011

Voting Yes, Councilor: _____
Voting No, Councilor: _____
Absent, Councilor: _____
Abstaining, Councilor: _____

AND APPROVED BY THE MAYOR THIS 12TH DAY OF DECEMBER, 2011

James L. Wilcox, Mayor

Attest:

Julie Krueger, MMC, City Clerk

THE DALLES CITY GARBAGE RATES

Proposed Increase January 1, 2012

SERVICE	CURRENT RATE	Total LF Increase	Business Increase	Ffee	TOTAL INCREASE	NEW RATE
RESIDENTIAL						
CANS/ROLLCARTS						
Weekly						
- (1) 20 gal can	\$10.72	\$0.06	\$0.00	\$0.00	\$0.06	\$10.78
- (1) 32 gal can	\$15.45	\$0.10	\$0.00	\$0.00	\$0.11	\$15.56
- 90 gal rollcart	\$22.52	\$0.27	\$0.00	\$0.01	\$0.28	\$22.80
- 105 gal cart (Phase Out)	\$24.19	\$0.32	\$0.00	\$0.01	\$0.33	\$24.52
- each add'l can	\$15.45	\$0.10	\$0.00	\$0.00	\$0.11	\$15.56
EOW						
- (1) 32 gal can	\$12.62	\$0.06	\$0.00	\$0.00	\$0.06	\$12.68
Call In						
- (1) 32 gal can	\$11.05	\$0.03	\$0.00	\$0.00	\$0.03	\$11.08
- 90 gal rollcart	\$16.50	\$0.08	\$0.00	\$0.00	\$0.08	\$16.58
YARD DEBRIS						
* 12 month min sign-up period						
* \$18 restart fee if service cancelled and restarted within year						
* 60 gal yard debris cart						
Weekly	\$7.63	\$0.18	\$0.00	\$0.01	\$0.18	\$7.81
EOW	\$5.24	\$0.11	\$0.00	\$0.00	\$0.11	\$5.35
SPECIAL CHARGES						
* The following additional charges whose cans, rollcarts or containers pose a potential safety risk to our employees due to the difficult and unsafe location of their service containers.						
Additional Charge:						
- Sunken Can	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
- Excess distance	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
- Steps/stairs	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
- Through gate	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
-extra can/bag/box	\$6.12	\$0.01	\$0.00	\$0.00	\$0.01	\$6.13
- loose yardage per yd (over-the-top extra around conts-cans-rollcarts or on the ground)	\$25.89	\$0.21	\$0.00	\$0.01	\$0.22	\$26.11
- bulk items (*Bring to transfer station)						
- return trip can	\$6.78	\$0.01	\$0.00	\$0.00	\$0.01	\$6.79
- return trip rollcart	\$9.03	\$0.00	\$0.00	\$0.00	\$0.00	\$9.03
- rollcart redelivery	\$9.35	\$0.00	\$0.00	\$0.00	\$0.00	\$9.35
- Off day PU	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
- Delinquent fee (Acct delinquent after 30 days from billing)	\$11.75	\$0.00	\$0.00	\$0.00	\$0.00	\$11.75
- NSF/unhonored check fee	\$27.75	\$0.00	\$0.00	\$0.00	\$0.00	\$27.75
- New Acct set up fee	\$5.36	\$0.00	\$0.00	\$0.00	\$0.00	\$5.36
- Change in service (name/address/service)	\$5.35	\$0.00	\$0.00	\$0.00	\$0.00	\$5.35

THE DALLES CITY GARBAGE RATES
Proposed Increase January 1, 2012

SERVICE	CURRENT RATE	Total LF Increase	Business Increase	Ffee	TOTAL INCREASE	NEW RATE
COMMERCIAL						
Weekly						
- (1) 32 gal can	\$18.47	\$0.10	\$0.00	\$0.00	\$0.11	\$18.58
- 90 gal rollcart	\$27.77	\$0.27	\$0.00	\$0.01	\$0.28	\$28.05
- 105 gal cart (Phase Out)	\$28.27	\$0.32	\$0.00	\$0.01	\$0.33	\$28.60
- each add'l can	\$18.47	\$0.10	\$0.00	\$0.00	\$0.11	\$18.58
EOW						
- (1) 32 gal can	\$15.45	\$0.06	\$0.00	\$0.00	\$0.06	\$15.51
Call In						
- (1) 32 gal can	\$12.16	\$0.03	\$0.00	\$0.00	\$0.03	\$12.19
- 90 gal rollcart	\$18.24	\$0.08	\$0.00	\$0.00	\$0.08	\$18.32

SPECIAL CHARGES

* The following additional charges are assessed to customers whose cans, rollcarts or containers pose a potential safety risk to our employees due to the difficult and unsafe location of their service containers.

Additional Charge:						
- Sunken Can	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
- Excess distance	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
- Steps/stairs	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
- Through gate	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
-extra can/bag/box	\$6.12	\$0.01	\$0.00	\$0.00	\$0.01	\$6.13
- loose yardage per yd	\$25.89	\$0.21	\$0.00	\$0.01	\$0.22	\$26.11
(*extra garbage ontop or around cans and rollcarts which must be manually handled & placed in truck)						
- bulk items (*Bring to transfer station)						
- return trip can	\$6.78	\$0.01	\$0.00	\$0.00	\$0.01	\$6.79
- return trip rollcart	\$9.03	\$0.03	\$0.00	\$0.00	\$0.03	\$9.06
- rollcart redelivery	\$9.35	\$0.00	\$0.00	\$0.00	\$0.00	\$9.35
- Off day PU	\$6.70	\$0.00	\$0.00	\$0.00	\$0.00	\$6.70
- Delinquent fee	\$11.75	\$0.00	\$0.00	\$0.00	\$0.00	\$11.75
(Acct delinquent after 30 days from billing)						
- NSF/unhonored check fee	\$27.75	\$0.00	\$0.00	\$0.00	\$0.00	\$27.75
- New Acct set up fee	\$5.36	\$0.00	\$0.00	\$0.00	\$0.00	\$5.36
- Mileage 15 miles RT from LF	\$2.40	\$0.00	\$2.40	\$0.08	\$2.40	\$2.40
- Change in service (name/address/service)	\$5.36	\$0.00	\$0.00	\$0.00	\$0.00	\$5.36

THE DALLES CITY GARBAGE RATES

Proposed Increase January 1, 2012

SERVICE	CURRENT RATE	Total LF Increase	Business Increase	Ffee	TOTAL INCREASE	NEW RATE
CONTAINERS						
1 1/2 Yd Containers						
- Call In	\$28.16	\$0.17	\$0.00	\$0.01	\$0.18	\$28.34
- EOW	\$41.10	\$0.37	\$0.00	\$0.01	\$0.38	\$41.48
- 1XPW	\$82.25	\$0.73	\$0.00	\$0.03	\$0.76	\$83.01
- Additional day rate = # days x 1 x wk rate						
2 Yd Containers						
- Call In	\$39.68	\$0.22	\$0.00	\$0.01	\$0.23	\$39.91
- EOW	\$54.96	\$0.49	\$0.00	\$0.02	\$0.51	\$55.47
- 1XPW	\$109.89	\$0.97	\$0.00	\$0.04	\$1.01	\$110.90
- Additional day rate = # days x 1 x wk rate						
3 Yd Containers						
- Call In	\$56.32	\$0.34	\$0.00	\$0.01	\$0.35	\$56.67
- EOW	\$82.20	\$0.73	\$0.00	\$0.03	\$0.76	\$82.96
- 1XPW	\$164.50	\$1.46	\$0.00	\$0.06	\$1.52	\$166.02
- Additional day rate = # days x 1 x wk rate						
SPECIAL CHARGES						
- Delivery	\$30.22	\$0.00	\$0.00	\$0.00	\$0.00	\$30.22
- Rent	\$29.47	\$0.00	\$0.00	\$0.00	\$0.00	\$29.47
- Rent-a-bin	\$66.34	\$0.00	\$0.00	\$0.00	\$0.00	\$66.34
- Loose yardage	\$25.89	\$0.21	\$0.00	\$0.01	\$0.22	\$26.11
Containers with difficult access (per cont chg)						
- Not on solid surface	\$7.38	\$0.00	\$0.00	\$0.00	\$0.00	\$7.38
- Stuck in the mud	\$7.38	\$0.00	\$0.00	\$0.00	\$0.00	\$7.38
- Lodged in loose gravel	\$7.38	\$0.00	\$0.00	\$0.00	\$0.00	\$7.38
- Overweight	\$7.38	\$0.00	\$0.00	\$0.00	\$0.00	\$7.38
- Excess distance	\$7.38	\$0.00	\$0.00	\$0.00	\$0.00	\$7.38
- Roll-off curb	\$7.38	\$0.00	\$0.00	\$0.00	\$0.00	\$7.38

THE DALLES CITY GARBAGE RATES

Proposed Increase January 1, 2012

SERVICE	CURRENT RATE	Total LF Increase	Business Increase	Ffoo	TOTAL INCREASE	NEW RATE
COMPACTORS						
* 50,000 max gross weight						
- Per compacted yard	\$28.32	\$0.57	\$0.00	\$0.02	\$0.59	\$28.91
- over 2 tons for 10 yds						
- over 4 tons for 20 yds						
- over 6 tons for 30 yds						
- over 50,000 GW x Fee (*Per each 2,000 lb excess)	\$327.35	\$0.00	\$0.00	\$0.00	\$0.00	\$327.35
DROP BOXES						
- 10 yd min fee empty	\$178.38	\$2.07	\$0.00	\$0.08	\$2.15	\$180.53
- 15 yd min fee empty	\$274.88	\$3.10	\$0.00	\$0.13	\$3.23	\$278.11
- 20 yd min fee empty	\$356.76	\$4.13	\$0.00	\$0.17	\$4.30	\$361.06
- 30 yd min fee empty	\$535.15	\$6.20	\$0.00	\$0.25	\$6.45	\$541.60
- Delivery	\$62.94	\$0.00	\$0.00	\$0.00	\$0.00	\$62.94
- Pickup	\$62.94	\$0.00	\$0.00	\$0.00	\$0.00	\$62.94
- Swap	\$62.94	\$0.00	\$0.00	\$0.00	\$0.00	\$62.94
- Ex miles	\$62.94	\$0.00	\$0.00	\$0.00	\$0.00	\$62.94
- Demurrage per day after 5 days	\$13.40	\$0.00	\$0.00	\$0.00	\$0.00	\$13.40
- LS ydg	\$17.84	\$0.21	\$0.00	\$0.01	\$0.22	\$18.06
- over 2 tons for 10 yds						
- over 4 tons for 20 yds						
- over 6 tons for 30 yds						
- over 50,000 GW x Fee (*Per each 2,000 lb excess)	\$327.35	\$0.00	\$0.00	\$0.00	\$0.00	\$327.35

THE DALLES CITY GARBAGE RATES
 Proposed Increase January 1, 2012

SERVICE	CURRENT RATE	Total LF Increase	Business Increase	Fee	TOTAL INCREASE	NEW RATE
TRANSFER STATION						
Minimum Charge:						
Household Garbage						
* 1 can or 1 bag	\$6.79	\$0.02	\$0.00	\$0.00	\$0.02	\$6.81
- Per Yard (After Minimum)	\$12.60	\$0.11	\$0.00	\$0.00	\$0.11	\$12.71
- MINIMUM YARD CHARGE (3 Yards)	\$25.20			\$0.00	\$0.22	\$25.42
Bulk Items:						
- Mattress/box springs						
- Recliners/large chairs						
- Couches/furn/ly's (minimum fee plus)	\$8.05	\$0.00	\$0.00	\$0.00	\$0.00	\$8.05
Appliances:						
- each	\$10.73	\$0.00	\$0.00	\$0.00	\$0.00	\$10.73
- Refrigerators	\$29.92	\$0.00	\$0.00	\$0.00	\$0.00	\$29.92
- Tires (each)	\$12.05	\$0.00	\$0.00	\$0.00	\$0.00	\$12.05
- Tires with rims to 16" (each)	\$24.12	\$0.00	\$0.00	\$0.00	\$0.00	\$24.12
Brush and Wood:						
(Must be clean/no garbage/ for recycling)						
- Per Yard (After Minimum)	\$6.14	\$0.11	\$0.00	\$0.00	\$0.11	\$6.25
- MINIMUM YARD CHARGE (3 Yards)	\$18.42			\$0.00	\$0.33	\$18.75
Yardage calculation: multiply width x length x height divide by 27 = total yards						