

AGENDA

REGULAR CITY COUNCIL MEETING

June 25, 2012

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
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 June 11, 2012 Regular City Council Meeting Minutes
- B. Approval of June 4, 2012 Town Hall Meeting Minutes
- C. Approval to Declare Computer Equipment as Surplus Property
- D. Approval to Declare Public Works Department Equipment as Surplus Property

11. PUBLIC HEARINGS

- A. Public Hearing to Receive Testimony Regarding Proposed Changes to the Water Capital Reserve Fund and the Airport Fund That Exceed 10% of Budget [**Agenda Staff Report #12-048**]
 - 1. Resolution No. 12-009 Adopting the Fiscal Year 2012-13 Budget for the City of The Dalles, Making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget

12. ACTION ITEMS

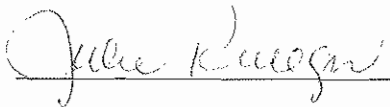
- A. Resolution No. 12-007 Accepting a Deed of Dedication From Columbia Gateway Urban Renewal Agency for the Sunshine Mill Property [**Agenda Staff Report #12-042**]
- B. General Ordinance No. 12-1317 Regulating the Conduct and Business of Second Hand Dealers and Certain Sales of Used Property; Requiring Records; Requiring a License for Second Hand Dealers; Providing Penalties; and Repealing General Ordinance no. 83-1048 [**Agenda Staff Report #12-044**]
- C. Resolution No. 12-010 Authorizing Transfers of Funds Between Categories of Various Funds, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2012 [**Agenda Staff Report #12-045**]
- D. Special Ordinance No. 12-548 Assessing Property Located at 3316 West 10th Street for the Cost of Nuisance Abatement [**Agenda Staff Report #12-043**]
- E. Approval of Five Year Airport Lease With Advanced Navigation and Positioning Corporation [**Agenda Staff Report #12-047**]

- F. Approval of Five Year Airport Lease With American Aerospace Engineering, LLC
[Agenda Staff Report #12-046]

13. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk





AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 25, 2012	Consent Agenda 10, A - D	N/A

TO: Honorable Mayor and City Council

FROM: Julie Krueger, MMC, City Clerk

THRU: Nolan K. Young, City Manager

DATE: June 14, 2012

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

A. ITEM: Approval of June 11, 2012 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the June 11, 2012 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 June 11, 2012 regular City Council meeting.

B. ITEM: Approval of June 4, 2012 Town Hall Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the June 4, 2012 Town Hall meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the June 4, 2012 Town Hall meeting.

C. **ITEM:** Approval to Declare Computer Equipment as Surplus Property.

BUDGET IMPLICATIONS: If approved, the City will pay \$220 for disposal of the monitors.

SYNOPSIS: The list of surplus computer equipment is attached. It is planned to donate the equipment to the STRUT program. There is a monitor disposal fee of \$10 per monitor.

RECOMMENDATION: Declare the computer equipment as surplus property and donate to STRUT program.

D. **ITEM:** Approval to Declare Public Works Department Equipment as Surplus Property.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The Public Works Department requests to surplus a Target Portacut IV asphalt saw, model PACIV13H, serial number 197616. It is damaged and nonfunctional. It is proposed to donate to Wasco County Public Works who would like to attempt to refurbish it.

RECOMMENDATION: Declare the equipment as surplus property and donate to Wasco County Public Works Department.

MINUTES

REGULAR COUNCIL MEETING
OF
JUNE 11, 2012
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 Clerk Julie Krueger, Finance Director Kate Mast, Public Works Director Dave Anderson, Airport Manager Rolf Anderson, Judge Tom Peachey, Police Captain Ed Goodman, Community Development Director Dan Durow, Librarian Sheila Dooley

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.

MINUTES (Continued)
Regular Council Meeting
June 11, 2012
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APPROVAL OF AGENDA

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

PRESENTATIONS/PROCLAMATIONS

Presentation by Judge Peachey Regarding Municipal Court Activities

Judge Peachey praised Municipal Court Clerk Dorene Brown, saying she worked very hard to keep the day to day work of the Court done properly. He provided statistics, noting most of the citations were traffic violations, and said the revenues exceeded the budget. He said the vehicle impound program had been discontinued, statutory assessment process had changed and there had also been changes in the Court, such as having a computer for the Judge, better monitoring of the diversion and probation cases, and a uniform fine schedule implemented. He said the Court had worked with the regional jail regarding their book and release program and said that those with failure to appear citations would now be held. Peachey said a recognition program had also been implemented to reward those who successfully completed their diversion or probation programs. He thanked the Court Clerk, Prosecutor, City Attorney, Alcohol Counselor and defense attorneys for their work in the Municipal Court.

Mayor Wilcox asked about the impact of mental health cases. Judge Peachey estimated 25 to 30% of criminals had mental health issues. He said there were discussions regarding the implementation of a mental health court.

In response to a question, Peachey said the hours of the Court were 8:30 a.m. on Monday, Tuesday, Wednesday, and Friday and 6:30 p.m. on Tuesday.

Mayor Wilcox urged people to visit and observe the proceedings of the Municipal Court. Judge Peachey was thanked for his service.

School District 21 Report

No report.

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AUDIENCE PARTICIPATION

Mary Merrill, 2437 East 10th Street, reported the Small Business Development Center would soon be offering free classes for Veterans who were interested in starting a small business.

CITY MANAGER REPORT

City Manager Young reported the Vista Reservoir project was nearly completed and should be on-line in July. He said the City was working on some street projects. He said East Seventh/Kelly Avenue project would be completed in July and the East 19th Street paving between Mid Columbia Medical Center and Dry Hollow Road would be done in August. He said the 19th Street project was a residential area and the City would be meeting with residents in the area regarding the project.

CITY COUNCIL REPORTS

Councilor Wood said there had been a great article about The Dalles in the 1859 Magazine.

Councilor McGlothlin reported on Traffic Safety Committee activities, including the Brewery Grade crosswalk recommendation, Kelly Avenue congestion between 10th and 12th Streets, potholes continuing to be filled, and the stop sign near the Boat Basin which continued to sustain damage.

Councilor Dick said the Urban Renewal Advisory Committee would be meeting on Tuesday in a joint meeting with the Agency Board.

Councilor Spatz reported on the Strengthening the Economy program, noting an initiative to conduct an annual meeting with Oregon and Washington Legislators to discuss things in common between the states. He said housing and transportation issues were two examples of common issues between the states. Spatz said a Gorge tourism summit was being planned for October.

Councilor Ahier reported the Council of Governments had conducted a work session to develop a funding proposal for the Meals on Wheels program that would help secure the future of the program as it continued to grow. Ahier said he had represented the Mayor at the ground breaking ceremony for La Clinica and was pleased with the proposed project and good work they did for the community.

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Mayor Wilcox reported he and Senator Wyden had dedicated a handicapped accessible picnic table at the Farmer's Market on June 2. He said he also attended the ground breaking ceremony for the Readiness Center. Mayor Wilcox said work continued regarding employment land issues. He noted the Regional Solutions Team met last week regarding local barriers to development. Wilcox reported the 18th Habitat for Humanity home would be dedicated this week.

CONSENT AGENDA

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

Items approved by Consent Agenda were: 1) approval of May 14, 2012 regular City Council meeting minutes; 2) approval of May 8, 2012 special City Council meeting minutes; 3) authorization for City Clerk to endorse OLCC new outlet application for Brama Caffé; 4) authorization for City Clerk to endorse OLCC new outlet application for RT's Place; and 5) approval of amendment #5 to OMI agreement to operate the Wastewater Treatment Plant for fiscal year 2012-13.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding Propose Uses of State Shared Revenue

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

Finance Director Mast reviewed the staff report.

Testimony

Daniel, 845 Snipes Street, The Dalles, asked what concessions the citizens would have to make to accept the State shared revenues.

City Manager Young said there were no additional regulations, other than reporting.

Hearing no further testimony, the public hearing was closed.

Resolution No. 12-008 Declaring the City's Election to Receive State Revenues in Fiscal Year 2012-13

It was moved by Spatz and seconded by Wood to adopt Resolution No. 12-008 declaring the City's election to receive state revenues in fiscal year 2012-13. The motion carried unanimously.

Public Hearing to Receive Testimony Regarding Proposed 2012-13 Fiscal Year Budget

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

Finance Director Mast reviewed the staff report. She provided a memorandum explaining additional proposed changes to the budget which would require an additional public hearing on June 25. She said the two items which would exceed the 10% limit were in the Airport Fund and Water Capital Reserve Fund.

Councilor Ahier said he could support the changes proposed by staff, but was not comfortable voting for the budget when it included a water rate increase which had not yet been considered by the Council. He said he would prefer to see the increase removed from the budget and added later if the Council approved the increase. He questioned how much of the proposed increase would go to pay for General Fund operations.

City Manager Young said the transfer of water funds to the General Fund was to pay for services, such as staff time of General Fund employees who provide services to the Water Fund. Young said the proposed increase in water rates would be used only for projects included in the Capital Improvements Plan.

Councilor Spatz said he understood the concerns expressed by Councilor Ahier, but said the City Council would have the final decision regarding whether to increase water rates, so he believed it was acceptable to include it in the proposed budget.

Councilor Spatz proposed changing the City Council budget by removing the \$25,000 contribution to Wasco County for the payment of the Discovery Center bond and using that money to support other important community needs. He suggested donating \$5,000 each to the YouthThink program, Confluence Project, and Discovery Center operations and \$5,000 to support the business recruitment position, being created by the Port of The Dalles to work on economic development opportunities for the community. Spatz said he also supported providing an additional \$2,500 to the Ft. Dalles Museum, matching the County's increased financial support.

Following discussion, the Council reached consensus to support the proposal of Councilor Spatz to remove the \$25,000 contribution to Wasco County for the payment of the Discovery Center bond and using that money to support other important community needs and instead donating \$5,000 each to the YouthThink program, Confluence Project, Discovery Center operations and \$5,000 to support the business recruitment position, being created by the Port of The Dalles to work on economic development opportunities for the community and providing an additional \$2,500 to the Ft. Dalles Museum, matching the County's increased financial support.

Testimony

Daniel, 845 Snipes Street, The Dalles, asked what happened to the funds that had been set aside for the 19th Street Extension project.

City Manager Young explained those funds would be used for other public works projects.

Daniel said he thought the funds should be used to pay off any City debt.

It was explained the funds for the public works projects were from systems development charges and State fuel tax and could only be used for projects.

Hearing no further testimony, the public hearing was closed.

It was moved by Spatz and seconded by Dick to remove the \$25,000 contribution to Wasco County for the payment of the Discovery Center bond and using that money to support other important community needs and instead donating \$5,000 each to the YouthThink program, Confluence Project, and Discovery Center operations and \$5,000 to support the business recruitment position, being created by the Port of The Dalles to work on economic development opportunities for the community. The motion carried unanimously.

It was moved by Wood and seconded by Spatz to increase the City's contribution to Ft. Dalles Museum by \$2,500. The motion carried unanimously.

There was discussion regarding the removal of the proposed water rate increase. Finance Director Mast said it would be more difficult to prepare a supplemental budget to add it in at a later time because the supplemental budget process was only supposed to occur for unforeseen items.

The majority of the Council agreed the proposed water rate increase should be left in the budget and could be further discussed during water rate discussions.

It was moved by Dick and seconded by McGlothlin to set a second public hearing for the June 25, 2012 Council meeting to discuss the proposed changes to the Water Capital Reserve Fund and the Airport Fund that required a second public hearing. The motion carried; Ahier voting no.

CONTRACT REVIEW BOARD ACTIONS

Approval of Contract for Airport Hangar Construction

The staff report was reviewed by Rolf Anderson. He explained the project had been changed to keep it within a smaller budget and said Klickitat County agreed to provide a \$250,000 loan for the project. He said the total amount of the project would now be \$260,543.

It was moved by Ahier and seconded by Wood to award the construction of the Airport Maintenance Hangar to Centrex Construction subject to the project costs not exceeding in the current funds available including the loan from Klickitat County. The motion carried unanimously.

ACTION ITEMS

Approval of 2012-13 Fiscal Year Insurance Renewals for Property, Liability, and Worker's Compensation

Insurance Agent of Record Jerry Frazier reviewed the staff report. He noted this had been the year for completion of a new property appraisal. Frazier recommended the City continue to keep their property and liability insurance with CCIS and the worker's compensation insurance with SAIF.

It was moved by Ahier and seconded by McGlothlin to approve the renewal of the City's property and liability insurance with CCIS and worker's compensation with SAIF Corporation. The motion carried unanimously.

Request for a Lease Extension for the Transportation Center Building

City Manager Young reviewed the staff report.

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Les Cochenour, 319 West 20th Street, The Dalles, said the Veterans group had raised funds to install a new flag pole at the Transportation Center, and would like to know they could stay at that location before installing the flag pole.

Russell Jones discussed success stories of the Veteran's Office, noting they had secured \$225,550 in retroactive pay for local veterans, with \$18,026 in recurring payments.

Jean Maxwell talked about the space at the Transportation center, saying it provided a great atmosphere, allowed plenty of room for the volunteers and served many Veterans. She said there were over 350 volunteer hours donated each month and that the building provided a great service to the community.

Dr. Pat Stone, 4322 Mill Creek Road, The Dalles, said he had served for many years as the only mental health care provider for the Veterans Office. He said having a visible office and good location was important in getting more veterans served in the community and it helped dignify their service.

DeeDee Miller, Cherry Heights Retirement Apartment Manager, said the residents were pleased with the current Veteran's Office, saying it was easy to find for Veterans and their families and they appreciated the accessibility for disabled Veterans.

Les Cochenour asked the City to consider extending the lease for a period of three to seven years and to consider the needs of our local Veterans.

Councilor Ahier said he would ask the Council at the January goal setting to consider additional funding support for the Veterans. He said they should never have to pay rent, but that a long term lease was not able to be considered at this time.

Councilor Spatz agreed with Ahier and said the City Council would not walk away from their commitment of providing office space for the Veterans, but at this time could only extend the lease for one year.

It was moved by Wood and seconded by Spatz to allow the current lease for the Transportation center with Wasco County to automatically extend to December 1, 2013. The motion carried unanimously.

MINUTES (Continued)
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Recommendation Regarding Garbage Service

City Clerk Krueger reviewed the staff report, requesting direction from the City Council as to which rate structure they wanted to pursue.

It was moved by Ahier and seconded by Wood to direct staff to work with The Dalles Disposal to provide a rate plan, including an option for weekly or less frequent pick up of garbage container; bi-weekly pick up of recycle and yard debris containers; options for various sizes of garbage containers; and an incentive program for turning in burn barrels. The motion carried unanimously.

Request From La Clinica del Carino Family Health Care for Reduction in SDC Fees for a New Facility

City Manager Young reviewed the staff report.

Mayor Wilcox asked if La Clinica paid property taxes. City Manager Young said staff would report back the answer.

Councilor Ahier said he supported the waiver because of their principle of caring for the community and serving citizens who would not be able to get the services elsewhere.

Councilor McGlothlin said this request was a direct discount, not tied to job creation like enterprise zone applications. He said he was not in support of a direct discount.

It was moved by Wood and seconded by Ahier to approve a 50% credit of SDC's for La Clinica, including any credits for job creation. The motion carried, McGlothlin voting no.

RECESS TO URBAN RENEWAL AGENCY MEETING

Mayor Wilcox said he would recess to the Urban Renewal and reconvene for the City Council executive session after the urban renewal agenda was completed. The City Council meeting recessed at 8:05 p.m.

Reconvene to City Council Meeting

The City Council meeting reconvened at 8:08 p.m.

EXECUTIVE SESSION

Mayor Wilcox recessed the meeting to Executive Session, in accordance with ORS 192.660 (2) (e) to conduct deliberations with persons designated by the governing body to negotiate real property transactions, at 8:08 p.m.

Councilor Ahier retired from the meeting at 8:10 p.m.

Reconvene to Open Session

The meeting reconvened to open session at 8:13 p.m.

DECISIONS FOLLOWING EXECUTIVE SESSION

None.

ADJOURNMENT

Being no further business, the meeting adjourned at 8:13 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED: _____

James L. Wilcox, Mayor

ATTEST: _____

Julie Krueger, MMC, City Clerk

MINUTES

TOWN HALL MEETING
OF
JUNE 4, 2012
5:30 P.M.
MID COLUMBIA SENIOR CENTER
THE DALLES, OREGON

PRESIDING: Mayor Jim Wilcox

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

COUNCIL ABSENT: Brian Ahier

STAFF PRESENT: City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Police Captain Ed Goodman, Community Development Director Dan Durow, Finance Director Kate Mast

CALL TO ORDER

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

PRESENTATION REGARDING COAL TRAINS IN THE COLUMBIA RIVER GORGE

Andrew Johnson, Burlington Northern Santa Fe Railway (BNSF), provided a Power Point presentation, giving general information about BNSF facts and discussed the company's philosophy of protecting the environment and safety. He discussed proposed facility and equipment updates which would make for a better environment.

Mr. Johnson discussed coal export facilities, noting the Powder River Basin coal had been transported by rail for many years. He said there had been coal dust issues in the proximity of mine loading areas, but not along rail routes. Johnson said BNSF had required surfactant to be placed on the coal to eliminate dust from blowing from the cars.

Johnson reported there were currently between 28 and 35 trains on the Columbia Gorge route daily. He said it was the job of the railroad to work with customers to determine whether there was sufficient capacity to carry their loads.

MINUTES (Continued)
Town Hall Meeting
June 4, 2012
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Johnson said there were several export proposals in various phases. He said there were many hurdles to go through an environmental review and asked that the permitting process be allowed to work without people asking to change the rules.

Brock Nelson, Union Pacific Railroad Public Affairs Officer (UPRR), provided a handout of his company's facts and heritage in the Pacific Northwest. He said he agreed with Mr. Johnson's comments regarding allowing the current permitting process to work, saying it was a very thorough process.

Greg Smith, representing the Morrow Pacific Project, introduced his associates, Brian Gard and Liz Fuller. Mr. Smith said the Morrow facility was proposed to be fully enclosed and the barges would also be covered during transport. It was noted an air quality permit was not even required for the project because it was completely enclosed.

Brian Gard said the project was designed to fit the Oregon philosophy of protecting the environment and would create many family wage jobs and property taxes to Morrow and Columbia County.

In response to a question from the audience, Mayor Wilcox said the information provided by BNSF, UPRR, and the Morrow Project would be added to the City's website for the public to review.

There was discussion regarding a map that had been submitted to the City regarding coal dust drift. Mr. Johnson said he didn't know where the map or data came from. Mr. Gard said the map had been prepared by Signline Research Institute. He said he didn't believe the information was accurate since the remedy of using surfactant to prevent dust emissions.

Don McDermott, Dallesport Community Council member asked how the surfactant was used. He said he had witnessed coal dust blowing off a train car and employees who worked at the Roosevelt landfill site had told him they had seen coal dust blowing. McDermott said it seemed like a better solution to cover the cars.

Mr. Smith said the surfactant was applied when the coal was loaded and it had been documented that it was an effective measure.

Chip Wood asked if a water quality permit was required for the Morrow facility. Greg Smith said the facility was fully contained and it would not be required. Chip Wood said he hoped the air and water quality would be monitored by the company.

Mr. Smith noted many nearby agricultural businesses were supportive of the project.

A question was asked about the composition of the surfactant. Mr. Gard said he did not know the composition but would find an answer.

Ken McBain asked if it was cost effective to transport with barges, compared to rail; the total capacity of the barges and how much barge traffic would increase.

Greg Smith said the total capacity was 8 million ton. He said it was expected there would be five barge trips per week, using four barges per trip. He said the trips per week could double when the facility was at full capacity.

An audience member expressed concern about the coal pollution from China coming back to the United States. Mr. Gard said we couldn't change China's use of coal, but the coal from the Powder River Basin was a cleaner product.

Tom Wood asked how many more trains would be going through the area. Mayor Wilcox said the railroads could not answer that question until they knew how many facilities were approved in the future.

There was a question asked regarding the long term sustainability of the coal facility. It was noted that contracts were in the process of being negotiated with Korea, Taiwan, and Japan and the first one was for a 25 year period.

Tom Sophie, Murdock, Washington, said he had seen coal trains in the Gorge on windy days and did smell and see dust blowing off the cars.

Bobbie Miller said she was pleased to hear the presentation and said the proposed facility would bring many jobs to the area.

Mike Furley said coal dust was known to cause illnesses in children. He said the Gorge was already polluted and he didn't want to see it get worse.

An audience member asked if there were plans to address traffic congestion at railroad crossings in the community. Mayor Wilcox said the City did have a study planned in the future to study the Webber Street area.

MINUTES (Continued)
Town Hall Meeting
June 4, 2012
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ADJOURNMENT

The meeting adjourned at 7:08 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

Dept.	Computer Description	Model	Serial #	
CPUs				
CityHall	Gateway tower	e4100	0034031846	
CityHall	Gateway tower	ATXSTF Pro M1000	0024042529	
CityHall	Gateway tower	ATXSTF Pro M1000	0024042767	
CityHall	Gateway tower	ATXSTFP04 E4650	0027111890	
CityHall	Gateway tower	ATXSTF Pro M1000	0024042528	
CityHall	Gateway tower	ATXSTF ELP E3600 PC	0025812555	
CityHall	Gateway tower	ATXSTF ELP E3600 PC	0025964249	
CityHall	Gateway tower	ATXSTF FED Pro M1000	0024042557	
CityHall	Gateway tower	ATXSTF FED Pro M1000	0024042558	
CityHall	Gateway tower	LPMini-Tower TBR2 400	0013866207	
CityHall	Dell Tower	Dimension L1000R	FG3VP01	
CityHall	TigerBook Laptop	Z3	TNss97018892	
CityHall	TG Laptop	TG-8200	GND962200190	
CityHall	Gateway laptop	Solo 2550	0019235310	
CityHall	IBM server	8658 41y	23cx879	
CityHall	IBM server	8658 41y	23cx874	
PublicWorks	Gateway tower	ATXSTF FED GP7 866	0020492435	
Moniotrs				
CityHall	Monitor description	Model	Serial #	
CityHall	Gateway LCD	FPD1570	KUL5033D0024989	10
CityHall	SamSung LCD	570STFT	CN15HCLR300432B	10
CityHall	Princeton LCD	PE-80A	STCB0501400	10
CityHall	Dell CRT	M781s	KR0688EN47602127EL	10
CityHall	IBM CRT	6332S1N	55DGW86	10
CityHall	IBM CRT	6332S1N	55DGK69	10
CityHall	IBM CRT	69X8052	88Z6721	10
CityHall	Gateway CRT	EV700C	MUL704660092104	10
CityHall	SamSung LCD	570STFT	CN15HCLR300436A	10
CityHall	Gateway LCD	FPD1570	KUL5033D0025117	10
CityHall	Gateway LCD	FPD1520	LIC21273439	10
CityHall	Gateway LCD	FPD1520	LIC21273427	10
CityHall	Arcus CRT		None located	10
CityHall	Dell CRT		None located	10
CityHall	Sampo CRT	AlphaScan GS	None located	10
CityHall	Swceptre CRT		None located	10
CityHall	Gateway CRT	2000 Crystal Scan 1024	None located	10
CityHall	Gateway CRT	VX700	None located	10
CityHall	IBM CRT	InfoWindow	None located	10
Police	CTL CRT 17"	7dln	BB9906AYA00549	10
Police	CTL CRT 17"	7dln	BB9906AYA00547	10
Police	EMC CRT 15"	564PX	FHAU94118195U	10
			FeMonitor disposal fee	\$220.00
Document devices				
CityHall	CANON FAX	H12157	ZKM07303	
CityHall	HP PRINTER	INKJET 2200	SG0871209F	
CityHall	HP PRINTER	INKJET 2300	CN53H3303W	
CityHall	OKIDATA PRINTER	GE7100A	311E5007665	
CityHall	HP PRINTER	DESKJET 670C	CN7C2110P1	
CityHall	HP PRINTER	DESKJET 680C	US6651S0S8	

CityHall	Canon Copier	NP 1820	None located
CityHall	LexMark Printer	C750 Laser	None located
CityHall	HP PRINTER	Deskjet 722c	None located
CityHall	HP PRINTER	Business inkjet 2200	None located
Police	Umax Scanner	Astra 2400S	HAL00197a000800



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

(541) 296-5481
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AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 25, 2012	Public Hearings 11, A, 1	12-048

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

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

DATE: June 12, 2012

ISSUE: Public Hearing to Receive Testimony Regarding Proposed Changes Exceeding 10% in the Water Capital Reserve Fund 053 and the Airport Fund 061 of the Approved 2012-2013 Fiscal Budget, and Resolution No. 12-009 Adopting the FY12/13 Budget for the City of The Dalles.

BACKGROUND: The City Budget Committee reviewed the proposed budget and approved the budget, with some changes, on April 30, 2012. The City Council will held the required Public Hearing on June 11th. Oregon Budget Law allows a governing body, prior to final adoption, to make changes to a Fund approved by the Budget Committee in amounts up to \$5,000 or 10% of the operating portion of that Fund, whichever is greater. If the changes are greater than the limit allows, another Public Hearing must be held, with the required published notices, prior to adoption. Proposed changes to the Water Capital Reserve Fund 053 and the Airport Fund 061 exceed the 10% limits, so this second Public Hearing has been scheduled for June 25, 2012.

After the Public Hearing on June 11, 2012, the City Council approved changes to the General Fund City Council Department Contractual Services, that deleted the \$25,000 payment to Wasco County for the Discovery Center Debt, added \$2,500 to the \$12,500 previously committed to the Fort Dalles Museum, added \$5,000 each to the contributions to Youth Think, Discovery Center Operations, Celilo Confluence Project, Port of The Dalles for Business Recruitment, and re-allocated \$2,500 to the General Fund Contingency. The last two pages of this report show the "before" and "after" effects of this change.

BUDGET IMPLICATIONS: The City Council has not yet taken formal action on the proposed changes to the approved FY12/13 City Budget as described in the Staff Report for the Public Hearing of June 11, 2012, and the Memo to Council, dated June 11, 2012, that described the proposed changes that exceed 10% in the Water Capital Reserve Fund and Airport Fund.

Those proposed changes are again shown below in this staff report.

Council approved the new Animal Control Program, including one half-time employee, at their meeting on May 14, 2012, which requires that a new Animal Control Department be added to the General Fund. The City Manager notified the Council via email on May 13, 2012, that the School District 21 Board failed to approve a motion to provide property to the City for the extension of E. 19th Street. The City Manager recommended reallocating the funds in the approved budget that were allocated to that project to other needs. Also, work on the Riverfront Trail to restore the tours of The Dalles Dam will not be completed until August requiring those funds to be included in the new budget. It has been determined that the Brewery Grade Crosswalks project will not be completed by June 30th, so \$28,500 must be rolled over into the Street Fund Beginning Balance and allocated to the Street Fund Capital Outlay line item to finish that project in July. And finally, the Building #2 Fascia and Doors project has been delayed, so \$38,245 should be rolled over into the Wastewater Fund Beginning Balance and then allocated to the Capital Outlay 'Buildings' line item.

001 General Fund			Approved		Amended
	Description	Line Item #	Budget	Change	Budget
Exp	Pmt to Wasco Co for Animal Control	001-9500-490.80-05	70,000	(70,000)	-
Exp	Animal Control Dept	Personnel Category	-	28,176	28,176
	Animal Control Dept	Materials & Services	-	13,600	13,600
	Total Animal Control Dept				41,776
Exp	Contingency	001-9500-490.88-00	595,817	28,224	624,041
	Fund Net Change			-	
013 Street / Bridge Replacement Fund			Approved		Amended
	Description	Line Item #	Budget	Change	Budget
Exp	Capital Projects	013-1400-431.75-10	-	666,009	666,009
Exp	Transfer to Capital Projects Fund	013-9500-431.37-00	666,009	(666,009)	-
	Fund Net Change			-	
036 Special Assessments Fund			Approved		Amended
	Description	Line Item #	Budget	Change	Budget
Exp	Capital Projects LIDS	036-3600-419.75-10	556,035	45,456	601,491
Exp	Transfer to Capital Projects Fund	036-9500-419.81-37	45,456	(45,456)	-
	Fund Net Change			-	
037 Capital Projects Fund			Approved		Amended
	Description	Line Item #	Budget	Change	Budget
Rev	Transfer from Street/Bridge Rplc Fund	037-0000-391.13-00	666,009	(666,009)	-
	Transfer from Spcl Assessment Fund	037-0000-391.36-00	45,456	(45,456)	-
	Transfer from Water Cap Rsrv Fund	037-0000-391.53-00	35,550	(35,550)	-
					-
Exp	East Port LID Capital Projects	037-4400-419.75-10	-	235,205	235,205
	Thompson/19th Street LID Project	037-4410-419.75-10	982,220	(982,220)	-
	Fund Net Change			(747,015)	
053 Water Capital Reserve Fund			Approved		Amended
	Description	Line Item #	Budget	Change	Budget
Exp	Capital Proejcts	053-5300-410-75-10	268,451	35,550	304,001
Exp	Transfer to Capital Projects	053-9500-510.81-37	35,550	(35,550)	-
	Fund Net Change			-	

018 Special Grants Fund			Approved		Amended
	Description	Line Item #	Budget	Change	Budget
Rev	Beginning Balance	018-0000-300.00-00	3,490,819	309,200	3,800,019
Exp	The Dalles Dam Project	018-3300-415.75-10	20,000	309,200	329,200
Fund Net Change				309,200	
005 Street Fund			Approved		Amended
	Description	Line Item #	Budget	Change	Budget
Rev	Beginning Balance	005-0000-300.00-00	391,115	28,500	419,615
Exp	The Dalles Dam Project	005-0500-431.75-10	349,629	28,500	378,129
Fund Net Change				28,500	
055 Wastewater Fund			Approved		Amended
	Description	Line Item #	Budget	Change	Budget
Rev	Beginning Balance	055-0000-300.00-00	157,790	38,245	196,035
Exp	Capital Outlay - Buildings	055-5500-550.72-20	-	38,245	38,245
Fund Net Change				38,245	

Staff also wishes to correct an error in the revenue line items of the 2009 FFCO Debt Service Fund 044. We had previously budgeted the payments from the Urban Renewal Agency in Principal and Interest revenue line items. The Auditors told us that should correctly be described as Urban Renewal Contributions in a different line item. We inadvertently budgeted the revenues in the proposed budget incorrectly and now must correct that error. This correction does not change the amount of revenues for that fund, nor does it affect the Budget Resolution being considered. However, since it is a change to the budget that was approved by the Budget Committee, it should be disclosed and approved by the City Council as a part of the adoption of the City Budget. The changes are shown below.

2009 FFCO DEBT SERVICE FUND 044

REVENUES

044-0000-300.00-00	BEGINNING BALANCE	-	-	
004-0000-332.50-00	FROM URBAN RENEWAL	-	-	802,938
044-0000-361.00-00	INTEREST REVENUES	-	-	
044-0000-380.10-00	LOAN - PRINCIPAL (UR)	390,000	390,000	-
044-0000-380.20-00	LOAN - INTEREST (UR)	412,938	412,938	-
044-0000-391.36-00	FROM SPECIAL ASSESSMENT FUND	104,419	104,419	104,419
044-0000-391.53-00	FROM WA CAPITAL RESERVE FUND	33,119	33,119	33,119
044-0000-391.56-00	FROM SW SPECIAL RESERVE FUND	7,087	7,087	7,087
TOTAL FFCO 2009 DEBT SVC FUND REVENUES		947,563	947,563	947,563

EXPENDITURES

044-4300-470.79-50	PRINCIPAL PMTS	460,000	460,000	460,000
044-4300-470.79-60	INTEREST PMTS	487,563	487,563	487,563
TOTAL DEBT SERVICE		947,563	947,563	947,563
TOTAL 2009 FFCO DEBT SVC FUND EXPENSES		947,563	947,563	947,563

2009 FFCO DEBT SVC FUND - REVENUES LESS EXPENSES

-	-	-
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We also have two proposed changes to the approved City Budget for FY12/13 that exceed the 10% limit. These are the two funds that require the second Public Hearing on June 25th, before the budget can be adopted.

The construction of the new Maintenance Hanger at the Airport was anticipated to be completed by June 30. However, that project has not progressed as expected and will not be completed until after the new fiscal year starts on July 1, 2012. We also are not as far along as anticipated with the Runway Project. This requires that the project budget be rolled over into the new fiscal year, adding \$1,937,000 to the Airport Fund 061 budget.

Airport Fund 061 Category – Line Item	Approved Budget	Change	Proposed for Adoption
Rev – Beginning Balance	255,679	20,000	275,679
Rev – Federal Grants – FAA	2,150,000	167,000	2,317,000
Rev – State Grants – Connect OR III	2,000,000	1,500,000	3,500,000
Rev – Klickitat County Loan	0	250,000	250,000
Exp – Cap Outlay – Buildings/Hanger	0	270,000	270,000
Exp – Cap Outlay – Improvements - Other	4,066,725	1,667,000	5,733,725

The Terminal Reservoir Project also will not be completed by June 30th as was previously anticipated due to the delay of delivery of the PRV station. This requires that the budget for the portion of the project estimated to be extended into FY12/13 be added to the approved budget for the Water Capital Reserve Fund 053

Water Capital Reserve Fund 053 Category – Line Item	Approved Budget	Change	Proposed for Adoption
Rev – Loan Proceeds - ARRA	0	250,000	250,000
Exp – Terminal Reservoir Project - ARRA	0	250,000	250,000

ALTERNATIVES:

- A. Staff Recommendation: Make two (2) motions:**
 1. *Move to approve all of the proposed changes to the FY12/13 budget as described in the Staff Report.*
 2. *Move to adopt Resolution No. 12-009 Adopting the Fiscal Year 2012-2013 Budget for the City of The Dalles, making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget.*
- B.** City Council could elect to make more changes to the approved budget and direct staff to include those additional changes in the adopting resolution. If that is the case, the recommendation is: *Move to approve all of the proposed changes to the FY12/13 budget as described by the Staff Report, in addition to _____ (describe other changes in detail).* Then the budget resolution could be adopted as shown above (2).
- C.** Council could choose to not adopt Resolution No. 12-009. However, if a budget is not adopted by June 30, 2012, the City will have no authority to operate on July 1, 2012, and the City will be in violation of Local Budget Law.

Before Council approved changes 06/11/12

**City Council Contractual Services as Approved
by Budget Committee - April 30, 2012**

Service	Partner	FY 10/11 Budget	FY 11/12 Budget	FY 12/13 Approved
Ft. Dalles Museum	Wasco County	12,500	12,500	12,500
LINK	MC Council of Gov Trans	10,000	10,000	10,000
Sister City Program	Local Non-Profit Association	2,500	2,500	2,500
Riverfront Trail	NWC Parks and Recreation	8,000	0	0
DT Street Trees	NWC Parks and Recreation	10,000	0	0
War Memorial	Veteran & Civic Organizations	2,000	2,000	2,000
Historic The Dalles Days	Community (09-10 Stage Coach)	0	0	0
Six Rivers Mediation Svc	Six Rivers Mediation Svc	4,000	4,000	4,000
Substance Abuse Prevention Fund	Youth Think	5,000	5,000	16,500
Juvenile Work Crew	Wasco County	13,650	13,650	13,650
Discovery Center PW Debt	Wasco County	25,000	25,000	25,000
Discovery Center Maint Match	Discovery Center	0	10,000	0
Main Street Manager	Main Street Program	0	0	30,000
Senior Support	The Dalles Senior Center	5,000	5,000	5,000
Cemetery Maintenance	Wasco Co. Historic Society	2,000	2,000	2,000
Wasco County EOC	Wasco Co./Mid-Columbia F&R	9,000	9,000	9,000
	Total:	108,650	100,650	132,150

* moved to City Buildings and Grounds and ongoing maintenance.

** Maint Street Manager: Downtown businesses will provide match - a three (3) year City commitment that will decrease by one-third each year.

Budget Committee added \$11,500 to Youth Think April 30, 2012

After Council approved changes 06/11/12

**City Council Contractual Services as Amended
by City Council - June 11, 2012**

Service	Partner	FY 10/11 Budget	FY 11/12 Budget	FY 12/13 06/11/12
Ft. Dalles Museum	Wasco County	12,500	12,500	15,000
LINK	MC Council of Gov Trans	10,000	10,000	10,000
Sister City Program	Local Non-Profit Association	2,500	2,500	2,500
Riverfront Trail	NWC Parks and Recreation	8,000	0	0
DT Street Trees	NWC Parks and Recreation	10,000	0	0
War Memorial	Veteran & Civic Organizations	2,000	2,000	2,000
Historic The Dalles Days	Community (09-10 Stage Coach)	0	0	0
Six Rivers Mediation Svc	Six Rivers Mediation Svc	4,000	4,000	4,000
Substance Abuse Prevention Fund	Youth Think	5,000	5,000	21,500
Juvenile Work Crew	Wasco County	13,650	13,650	13,650
Discovery Center PW Debt	Wasco County	25,000	25,000	-
Discovery Center	Discovery Center	0	10,000	5,000
Celilo Confluence Project	Several Organizations	0	0	5,000
Business Recruitment	Port of The Dalles / PUD	0	0	5,000
Main Street Manager	Main Street Program	0	0	30,000
Senior Support	The Dalles Senior Center	5,000	5,000	5,000
Cemetery Maintenance	Wasco Co. Historic Society	2,000	2,000	2,000
Wasco County EOC	Wasco Co./Mid-Columbia F&R	9,000	9,000	9,000
	Total:	108,650	100,650	129,650

* moved to City Buildings and Grounds and ongoing maintenance.

** Maint Street Manager: Downtown businesses will provide match - a three (3) year City commitment that will decrease by one-third each year.

Reduce Discovery Center Debt Contribution	(25,000)
Add \$2,500 to Ft Dalles Museum	2,500
Add \$5,000 to Youth Think	5,000
Add \$5,000 for Discovery Center Operations	5,000
Add \$5,000 to Confluence	5,000
Add \$5,000 to Port for Business Recruiter	5,000
Add \$2,500 to Contingency	2,500

RESOLUTION NO. 12-009

A RESOLUTION ADOPTING THE FISCAL YEAR 2012-2013 BUDGET FOR THE CITY OF THE DALLES, MAKING APPROPRIATIONS, AUTHORIZING EXPENDITURES, LEVYING TAXES, AND AUTHORIZING THE CITY MANAGER TO TAKE SUCH ACTION AS NECESSARY TO CARRY OUT THE ADOPTED BUDGET

WHEREAS, the City Budget Committee has reviewed and acted on the proposed City budget, and, on April 30, 2012, approved and recommended a balanced budget to the City Council; and

WHEREAS, in accordance with State Law, the City held a Public Hearing on the approved budget on June 11, 2012; and

WHEREAS, the City Council held a second Public Hearing on June 25, 2012 on proposed changes that exceeded 10% in the Water Capital Reserve Fund and the Airport Fund; and

WHEREAS, the City Council has amended the budget previously approved by the Budget Committee, as permitted by ORS 294.435; and

WHEREAS, the City Council wishes to adopt the approved budget with amendments and carry out the programs identified in the budget;

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

Section 1. Clerical Changes. The City Council hereby authorizes City staff to make the necessary clerical changes to the amended budget.

Section 2. Adoption of the Budget. The City Council of the City of The Dalles, Oregon, hereby adopts the budget for Fiscal Year 2012-2013 in the total of **\$52,262,610**, now on file in the office of the City Finance Director.

Section 3. Setting Appropriations. The amounts for the Fiscal Year beginning July 1, 2012 and for the purposes shown are hereby appropriated as follows:

GENERAL FUND (001)	
City Council	237,431
City Clerk	139,183
City Manager	296,376
Legal / Judicial	450,612
Finance / Utility Billing	512,325
Personnel	10,100
Community Development	556,398
Police	3,270,980
Technology	246,253
City Hall / Transportation Center	281,319
Code Enforcement	87,106
Animal Control	41,776

Special Payments	441,495
Interfund Transfers	157,525
Contingency	626,541
TOTAL GENERAL FUND (001) *	7,355,420
LIBRARY FUND (004)	
Personnel Services	622,786
Materials & Services	323,596
Capital Outlay	-
Interfund Transfers	37,570
Contingency	105,351
TOTAL LIBRARY FUND (004)	1,089,303
STREET FUND (005)	
Personnel Services	680,853
Materials & Services	513,110
Capital Outlay	388,129
Interfund Transfers	302,585
Contingency	48,573
TOTAL STREET FUND (005)	1,933,250
PUBLIC WORKS RESERVE FUND (009)	
Capital Outlay	279,737
TOTAL PUBLIC WORKS RESERVE FUND (009)	279,737
UNEMPLOYMENT RESERVE FUND (010)	
Personnel Services	46,394
TOTAL PUBLIC WORKS RESERVE FUND (010)	46,394
COMMUNITY BENEVOLENCE FUND - VIETNAM MEMORIAL (011)	
Materials & Services	11,425
TOTAL PUBLIC WORKS RESERVE FUND (011)	11,425
STREET & BRIDGE REPLACEMENT FUND (013)	
Capital Outlay	1,219,342
Interfund Transfers	-
TOTAL STREET & BRIDGE REPLACEMENT FUND (013)	1,219,342
SPECIAL GRANTS FUND (018)	
Materials & Services	140,000
Capital Outlay	8,821,464
Interfund Transfers	3,500
TOTAL SPECIAL GRANTS FUND (018)	8,964,964

STATE OFFICE BUILDING FUND (021)		
Personnel Services		54,406
Materials & Services		131,342
Contingency		6,775
	TOTAL STATE OFFICE BUILDING FUND (021)	192,523
SPECIAL ASSESSMENTS FUND (036)		
Materials & Services		22,000
Capital Outlay		601,491
Interfund Transfers		114,419
	TOTAL SPECIAL ASSESSMENTS FUND (036)	737,910
CAPITAL PROJECTS FUND (037)		
Materials & Services		5,000
Capital Outlay		548,182
Debt Service		79,997
Interfund Transfers		35,000
	TOTAL CAPITAL PROJECTS FUND (037)	668,179
WATER REVENUE BOND FUND (041)		
Debt Service		568,005
	TOTAL WATER REVENUE BOND FUND (041)	568,005
FFCO 2008 BOND FUND (043)		
Debt Service		307,132
	TOTAL FFCO 2008 BOND FUND (043)	307,132
2009 FFCO BOND FUND (044)		
Debt Service		947,563
	TOTAL 2009 FFCO BOND FUND (044)	947,563
WATER FUND (51)		
WATER TREATMENT		
Personnel Services		774,084
Materials & Services		484,829
	TOTAL WATER TREATMENT	1,258,913
WATER DISTRIBUTION		
Personnel Services		1,131,656
Materials & Services		569,769
	TOTAL WATER DISTRIBUTION	1,701,425
Capital Outlay		221,500
Special Payments		-
Interfund Transfers		1,544,488
Contingency		46,496
	TOTAL WATER FUND (051)	4,772,822

WATER CAPITAL RESERVE FUND (053)		
Materials & Services		260,000
Capital Outlay		966,626
Debt Service		227,780
Interfund Transfers		601,124
Contingency		400,000
	TOTAL WATER CAPITAL RESERVE FUND (053)	2,455,530
WASTEWATER FUND (055)		
Personnel Services		1,103,496
Materials & Services		1,555,838
Capital Outlay		127,270
Interfund Transfers		2,279,817
Contingency		19,995
	TOTAL WASTEWATER FUND (055)	5,086,416
WASTEWATER CAPITAL RESERVE FUND (056)		
Materials & Services		-
Capital Outlay		1,927,562
Interfund Transfers		7,087
	TOTAL WASTEWATER CAPITAL RESERVE FUND (056)	1,934,649
SEWER PLANT CONSTRUCTION FUND (057)		
Materials & Services		107,000
Capital Outlay		3,964,282
Interfund Transfers		554,105
	TOTAL SEWER PLAN CONSTRUCTION FUND (057)	4,625,387
SEWER DEBT SERVICE FUND (058)		
Debt Service		554,105
Contingency		221,683
	TOTAL SEWER DEBT SERVICE FUND (058)	775,788
AIRPORT FUND (061)		
Materials & Services		619,254
Capital Outlay		6,003,725
Contingency		3,200
	TOTAL AIRPORT FUND (061)	6,626,179
AIRPORT DEBT SERVICE FUND (062)		
Debt Service		194,474
	TOTAL AIRPORT DEBT SERVICE FUND (062)	194,474
	TOTAL ALL FUNDS	50,792,392

TOTAL ALL FUNDS**50,792,392**

* An Unappropriated Ending Fund Balance has been set for the General Fund in the
amount of: 768,902

** An Unappropriated Ending Fund Balance has been set for the Library Fund in the
amount of: 701,316

TOTAL ADOPTED BUDGET**52,262,610**

Section 4. Authority of City Manager. The City Council hereby authorizes the City Manager to take such action as is necessary and consistent with State Statutes and City Ordinances, including, but not limited to, entering into contracts to carry out the programs, projects and services identified in the adopted budget.

Section 5. Imposing and Categorizing the Tax. The City Council of the City of The Dalles, Oregon, hereby imposes the taxes provided for in this adopted budget in the General Fund at the rate of \$3.0155 per \$1,000 of assessed value for operations, and that these taxes are hereby imposed and categorized for tax year 2012-2013 upon the assessed value of all taxable property within the City of The Dalles as of 12:01 AM, July 1, 2012.

Subject to General Government		
	Limitation	Excluded from Limitation
General Fund - Tax Base	\$ 2,795,311	0
Category Total	\$ 2,795,311	0
TOTAL TAX IMPOSED	\$ 3.0155 per 1,000	
	of assessed value	

Section 6. Certifying the Tax Levy. The City Finance Director shall certify to the County Clerk and County Assessor, the tax levy made by this Resolution, and shall file with them and to the State of Oregon, copies of the budget as finally adopted.

PASSED AND ADOPTED THIS 25th DAY OF JUNE, 2012

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 25th DAY OF JUNE, 2012

SIGNED:

ATTEST:

James L. Wilcox, Mayor_____
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 #
June 25, 2012	Action Items 12, A	12-042

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney

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

DATE: June 8, 2012

ISSUE: Resolution No. 12-007, accepting a deed of dedication from the Columbia Gateway Urban Renewal Agency for the Sunshine Mill Property.

RELATED CITY COUNCIL GOAL: Goal 3 - Promote economic development opportunities that will provide job creation and retention and enhance livability; Tier I(C) Complete public-private partnership to redevelop Wasco Warehouse and East Gateway.

PREVIOUS AGENDA REPORT NUMBERS: None.

BACKGROUND: The Columbia Gateway Urban Renewal Agency owns the real property upon which the structure commonly known as the Wasco Warehouse or the Sunshine Mill, is located. In preparation for a potential sale of the property, the Agency recently arranged for a survey to be completed to revise and consolidate the boundaries for the property. The survey identified two portions of the property which need to be retained as public right-of-way. A proposed deed to dedicate these portions of the property from the Agency to the City has been prepared, and is enclosed with the proposed Resolution No. 12-007. Approval of the Resolution will allow the deed to be recorded, which will facilitate the sale of the property.

BUDGET IMPLICATIONS: The City will pay a recording fee of \$66.00 to record the Deed of Dedication.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt Resolution No. 12-007.*

RESOLUTION NO. 12-007

**A RESOLUTION ACCEPTING A DEDICATION OF
PROPERTY FOR PUBLIC STREET PURPOSES FROM
THE COLUMBIA GATEWAY URBAN RENEWAL AGENCY**

WHEREAS, the Columbia Gateway Urban Renewal Agency owns a parcel of property which contains a building commonly known as the Sunshine Mill; and

WHEREAS, in preparation for a potential sale of the Sunshine Mill property, the Urban Renewal Agency arranged for the property to be surveyed, in order to clarify the boundaries of the property; and

WHEREAS, the survey identified as Wasco County Survey No. 17-096A and No. 17-096B identified two portions of the Sunshine Mill property, which needed to be retained as public right-of-way; and

WHEREAS, the City Council has reviewed the proposed Deed of Dedication to be executed by the Columbia Gateway Urban Renewal Agency, and has determined that the proposed dedication is in the public interest;

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

Section 1. Dedication Accepted. The dedication for public street purposes set forth in the attached deed is hereby accepted. The City Manager is hereby authorized to execute the Deed of Dedication, and the City Manager and City Clerk are authorized to execute the acceptance of the dedication and to take other necessary action to record the Deed of Dedication.

Section 2. Effective Date. This Resolution shall be effective June 25, 2012.

PASSED AND ADOPTED THIS 25TH DAY OF JUNE, 2012

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 25TH DAY OF JUNE, 2012

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

After recording return to:
City Clerk
313 Court Street
The Dalles, Oregon 97058

Send tax statements to:
City Clerk
313 Court Street
The Dalles, Oregon 97058

GRANTOR:
Columbia Gateway Urban Renewal Agency
313 Court Street
The Dalles, OR 97058

GRANTEE:
City of The Dalles
313 Court Street
The Dalles, OR 97058

SUNSHINE MILL DEED OF DEDICATION

KNOW ALL MEN BY THESE PRESENTS that COLUMBIA GATEWAY URBAN RENEWAL AGENCY, an Oregon Municipal Corporation, and the CITY OF THE DALLES, an Oregon Municipal Corporation, hereby dedicate to the City of The Dalles, for the public use, for a public street, the following described properties:

See attached Exhibits "A" and "B".

The City of The Dalles shall have the right to open, construct, improve, and maintain roads and streets of its design upon such lands and, in addition, thereto, shall have the right to place or to permit others to place sidewalks, sewers, utilities, cables, pipes, electrical transmission wires, communications equipment, and such other improvements as the City shall deem necessary and convenient upon, above, or below the surface of the dedicated area.

Before signing or accepting this instrument, the person transferring fee title should inquire about the person's rights, if any, under ORS 195.300, 195.301 and 195.305 to 195.336 and Sections 5 to 11, Chapter 424, Oregon Laws 2007. This instrument does not allow use of the property described in this instrument in violation of applicable land use laws and regulations. Before signing or accepting this instrument, the person acquiring fee title to the property should check with the appropriate city or county planning department to verify that the unit of land being transferred is a lawfully established lot or parcel, as defined in ORS 92.010 or 215.010, to verify the approved uses of the lot or parcel, to determine any limits on lawsuits against farming or forest practices as defined in ORS 30.930 and to inquire about the rights of neighboring property owners, if any, under ORS 195.300, 195.301 and 195.305 to 195.336 and Sections 5 to 11, Chapter 424, Oregon Laws 2007.

The consideration for this transfer is \$0.00. The property is to be used for public street purposes only.

Dated this _____ day of June, 2012.

COLUMBIA GATEWAY URBAN
RENEWAL AGENCY

CITY OF THE DALLES

James L. Wilcox, Chair

Nolan K. Young, City Manager

STATE OF OREGON)
) ss.
County of Wasco)

STATE OF OREGON)
) ss.
County of Wasco)

Personally appeared before me this ____ day of June, 2012, the above named James L. Wilcox, Chair, who acknowledges the foregoing deed to be his voluntary act and deed on behalf of the Columbia Gateway Urban Renewal Agency.

Personally appeared before me this ____ day of June, 2012, the above named Nolan K. Young, City Manager, who acknowledged the foregoing deed to be his voluntary act and deed on behalf of the City of The Dalles.

Notary Public for Oregon
My Commission Expires: _____

Notary Public for Oregon
My Commission Expires: _____

This Dedication is accepted by the City of The Dalles pursuant to the provisions of Resolution No. 12-007, adopted on June 25, 2012.

Nolan K. Young, City Manager

ATTEST:

Julie Krueger, MMC, City Clerk

LEGAL DESCRIPTION
For
Street Right-of-Way Dedication – West Area

A tract of land lying in Block 24 of Laughlin's Addition in the Southeast $\frac{1}{4}$ of Section 3, Township 1 North, Range 13 East, Willamette Meridian, City of The Dalles, Wasco County, Oregon, being more particularly described as follows:

Commencing at the Southwesterly corner of said Block 24; thence along the Southerly line of said Block 24, South $55^{\circ}21'33''$ East 135.56 feet to the true point of beginning of this description; thence continuing along said Southerly line, South $55^{\circ}21'33''$ East 64.98 feet; thence leaving said Southerly line, South $76^{\circ}30'37''$ East 83.20 feet; thence on a 500.00 foot radius curve to the right, a radial line to which bears North $20^{\circ}44'31''$ East, through a central angle of $04^{\circ}30'58''$, a distance of 39.41 feet (the long chord of which bears North $66^{\circ}59'59''$ West 39.40 feet); thence North $64^{\circ}44'30''$ West 62.79 feet; thence South $27^{\circ}26'49''$ West 5.15 feet; thence North $64^{\circ}18'58''$ West 43.21 feet to the point of beginning of this description.

Contains 1,015 square feet.

Bearings common with and see also County Survey #17-096 for additional information.

Exhibit "A"

LEGAL DESCRIPTION
For
Street Right-of-Way Dedication – East Area

A tract of land lying in Lot 1, Block 4 Annex to Lord and Laughlin's Addition in the Southeast $\frac{1}{4}$ of Section 3, Township 1 North, Range 13 East, Willamette Meridian, City of The Dalles, Wasco County, Oregon, being more particularly described as follows:

Commencing at the Southwesterly corner of Block 24 of Laughlin's Addition; thence along the Southerly line off said Block 24, South $55^{\circ}21'33''$ East 200.54 feet; thence leaving said Southerly line, South $76^{\circ}30'37''$ East 420.72 feet to the true point of beginning of this description; thence continuing South $76^{\circ}30'37''$ East 156.00 feet; thence North $73^{\circ}04'09''$ West 124.96 feet; thence West a distance of 32.15 feet to the true point of beginning of this description.

Contains 585 square feet.

Bearings common with and see also County Survey #17-096 for additional information.

Exhibit "B"

**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 #
June 25, 2012	Action Items 12, B	12-044

TO: Honorable Mayor and City Council**FROM:** Gene E. Parker, City Attorney**THRU:** Nolan K. Young, City Manager *nyj***DATE:** June 8, 2012

ISSUE: Adoption of General Ordinance No. 12-1317, regulating the conduct and business of secondhand dealers and certain sales of used property, requiring records, and requiring a license for secondhand dealers, providing penalties, and repealing General Ordinance No. 83-1048.

RELATED CITY COUNCIL GOAL: None.

PREVIOUS AGENDA REPORT NUMBERS: #11-066 & 12-012.

BACKGROUND: This subject has been the subject of two prior discussions occurring on July 11, 2011 and February 13, 2012. Following the discussion on February 13, 2012, City staff, including the City Attorney, Police Chief Jay Waterbury, and Officer Sean Lundry, met with the secondhand dealers, and with a small subcommittee of business owners representing the secondhand dealers (the subcommittee members included Mark Thomas, Mel Mendez, and Eric Stovall) in an effort to resolve certain issues concerning the proposed ordinance. Staff believes that many of the secondhand dealer's concerns have been addressed in the final version of the ordinance which is being presented for the Council's review. The following is a summary of the significant provisions in the proposed ordinance.

1. Section 2 of the ordinance, which begins on page 1, containing language for the definitions in the ordinance, contains several new provisions as well as certain existing provisions:
 - A. Subsection (A) defines the types of “acceptable identification” which a secondhand dealer will be required to obtain from a customer selling the dealer used property.
 - B. Subsection (F), on page 2, includes an exception for the definition of the term “Dealer” for a business engaging in transactions involving used property, which consist exclusively of donated items and/or purchases from 501(c)(3) organizations.
 - C. Subsection (O), which begins on page 3, provides a very detailed list of the type of used property which is regulated by the ordinance. Property which is exempt from regulation is defined in Section 2(O)(C), on page 5 of the ordinance.
 - D. Subsection R on page 5, which defines the term “Secondhand Dealer” has been revised to delete the exemption for merchants who deal primarily in new, unused merchandise, who occasionally engage in transactions involving used goods, which transactions account for less than 50% of the merchant’s gross sales
 - E. Subsection (V) on page 6, which defines the term “Transactions” retains a provision from the current ordinance providing that the ordinance does not regulate a transaction including the purchase or acquisition of regulated property from a single customer by a dealer where the total amount of the property purchased does not exceed the sum of \$25.00.
2. Section 4(B) on page 6, concerning permits, includes provisions concerning existing secondhand dealers who have a license under the current license. They will be required to apply for a license when their current license expires, and they will be subject to the provisions of the new ordinance upon its adoption. When they apply for renewal of a license under the new ordinance, they will not have to pay the application or investigation fees established by the new ordinance. Thereafter, they will pay the annual license fee, which is currently established at \$25.00.
3. Section 5, on page 6, concerning fees, will include a \$10 investigation fee and a \$25.00 application fee to be paid for new applications for a secondhand dealer license.
5. Section 6, on pages 6 and 7, concerning the application process, will require that applicants for a new license provide certain information concerning the operation of similar secondhand businesses which they have operated, and also information

concerning prior criminal convictions for the applicant, any co-owner, or a manager or operator of the proposed secondhand business, which has occurred within 15 years of the date of the application.

6. Section 7, on pages 7 and 8, concerning denial or revocation of a permit, provides the City Attorney's office will be responsible for making the determination whether a permit application should be denied, or an existing permit should be revoked. Section 7(A)(2) includes new language providing a basis for a denial of an application or revocation of an existing permit, when there is evidence that the applicant, a co-owner, or manager or operator of the secondhand business, has been convicted of a felony or any crime involving a false statement or dishonesty within 15 years prior to the application date. Section 7(B) of the ordinance includes a new provision allowing for some discretion for the City Attorney not to proceed with a denial or revocation, if certain specified circumstances exist.
7. Section 8, on pages 8 and 9, which includes provisions concerning reporting requirements, has been revised to provide for weekly, rather than daily reports. A provision has been added to allow the Police Department to arrange to obtain the reports sooner if the department determines that they need such reports. The reports can be physically delivered to the police department during regular business hours, or sent by electronic or digital methods. The reports are required to include a copy of the required identification to be provided by the seller of the used property. A copy of the transaction reporting form is included with this staff report. Section 8(E) on page 9 includes a new provision allowing for the use of a single reporting form for a transaction involving the purchase of 10 or more of the same type of items by a secondhand dealer. Section 8(E) was not changed from the previous version of the ordinance.
8. Section 9, pages 9 and 10, includes new provisions establishing a holding period of 7 days before property can be sold by a secondhand dealer.
9. Section 10, on page 10, includes a new provision requiring the secondhand dealers to affix tags to the used merchandise to facilitate identification of items that are sold.
10. Section 12, on page 10, includes new provisions concerning the sale of used property to minors. The current ordinance prohibits sales to anyone under the age of 18, and the new ordinance would allow sales to minors 16 years or older, provided they can show the dealer a valid government issued photo identification.
11. Section 15, providing for a review of the ordinance upon two years after adoption of the ordinance, was added at the request of the secondhand dealers.

Concerning the request of the dealers for the police department to issue what is sometimes referred to as a "hot list", which is a list of recently stolen property, which the dealers have indicated would assist them in identifying stolen property, before it is purchased by an innocent

dealer, the Police Department has determined that creation of such a list would not be in the interests of public safety, and the proposed ordinance does not address this issue.

Notice of adoption of General Ordinance No. 12-1317 has been posted in accordance with the provisions of the City Charter. The Council can choose to adopt the ordinance by title only.

BUDGET IMPLICATIONS: The proposed ordinance will continue to keep the current application fees, which are \$10 for the investigation fee, and \$25 for the permit fee.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt General Ordinance No. 12-1317 by title only.*

TRANSACTION REPORT
DECLARATION OF PROOF OF OWNERSHIP

Date: _____

Time of Transaction: _____

Seller's Name: _____

Address: _____

Seller's Driver's License # _____ State: _____

Alternative forms of identification (describe) #1 _____

#2 _____

Optional: Vehicle License of Seller: _____

Optional: Video or photo taken of Seller: Yes _____ No _____

<u>ITEM PURCHASED</u>	<u>DESCRIPTION</u> (Brand, model, weight, type, color, etc)	<u>SERIAL NUMBER</u>	<u>TAG NUMBER</u>
1.			
2.			
3.			
4.			
5.			

I, _____ AFFIRM UNDER PENALTY OF LAW THAT THE
PROPERTY I AM SELLING IN THIS TRANSACTION IS NOT, TO THE BEST OF MY
KNOWLEDGE, STOLEN PROPERTY, NOR IS THE PROPERTY SUBJECT TO A
LEASE OR A RENTAL AGREEMENT.

Seller's Signature_____
Seller's Printed Name_____
Purchaser's Signature_____
Name of Purchaser/Business Acquiring Item

GENERAL ORDINANCE NO. 12-1317

AN ORDINANCE REGULATING THE CONDUCT AND BUSINESS OF SECONDHAND DEALERS AND CERTAIN SALES OF USED PROPERTY; REQUIRING RECORDS; REQUIRING A LICENSE FOR SECONDHAND DEALERS; PROVIDING PENALTIES; AND REPEALING GENERAL ORDINANCE NO. 83-1048

THE CITY COUNCIL OF THE CITY OF THE DALLES ORDAINS AS
FOLLOWS:

Section 1. Purpose

This ordinance regulates the purchase of used property by certain businesses. This activity presents an extraordinary risk of misuse to conceal criminal conduct involving the theft of personal property. The risk of misuse is present despite the best efforts of legitimate businesses to otherwise control the risk.

Section 2. Definitions

For purposes of this ordinance, the following mean:

- A. Acceptable Identification. Either a current driver's license that includes the date of birth, photograph, and physical description of the person offering the identification; or two other pieces of current identification, at least one of which is issued by a governmental agency or subdivision and includes the date of birth, photograph and physical description of the person offering the identification.
- B. Acquire. To take or transfer any interest in personal property in a voluntary transaction, including but not limited to: sales; memoranda between a Dealer and a private party seller; leases; and loans. Any acquisition of regulated property by a Dealer will be presumed to be an acquisition on behalf of the Secondhand Dealer business. Notwithstanding the foregoing, "acquire" does not include:
1. Any loans made in compliance with state laws by persons licensed as pawnbrokers by the State of Oregon; or
 2. Memoranda between a Dealer and a person engaged in the business of selling regulated property.
 3. A transaction involving a donation of property to a secondhand dealer.
- C. Application Date. The date the City receives the required application fee from an applicant for a secondhand dealer permit.

D. Business. A shop, store, enterprise, profession, activity, establishment or undertaking of any nature conducted directly or indirectly for private profit or benefit and as a substantial means of a person's livelihood. The term is not meant to include the activity of any federal, state or local government or government subdivision or agency, or any organization exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code.

E. Business Location Any physical location where the Dealer conducts business.

F. 1. Dealer Includes any:

- a. Sole proprietorship, partnership, limited partnership, family limited partnership, joint venture, association, cooperative, trust, estate, corporation, personal holding company, limited liability company, limited liability partnership or any other form of organization for doing business and that:
- b. Either:
 - (1) Acquires regulated property at or from business locations within the City of The Dalles, or on behalf of such a business regardless of where the acquisition occurs, or
 - (2) Offers for sale regulated property.

2. Dealer Does not include:

- a. A business whose acquisitions of regulated property consist exclusively of donated items and/or purchases from 501(c)3 organizations; or
- b. A person whose only business transactions with regulated property in the City of The Dalles consist of a display space, booth, or table maintained for displaying or selling merchandise at any trade show, convention, festival, fair, circus, market, flea market, swap meet or similar event for less than 14 days in any calendar year.

G. Investment Purposes The purchase of personal property by businesses and the retention of that property in the same form as purchased, for resale to persons who are purchasing the property primarily as an investment.

H. New. Anything conspicuously not used.

I. Owner. A person who has a right of possession to an item of property superior to that of the seller.

J. Person. Any individual, partnership, corporation, or association.

K. Personal Property. Any article, substance or thing of value, including, but not limited to, money, tangible and intangible personal property, chose in action, and evidence of debt or of contract.

L. Police Chief. The Chief of Police of the City of The Dalles or the Police Chief's designee.

M. Purchase. The acquisition of or the act of acquiring title to property by a buyer in exchange for valuable consideration given to the seller. For purposes of this ordinance, the term "buyer" refers to a Secondhand Business, and the term "seller" refers to a customer selling regulated property to the Secondhand Business. The term is not meant to include the following:

1. A bailment for sale, by which a seller consigns property to another for sale.
2. A pledge loan, by which a pawnbroker licensed by the State of Oregon lends money secured by a pledge.
3. The acquisition of a security interest, by which a person acquires an interest in property to secure payment or performance of an obligation.

N. Receive. To take property into the inventory, possession, or control of a Dealer.

O. Regulated property.

A. The following used property:

1. Precious metals. Examples include: any metal that is valued for its character, rarity, beauty or quality, including gold, silver, platinum, or any other such metals, whether as a separate item or in combination as a piece of jewelry; and/or jewelry containing precious metals or precious gems including but not limited to rings, necklaces, pendants, earrings, brooches, bracelets, or chains.
2. Precious gems. Examples include: any gem that is valued for its character, rarity, beauty or quality, including diamonds, rubies, emeralds, sapphires or pearls, or any other such precious or semi-precious gems or stones, whether as a separate item or in combination as a piece of jewelry.
3. Watches.
4. Sterling silver. Examples include: flatware, candleholders, coffee and tea sets, ornamental objects, champagne flutes, wineglasses, or serving pieces such as: platters, bowls, trays, water pitchers, open bakery, ice buckets, shell dishes, or salt and pepper shakers.
5. Electronic equipment and items of entertainment

Examples include:

- a. Audio equipment including but not limited to: tape players, tape decks or players, compact/digital disc players, sound metering devices, tuners, amplifiers, speakers, transceivers, equalizers, receivers, phonographs, turntables, stereos, radios, car stereos, car speakers, microphones, broadcasting equipment, citizen band radios/transceivers, digital audio recorders or players.
- b. Video equipment including but not limited to: televisions, videotape or videodisc recorders, videotape or videodisc players, video cameras, video projectors, video monitors, digital video recorders or players.

- c. Electrical office equipment including but not limited to: telefax machines, laser printers, copiers, duplicators, typewriters, calculators, cash registers, transcribers, dictaphones, computers, home computers, modems, monitors, any computer equipment or accessories having uniquely identifiable parts, or identifiable software.
 - d. Telephones or telephone equipment including but not limited to answering machines, cellular telephones, or satellite telephones.
 - e. Video games including games that are handheld, console or played on a computer.
 - f. Other electronic equipment including but not limited to: global positioning systems, electronic navigation devices or radar detectors.
 - g. DVD's, DVD boxed sets, compact discs, and record albums
6. Photographic and optical equipment and any accompanying bags including but not limited to: cameras, camera lenses, camera filters, camera motor drives, light meters, flash equipment, movie projectors, slide projectors, photography processing equipment, photography enlarging equipment, binoculars, telescopes, opera glasses, microscopes, surveying equipment both optical and electronic, rifle scopes, spotting scopes, electronic sighting equipment, tripods, accessories and components, digital image recorders or display devices.
7. Power yard and garden tools including but not limited to: garden tractors, lawn mowers, rototillers, lawn sweepers, weed or brush cutters, edgers, trimmers, blowers, chippers, shredders, or ladders.
8. Power equipment and tools including but not limited to: air hammers, air tools, nail guns, power staplers, power saws, power sanders, chainsaws, power planers, power drills, routers, lathes, joiners, shop vacuums, paint sprayers and accessory equipment, generators, air compressors, pressure washers, logging equipment, welding or cutting equipment or components, measuring devices and gauges, or construction equipment.
9. Automotive and hand tools including but not limited to: wrench sets, socket sets, screw driver sets, pliers, vise grips, tool boxes, auto body hammers, jacks, timing lights, testing and analyzing equipment or components.
10. Musical instruments and any accompanying cases or bags including but not limited to: pianos, organs, guitars, violins, cellos, trumpets, trombones, saxophones, flutes, drums, percussion instruments, electronic synthesizers, or mixing boards.
11. Firearms including but not limited to: rifles, shotguns, handguns, revolvers, pellet guns, or BB guns.
12. Sporting equipment including, but not limited to kayaks, bicycles, golf clubs and bags, pool cues or cases, snow or water skis, hard plastic ski boots, snow or water boards, fishing rods or reels, skates, saddles or tack.
13. Outboard motors and boating accessories limited to outdrives, props, inboard engines, boat covers, tops, or unlicensed boat trailers.
14. Household appliances, including but not limited to microwave ovens, sewing machines, vacuums, mixing and food preparation equipment.

15. Property that is not purchased by a bona fide business for investment purposes, limited to:

- a. Gold bullion bars (0.995 fine or better);
- b. Silver bullion bars (0.995 fine or better);
- c. All tokens, coins, or money, whether commemorative or an actual medium of exchange adopted by a domestic or foreign government as part of its currency whose intrinsic, market or collector value is greater than the apparent legal or face value; or
- d. Postage stamps, stamp collections and philatelic items whose intrinsic, market or collector value is greater than the apparent legal or face value.

B. The following new property:

1. New items purchased from a licensed business are exempt from regulation under this Ordinance if the Dealer has a bill of lading, receipt, invoice or the equivalent for the new items that specifies the seller's business name, physical and mailing address, date of transaction and a description of the purchased items. The bill of lading, receipt, invoice or the equivalent must be held by the Dealer for one year or as long as the property is in the Dealer's possession, whichever is longer. Upon reasonable belief that a specific licensed business is dealing in stolen property, the Police Chief may deem that new items purchased from that specific licensed business are regulated property.
2. Items acquired from a manufacturer, manufacturer's representative or distributor that are discontinued or have been used for display or demonstration but not previously sold are new and exempt from regulation under this Ordinance if the Dealer has a bill of lading, receipt, invoice or the equivalent that includes the information specified in section B.1. The Dealer must hold the bill of lading, receipt, invoice or the equivalent for one year or as long as the property is in the Dealer's possession.

C. Regulated property does not include any of the following property:

1. Vehicles required to be registered with the Oregon Motor Vehicles Division;
2. Boats required to be certified by the Oregon Marine Board;
3. Glassware and objects d'art;
4. Furniture;
5. Refrigerators, freezers, stoves, ovens, dishwashers, washer, and dryers;
6. Computer software, excluding any video games;
7. Clothing;
8. Firearms for which the business selling the firearm has a Federal Firearms License.

P. Remanufactured. An item has been altered to the degree that the main components are no longer identifiable as the original item.

Q. Secondhand Business. A business that purchases regulated property.

R. Secondhand Dealer Permit. The permit issued to a secondhand dealer pursuant to this ordinance.

S. Seller. Any person who:

1. Offers items of regulated property in exchange for money or other property; or as collateral for a loan.

T. Trade Show. An event open to the public, held in a venue other than a Dealer's business location, at which vendors of a specific type of merchandise may exhibit, buy, sell, or trade items that may include regulated property. Events commonly known as flea markets or swap meets, in which goods of many types are exhibited, sold or traded, are not considered trade shows for the purpose of this Ordinance.

U. Transaction. The purchase of regulated property. For purposes of this ordinance, a transaction shall not include the purchase or acquisition of regulated property from a single customer by a dealer where the total amount of property purchased does not exceed the sum of \$25.00.

V. Transaction Report. Record of the information required by this Ordinance, transmitted to the City Police Department by the means required in this Ordinance.

W. Used. Previously owned, consumed, or put into service by a person other than the manufacturer or the manufacturer's dealer or agency.

Section 3. Unauthorized Sale of Property

A. No person shall sell or attempt to sell personal property to a secondhand dealer without the consent of the property's owner.

Section 4. Permit Required

A. No secondhand dealer shall carry on a secondhand business without a secondhand dealer's permit.

B. A secondhand dealer engaged in a secondhand business on or before the effective date of this ordinance who intends to continue that business after the effective date of this ordinance shall apply for a secondhand dealer permit pursuant to this ordinance, upon the expiration of their current license. During the period of time when this ordinance takes effect, until a currently licensed secondhand dealer applies for a permit under this ordinance, they shall operate their business in accordance with the provisions of this ordinance. When a currently licensed secondhand dealer applies for a permit for the first time under this ordinance, the applicant shall not have to pay any application or investigation fees for an application submitted pursuant to this subsection. Thereafter, such currently licensed secondhand dealers shall pay the annual application fee to renew their licenses.

C. The sale of regulated property at events commonly known as "garage sales," "yard sales," or "estate sales," is exempt from these regulations if all of the following are present:

1. No sale exceeds a period of 72 consecutive hours; and

2. No more than four sales are held at the same location in any twelve-month period.

Section 5. Fee

Every applicant for a secondhand dealer permit shall pay the appropriate fees, including an application fee and investigation fee, in the amount established by Council resolution, subject to the exception for currently licensed second hand dealers applying for a permit upon the expiration of their current license in Section 4(B).

Section 6. Application Process

A secondhand dealer shall apply for a secondhand dealer permit in the following manner:

- A. The City shall make available an application form for secondhand dealer permits.
- B. The application form may require all secondhand dealers to supply the following information:
 1. The name, address, telephone number, social security number and date of birth of the person applying for the permit.
 2. The name of the secondhand business in whose name the permit should be issued if the application is approved.
 3. The mailing address of the secondhand business and, if different from its mailing address, the location where the business is to be conducted in the City.
 4. Whether the applicant or any other person who helps own, manage or operate the secondhand business ever has been engaged in a similar business; whether any permit similar to the one applicant seeks pursuant to this ordinance ever has been issued to the applicant or any person who helps own, manage or operate the secondhand business; whether any such permit so issued has been suspended or revoked.
 5. Any criminal arrest or conviction the applicant or any other person who helps own, manage, or operate the secondhand business has had in the past 15 years. The applicant may be required to disclose where, when, and the nature of any arrest or conviction.
- C. The applicant shall complete the relevant portions of the application form and return it to the City Finance Department for processing. At the time the applicant submits the completed application, the applicant shall pay the investigation fee established by Section 5 of this Ordinance. Upon notice of approval of the application, the applicant shall pay the application fee established by Section 5 of this Ordinance.

Section 7. Denial or Issuance of Permit; Revocation of Permit; Appeal Process

- A. The City Attorney shall deny an application for a permit or revoke an issued permit if the City Attorney has probable cause to believe that any of the following conditions exist:
 1. The applicant, or any person who helps own, manage or operate the secondhand business, has owned or operated a secondhand business regulated under this ordinance or any substantially similar ordinance and within the five years prior to the application date:
 - a. Has had a secondhand business permit revoked for a reason that would be grounds for a denial or revocation pursuant to this ordinance; or

b. The secondhand business has been found to constitute a public nuisance.

2. The applicant, or any person who will help own, manage or operate the secondhand business, has been convicted of a felony or any crime involving a false statement or dishonesty within 15 years prior to the application date.

3. The applicant has knowingly made a false statement in the application; or knowingly omitted information requested to be disclosed in the application; or completed the application with reckless disregard for the truth or accuracy of the statements made therein.

4. A lawful inspection of the secondhand business premises by the Police Department has been unjustifiably refused by a person who helps own, manage, or operate the business.

5. The secondhand dealer has been convicted in Municipal Court for a violation of this Ordinance.

B. Notwithstanding the requirements of subsection (A) of this section, the City Attorney may grant or not revoke a secondhand dealer permit despite grounds for denial or revocation if the City Attorney concludes that the applicant has established more likely than not that the basis for the denial or revocation:

1. Is unlikely to recur;

2. Is remote in time; or

3. Is not reasonably related to the purpose of this ordinance.

C. Upon approval of an application for a secondhand dealer permit and payment of the application fee established by Section 5 of this Ordinance, a permit shall be issued in the name of the secondhand business for the location specified by the applicant in the application form. The permit shall be non-transferable and valid until January 31st of the year following the issuance of the permit. Annual statements will be sent to secondhand dealers who can renew their permit by paying the application fee established by Section 5 of this Ordinance. The permit shall be clearly displayed at the secondhand business in a manner readily visible to the business's customers.

D. If the City Attorney denies an application for a second hand dealer permit or orders the revocation of an issued secondhand dealer permit, the City Attorney shall serve a written notice by regular mail to the address, which the applicant furnished on the application, stating the reasons for the denial or the revocation. The notice shall advise the applicant of their right to file an appeal. Notice of the appeal shall be filed in writing and shall contain a brief statement by the applicant of the grounds for the appeal. The appeal shall be heard by the City Council at a regular City Council meeting. The appeal shall be treated as a contested case, and the Council shall have the authority to determine the applicable issues to be considered, and what testimony and evidence is relevant. The Council's decision shall be reduced to writing.

E. A revocation of an issued permit for a secondhand dealer, which is not appealed, or which is affirmed by the Council following an appeal, shall be for a period of five years, from either the date of issuance of the City Attorney's notice or the issuance of the Council's written decision on the appeal.

Section 8. Reporting of Regulated Property Transactions

A. If paper forms are approved for use by the Police Chief, the Police Department will provide all Dealers with a form for reporting transactions. The Police Chief may specify the size, shape and color of the transaction report. The Police Chief may require the transaction reports to include any information relating to the regulations of this Ordinance. The Declaration of Proof of Ownership is considered to be included in references in this Ordinance to the transaction reports, as appropriate.

B. When receiving regulated property, the Dealer must obtain acceptable identification from the seller. The Dealer must verify that the photograph is a photograph of the seller. The Dealer must record the seller's current residential address on the transaction report and have the seller complete the Declaration of Proof of Ownership.

1. At the time of the transaction, the Dealer must write on the transaction report a complete, legible and accurate description of the regulated property of sufficient detail to distinguish like objects one from the other. If an item is new, the Dealer must include the word "new" in the property description.

a. The Dealer must complete the transaction report in its entirety and the individual completing the report must sign the release form.

b. Transaction reports must be completed in legible printed English.

c. The seller must legibly complete the Declaration of Proof of Ownership. The seller must, at the time of the transaction, certify in writing that the seller has the legal right to pledge or sell the property that is the subject of the transaction and is competent to do so, and that the property is not rented or leased. The information on the Declaration of Proof of Ownership may be produced using a digital format with prior approval of the process from the Police Chief.

d. A Dealer may provide a description of any motor vehicle (including license number) identified as used in the delivery of regulated property and record the description and license number.

2. Dealers must make a copy of the acceptable identification presented by the seller. All information on the copy must be legible and may be made by photostatic copying, computerized scanning or any other photographic, electronic, digital or other process that preserves and retains an image of the document, and which can be subsequently produced or reproduced for viewing of the image. Copied identification must be submitted with the transaction report.

C. Transaction reports shall be mailed or delivered to the Police Department on a weekly basis, with the original of all transaction reports for the weekly period of Sunday through Saturday of each week, to be received by the Police Department by no later than 5:00 PM on the Monday following the week during which the reported transactions occurred. The Police Chief shall have the ability to obtain copies of any transaction reports by making arrangements with the dealer to pick up requested reports from the dealer's place of business, prior to the normal Monday deadline.

D. The City Police Department will destroy transaction reports and the Declaration of Proof of Ownership forms immediately after the statute of limitations for the suspected crime(s) has expired unless the report is needed as evidence in a pending criminal prosecution.

E. In the case of a transaction involving a purchase of 10 or more or the same type of items by a Second hand dealer, the dealer may describe these items as a single group on the Declaration of Ownership form; provided the description is sufficient to allow for the items to be individually identified, and further provided that the dealer retains a copy (for example, in photostatic, electronic or digital form) which can provide an image of all the items in the group which were purchased by the Second hand dealer.

Section 9. Sale of Property

A. No property purchased by any regulated Secondhand Dealer, shall be sold for a period of seven full days after purchase. Property may be displayed for sale during the seven-day holding period.

B. Such property shall be maintained in substantially the same form as purchased during this seven-day holding period. Notwithstanding this requirement, the Police Chief, may authorize in cases in which it is shown that extreme financial hardship will result from holding an item for the seven-day period, the sale or transfer of such item before the expiration of this period.

C. Whenever the Police Chief, upon reasonable belief that the specific property is the subject of theft, notifies a Secondhand Dealer in writing not to dispose of any specifically described property, the property shall be retained in substantially the same form, and shall not be sold, exchanged, dismantled or otherwise disposed of for a period of time, not to exceed thirty days, as determined by the Police Chief.

Section 10. Articles to be Tagged

Any Secondhand Dealer receiving used merchandise shall affix to the used merchandise a tag, upon which identification shall correspond with the identified form required to be kept as provided in Section 8 of this ordinance.

Section 11. Inspection by City

A. All persons licensed to do business as Secondhand Dealers, or any persons employed by such Secondhand Dealers, shall permit any officer of the City Police Department, upon presentation of official identification, entry to such business premises for the limited purpose of inspecting any articles purchased in the business as regulated by this ordinance.

B. Any such inspection shall only be authorized during normal business hours.

Section 12. Transactions involving minors

Second hand dealers can engage in transactions involving regulated property with minors who are 16 years of age or older, provided the minor can provide the Second hand dealer with valid government issued photo identification.

Section 13. Penalties

A. Violation of any provision of this ordinance is an infraction, punishable upon conviction by a fine of up to five hundred dollars (\$500).

B. Upon a second or subsequent conviction of any violation of any provision of this ordinance, the Municipal Court may impose a fine not to exceed one thousand dollars (\$1,000).

Section 14. Severability Clause

Should any article, section, subsection, paragraph, sentence, clause, or phrase of this ordinance be declared invalid, such declaration shall not affect the validity of any other article, section, subsection, paragraph, sentence, clause or phrase; and if this ordinance or any portion thereof should be held to be invalid on one ground, but valid on another, it shall be construed that the valid ground is the one upon which said ordinance or portion thereof was enacted.

Section 15. Review of Ordinance

Upon the passage of two years from the effective date of this ordinance, the City Council shall schedule a public hearing to provide for public comment and testimony concerning the provisions of the ordinance. Following the public hearing, the City Council will determine whether any provisions of the ordinance should be amended, or whether the ordinance should be repealed.

Section 16. Repeal

General Ordinance No 83-1048, adopted on November 21, 1983, and amended by General Ordinance No 08-1290, adopted on April 28, 2008, is hereby repealed.

PASSED AND ADOPTED THIS 25th DAY OF JUNE, 2012

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

AND APPROVED BY THE MAYOR THIS 25th DAY OF JUNE, 2012

James L. Wilcox, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481
FAX (541) 296-6906

AGENDA STAFF REPORT CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
June 25, 2012	Action Items 12, C	12-045

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

THRU: Nolan K. Young, City Manager

DATE: June 13, 2012

ISSUE: Resolution No. 12-010 Authorizing Transfers of Funds Between Categories of Various Funds, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2012.

BACKGROUND: Oregon Budget Law recognizes that annual budgets are estimates of revenues and expenses, and that certain events and circumstances during the fiscal year may cause funds to experience costs above approved category limits. Therefore, Oregon Budget Law allows for transferring of budgeted funds between approved category limits within the same fund to prevent any category from being over-expended at the end of the fiscal year. Categories that are over-expended at the end of the fiscal year are a violation of Oregon Budget Law.

The proposed resolution as prepared today includes the following changes:

GENERAL FUND:

- \$5,000 transferred from the Finance Department to the Technology Department to cover a potential shortage in the Software Maintenance line item due to increased costs.
- \$5,000 transferred from the Community Development Department to the Special Payments Category to cover a possible overage in the Parks and Recreation portion of the Transient Room Taxes in FY10/11.

We will continue to monitor our budget vs. actual reports right up until the Council meeting on June 25th in order to make sure that the resolution covers every instance that might require a transfer. We will provide the Council with an updated version of this proposed resolution at that meeting if necessary.

BUDGET IMPLICATIONS: These budget transfers or amendments reduce one category and increase another category in the same fund by an equal amount, so there is no impact on any fund's total budget amount.

ALTERNATIVES:

- A. **Staff Recommendation:** *Move to adopt Resolution No. 12-010 Authorizing Transfers of Funds Between Categories of Various Funds, Making Appropriations and Authorizing Expenditures for the Fiscal Year ending June 30, 2012.*
- B. The Council could choose not to adopt the proposed resolution, which would potentially leave the departments and categories described above in an over-expended status as of June 30, 2012. The City would then be in violation of Oregon Budget Law and the audit would disclose those violations, resulting in possible repercussions from the State.

RESOLUTION NO. 12-010

**A RESOLUTION AUTHORIZING TRANSFERS OF FUNDS BETWEEN CATEGORIES
OF VARIOUS FUNDS, MAKING APPROPRIATIONS AND AUTHORIZING
EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2012**

WHEREAS, during the budget year certain funds may experience expenditures above approved category limits; and

WHEREAS, Oregon Budget Law recognizes these events and allows for transferring of funds between approved category limits; and

WHEREAS, for various reasons the following funds and the budgeted limits within various departments and/or categories have been exceeded in the Fiscal Year ending June 30, 2012; and

WHEREAS, some reallocation of resources is necessary to correct the FY11/12 Budget;

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

Section 1. Authorizing Budget Transfers. The City Council hereby authorizes the following transfers of funds between budgeted transfers:

<u>FUND OR DEPT.</u>	<u>BUDGETED</u>	<u>RESOURCES NEEDED</u>	<u>REALLOCATED</u>
<u>GENERAL FUND (001)</u>			
from Finance/Utility Billing Dept	\$ 492,062	\$ 487,062	- \$ 5,000
to Technology Dept	\$ 225,460	\$ 230,460	+\$ 5,000
from Community Development Dept	\$ 567,319	\$ 562,319	- \$ 5,000
to Special Payments	\$ 527,539	\$ 532,539	+\$ 5,000

Section 2. Effective Date. This Resolution shall be effective upon adoption.

PASSED AND ADOPTED THIS 25th DAY OF JUNE, 2012

Voting Yes, Councilors: _____

Voting No, Councilors: _____

Absent, Councilors: _____

Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 25th DAY OF JUNE, 2012

SIGNED:

ATTEST:

James L. Wilcox, Mayor

Julie Krueger, MMC, City Clerk



CITY of THE DALLES

313 COURT STREET
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AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
June 25, 2012	Action Items 12, D	12-043

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney

THRU: Nolan K. Young, City Manager

DATE: June 8, 2012

ISSUE: Special Ordinance No. 12-548 assessing the property located at 3316 West 10th for the costs of abatement of nuisance conditions and hazardous vegetation.

RELATED CITY COUNCIL GOAL: None

PREVIOUS AGENDA REPORT NUMBERS: None

BACKGROUND: On March 15, 2012, the City's Code Enforcement Officer posted a Notice to Abate Nuisance Conditions on the property located at 3316 West 10th Street. General Ordinance No. 93-1162 provides that if a property owner does not remove junk and debris from the property, the City can proceed to hire a contractor to abate the nuisance conditions. General Ordinance No. 99-1234 provides that if a property owner does not remove the noxious vegetation within the fourteen day period specified in the notice, the City can proceed to have the vegetation removed. When the owners (Roy and Mabel Stephens) failed to remove the nuisance conditions, The City obtained an administrative warrant from the Municipal Court authorizing a contractor hired by the City to enter upon the property and remove the nuisance conditions and the hazardous vegetation. The total costs of the services provided by Luciano Lawn & Tree Service, LLC was \$2,000.00. General Ordinance No. 93-1162 provides for an administrative assessment of \$500 to be imposed for abatement of nuisance conditions.

On May 9, 2012, the City Clerk sent a Notice of Assessment to the owners by certified mail, notifying them of the proposed assessment for the costs of the nuisance abatement, and advising them that they could file an objection to the proposed assessment by May 15, 2012. The Notice also provided that the sum of \$2,500.00 would become a lien upon the property if the amount was not paid by May 25, 2012. A copy of the Notice of Assessment is included with this staff report. The post office attempted to deliver the notice to Mr. and Mrs. Stephens on May 10, 15, and 25th. The envelope including the notice was returned to the city unclaimed.

No objections to the proposed assessment have been filed, and no payment has been made toward the proposed assessment. It is the staff's position that the Council should proceed to assess the property for the amount of \$2,500, as set forth in Special Ordinance No. 12-548. Notice of the adoption of this special ordinance has been posted in accordance with the requirements of the City Charter, and the ordinance can be adopted by title only.

BUDGET IMPLICATIONS: If the Council adopts Special Ordinance No. 12-548, the City Clerk will initiate the process to have the amount of the assessment entered in the City's lien docket. This assessment would be collected in the same manner as an assessment for a local improvement district, and payment of the assessment would go into the special assessment fund.

ALTERNATIVES:

- A. Staff Recommendation. *Move to adopt Special Ordinance No. 12-548 by title only.*

SPECIAL ORDINANCE NO. 12-548

**AN ORDINANCE ASSESSING THE REAL PROPERTY
LOCATED AT 3316 WEST 10TH STREET, FOR THE
COSTS OF ABATEMENT OF NUISANCE CONDITIONS
AND HAZARDOUS VEGETATION**

WHEREAS, the City Code Enforcement Officer posted a Notice to Abate Nuisance for the following listed properties on the date shown below:

3316 West 10th Street 2N13E 29 CD Tax Lot #1300 March 15, 2012

and

WHEREAS, the above listed property is owned by the following listed persons:

3316 West 10th Street Roy and Mabel Stephens

and

WHEREAS, the Notice to Abate Nuisance posted on the property required the removal of nuisance conditions and hazardous vegetation from the property pursuant to the provisions of General Ordinance Numbers 93-1162 and 99-1234; and

WHEREAS, the Notice to Abate Nuisance further provided that if the nuisance conditions were not abated, the City would hire a contractor to abate the nuisance conditions, and the costs of the abatement would be charged to the owner of the property, and become a lien upon the property; and

WHEREAS, as a result of the owner's failure to abate the nuisance conditions on their properties, the City abated the nuisance conditions on the date shown below, for the following costs:

3316 West 10th Street \$2000.00 April 11, 2012

and

WHEREAS, Section 33C of General Ordinance No. 93-1162 provides that an assessment for abatement of nuisance conditions shall include an administrative cost of \$500.00; and

WHEREAS, pursuant to Section 34 of General Ordinance No. 93-1162, the City Clerk sent a Notice of Assessment by certified mail on May 9, 2012, to the property owners listed above, advising them of the respective sum that had been incurred for the abatement, and the respective sum would become a lien upon the property if the amount listed was not paid by May 25, 2012; and

WHEREAS, the May 9, 2012 Notice of Assessment also advised the owners that they had until May 15, 2012 to file any objection to the proposed assessment; and

WHEREAS, the owners have not filed any objections to the proposed assessment, and the owners have not paid their respective assessment by the stated deadline, and the City Council finds that the statement of the amount of the proposed assessment is correct, and that no reason exists not to proceed with the imposition of a lien upon the property for the costs of the assessment;

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

Section 1. Assessment. The cost of the abatement of the nuisance conditions consisting of the removal of junk and hazardous vegetation for the property listed below is assessed upon the following properties:

<u>Name/Address</u>	<u>Description</u>	<u>Final Assessment</u>
Roy and Mabel Stephens 3316 West 10 th Street The Dalles, OR 97058	2N 13E 29 CD #1300	\$2,500.00

The legal description for the above listed property is set forth in Exhibit "A".

Section 2. Docket Entry. Upon passage of this Ordinance and its approval by the Mayor, the City Clerk is instructed and directed to enter into the Docket of City Liens the following matters in relation to the assessment:

- a. The foregoing legal description of the property assessed.
- b. The name of the owners or statement that the owners are unknown.
- c. The sum assessed upon each lot or tract of land.
- d. The date of the docket entry.

Section 3. Notices/Collection of Assessment. The City Clerk is directed to proceed with notice and collection of the assessment in accordance with the procedures set forth in Section 9 of General Ordinance No. 91-1127, and to proceed with collection of the assessed amount in the manner provided by law.

PASSED AND ADOPTED THIS 25TH DAY OF JUNE, 2012

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

AND APPROVED BY THE MAYOR THIS 25TH DAY OF JUNE, 2012

James L. Wilcox, Mayor

Attest:

Julie Krueger, MMC, City Clerk

SPECIAL ORDINANCE NO. 12-548

EXHIBIT "A"

Beginning at an iron pipe 357 feet North and 362 $\frac{3}{10}$ feet East of the more Westerly Northwest corner of the Shaug Donation Land Claim located in the Southwest Quarter of Section 29 Township 2 North Range 13 East of the Willamette Meridian; thence South $89^{\circ} 54'$ East, a distance of 100 feet to an iron pipe; thence North $22^{\circ} 06'$ West, a distance of 50 feet to an iron pipe; thence North $89^{\circ} 54'$ West, a distance of 100 feet to an iron pipe; thence South $22^{\circ} 06'$ East, a distance of 50 feet to the place of beginning.



CITY of THE DALLES

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AGENDA STAFF REPORT

CITY OF THE DALLES

MEETING DATE:	AGENDA LOCATION:	AGENDA REPORT #
June 25, 2012	Action Items 12, E	12-047

TO: Honorable Mayor and City Council

FROM: AMI, Airport Managers

THRU: Nolan K. Young, City Manager

DATE: May 30, 2012

ISSUE: Execute 5 Year Lease at Airport with ANPC.

RELATED CITY COUNCIL GOAL: None.

PREVIOUS AGENDA REPORT NUMBERS: None.

BACKGROUND: ANPC is in the business of designing and constructing instrument landing equipment. ANPC has previously executed two separate five year leases for space at the Airport. ANPC has requested a five year lease for the same space. A copy of the proposed lease is attached. The board of the Columbia Gorge Regional Airport met on April 20, 2012, and recommended to the City of The Dalles and Klickitat County execution of this lease with ANPC.

BUDGET IMPLICATIONS: None

ALTERNATIVES:

Staff Recommendation: *Move to approve execution of the ANPC lease.*

SECOND ADDENDUM TO TLS SITE AGREEMENT

WHEREAS, the City of The Dalles, a municipal corporation of the State of Oregon, hereinafter referred to as "Owner", entered into a TLS Site Agreement with Advanced Navigation & Positioning Corporation, an Delaware Corporation, hereinafter referred to as ANPC on July 24, 2001, for a five year term, which agreement expired upon July 24, 2006; and

WHEREAS, on June 16, 2009, the Owner and ANPC entered into a First Addendum to the TLS Site Agreement, which extended the term of the Agreement to August 1, 2011, and also added Klickitat County as a named Owner for the Agreement, since Klickitat County had become a joint owner of the property leased to ANPC, since the City of The Dalles and ANPC entered into the original TLS Site Agreement on July 24, 2001; and

WHEREAS, the Owner and ANPC desire to enter into a Second Addendum which will extend the TLS Site Agreement for another five year term from August 1, 2011 through July 31, 2016;

NOW, THEREFORE, in consideration of the mutual promises and conditions set forth in this Second Addendum, it is hereby agreed as follows:

Section 1. Paragraph 2, Term, shall be modified to provide that the term of the agreement shall be extended for a period of five (5) years, commencing upon August 1, 2011, and terminating on July, 31 2016.

Section 2. Paragraph 3, Rent, shall be revised to read as follows:

Rent shall be paid on a monthly basis, in the sum of \$547.00 from August 1, 2011 through April 30, 2012 and then increasing to \$584.80, beginning on the 1st day of May, 2012 through July 31, 2016. The monthly rental payment shall be made on the tenth day of each month thereafter. Payment not paid when due shall bear interest at the rate of one and a half percent (1 1/2%) per month for each month on all unpaid balances. The base rent of \$584.80 shall be increased upon the annual anniversary date of this lease by the amount of increase in the Consumer Price Index for the West Coast, for the most recent period from January to January.

Section 3. Paragraph 16, Taxes, shall be modified to reflect that the amount paid by ANPC for real property taxes beginning on May 1, 2012 shall be the sum of \$8.00, and the amount paid for future calendar years shall be calculated in accordance with the formula set forth in the original TLS Site Agreement.

Section 4. Paragraph 17, Insurance, shall be modified to provide that commencing on June 1, 2012, the amount of coverage limits for the commercial general liability insurance policy provided by ANPC shall be increased from one million dollars (\$1,000,000) to two million dollars (\$2,000,000).

Section 5. Except as modified by this Second Addendum, and the First Addendum

entered into on June 16, 2009, the terms and conditions of the original TLS Site Agreement shall remain in full force and effect.

Dated this _____ day of _____, 2012.

CITY OF THE DALLES

BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington

Nolan K. Young, City Manager

Chairman

Attest:

Commissioner

Julie Krueger, MMC. City Clerk

Commissioner

Attest:

By: _____
Clerk of the Board

Approved as to form:

Approved as to form:

Gene E. Parker, City Attorney

Prosecuting Attorney

ADVANCED NAVIGATION & POSITIONING CORPORATION

By: _____
George H. Davidson, Chief Operating Officer



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 #
June 25, 2012	Action Items 12, F	12-046

TO: Honorable Mayor and City Council

FROM: AMI, Airport Managers

THRU: Nolan K. Young, City Manager

nyj

DATE: May 30, 2012

ISSUE: Execute 5 Year Lease at Airport with AAE.

RELATED CITY COUNCIL GOAL: None.

PREVIOUS AGENDA REPORT NUMBERS: None.

BACKGROUND: AAE is in the business of designing and constructing Unmanned Aerial Vehicles (UAV.) AAE previously executed a two year lease for the Hangar at the Airport. AAE has requested a five year lease for the same hangar. A copy of the proposed lease is attached. The board of the Columbia Gorge Regional Airport met on April 20, 2012, and recommended to the City of The Dalles and Klickitat County execution of this lease with AAE.

BUDGET IMPLICATIONS: None

ALTERNATIVES:

Staff Recommendation: *Move to approve execution of the AAE lease.*

HANGAR LEASE

LANDLORD: The real property and hangar facilities are jointly owned by the City of The Dalles, a municipal corporation of the State of Oregon, and Klickitat County, a municipal corporation of the State of Washington, located at the Columbia Gorge Regional Airport, 45 Airport Way, Dallesport, Washington 98617, said City and County hereinafter referred to as the Landlord.

TENANT: American Aerospace Engineering, LLC
105 NW Lincoln Street
PO Box 806
White Salmon, WA 97002

Landlord leases to Tenant and Tenant leases from Landlord a Hangar measuring approximately 90' by 84' which includes an office and work area (the "Premises") on the terms and conditions stated below.

Section 1. Term. This Lease shall commence January 1, 2012, and continue through December 31, 2016, unless sooner terminated as provided in this Lease.

Section 2. Rent.

- 2.1 During the term, Tenant shall pay to Landlord as rent the sum of Two Thousand Three Hundred Fifty Dollars (\$2,300.00) per month for the period of January 1, 2012 through December 31, 2012. The monthly rent shall increase \$100.00 per month each year during the term of this lease beginning on January 1, 2013, with monthly rent being \$2,400.00 beginning on January 1, 2013, \$2,500.00 beginning on January 1, 2014, \$2,600.00 beginning on January 1, 2015 and \$2,700.00 beginning on January 1, 2016. Rent shall be payable on the first (1st) day of each month in advance at such place as may be designated by Landlord, except that rent for the first and last months shall be paid upon the execution of this Lease.
- 2.2 Tenant shall have the right to terminate this lease prior to December 31, 2016, if Tenant elects to move to a new location on the Columbia Gorge Regional Airport and executes a new lease with the Landlord for a building and/or real property on terms that are acceptable to Landlord.

Section 3. Use of the Premises.

- 3.1 Permitted Use. The Premises shall be used for an aviation related design and manufacturing and for no other purpose unless specifically approved by the Landlord.
- 3.2 Restrictions on Use. In connection with the use of the Premises, Tenant shall:
 - 3.2.1 Conform to all applicable laws and regulations of any public authority affecting the Premises and the use.
 - 3.2.2 Refrain from any use that would be reasonably offensive to other tenants or owners or users of neighboring premises, or that would tend to create a nuisance.
 - 3.2.3 Refrain from making any marks on or attaching any sign, insignia, antenna, aerial or other device to the exterior or the interior walls or roof of the Premises without the written consent of Landlord.
 - 3.2.4 Tenant shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Premises or into the stormwater system at the Airport. Tenant may use or otherwise handle on the Premises only the Hazardous Substances typically used or sold in the prudent and safe operation for the hangared aircraft specified in this Lease. Tenant may store such Hazardous Substances on the Premises only in quantities necessary to satisfy Tenant's reasonably anticipated needs. Tenant shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Premises. Upon the expiration or termination of this Lease, Tenant shall remove all Hazardous Substances from the Premises. The term Environmental Law shall mean any federal, state or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious or radioactive substance, waste and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions. Tenant shall maintain for the duration of the lease term "Material Safety Data Sheets" for all hazardous substances used or stored on the premises in a place known and accessible to the Landlord and the Airport Managers.
 - 3.2.5 Only designated aircraft may be stored in the Hangar.
 - 3.2.6 No maintenance is allowed unless approved by the Landlord (see Columbia Gorge Regional Airport Rules and Regulations and Addendum A).

- 3.2.7 Aircraft washing must be accomplished only in designated area established by the Airport Manager.
- 3.2.8 All aircraft fueling must be provided by the authorized/designated "Aviation Fuel Provider" established by the Airport Manager.
- 3.2.9 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 Airport and the premises described in this lease, during the term of this lease. Tenant, its employees and agents, shall faithfully observe and apply the rules and regulations. Rules and regulations are defined, but not limited to, the "Columbia Gorge Regional Airport Rules and Regulations and Minimum Standards for Commercial Aeronautical Activities", approved as of April 1, 2007, a copy of which is on file at the Airport Manager's Office.

Section 4. Repairs, Maintenance and Inspection.

- 4.1 Except for repairs necessitated by the use of the Tenant, its agents, employees, and/or invitees, Landlord shall maintain the Premises in a condition which is equivalent or better than the condition which existed at the time of execution of this agreement. Tenant agrees to keep the premises in a neat, clean and proper condition at all times. Any repair to the premises, including repairs to major structural parts, which is required as a result of an act of the Tenant, its agents, employees or contractors, or any business visitor or invitee, shall be the responsibility of the Tenant.
- 4.2 Landlord, its agents, or local government authorities shall have the right to inspect the Premises for any reasonable purpose at any time. If the inspection reveals a condition or conditions which Tenant has the responsibility to repair, Tenant agrees to take immediate action to make such repairs upon written notice being given by Landlord. If the inspection determines that the Landlord is responsible for the repairs, the Landlord shall take immediate action to correct them. For repairs not discovered during an inspection by Landlord; if the Landlord is notified by Tenant in writing of the necessity of maintenance or repairs, the duty of Landlord to make such repairs shall not mature until a reasonable time after Landlord has been in receipt such notice.

Section 5. Alterations. Tenant shall make no improvements or alterations on the Premises of any kind without written permission from the Landlord.

Section 6. Insurance.

- 6.1 **Insurance Required.** Landlord shall keep the Premises insured at Landlord's expense against fire and other risks covered by a standard comprehensive fire and liability insurance policy. Tenant shall carry similar insurance insuring the

property of Tenant on the Premises against such risks.

- 6.2 **Liability Insurance.** Tenant shall carry the following insurance at Tenant's cost: comprehensive liability insurance with a responsible company with limits of not less than Two Million Dollars (\$ 2,000,000.00) on a combined single limit basis and fire insurance with an extended coverage endorsement covering Tenant improvements, Tenant's personal property and the leased premises. Liability insurance shall cover all risks arising directly or indirectly out of Tenant's activities on any condition of the Premises whether or not related to an occurrence caused or contributed to by Landlord's negligence. Such insurance shall protect Tenant against the claims of Landlord on account of the obligations assumed by Tenant under the paragraph entitled Indemnification, and shall name Landlord as an additional insured. Certificates evidencing such insurance and bearing endorsements requiring ten (10) days written notice to Landlord prior to any change or cancellation shall be furnished to Landlord prior to Tenant's occupancy of the property. The insurance shall be on a form and from a company reasonably acceptable to Landlord. Failure of Tenant to maintain an approved insurance policy shall constitute a default under this lease agreement.
- 6.3 **Waiver of Subrogation.** Neither party shall be liable to the other (or to the other's successors or assigns) for any loss or damage caused by fire or other casualty and risks enumerated in the insurance policy with an extended coverage endorsement, and in the event of insured loss, neither party's insurance company shall have a subrogated claim against the other. This waiver shall be valid only if the insurance policy in question expressly permits waiver of subrogation or if the insurance company agrees in writing that such a waiver will not affect coverage under the policies. Each party agrees to use best efforts to obtain such an agreement from its insurer if the policy does not expressly permit a waiver of subrogation.

Section 7. Taxes; Utilities.

- 7.1 **Taxes.** Tenant shall pay as due all taxes, personal and property, assessments, license fees, and other charges which are levied and assessed upon Tenant's interests and/or leasehold in the premises, by any legally authorized governmental authority. Tenant is responsible for real property taxes imposed by Klickitat County upon the premises which will be collected monthly/annually as computed by the Uniform Rate Structure established by Landlord.
- 7.2 **Utility Charges.** Tenant shall pay when due all charges for services and utilities incurred in connection with the use, occupancy, operation and maintenance of the Premises, including, but not limited to water, gas, oil, electricity, sewage disposal and propane.

Section 8. Indemnification. Tenant shall indemnify, defend, save, protect, and hold harmless the Landlord, its officers, agents and employees from any claim, loss or liability, including

reasonable attorneys' fees, arising out of or related to any activity of Tenant on the Premises or any condition of the Premises in the possession or under the control of Tenant. Landlord shall have no liability to Tenant for any injury to Tenant for any injury, loss, or damage caused by third parties or by any condition of the Premises, except to the extent caused by Landlord's negligence or breach of duty under this Lease.

Section 9. Assignment and Subletting. Tenant shall not assign, sell or transfer its interest in this agreement or sublet any part of the premises without having first obtained the express written consent of the Landlord, which consent shall not be unreasonably withheld by Landlord; provided that with the Airport Manager's approval, Tenant may sub-lease the premises for aircraft storage use. In the event Tenant shall attempt to assign, sell or transfer its interest in this lease agreement or any part hereof, without having first obtained the express written consent of Landlord, this agreement shall be null and void and Landlord shall have an immediate right of entry.

Section 10. Default. The following shall be events of default:

- 10.1 Default in Rent. Failure of Tenant to pay any rent or other charge within ten (10) days after it is due.
- 10.2 Default in Other Covenants. Failure of Tenant to comply with any term or condition or fulfill any obligation of the Lease (other than the payment of rent or other charges) within twenty (20) days after written notice by Landlord.

Section 11. Remedies on Default.

- 11.1 Termination. In the event of a default the Lease may be terminated at the option of Landlord by written notice to Tenant. Whether or not the Lease is terminated by the election of Landlord or otherwise, Landlord shall be entitled to recover damages from Tenant for the default. Landlord may reenter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages and without having accepted a surrender.
- 11.2 Reletting. Following reentry or abandonment, Landlord may relet the Premises and in that connection may make any suitable alterations or refurbish the Premises, or both. Landlord may relet the Premises for a term longer or shorter than the term of this Lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concessions.
- 11.3 Damages. In the event of termination or retaking of possession following default, Landlord shall be entitled to recover immediately, without waiting until the due date, of any future rent or until the date fixed for expiration of the Lease term, the following damages:
 - 11.3.1 The loss of rental from the date of default until a new tenant is, or with the

exercise of reasonable efforts could have been, secured and paying out.

11.3.2 The reasonable costs of reentry and reletting including without limitation, the cost of any cleanup, refurbishing, removal of Tenant's property and fixtures, remodeling or repairs costs, attorney's fees, court costs, recording costs, broker commission and advertising costs.

11.4 Late Fee. In the event Landlord fails to receive rent, or any other payment required by this Lease, within five (5) days after the due date, Tenant shall pay to Landlord a late charge of five percent (5%) of the payment amount. Tenant shall pay the late charge upon demand by Landlord. Landlord may levy and collect a late charge in addition to all other remedies available for Tenant's default, and collection of a late charge shall not waive the breach caused by the late payment.

11.5 Remedies Cumulative. The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Landlord under applicable law.

Section 12. Surrender. Upon termination of this Lease, Tenant shall deliver all keys to Landlord and surrender the Premises in first-class condition, and broom clean, subject only to reasonable wear and tear from ordinary use.

Section 13. Renewal Option. If the Lease is not in default at the time each option is exercised or at the time the renewal term is to commence, Tenant shall have the option to renew this Lease as follows:

13.1 The renewal term shall commence on the day following expiration of the preceding term.

13.2 The option may be exercised by written notice to Landlord given not less than ninety (90) days prior to the last day of the expiring term. The giving of such notice shall be sufficient to make the Lease binding for the renewal term without further act of the parties.

13.3 The terms and conditions of the Lease for each renewal term shall be identical with the original term except for rent. Rent for a renewal term shall be most recent rental rate in effect at the time of the renewal.

Section 14. Miscellaneous.

14.1 Nonwaiver. Waiver by either party of strict performance of any provision of this Lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision.

14.2 Attorney Fees. If suit or action is instituted in connection with any controversy arising out of this Lease, the prevailing party shall be entitled to recover in

addition to costs such sum as the court may adjudge reasonable as attorney fees at trial, on petition for review, and on appeal.

- 14.3 Notices. All notices or other communications required or permitted under this Agreement shall be in writing and shall be (a) personally delivered (including by means of professional messenger service), which notices and communications shall be deemed received on receipt at the office of the addressee; (b) sent by registered or certified mail, postage prepaid, return receipt requested, which notices and communications shall be deemed received three (3) days after deposit in the United States mail; or, (c) sent by fax, which notices and communications shall be deemed received on the delivering party's receipt of a transmission confirmation.
- 14.4 Interest on Rent and Other Charges. Any rent or other payments required of Tenant by this Lease shall, if not paid within ten (10) days after it is due, bear interest at the rate of twelve percent (12%) per annum (but not in any event at a rate greater than the maximum rate of interest permitted by law) from the due date until paid. This is in addition to the 5% late fee.
- 14.5 Time of Essence. Time is of the essence of the performance of each of Tenant's obligations under this lease.
- 14.6 Damage or Destruction by fire or other casualty. In the event the building of Landlord in which Tenant occupies space under this lease shall be partially or wholly damaged by fire or other casualty, Landlord shall have the option to either rebuild the structure, or terminate this lease agreement. In the event Landlord elects to proceed with rebuilding the structure, and it is necessary for Tenant to temporarily vacate the lease premises while the repair work is being completed, the monthly rental payment due from Tenant shall be abated during the period of time which Tenant is unable to occupy the premises while the repairs are being completed. In the event the Landlord elects to terminate the lease agreement, Landlord shall provide notice of the termination to Tenant within fourteen (14) days of the date the casualty occurred.
- 14.7 Aircraft Use and Development. Landlord reserves the right to further develop or improve the landing area of the Airport as it sees fit, regardless of the desires of Tenant and without interference. Landlord reserves the right, but shall not be obligated to 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 Tenant in this regard. 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. There is hereby reserved to the Landlord, and 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 leased premises. 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 Airport. Any physical taking of the leased premises for use by the Landlord, other than as provided herein, shall be considered a taking pursuant to the governmental power of eminent domain.

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 located upon the leased premises. Tenant agrees that it will not erect or permit the erection of any structure or object, nor permit the growth of any tree on the lease premises to exceed the established height contours. In the event of a breach of the foregoing covenants, Landlord reserves the right to enter upon the lease premises and remove the offending structure or object and cut the offending tree, all of which shall be at the expense of Tenant. Tenant agrees it will not make use of the leased premises in any manner which might interfere with the landing and taking off of aircraft from the Airport, or otherwise constitute a hazard. In the event of a breach of the foregoing covenant, Landlord reserves the right to enter on the leased premises and cause the abatement of such interference at the Tenant's expense. It is understood and agreed that nothing contained herein shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1349a). This lease and all 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 Airport by the United States during the time of war or national emergency.

- 14.8 Removal of fixtures, furniture, and equipment. Upon termination of this agreement or during the term of this agreement, Tenant shall have the right to remove all equipment, furniture and fixtures owned by the Tenant, which have not become attached to the leased premises. In the event Tenant removes any said equipment, furniture or fixtures which Tenant is empowered and entitled to remove and by such removal causes damage or injury to the leased premises, Tenant agrees to repair any damages or injury immediately, at Tenant's expense, and to restore the premises to as good as state or condition as the premises were at the beginning of the date of this agreement.
- 14.9 Mechanic's and Materialman's Liens. Neither Landlord or Tenant 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.

14.10 Savings Clause. In the event that any part of this agreement or application thereof shall be determined to be invalid by a court of competent jurisdiction, such findings shall have no effect on the remaining portions of this lease.

14.11 Written Agreement. Neither party has relied upon any promise or representation not contained in this lease. All previous conversations, negotiations, and understandings are of no further force or effect. This lease agreement may be modified only in writing signed by both parties. The headings of the paragraphs are for convenience only and are not part of this lease, nor shall they be considered in construing the intent of this lease agreement.

Section 15. Non-Discrimination. The Tenant for itself, its heirs, successors and assigns, as part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the leased premises for a purpose for which a United States 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.

The Tenant, for itself, its heirs, successors and assigns, as part of the consideration hereof, does 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 leased 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 otherwise be subjected to discrimination, and 3) that the Tenant shall use the lease 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.

In the event of a breach of any of the above non-discrimination covenants, Landlord shall have the right to terminate this lease agreement and re-enter and repossess said premises and the facilities thereon, and hold the same as if said lease agreement had never been made. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

Section 16. Applicable Law. This Lease Agreement shall be governed by the laws of the States of Oregon and Washington

Section 17. Payments. Please make payment checks to the City of The Dalles and mail lease payments to the below:

**Finance Director
City of The Dalles
313 Court Street
The Dalles, Oregon 97058**

Section 19. Notices and Communications. All notices and communications may be served by enclosing the notice in a sealed envelope and deposited in the United States Post Office as certified mail and received by the authorized party below:

**Airport Manager: Aeronautical Management, Inc.
P.O. Box 285
Dallesport, WA 98617**

**Tenant: American Aerospace Engineering, LLC
105 NW Lincoln Street
PO Box 806
White Salmon, WA 98672**

EXECUTED this 30th day of May 2012.

CITY OF THE DALLES

BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington

Nolan K. Young, City Manager

Chairman

Attest:

Commissioner

Julie Krueger, MMC. City Clerk

Commissioner

Attest:

By: _____
Clerk of the Board

Approved as to form:

Approved as to form:

Gene E. Parker, City Attorney

Prosecuting Attorney

AMERICAN AEROSPACE ENGINEERING, LLC

By: _____

Its: _____

President

Michael William Bartlett

Approved as to form:

Its: