

**CANBY CITY COUNCIL
WORK SESSION MINUTES
January 20, 2010**

Presiding: Mayor Melody Thompson.

Council Present: Richard Ares, John Henri, Walt Daniels, Robert Bitter, and Brian Hodson. Councilor Jason Padden was absent.

Staff Present: Amanda Klock, Human Resources Director/Interim City Administrator; John Kelley, City Attorney; Catherine Comer, Economic Development Manager; Jeff Crowther, Public Works Supervisor; and Melissa York, Deputy City Recorder.

Others Present: Catherine Al-Skeikhly, Russ Monk, Glenn Farris, Chris Roth, Nick Harville, Buzz Wygandt, Jamie Johnk, and Matt Michel.

Mayor Thompson called the Work Session to order at 6:00 p.m. in the City Hall Conference Room. The Council met to receive information on a conceptual biomass production facility.

Catherine Comer, Economic Development Manager, said that ideas about biomass and bioenergy had been discussed previously and inquiries had been made because of the agriculture in Canby and the ability to grow additional agriculture. The Council previously received a presentation by Lane County Council of Governments to bring a bioenergy plant to Canby using approximately ten acres in the Industrial Park. The Council agreed to sign a letter that they were aware this project was being brought forward.

The presentation for this meeting was regarding a second biomass facility being proposed for Canby on a large scale to produce electricity. Russ Monk from High Impact Technologies, explained how Canby was a good fit for a biomass plant. Their company was a technology development company and was responsible for bringing all the key companies involved in the project together. The result would provide a local stable energy supply and any excess could be sold back to PGE.

Glenn Farris, President and Chief Executive Officer of Biomass Gas and Electric, said that Biomass Gas and Electric was one of the owners of Biomass Energy Holdings and the company was a developer of energy projects that specialized in biomass. They built relationships for long-term supply agreements. He explained two biomass projects that were currently under active development in other parts of the country. The company had significant experience in traditional and renewable energy as well as engineering, construction, and financing. He gave a power point presentation that outlined the benefits of biomass energy and the steps they would need to take to start the process in Canby. Biomass Gas and Electric would be responsible for seeking all of the financing.

Jamie Johnk, Clackamas County Main Street Coordinator, said the County was conducting a feasibility analysis of stock available for biomass and biowaste opportunities. Preliminary findings were that in Clackamas County and north Marion County 19,000 acres of product were available.

There was discussion about using forest product waste and grasses as fuels, and who would buy the power. There was more discussion about the sites available in the Industrial Park and potential complaints for this kind of facility.

Mr. Farris said construction would take 16 to 24 months. It would create 20-25 direct jobs at the plant and 80-100 jobs through the biomass supply chain.

Ms. Johnk said if the Council was interested, the County could expand the feasibility analysis and traffic impact study.

Mayor Thompson thought they should look into the feasibility further.

Chris Roth, American Technology Specialist, discussed the funding for the project through stimulus and grant money and assistance programs.

Ms. Johnk said a letter of support from the Mayor and Council would provide encouragement to other agencies as they moved forward.

Council consensus was to direct staff to pursue this idea and staff would come back with the next steps in the process.

Mayor Thompson adjourned the Work Session at 7:27 p.m.

**CANBY CITY COUNCIL
REGULAR MEETING MINUTES
January 20, 2010**

Presiding: Mayor Melody Thompson.

Council Present: Richard Ares, John Henri, Walt Daniels, Robert Bitter, and Brian Hodson. Councilor Jason Padden was absent.

Staff Present: John Kelley, City Attorney; Amanda Klock, Human Resources Director/Interim City Administrator; Rodney Grafe, Municipal Court Judge; Darvin Tramel, Wastewater Treatment Plant Supervisor; Jeff Crowther, Public Works Supervisor; Melissa York, Deputy City Recorder; Bret Smith, Police Chief; Jorge Tro, Lieutenant; Toni Tracy, Administrative Specialist; Elizabeth Carson, Records Office Specialist; Lupita Robles, Records Office Specialist; Kari Inness, Code Enforcement Officer; Sergeant Scott Cunningham; Detective Chris Mead; Sergeant Tim Green; Detective Tony Feters; Detective Sergeant Frank Schoenfeld; and Gang Enforcement Officer Nathan Di Cenzo.

Others Present: Renate Melgelberg, Bob Cornelius, Ed Haman, Larry O'Dea, Brian Myrack, Randy Carson, Ted Kunzé, Larry Baird, Jerry Giger, Susan Kahut, Don Kahut, Bev Doolittle, Teri Smith, Kenzie Smith, Kody Smith, Bev Walker, Shelly Smith, Ed Hamann, Wally Johnson, Mark Daniels, Dave Kirby, Daniel Duncan, Jim Pryde, Craig Jurginger, Geoff Spalding, Dan Noli, Bob Day, John Ekhart, Larry O'Dea, Rosie Sizer, Brian Martinek, and Mike Leoff.

CALL TO ORDER: Mayor Thompson called the Regular Meeting to order at 7:30 p.m. in the Council Chambers followed by the opening ceremonies.

Swearing In Ceremony – Rodney Grafe, Municipal Court Judge, swore in Bret Smith as Canby's new Police Chief.

COMMUNICATIONS: None.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS: Randy Carson said he and other Canby citizens testified at a regular Clackamas County Board of Commissioners meeting on January 14, to request that land in the northeast and southeast of Canby be left as undesignated and not brought in as a rural reserve. They also attended the Open House on January 19 in Oregon City where they discussed the issue with three County Commissioners. He explained the reasons for making the southeast area undesignated. He read a letter into the record from Larry and Betty Faist who gave reasons their property should be undesignated instead of rural reserve.

Mr. Carson also said the Historical Society calendars were available for sale at \$9.50.

Bev Doolittle, Chamber of Commerce Executive Director, said the Chamber was in support of what the City put forward regarding rural reserves and she had sent a letter to the County in support and had spoken on behalf of the City to legislators.

MAYOR'S BUSINESS: Mayor Thompson said they had a City Council Work Session before the Regular Council Meeting regarding a possible biomass production facility.

The City was hosting the Clackamas Counties Association Dinner in which they would showcase downtown and would discuss the impacts of Measures 66 and 67.

COUNCILOR COMMENTS & LIAISON REPORTS: Councilor Ares said that Dale Liberty had retired from his volunteer service to the Friends of the Library and asked that a letter of appreciation from the Council be sent. The Council agreed. He reported on the Canby Adult Center Board meeting where they announced the siding replacement job was complete. The Board had also discussed the rent payment the City would be charging starting in July. He had attended the Park and Recreation Board meeting where they discussed weekend and early morning noise issues at Wait Park and better notification of the neighbors for street closures around the park.

Councilor Henri said regarding urban and rural reserves, the Council expanded the north area as undesignated and staff was going to all the hearings to state the City's position. A letter had been sent to the County with a new map. He thanked Mayor Thompson and Bev Doolittle for their efforts in the process.

Mayor Thompson said on February 8 there would be a meeting to consider all the public input on urban and rural reserves and decisions would be made.

Councilor Daniels said February was the 100th anniversary of the Boy Scouts and the Depot Museum had a display. He had attended the Transit Advisory Committee Work Session where the Committee was working on a master plan. Ridership was up even though they had stopped Saturday service.

Councilor Bitter attended the Canby Utility Board meeting on January 12, where the purchase of property for a new facility and contract awards were discussed. He also reported on a possible rate increase from PGE that the Utility Board was going to fight.

Councilor Hodson said the Council would be appointing members to the Planning Commission that night which would make it a full Commission.

CONSENT AGENDA: **Councilor Daniels moved to approve the minutes of the January 6, 2010 City Council Work Session and Regular Meeting; appointment of John Proctor to the Planning Commission for a term to expire on December 31, 2011; and appointment of Randy Tessman to the Planning Commission for a term to expire on December 31, 2012.

Councilor Ares thought there had been a possible error on the January 6 minutes regarding a future meeting date that needed to be corrected.

Motion was seconded by Councilor Ares and passed 5-0.

RESOLUTIONS & ORDINANCES:

Ordinance 1323 – ****Councilor Ares moved to adopt Ordinance 1323, AN ORDINANCE AMENDING CANBY MUNICIPAL CODE SECTION 16.04.255 IN ORDER THAT RESIDENTIAL INFILL STANDARDS NO LONGER APPLY TO THE R-2 ZONING DISTRICT. Motion was seconded by Councilor Henri and passed 5-0 by roll call vote.**

Ordinance 1324 – ****Councilor Daniels moved to adopt Ordinance 1324, AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO PURCHASE TWO (2) VEHICLES FOR CANBY AREA TRANSIT FROM EMMETT KOELSCH COACHES, INC. OF OREGON CITY. Motion was seconded by Councilor Henri and passed 5-0 by roll call vote.**

Ordinance 1325 – ****Councilor Bitter moved to adopt Ordinance 1325, AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH R & G EXCAVATING, INC IN THE AMOUNT OF \$2,250,704.00, FOR IMPROVEMENTS TO THE CITY'S WASTEWATER TREATMENT FACILITY; AND DECLARING AN EMERGENCY. Motion was seconded by Councilor Daniels and passed 5-0 by roll call vote.**

NEW BUSINESS: Presentation from Clackamas County on Potential Business Incentives –

Catherine Comer, Economic Development Director, said the City had a diversified Industrial Park with 11 businesses that had been built in the last five years. Clackamas County had been working on a Rural Renewable Energy Development Zone and Rural Strategic Investment Zone.

Renate Megelberg, Clackamas County Business & Economic Development Coordinator, handed out a Powerpoint document to the Mayor and City Council and gave a presentation on the proposed zones. These were property tax abatement programs that were intended for different kinds of investment. The Renewable Energy Development Zone was for alternative energy generation and the Strategic Investment Zone was for large capital investment. She discussed

the benefits, timelines, and actions needed for the Rural Renewable Energy Development Zone if the Council wanted to proceed.

Councilor Ares asked if this would have an impact on the tax increment financing projections.

Ms. Comer said it would, but the way to look at the program was the competition they would have in other communities to attract renewable energy companies.

Ms. Comer discussed the amount of investment that was required to participate. This program was targeted to large work force creating renewable energy businesses rather than what they had been targeting in the Industrial Park. There was discussion about reasons for bringing this kind of program to Canby.

Council consensus was any decision had to be postponed until they knew what the finances were going to be due to Measures 66 and 67. They wanted to proceed with the study on the Rural Renewable Energy Development Zone and bring it back for discussion.

Ms. Comer said staff would bring back some examples with numbers and impacts.

Ms. Megelberg discussed the Rural Strategic Investment Zone, which helped attract large capital investment and gave scenarios for how the program worked, the benefits, and timelines.

Ms. Comer said they needed to look at the length of time for the program, which was 15 years, and do a comparison on incentives from the County and the State that might already be there without forming this program. She also suggested doing a work force analysis to assure they had the work force to bring in a large company. The economic slow down might play a factor for recruitments.

Mayor Thompson said in looking for incentives, was the Industrial Park likely to grow or expand sooner without them. Was there a specific business that they were looking to attract that would want this tool. She wanted more information about what was going on in the park and the need for incentives.

Ms. Comer said there was a variety of interest and they did not target a specific sector for the Industrial Park.

Councilor Henri wanted to make sure there were no opportunities they were missing because they didn't have the incentives other communities had.

Ms. Comer explained the process for the State leads she received for the Industrial Park and the steps staff took.

Ms. Megelberg discussed the Community Service Fee, which were funds that went to the community to mitigate impacts.

Council consensus was to have more information brought back for further discussion and have the two zones as two separate Work Sessions. The Council also wanted to know what they lost if they did not participate. They emphasized that they were waiting for a mid-year budget forecast.

CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS: None.

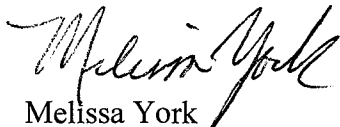
CITIZEN INPUT: None.

ACTION REVIEW:

1. Approved the Consent Agenda.
2. Appointed John Proctor and Randy Tessman to the Planning Commission.
3. Adopted Ordinance 1323.
4. Adopted Ordinance 1324.
5. Adopted Ordinance 1325.
6. Staff would prepare a letter of appreciation to Dale Liberty for his volunteer service to the Friends of the Library.
7. Staff would schedule future Work Sessions for further discussion of Rural Renewable Energy Development Zones and Strategic Investment Zones.

There was no Executive Session.

Mayor Thompson adjourned the Regular Meeting at 9:30 p.m.



Melissa York
Deputy City Recorder



Melody Thompson
Mayor

Assisted with Preparation of Minutes - Susan Wood