

**MINUTES OF THE NEWBERG CITY COUNCIL
JULY 6, 2004
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING - TRAINING ROOM**

I. CALL MEETING TO ORDER

Mayor Bob Stewart called the meeting to order.

II. ROLL CALL

Bob Andrews	Roger Currier
Mike McBride	Robert Soppe
Mike Boyes	Robert Larson

Absent: None

Others

Present: Jim Bennett, City Manager
Terry Mahr, City Attorney
Kathy Tri, Finance Director
Mike Soderquist, Community Development Director
Dan Danicic, City Engineer
Barton Brierley, Planning Manager
David Beam, Economic Development Coordinator
Dawn Nelson, Recording Secretary

III. PLEDGE OF ALLEGIANCE

Ann Dolan - 415 E Sheridan introduced the new Chamber of Commerce Director Lauren Colts.

Lauren Colts – expressed her excitement for the opportunity to get to know everyone and is very excited about her new position. She is originally from Portland and has lived in Seattle and worked in the high tech industry. Recently she was Regional Director of Sales for Shiloh Inns.

Mayor Stewart – welcomed Ms. Colts to our community.

IV. APPOINTMENT OF COUNCIL MEMBER TO FILL COUNCILOR PUGSLEY'S VACANCY:

Mike Boyes - Oath of Office

Jim Bennett, City Manager – read the oath and swore in Mike Boyes as councilor.

Councilor Boyes - thanked everyone for the opportunity to serve here.

PUBLIC MEETING SECTION

V. PUBLIC COMMENTS

No public comments.

VI. CONSENT CALENDAR

1. Proclamation declaring July 22-25, 2004 as Old Fashioned Festival Week in the City of Newberg.

Mayor Stewart - read proclamation with the Old Fashioned Festival Court present.

Becky Green - introduced the Court for the Old Fashioned Festival: Princesses Courtney Blanchard, Kayla Jones, and Clarissa Conway.

Courtney Blanchard – presented herself as a graduate of Newberg High School and has been a resident of Newberg all of her life.

Kayla Jones – presented herself as a graduate of Newberg High School who was born in California and has lived in Newberg for the last 7 years.

Clarissa Conway – presented herself as a 16 year old senior at Newberg High School and has been a resident of Newberg all her life. She plans on attending Harvard law after college and becoming a prosecuting attorney.

VII. PUBLIC HEARING

1. *(Tabled from June 21, 2004)* Consider **Ordinance No. 2004-2601** annexing property at 1819 N. Main Street (Yamhill County Tax Lot 3218AB-2300) subject to a public vote.

MOTION: Soppe/Andrews to bring Ordinance No 2004-2601 back on the table 6 Yes/0 No/0 Abstain (motion carried)

Terry Mahr – reported that all testimony had been presented and the public hearing closed at the last meeting. The applicant was not present to provide any comments so the item was tabled. The applicant did not submit any comments since the last meeting.

Mayor Stewart- called for deliberation.

Councilor Larson - wanted to confirm the statement in item #5 on pg 6 of the packet that the owners have signed a consent and wanted to know what the owners were consenting to.

Barton Brierley - the owners consent to be annexed and connect to city water and sewer. They will also dedicate right-of-way and enter into a non-remonstrance agreement for future improvements. It is not likely, however, that there will be further development of this property.

MOTION: Larson /McBride to adopt Ordinance No. 2004-2601 annexing property at 1819 N. Main Street (Yamhill County Tax Lot 3218AB-2300) subject to a public vote. 6 Yes/0 No/0 Abstain (motion carried)
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2. **Consider Resolution No. 2004-2506** setting annexation hearing for 1819 N. Main for the November 2, 2004 General Election.
(Quasi-Judicial Hearing)

MOTION: Soppe/McBride to adopt **Resolution No. 2004-2506** setting annexation hearing for 1819 N. Main for the November 2, 2004 General Election
6 Yes/0 No/0 Abstain (motion carried)

BUSINESS MEETING SECTION

VIII. CONTINUED BUSINESS

None noted.

IX. NEW BUSINESS

1. Review information on a proposed Municipal Sidewalk Construction Program and consider directing staff to proceed with a request to implement a program.

Dan Danicic - presented staff report. There is a general understanding for need to improve our sidewalk systems. This program would construct missing sidewalks in neighborhoods and help to develop continuity. Mr Danicic described the priority areas and the program exceptions. He overviewed the 5 different options that are proposed. The costs for this are based on utility account surcharge over 20 year program. This program was not developed to repair existing sidewalks. That is still property owners responsibility.

Councilor Currier – stated that, when we started talking about sidewalks 2 years ago, he was concerned with the areas along 219 around Buckley Addition and collecting those waivers of remonstrance. At that time he brought up the issue to staff and asked them to research the status of waivers.

Barton Brierley - they did the research and elected not to collect on those waivers at that time .

Councilor Currier - are these numbers listed in options 1-5 reflective of waivers of remonstrance that are outstanding?

Dan Danicic - those numbers have not been figured yet. These numbers are based on aerial photos. At this time we are asking you to determine if we want to start a project like this, then we will research properties for waivers to obtain better figures.

Councilor Currier - feels that it is important to make sure that developers pay for their portion of the costs since they benefit from the property.

Dan Danicic - it was not the intent to go out and collect all outstanding waivers. But, if the Council wanted to put that stipulation in, it is their right

Councilor Currier - it is just my pet peeve that the west side of 219 should have had sidewalks put in when the new school went in.

Councilor Andrews - when it comes to sidewalks what is the city's liability if walks are not there or not in good condition and what is the owners responsibility?

Terry Mahr - the City has an ordinance in place that puts responsibility on owner - we try to notify owners of their responsibility when sidewalks are in disrepair.

Councilor Andrews - what is the status of ADA ramps?

Terrance Mahr - we are working on them, we put them in at replacement intersections. In the case of new developments it is part of the developers responsibility to put them in.

Councilor Andrews - in regards to page 22 Pedestrian Safety Policy Proposal item 1.d. refers to the fact that costs will be borne by the property owners

Dan Danicic - we are not proposing that we adopt this policy - this was provided for information.

Councilor Andrews - if person buys new property that is under developed or undeveloped the purchaser should know that there will be costs to them for future improvements.

Terrance Mahr - if \$5000 improvement is made to a property then the property owner has to put in new sidewalk if there is none.

A discussion covering how new sidewalk requirements might need to be changed - do we need a trigger event to make them put in sidewalk, can the owner put it in at their discretion

Councilor Andrews - do we have money for capital ADA improvements?

Dan Danicic - there is approximately \$25000 for public sidewalk and ADA improvements.

Councilor Andrews - would there be a difference in fee based on type of utility account?

Dan Danicic - no it would be a flat fee

Councilor McBride - I am concerned about adding another fee where every one pays for it. I would like to see property owner be the one to put in sidewalk instead of all of the residents. Maybe staff and community can come up with something. We want to encourage not discourage business from coming to our community.

Mayor Stewart - disagreed. If only the owner was going to use sidewalk it would be ok to require them to pay for the whole thing but all of the city residents are going to be using them. If we do a project like this it will be important to do proper public relations.

Councilor Soppe - we should have started with this in work session - you are just asking us to consider this plan, correct?

Dan Danicic - yes

Councilor Soppe - Until it is surveyed I think that the numbers are way off. Until we have better numbers we may be premature in considering this plan. I think that maybe the Council members should walk in their districts to check out for themselves what the status of the sidewalks in their

area are. I also see public schools as a very different need than a private school like George Fox and don't think they should be considered to have same standards. I also think the Armory should be listed as an activity center not a park as shown on your maps. I think another big thing that throws off the dollar figures are the unknown amounts of remonstrances outstanding. The approach of going a certain distance from specific areas (schools, parks) sounds reasonable but looking at it doesn't always make a lot of sense. Some areas may fit the criteria but may not fit a need. I think we may need to go through this on a block by block basis to make sure it benefits all City residents and not just specific neighborhoods. In some areas I think we should investigate getting with the school district and park and rec district to see if they would contribute dollars for areas around their properties.

Mayor Stewart - I think it's clear that staff needs to take ideas and go back to drawing board.

Councilor Larson - what assessments do we currently have on utility bills?

Kathy Tri - the bill is for water, sewer, storm water and fire fees.

Councilor Larson - how long would the sidewalks be on water bill?

Dan Danicic - this is based on a 20 year program

No action was taken.

2. Consider **Resolution No. 2004-2510** authorizing the City Manager to enter into agreement with the State of Oregon to exchange \$164,053 Federal funds for \$154,210 State Funds.

Dan Danicic - presented the staff report. He stated that he comes before the Council once a year to request the exchange of State highway funds for Federal highway funds. The State gets Federal highway money every year and by exchanging funds with them the City can get the money for improvements without the same strings attached as getting it direct from Federal government. The monies are intended for use on the northern arterial project and Main Street improvements. It is intended to be spent over the next 2 years and will be received on a reimbursement basis.

Councilor Larson – have we done this before?

Dan Danicic – this happens every year.

MOTION: **Larson/McBride** to adopt **Resolution No. 2004-2510** authorizing the City Manager to enter into agreement with the State of Oregon to exchange \$164,053 Federal funds for \$154,210 State Fund.
6 Yes/0 No/0 Abstain (motion carried)

Councilor Andrews - asked staff to provide the split of dollars between the two projects.

3. Consider **Resolution No. 2004-2512** authorizing the City Manager to approve Change Order No. 3 to the contract with Brownfield Environmental Construction, LLC in the amount of \$55,677.40.

Dan Danicic - presented staff report. We have been working for 8-9 months on the old Chevrolet dealership. During the demo we found 4 unknown fuel tanks and 2 hydraulic lifts. This required us to do additional soil testing and to develop a new remediation plan. We have finished all excavation and backfill and have final tally on materials removed and replaced. We have received approval of grant for \$300,000. With this added change order the final tally is still under grant budget. We have capped site and all fill is in there. There are no other unknowns to be found so we are requesting approve change order.

Mayor Stewart - I don't understand figures presented and how they add up.

Councilor Soppe - they are hidden in the contingency. When we were presented with last change order, there were concerns that there would be restricted use of property when all hazards were removed.

Dan Danicic - we have not removed 100% of contamination but testing shows quantities are below DEQ standards for building on the site.

Councilor Soppe - we did all this through grant money. I feel the staff did a good job and now we have a buildable lot where we had a hazard.

Councilor Boyes - if wanted to sell the land how would it affect the grant?

Dan Danicic - it doesn't. The only thing that affects the grant has is if the City wants to build on the lot it would have to be part low income housing if done in next five years.

Mayor Stewart - if we do nothing for 5 years that falls away?

David Beam - if you wanted to do residential on bottom floor of the building there may be problems with the contamination levels and it is 5 years from close of project.

MOTION: **Andrews/Larson** to adopt **Resolution No. 2004-2512** authorizing the City Manager to approve Change Order No. 3 to the contract with Brownfield Environmental Construction, LLC in the amount of \$55,677.40.
6 Yes/0 No/0 Abstain (motion carried)

4. Consider **Resolution No. 2004-2513** approving the reimbursement for water improvements.

Kathy Tri – presented staff report. This is a substantial project that the city will likely sell bonds for next year. The IRS allows municipalities to be reimbursed from bond proceeds for pre-bond sale expenses. We re not sure how much of the bond may be used to fund project and how much of existing resources will be used.

Councilor Soppe – if the WTP costs are due to growth, why are SDC's not covering these costs?

Discussion of what portion of the project SDC's are paying. Staff not sure of numbers. Staff to get report.

Councilor Currier – we need to look at history because what you are getting to is that the improvements being requested are for future growth.

Councilor McBride - how are bonds issued?

Kathy Tri - we can sell our own bonds or hire an attorney and finance advisor to help with the sale or the Oregon Department of Economic Development has a pool that brings municipalities together as a group and sells bonds to fund their projects. In this option the state pays all the costs associated with the sale. We will evaluate what our best option is and if the OEDD has a bond sale coming up that we would qualify for.

Councilor McBride - what expenses are we reimbursing?

Kathy Tri – pre-sale costs for engineering and construction.

MOTION: **Andrews/Currier** to adopt **Resolution No. 2004-2513** approving the reimbursement for water improvements.
6 Yes/0 No/0 Abstain (motion carried)

5. Consider a motion to authorize the City Manager to develop and submit grant applications for the following projects:

- * Gateway Enhancement (ODOT Transportation Enhancement Program)
- * Elliott Road Improvements (Oregon Bicycle and Pedestrian Program)
- * Airport Plan (Rural Investment Fund)

David Beam - presented staff report for the different grant applications. Discussed the Elliot Rd proposed improvements and stated that the match portion required of the City would be provided by staff costs for project management. Rural Investment Fund grant would fund airport master plan. This is a good opportunity for new economic development in area of aviation. There are three sub-projects under the third grant: 1) purchase triangle of property on east end of downtown bordered by Hancock, Center and First streets to put up a welcome to downtown sign 2) plant trees on west end of town 3) recreate old monuments we used to have in town on Dayton avenue but put them on 99W placed on the west end of Hess Creek bridge.

Recommend deleting the purchase of other property across from welcome sign and the Hess Creek fencing due to the recent increases in cost of steel. It would put the price up too high to qualify for grant. 10% match required can be met with staff hours.

Mayor Stewart - are you asking for full amount in grant?

Councilor Andrews - fiscal impact statement pg 49 should have listed the cost of staff as the match.

David Beam – yes, it should have. That was overlooked

Councilor Currier – in regards to the gateway project - convince me why we need to purchase other property when we already have a visible piece of property and take responsibility off of ODOT.

David Beam – we aren't purchasing the small triangle across from sign property. This proposal is to purchase the property surrounded by Hancock, Center and First. City does not currently own that property, but is required to maintain it.

Mayor Stewart - do we need to answer these questions when we are only asking for a grant?

Councilor Currier- yes, I think we do when we are going to go out and hire a consultant to work up a plan that would benefit a single property owner.

David Beam – this grant request was initiated as a request from the owner, but it would benefit the City by increasing economic development.

Councilor Currier - more immediate benefit to property owner than the City.

David Beam - the airport plan has no requirement for match money. It is true that the property owner will benefit, but so will the City.

Councilor McBride – with the airport plan, will we have other owners of property in the area wondering why we haven't helped them develop a master plan. I just don't want the City to get caught in catch 22.

Barton Brierley - when we did the Springbrook Oaks plan we did intensive planning on the development using quite a bit of staff time and we are now seeing those benefits from that planning. That area is a good example of what can be achieved. The airport is mostly outside of the City limits. This plan would give good idea of how to zone the area for annexation.

Councilor Boyes - why are we not doing rail fencing?

David Beam - due to the fact that metal prices have doubled in the last year.

Councilor Boyes - what was the cost of the rail fencing.

David Beam - the decorative iron fencing was between \$100,000 - \$160,000.

Councilor Soppe – didn't we authorize a grant to purchase small triangular property last year? What happened with that?

David Beam – that was for a grant we didn't get.

Councilor Soppe - so we are not proposing purchase of the small property. It's not clear what you are asking for.

David Beam – the cost of the three sub-projects is \$364,000.

Councilor Soppe - that is the amount we are intending to ask for. What is the match?

David Beam - 10.24%. City can provide match with staff resources.

Councilor Soppe - are you expecting any increase to costs for this project?

David Beam - the only question mark is the gateway project because of contamination that might be there. We will need to discuss with ODOT.

Councilor Soppe - in regards to Elliot Rd, in 2001 there was an issue that the road was a County road and not city. Is it still county road?

Dan Danicic - we believe it is a city street, but we will make certain.

Councilor Soppe - if we can get this grant great, but I think we need to find out who owns the road. Presently the airport is outside city limits. Do we have an estimate of the improvements that are being proposed? Could we reasonably expect that the property would be annexed or would it end up being left in the county?

Barton Brierley - in order to get sewer and water, the property would have to be annexed. They would be limited to the type of development they could do, if the property was not annexed.

Kristen Horn - 610 E. Sheridan, Newberg - President Downtown Association I want to voice support for gateway projects. I thought ODOT should give the triangle of land to city, but they didn't think so. It is a great opportunity to have a sign. It seems that, if we have to maintain the property, we should own it. The west side of town tends to get neglected. It is a very valuable part of the city and could give make a big impact. Also in support of airport. Would like to see development of a tax base that is not purely residential.

Jerry Dale, airport owner – yes, the airport can be developed and stay in county, but not to the extent possible with city services. If we want to keep airport, we need to control what goes on around it. Homes are incompatible with the airport. Will be further ahead if we can get grant money to help us with plan.

Councilor Soppe - is your expectation that, if this plan is funded, you will request annexation?

Jerry Dale - yes, if federal funds are available for this project.

Councilor Boyes - you own all property west of 219?

Jerry Dale - all except a 2-acre parcel.

Councilor Boyes - all property north of 9th street also?

Jerry Dale - yes.

Councilor Soppe – I have real concerns about the city spending money that benefits a property owner. But this is a grant request, so the cost is minimal. I want to support this because it is likely the property will be annexed into the City.

Mayor Stewart - agrees, but there isn't any advancement of our economic development that doesn't put some money in someone's pocket. The city is going to get great benefit and we need to take opportunity to use grant money.

Councilor Currier - the business owner should already have been taking steps to protect the future of airport. Owning all of the property makes me believe that he already has a plan. Yes, their would be benefit to the City if annexation is approved by voters. I think you are opening can of worms to benefit small business as opposed to the Springbrook Oaks project. I think the whole goal of this is to create more business for airport.

Councilor McBride - you need to look at the big picture. Yes, this will help the property owner. But any development out there will pay taxes and bring in much more money than the cost for the grant.

Councilor Andrews - I tend to favor motion. We have been working in the downtown part of the city in order to maintain retail base and in the same way we can be a conduit for economic developement in another area without an impact on pocket books of residents.

Councilor Larson - if this would happen and property would be annexed, I know of two working out of their homes now who would build.

Councilor Boyes - is this going to cost the City anything?

Mayor Stewart - only staff time.

MOTION: **Andrews/larson** to adopt a motion to authorize the City Manager to develop and submit grant applications for the following projects: Gateway Enhancement (ODOT Transportation Enhancement Program); Elliott Road Improvements (Oregon Bicycle and Pedestrian Program); Airport Plan (Rural Investment Fund)
5 Yes/1 No(Currier)/0 Abstain (motion carried)

David Beam - also reported on grant applications status. We have been awarded the following grants: \$10,500 from County for street banners; \$25,000 from DLCD for UGB expansion study; \$600,000 from OEDD to develop the Head Start facility.

Councilor Currier – it is my understanding that the Downtown Committee was to work with Chamber on banner project. But I have spoken to some members and they don't seem to know anything about it and would be interested in helping to design banners.

David Beam – we just received the grant approval and have organized a sub-committee. They will be developing a presentation for community.

Councilor Boyes – when is Head Start construction to start?

David Beam - Head Start is developing all the resources they need to start project. Maybe the beginning of next year. It will probably take 2 years to construct.

6. Consider request for modification of lease purchase agreement for Harvest House (*Materials will be sent out later.*)

Jim Bennett - presented the request from YCAP to purchase Harvest House.

Doug Bartlett - Executive Director of YCAP - Mr. Bartlett gave information on what YCAP does in the community. YCAP is private non-profit group that provides variety of services for

low income families. YCAP wants to accelerate their purchase of Harvest House. They are maintaining it and would like to own it. It would strengthen their financial position and lessen city burden.

Councilor Larson - does YCAP have any contact with Love Inc.?

Doug Bartlett - yes.

Councilor Currier - we went through this a few years ago to modify the agreement. At that time it was costing us a little to maintain the property, but minimal compared to what YCAP was doing. I felt comfortable with contract then and feel comfortable with going ahead and accelerating the purchase agreement.

MOTION: Currier/McBride to adopt Resolution 2004-2519 authorizing the City Manager to negotiate the sale of property known as Harvest House located at 615 N College St to the Community Action Agency of Yamhill County (YCAP) for the sum of one dollar (\$1) on the condition that the house and property be used for the operation of a homeless shelter in perpetuity.

6 Yes/0 No/0 Abstain (motion carried)

Why did we put originally make agreement for 10 years?

Doug Bartlett - In 1995 there was an embezzlement and questions of long term stability arose.

Terrance Mahr – the organization that was running shelter at the time was going out of existence.

Councilor Boyes - since you are accelerating this are you going to stay or sell after purchase?

Doug Bartlett - what we would like to do is turn this asset into a bigger unit with more separation and privacy. We are committed to a shelter but not the present style.

Jim Bennett - we would propose that as part of the sale of the property there would be a requirement that the property be used for a homeless shelter in perpetuity.

XI. ADJOURNMENT

MOTION: Currier/Soppe to adjourn meeting at 9:05p.m.

6 Yes/0 No/0 Abstain (motion carried)

ADOPTED by the Newberg City Council this 16th day of August, 2004



James H. Bennett, City Recorder

ATTEST by the Council President this 19th day of August, 2004.



Bob Larson, Council President