



City of Oregon City

625 Center Street
Oregon City, OR 97045
503-657-0891

Meeting Minutes - Draft

City Commission

Dan Holladay, Mayor
Rocky Smith, Jr., Commission President
Brian Shaw, Carol Pauli, Renate Mengelberg

Wednesday, June 15, 2016

7:00 PM

Commission Chambers

REVISED

1. Convene Regular Meeting and Roll Call

Mayor Holladay called the meeting to order at 7:00 PM.

Present: 5 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay, Commissioner Renate Mengelberg and Commissioner Carol Pauli

Staffers: 10 - City Manager Tony Konkol, City Attorney William Kabeiseman, Public Works Director John Lewis, Police Chief and Public Safety Director James Band, Human Resources Director Jim Loeffler, Assistant City Recorder Jaime Reed, Finance Director Wyatt Parno, Eric Underwood, Interim Community Services Director Denise Conrad and Library Director Maureen Cole

2. Flag Salute

3. Ceremonies, Proclamations

3a. Introduction of Oregon City Toastmasters - Presented by Erik Bergman, Willamette Division Governor for District 7 Toastmasters

Erik Bergman, Willamette Division Governor for District 7 Toastmasters, thought it was important that City employees had the opportunity to learn how to tell the City's story. One way to tell the story was through Toastmasters training. The Oregon City Toastmasters had been operating since 1946 and some of the members were there that night. The organization was open to the public to learn the art of speaking, listening, and thinking. He explained how the organization helped change the fear of public speaking and thought it could be expanded in Oregon City. This was a high quality program at a low cost. He offered his help and the help of other local toastmasters to start a chapter at City Hall. A demo meeting would be held on July 19, 2016. The next chapter in Oregon City's history needed to be well told.

4. Citizen Comments

There were no citizen comments.

5. Adoption of the Agenda

Item 8a was pulled from the consent agenda. The agenda was adopted as amended.

6. Public Hearings

6a. Appeal of Public Works Director's Decision of System Development Charges (SDCs) for 2-story Office Building at 415 Center Street

Mayor Holladay opened the public hearing.

John Lewis, Public Works Director, said this was an appeal of his decision to implement SDCs for a two story office building at 415 Center Street. In 2014, the Commission adopted some modifications to the Municipal Code regarding SDCs including the definition of the timeframe for a structure or use and SDC reductions. The applicant wanted a reduction based on the definition of most recent use. The Commission changed the time allowed from 18 months to ten years. In looking back at the records, there had not been a permitted use approved for the site and there was no most recent use. The building that had been on the site burned down in 2002. The amount of SDCs was a little over \$51,000. Staff viewed it as never having a prior use and recommended upholding the ten year limitation.

Todd Iselin, representing the applicant, said the process had been started by another firm in 2006 or 2007 shortly after Mr. Winkenbach bought the property. However, the economy crashed soon after and the project was abandoned before completion of the site and design review and Historic Review Board approval. They recently got Historic Review Board approval and the site and design review and engineering was completed but the applicant did not want to pick up the building permits until the SDC issue was resolved. The project included half street improvements on Center Street, reconstructing the alley, and stormwater improvements, which all benefited the City. All of the utilities were in place and could be connected. They were requesting the appeal because no new infrastructure was needed for the project.

Bill Winkenbach, applicant, said when he bought the property he fully intended to build on it. The building design went before the Historic Review Board and was rejected so he had to redesign the building. He worked on the new design, but never got official approval and then the economy turned and he realized he would not be able to build it. Now the economy had recovered, he had been working on building again. He put in a lot of money for the designs and had been engaged and working hard to bring the project into fruition for many years. He did not think he should pay the SDCs when he did not have any system developments for the project, and was actually doing system developments, such as putting a new manhole in Center Street and half street improvement in front of his lot. With the amount of SDCs and the improvements he had to make, it would be too expensive to build. The lot was an eyesore to the neighborhood and needed to be developed.

Mayor Holladay closed the public hearing.

Mr. Lewis said there was a Historic Review Board application in 2008, but there was no issuance of permits. He explained the improvements the applicant was required to make. There was an option to pay SDCs over time, although the interest rate was high.

Bill Kabeiseman, City Attorney, said they had to make sure the site was served by public facilities and SDCs covered the additional demand on the City's systems. The Code imposed SDCs but allowed for a reduction in the event of redevelopment. The line had been drawn at ten years.

Commissioner Pauli said this was the same owner who had been trying to redevelop

the property and circumstances out of his control had prevented it.

Commissioner Mengelberg wanted to look at the bigger picture, a vacant lot in the City or new development. She leaned toward giving some leniency.

Commissioner Shaw agreed that the SDCs should be reduced. He wanted to make sure it did not set a precedent for the future.

Commissioner Smith thought it needed to be consistent for everyone. The Code could be changed to 15 years.

Mr. Lewis suggested a compromise on the improvements that were required rather than on the SDCs. This could open the door for everyone who developed in Oregon City.

Mayor Holladay suggested continuing this item to the second meeting in July for staff to have the opportunity to work with the applicant to find a reasonable compromise that stayed within the Code.

There was discussion regarding how SDCs were calculated.

A motion was made by Commissioner Mengelberg, seconded by Commissioner Shaw, to continue the appeal of the Public Works Director's decision of System Development Charges (SDCs) for 2 story office building at 415 Center Street to July 20, 2016. The motion carried by the following vote:

Aye: 5 - Commissioner Brian Shaw, Commissioner Rocky Smith, Commissioner Carol Pauli, Mayor Dan Holladay and Commissioner Renate Mengelberg

7. General Business

7a. Purchase and Sale Agreement Due Diligence Extension Request for the Twelfth & Main Project

Eric Underwood, Economic Development Manager, said the developer at 12th and Main was asking for a 90 day due diligence extension. They had been working on the site design, but had discovered some issues on the site that caused them to go back to the drawing board. They hired a new architect and were doing a new site design. They were asking for time to complete the work.

A motion was made by Commissioner Shaw, seconded by Commissioner Smith, to approve the purchase and sale agreement due diligence extension request for the Twelfth & Main project. The motion carried by the following vote:

Aye: 5 - Commissioner Brian Shaw, Commissioner Rocky Smith, Commissioner Carol Pauli, Mayor Dan Holladay and Commissioner Renate Mengelberg

7b. Resolution No.16-14, Supporting the Continued Staffing and Funding of the Oregon City High School Construction Group

Mayor Holladay said Commissioner Mengelberg sent out a text message saying she ran into School Superintendent Didway and he assured her that the District was committed to continuing the construction program at the High School. He thought the Commission should approve the resolution to give to the School Board to show support of the program.

Tony Konkol, City Manager, said the Commission requested staff draft a resolution in

support of the Oregon City High School construction group. This group had done some amazing work in numerous City parks. Since the program began in 2008, they received over \$150,000 in grants and had completed those projects in the City. He thanked Brit Tucker who led the program before he retired.

A motion was made by Commissioner Smith, seconded by Commissioner Pauli, to approve Resolution No.16 14, supporting the continued staffing and funding of the Oregon City High School Construction Group. The motion carried by the following vote:

Aye: 5 - Commissioner Brian Shaw, Commissioner Rocky Smith, Commissioner Carol Pauli, Mayor Dan Holladay and Commissioner Renate Mengelberg

7c.

Resolution No. 16-13, Authorizing Issuance of a Permanent but Revocable Obstruction Permit for Existing and Replacement Fencing within the McKinley Avenue and Promontory Avenue Rights-of-way (ROW)

Mr. Lewis said this was a permanent yet revocable obstruction permit for 801 Brighton Avenue. The site had been landscaped and fenced for many years and they were asking to replace the landscaping and rebuild the fence in the same place, which was in the City's right of way. The right of way was unlikely to be used for any pathway or roadway. Staff was asking for approval.

Mayor Holladay suggested the City vacate the property and give it to the owner who could then pay taxes on it. Mr. Lewis thought it should stay in the City as they would be able to control what would be placed on that property.

There was discussion regarding other encroachments on the City's right of way and the City's liability since it was City property.

Mayor Holladay thought the permit should be denied and the property owner should either apply for a vacation of the property or the fence should be moved to be on their own property line. He did not think they should continue to use the City's property.

There was discussion regarding what to do about the neighboring properties that were also using the City's right of way.

There was consensus to move forward as the Mayor suggested.

A motion was made by Commissioner Mengelberg, seconded by Commissioner Shaw, to deny Resolution No. 16 13, Authorizing Issuance of a Permanent but Revocable Obstruction Permit for Existing and Replacement Fencing within the McKinley Avenue and Promontory Avenue Rights of way (ROW). The motion carried by the following vote:

Aye: 5 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay, Commissioner Renate Mengelberg and Commissioner Carol Pauli

7d.

Clackamas Cities and County Summit on Transportation Discussion and Recommendation

Mr. Konkol said on June 9, 2016 the County held a summit on transportation which was an opportunity to discuss the results of the advisory measure to implement a vehicle registration fee and/or a gas tax to fund deferred transportation projects. The Commission was asked to discuss the proposed options to determine the level of support for the proposal. At the summit, there was consensus that the County

needed to clarify the distribution of money to the local jurisdictions at a minimum of 60% County and 40% cities and that the County wide gas tax be \$.08 per gallon and go to the voters in November 2016. The money could be used for maintenance, safety, or capital construction projects.

Mayor Holladay said the general consensus of the summit discussion was that because the County could pass a vehicle registration fee, but did not have the political will or leadership to do so, the group chose to support the gas tax and if the gas tax failed at the ballot, the vehicle registration fee could be approved. He was concerned about this being on the ballot along with the City's C SAF measure.

Commissioner Mengelberg said the vehicle registration fee was a more stable source of revenue, but the gas tax might pass easily and wouldn't be as onerous as people paid as they went and it also captured funds from tourists. It was an additional source of revenue for City roads that they would not have otherwise and the County was asking for a list of projects from the City.

There was discussion regarding the differences between the vehicle registration fee and the gas tax, the need for the numbers from the County, and other funding ideas.

There was consensus that the County needed to clarify the local share under both scenarios and how the 40% to the local jurisdictions would be split.

8. Consent Agenda

A motion was made by Commissioner Pauli, seconded by Commissioner Smith, to approve items 8b. - 8f. of the consent agenda. The motion carried by the following vote:

Aye: 5 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay, Commissioner Renate Mengelberg and Commissioner Carol Pauli

8a. Award of Public Improvement Contract to Trench Line Excavation, Inc. for the Construction of the 15th Street Waterline Replacement Project

Mr. Lewis said there was a concern about the impacts of the water main replacement project from Main Street to Division Street. He explained other related projects that would also be done to accommodate this project. There was a plan for how the work would be phased and sequenced and how communication with the community would occur.

There was discussion regarding the improvements that would be done and impacts to the businesses.

Commissioner Shaw wanted to make sure the color of the concrete was compatible with what was already there in the neighborhood.

A motion was made by Commissioner Shaw, seconded by Commissioner Smith, to approve the public improvement contract to Trench Line Excavation, Inc. for the construction of the 15th Street Waterline Replacement Project. The motion carried by the following vote:

Aye: 5 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay, Commissioner Renate Mengelberg and Commissioner Carol Pauli

- 8b. Restrictive Covenant Non-Remonstrance Agreement for the Lucile Riggs Landing Subdivision Project - Planning File No. TP15-05
- 8c. Restrictive Covenant Non-Remonstrance Agreement for the Westermann Partition Project (1009 Woodlawn) - Planning File No. MP15-01
- 8d. Restrictive Covenant Non-Remonstrance Agreement for the BC Custom Construction New Office Building Project (415 Center) - Planning File No. SP15-04
- 8e. Minutes of the May 10, 2016 Work Session
- 8f. Minutes of the May 18, 2016 Regular Meeting

9. Communications

a. City Manager

Jim Band, Police Chief, said a news release was issued regarding the grand jury that was held for the shooting that took place a few weeks ago. The investigation was done by the County and he explained the evidence in the case that supported the innocence of the officers. The officers involved in the shooting would be going back to work next week. There would be an internal audit done as well.

Mr. Lewis discussed the new place making signs for the City and where they were located. The content had been developed by staff to be consistent with existing signs.

Mayor Holladay discussed concrete panels in some benches that had no plaques near the Willamette Falls Legacy Project. Mr. Lewis would look into it.

Maureen Cole, Library Director, gave an update on the Library addition project.

Mr. Konkol had looked into the old passes for free rides on the elevator and put together some drafts of passes that could be handed out. Mayor Holladay thought they should say "lifetime pass" and have all five Commission signatures on them. He would like to have them ready for the next Willamette Falls Legacy Partners meeting.

b. Commission

Commissioner Shaw attended Menchie's grand opening, CIC meeting, the Transportation Summit, and Library Construction meeting.

Commissioner Smith attended the ribbon cutting for the new patio at Willamette Falls Media Center. He thanked citizens for allowing TV productions to come into the City and hoped more would come. He attended the High School graduation and party.

Commissioner Mengelberg also attended the ribbon cutting at the Media Center, Downtown Restructuring Committee meeting, Transportation Summit, and C4 subcommittee meeting. She congratulated the Oregon City High School Band for being the second best band in the Rose Festival Parade.

c. Mayor

Mayor Holladay said on June 6 he met with the Governor's Office regarding pending DEQ issues for projects in the City. He attended the Transportation Summit, helped with a librarian production, and met with someone to explain SDCs. He would be gone from June 23 to 29 to the US Conference of Mayors.

Commissioner Pauli went to Menchie's grand opening also. She announced this would be her last Commission meeting as she was relocating outside the City limits and could no longer serve on the Commission. She had enjoyed her time on the Commission and would continue to participate in the City as a commercial property owner and hopefully serve on a board that did not have the resident requirement.

The Commission and staff thanked Commissioner Pauli for her work on the Commission. Mayor Holladay encouraged her to apply for the Urban Renewal Commission.

10. Adjournment

Mayor Holladay adjourned the meeting at 9:12 PM.

Respectfully submitted,

Kattie Riggs, City Recorder