



City of Oregon City

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

Meeting Minutes - Final City Commission

Doug Neeley, Mayor
Betty Mumm, Commission President
Kathy Roth, Carol Pauli, Rocky Smith, Jr.

Wednesday, September 17, 2014

7:00 PM

Commission Chambers

1. Convene Regular Meeting and take Roll Call

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

Present: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

Staffers: 11 - City Manager David Frasher, City Attorney Ed Sullivan, Police Chief and Public Safety Director James Band, Public Works Director John Lewis, Community Development Director Tony Konkol, Community Services Director Scott Archer, Assistant to the City Manager Kattie Riggs, Finance Director Wyatt Parno, Library Director Maureen Cole, Economic Development Manager Eric Underwood and Human Resources Director Jim Loeffler

2. Flag Salute

3. Ceremonies, Proclamations, Presentations

3a. [14-534](#) Proclamation for Constitution Week

Mayor Neeley read a proclamation declaring September 17-23, 2014 as Constitution Week and presented it to DeAnna Way and Phyllis Hines of the Daughters of the American Revolution. Ms. Way read the preamble of the Constitution, gave a history of the Constitution, and encouraged everyone to know their Constitution.

3b. [14-533](#) Recognition of Larry Dahl's Induction into the Hall of Fame

Mayor Neeley discussed a veteran who lost his life in Vietnam, Larry Dahl. Mr. Dahl received a Medal of Honor and was inducted into the Oregon Military Hall of Fame. He was born in Oregon City and Mayor Neeley had been asked to accept the award. Mr. Dahl received the Medal of Honor for giving his life to protect his fellow soldiers. Mayor Neeley presented the symbol of the induction to the VFW Post Commander DJ Dugger.

Mr. Dugger said since Mr. Dahl's family was not there to receive the award, they would hold it in trust and display it proudly in the Clackamas County Veterans Memorial building.

Mayor Neeley said on September 7, Tyrone Hiram Woods, Navy seal killed in the line of duty, was recognized with a tribute sign placed on Highway 213. He was also an Oregon City resident. The Clackamas Historical Society was going to discuss where to better place the Medal of Honor plaque.

4. Citizen Comments

There were no citizen comments.

5. Adoption of the Agenda

The agenda was adopted as presented.

6. Public Hearings

6a. [14-523](#)

Ordinance for Introduction, No. 14-1012: An Ordinance adopting an update to the Oregon City Sanitary Sewer Master Plan, an Ancillary Document to the Oregon City Comprehensive Plan

Sponsors: Community Development Director Tony Konkol

Mayor Neeley opened the public hearing.

Tony Konkol, Community Development Director, explained the criteria for approving the Sanitary Sewer Master Plan update and how the criteria had been met. He then discussed what areas were served by the City's sanitary sewer and the infrastructure owned by the City.

John Lewis, Public Works Director, introduced Jim Hansen of Brown and Caldwell who would give a presentation on the Sanitary Sewer Master Plan.

Mr. Hansen discussed the need for the update, sewer collection system deficiencies, Capital Improvement Program components, moratorium areas, and funding for the Capital Improvement Program.

Mr. Lewis said staff recommended approval of Ordinance 14-1012 to adopt the master plan. Mr. Konkol said the Planning Commission voted unanimously to recommend approval of the master plan at its September 8th meeting.

William Gifford, resident of Oregon City, clarified expanding the Urban Growth Boundary did not cause this situation.

Mayor Neeley closed the public hearing.

A motion was made by Commissioner Mumm, seconded by Commissioner Smith, to approve the first reading of Ordinance No. 14-1012, an ordinance adopting an update to the Oregon City Sanitary Sewer Master Plan, an ancillary document to the Oregon City Comprehensive Plan. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

6b. [14-528](#)

Ordinance for Introduction, No. 14-1013: Adopting the Linn Avenue / Leland Road / Meyers Road Corridor Plan (Planning File LE 14-04)

Sponsors: Community Development Director Tony Konkol

Mayor Neeley opened the public hearing.

Mr. Konkol said the corridor plan was developed to address deficiencies in the pedestrian and bicycle facilities along the corridor. The plan also looked at connecting important features along the corridor and addressing the needs of the intersection of Linn Avenue, Warner Milne, Warner Parrott, and Central Point. He explained the public input process for the plan and recommendations from the Planning Commission. With those recommendations, the Planning Commission voted unanimously to recommend approval to the City Commission.

Mr. Lewis gave a presentation on the corridor plan including existing connectivity and access, major concerns, corridor planning priorities, proposed improvements to Segments 1, 2, 3, and 4, Singer Creek connectivity improvements, Gardiner Middle School pedestrian improvements, Central Point Road operational enhancement with a five leg round about, Implementation Plan, and next steps.

Warren Kitchen, resident of Oregon City, was concerned about the round about. He did not think anything was wrong with the intersection the way it was. He did not think the expense would benefit anyone. There was no proof that the round about would be safer and cause less accidents. The savings in electricity and maintenance were outweighed by the cost of putting in the round about. It might allow better traffic flow, but it was secondary to the expense. Businesses in the area might be affected by the construction. He was not in favor of the plan.

Bruce Marten was the pastor of the Presbyterian Church on the corner where the round about was to be put in. Round abouts did not stop cars from speeding. They had a parking lot that held 110 spaces, and if the Plaid Pantry changed the way their trucks went in and out of the parking lot, there was a risk that the church would lose a lot of parking and they were already short on parking space. The church had not been notified of this plan and the round about was not in the online survey for public comment. The round about might also affect the church's landscaping. He thought the public hearing should be continued for more discussion.

Betty Savage was the owner of the mini mall at the intersection where the round about was to be constructed. She did not want to give any of her property to the City for the round about. The round about would inhibit her income and she had lost a tenant in the mall due to the rumors about the round about. She was the largest taxpayer there and should not be penalized the most. She was looking out for her tenants and did not want the construction to affect them.

Jonathan Polousky, COO for Plaid Pantry, said four Plaid Pantries were in Oregon City. The store near this intersection had been in business for 30 years. They were concerned about the impacts of the round about. The design of the circle would transition the convenience store into an inconvenient store mostly due to the inability of customers to get out of the parking lot and go the direction they wanted to go. The placement of the proposed driveway was not suited to delivery trucks. The biggest concern was customers and employees, as most of them came from the neighborhood by walking, biking, and bus. He did not think this round about would help with traffic flow or improve safety for pedestrians.

Michael Ard, Lancaster Engineering, mentioned funding for the plan had not been worked out yet and he hoped the hearing would be continued so people could have that information before a decision was made. He then discussed safety and operations of the intersection. He was not in favor of multi lane round abouts with more than four points of entry and egress. He read from the Highway Safety Manual where single lane round abouts improved safety, but not multi lane round abouts. He thought the number of crashes would increase in a multi lane round about. There were unclear movements at the intersections and it would be especially dangerous

for pedestrians. There was no impending crisis and the crash rate was well within the acceptable levels. There was time to consider other options.

William Gifford, resident of Oregon City, thought the center of the round about would be a good place for a statue to make the intersection less dreary. Many cities were replacing traffic signals with roundabouts for better traffic flow and safety and less gas emissions from vehicles stopped at red lights. He was concerned about the impact of the round about on the Plaid Pantry and other businesses there. By moving the center of the round about towards the school property it could eliminate a lot of the impact on that property. With a more attractive intersection, it could enhance the property. He did not want the round about to impede the plan for this corridor.

The Commission was in support of the plan as a whole and in support of the Planning Commission's recommendations. There was concern regarding the round about and impacts to the businesses and church. The Commission wanted to discuss other options.

A motion was made by Commissioner Mumm, seconded by Commissioner Roth, to continue the public hearing for Ordinance No. 14-1013, adopting the Linn Avenue / Leland Road / Meyers Road Corridor Plan (Planning File LE 14-04) to October 15, 2014. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

Staff needed more time to research the options.

There was further discussion regarding bringing this back to a special work session to discuss the alternatives on November 19 and to hold the first reading of the Ordinance on December 3.

A motion was made by Commissioner Mumm, seconded by Commissioner Roth, to amend the motion and continue the public hearing for Ordinance No. 14-1013, adopting the Linn Avenue / Leland Road / Meyers Road Corridor Plan (Planning File LE 14-04) to December 3, 2014. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

6c. [PC 14-103](#)

Oregon City Sign Code Update (Planning File L 14-01)

Sponsors: Community Development Director Tony Konkol

Mayor Neeley opened the public hearing.

Mr. Konkol said staff recommended continuing the hearing to February 4, 2015. The historic sign inventory had been completed. Additional concerns had been raised by the Planning Commission and there was a timing issue with the Willamette Falls Legacy project application that did not give staff enough time to work on the Sign Code.

Jonathan Stone, Executive Director of Main Street Oregon City, said there was uncertainty for downtown businesses on how this would affect them and he encouraged the Commission to wrap it up as quickly as possible.

A motion was made by Commissioner Mumm, seconded by Commissioner Pauli, to continue the public hearing for the Oregon City Sign Code Update

(Planning File L 14-01) to February 4, 2015. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

7. General Business

7a. [14-488](#)

Resolution No. 14-17, Sanitary Sewer Rate Increases

Sponsors: Public Works Director John Lewis

Mr. Lewis said there were two resolutions for consideration, one that was included in the packet and one that had been done between the work session and this meeting.

John Ghilarducci of FCS Group gave a presentation on the proposed sanitary sewer rate increases including utility rate basics, revenue requirement overview, key assumptions, key inputs, and wastewater revenue vs. expenses. He then summarized the recommendation for the rate increases.

Wyatt Parno, Finance Director, explained the revised resolution changed the first year of the rate increase to 17% instead of 18% in order to meet the moratorium requirements. Then the next year was a 13% increase, and the third year it was 6%.

William Gifford, resident of Oregon City, expressed concern that the public had not had much time to study this issue. If the proposal was to increase the rates starting October 1 and again on July 1, that was not much time between. He suggested making it every October 1. A major component of the rate increase was the moratorium, but there was not much infill being delayed because of the moratorium. He did not think raising rates needed to be done so quickly and without much citizen input. It needed further study and discussion.

Graham Peterson, resident of Oregon City, was also concerned there was not as much public engagement regarding the rates. Having a moratorium near the Willamette Falls Hospital was also a concern as it was a major employer of the city. He suggested prioritization of the moratorium areas, and making the hospital first priority. Mr. Gifford said the hospital was working on a master plan, and he encouraged the City to take that into consideration when they were prioritizing projects.

Mr. Lewis was aware of the master plan and confirmed the area near the hospital was the number one priority.

Commissioner Smith did not think there was much difference in cost between the two options and thought they should stick with the original proposal and resolution.

Commissioner Mumm was not in favor of the rate increase being 17% or 18%.

Mr. Parno explained the rates would increase on October 1 and then on July 1 because they deferred the rate increase that would have happened on July 1 so they could study the issue further and come back with a solid proposal. Once the moratorium was taken care of, the money would be used for maintaining the system and to address the infiltration and inflow issues. The first two years would be high increases, but after that, it would only be raised for inflation.

A motion was made by Commissioner Smith, seconded by Commissioner Pauli, to approve Resolution No. 14-17, sanitary sewer rate increases. The

motion carried by the following vote:

Aye: 3 - Mayor Doug Neeley, Commissioner Rocky Smith and Commissioner Carol Pauli

Nay: 2 - Commissioner Betty Mumm and Commissioner Kathy Roth

7b. [14-531](#)

Ordinance for Introduction, No. 14-1011, Amending Chapter 13.20, System Development Charge for Capital Improvements, Relating to SDC Credits or Reductions on a Development's Most Recent Structure or Use

Sponsors: Public Works Director John Lewis

Mr. Lewis said all the notices had been sent out regarding the SDC amendments including the Home Builders Association. The Code revisions reflected what the Commission discussed at a previous work session.

Mr. Ghilarducci summarized the Code modifications. The most significant change was for cases of redevelopment. Currently in the Code if a property was unused for more than 18 months, the redevelopment had to pay a full SDC. If the site was redeveloping in the place where the most recent use had been within the last 18 months, they would receive credit for that most recent use. The proposed change was if redevelopment happened within four years of the most recent use then they would get a full SDC credit. If it occurred between four and eight years, they would get credited half of the SDC. For longer than eight years, they had to pay the full SDC. There was also language that clarified SDC deferrals, the exemption for recreational facilities had been removed, and in the case a redevelopment put less impact on the system than the previous use, the City would no longer give them a carry over credit. The rest of the changes were housekeeping issues.

Commissioner Roth did not think four to eight years was long enough.

Commissioner Smith thought it was comparable to what other cities were doing and was in favor of the changes.

Mayor Neeley thought it should be eight years to get a full SDC credit. This would incentivize redevelopment, especially due to the recession.

Commissioner Pauli wanted to lengthen the time as well to be competitive with other cities and to be an incentive for investing in the City's older buildings.

Graham Peterson, resident of Oregon City, discussed how SDCs impacted whether or not a project moved forward. He did not think there should be an expiration and that once SDCs were paid, they should follow with the property unless the building was expanded. He thought it could be a potential barrier to redevelopment and redevelopment would increase the tax base.

Mr. Lewis said there was a strong list of needs that had been vetted through the Transportation System Plan and this was a balance between those needs and the needs of the redevelopers. There was a difference between what SDCs could fund and what taxes could fund. He thought there should be a limitation on the timing of how long a building sat vacant.

Commissioner Pauli thought just making it eight years would be less confusing.

William Gifford, resident of Oregon City, was pro-SDC as developers needed to address the impact they were having on the infrastructure. However, SDCs weren't

the only way to pay for the infrastructure. The increase in property taxes would significantly ameliorate the impact on the infrastructure and would be a source of revenue year after year as opposed to a one time SDC. There were ways to incentivize development and growth and he thought the deferral of a cost could be looked at as an investment for development. If they changed use or expanded, then they should pay the SDC, but not if it was the same use. He was in favor of charging no SDCs for redevelopment of the same use.

Mr. Lewis said the City funded infrastructure through SDCs and rates.

A motion was made by Commissioner Roth, seconded by Commissioner Mumm, to amend Ordinance No. 14-1011 to allow a full SDC credit for properties redeveloped within 10 years of the most recent use. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

Ed Sullivan, City Attorney, read the changes he made to the ordinance to reflect what was decided by the Commission.

A motion was made by Commissioner Mumm, seconded by Commissioner Roth, to approve the first reading of Ordinance No. 14-1011 as revised, amending Chapter 13.20, System Development Charge for capital improvements, relating to SDC credits or reductions on a development's most recent structure or use. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

A motion was made by Commissioner Mumm, seconded by Commissioner Pauli, to approve the second reading and final adoption of Ordinance No. 14-1011 as revised, amending Chapter 13.20, System Development Charge for capital improvements, relating to SDC credits or reductions on a development's most recent structure or use. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

7c. [14-535](#)

Ordinance for Introduction, No. 14-1014, an Ordinance Establishing a Tax on the Sale of Marijuana

Sponsors: City Manager David Frasher

Mayor Neeley explained this gave the City the ability to tax marijuana should it be allowed to be sold in the City. Currently marijuana was not permitted to be sold in the City.

David Frasher, City Manager, said the rate in the ordinance was 5% for medical, 10% for recreational. This would be a tax on manufacture and sales.

A motion was made by Commissioner Roth, seconded by Commissioner Mumm, to approve the first reading of Ordinance No. 14-1014, an ordinance establishing a tax on the sale of marijuana. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

A motion was made by Commissioner Mumm, seconded by Commissioner Pauli, to approve the second reading and final adoption of Ordinance No. 14-1014, an ordinance establishing a tax on the sale of marijuana. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

7d. [14-499](#)

Resolution No.14-24, Calling a Public Hearing for the Continuation of an Economic Improvement District

Sponsors: Economic Development Manager Eric Underwood

Eric Underwood, Economic Development Manager, said the current Economic Improvement District was established in April 2011 and was soon to expire. This was a request to call a public hearing to continue the assessment on property owners in the District. He discussed the benefits of the District and reasons for continuing it. The EID was proposed to continue for another three years. The first public hearing would be held on November 5 if less than a 33% remonstrance was received from property owners in the District. The second public hearing would be held on December 17, and the ordinance would be effective January 17.

A motion was made by Commissioner Mumm, seconded by Commissioner Pauli, to approve Resolution No.14-24, calling a public hearing for the continuation of an Economic Improvement District. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

7e. [14-526](#)

Second Reading, Ordinance No. 14-1010, an Ordinance Vacating the Existing 26-foot wide Public Alley Between Lots 2 and 3 and Lots 6 and 7 of Block 117 of the "Oregon City" Subdivision

Sponsors: Public Works Director John Lewis

A motion was made by Commissioner Pauli, seconded by Commissioner Mumm, to approve the second reading and final adoption of Ordinance No. 14-1010, an ordinance vacating the existing 26-foot wide public alley between Lots 2 and 3 and Lots 6 and 7 of Block 117 of the "Oregon City" Subdivision. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

8. Consent Agenda

A motion was made by Commissioner Mumm, seconded by Commissioner Pauli, to approve the consent agenda. The motion carried by the following vote:

Aye: 5 - Mayor Doug Neeley, Commissioner Rocky Smith, Commissioner Betty Mumm, Commissioner Carol Pauli and Commissioner Kathy Roth

8a. [14-530](#)

Minutes of the September 3, 2014 Regular Meeting

Sponsors: City Recorder Nancy Ide

- 8b. [14-521](#) Bill Printing and Mailing Services Agreement with Bend Mailing Services, LLC

Sponsors: Finance Director Wyatt Parno

9. **Communications**

a. **City Manager**

Mr. Frasher said the Oregon State Parks Commission approved the Memorandum of Understanding for the Riverwalk for the Willamette Falls Legacy project, which was the last partner needed to approve the MOU.

Mr. Konkol discussed the five million dollars from the State for the Riverwalk project. Staff was working on the Willamette Falls land use application, easement negotiations, and financial packet that all needed to be completed before the money could be received.

b. **Mayor**

Mayor Neeley reported on the City Hall meeting with two district Senators to discuss legislative items the League of Oregon Cities was putting forward. He also attended a Mayors meeting and the group would be forwarding three legislative items as well.

c. **Commission**

Commissioner Smith reported on several tourism meetings he attended regarding tourism and economic development, the Halloween Walking Tour event, and Ermatinger House programming. He attended a September 11 event at Burgerville, City Hall meeting, downtown Cruise In, dedication of art work on the light poles on Main Street, and Restore Oregon event.

10. **Adjournment**

Mayor Neeley adjourned the meeting at 10:25 PM.

Respectfully submitted,

Nancy Ide, City Recorder