



City of Oregon City

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

Meeting Minutes - Final

City Commission

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

Wednesday, August 3, 2016

7:00 PM

Commission Chambers

1. Convene Regular Meeting and Roll Call

Mayor Holladay called the meeting to order at 7:03 PM.

Present: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

Staffers: 10 - Tony Konkol, City Attorney William Kabeiseman, City Recorder Kattie Riggs, Captain Shaun Davis, Interim Community Services Director Denise Conrad, Public Works Director John Lewis, Economic Development Manager Eric Underwood, Finance Director Wyatt Parno, Community Development Director Laura Terway and Library Director Maureen Cole

2. Flag Salute

3. Ceremonies, Proclamations

4. Citizen Comments

Jerry Herrmann, resident of Oregon City, said in 1983 there was an effort to build a hydroplant at the falls by PGE. At that time he did not think it should be built because it would diminish the flows in the river and would affect fish migration. He thought the Commission should keep the idea of a whitewater park in consideration and see what kind of revenue sources might be found to help with the fish migration issues.

Rolla Harding, resident of Oregon City, discussed having an organized approach to tourism. There was a Spotlight on the Northwest program on September 18-20 in Albany where tour operators and destinations were getting together and he was thinking about going as an ambassador for Oregon City. It was time for a plan and participating in these types of activities.

Harry Dalgaard, Travel Oregon, was in support of the whitewater park project being included in the Riverwalk concept for the Willamette Falls Legacy site. Outdoor recreation infrastructure was part of the Oregon tourism experience and was an economic driver. It was an industry that would continue to grow in the coming years. He gave the example of how Bend put in a whitewater park and it was thriving. It should be integrated in Oregon City's plan.

Ben Hokenson, resident of Oregon City, would like to see people moving to Oregon City due to the recreational opportunities here. He enjoyed sports and had to leave Oregon City to do them. He would like the option of the whitewater park to stay on the table.

Nathan Modlin, resident of Oregon City, said the Willamette Falls were part of the reason his family had lived in the City for many years. It was the wish of many residents that the falls remain a source of recreation, education, and economic success. He encouraged the Commission to keep kayaks and canoes in mind when discussing designs for the Willamette Falls Legacy Project. A water trail, like a whitewater park, would be the most efficient way to pass the falls for non-motorized boats. He urged consideration of non-motorized boats in the design and that there be access to the falls in the future.

Elizabeth Fowler, resident of Oregon City, thanked the Commission for their support of Main Street. The whitewater park would be a tourism attraction, would promote healthy lifestyle activities, and would help the water environment and fish habitat. She thought the possibility should not be taken away yet. The community needed to be reconnected to the falls and this could be a tangible way.

Gavin Woods, resident of Oregon City, had been learning paddling techniques. If there was a whitewater park locally he could learn more about safety and water rescue as well as paddling and kayaking without having to leave the City.

Debra Melnychenko, resident of Oregon City, said there was no access to put in kayaks above the falls in Oregon City. There were many beautiful channels in the City but they had to go in through West Linn to get to them. She thought the whitewater park in Bend was great and thought one should be in Oregon City. She thought it would be a huge draw and there should be a way for everyone to enjoy the river.

Kathryn Toth, resident of Oregon City, ran two businesses and one was for homestay and tourism for exchange students. She took her students all around the area, but their favorite experience was kayaking at the falls. She thought if the area could be improved it would bring more people. Her other business was kayak sales and there was a huge market for that. Developing more kayaking opportunities was important as it was an affordable, sustainable, and environmentally friendly activity. It connected people to the environment.

Travis Kruger, resident of Oregon City, encouraged designing the Riverwalk in a way that did not preclude a future whitewater park. Oregon City was behind the curve in outdoor tourism and this was an opportunity to turn it around. He was a civil engineer and had studied the possibility of a whitewater channel on the Clackamas, and there was no feasible site except for Willamette Falls. The site could function without expensive pumping and it could be operated without power. He helped design the whitewater park in Bend. Community businesses and the government rallied around the project and it had become a true legacy for Bend. He thought there was the same support in Oregon City and there were many possible uses for the whitewater park. This was an opportunity to create a legacy in Oregon City.

Blane Meier, resident in unincorporated Oregon City, had two tourism related businesses in the City. He was in support of the whitewater park and encouraged Option 2 of the Riverwalk project design. The whitewater park had the potential for tourism and economic benefit and there was public support for it. The park did introduce complications and issues that could delay the Riverwalk project, and no one wanted the Riverwalk delayed. The options were to integrate the plans, go with Option 2, or have no water park at all. He addressed what he thought were unfounded objections to the park, such as there was no funding for the whitewater park, PGE would not share the water rights, and the whitewater channel would take up too much buildable land at the Willamette Falls site.

Don Smith, resident of Oregon City, discussed adaptive recreation for disabled veterans. He served on PRAC for a few years to help bring forward this type of vision. The Willamette Falls site was a solid revenue opportunity. He was the Director of Revenue for a large aquatic recreation company and had built parks through public/private partnership that were still open. The whitewater park was not an unknown, but a good idea. He thought the Commission should approve Option 2.

Bret Hostetler, resident of Oregon City, would like his kids to experience the river fully and was in favor of the whitewater park.

Matt Taylor, resident of Portland, had traveled around the world and had seen cities be rejuvenated by water. They had the opportunity with the whitewater park to get people in the water and connect with the water more than just having a waterfall. He thought they should approve Option 2. He managed a pump whitewater course in Maryland and it was a challenge because the pump system was expensive. He dreamed about having a waterfall to manage as opposed to expensive pumps to recirculate the water. A whitewater park was a boon to the community and healthy outdoor lifestyles. He thought the project would be able to find funding.

William Gifford, resident of Oregon City, was speaking for the Oregon City Business Alliance. The Alliance did not think this was the time to unequivocally support a whitewater park and it was not the time to unequivocally reject it. They supported Option 2.

Justine Kilsby, resident of Portland, was a river rescue program coordinator. She thought a whitewater park would help people gain safe experiences in the water and learn how to handle the water correctly. It would also help change how they approached dangerous water. It was a great training opportunity for rescue personnel.

Thelma Haggenmiller, resident of unincorporated Oak Grove, said one of the beauties of living here was the water. Her grandson had been a raft guide on the Deschutes River and had traveled the world kayaking and she was in the tourism business as well. There were economic benefits to a whitewater park and her grandson would love to come to the City to kayak. She asked that it remain a consideration.

Jim Austin, resident of Portland, said this was a rare opportunity and discussed how Clackamas County Tourism had helped fund the studies for the site through grants. There were significant benefits to having a whitewater park. He did not think it was mutually exclusive to do the Riverwalk and whitewater park. With the potential designs, they could both function together. He asked that the Riverwalk design not preclude the whitewater park.

Jilene Modlin, resident of Oregon City, was in support of Option 2. Her great grandfather canoed on the river and she was continuing by going on the river. She thought a whitewater park would be a great scouting activity and help get kids off of electronics and out into nature. It was also a place where they could train and learn to be safe on the water. She hoped that they would be able to use what was in their own backyard for many more generations.

James Nicita, resident of Oregon City, discussed how the whitewater park fit with the Willamette Falls Legacy Project's core values. The whitewater park could advance both historic interpretation and historic preservation. It would also expand public access to the falls. Regarding economic development, he thought some manufacturing could be done at the site and it had been zoned as mixed use light

industrial. Regarding ecological aspects of the site, in association with other techniques, a fish ladder could be installed if planned with the whitewater park.

Trevor Keavneg, resident of Oregon City, said one of the reasons his family moved to Oregon City was because the Willamette Falls site was going to be revitalized. They wanted to live where it was affordable and where growth and development was occurring. He did not know if the whitewater park was the best use for the site, but he did not think the option should be removed yet. He supported Option 2.

Karin Morey, resident of Oregon City, had grown up on the river, but until a recent tour had never been close to the falls. However she was appalled at the state of the upper basin which originally had been free flowing water returning to the lower river and cleaning the channel. One of the core values was habitat restoration and she hoped that in designing the Riverwalk that there would be an allowance for a larger flow from the basin to the lower river to help restore the upper basin. The whitewater park would be a cool idea.

Jesse Buss, resident of Oregon City, highlighted the core values and how they were consistent with moving forward with the whitewater park option. He discussed the key elements of the historic and cultural interpretation, public access, healthy habitat, and economic development that the whitewater park would provide.

Sam Drevo, small business owner in Oregon City and We Love Clean Rivers board member, discussed how he helped advocate for the zone change and for recreation as part of the Riverwalk. The Planning Commission had encouraged the whitewater park idea and money had been raised for the future planning. There were external sources of funding for the project as he thought it had merit. He urged the Commission to consider Option 2 to continue the research. The partners in this project were looking to the Commission for leadership.

Commissioner Smith said he was open to looking at the option and was impressed by the public input that night. The County was following the City's lead and they needed to do this right.

Commissioner Shaw said this was a complicated project and had been in the planning stages for several years. He did not want to delay the planning, but thought they should approve Option 2. The whitewater park needed more vetting and he was willing to revisit it.

Commissioner Mengelberg said there was a lot of potential with the falls and wanted to explore it further. She was concerned about the cost that Option 2 might create for the partners. She also wanted to make sure it would not delay the Riverwalk project. However, she was in support of Option 2.

Tony Konkol, City Manager, said they had a 120 foot easement from the water line to the Willamette Falls property where the Riverwalk would be built. The funds received were for the Riverwalk project only. The partners group approved a budget and a consultant had been hired for the Riverwalk design. The work necessary for the whitewater park was not in the scope of work, budget, or identified funds. Option 3 did not preclude a whitewater park from being built as the owner of the property could come up with design options. In the easement agreement with the property owner, if the property owner came up with a development scenario that fit within the framework they could go through the process to implement it.

Mayor Holladay said his understanding of Option 2 was to make the design of the Riverwalk fit the whitewater park, but it would be more guessing at this point as to

where it would fit since it had not been designed yet. He thought the issue was using public dollars to accommodate the whitewater park.

Mr. Konkol said for Option 2 they would have to pick a point for the potential exit and entry of the whitewater park. Option 3 did not preclude the whitewater park, but said they were going to look at it from a programming standpoint, and include in the discussion how to program activities on the Riverwalk to include a number of uses. He explained all of the options that were taken to the partners group.

This item was added to the next Commission Work Session.

A motion was made by Commissioner Smith, seconded by Commissioner Mengelberg, that the Oregon City Commission support Option 2 and recommend the County Commission support it as well. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

5. Adoption of the Agenda

The agenda was adopted as presented.

6. Public Hearings

6a. Ordinance No. 16-1006, Adopting a Public Facilities Strategy for the Linn Avenue and Hazelwood Drive Sewer Systems

John Lewis, Public Works Director, said in order to extend the moratorium for two more years, a Public Facilities Strategy had to be created which would help the City continue to stay on track for allowing future development.

Mayor Holladay opened the public hearing.

There were no public comments.

Mayor Holladay closed the public hearing.

A motion was made by Commissioner Shaw, seconded by Commissioner Mengelberg, to approve the first reading of Ordinance No. 16-1006, adopting a Public Facilities Strategy for the Linn Avenue and Hazelwood Drive sewer systems. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

6b. First Reading of Ordinance No. 16-1007, Adopting Amendments to the Oregon City Municipal Code Chapter 17.62, Site Plan and Design Review, and Chapter 17.50, Administration and Procedures

Laura Terway, Community Development Director, said this was a proposal to change the site plan and design review for minor exterior alterations in commercial, institutional, and industrial zones from being a Type 2 process to a Type 1 process. This would reduce the timeline for review and create a more efficient process without changing any of the criteria. The Planning Commission recommended approval of the change except for properties that were subject to historic district review.

Commissioner Mengelberg suggested removing the condition of excluding the properties in historic districts as she did not think it was fair they would have a more burdensome process than other residents in the City.

Mayor Holladay opened the public hearing.

There was no public comment.

Mayor Holladay closed the public hearing.

A motion was made by Commissioner Mengelberg, seconded by Commissioner Shaw, to approve the first reading of Ordinance No. 16-1007, adopting amendments to the Oregon City Municipal Code Chapter 17.62, Site Plan and Design Review, and Chapter 17.50, Administration and Procedures, and removing 17.62.035.A.1. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

7. General Business

7a. Resolution No. 16-21: Supporting the Concept of the Oregon City Tourism Plan

Eric Underwood, Economic Development Manager, presented the Tourism Plan concept that was done by the Downtown Oregon City Association. This would help Oregon City prepare for, cultivate, and manage tourism. The resolution would give support of the concept and hire a temporary contract position to coordinate the formation of the Oregon City Tourism Stakeholder group. This group would advise tourism efforts based on the framework of the Tourism Plan. It would also approve the use of a portion of the Transient Lodging Tax to establish a position in the Economic Development Department for tourism efforts. He explained the duties of the contractor and permanent employee.

Commissioner Smith was in support of hiring a contractor who would be neutral in the discussions with all of the stakeholders. Now was the time and he thought this set the next Commission up to budget and make goals for tourism.

Jonathan Stone, Executive Director of the Downtown Oregon City Association, said the first milestone for marketing was to engage a marketing agency to develop a tourism experience. Tourism in the City would grow as well as the group's ability to be a destination marketing group. The Downtown Association applied for a \$50,000 from Travel Oregon to get an agency in as soon as possible and to develop the tourism experience. They would align with the County's tourism efforts as well. He thought if a tourism stakeholders group had already been formed, there would have been a group to advise the Commission on issues such as the whitewater park. In the future the group would provide guidance as well as research information the City needed to help with these decisions. The consultant who wrote the Tourism Plan observed Oregon City had a strong heritage component, however there were many other tourist aspects in the City. The marketing product that would result from the consultant's work would be more than one type of experience and would be as inclusive as possible. Tourism was a major economic driver and there needed to be more pedestrian traffic and use of the tourism funds for marketing and getting people to visit the City.

Blane Meier, resident of unincorporated Oregon City, said there were a lot of talented, dedicated, and enthusiastic people regarding tourism, but there was no

coordination. He was excited about the Tourism Plan and glad there would be a leadership group that answered to the City to help get a focus and develop policy and plans as well as implementing those plans and finding funding.

Jim Austin, resident of Portland, was excited about this project. It was a needed coordinated effort and now was the right time. Clackamas County Tourism wanted to be a resource and partner with the City in creating destination tourism.

Amber Holveck, Director of the Oregon City Chamber of Commerce, said no matter how many efforts had been put together in the past, there had always been a lack of coordination. They needed to have this foundational stakeholder group for tourism to excel in the City. She hoped the Commission was in support.

Mayor Holladay was in favor of the resolution and thought forming this group would allow more citizen input on tourism.

A motion was made by Commissioner Smith, seconded by Commissioner Mengelberg, to approve Resolution No. 16-21: supporting the concept of the Oregon City Tourism Plan. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

7b.

Discussion of Clackamas County's Proposed 6% Motor Vehicle Fuel Tax

Mr. Konkol said the County was proposing a 6% motor vehicle fuel tax measure on the November ballot and was asking the City to adopt a resolution supporting the measure and an Intergovernmental Agreement for how the funds would be divided between the County and the City to be done by September 1, 2016. If the City did not meet the deadline, it would not be eligible to receive the funding.

Commissioner Shaw said if the resolution was approved, the City would receive a portion of the tax.

Commissioner Mengelberg was in favor as a practical matter. If they did not approve the resolution, citizens would help fund roads for all the other cities in the County except Oregon City. She thought it would be a missed opportunity if they did not participate.

Commissioner Smith said the County needed all the cities to support this in order to get the funding. The City Commission did not know if citizens wanted to pay the tax, but they had to approve the resolution before the vote. It put the Commission in the position where they did not have a choice. He was not in support.

Mayor Holladay discussed this issue with other mayors in the County and most of the cities had ballot measures for funding requests of their own that they wanted to pass in November. They did not think it was fair to require the cities to support the gas tax and if a city did not participate, the funds would be used for other cities. The mayors had amended the County's Intergovernmental Agreement (IGA), but the County Commission did not agree with the changes and said either the City approved the resolution or they would not get any money. Oregon City already had a Transportation Utility Fee that was functioning well. He was skeptical that the tax would pass and he was tired of being bullied by the County. He suggested passing the IGA the mayors produced and send it to the County and if the County did not agree, then the City would not support the tax. The mayor's version took out the word "participating" from all the language so it allowed the cities to work as little or as much as they wanted to in order to pass the gas tax and it took out they had to participate

in order to get the revenue. The citizens who were being taxed should receive the funds.

Commissioner Shaw wanted to see the hard copy of the changes before it was approved.

A motion was made by Commissioner Smith, seconded by Commissioner Shaw, to support the mayors' version of the IGA for Clackamas County's proposed 6% Motor Vehicle Fuel Tax and authorize the City Manager to execute the agreement. The motion failed by the following vote:

Aye: 2 - Commissioner Rocky Smith and Mayor Dan Holladay

Nay: 2 - Commissioner Brian Shaw and Commissioner Renate Mengelberg

Mayor Holladay reviewed the changes that were made to the County's IGA.

A motion was made by Commissioner Shaw, seconded by Commissioner Mengelberg, to reconsider the vote on the mayors' version of the IGA for Clackamas County's Proposed 6% Motor Vehicle Fuel Tax. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

Commissioner Mengelberg would vote in favor because there was enough time for the County to reconsider and all parties could potentially come to an agreement.

A motion was made by Commissioner Smith, seconded by Commissioner Shaw, to support the mayors' version of the IGA for Clackamas County's proposed 6% Motor Vehicle Fuel Tax and authorize the City Manager to execute the agreement. The motion passed by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

7c.

Memorandum of Agreement between the U.S. Army Corps of Engineers, Portland District and The Oregon State Historic Preservation Officer, and the Advisory Council on Historic Preservation for efforts to avoid, minimize or mitigate adverse impact to the Willamette Falls Locks.

Ms. Terway said in 1974 the Willamette Falls Locks were registered on the national historic register and 35 years later in 2011 the Locks were closed due to safety concerns. The closure started a process called Section 106 to make sure there were no adverse effects regarding the closure. The agreement listed things they were already doing, such as a final disposition study and formation of a state task force to study reopening of the Locks. This agreement would be among the Corps of Engineers, State Historic Preservation Office, and Advisory Council of Historic Preservation, and the City was endorsing it as a concurring party which meant the City supported the agreement in general.

Mayor Holladay said this had been discussed over the last six months and Bill Kabeiseman, City Attorney, had reviewed it.

A motion was made by Commissioner Shaw, seconded by Commissioner Smith, to approve the Memorandum of Agreement between the U.S. Army Corps of Engineers, Portland District and The Oregon State Historic Preservation Officer, and the Advisory Council on Historic Preservation for

efforts to avoid, minimize or mitigate adverse impact to the Willamette Falls Locks. The motion carried by the following vote:

Aye: 4 - Commissioner Brian Shaw, Commissioner Rocky Smith, Mayor Dan Holladay and Commissioner Renate Mengelberg

8. Consent Agenda

Mayor Holladay left the meeting at 9:40 PM.

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

Aye: 3 - Commissioner Brian Shaw, Commissioner Rocky Smith and Commissioner Renate Mengelberg

Excused: 1 - Mayor Dan Holladay

- 8a. Kancler Consulting, LLC Contract Amendment for Government Relations Services
- 8b. Minutes of the June 15, 2016 Regular Meeting
- 8c. Minutes of the June 7, 2016 Work Session

9. Communications

a. City Manager

Mr. Underwood said the City had been partnering with Clackamas Community College and the Chamber of Commerce for promoting work force training, job creation, and company recruitment at the Industrial Technical Center. He announced the next stakeholder meeting would be held on September 1, 2016 to give an update on the work that had been done and how they planned to move ahead.

Mr. Kabeiseman gave an update on the Public Works Operations Center issue raised by citizens of whether or not it was a park. Citizens had submitted a land use appeal and it was dismissed due to it being a Charter interpretation. Citizens then transferred it to the circuit court and court of appeals. The court of appeals affirmed LUBA's response. The City filed a motion for summary judgment on the circuit court case and citizens filed a new complaint for declaratory judgment asking the court to declare the upper yard was a park.

Mr. Lewis said the City was still moving forward with the Operations Center project. There had been another positive neighborhood meeting with the McLoughlin neighborhood and staff was trying to work through their issues.

Mr. Konkol said an Urban Renewal citizen initiative was submitted and they were short on signatures. They still had time to collect the signatures for the November ballot. Mr. Kabeiseman clarified once a ballot measure was filed, elected officials could advocate for it, but public employees and public funds could not be used for advocacy on one side or the other.

Mr. Konkol announced the Barclay Hills Park playground ribbon cutting event would be held on August 6, 2016, the Second Annual Trail Game 5K Run on August 7, 2016, Volunteer Recognition event on August 18, 2016, League of Oregon Cities Conference on September 29-October 1, 2016, and High Rocks Summer Clean Up with SOLV on August 13, 2016. The City was awarded a \$600,000 Environmental Protection Agency Grant for contaminate assessment of the 99E corridor. Metro would administer the grant and a task force would be formed to discuss projects. The next Movie in the Park would be on August 5, 2016.

b. Commission

Commissioner Shaw attended the First City Celebration, Oregon City Business Alliance (OCBA) meeting, Cove Ground Breaking, Library addition opening, South Fork Water Board meeting, Citizen Involvement Committee(CIC) meeting, and National Night Out.

Commissioner Mengelberg attended the Willamette Falls Partners Reception, Equitable Housing presentation, First City Celebration, met with Sam Drevo regarding the whitewater park, attended the Main Street Economic Revitalization Committee meeting, and National Night Out.

Commissioner Smith attended the First City Celebration, Cove Ground Breaking, South Fork Water Board meeting, and National Night Out. He thought the new Library addition was amazing.

c. Mayor

There was no Mayor's report.

10. Adjournment

Commission President Smith adjourned the meeting at 9:58 PM.

Respectfully submitted,

Kattie Riggs, City Recorder