

**CITY OF OREGON CITY
CITY COMMISSION
MEETING MINUTES**

October 15, 2008

1. [Convene Regular Meeting of October 15, 2008, and Roll Call](#)

Roll Call: Mayor Alice Norris, Commissioner Damon Mabee, Commissioner Doug Neeley, and Commissioner Trent Tidwell.

Staff Present: Larry Patterson, City Manager, Ed Sullivan, City Attorney, Gordon Huiras, Police Chief and Public Safety Director, Nancy Kraushaar, City Engineer and Public Works Director, Dan Drentlaw, Community Development Director, David Wimmer, Finance Director, Nancy Ide, City Recorder, and Jim Loeffler, Human Resources Director.

2. **Flag Salute**

3. **Ceremonies, Proclamations, Presentations**

4. [Citizen Comments](#)

None.

5. [Adoption of the Agenda](#)

The agenda was adopted as presented.

6. **Public Hearings**

a. [LEGISLATIVE: Ordinance No. 08-1009: Amendment to the Oregon City Transportation System Plan \(Planning File L 08-03\) \(Continued from the September 3, 2008 City Commission meeting.\)](#)

Motion by Commissioner Doug Neeley, second by Commissioner Damon Mabee to continue item 6a, Ordinance No. 08-1009, Amendment to the Oregon City Transportation System Plan (Planning File L 08-03) to the November 19, 2008 City Commission meeting.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Damon Mabee, Commissioner Doug Neeley, and Commissioner Trent Tidwell voting 'aye' .[4:0]

7. **General Business**

a. [Intergovernmental Agreement Between Clackamas County Service District](#)

No. 1 and Tri-City Service District

Mike Kuenzi, Director of Water Environmental Services, spoke on this item. Chris Storey, County Counsel for the District, was also present. Mr. Kuenzi stated the IGA defines the relationship between Tri Cities Service District and Clackamas County Service District #1 regarding Phase I improvements currently underway. \$65-\$75 million dollars is being invested in the improvements, paid solely by CCSD#1. Tri City is not subsidizing the improvements, which will accommodate future growth capacity. He explained the IGA contained two components: 1) The capital component; 2) The operations and maintenance (O & M) component. The capital component included a \$4 million dollar lump sum. The O & M would be an annual payment, not yet defined in amount, but possibly a 50/50 split. He noted the agreement is a huge plus from the risk reduction standpoint, as the operation will be a high value/high quality system next to a conventional treatment that allows much flexibility to meet changes in a regulatory environment and to adapt to unexpected future changes. He asked the Commission to endorse the agreement, which he hoped would go before the County Commissioners by mid November.

Mayor Norris noted that the \$4 million lump sum can be invested and interest can be used to buy down rates in the future. Mr. Kuenzi responded that the money can be put aside and used as a rate-reduction method.

Commissioner Neeley asked if the Tri City bonds had been paid off, and Mr. Kuenzi responded there is no debt on the bonds.

Mr. Patterson noted Mr. Sullivan had asked some questions, one being whether this was a good arrangement for the rate payers of Tri-City Service District. He felt it was a good solution, and noted that construction had already begun.

Mr. Kuenzi stated there was remediation money set aside. Excavation has been finished and they did not hit the landfill, and no remediation would be done associated with this project. Tri City does not get off the hook in terms of the original agreement. They still need to mediate at the appropriate time.

Mr. Patterson recommended setting back this item for final action due to mediation and ability to work through other wording changes.

Mayor Norris asked if the agreement could be written open ended to allow for different roles or more-or-less governance to be added.

Mr. Kuenzi replied the agreement could be rolled into the binding agreements or terminated and rewritten in some other method. The

followed up on the Advisory Committee and noted the role of the committee is in the original charter and part of the bylaws, and if these are to be changed, the charter would need to be modified.

Commissioner Tidwell asked if one of the participants chose not to endorse the IGA, what would be his recourse. Mr. Kuenzi replied the only outstanding issue was the buyback provision that West Linn wants to include. He would ask the Board to make the final decision if one of the participants chose not to participate.

Commissioner Neeley noted that the facility would not be a taxable property for Oregon City and asked how this was dealt with in the meetings. Mr. Kuenzi replied this discussion had been tabled to the next discussion with the community partners. Mayor Norris reiterated it was not off the table, and stated that CCSD rate payers would be stepping up with rate increases.

Commissioner Mabee noted that significant payments are coming to CCSD and it will help the rate payers. He noted that the construction was done on the original footprint, and not taking any further property off the tax rolls. He expressed concern that the facility was in the flood zone, but added the membrane facility is significantly harder to flood and take offline. The pros and cons generally weigh out in Tri-City's favor. Mayor Norris added the facility was being built very green.

Commissioner Mabee stated he provisionally supported the IGA.

Item 7a deferred to a future City Commission meeting to allow for further revision to the IGA.

b. **Consider Request of Clackamas County Land Trust to Pay All or Portion of SDC Fees**

Mr. Patterson reviewed Clackamas County Land Trust's request for a buy-down of SDC credits, \$90,000 in relief off the SDC payments which are calculated at \$165,000 on this project. He asked whether the Commission wished to move forward, as it provided options for families. He provided a report outlining where the money could be found to pay for the relief. He asked how much, if any, does the Commission wish to pay toward the SDCs. He suggested identifying the money in the general fund if they chose to pay \$50,000 or less. He stated this was a one-time request and not a new fund or program.

Sarah Buckley, Executive Director of the Clackamas Community Land Trust, explained how the program that keeps homes affordable works. Once funds have been put in to making homes affordable, the homes will

always be affordable to the future buyers. When the house is sold, the owner gains a percentage of the appreciation, not the full appreciation. The percentage gained is tacked onto the original sale price and that is the sales price for the next buyer. The majority of the homeowners move on into the normal market. She described the current project on Morton Road in Oregon City. She explained the other sources of funding subsidy the Trust had sought to partner with them to keep the home prices between \$120,000 and \$140,000.

Comm. Tidwell asked if there was a sense of urgency to the request, and Ms. Buckley responded she anticipated approval of the plans within a month from the Oregon City Planning Dept., and then move forward with purchase of the land. Commissioner Tidwell said he was not at the previous work session where this was discussed and would be more comfortable with a more complete discussion at a future work session. Ms. Buckley said it would work for her to return to a future work session.

Commissioner Neeley stated he recognized the need and did not have a problem holding this over. He asked for a range of percentages of median income for affordable housing, and she replied the Trust serves families below 80% of the median family income. The average is at 58%.

Commissioner Mabee asked what was the amount of median family income, and Ms. Buckley reported that for a family of 4, it is \$54,500.

Mayor Norris stated that statistics show that Oregon City needs affordable housing as much as the remainder of the region. Ms. Buckley stated that Clackamas River Water gave a 25% break on the SDCs, and WES gave a break on stormwater fees and possibly more. Mayor Norris suggested giving a portion, such as \$50,000, of the reduction and to encourage her to ask South Fork Water Board and Tri City for relief also.

Commissioner Neeley questioned whether the water and sanitary sewer funds were available for use, and Mayor Norris replied she was not comfortable with using funds where the fees were just raised for citizens. Nancy Kraushaar said they did not raise sewer fees.

Item 7b deferred to the December 2008 Work Session for further discussion.

- c. [Resolution No. 08-37: Vacate of Public Sanitary Sewer Easement Located Along the South Side of Library Court for Clackamas County \(City File No. EV08-0005\).](#)

Ms. Kraushaar reported that an existing sewer line near the new County Development Services Building that had a public sewer easement over it

was not longer needed, but can become a private sewer line. The County requested the City vacate it, and she had no issue with the vacation.

Motion by Commissioner Doug Neeley, second by Commissioner Trent Tidwell to approve Resolution No. 08-37, Vacate of Public Sanitary Sewer Easement located along the south side of Library Court for Clackamas County (City File No. EV08-0005).

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Damon Mabee, Commissioner Doug Neeley, and Commissioner Trent Tidwell voting 'aye' .[4:0]

d. [Minutes of the August 20, 2008 Regular Meeting \(Wuest absent\)](#)

e. [Minutes of the October 1, 2008 Regular Meeting \(All present\)](#)

Motion by Commissioner Trent Tidwell, second by Commissioner Damon Mabee to approve minutes of the August 20, 2008 and October 1, 2008 regular meetings as presented.

A roll call was taken and the motion passed with Mayor Alice Norris, Commissioner Damon Mabee, Commissioner Doug Neeley, and Commissioner Trent Tidwell voting 'aye' .[4:0]

8. [Communications](#)

a. [City Manager](#)

Mr. Patterson recommended the City proceed to take action on #1, #2, and #3 on the report he distributed to the Commission regarding the concerns at Laurel Lane. Commissioner Mabee affirmed the steps outlined by the city manager.

b. [Mayor](#)

Mayor Norris reported she and Commissioner Wuest and Larry Patterson attended the League of Oregon Cities annual convention last week in Salem, and they had the chance to grill legislators. Tomorrow night is City Hall Week at the Carnegie Center to discuss the shared legislative agenda. She stated that on October 8 there were 200+ people at the Metro meeting and she reported on some of the topics: 1) Demographics, the boom to come to the region will bring one million people - the majority of the people will be going the sunbelt of the west, the Northwest; we will be tearing down 200,000 homes during the next 20 years and replacing them with 500,000 homes, resulting in a building boom. The life span of a home is 165 years, a big box is 10 years; 86% of the growth will be houses without children; 30% want rural; 51% want city or suburb; 19% want conventional suburb for families; 62% want detached housing; 60% want

small lot less than 7,000 square feet. Today, homeownership is 60%; in the future 50% will be rentals. The least foreclosure is in the urban centers. Dan Drentlaw added that the suburbs is less popular due to the cost of transportation. Next joint regional meeting is next Wednesday focused on land use. Tomorrow morning the Willamette stakeholders group that discusses the Falls environment will meet with State Parks and a professor from Univ. of Oregon State Landscape Architecture Department.

c. [Commissioners](#)

Commissioner Mabey reported on the Clackamas Heritage Partners' planned expansion and access to the Falls, and the need for \$30-\$40 million dollars to see the project happen. He indicated there was good vision and they were realistic as to what they can accomplish. Commissioner Neeley added that access to museum from the other side of Hwy. 99E would likely be discussed in the early phase of the project.

Mayor Norris was at the workshop with other city officials to plan for the area if the access project goes forward.

Commissioner Tidwell reported that a new coffee shop has moved into the former Acme Coffee Shop. He will announce soon his new location for Conversations with a Commissioner.

9. [Adjournment](#)

Respectfully submitted,

Nancy Ide, City Recorder