

City of St. Helens

Consent Agenda for Approval

CITY COUNCIL MINUTES

Presented for approval on this 2nd day of October, 2024 are the following Council minutes:

2024

- Work Session, Executive Session, Public Hearings, and Regular Session Minutes dated June 19, 2024
- Work Session, Executive Session, and Regular Session Minutes dated July 16, 2024
- Special Session and Public Hearing Minutes dated August 27, 2024

After Approval of Council Minutes:

- Scan as PDF Searchable
- Make one double-sided, hole-punched copy and send to Library Reference
- Minutes related to hearings and deliberations get copied to working file
- Save PDF in Minutes folder
- Update file name & signature block on Word document & copy Word document into Council minutes folder in Shared Drive
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COUNCIL WORK SESSION

Wednesday, June 19, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF PRESENT

John Walsh, City Administrator	Jacob Graichen, City Planner
Kathy Payne, City Recorder	Jenny Dimsho, Associate Planner
Lisa Scholl, Deputy City Recorder	Bill Monahan, Contracted City Attorney
Gloria Butsch, Finance Director	Ashley Wigod, Contracted City Attorney

OTHERS

Ron Trommlitz	Paul Vogel
Steve Topaz	Chris Iverson
Mitz	David Wasylenko
Brady Preheim	Scott Jacobson
Jennifer Shoemaker	

CALL WORK SESSION TO ORDER – 7:00 p.m.

VISITOR COMMENTS - *Limited to three (3) minutes per speaker*

- ◆ Ron Trommlitz. Reviewed his concerns about the 2 million-gallon (2MG) water reservoir, the City's lack of transparency regarding the failure of the reservoir's rehabilitation, and the confusing Council update by Public Works on replacement of the reservoir.
- ◆ Brady Preheim. Thanked the Council for not eliminating visitor comments during work sessions. He addressed the Event Coordinator presentations/interviews and the RFP process, citing concerns that Councilor Hubbard was biased. He asked how the applicants were vetted, noting one applicant had incorrect data, adding he was waiting for his public records request for the score sheets. He described how the past Tourism Committee and the entire process was a disaster, opposing a revival of the Committee.
- ◆ Steve Topaz. Pleased to see all the Council minutes in the agenda for approval, unfortunately the information in the minutes was unavailable for use at meetings prior to tonight. Later today, a public hearing would be held on the Millard property and later on, Council would declare the property surplus. He described the proper procedure to declare property surplus and believed the City would be sued for not following procedure and any sale would be declared null and void.

Contracted Attorney Bill Monahan, who was retiring, introduced Ashley Wigod who would be the City's new contracted attorney, describing her experience.

He confirmed the procedure regarding the surplus property had been followed properly as the meeting had been noticed by City Recorder Payne and a public hearing would be held tonight. He agreed to attend tonight's meeting at Mayor Scholl's request.

DISCUSSION TOPICS

1. Annual Report from City's Insurance Agent of Record - *Chris Iverson, Hagan Hamilton Insurance*

Chris Iverson and David Wasylenko presented the annual report, a copy of which was included in the archive packet for this meeting, and hard copies were distributed to Council. Key items included a comparison of premiums for the upcoming year with the expiring year, and highlighting coverage for liability, auto, property, earthquake, flood, crime, cyber, and Workers' Compensation with SAIF. They offered to discuss particulars on current litigated claims with the Council either one-on-one or during an executive session.

Questions from the Council were addressed as follows:

- Previously nothing was insured at Sand Island campgrounds, as it was under construction.
- The agents recommended the City consider upgrading its cyber coverage. They would talk to City Administrator Walsh about upgrading and try to get the Council numbers on proceeding, as there were some IT requirements for the higher limits.
- The cyber coverage limit was increased about two years ago.

Mayor Scholl believed looking into higher limits for cyber claims was a good idea.

2. Discussion regarding Downtown Parking - *City Planner Jacob Graichen*

City Planner Graichen reviewed his report, a copy of which was included in the archive packet for this meeting. Key items presented included permanent use as an exception to off-street parking in the Houlton Business District and Riverfront District; parking options, including lots and street parking in the downtown core, and the current sensitivity about the downtown parking supply due to the construction. He noted future expected increased demand included the County fully occupying the John Gumm School, highlighting opportunities for additional capacity with parallel parking on Columbia Boulevard and angled parking on St. Helens Street in the north area of downtown and opportunities in the south. He noted the City's last parking study was in 2002 and the Urban Renewal Plan's included a public parking management strategy.

Mayor Scholl noted the genesis of the discussion was a downtown building proposal being denied by the Planning Commission due to lack of parking. The Council should start talking about preventing such issues.

Planning Commissioner Jacobson said the Transportation Master Plan addressed the matter, adding that with the events the city had, mass transit was needed, such as shuttles and buses.

Mayor Scholl described how the 5th Street/St. Helens Street intersection area could be used for parking and City Administrator Walsh indicated the area's location, which was near the river and noted the Sorensens' private property nearby. Commissioner Jacobson recalled ideas around parking within the new development area. A brief discussion ensued about ways to utilize different areas for parking.

Planning Commissioner Shoemaker stated the Planning Commission did not want any implied development moratoriums because of parking. She was interested in doing a shared cost with developers on a parking garage, adding deeded parking was a possibility for funding.

Graichen clarified that off-street parking requirements still applied to the Riverfront and Houlton Districts; however, parking exceptions in such districts were not unlimited, citing a new building project that required a substantial variance.

Council President Chilton stated the plan should be updated and accounted for in the next Urban Renewal Budget, and asked what Council could do right now to address the parking issue, such as changing parallel parking spaces to diagonal spaces. Graichen replied the Public Works Director should be included in such discussions, but agreed as far as a capital improvement, adding capacity could be done cheaply with paint to re-stripe for angled parking, especially along Columbia Blvd.

Associate Planner Dimsho confirmed Urban Renewal had the authority to do a development agreement with a future owner which would establish terms and conditions on the sale which could include a shared parking arrangement on a City-owned piece of property within Urban Renewal District.

Commissioner Shoemaker noted that creating a temporary parking area on a City-owned property could cause issues when the City was ready to build a parking structure on that same land.

Mayor Scholl noted the 5th Street property was rarely full and less than two blocks away from where people wanted to go. He confirmed the City owned a parcel behind John Gumm School as well as another property he indicated on a map that fed into 3rd Street.

Associate Planner Dimsho noted Holcomb would have a grandfathered parking demand if he successfully brought back the Klondike Hotel due to the previous use, so he would not be limited like new developments.

Councilor Gundersen understood the Planning Commission's decision to deny was because the variance request was excessive. The city would have parking in the future, and it was a shame to not let development occur and deny an application for such a great building simply because of parking; perhaps projects could get a green light with a caveat that parking would be available.

Council discussed donating the City-owned property at the 5th Street/St. Helens Street intersection area and having the new owners do improvements, noting the land could be reclaimed for development or a parking structure. The City owned lot could be a good permanent solution for a parking garage, so using the area up against the bluff could be a temporary solution. It was important to find a solution now before a developer came in wanting parking exceptions and setting precedents for future developers.

Associate Planner Dimsho noted the Riverfront District had three subdistricts, and per the Code, a development agreement with a future developer in the Plaza Subdistrict could trump all other requirements in the zoning district if the Council agreed to the terms of the agreement, which provided some flexibility around parking.

City Administrator Walsh described the limitations of working with a master developer and the difficulty of finding a wholistic solution when doing parking a la carte.

Council President Chilton wanted to see a temporary parking lot downtown, maybe in the Mill District, until things change downtown, and then look into the Urban Renewal Budget for a full scope parking plan.

Mayor Scholl suggested using a cutout by the stairwell for temporary parking, noting the sidewalk had not been put in yet.

Discussion continued about whether a temporary lot would have helped the development that was denied. While the capacity would not have been onsite, a temporary lot could be used, depending how the City managed the lot, and could be a basis for a variance argument. With the increased parking capacity, a variance request could be within a closer scale.

Planning and Engineering staff were asked to work together to consider options like an interim service lot and re-striping for angled parking.

Walsh noted the Urban Renewal Agency did have the re-striping as a project, noting Transportation Growth Management (TGM) funding could also be pursued for parking solutions. He confirmed including such projects in the updated Transportation Systems Plan (TSP) would increase the City's ability to be awarded grants. He noted the 5th Street to 7th Street area was a potential parking lot location for staff to explore, adding much of the area was in the right-of-way, giving the City some flexibility on the lot design.

Mayor Scholl stated Walsh had the Council's authority to see if the Sorenson's, who owned property along 5th Street and Old Portland Road, would be interested in selling.

3. Review Joint Memorandum of Understanding with Columbia Economic Team for Growing Rural Oregon (GRO) Initiative - *CET Executive Director Paul Vogel*

Paul Vogel reviewed the Memorandum of Understanding (MOU), which was a housekeeping item to address transitions that occurred with CET assuming the role of coordinator. There was no material change to the grant amount and The Ford Family Foundation was fine with the new arrangement. A copy of the MOU was included in the archive packet for this meeting.

Mayor Scholl emphasized power remained a priority, and CET should let the City know anything it could do to assist in the process. Mr. Vogel agreed and reported on CET's recent efforts, including two grant applications, one for preliminary design of the substation and one for transmission and load planning. In terms of requests for power, CET had met with Project Arcadia, connecting them with several different entities. Additionally, the purchaser at Armstrong was meeting with the PUD yesterday and both load requirements were within a reasonable threshold. CET did a site visit with Columbia Commerce Center this morning and its power ramp fits within the thresholds; its 50-megawatt requirement would be needed in about nine years, which is much more favorable than the Project Sprint requirements. He noted CET finally had the funding intended to help the community aspect and support utilities.

Mayor Scholl reported another solar cell manufacturer had reached out, and he told them the City had the water and sewer, but not the power for their company, encouraging them to reach back out in about five years.

4. Discussion regarding Possibility of Bringing Back a Tourism Committee

Mayor Scholl believed having a Tourism Committee was a good idea. Given the public testimony, Council should be sure to work with the contractor for the first six months or so, being open to their ideas with Council being the ultimate authority that knew the community well.

Key discussion items on bringing back a Tourism Committee were as follows:

- Treadway would need the most assistance in the beginning, and Council should step up to provide direction and community insights so City Administrator Walsh would not end up with extra work. Hard decisions would be made upfront and things would get easier. After six months or so, a committee could be formed if further direction is needed.
- It would be good to know why the previous committee was described as a "disaster" to avoid repeating the same results.
- Discussion is needed around the committee's role and how it would work with the contractor.
- The prior Tourism Committee consisted of stakeholders, including a City Councilor, Chamber representative, and business owner. Including residents on the Committee was suggested to provide further community insights.
- Council would hear a lot from people as the work begins, which may help inform how the committee could help carry tourism onward.

- Previously, when the Tourism Committee was working, the City's part-time tourism director at the time was more focused on marketing, not events. At the time, it was determined that hotels were able to accommodate events in town.
- Forming the committee would require additional work by staff, including taking minutes, being present at the meetings, etc.
- Understanding both Council's and Treadway's roles would be important as well as to delineate the responsibilities.
- Council should work with Treadway, addressing any issues or information requested, during public meetings by having Treadway on the agenda to avoid serial meetings. Council must also be mindful of any ex parte contact.
- Tourism should be taken off Council's plate as soon as possible since Council's role was to set policy and address other matters.

Council consented to work with the contractor, Treadway, during the transition and to engage the public on what was happening. Forming a Tourism Committee could be revisited after several months.

Mayor Scholl commended Tina Curry for all her long hours and hard work as Event Coordinator for the past 10 years.

5. Report from City Administrator John Walsh

City Administrator Walsh reported that the notice of intent to award the tourism contract to Treadway went out yesterday. The seven-day limit to protest would end June 25. Treadway would be in town to attend 13 Nights on the River.

- He explained that band performances were booked through July 4. The next performance in question was on July 11, so nine more bands were needed. He clarified the bands were reserved but not yet contracted.

Mayor Scholl stated Hit Machine wanted to play. He noted the vendors expressed concerns about paying for their food trucks and wanted the City to keep the event going. He added if Treadway was not on board by July 11, City Administrator Walsh was empowered to manage the event.

Walsh stated with no alcohol revenue, the City would have some expenses to pay for the bands, and he was nervous about how to get the revenue. As far as the money in the Wauna account, the E2C financial summaries are being requested for review, but the documents would not be available by June 30. He provided details regarding the E2C contract.

Finance Director Butsch explained the budget may be affected by timing on revenues coming in and the change of contractors, however, the City would be able to cover the expenses of bands for 13 Nights. The important part was making sure someone could manage the event.

City Administrator Walsh explained that to fast track the contract with Treadway, Council would need to hold a special meeting. However, as Spirit of Halloweentown and 13 Nights had grown into very popular events, drawing people from outside the area, maintaining continuity for both residents' and visitors' expectations was important. Without another contractor on board, the work fell to staff. He described some of the important work that Staff was not getting done. It was difficult to meet expectations when spread so thin. Council President Chilton reminded him to ask Council for support. He concluded his report stating:

- The Kiwanis Parade was great, and the weather looked to be great for Citizens Day in the Park.
- Brent Keller from Mason, Bruce, and Girard reached out for confirmation that the City wanted to move forward with the bid process for the timber sale. Council confirmed the answer was yes.

Mayor Scholl added he checked with IGA, Sunshine, Safeway, and followed up with Stan's, noting the Citizens Day event was coming together and looked like it was a go. More volunteers were always needed.

ADJOURN – 3:35 p.m.

EXECUTIVE SESSION

- Real Property Transactions, under ORS 192.660(2)(e)
- Consult with Counsel/Potential Litigation, under ORS 192.660(2)(h)

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Kathy Payne, City Recorder

Rick Scholl, Mayor

City of St. Helens
CITY COUNCIL

Executive Session Summary

June 19, 2024

Members Present: Rick Scholl, Mayor
Jessica Chilton, Council President
Mark Gundersen, Councilor
Brandon Sundeen, Councilor
Russell Hubbard, Councilor

Staff Present: John Walsh, City Administrator
Kathy Payne, City Recorder

Others: William Monahan, City Attorney with Jordan Ramis PC (via Zoom)
Ashley Wigod, City Attorney with Jordan Ramis PC (via Zoom)



At 3:37 p.m., Mayor Scholl opened the Executive Session pursuant to the ORS numbers listed below and then gave Council roll call. Other than Labor Negotiator Consultations, representatives of the news media, designated staff, and other persons as approved shall be allowed to attend the Executive Session. All other members of the audience are asked to leave the Council Chambers. Representatives of the news media were specifically directed not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. Any person in attendance, including the news media, who has a recording device is directed to turn it off.

- **Real Property Transactions, under ORS 192.660(2)(e)**
 - Update on potential lease or purchase of property for a new public safety facility.
- **Consult with Legal Counsel/Litigation, under ORS 192.660(2)(h)**
 - Update on current litigation regarding claims filed against the City.

The Executive Session was adjourned at 4:00 p.m.



ATTEST:

Kathy Payne, City Recorder

Rick Scholl, Mayor

An audio recording of this meeting is archived at City Hall.



COUNCIL PUBLIC HEARING

Wednesday, June 19, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF

John Walsh, City Administrator	Jacob Graichen, City Planner
Kathy Payne, City Recorder	Jenny Dimsho, Associate City Planner
Lisa Scholl, Deputy City Recorder	Bill Monahan, Contracted City Attorney

OTHERS

Judy Thompson Brady Preheim
Corneliocuriel
Mitz

OPEN PUBLIC HEARING – 6:00 p.m.

TOPIC

1. Sale of City-Owned Properties on Millard Road described as:

- Tax Account No. 29254, Map No. 4N1W-8CB-00400, 16.3 Acres
- Tax Account No. 29246, Map No. 4N1W-8BC-02600, 6.86 Acres

City Attorney Monahan reviewed the requirements of a public hearing for the sale of City-owned property, addressed questions received in a public comment from Steve Toschi, and confirmed statutory requirements had been followed. He stated the Council was responsible to disclose the terms of sale and the appraisal of the market value of the property during this public hearing.

City Administrator Walsh stated the City had received three estimates for the property value, the appraisal had come in at \$1,065,000, and they felt based on lot prices the value was around \$2.7 - \$3 million. He clarified the sale of the property was pending approval from the Council.

PUBLIC COMMENT

- ◆ Brady Preheim. Expressed concern over the price being too low for the value of the property, noting \$3.3 million had been invested in purchasing and building infrastructure on the property, and it was worth \$4.6 million or more. He stated the public hearing should occur before hearing offers to purchase the property, the Council had included \$1.1 million in property sales in the current Budget against the advice of the Finance Director, and he felt the sale was unethical.

Mayor Scholl reviewed the process of appraisal, picking a realtor, marketing, and selecting a development plan for the property.

There was discussion on the property being raw land and not buildable lots and wanting the property to be developed into single-family homes.

City Planner Graichen talked about the history of the property ownership, the mixed-use zoning, the legal inability to discriminate between development of duplexes and single-family homes, and putting an agreement in the transaction to develop single-family homes. It was noted that two thirds of the land had already been City-owned property.

City Attorney Monahan detailed the next steps including approving a resolution determining the land had no identified public use and directing staff to proceed with the sale.

Mayor Scholl confirmed Resolution 2014 would be on the agenda for tonight's regular session.

CLOSE PUBLIC HEARING – 6:27 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Kathy Payne, City Recorder

Rick Scholl, Mayor



COUNCIL PUBLIC HEARING

Wednesday, June 19, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF

John Walsh, City Administrator
Kathy Payne, City Recorder
Lisa Scholl, Deputy City Recorder
Jacob Graichen, City Planner
Jenny Dimsho, Associate Planner
Bill Monahan, Contracted City Attorney

OTHERS

Mitz	Brady Preheim	J. Massey
Judy Thompson	Christina Wallace	Nick Hellmich
Corneliocuriel	Nathan Wallace	

OPEN PUBLIC HEARING – 6:27 p.m.

TOPIC

1. Annexation of Property Located at 35456 E. Division Road (Dahlgren)

Associate Planner Jenny Dimsho covered preliminary matters. There were no potential or actual conflicts of interest, bias in this matter, ex parte communications, or site visits. There were no objections from the audience for the Council to make a fair decision. Dimsho went on to review the staff report, a copy of which is included in the archive packet for this meeting. Planning Commission recommends approval with a zone of Highway Commercial.

PUBLIC COMMENT – None

CLOSE PUBLIC HEARING – 6:35 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Kathy Payne, City Recorder

Rick Scholl, Mayor



COUNCIL PUBLIC HEARING

Wednesday, June 19, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF

John Walsh, City Administrator	Jacob Graichen, City Planner
Kathy Payne, City Recorder	Jenny Dimsho, Associate Planner
Lisa Scholl, Deputy City Recorder	Bill Monahan, Contracted City Attorney

OTHERS

Mitz	Brady Preheim	J. Massey
Judy Thompson	Christina Wallace	Nick Hellmich
Corneliocuriel	Nathan Wallace	

OPEN PUBLIC HEARING – 6:36 p.m.

TOPIC

1. Annexation of Property West, South, and East of 58212 Old Portland Road (Port of Columbia County)

Associate Planner Jenny Dimsho covered preliminary matters. There were no potential or actual conflicts of interest, bias in this matter, exparte communications, or site visits. There were no objections from the audience for the Council to make a fair decision. Dimsho went on to review the staff report, a copy of which is included in the archive packet for this meeting. Planning Commission recommends approval with a zoning of Heavy Industrial.

PUBLIC COMMENT – None

CLOSE PUBLIC HEARING – 6:42 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Kathy Payne, City Recorder

Rick Scholl, Mayor



COUNCIL PUBLIC HEARING

Wednesday, June 19, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF

John Walsh, City Administrator	Jacob Graichen, City Planner
Kathy Payne, City Recorder	Jenny Dimsho, Associate Planner
Lisa Scholl, Deputy City Recorder	Bill Monahan, Contracted City Attorney

OTHERS

Mitz	Brady Preheim	J. Massey
Judy Thompson	Christina Wallace	Nick Hellmich
Corneliocuriel	Nathan Wallace	

OPEN PUBLIC HEARING – 6:45 p.m.

TOPIC

1. Annexation of Property Located at 2180 Gable Road (JLJ Earthmovers, LLC)

City Planner Jacob Graichen covered preliminary matters and asked the Council if there were any potential or actual conflicts of interest, bias in this matter, ex-parte communication, or site visit. Mayor Scholl declared that he is related to Schlumpberger. There were no objections from the audience for Council to make a fair decision. Graichen went on to review the staff report. Planning Commission recommends approval with a zoning of Light Industrial, with a condition referring to the access point as written in the staff report.

PUBLIC COMMENT – None

CLOSE PUBLIC HEARING – 6:54 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Kathy Payne, City Recorder

Rick Scholl, Mayor



COUNCIL REGULAR SESSION

Wednesday, June 19, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF

John Walsh, City Administrator	Jacob Graichen, City Planner
Kathy Payne, City Recorder	Jenny Dimsho, Associate City Planner
Lisa Scholl, Deputy City Recorder	Bill Monahan, Contracted City Attorney

OTHERS

Judy Thompson	Brady Preheim	Robyn
Corneliocuriel	Steve Toschi	Christina Wallace
Mitz	Jim Coleman	Nathan Wallace
J. Massey	Nick Hellmich	

CALL REGULAR SESSION TO ORDER – 7:00 p.m.

PLEDGE OF ALLEGIANCE

VISITOR COMMENTS – *Limited to three (3) minutes per speaker*

- ◆ Brady Preheim. Urged the Council to only allow the sale of single-family lots, not apartments, on the Millard Road property when sold. He expressed concern over the price of the sale, noting it was unethical for the buyer and seller to be represented by the same realtor. He wanted more information on how companies had been vetted and scored during the Tourism contract request for proposals (RFP) process.
- ◆ Jennifer Massey. Spoke on behalf of herself and Friends Against Fraudulent Organizations Doing Detective Stuff (FAFODDS) issuing a public notice to two individuals to cease and desist engaging in defamation, slander, and libel. She clarified the involvement she and FAFODDS had in seeking more answers about the City's Tourism contract and the reason for her phone call to the Department of Justice (DOJ) to verify how volunteers could be paid. She urged John Walsh to dispel misinformation by stating there had not been an official audit, only a financial summary. She noted the undertone of threat and litigation and encouraged the Council to find truth by discovery and deposition.
- ◆ Nick Hellmich. Expressed concerns over whether the City was paying the insurance for the cabins on Sand Island rather than the company renting the cabins. He invited everyone to his barbecue on July 13, 2024.

- ◆ Adam St. Pierre. Stated there appeared to be misinformation about the Tourism RFP process and whether E2C was the contractor. He explained his understanding of the Tourism RFP proceedings to date, stating the lack of providing financials seemed intentional. He wanted John Walsh to respond at tonight's meeting with clarification about Halloweentown financials and the Tourism funds in the Wauna account.
- ◆ Steve Toschi. Noted the Millard Road property was still listed as pending on the MLS, meaning there was a sales contract; however, he had seen no appraisal and there had been no public hearing or resolution approving the sale. He requested all the proposals to purchase the property.

Mayor Scholl clarified there had been an appraisal, the public hearing for the Millard Road property sale had occurred at 6:00 pm, and the City Attorney had responded via email that all formalities had been met.

Toschi expressed concern over who the Millard Road property would be sold to and how it would be developed. He encouraged Council to vet other proposals to purchase the property before proceeding with the transaction.

DELIBERATIONS

1. Annexation of Property Located at 35456 E. Division Road (Dahlgren)

Motion: Motion made by Councilor Gundersen and seconded by Mayor Scholl to approve the annexation of 35456 E. Division Road as recommended by staff. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

2. Annexation of Property West, South, and East of 58212 Old Portland Road (Port of Columbia County)

Motion: Motion made by Councilor Gundersen and seconded by Council President Chilton to approve the annexation of property west, south, and east of 58212 Old Portland Road as recommended by staff. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

3. Annexation of Property Located at 2180 Gable Road (JLJ Earthmovers, LLC)

Motion: Motion made by Councilor Gundersen and seconded by Councilor Sundeen to approve the annexation of 2180 Gable Road as recommended by staff. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

RESOLUTIONS

4. Resolution No. 2014: A Resolution of the City Council of St. Helens, Oregon Declaring City Owned Properties on Millard Road, Tax Account Nos. 29254 and 29246, as Surplus and Authorizing Sale of the Properties in Compliance with ORS 221.725

Motion: Motion made by Council President Chilton and seconded by Councilor Gundersen to adopt Resolution No. 2014.

Discussion noted that all legal formalities had been met, the 16 acres of land had previously belonged to the City and that the City would have an agreement at transaction to only allow single-family homes to be developed.

Vote: Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

APPROVE AND/OR AUTHORIZE FOR SIGNATURE

5. Joint Memorandum of Understanding with Columbia Economic Team for Growing Rural Oregon (GRO) Initiative

6. Second Amendment to Agreement with Mackenzie Engineering, Inc. for Services related to Infrastructure Design Work for the St. Helens Industrial Business Park
7. Extension of Agreement with Mark Comfort for Clean-Up of Various Properties within the City

Motion: Motion made by Councilor Gundersen and seconded by Council President Chilton to approve '5' through '7' above.

Staff clarified the amendment with Mackenzie Engineering was an extension; no work would begin until a location was determined.

Vote: Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

CONSENT AGENDA FOR ACCEPTANCE

8. Library Board Minutes dated May 13, 2024
9. Planning Commission Minutes dated May 14, 2024

Motion: Motion made by Council President Chilton and seconded by Councilor Sundeen to approve '8' and '9' above. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

CONSENT AGENDA FOR APPROVAL

10. City Council Minutes dated February 21, March 6, March 20, April 3, May 1, and May 15, 2024
11. Accounts Payable Bill Lists

Motion: Motion made by Councilor Gundersen and seconded by Councilor Sundeen to approve '10' and '11' above. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

WORK SESSION ACTION ITEMS

None

COUNCIL MEMBER REPORTS

Council President Chilton reported Citizen's Day would be held on Saturday.

Councilor Sundeen reported on comments he received about the City not putting up flags on Flag Day, noting the Lion's Club and other volunteers alternated between putting up flags for Flag Day and Juneteenth. He thanked Tina Curry for her contributions to the City and encouraged support for Treadway going forward.

Councilor Gundersen thanked Tina Curry for her work and reported on the activities of the Columbia River Fire Rescue Board, a scholarship opportunity offered through the Columbia Learning Center Board, and the activities of the Planning Commission.

Councilor Hubbard reported the Library was waiting to install solar power, and noted that with Treadway coming in, the Wauna account needed to be addressed.

MAYOR SCHOLL REPORTS

Encouraged staying cool and hydrated in the heat, and attending upcoming events including Citizen's Day, and the 4th of July dedication of the veterans' memorial. He was confident the City would work out the issues with Tourism. He talked about the rippling impact of the fear of change, noting he would continue serving the community and speaking from his heart.

OTHER BUSINESS

ADJOURN – 7:34 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Kathy Payne, City Recorder

Rick Scholl, Mayor



COUNCIL WORK SESSION

Tuesday, July 16, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF

John Walsh, City Administrator	Sharon Darroux, Engineering Manager
Lisa Scholl, Deputy City Recorder	Nick Ratliff, Utility Worker I
Crystal King, Communications Officer	Ryan Powers, Water Systems Operator
Mike De Roia, Building Official	Adam Raethke, Police Officer
Jenny Dimsho, Associate Planner	Ashley Wigod, Contracted City Attorney
Mouhamad Zaher, Public Works Director	Sam Erskine, Contracted Prosecuting Attorney

OTHERS

Michael Curri	Jespinosa	Susan Baker
Jim Coleman	MM	Patrick Birkle
Mitz	Vada Clark	Gin Birkle
Andy Bates	Steve Topaz	Brady Preheim
Jane Garcia		

CALL WORK SESSION TO ORDER – 2:00 p.m.

VISITOR COMMENTS - Limited to three (3) minutes per speaker

- ◆ Susan Baker. Expressed concerns about the effects on downtown businesses without a tourism contractor in place so close to Spirit of Halloweentown, suggested waiting until October to close downtown, and asked if the City could provide help to create more events or help the businesses who depend on Halloweentown.
- ◆ Patrick and Gin Birkle. Described their work with the Oregon Community Foundation to use Birkle's stipend from his time on the Council for a donor-advised fund, the Birkle Family Environmental Education Fund, with an initial contribution of \$25,000.
- ◆ Vada Clark. Fireworks needed to be banned or limited after she had been listening to them for 13 days.
- ◆ Steve Topaz. Stated the comments he made at a previous meeting had not been recorded or entered into the record. He reiterated those comments, which were about surplus property, toxic waste at the Millard Road property, and the value of the Millard Road property. He also described the sewer plant re-permit hearing with the Department of Environmental Quality (DEQ) last week, dumping sewage in the river, and the old County Fair dump leaking into McNulty Creek.

Mayor Scholl responded that the City complied with DEQ standards and the dump had nothing to do with sewage. He invited Boise employees to testify that no sewage was beyond the Fairgrounds.

- ◆ **Brady Preheim.** Expressed frustrations about construction including that the road being built was too narrow for two lanes, explained why the City should announce whether the Sand Island Sandcastle Competition would happen, and noted it was now four weeks with no contract with Treadway for tourism when they were supposed to sign within seven days.

Public Works Director Zaher confirmed that the intersection by Cowlitz Circle and 1st Street would be a two-lane street.

DISCUSSION TOPICS

1. Employee Length of Service Recognition - Buck Tupper (15), Adam Raethke (5), Nick Ratliff (5), and Ryan Powers (5)

Mayor Scholl presented length of service awards to Ryan Powers, Nick Ratliff, Adam Raethke, and Buck Tupper. He expressed appreciation for all the awardees and the Council commended Tupper for his leadership and dedication.

2. Presentation of Strategic Networks Group Broadband Assessment and eStrategy Report - Michael Curri, SNG Founder & President

Michael Curri, SNG Founder and President, presented via PowerPoint the final Broadband Assessment and eStrategy report, highlighting background and key findings including high cost and high dissatisfaction with current broadband services and that prime workforce groups would relocate to get better broadband. He noted the data was two years old at this point and concluded with next steps.

There was discussion on the City's reason for having the assessment done, the public-private partnership necessary for digital infrastructure in the greater St. Helens area, potential funding partners, and potential financing structures.

The Council was in agreement to proceed with the next steps outlined by SNG, working with City staff and network planners to ensure the City had capacity to provide in-kind services. City Administrator Walsh confirmed a resolution authorizing staff to proceed with the private investors would be brought to the next meeting.

3. Municipal Court Semi-Annual Report - City Administrator John Walsh

Contracted City Prosecutor Erskine presented the Municipal Court Report, which included a comparison of crimes, revenue for crimes, violation, and revenue for violations between Fiscal Year 2022-2023 and 2023-2024.

Councilors and staff discussed the City's previous consideration to do away with Municipal Court, services provided by the security contractor, and the new defense attorneys.

4. Building Division Semi-Annual Report - Building Official Mike De Roia

Building Official De Roia presented via PowerPoint the Building Division report covering January to June 2024, reviewing permit activity, Intergovernmental Agreements (IGAs), an update on State Building Code which included the new IGA for e-permitting and electronic services which would be on tonight's Regular Session agenda, and completed recertification training. He also highlighted rulemaking coming out of the State this year specific to the Building Codes Division and reviewed building projects underway around the city, concluding with plans in the second half of 2024 to review and propose Code changes which the Council suggested should involve the Planning Commission.

Questions from the Council were addressed confirming all the administrative costs still remain at Columbia City as they do that part, that a state ready-build plan for developers would reduce plan review time and would include a public comment period, and that De Roia was in favor of the minor label

program. He further confirmed there was an empty parcel in between Fast Lube and Dairy Queen who had shared pedestrian access to the right-of-way that needed built.

5. Discussion on Special Procurement for Undergrounding Electrical Services on the S. 1st Street – Strand Street Road and Utilities Extension Project - Public Works Director Mouhamad Zaher and Engineering Manager Sharon Darroux

Public Works Director Zaher reviewed via PowerPoint the special procurements rules, the status of the Waterfront Project which was 70 percent complete, upcoming improvements and work, the procurement timeline for undergrounding the electrical services, price negotiations, and a summary of the findings for the special procurement. Staff recommended approval at tonight's Regular Session to move forward with the undergrounding.

Questions and comments from the Council were addressed about the inlay of basalt into the sidewalks, the intersection work, and confirming the final price was for all construction plans, which the 31 percent savings in cost came from a year of rough negotiations, and that Moore Excavation, Inc. (MEI) would return to complete the work.

6. Discussion regarding Lumen's Refusal to Cooperate with Downtown Construction Projects - Public Works Director Mouhamad Zaher and Engineering Manager Sharon Darroux

Public Works Director Zaher described how Lumen had fought with the City the last two years claiming the undergrounding project was a beautification project which meant the City should pay to have Lumen do any undergrounding work. The City had explained the undergrounding was a Capital Improvement Project and sent Lumen warning letters as Lumen had no franchise agreement with the City. The City got some traction, but Lumen was still moving too slowly which was the genesis of the resolution on tonight's Regular Session agenda.

It was confirmed Lumen was an internet service. Initially the City told them to provide services so the undergrounding could be figured out, but Lumen said that was not possible because their service was proprietary. Engineering Manager Darroux added background information about further lack of cooperation from Lumen. She believed with the resolution, written by Jordan Ramis, Lumen would start cooperating.

Public Works Director Zaher confirmed staff had consulted with the City Attorney about the matter.

3:35 p.m. - Break

7. Report from City Administrator John Walsh

City Administrator Walsh reported on the ongoing negotiations with the new events contract which would likely necessitate a special meeting, the Project Arcadia purchase and sale agreement, and the likely cancellation of the Sandcastle festival due to logistical difficulties.

The Council and staff discussed the challenges of and possibilities for transporting attendees by boat, stipends paid to the organizer and carvers, and discussing next year's event with the new events contractor.

City Administrator Walsh also reported on library staffing needs and passed out the League of Oregon Cities ballot of priorities to identify the top five issues the City would like to focus on.

There was discussion on the Supreme Court's Grants Pass decision, acclimating the new events contractor with Spirit of Halloweentown, support for the event from the Public Works Department, the need to focus on revenue to ensure the City could support Spirit of Halloweentown, and postponing the event until October.

Council President Chilton appreciated Walsh's transparency with the social media accounts and the Wauna account, finding it unfortunate the City had to try to get back something that belonged to it.

ADJOURN – 4:29 p.m.

EXECUTIVE SESSION

- Real Property Transactions, under ORS 192.660(2)(e)
- Consult with Counsel/Potential Litigation, under ORS 192.660(2)(h)

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Lisa Scholl, Deputy City Recorder

Rick Scholl, Mayor

City of St. Helens CITY COUNCIL

Executive Session Summary

July 16, 2024

Members Present: Rick Scholl, Mayor
Jessica Chilton, Council President
Mark Gundersen, Councilor
Brandon Sundeen, Councilor
Russell Hubbard, Councilor

Staff Present: John Walsh, City Administrator
Lisa Scholl, Deputy City Recorder

Others: Ashley Wigod, City Attorney with Jordan Ramis PC (via Zoom)
Peter Hicks, City Attorney with Jordan Ramis PC (via Zoom)
Matthew Kahl, City Attorney with Jordan Ramis PC (via Zoom)



At 4:33 p.m., Mayor Scholl opened the Executive Session pursuant to the ORS numbers listed below and then gave Council roll call. Other than Labor Negotiator Consultations, representatives of the news media, designated staff, and other persons as approved shall be allowed to attend the Executive Session. All other members of the audience are asked to leave the Council Chambers. Representatives of the news media were specifically directed not to report on or otherwise disclose any of the deliberations or anything said about these subjects during the executive session, except to state the general subject of the session as previously announced. No decision may be made in executive session. Any person in attendance, including the news media, who has a recording device is directed to turn it off.

- **Consult with Legal Counsel/Litigation, under ORS 192.660(2)(h)**
 - Update on current litigation regarding claims filed against the City.
 - Update on contract development with Treadway Events.
 - Two police officers on leave.
- **Real Property Transactions, under ORS 192.660(2)(e)**
 - Update on Project Arcadia at the St. Helens Industrial Business Park.
 - Update on the sale of the Millard Road property.
 - Update on potential lease or purchase of property for a new public safety facility.
 - Update on potential acquisition of property off Ross Road.
 - Potential sale of the Kelly Street City-owned property.

The Executive Session was adjourned at 5:16 p.m.



ATTEST:

Lisa Scholl, Deputy City Recorder

Rick Scholl, Mayor

An audio recording of this meeting is archived at City Hall.



COUNCIL REGULAR SESSION

Tuesday, July 16, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF

John Walsh, City Administrator
Lisa Scholl, Deputy City Recorder
Crystal King, Communications Officer

OTHERS

Brittany Lapp Mitz
Adam St. Pierre Nick Hellmich
Brady Preheim Jim Coleman

CALL REGULAR SESSION TO ORDER

PLEDGE OF ALLEGIANCE

VISITOR COMMENTS – *Limited to three (3) minutes per speaker*

- ◆ Brady Preheim. Urged Council to pay the Sand Island Sandcastle carvers for their expenses and possibly for the whole event, since it was Council's fault the event was canceled. Councilors' monthly stipends could be used to pay carvers if other funds were unavailable.
- ◆ Brittney Lapp. Had organized the Sand Island Sandcastle Competition, including coordinating with the carvers. The sudden cancelation caused frustration and backlash. An Oregon Public Broadcasting (OPB) special had already featured the event, and she urged Council to find a way to hold the event or compensate the carvers.
- ◆ Jim Coleman. Said he was shocked that the \$20,000 Sand Island Sandcastle Competition would not be held. There was great public interest in getting clarification about the Wauna account and whether the funds belonged to the City or Event Coordinator Tina Curry, and he held City Administrator John Walsh responsible for what was happening.
- ◆ Adam St. Pierre. Stated Tourism was a mess, and local businesses reported losing money daily. He expressed concern over delays addressing Tourism and the legal situation that could result in non-disclosure agreements. He encouraged transparency and accountability. He shared City Administrator Walsh's response to questions about the Wauna account, namely that E2C had been unresponsive regarding returning the funds or the website and social media assets to the

City. He urged the Council to report the thefts to the Police and suggested putting City Administrator Walsh on administrative leave.

Mayor Scholl described the form of government in St. Helens and clarified the Tourism contractor had signed the agreements with the Sandcastle Competition and then failed to pay the insurance for the boat or provide the revenue source. He explained the City assets would be reclaimed through the legal process with attorneys as dictated by the Tourism contract. He apologized to those involved with the Sandcastle Competition, and noted the City was working with Treadway, but it would take time to transition.

ORDINANCES – First Reading

1. **Ordinance No. 3302:** An Ordinance to Annex and Designate the Zone of Certain Property at 35456 East Division Road
2. **Ordinance No. 3303:** An Ordinance to Annex and Designate the Zone of Certain Property West, South, and East of 58212 Old Portland Road
3. **Ordinance No. 3304:** An Ordinance to Annex and Designate the Zone of Certain Property at 2180 Gable Road

RESOLUTIONS

4. **Resolution No. 2015:** A Resolution Adopting the Findings for a Special Procurement for Undergrounding Electrical Services on the S. 1st Street – Strand Street Road and Utilities Extension Project and Authorizing the City Administrator to Execute a Public Improvement Contract with Moore Excavation, Inc.

Motion: Motion made by Council President Chilton and seconded by Councilor Gundersen to adopt Resolution No. 2015. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

5. **Resolution No. 2016:** A Resolution Requiring Lumen Technologies Inc. to Relocate its Facilities Underground within the Waterfront Public Improvement Construction Project Areas

Motion: Motion made by Councilor Gundersen and seconded by Councilor Sundeen to adopt Resolution No. 2016. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

AWARD BID/CONTRACT

6. Award Contract to Clark and Sons Excavation, Inc. for the 2024 Pavement Patching Project (R-718) in the Amount of \$72,530.00

Motion: Motion made by Council President Chilton and seconded by Councilor Gundersen to approve '6' above. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

APPROVE AND/OR AUTHORIZE FOR SIGNATURE

7. Extension of IGA with Columbia County for Community Corrections Work Crews to Help Clean Parks
8. Agreement with the Oregon Department of Consumer & Business Services Building Codes Division for the ePermit System and Services
9. Extension of Agreement with Steve Sharfstein for Defense Attorney Services for Appointed Indigent Defendants in Municipal Court
10. Agreement with Lance D. Quaranto for Defense Attorney Services for Appointed Indigent Defendants in Municipal Court
11. Agreement with Steven Leskin for Defense Attorney Services for Appointed Indigent Defendants in Municipal Court
12. Second Amendment to Agreement with Pauly, Rogers & Co., P.C., for Auditing Services

13. Fourth Amendment to Contract w/ Kittelson & Associates, Inc. to Extend Contract Time
14. Contract with Moore Excavation, Inc. for Undergrounding Electrical Services on the S. 1st Street – Strand Street Road and Utilities Extension Project

Motion: Motion made by Council President Chilton and seconded by Councilor Sundeen to approve '7' through '14' above. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

CONSENT AGENDA FOR ACCEPTANCE

15. Abstract of Votes from May 21, 2024 Election
16. Findings in Support of an Emergency Procurement of Forestry Management Services
17. Amend Agreement with Mason, Bruce & Girard for Forest Management Services to Extend Agreement Month-to-Month beginning July 1, 2024

Motion: Motion made by Council President Chilton and seconded by Councilor Gundersen to approve '15' through '17' above. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

CONSENT AGENDA FOR APPROVAL

18. City Council Minutes dated June 5, June 12, and June 17, 2024
19. Accounts Payable Bill Lists

Motion: Motion made by Council President Chilton and seconded by Councilor Sundeen to approve '18' and '19' above.

There was clarification on payment for the Police report writing system in the Accounts Payable Bill list.

Vote: Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

WORK SESSION ACTION ITEMS

None

COUNCIL MEMBER REPORTS

Council President Chilton reported Citizen's Day had been a wonderful event with huge turnout due to hard work by staff and volunteers. She had represented St. Helens and spoke briefly at the City-County Dinner. She also provided details on upcoming events at the County Fair.

Councilor Sundeen reported on the successful 4th of July event held at McCormick Park.

Councilor Gundersen had nothing to report.

Councilor Hubbard reported that Councilor Sundeen would attend the interviews for the new Youth Librarian. He looked forward to working with Treadway and Arcadia.

MAYOR SCHOLL REPORT

Noted he would be attending the Mayor's Conference and reported the Waterfront development was moving forward and the grant award for the park at the Waterfront was more than anticipated. He addressed the form of government in St. Helens, noting the only power he had was to change the meeting agenda, and he would not apologize for his style of getting things done. He discussed the process of changing the form of government in the Charter, and announced the deadline to run for Mayor was August 16, 2024.

OTHER BUSINESS

ADJOURN – 7:33 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Lisa Scholl, Deputy City Recorder

Rick Scholl, Mayor



COUNCIL SPECIAL SESSION

Tuesday, August 27, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF

John Walsh, City Administrator
Lisa Scholl, Deputy City Recorder
Jacob Graichen, City Planner
Ashley Wigod, Contracted City Attorney
David Rabino, Contracted City Attorney

OTHERS

Matt Eason	Steve Topaz	Don Hibbs
Doug Knight	Al Wolfe	Steve C.
John Burnside	Rory Moore	Craig Allen
Scott Ashley	Brady Preheim	Steve Toschi
Paul Vogel	Bill Lain	Eric O.
Greg Gilbert	Kielly	Brittany
Robyn		

CALL SPECIAL SESSION TO ORDER – 6:00 p.m.

DISCUSSION TOPICS

1. Sale of approximately 35-acres of City-Owned Property at 1300 Kaster Road described as:
 - Tax Account No. 13249, Map No. 4N1W-9-00101
 - Tax Account No. 13215, Map No. 4N1W-9-00101

RECESS SPECIAL SESSION TO ENTER PUBLIC HEARING - 6:00 p.m.

RECONVENE SPECIAL SESSION - 6:51 p.m.

DELIBERATIONS

Mayor Scholl stated the new jobs offered were a win-win for everyone.

Councilor Hubbard mentioned \$7.4 million in repair costs were noted in the appraisal, Arcadia would be good stewards in bringing something viable back to the market, and the City needed to get out of the landlord business.

Councilor Gundersen agreed Project Arcadia was a perfect fit.

Council President Chilton thanked Project Arcadia for their patience during the process and noted her confidence in this opportunity to bring industry back to St. Helens.

Councilor Sundeen stated this was the best thing that could happen to the site and the mill’s 100-year anniversary was coming up and he hoped to see it operating by then.

City Administrator Walsh said tax revenue and jobs would be good for the community.

Mayor Scholl spoke about meeting the investors and team behind Project Arcadia, and noted the mill had treated the community well in the past.

RESOLUTION

2. Resolution No. 2020: A Resolution of the City Council of St. Helens, Oregon Declaring City Owned Properties at 1300 Kaster Road, Tax Account Nos. 13249 and 13215, as Surplus and Authorizing Sale of the Properties in Compliance with ORS 221.725

City Attorney Wigod advised amending the Resolution to authorize the Mayor to sign the purchase and sale agreement.

Motion: Motion made by Councilor Gundersen and seconded by Council President Chilton adopt Resolution No. 2020 with the Mayor as the signatory. **Vote:** Yea: Mayor Scholl, Council President Chilton, Councilor Gundersen, Councilor Hubbard, Councilor Sundeen

ADJOURN – 7:02 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Lisa Scholl, Deputy City Recorder

Rick Scholl, Mayor



COUNCIL PUBLIC HEARING

Tuesday, August 27, 2024

DRAFT MINUTES

MEMBERS PRESENT

Mayor Rick Scholl
Council President Jessica Chilton
Councilor Mark Gundersen
Councilor Russell Hubbard
Councilor Brandon Sundeen

STAFF

John Walsh, City Administrator
Lisa Scholl, Deputy City Recorder
Jacob Graichen, City Planner
Ashley Wigod, Contracted City Attorney
David Rabino, Contracted City Attorney

OTHERS

Matt Eason	Steve Topaz	Don Hibbs
Doug Knight	Al Wolfe	Steve C.
John Burnside	Rory Moore	Craig Allen
Scott Ashley	Brady Preheim	Steve Toschi
Paul Vogel	Bill Lain	Eric O.
Greg Gilbert	Kielly	Brittany
Robyn		

OPEN PUBLIC HEARING – 6:01 p.m.

TOPIC

1. Sale of approximately 35-acres of City-Owned Property at 1300 Kaster Road described as:
 - Tax Account No. 13249, Map No. 4N1W-9-00101
 - Tax Account No. 13215, Map No. 4N1W-9-00101

City Planner Graichen presented the staff report on the property, noting the property lines were still undefined. He provided information about the parcelization plan, the Portland General Electric (PGE) parcel that would provide power to the site, proposed easements and public rights of way, plans for access to the property, and shared utilities.

City Attorney Wigod reviewed the legal matters for sale of City-owned property, noting the Council was responsible for disclosing the terms of sale and the appraised market value of the property, declaring the property surplus, and confirming noticing requirements had been met.

City Attorney Rabino reviewed the purchase and sale agreement including the appraised market value of \$5.13 million, the terms of sale of the property to Arcadia Paper Mills, LLC for \$7.5 million, as well as the payment schedule and boundary line adjustment.

City Administrator Walsh clarified that the declaration of surplus property was included in the Resolution 2020.

Mayor Scholl stated the property was not needed by the City.

City Attorney Rabino outlined the City's obligation to allocate water to the mill for operation.

Questions and comments from the Council were addressed regarding the due diligence period and Office Max transferring indemnity to the purchaser of the property.

PUBLIC COMMENT

- ◆ Craig Allen, Project Arcadia, Project Manager. Spoke about ensuring the Office Max indemnity was in place with the City while they retained the title to the property.
- ◆ Steve Topaz. Questioned whether attorneys represented the City or Council, noting there were no meeting minutes showing the property was declared surplus, a full description of the property was not given, and the appraisal was not made public. He shared further concerns about the Department of Environmental Quality (DEQ) rules, water rights, the price of using the lagoon, informing the buyer of water contamination, and removing contamination after the sale.
- ◆ Steve Toschi. Expressed support for Project Arcadia, and encouraged Council to continue honing the agreement, including the terms of the water supply agreement, and to retain an attorney specializing in water law to protect the City's water rights. The City should not include a prepayment penalty in the financing arrangement with Arcadia.

City Attorney Rabino confirmed the City would not relinquish any water rights and provided clarification on the water supply agreement.

- ◆ Steve Krouse, Number 3 Paper Machine, Former Manager. Stated he worked for EcoLab which was prepared to bring in its expertise to help manage and utilize water resources.
- ◆ Brady Preheim. Supported the sale but was concerned about selling the property above market value compared to another ongoing sale; the Office Max clean-up; informing Arcadia the property had previously been damaged, and items had been stolen due to lack of security; the property having been surplus when purchased by the City, and issues surrounding Cascade Tissue leaving. He urged Council and the attorneys to ensure the contract was done correctly to avoid lawsuits.

Mayor Scholl stated Cascade Tissue had leased and never wanted to purchase the property adding the City had nothing to do with them leaving.

- ◆ Paul Vogel, Columbia Economic Team (CET). Stated the original purpose of the mill was being reactivated, and explained the difference in the market for this company becoming its own supplier. The purchase was a big investment, the people involved in the project had direct experience running the mill and due diligence had been done. It was a rare opportunity to be able to restart the mill, and CET was happy to assist in any way.
- ◆ Greg Gilbert. Asked whether Arcadia Paper Mill represented First Quality, if they would be installing new machines, and when they would begin operation.

Mayor Scholl estimated new jobs would likely be available in six months.

Craig Allen noted Project Arcadia had been ongoing since February 2024, transparency had been provided, and the next 90 days would be the due diligence period with an optional 60-day extension if the purchase and sale agreement was accepted today. He described the plan to start operating Number

2 Paper Machine as soon as possible, estimating that would bring in 60 family-wage jobs. He explained the circumstances of the property purchase by the City, discussed the water agreement, confirmed the mill had nothing to do with First Quality, and noted over 100 jobs were anticipated when the mill was fully operational.

CLOSE PUBLIC HEARING – 6:51 p.m.

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

Lisa Scholl, Deputy City Recorder

Rick Scholl, Mayor