

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

April 4, 2007

1. Convene Regular Meeting of April 4, 2007 and Roll Call

Mayor Norris called the regular session of the City Commission to order at 7:00 p.m. in the City Commission Chambers in City Hall, 320 Warner Milne Road, Oregon City.

Roll Call: Commissioners Trent Tidwell, Doug Neeley, and Daphne Wuest. Commissioner Damon Mabee excused

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; Tony Konkol, Senior Planner; Scott Archer, Community Services Director; David Wimmer, Finance Director; and Nancy Ide, City Recorder

Media: Steve Mayes, *The Oregonian*

2. FLAG SALUTE

3. CEREMONIES, PROCLAMATIONS, PRESENTATIONS

- a. Proclamation Declaring April 15 – 21, 2007 as National Library Week

Mayor Norris read a proclamation naming April 15 – 21, 2007 as National Library Week and encouraged all residents to visit the Oregon City Library and take advantage of its resources and to thank the librarians and volunteers for their work. Mayor Norris presented the signed proclamation to the Friends of the Library.

4. CITIZEN COMMENTS

- **Mike Grimes, Oregon City**

Mr. Grimes was concerned about the lack of a turn lane from Beaver Creek Road to Loder Road.

5. ADOPTION OF THE AGENDA

The agenda was adopted as presented. Mayor Norris announced that item 8a was removed at the request of the applicant.

6. RESOLUTIONS

- a. Resolution No. 07-08; Vacation of the Public Sanitary Sewer Easement for the Pending Drakes Landing Subdivision (EV06-008)

Ms. Kraushaar reported there was previously a sanitary sewer easement across this property and the easement was no longer needed.

Commissioners Neeley/Tidwell m/s to approve Resolution No. 07-08 vacating the public sanitary sewer easement for the pending Drakes Landing Subdivision. A roll call was taken, and the motion passed with Commissioners Wuest, Tidwell, Neeley and Mayor Norris voting 'aye.' [4:0]

7. ORDINANCE FOR FINAL

- a. Second Reading, Ordinance No. 07-1003, Adoption and Revision of Updated Building Codes under Chapter 15.04.010 of the Oregon City Municipal Code

Mayor Norris announced this was the second reading, and hearing no additional information, she called for the second reading.

Mr. Sullivan read the ordinance for the second time.

Commissioners Wuest/Neeley m/s to approve the second reading and adoption of Ordinance 07-1003. A roll call was taken, and the motion passed with Commissioners Wuest, Tidwell, Neeley and Mayor Norris voting 'aye.' [4:0]

8. PUBLIC HEARINGS

- a. Public Hearing - Measure 37 Claim for the Stein & Stein LLC2 Property Located at 1780 Washington Street, (Planning File M37 06-05)
Staff: Dan Drentlaw, Community Development Director

Item 8a was removed from the agenda at the applicant's request.

- b. Public Hearing – The Hall Family Measure 37 Claim to construct residential units on 11.27 acres zoned Campus Industrial or receive \$3,400,000 in compensation. The Hall properties are located at the southeast corner of Loder Road and Beavercreek Road intersection and are identified as Clackamas County Map 3S-2E-10C, tax lots 590 (parcel V) and 600 (parcel VI) (Planning File M37 06-06)

Mr. Sullivan noted the City received a circuit court judgment dated November 29, 2006 with accompanying materials as part of the record. He added other deeds applicable to the tax lots at issue to the record. He also asked that the City Commission take official notice of Ordinance 93-1022 and Ordinance 89-1038 that were both applicable to the subject properties at various stages. These were two tax lots on a much larger piece of property, most of which remained in unincorporated Clackamas County. The two tax lots annexed into the City were the subject of this discussion. They were annexed in 1989, and there were various applicable land use regulations. Related to payment would be the issue of a claimant's tacking on all of the family ownerships until one member of the family began the acquisition. That was 1960 and 1962 in the case of these two tax lots. In the case of a waiver, the only person entitled to waiver was the current owner. There would be an issue at this hearing as to who was the current owner. He would review the deed chain of title that he understood applied to these properties.

Mr. Sullivan asked if there were any ex parte contacts. **Commissioner Neeley** said the parties had been involved in the Beavercreek Road planning process, and he had attended those meetings. There were no issues of bias and no challenges from the audience.

Mr. Konkol provided the staff report. The property was annexed in 1989, and Ordinance 89-1038 was entered into the record. It was Annexation 2637, and the property was annexed to the City as light industrial with special provisions. Tax lots 590 and 600 were identified as having a special designation as M1, special provisions. The analysis discussed the permitted uses for properties annexed with the Comprehensive Plan designation of Campus Industrial (CI) that applied to tax lots 590 and 600. It discussed the permitted uses including experimental film or testing labs, industries that manufactured products or otherwise processed pre-prepared materials, printing, publishing, bookbinding, graphic, photographic reproduction, photo processing, and high density residential uses. Conditional uses included offices not more than 70% of the total floor area of the development. That was the existing zoning of those two parcels at the time of annexation into the City. Ordinance 93-1022 went into effect on November 17, 1993 and created the CI designation. Section 3 was the beginning of Title 17.37

M1 (CI) Campus Industrial. It outlined the permitted uses in that district that included experimental film, industries that manufactured from previously prepared materials, printing, publishing, bookbinding, similar uses to what were allowed in 1989. The change was that trade schools had been added along with corporate headquarters for 50 or more employees. The high-density residential uses were removed. Under conditional uses offices remained. Limited uses were adult congregate living facilities for senior housing. The permitted uses were similar with the biggest difference being the addition of trade schools and corporate headquarters and the loss of high density residential.

The ownership of tax lots 590 and 600 was transferred to whom staff considered to the current owner, the Hall Family Investment Company, LLC, on February 2, 1998 and October 28, 1998. At that time, the CI uses would have been the same as those on November 17, 1993. Ordinance 93-1022 was still in place in 1998. CI was updated to expand the permitted uses to include software and hardware development, engineering, architectural, or surveying services, research and development, financial and other professional offices to serve the needs of employees within the development. The permitted uses were expanded in the current CI zoning that was changed after 1998 when the LLC changed ownership.

Commissioner Neeley understood the change had more possibilities than Ordinance 93-1022.

Mr. Konkol replied staff was trying to show that the permitted uses allowed were increased. One difference was that senior housing had been removed in the existing CI zone. The applicant did not provide an appraisal based on the uses. Staff argued that with the increased permitted uses and taking into account the highest and best use, it would be difficult to show there was any financial loss. The applicant had not shown that through an appraisal or demonstrated how the increase in permitted uses allowed between 1998 and the current zone had diminished that property value. The property owners were requesting development of 86 residential lots on the two parcels located in the City and currently zoned CI or compensation in the amount of \$3.4 million. The applicant had not demonstrated a loss of value resulting from 1998 to the current code. Likely those changes had not reduced the property value based on the highest and best use and the expanded permitted uses. Staff recommended that the City Commission deny the claim based on current information.

Mr. Sullivan said there were two issues before the City Commission. One was whether or not there was a loss in value by virtue of the more recent zoning regulations. The second had to do with who was the current owner. ORS 197.352(8) said in lieu of payment the regulations could be rolled back to the time the current owner acquired the property. He did some work through a title company and would review the deeds.

Mayor Norris called the public hearing to order.

- **Kristian Roggendorf, Lake Oswego, and Wayne Hall III, Clackamas County**

Mr. Roggendorff was the attorney for the Hall Family. He addressed loss of value and the current owner. Mr. Konkol provided a good overview of the current zoning and history from the time of annexation. However, the current owner of the property was not the Hall Family Investment Co. It was in fact the Hall Family itself through a trust. That was demonstrated by the stipulated judgment entered in Clackamas County in November to which Mr. Sullivan referred. That would considerably change the complexion of the analysis and particularly as it related to compensation. The transfer to the trust did not do anything legally cognizable under Measure 37 to go ahead and change any sort of ownership history or who the current owner was. He did not know if Mr. Sullivan was disputing that or not. His purpose was to enter into the record the judgment on the rescission of the contract of the deeds. Initially, the two properties at issue comprising almost 12 acres were transferred in 1998. Those contracts were

all declared void by the Clackamas County Circuit Court meaning they never existed. Because they never existed the Council needed to consider the land in an unzoned condition. The damages on the two pieces of property would amount to at least \$3.4 million. Measure 37 was ambiguous as to whether it was several or joint and several liabilities meaning whether the City was on the hook with the County and State for the entire judgment. This was potentially a \$37 million problem.

Commissioner Neeley understood the Commission was only looking at those acres specifically put before it and had nothing to do with any property under County jurisdiction.

Mr. Roggendorf replied that was correct. He added that no one really knew what Measure 37 meant since it had not gone up to the appeals level. The way it was written would allow joint and several liability, but that was not a foregone conclusion. However, it was something for the City Commission to consider.

- **Linda Hall, Oregon City**

Ms. Hall married into the Hall family and wanted to make it clear her father-in-law purchased the property in 1958 and had lived on the property since that time. She and other family members had lived on that property for many years.

Mr. Sullivan stated he got the materials Mr. Roggendorf put into the record yesterday. He looked at the history of the property in terms of the owners as well as the zoning. He would address the owners of tax lots 590 and 600. Tax lot 600, according to the title company, was purchased in 1962, and he was sure that was before Clackamas County undertook its first zoning regulations. The purchase was made by Wayne C. Hall and Helen Hall in 1962. In April 1994, Wayne C. Hall deeded his interest to Helen Hall who then owned all of the property. Two other transactions occurred. In April 1994, Helen Hall deeded one half of the property to the Helen Hall Trust, and in July 1994, the remainder of the property was deeded to the Helen Hall Trust. By July 1994, the Trust owned all of that tax lot. In August 1994, Helen Hall died. In 1998, the Helen Hall Trust deeded all of the property to an LLC – a different entity. It was the Hall Family Investment Company, LLC. In November 2006, a lawsuit was filed by the Helen Hall Trust against the LLC to rescind the 1998 transaction. Only the members of the Hall Family and their entities were parties to the suit. No one else had any notice or interest. A stipulated judgment was entered between the Hall Family Investment Company, LLC and the Helen Hall Trust. That rescinded the 1998 transaction. Mr. Sullivan was not sure whether that rescission, because the placement of the property had gone on in the LLC for 8 years, was effective. Nevertheless that was what Mr. Roggendorf and the Halls contended. Even assuming that was correct, if one went back to the 1994 provisions in which the existing CI regulations were in place one did not go back to the 1962 situation. That was done for public payment or compensation. It was not done, however, for purposes of waiving regulations. Only the current owner at the time of acquisition was entitled to roll back the regulations. This property would not be without any applicable zoning. There were also state laws that were not applicable, but that was not an issue because the City Commission could not waive state law.

The property was annexed in 1989. In 1994 the Helen Hall Trust acquired the property. If one took the view that the 1998 transaction was rescinded, then one still went back to the 1994 regulations in place. That was his advice to the City Commission.

Commissioner Neeley asked if the Commission's jurisdiction only applied to zoning that existed when the lands were annexed to the City.

Mr. Sullivan replied the Commission may only roll back those regulations which the Commission had in place. He addressed tax lot 590 which had a more complex series of transactions. In 1960 there was a conveyance to Wayne C. Hall, Sr. and Wayne C. Hall, Jr.

According to what he was able to determine, Wayne C. Hall, Sr. died in 1971. In 1981 there was a conveyance by Wayne C. Hall, Jr. of what appeared to be all the interest in the property to Helen Hall. In 1990 there was a transaction for the whole property from Helen Hall to the Helen Hall Trust. That was rescinded in 1992 and went back to Helen Hall. On October 30, 1992 Helen Hall gave $\frac{1}{4}$ of her property to Kimberly Southworth and Wayne C. Hall III. There were two further transactions in which Helen Hall conveyed $\frac{1}{4}$ of the property. One was January 1, 1993 to Southworth and Hall III. The same was done July 1994. By the end of July 1994, Southworth and Hall III owned $\frac{3}{4}$ of the property, and Helen Hall owned $\frac{1}{4}$. In July 1994 Helen Hall conveyed the remainder of her property to the Helen Hall Trust. The $\frac{1}{4}$ she owned went to the trust. Helen Hall died August 1994, so the last transaction was about a month before her death. In 1998, the Trust conveyed to the LLC as was the other tax lot. That transaction was rescinded as well by virtue of the action filed November 2006. For this property the current owner may be the LLC because it owned the property for 8 years. Even if one took the position that the 1998 transaction was invalid, then one only got back to 1994 when the existing CI regulations were in place. He thought after additional research he would find along those lines he just gave the Commission.

Mr. Sullivan addressed the loss in value question. The Commission was presented with no evidence at all on that matter, and the burden was on the applicant. There was a CI designation, and the Commission would have to compare that with what was in existence at any claimed period in the past. If it went back to the County, then the City would not be able to service the area under the current regulations that did not allow going outside the urban growth boundary (UGB). That would not include any property besides these two.

Commissioner Neeley asked about the $\frac{1}{4}$ conveyances. He understood there were two property owners involved – one for $\frac{3}{4}$ and one for $\frac{1}{4}$. Did that apply to all of tax lot 590 or was only $\frac{1}{4}$ of tax lot 590 before the Commission?

Mr. Sullivan replied the application was for the entire tax lot 590, and the number of owners depended upon the date being considered. At worst for the applicant it was the Helen Hall Trust which would make it all 1998. If it was not that, then one went back to 1994 and 1992 when it was either Helen Hall or the Helen Hall Trust. There was also an issue of whether or not the two of them owned it. One was in 1994 and the other was acquired in 1981, so which date did one use. He advised the Commission to use the latest date. The City Commission would make the decision first, and then the circuit court would make it again.

Commissioner Neeley understood when Mr. Sullivan referred to the latest date then the Commission would be talking about $\frac{1}{4}$ of the tax lot.

Mr. Sullivan replied that was correct. He put the deeds into the record along with the two death notices from the Internet for Wayne C. Hall and Helen Hall. There were no further questions of the City Attorney.

Mr. Roggendorf offered rebuttal. What Mr. Sullivan said was substantially correct. It hinged on an argument he was making about the practical effect of transfer and specifically the ones to Helen Hall in 1981 and 1994. The key was that Wayne Hall, Jr. was still alive and was an applicant in this matter. He considered him a current owner. He walked the Commission through the analysis. Wayne C. Hall, Jr. acquired both properties, and that was undisputed. At some time he owned these properties himself in his own name. In 1981 he transferred it to Helen Hall, his wife. What the Commission needed to understand was the nature of these transfers. They were estate-planning devices. The LLC itself was an estate-planning device. It was an estate-planning device undertaken under a mutual mistake of law meaning that no one knew Measure 37 would come along and destroy the rights that would otherwise be retained by the family. This had been in the same family ownership since the 1960s. The practical effect

was that Wayne C. Hall, Jr. had never not had control of these properties. The transfers of title to different entities, the Trust, and everything else were all part of what any family that had significant real estate holdings or otherwise did for tax purposes, for estate purposes, and for a variety of reasons, would do. In 1981 and 1994 there was an agreement between Mr. Hall and his wife. The property was deeded to Mrs. Hall, and she put it in her Trust. The trust named Mr. Hall as well as their children as beneficiaries. Upon that designation, there was no change in ownership or transfer out of the family. The idea that somehow these intervening legal forms of ownership changed the current owner was artificial. He argued that Wayne C. Hall, Jr. owned these properties. He had owned them since the 1960's when he bought them in Clackamas County for investment property and that he could do whatever he wanted to do with them. The purpose of Measure 37 was to allow people like Mr. Hall to go ahead and do what they initially planned with the land. The purpose of Measure 37 was to restore fairness to the original land owners. The transfers, the estate planning, and everything else in the convoluted arguments about who owned what and when were an incident of tax laws and estate planning devices developed over the past three decades. This was not an unusual Measure 37 claim and was certainly not anything that the Commissioners had not seen in real life. He asked the City Commission to carefully consider its opinion because there was a significant amount of value. Mr. Sullivan said there was no evidence of value. The property owners who filed the claim believed those two tax lots were worth \$3.4 million. That was legally admissible in a court of law. An owner was allowed to testify as to his property value. He strongly urged the Commission to consider the chain of title. He hoped to work with the City on an equitable solution on this matter.

Mayor Norris closed the public hearing.

Mr. Sullivan had reviewed the deeds and the zoning and would not add anything else to the record. The Commission had the history that included the death notices for Wayne C. Hall, Sr. and Helen Hall. It came down to two major questions. The first was who was the current owner? Mr. Sullivan suggested that the current owner was the Helen Hall Trust that acquired the property after it was annexed to the City and after it was designated CI. If that was the case, it did not matter what the intent of the owners was. It did not matter what kinds of transactions they thought they made. The statute was mercifully clear in this area. It was only the current owner for whom regulations may be rolled back. The City Commission would have to make the determination of who the current owner was. The second issue was the issue of value. First of all there had to be substantial evidence that was satisfactory to the City Commission that there was a reduction in value. Mr. Roggendorf was correct that anyone could testify on their thoughts about what their property was worth. That did not mean that the evidence was sufficient in the face of the current regulations that planned and zoned the property for CI. The City Commission had to answer those two questions and give him direction. His suggestion the Commission make a tentative decision, and he would bring back a final order in two weeks for adoption. He regretted he was not given the materials on the circuit court case until yesterday. It had not in the deed records where one would look. It did require a lot of scrambling on the part of the city attorney's office. Notwithstanding, it still appeared that the current owner only went back until about 1994 and would not have the effect of allowing the claimants to develop the property in the way they stated in their application. It did not appear that there was sufficient evidence of loss of value in the record in the absence of an appraisal.

Commissioner Neeley thought the loss of value decision was not dependent upon ownership. A simple rejection could be made based on the 86 residential units. He understood the zoning since annexation had never included that kind of permitted use.

Mr. Konkol said at the time annexation high density residential was allowed on 70% of the gross development. Staff had not done the math because it was only going back to the 1994,

and the applicant had not supplied other information. In 1994 the only use would have been a conditional use for senior housing on 5 acres. It would not be single-family residential or attached. The annexation occurred in 1989.

Mayor Norris understood the property was currently zoned CI which was a high value designation given the permitted uses. Was industrial use the highest land use value in the state?

Mr. Konkol did not have that information.

Mr. Sullivan did not believe that determination could be made since the hearing was closed.

Mr. Konkol said staff used Ordinance 93-1022 which was in effect on November 17, 1993 that allowed senior housing on 5 acres. It also had other limited permitted uses. In 2004 the CI zone was updated, and the permitted uses were greatly increased. One could argue that increasing the highest and best use of that property had increased rather than reduced the property value relative to 1993. The CI zone was updated June 18, 2004. The argument was that the property was worth more now than it was in 1994 with the current permitted uses.

Commissioner Neeley asked when the 1994 designation occurred.

Mr. Konkol replied the ordinance was adopted November 17, 1993.

Mayor Norris understood Ordinance 93-1022 was adopted November 17, 1993, and it was still in place in 1998. Ordinance 89-1038 was adopted December 20, 1989. The circuit court judgment was dated November 29, 2006.

Mr. Konkol added the existing CI went into effect on June 18, 2004.

Mayor Norris had no reason to think about going back farther than the 1994 transactions. It seemed Measure 37 compelled the Commission to look at transfers of ownership in great detail. She was willing to go along with Mr. Sullivan's designation that 1994 was a relevant date on both tax lots. She asked Mr. Sullivan to discuss the process of rescinding.

Mr. Sullivan replied the 1998 conveyance from the Trust to the LLC was done because there was a mistake of law. They thought they would have a better tax advantage, but as it worked out they did not. Eight years later they asked the court to nullify its own transactions. People on both sides of the transaction agreed, and they were the only parties to the suit. Judge Miller got a stipulated final order, and she signed it. At least with respect to the parties involved in that case there was a rescission. The larger question for the Commission was whether or not it was bound by that circuit court determination when the City was not a party. The first thing to look at was whether the 1998 date was the correct date, and that was what was used in the original staff report. Mr. Roggendorf and the claimants came in yesterday with a lot of other papers that were not in the deed records but were in the circuit court files. They said the Commission should go back further than 1998. The circuit court judgment referred to about 15 deeds. It said ignore the first 7 that were all done in 1998, and instead look at the last 7 or 8. There was some question as to whether or not that covered all the tax lots. The court signed the stipulated judgment because there was no one there to oppose it. Whether or not that bound the City Commission was a different issue. The Commission could start with 1998 as one possible date to consider. Then it had 1994, and then it had 1981 for one tax lot and 1960 or 1962 for another.

Mayor Norris recalled an earlier Measure 37 discussion that property transferred to a trust or a corporation was a change in ownership.

Mr. Sullivan said that would depend. If it were a revocable trust, then it was like the same person giving the property to a trust. If it were an irrevocable trust, then it was a different entity.

He suggested that when Helen Hall died that trust became irrevocable. That was why 1994 was an important date.

Mayor Norris understood this was a necessary step along the path but would not be the end of the issue.

Commissioners Neeley/Wuest m/s to reject the claim, recognizing the ownership in 1994 which was under the Helen Hall Trust for all the properties, and at that time the zoning was such that no zoning or subsequent zoning applied to the claim based on residential units. This was a tentative motion, and the City Attorney was directed to draft the final order for adoption at the next City Commission meeting.

Mr. Sullivan added that the City Commission had until mid-May to make its decision.

A roll call was taken, and the motion passed with Commissioners Wuest, Tidwell, Neeley and Mayor Norris voting 'aye.' [4:0]

Commissioners Neeley/Tidwell m/s to recognize the withdrawal of the Stein claim. A roll call was taken, and the motion passed with Commissioners Wuest, Tidwell, Neeley and Mayor Norris voting 'aye.' [4:0]

9. GENERAL BUSINESS

- a. Local Agency Agreement (No. 23,904), Rail-Highway Crossings Program Project, Singer Hill/10th Street Railroad Crossing Safety Improvements

Ms. Kraushaar stated this was an effort to improve railroad crossing safety at the bottom of Singer Hill. The Oregon Department of Transportation (ODOT) Rail was interested in making improvements to at-grade crossings throughout the State, and this crossing was one of its priorities. A group composed of ODOT, County, and City staff convened to look at options for making this crossing safer. The plan was to install queue-activated flashing signs warning people not to stop on the tracks and that there was an emergency pull-out. Currently, there were discussions going on with a business at 10th and Main to allow use of a small portion of the property as the escape area. The City would be reimbursed by ODOT using federal highway funds with a small local match provided by the State of Oregon. The proposed agreement outlined the responsibilities and obligations of each party.

Mayor Norris understood that because the City was one of the three parties to the agreement that it was required to approve it, and the project was 100% funded by other sources.

Commissioner Neeley noted there was a contractual statement to the effect that Oregon City would advance the money and would be reimbursed by ODOT.

Commissioner Wuest understood the signs would be lighted, flashing signs.

Ms. Kraushaar said the signs would be near the tracks, and if the queue was backing up toward the tracks the sign would warn people to not stop on the tracks. The other sign would be queue-activated and warn people not to stop on the tracks and indicate a safety pull out area. Otherwise the signs would be black. There was an accident within the month, but no one was injured. There were two others in the past 10 years.

Commissioners Wuest/Tidwell m/s to approve the Local Agency Agreement No. 23,904, Rail-Highway Crossings Program Project – Singer Hill/10th Street RR Crossing Safety Improvements. A roll call was taken, and the motion passed with Commissioners Wuest, Tidwell, Neeley and Mayor Norris voting 'aye.' [4:0]

10. CONSENT AGENDA

- a. Minutes of the Work Session of February 5, 2007

- b. Minutes of the Work Session of March 5, 2007
- c. Restrictive Non-Remonstrance Agreement for the Sparks Partition (240 Division) Project (MP05-13)
- d. OLCC: Liquor License Application – Greater Privilege, Full On-Premises Sales for Commercial Establishment, Applying as a Corporation, The Living Room Pub, Inc., DBA The Living Room Pub, Located at 206 8th Street, Oregon City

Commissioners Tidwell/Wuest m/s to adopt the consent agenda. A roll call was taken, and the motion passed with Commissioners Wuest, Tidwell, Neeley and Mayor Norris voting 'aye.' [4:0]

11. COMMUNICATIONS

- a. City Manager

Mr. Patterson followed up on the Monday meeting at which the fire annexation issue was discussed. He was asked to provide a recommendation on the process and address establishing a focus group. The focus group members would be asked to accept the charge in order to be part of the group. The City Commission would define the discussion parameters as part of that charge. There were a number of issues that would have to be presented to the group, and given the timeframe the members would have to accept past information such as police staffing shortages and City facilities issues versus taking the time to bring everyone back up to speed. There were a number of things the City Commission should ask the focus group to consider including thoughts on what to do if the annexation measure failed. There were a number of fairly straightforward staff actions. He discussed hiring a facilitator to identify members and work with the focus group, so the members would not be criticized as being "hand-picked" by the City Commission. There may be more than one focus group and could involve 100 people, so this would be a significant undertaking in fairly short order. If this was the direction the Commission wanted to take, at a minimum it would take until the next meeting to contract with a facilitator, and that person would have to recruit members. Staff would need to gather and refine information for the facilitator to present to the focus group. There would be 8 weeks in which the focus group would meet and develop a recommendation.

Mayor Norris thought the plan looked good and would want the focus group to address what it believed should happen if the measure failed.

Commissioner Neeley said the City Commission had been talking about the Urban Renewal Agencies. It would be nice if a decision, even if it was tentative, was made about taking those down to a zero level and starting with a new increment. That might reduce the amount of money needed for services if the annexation did occur. He recommended gathering the information and testing the idea.

Mayor Norris would like to look at that information to determine if it was relevant. The process was very important, and the timeframe was very short.

Commissioner Tidwell was very encouraged by the proposed public involvement process because the outcome of the election would direct the future of services in Oregon City. He was very supportive of the process and eager to get feedback to help the Commission make its decision.

Mayor Norris had talked with other jurisdictions recently that used the random focus group example, and they were pleased with the results.

Mr. Patterson addressed the urban renewal suggestion. As he understood it, the division of tax dollars would go back into the budget. The districts would restart with the base and begin building up. He was concerned about the effect on economic development by doing that. Any juggling of the urban renewal funds would likely make things complicated, but he would provide the information after talking with a prospective bond attorney. His initial reaction was that financiers would not look favorably upon that.

Mayor Norris believed it was important to go through the process of ruling out the non-options. Citizens would ask those questions.

Commissioner Neeley added the decision was made two years ago by the agency to close one of the districts based upon financial considerations related to the general fund.

Mr. Patterson noted there was a detrimental impact from that decision on the street fund from which the City was still recovering.

Commissioner Neeley commented there were projects that were not done, but that district was completely closed.

Chief Huiras reported on Oregon State Police funding and the fact that it had about half the troopers it had 20 years ago. Not a single office was open 24 hours a day which impacted local policing. Oregon City had an interstate and two local highways going through town, so local police had to respond to most of the incidents. He and another chief, two sheriffs, and the new superintendent would go to the Governor's office to discuss the OSP budget and its effect on local jurisdictions. He announced emergency management training for elected and appointed officials.

Mayor Norris attended the first session which gave her a better understanding of the importance of communication and the role of the County in emergency management.

Mr. Archer reported on the adult center transportation program that included three small buses provided through the Ride Connection. One of Oregon City's three vehicles had reached the age for recall, and the Ride Connection ordered a new one. The City was responsible for a 10% match of \$5,600 that would be provided from a donation trust fund, so the vehicle would be at no cost to taxpayers.

Ms. Kraushaar updated the Commission on the Holcomb Boulevard Pedestrian Improvement Project. The City was working with Clackamas County to construct a new sidewalk between Front Avenue and the Holcomb School as Phase 1. Bike lanes would be installed on both sides of the road between Front Avenue and Winston Drive. A mid-block pedestrian crossing would be added for students living in the Holcomb Ridge Subdivision. There were various stormwater improvements that included green street treatments. The Park Place Neighborhood recently received a grant from the National Parks Service with matching funds from the Oregon City Civic Improvement Trust (OCCIT). The \$50,000 or \$60,000 would go toward telling the story of the Oregon Trail through the Park Place area. Various groups were working to integrate this into the pedestrian improvement project. The total project design and construction was about \$1.6 million. Clackamas County was contributing \$650,000, Oregon City was putting in \$575,000, and the CDBG grant was \$400,000.

Ms. Kraushaar updated the Commission on the sewer project work plan. Part of the work plan included the Cook Street and Pease Road pump station replacements. Murray Smith and Associates would be working on the preliminary design study for the Pease Road pump station, and Wallace Engineering would work on the preliminary study for the Cook Street project. The

Murray Smith contact was \$35,000, and the Wallace contract was approximately \$16,000. The Pease Road pump station was funded 50% by rates and 50% by sewer system development charges (SDC), and Cook Street was funded 80% with rates and 20% SDCs. She hoped to go to construction in the 2007 – 2008 budget.

Ms. Kraushaar said the department had been working hard to coordinate Phase 1 of the McLoughlin Boulevard Enhancement Project with ODOT. She reported there was a verbal agreement that ODOT would reconstruct the pavement in the Phase 1 boundary. It turned out to be far more expensive because it was a full reconstruction rather than an overlay that would cost about \$2 million. The entire project would be coordinated, and ODOT staff had been very helpful. The City would need to work on the final design, and ODOT would reimburse the City after the STIP was approved. In order to prepare for Phase 2, ODOT asked the City to do the pavement design between 15th Street and Clackamas River. She was not certain of the cost at this time but anticipated it would be under \$200,000.

Mayor Norris thanked Ms. Kraushaar for coordinating the effort.

Commissioner Neeley asked if the Commission would see the design before it was adopted. There was an issue about a left turn for southbound McLoughlin Boulevard onto 13th Street.

Ms. Kraushaar replied this was the roadway cross-section design, and staff would provide an update. ODOT had final design approval, and staff was working hard to get the left-turn lane.

Commissioner Neeley added a double yellow line was for passing purposes and did not prevent cars from turning left. That was not sufficient for a non-signalized intersection.

Ms. Kraushaar said staff was trying to get the queue lane shortened at 12th Street so there could be a median that prevented a left-turn movement onto 13th Street. It would be a challenge to meet ODOT's standards for queue lengths.

Commissioner Neeley thought it might be helpful to get unanimous support from the City Commission.

Ms. Kraushaar agreed and added that Metro staff had also asked for a shorter queue in order to have a better median through that area. She would appreciate the City Commission's support. She noted the Amanda Court pump station was nearly completed.

b. Mayor

Mayor Norris would attend the Willamette Falls stakeholders group where there would be a discussion of a possible heritage and state park area.

Commissioner Tidwell provided meeting notes from the Conversation with a Commissioner meeting and asked that they be posted on the City's website. Most of the discussion focused on economic development. The public requested a discussion of SDCs, master and concept planning, fire annexation, education, urban renewal, general fund obligations, water resource identification in the Canemah District, and the McLoughlin Boulevard Enhancement Project. He asked that this list be incorporated into a work session agenda. The May 1 meeting would be about the fire annexation matter, and the guest speakers would be Chief Huiras and Chief Kirchhofer. Mr. Patterson would provide budget information. The forum was casual, and he encouraged people to attend.

Mayor Norris discussed the board and commission recruitment and appointment process. She made the following appointments:

1. Betsy Torell to the Natural Resources Committee for the Term April 4, 2007 to December 31, 2009

2. Kenneth G. Baysinger and James J. Nicita to the Historic Review Board for the Terms April 4, 2007 to December 31, 2010.

Commissioner Tidwell thanked Nancy Busch for preparing the meeting notes and Mr. Archer for announcing the Conversation with a Commissioner in the *Trail News*.

12. ADJOURNMENT

Mayor Norris adjourned the meeting at 8:45 p.m.

Respectfully submitted,



Nancy Ide, City Recorder