

**CITY OF OREGON CITY
CITY COMMISSION
STUDY SESSION MINUTES**

July 12, 2004

Mayor Alice Norris called the study session of the City Commission to order at 5:28 p.m. at City Hall, 320 Warner Milne Road, Oregon City.

Roll Call: Commissioners Tom Lemons, Doug Neeley, Gary Hewitt (arrived 5:36 p.m.), and Bob Bailey and Mayor Alice Norris.

Staff Present: Larry Patterson, City Manager; Gordon Huiras, Police Chief and Public Safety Director; Nancy Kraushaar, City Engineer and Public Works Director (arrived 6:08 p.m.); Dan Drentlaw Community Development Director; David Wimmer, Finance Director; and Leilani Bronson-Crelly, City Recorder.

Media Present: Steve Mayes, *The Oregonian*.

1.0 CALL TO ORDER

2.0 FUTURE AGENDA ITEMS

2.1 Mr. Patterson distributed copies of Leland Consulting's work to date on the economic development strategy that included a map and matrix covering various land uses. He requested written comments from the City Commission prior to scheduling a study session with Leland.

3.0 DECISION ITEMS

3.1 None

4.0 DISCUSSION ITEMS

4.1 Park Place Planning Efforts Update

Mr. Drentlaw reported that staff has been meeting with Park Place residents on a fairly regular basis regarding Metro Enhancement Funds which were not granted. One planning effort is the Holcomb Boulevard Study, and staff met with the residents to discuss street options. Public works is funding that project, and he believed most of it was from system development charges (SDC). Residents want to move forward with the neighborhood plan, but the planning department does not have enough staff to do the work for the neighborhood. Mr. Drentlaw discussed certain options. The residents are planning to talk to Portland State

University (PSU) to find out if there are any students who could assist with the project. The neighborhood's goal is to develop a plan it can review with the City Commission.

Mayor Norris understood the Comprehensive Plan says that all neighborhoods should have a plan. From that perspective, it seemed like it was the City's responsibility. She would like a broader discussion of what will be done for each neighborhood in their plan developments. She asked if it was appropriate for neighborhoods to go out on their own and not be under the umbrella of the City.

Commissioner Lemons had similar concerns. One neighborhood might have the resources to do something while others may not. Neighborhood plans are in the Comprehensive Plan, but there are no controls.

Commissioner Neeley knew of one instance when a developer went to the neighborhood to do the plan because that was the understood direction from the City. There are several groups working independently, so the City needs to pull these projects together and set up a process. He would not be comfortable with any plans until the City Commission gave its blessings.

Mr. Drentlaw said there was a City Commission work session about six months ago with Kent Ziglar of Horton who is working on the Park Place Village Plan. Mr. Drentlaw believed it was the developer's understanding that their plan should include the whole urban growth boundary expansion area.

Mr. Patterson added the Blue Ribbon Task Force recommendation for other neighborhood plans, the Beavercreek Concept Plan for about \$165,000, and the South End Plan will likely complicate matters even more. The issue is how do you have an integrated planning process at a time when there are no funds? Budgetary problems may have to be resolved first.

Mayor Norris recommended developing a timeline to determine when funds would be available. These plans need to be coordinated under a City umbrella.

Mr. Drentlaw explained staff had made it clear that the plan needed to be reviewed incrementally by the City.

Mr. Patterson suggested that the neighborhood groups could transfer any funds they raised to the City to oversee the planning process. To work independently poses problems.

Mr. Drentlaw said the problem with Park Place is that there are two interests trying to accomplish the same goal. Park Place Village has the money to develop a process. The residents do not, so they are relying on planning department staff. Staff can help, but it does not have the manpower to facilitate meetings and write policies.

Mayor Norris does not want to pit a neighborhood against a developer who can conceptually overpower the residents.

Mr. Patterson thought it was worth discussing on the state level. As things are now, cities are in a very weak position to fight these battles against any party that has the wherewithal to continue to prolong making the decision. Appeals are very costly to the City.

Commissioner Hewitt commented the City is not under a timeframe with the Comprehensive Plan and zone change. He agreed with Mayor Norris's idea of developing a long-range timeframe. If a group wants to move its plan up in the list, it will have to do so with its own resources, facilitate meetings, and do these things as if the planning department was doing the process. He was looking at 2010 and 2012 as realistic dates.

Commissioner Bailey suggested the neighborhood talk with the Park Place Village developer to help it keep up with the process, so the plans can be considered concurrently.

Mayor Norris regretted this conversation had not taken place six months ago when the City could have asked Metro for help. She recommended putting money aside next year for enhancement funds for concept planning.

Mr. Patterson said, for example, Willamette Falls Hospital used a contractor. That might be something the neighborhoods could try.

Commissioner Hewitt believed that staff needed City Commission approval of timelines for leverage.

Mr. Drentlaw said Metro is requiring adoption within four years.

Mr. Patterson said it is crucial for future planning to tie this into the Blue Ribbon Task Force recommendation.

Commissioner Lemons was concerned about changing the rules now that a party has started work on the Park Place Plan.

Commissioner Bailey thought one advantage for Park Place is that it has a single developer. The neighborhood can pursue resources itself. The City must spell out the "rules of engagement" that staff will attend meetings when available but will not arrange those meetings. The neighborhood would then agree to run its results through the Planning Commission process and refinement process. This might encourage them to go ahead.

Commissioner Hewitt commented when doing a Comprehensive Plan and zone change to determine what this area is going to be is the first step in moving

forward to possible future development. He thought the neighborhood would run into a brick wall when it comes to transportation needs. They would be hard pressed to put that kind of development together without doing some major interchange improvements. Until that is part of the package on a future scale, the Comprehensive Plan and zone change is a fairly simple review. That will be an issue not just in that area but all areas of the City.

Commissioner Bailey recommended developing six to eight points with clear expectations.

Mayor Norris agreed that would help all of the neighborhood associations.

Alan Shull, 713 5th Place, Oregon City 97045, commented on Mr. Patterson's suggestion for transferring neighborhood funds to the City to accomplish the plan. He understood there was no money budgeted this year, but could it come from somewhere else next year.

Mayor Norris said the City Commission would have more information when the Blue Ribbon Task Force finalizes its recommendation to City Commission.

Mr. Shull asked what will happen if plans are put in a timeframe but are not in place when development occurs. It will be too late for Canemah in terms, of archeology, geology, wetlands, and things of that sort. Canemah is a national historic district with unique issues. Priorities do change, so there needs to be flexibility.

Commissioner Hewitt discussed the dedicated funds and the \$20 million general fund that goes to police, emergency services, library, and other services. Until the Blue Ribbon Task Force comes together and the City Commission goes through the recommendations, the City will not know what the 2005/2006/2007 will look like. If the City Commission believes these recommendations are prudent, he did not believe the City would come out of this until 2006/2007. The plan is to come up with a plan by 2005 and implement it. The planning staff will not be any larger than it is today until 2007. Planning windows are typically four years.

Commissioner Lemons added the plan is predicated upon what the citizens want.

4.2 Metro Compliance Requirements for Affordable Housing

Mr. Drentlaw discussed Title 7 – Affordable Housing and reported that Oregon City completed its first reports. The Functional Plan requires that the cities address affordable housing with a series of reports. He sought City Commission direction on the policies Metro is asking the cities to consider in amending their Comprehensive Plans and ordinances. The group discussed density bonuses.

Commissioner Hewitt understood this was addressed through accessory dwelling units and attached dwelling like row houses.

Mr. Drentlaw said the City addressed attached units in the R-3.5. The PUD designation was removed from the Comprehensive Plan. The density bonus is an incentive to develop affordable housing.

Commissioner Hewitt understood if the zone was R-10, for example, a developer could have more units if some were classified as affordable. He felt that was a valid consideration. He believed the City needed to look at these incentives and allow smaller lot configurations. It might, however, be problematic with the neighborhoods.

Mr. Drentlaw said affordable housing is for those whose income is at 50% of the median income.

Commissioner Bailey said in Bandon, for example, those who work at Bandon Dunes cannot afford to live in that City. Affordable does not mean shabby or poorly designed housing. He urged the City Commission to move forward on this point.

Mayor Norris heard concurrence on the density bonus.

Mr. Drentlaw will set out a schedule to comply.

Mr. Drentlaw reviewed the second item, which had to do with tracking and replacing affordable housing stock to ensure the ratio remains constant. The policy had to do with establishing a percentage.

Commissioner Hewitt said many communities are contacting the state to find out what programs are available. Oregon City needs to know the rules. If a developer says he wants to include four affordable housing units in his development, then the City needs to know the acceptable price range.

Commissioner Lemons pointed out the members of the City Commission would be changing soon.

Mayor Norris believed the City should work on this.

Commissioner Hewitt said the new City Commission would need to be conscious that changes would be both disruptive and costly.

Mr. Patterson commented this is a political entity with no guarantees from one election to the next. Things can change, but there has to be an understanding of the ramifications.

Mr. Drentlaw said this issue could be addressed with minor code amendments. The final item was a policy decision on fast-tracking affordable housing.

Commissioner Bailey thought it was always a good idea to streamline the processes by making them as efficient and effective for everyone involved.

Commissioner Neeley added landlord and tenant rights and obligations are very important elements to affordable housing.

Chief Huiras responded to a question from Commissioner Neeley and said the police can accompany a landlord into a unit only if the landlord has the right to enter.

Commissioner Neeley thought it was important to assure that affordable housing is long-term housing stock.

Commissioner Hewitt pointed out the City has a housing code in this City, and rental units must meet certain codes.

Commissioner Bailey reiterated that affordable housing is not low income housing.

Mayor Norris summarized the comments and did not believe she heard support for fast tracking affordable housing.

4.3 Clackamas County Subsidized Housing Update

Mr. Wimmer said the County distributes payments in lieu of taxes within the taxing districts. The Housing Authority paid Oregon City about \$8,649 this year, and the Urban Renewal Commission (URC) received about \$3,300. The numbers seem to be declining which tells him the Housing Authority is running out of resources like everyone else. Mr. Wimmer pointed out that the program is guided by state statutes. The Clackamas County tax assessor's office receives the check and distributes to the taxing districts.

Commissioner Neeley thought the issue of declining payments should be brought to the Board of County Commissioner's attention.

Mr. Wimmer believed the payments were going down because of the Housing Authority's increased expenses.

4.4 Wrap Up Process for Blue Ribbon Task Force

Mr. Patterson said the Task Force plans to have its recommendation ready for presentation at the August 2 study session.

4.5 Proposed Purchasing Manual

Mr. Patterson updated the City Commission on the purchasing manual that is modeled on the Attorney General's Model Contracting Rules. After the city attorney reviews the consultant's draft, the manual will come before the City Commission for approval. The group discussed phone services and bringing it under one roof. As the City grows in organization, these types of issues will be considered.

4.6/7 Wetland Overlay Zone Update & Canemah Neighborhood and Water Resources Issues

Not audible.

4.8 History and Expenditure of Metro Enhancement Fund 341 from July 1988 to June 2004

Mr. Wimmer briefly reviewed balance spreadsheet that showed 16 actual years. The lowest amount was in June 1989 at \$109,849 and the highest was in June 1999 at \$709,556. He discussed the dumping franchise fees that have been declining since 1996. Recycling seems to be taking its toll on the franchise fees. Mr. Wimmer noted the general fund stabilizer was found not to be such a good idea and discussed the transfers back in June 2002.

Mr. Patterson discussed the efforts involved in getting to full cost accounting. The group continued reviewing the expenditures in that fund. He commented on the City's cleanup costs that are incurred in the amount of \$53,447. The City also grants money to the group.

Mr. Wimmer believed \$39,000 was for the picnic shelter in Canemah Park and \$9,900 for cornerstone fencing at the cemetery. He budgeted \$10,000 this year. He pointed out the \$17,640 miscellaneous revenue, which he believed was coming back from the cemetery memory wall.

The group discussed the community grant that was budgeted at \$261,262 in FY 2004-2005. This included funds that have not been spent. **Mr. Patterson** commented this would be affected by the encumbrance accounting the City will implement in the purchasing manual. The City Commission discussed upcoming Metro Enhancement meetings and grant fund contingency. **Mr. Patterson** thought the City would want to carry some contingency but this was probably too much. **Mayor Norris** requested a future discussion with the numbers on a chart.

The group briefly discussed the Comprehensive Plan update and transfer to fleet.

Commission members commented on the tipping fee and decreased revenues in the past ten years. **Mr. Wimmer** said this was more like a special revenue fund

than a grant fund. He thought contingency could be around \$30,000 - \$50,000 to ensure the grant money is there. **Mr. Patterson** commented that various agencies go forward with the plans, so it is important to have some level of contingency. The group discussed the Civic Improvement Trust and grant programs.

7.0 ADJOURNMENT

Mayor Norris adjourned the study session at 7:50 p.m.

Respectfully Submitted,

Leilani Bronson-Crelly
City Recorder