

**JOINT MEETING OF THE
WOOD VILLAGE CITY COUNCIL AND URBAN RENEWAL BOARD
January 22, 2019
MINUTES**

PRESENT: Mayor Scott Harden, Council President Patricia Smith, and Councilors Bruce Nissen and John Miner. Urban Renewal Members Stanley Dirks and Craig Howard. City Attorney Jeff Condit, City Manager Bill Peterson, Public Works Director John Niiyama, Finance Director Seth Reeser, and interested parties.

ABSENT: Urban Renewal Member Steven Morasch.

CITIZEN COMMENTS (NON-AGENDA ITEMS)

Gresham Fire Chief Mitch Snider introduced himself and stated that he is looking forward to working with the City, as well as the other contracted cities for fire and emergency services.

The Council welcomed Chief Snider.

CONSENT CALENDAR

- a. Appointments
- b. Resolution 4-2018: Regional Committee Appointments

Upon motion by Smith, seconded by Nissen and passing 4-0, the Consent Calendar was approved.

WORK SESSION: URBAN RENEWAL PLAN AND PROJECT UPDATE

Peterson presented the discussion and stated that the impetus of this update was working with the city of Fairview on an advisory committee to form an urban renewal agency. Peterson explained that in that process, there was a review of pending legislation and concerns regarding urban renewal areas in general. Peterson stated that the first issue is a piece of legislation that has been introduced, and the legislative item would prohibit the inclusion of public buildings unless it is approved by the underlying taxing jurisdictions. Peterson stated that while that provision would not apply retroactively, the current plan may not be specific enough for a public building because it does not include the specific dollar amount for a new City Hall. Peterson explained that we want to ensure that project amounts are updated and specific.

Peterson stated that in choosing the site for a municipal building, the highest potential site is just outside the current urban renewal boundary. It will take about a 20,000 square foot addition to

the boundary, and that can be completed with a minor amendment. Peterson stated that while investments can be made outside the agency's boundaries, the investment has to be proportional to the impact of the agency.

Peterson presented the progress report on the agency to date. Peterson explained that the first five years of the agency were during the great recession, and there were actual declines in value. Peterson stated that following the drop, there were only modest gains of three percent for several years. Peterson stated that in this past year, there was also a decline in the amount of increment within the agency. Peterson stated that the decline is based on a decline in commercial values and centrally assessed utilities. Peterson stated that those reductions were done city-wide, and taken out of the URA base. Peterson stated that from the agency's standpoint, the debt limit is still the same \$11.75 million regardless of the time period. Peterson explained that the agency has very little debt, and there is a lot of flexibility with the plan.

Peterson stated that there are 44 homes in the new Riverwood development, and most of the homes will appear on the tax roll next year. Peterson stated that there is a development proposal of 61 units on 240th, a 4,000 square foot commercial development also off of 240th, and then seven units on the west end of Halsey. Peterson stated that putting all that together with the City Hall redevelopment, and there will be a lot of return to the agency in the coming years.

Peterson stated that not included in the projections is any development in the town center. Peterson stated that while there will be development at some point in the future, the projections were put together with only known projects.

Peterson stated that there are pending Urban Renewal projects including the Arata Road fencing, City Hall development incentives, and then street improvements for Halsey to underground the electrical utilities. Peterson stated that there is also \$1.5 million for the new City Hall.

Peterson stated that the agency has borrowed \$1.2 million from the City's General Fund, and a bond will be issued when the agency takes out the \$1.5 million for City Hall. Peterson explained that the bond will cover the \$1.2 million loan as well, and the bond will be backed by the City. Peterson stated that the agency has a bond advisor and bond counsel already under contract.

Peterson stated that that the urban renewal plan was developed in 2010, and included several options and programs under five general themes. Peterson presented a spreadsheet of the original plan projects with original cost estimates. Peterson presented updated projects and project costs. Peterson stated that several of the projects in the plan have already been completed such as Arata Road, the Wood Village Blvd. extension, and some utility work. Peterson stated that frees up financial resource for other projects. Peterson stated that the Main Streets on Halsey initiative outlined about \$2 million worth of various improvements.

Peterson stated that there is \$500,000 for the fencing along Arata Road, and \$1.5 million for undergrounding power along Halsey. Peterson stated that the bulk of the undergrounding cost is to get the service lines across the street and to replace the services on the homes. Peterson explained that a number of projects in the plan have been completed with other financing sources. This includes updated master plans and the Halsey sewer line project. Peterson stated that those items have been replaced with additional sewer treatment capacity and a proportionate amount to replace the main sewer outfall.

Peterson stated that there is still the 25% of value incentive package for new development. Peterson explained that the original plan included relocation assistance, and the funds cannot get at the actual amount needed to complete that item on any large scale, so it was removed. Peterson stated that there is still \$500,000 for general property acquisition, and \$1.5 million for a replacement City Hall. Peterson stated that there are funds for the façade renovation program, as well as for SDC and permit fees for new development. Peterson stated that there is \$200,000 for gateway signs, markers, and statues. Peterson explained that alternative energy is a requirement, and there is \$100,000 as a placeholder for a future investment or project. Peterson stated that the projected administrative costs have been reduced, and the overall total comes in at the debt limit of \$11,750,000.

Howard asked if the boundary revision adds or removes land from the agency. Peterson stated that the revision adds about 20,000 square feet in the park contiguous to existing URA land. Howard asked about the proposed legislation that would prohibit public buildings. Peterson stated that the City Hall is in the existing plan, but there was not a specific allocation. The update outlines the details of the City Hall.

Howard asked about the benefit of bringing the new land into the URA. Peterson stated that it is in order to include the full allocation of the new City Hall, instead of a proportionate amount. Howard asked about the sewer treatment capacity purchase. Peterson stated that the City is at about 93 percent of its purchased capacity from Gresham, and this would be an additional increment of capacity. It is not building a sewer treatment plant. Howard asked if that is a reoccurring cost. Peterson stated that the allocation purchase is a one-time purchase, and the ongoing operating costs are paid with monthly user fees.

Harden asked about the housing tool box and its goals. Harden stated that he remembers that it was to help induce affordable housing. Peterson stated that he could not find any details regarding the purpose of the tool box. Howard stated that he thought it had something to do with cottage housing incentives. Peterson stated that he left the allocation in the plan, and it does not have to be there if there is not a specific use or purpose. Harden asked if the \$100,000 allocation

for alternative energy is enough to do an actual project. Peterson stated that energy savings for new construction is state law, and that was not the case when this plan first came out.

Miner asked about the original project list which came out to about \$14.5 million, and how it was over the maximum debt limit. Peterson stated that the updated project list and administrative costs come in at the debt limit and removing Arata Road and the Wood Village Blvd. extension helped reduce a lot of costs.

The URA board and City Council agreed with the draft plan and asked for a completed plan update that could be adopted.

RESOLUTION 5-2019/URA 1-2019: UTILITY RELOCATION CONTRACT AMENDMENT

Niiyama presented the resolution and stated that it is a contract for the City Hall utility relocation project. Niiyama stated that the Urban Renewal Board and the City Council authorized a contract with Three Kings for \$299,500 for the utility relocation project. Niiyama explained that she has had some delays and cost overruns, and the final project cost came in at \$306,000. Niiyama stated that the change orders were negotiated between staff and the contractor and this would settle and close out the contract.

Niiyama stated that the requests came in in two phases. Niiyama stated that the first change order was for a few thousand dollars based on as-builts and compared to the plan set. Niiyama stated that the next change order came in at the end of the project for nearly \$90,000. The City consulted with legal counsel and negotiated a change order for \$17,600.

Niiyama stated that the full contract overrun is about \$7,000. That increase will not impact the overall incentive package, as the total amount will be offset with SDC and permit fees. Niiyama stated that the net overall impact for the agency is zero. Niiyama asked if there were any questions.

Howard asked if there was an agreement on the final amount. Niiyama stated that is a signed change order in place, and this would close out the contract. Dirks asked about the aggregate overages and how that came up. Niiyama stated that it looks like there was some miscalculations on the contractor's part, as well as some assumptions on the City's part which justifies a change order.

Upon motion by Nissen, seconded by Smith and passing 6-0, Resolution URA 1-2019 and 5-2019 authorizing the City Manager additional appropriations to the City Hall relocation project and to close out the contract was approved.

THE URBAN RENEWAL AGENCY ADJOURNED AT 7:03PM.

RESOLUTION 6-2019: IGA WITH GRESHAM FOR BUILDING INSPECTION SERVICES

Niiyama presented the resolution and stated that in 2016 Gresham began providing budging inspection services for the City. Niiyama stated that the original IGA was for three years with a 90-day cancelation notice. Niiyama stated that Gresham has an IGA with Troutdale and Fairview as well. All three IGAs are different among the cities, and Gresham wanted one IGA to cover all three cities. Niiyama stated that there were also issues with the full cost of recovery to provide the service.

Niiyama stated that the current rate is \$79.95 an hour, and the rate will be \$120 an hour. Niiyama stated that was based on a composite rate and to enable the City of Gresham the full cost recovery. Niiyama stated that the new IGA has a 180-day cancellation requirement, which is still short, but better than 90 days. Niiyama stated that the IGA is consistent between all three cities and includes items that were not in the original IGA such as rental inspections and other specialty and occasion building needs. Niiyama stated that the contact has a methodology for annual cost updates and goes out to 2023.

Niiyama presented the alternatives and stated that this duty cannot be delegated to the private sector, and that is based on a recent opinion from the state Building Codes Division.

Smith asked if the inspection time is from portal to portal. Niiyama stated that it is, but it is reduced when there are concurrent inspections. Nissen asked if the rate increase could have been delayed to the end of the original IGA. Niiyama stated that Gresham had the advantage and was going to cancel the service unless the IGA and costs were updated.

Miner asked about the increase in fees and stated that the city's fees would have to be adjusted. Niiyama stated that the intent is to have the building department be revenue neutral, and updated rates will probably be needed. Miner stated that he had just went through a number of inspections, and he found that they were quick and responsive.

Harden asked if all the cities are receiving the same cost structure and rates. Niiyama stated that they are.

Upon motion by Nissen, seconded by Smith and passing 4-0, Resolution 6-2019 authoring the City Manager to sign an IGA with the City of Gresham for building inspection services was approved.

RESOLUTION 7-2019: PROPERTY ACQUISITION OFFER AUTHORIZATION

Peterson presented the resolution and stated that during the last meeting, the Council went into an Executive Session to review properties for a new City Hall. Peterson stated that one of the sites was about four and a half acres owned by the Confederated Tribes of the Grand Ronde in the Town Center. Peterson stated that the site would not work out well for a City Hall, but would work well for a park site, and it is identified in the Parks Master Plan as a potential park site.

Peterson stated that this resolution authorizes the City Manager to extend a purchase offer for the site as an open space, nature park. Peterson stated that the site would still count towards the open space and drainage requirements for the Town Center. Peterson stated that if the City is successful with a purchase offer, the actual offer and purchase price would be done in a public hearing. Peterson stated the acquisition is Park SDC eligible and asked if there were any questions.

Upon motion by Smith, seconded by Nissen and passing 4-0, Resolution 7-2019 authorizing the City Manager to negotiate a park site purchase with the Confederated Tribes of the Grand Ronde was approved.

PUBLIC WORKS DIRECTOR'S REPORT

Niiyama presented the report and stated that Cedar Lane bid award has been approved, and the project is scheduled to begin in the Spring. Niiyama stated that staff will start to conduct the outreach next month. Niiyama stated that the City Hall utility relocation project has been completed.

Niiyama stated that we are working with PGE to get powered street lights on 230/231 Court to replace the solar lights which are not working out as planned. Niiyama stated that solar lights requires investments of \$10,000 every three to five years to keep operable. Switching to powered lights will be less.

Niiyama stated that staff has completed trainings, and there plans in development review. Niiyama stated that the production and consumption report is in the packet, and the system loss is about 7 percent, which is within standard.

FINANCE DIRECTOR'S REPORT

Reeser presented the report and stated that the report is through the month of December. Reeser stated that we are half way through the fiscal year. Reeser stated that the property tax revenues are coming in as expected and are at 90 of budget. Reeser stated that there was no business income tax revenue in December, but there are no concerns as we are at the anticipated level

Reeser stated that the interest rate has increased again and is up about a percent over the past 18 months.

Reeser stated that the packet includes a budget calendar for the upcoming budget hearings. The essential item is the first hearing on Thursday April 18th. If needed, the second meeting is Tuesday May 7th, with adoption in June.

CITY MANAGER'S REPORT

Peterson stated that the Annual Performance Plan is in the packet and will be discussed in detail at the upcoming retreat. Peterson stated that items within staff's control are doing great, and items that rely on outside support are not moving as fast. Peterson stated that overall, we are on track.

CITY COUNCIL REPORTS

Harden asked if Nissen would be willing to sit in on the City Hall design committee. Nissen agreed.

Miner asked about the vacant Council position. Dirks explained the appointment process. Harden stated that he is interested in trying to recruit a minority community member to the Council.

ADJOURN

With no further business coming before the Council, the Council adjourned at 7:42pm.

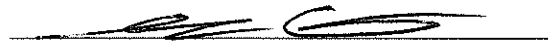


T. Scott Harden
Mayor

10-12-19

Date

ATTEST:



Greg Dirks: City Recorder