

**FOREST GROVE CITY COUNCIL REGULAR MEETING
MAY 26, 2015 – 7:10 P.M.
COMMUNITY AUDITORIUM
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***Minutes are unofficial until approved by Council.
City Council approved minutes as presented June 8, 2015.***

1. ROLL CALL:

Mayor Peter Truax called the regular City Council meeting to order at 7:01 p.m. and led the Pledge of Allegiance. **ROLL CALL: COUNCIL**

PRESENT: Thomas Johnston, Council President; Richard Kidd; Victoria Lowe; Ronald Thompson; Malynda Wenzl; and Mayor Peter Truax.

COUNCIL ABSENT: Elena Uhing, excused. **STAFF PRESENT:** Thomas Gamble, City Manager Pro Tem; Paul Downey, Administrative Services Director; Brenda Camilli, Human Resources Manager; George Cress, Light and Power Director; Jon Holan, Community Development Director; J. F. Schutz, Police Chief (in the audience); James Reitz, Senior Planner; and Anna Ruggles, City Recorder.

2. CITIZEN COMMUNICATIONS:

Thomas Beck, Forest Grove, addressed Council pertaining to his Budget Committee resignation, which was added as Consent Agenda Item 3. F. Beck voiced concern that the budget process is not designed nor welcomes citizen input, to which Lowe voiced similar concern when she was appointed to the Budget Committee, noting she hopes for future Council discussion. Kidd indicated he feels the budget process is a good process, but he is willing to see if input can be addressed, because the process is open to the public. Mayor Truax disagreed with some of Beck's comments, noting there has been effort for communication and understanding of how the process works. Mayor Truax commended Beck for his service on the Budget Committee and his guidance on the Planning Commission.

3. CONSENT AGENDA: Items under the Consent Agenda are considered routine and will be adopted with a single motion, without separate discussion. Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the Consent Agenda item(s).

- A. Approve City Council Executive Session (Labor Negotiations) Meeting Minutes of May 11, 2015.
- B. Approve City Council Work Session (Light and Power Non-

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- Federal Load) Meeting Minutes of May 11, 2015.
- C. Approve City Council Regular Meeting Minutes of May 11, 2015.
 - D. Accept Resignation on Public Safety Advisory Commission (Tim Dierickx, Rural Fire District, Term Expiring December 31, 2017).
 - E. **RESOLUTION NO. 2015-34 MAKING APPOINTMENT TO COMMITTEE FOR CITIZEN INVOLVEMENT (APPOINTING BETSY BROWER, TERM EXPIRING JANUARY 31, 2019).**
 - F. Accept Resignation on Budget Committee (Thomas Beck, Term Expiring December 31, 2016). **ADDED TO CONSENT AGENDA**

MOTION: Councilor Kidd moved, seconded by Councilor Wenzl, to approve the Consent Agenda as amended. ABSENT: Councilor Uhing. MOTION CARRIED 6-0 by voice vote.

4. ADDITIONS/DELETIONS:

Ruggles added Item 3. F. to the Consent Agenda as noted above. Camilli and Downey added the following resolution to the Agenda.

4. A. RESOLUTION NO. 2015-37 DECLARING INTENT TO APPOINT CITY MANAGER

Staff Report:

Camilli and Downey reported the Council adopted Resolution No. 2014-90 giving notice of the intent to appoint a new City Manager, noting the position of the City Manager became vacant effective December 31, 2014. Camilli reported following an advertising effort and personal outreach to local and national governmental management professionals, 30 applications for City Manager position were received by the March 31, 2015, filing deadline. Camilli reported the screening process narrowed the list to five top candidates and interview processes included input from a city manager panel, citizen panel, employee panel and department directors' panel who ranked and selected three-top candidates to be interviewed by Council on May 22, 2015, followed by an evening community "Meet and Greet" with the candidates, and culminated with the Council's decision in Executive Session, held on May 26, 2015, to select Michael "Jesse" VanderZanden as City Manager pending pre-employment screening and background and Council ratifying the Employment Agreement.

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Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2015-37.

Mayor Truax read Resolution No. 2015-37 by title.

MOTION: Council President Johnston moved, seconded by Councilor Kidd, to adopt Resolution No. 2015-37 Declaring Intent to Appoint City Manager (Michael “Jesse” VanderZanden).

Council Discussion:

Council collectively commended the four panels for their exceptional professionalism and input and commended Camilli, noting Camilli handled the entire City Manager hiring process in a very professional manner.

Hearing no discussion from the Council, Mayor Truax asked for a roll call vote on the above motion.

VOICE VOTE: AYES: Councilors Johnston, Kidd, Lowe, Thompson, Wenzl, and Mayor Truax. NOES: None. ABSENT: Councilor Uhing. MOTION CARRIED 6-0.

5. **PRESENTATIONS:** None.

6. **PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2015-05 VACATING A SEGMENT OF HEARTWOOD STREET (A. K. A. “QUANDARY LANE”) IN KNOX RIDGE NO 4. LOCATION: HEARTWOOD STREET AT THE STRASBURG DRIVE INTERSECTION. APPLICANT: VENTURE PROPERTIES, INC., (KELLY RITZ). FILE NO. VAC-15-00351**

Staff Report:

Holan and Reitz presented the above-proposed ordinance for first reading, noting the proposed ordinance is requesting to vacate the Heartwood Street right-of-way (a.k.a “Quandary Lane”) at the Strasburg Drive intersection so a new alignment of Heartwood Street can be dedicated with the Pacific Crossing 3 final plat. Reitz reported the street segment was deeded to the public in 1999 as part of the Knox Ridge 4 Plat to provide for an extension into Pacific Crossing. Due to excessive and expensive earthwork in the preliminary grading plan for Pacific

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Crossing Phase 2 and 3, the applicant (Venture Properties) developed an alternative that would result in much less earthwork by shifting two proposed streets to the southeast, which the Planning Commission reviewed and approved as a revision on September 15, 2014, with the condition that the applicant initiate a vacation right-of-way request for the Heartwood Street stub located at Strasburg Drive. In conclusion of the above-noted staff report, Reitz advised staff is recommending approving the vacation request subject to the condition that the City reserves a non-exclusive temporary easement over the vacated area until such time all existing utility lines (Northwest Natural Gas) are removed from the present location within the easement, noting the applicant is responsible for removal of any and all utilities from within the right-of-way to be vacated. Reitz advised once the utility lines are removed, the City would covenant and execute the removal of the non-exclusive temporary easement.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2015-05 for first reading.

Gamble read Ordinance No. 2015-05 by title for first reading.

MOTION: Council President Johnston moved, seconded by Councilor Kidd, to adopt Ordinance No. 2015-05 Vacating a Segment of Heartwood Street (A. K. A. “Quandary Lane”) in Knox Ridge No 4. Location: Heartwood Street at the Strasburg Drive Intersection. Applicant: Venture Properties, Inc., (Kelly Ritz). File No. Vac-15-00351.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the deadline of May 26, 2015, 7:00 p.m.

Proponents:

Mimi Doukas, representing Venture Properties, applicant, testified in support of the vacation request, noting by shifting Heartwood Street 100' south it reduces significant amounts of earthwork and is a better result for the City.

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No one else testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Council Discussion:

In response to Kidd's inquiry pertaining to taxes, Reitz explained once the property is vacated by the City, the property goes back into the City's tax roll. In response to Kidd's inquiry pertaining to costs of removing utilities, Reitz reiterated the applicant is responsible for costs associated with removing/relocating utilities.

In response to Thompson's inquiry pertaining to trails, Reitz affirmed there are no trail systems within the segment of the right-of-way being vacated.

In response to Council President Johnston's inquiry pertaining to sewer, Reitz indicated most likely sewer connection is stubbed at the street.

Hearing no further discussion from the Council, Mayor Truax recessed the Public Hearing until the next meeting of Monday, June 8, 2015.

Public Hearing Recessed:

Mayor Truax recessed the Public Hearing until the next Council meeting of Monday, June 8, 2015.

7. RESOLUTION NO. 2015-35 AUTHORIZING CITY MANAGER PRO TEM TO ENDORSE AN APPRENTICE RECIPROCAL TRAINING AGREEMENT BETWEEN FOREST GROVE LIGHT AND POWER AND MCMINNVILLE WATER AND LIGHT

Staff Report:

Cress and Downey presented the above-proposed resolution authorizing the City Manager Pro Tem to endorse an apprentice reciprocal training agreement between Forest Grove Light and Power and McMinnville Water and Light as outlined in Exhibit A. Cress reported the purpose of the agreement is to enable the City's apprentice to receive on-the-job-training to acquire at least 200 hours of training involving transmission work,

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noting the City's apprentice is beginning step four of a seven-step apprenticeship program. In conclusion of the above-noted staff report, Cress advised the agreement has no fiscal impact to the City, noting the City continues paying salary and benefits and has its own equipment.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2015-35.

Gamble read Resolution No. 2015-35 by title.

MOTION: Councilor Lowe moved, seconded by Councilor Thompson, to adopt Resolution No. 2015-35 Authorizing City Manager Pro Tem to Endorse an Apprentice Reciprocal Training Agreement between Forest Grove Light and Power and McMinnville Water and Light.

Council Discussion:

Hearing no discussion from the Council, Mayor Truax asked for a voice call vote on the above motion.

VOICE VOTE: AYES: Councilors Johnston, Kidd, Lowe, Thompson, Wenzl, and Mayor Truax. NOES: None. ABSENT: Councilor Uhing. MOTION CARRIED 6-0.

8. RESOLUTION NO. 2015-36 AUTHORIZING CITY MANAGER PRO TEM TO SUBMIT AN APPLICATION TO THE OREGON DEPARTMENT OF HOUSING AND COMMUNITY SERVICES FOR A VERTICAL HOUSING DEVELOPMENT ZONE DESIGNATION IN THE FOREST GROVE TOWN CENTER

Staff Report:

Holan and Downey presented the above-proposed resolution authorizing the City Manager Pro Tem to submit an application to the Oregon Housing and Community Services Department (OHCS) for a Vertical Housing Development Zone (VHDZ) Designation for the Town Center (Times Litho Site, property located between A Street, B Street, Pacific Avenue and 21st Avenue) as shown in Exhibit A, map. Holan reported the purpose of seeking a VHDZ is to enable the City to stimulate mixed-use development that contains both non-residential and residential uses, noting to qualify a project must have improved, leasable, non-residential development on the

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ground floor and residential development on the floors above, and a portion may be for market rate or low-income households. Holan added the OHCS must approve eligible projects to receive a partial property tax exemption, which varies depending on the project, with a maximum property tax exemption of up to 80 percent over a 10-year term and additional partial tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of the area median income or below). In conclusion of the above-noted staff report, Holan advised the above-noted resolution is to authorize the City Manager Pro Tem to submit an application to apply for a VHDZ designation for the Times Litho site, noting if approved by the State, fiscal impact is based on foregoing revenue of the value of future taxable improvements approved for partial tax exemption over a 10-year term.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2015-36, which resulted in a motion to amend as noted below.

Council Discussion:

In response to Council President Johnston's inquiry pertaining to other zones the City has approved, i.e., Enterprise Zone, Holan explained the Enterprise Zone is for industrial areas only. In response to Council President Johnston's inquiry pertaining to Urban Renewal District, Holan explained a VHDZ would impact the Urban Renewal Agency for the permanent rate and the City for the local option levy during the 10-year exemption period; however, a VHDZ could help spur significant housing redevelopment consistent with Council goals for downtown Forest Grove.

Thompson pointed out the Town Center area is greater than just the Times Litho site, to which Holan advised the proposal does not include the entire Town Center area, noting staff is seeking a VHDZ designation for the Times Litho site at this time.

Kidd voiced support of requesting a VHDZ designation for the entire Town Center area, including property located within the blocks of Pacific Avenue/21st Avenue and A Street/B Street.

In response to Lowe's inquiry pertaining to other developers requesting a partial tax exemption, i.e., property located outside of a VHDZ, Holan explained property located outside of a VHDZ would not be eligible to apply for a VHDZ. Downey added a VHDZ does not apply to hotels or

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town houses, noting by seeking a VHDZ for the Times Litho site it is providing an opportunity to make the project work for the developer. In response to Lowe's inquiry pertaining to affordable housing, Holan explained if affordable low-income housing is included in the redevelopment proposal, land value may also be exempted from property tax.

In response to Mayor Truax's inquiry pertaining to other cities that have applied for VHDZ designations, Holan gave examples of other cities, i.e., 4th/Main Redevelopment Project and Orenco Station in Hillsboro, noting other cities have committed to assisting developers by pursuing the Vertical Housing Program. Holan added the legislators passed the Vertical Housing Program in 2005 to encourage investment in and rehabilitation of properties in targeted areas, to augment the availability of appropriate housing, and to revitalize communities, noting eligible zones are areas that meet the criteria for a VHDZ and which has been designated and approved by the OHCS.

MOTION TO AMEND: Councilor Kidd moved, seconded by Councilor Thompson, to amend Resolution No. 2015-36, Section 2, to include property located within the blocks of Pacific Avenue/21st Avenue and A Street/B Street.

ROLL CALL VOTE ON MOTION TO AMEND: AYES: Councilors Johnston, Kidd, Thompson, Wenzl, and Mayor Truax. NOES: Councilor Lowe. ABSENT: Councilor Uhing. MOTION CARRIED 5-1.

Gamble read Resolution No. 2015-36 by title.

MOTION: Council President Johnston moved, seconded by Councilor Wenzl, to adopt Resolution No. 2015-36 as amended Authorizing City Manager Pro Tem to Submit an Application to the Oregon Department of Housing and Community Services for a Vertical Housing Development Zone Designation in the Forest Grove Town Center (including property located within the blocks of Pacific Avenue/21st Avenue and A Street/B Street).

Council Discussion:

Mayor Truax asked Lowe why she voted no, to which Lowe replied, "we are no longer in 2008" (recession).

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Wenzl indicated that she does not see this program as giving away tax credit, noting for her it is about economic development.

Hearing no further discussion from the Council, Mayor Truax asked for a roll call vote on the above motion.

ROLL CALL VOTE: AYES: Councilors Johnston, Kidd, Thompson, Wenzl, and Mayor Truax. NOES: Councilor Lowe. ABSENT: Councilor Uhing. MOTION CARRIED 5-1.

9. CITY MANAGER PRO TEM'S REPORT:

Gamble reported on upcoming events as noted in the Council calendar and reported on other various upcoming local meetings and community-wide events as noted in the City Manager Pro Tem's Report. Gamble reported the Budget Committee held its first meeting on May 21, 2015, noting the next Budget Committee meeting is scheduled for May 28, and if necessary, a third Budget Committee meeting is scheduled for June 4, 2015. Gamble added the Community Enhancement Program (CEP) presentations are scheduled for June 11, 2015. In addition, Gamble distributed a copy of his written report, which outlined various meetings he attended and provided updates on various City department-related activities, projects, and upcoming city-wide events.

10. COUNCIL COMMUNICATIONS:

Council President Johnston reported he has been asked to participate on a panel representing the State's Interoperability Executive Council. Johnston reported on Parks and Recreation Commission-related meeting and activities, noting there are many citizens involved in the Parks Master Plan update. In addition, Johnston reported on other matters of interest and upcoming meetings he was planning to attend.

Kidd reported he was unable to attend this evening's Historic Landmarks Board meeting, because the Council meeting is occurring simultaneously, due to Monday's holiday. In addition, Kidd reported on other matters of interest and upcoming meetings he was planning to attend.

Lowe reported attending the "No LNG" rally (opposing liquefied natural gas export facilities in Oregon) at the Capital earlier today. In addition, Lowe reported on matters of interest and upcoming meetings she was planning to attend.

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Wenzl reported on Library Commission-related meeting and activities, noting the Library Commission discussed perhaps having the chairs of all boards, committees and commissions (B&C) meet quarterly, to which Mayor Truax advised Council is already the conduit, reporting happenings, etc., as part of its liaison role, noting the last thing that he wants is scheduling more meetings. In addition, Wenzl reported on other matters of interest and upcoming meetings she was planning to attend.

Thompson reported on Forest Grove Senior and Community Center-related activities. In addition, Thompson reported on other matters of interest and upcoming meetings he was planning to attend.

Uhing was absent.

Mayor Truax announced dates of various upcoming activities and meetings as noted in the Council Calendar. Mayor Truax reported on his participation at various Memorial Day ceremonial events. Mayor Truax reported the next Budget Committee is scheduled for May 28, 2015, noting he was a little concerned with the last Budget Committee meeting held on May 21, 2015. Mayor Truax recognized there are going to be differences and pointed out the importance of playing nice so business can be done. Mayor Truax added that taking students to Washington, DC, as part of the National League of Cities Congressional Conference, and taking persons to Nyuzen, Japan, as part of the Sisters Cities Covenant, are part of the Council's Key Goal III (Promote the Interests and Needs of Forest Grove in Local, State and National Affairs). In addition, Mayor Truax reported on other various local, regional, Metro, and Washington County meetings he attended and community-related events and upcoming meetings he was planning to attend.

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11. ADJOURNMENT:

Mayor Truax adjourned the regular meeting at 8:30 p.m.

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder