

January-10

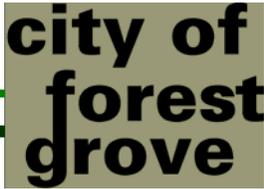
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 HOLIDAY CITY OFFICES CLOSED	2
3	4 Planning Comm 7pm	5 Fire Bd 7pm	6	7 EDC Noon B&C Recognition Reception Comm Aud - 5:30 PM	8 JWC Noon	9
10	11 CITY COUNCIL 5:50 PM - WORK SESS (B&C) 6:00 PM - WORK SESS (Water SDCs) 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM	12 CCI 4:30pm Library 6:30pm	13	14 PAC 5pm	15	16
17	18 HOLIDAY CITY OFFICES CLOSED	19 Senior Ctr Bd 11:30am Planning Comm 7pm	20 P&R 7am CFC 5:15pm BUDGET COMMITTEE MTG 7:00 PM - COMM AUD	21 Fernhill Wetlands 6pm	22	23
24	25 CITY COUNCIL 6:00 PM - WORK SESS (CEP) 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM	26 HLB 7pm	27 PSAC 7:30am	28	29	30 Annual Town Mtg 8:30 AM
31						

February-10

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 Planning Comm 7pm	2 Fire Bd 7pm	3 BUDGET COMMITTEE MTG 7:00 PM - COMM AUD	4 EDC Noon	5	6
7	8 CITY COUNCIL 6:00 PM - WORK SESS (TSP Update) 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM	9 CCI 4:30pm Library 6:30pm	10	11 PAC 5pm	12	13 COUNCIL GOAL SETTING RETREAT 9am - McMenamins
14	15 Planning Comm 7pm	16 Senior Ctr Bd 11:30am	17	18 Fernhill Wetlands 6pm	19	20
21	22 CITY COUNCIL 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM	23 HLB 7pm	24 PSAC 7:30am	25	26	27
28						

March-10

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1 CEP Applications Available Planning Comm 7pm	2 CC JOINT WORK SESSION with FG Rural Fire Board 7:00 pm - Fire Hall	3	4 EDC Noon	5	6
7	8 CITY COUNCIL 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM	9 CCI 4:30pm Library 6:30pm	10	11 PAC 5pm	12	13
14 Daylight Savings	15 Planning Comm 7pm	16 Senior Ctr Bd 11:30am	17 P&R 7am CFC 5:15pm	18 Fernhill Wetlands 6pm	19	20
21	22 CITY COUNCIL 7:00 PM - REGULAR MEETING COMMUNITY AUDITORIUM	23 HLB 7pm	24	25	26	27
28	29	30	31 CEP Applications Due			



FOREST GROVE CITY COUNCIL

Monday, January 11, 2010

5:50 PM – Work Session (B&C Interview)

Community Auditorium

6:00 PM – Work Session (Water SDC's)

1915 Main Street

7:00 PM – Regular Meeting

Forest Grove, OR 97116

Forest Grove City Council Meetings are broadcast by Tualatin Valley Community Television (TVCTV) Government Access Programming. To obtain the monthly programming schedule, please contact TVCTV at 503.629.8534 or call the City Recorder at 503.992.3235.

Thomas BeLusko, Jr.
Thomas L. Johnston
Victoria J. Lowe

Peter B. Truax, Mayor

Camille Miller
Ronald C. Thompson
Elena Uhing

All meetings of the City Council are open to the public and all persons are permitted to attend any meeting except as otherwise provided by ORS 192. The public may address the Council as follows:

→ **Public Hearings** – Public hearings are held on each matter required by state law or City policy. Anyone wishing to testify should sign in for any Public Hearing prior to the meeting. The presiding officer will review the complete hearing instructions prior to testimony. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Public Hearing testimony is limited to three minutes unless the presiding officer grants an extension. Written or oral testimony is heard prior to any Council action.

→ **Citizen Communications** – Anyone wishing to address the Council on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. When addressing the Council, please use the witness table (center front of the room). Each person should speak clearly into the microphone and must state his or her name and give an address for the record. All testimony is electronically recorded. In the interest of time, Citizen Communications is limited to two minutes unless the presiding officer grants an extension.

The public may not address items on the agenda unless the item is a public hearing. Routinely, members of the public speak during Citizen Communications and Public Hearings. If you have questions about the agenda or have an issue that you would like to address to the Council, please contact the City Recorder at 503-992-3235.

City Council meetings are handicap accessible. Assistive Listening Devices (ALD) or qualified sign language interpreters are available for persons with impaired hearing or speech. For any special accommodations, please contact the City Recorder at 503-992-3235, at least 48 hours prior to the meeting.

AGENDA

Anna Ruggles
City Recorder

5:50

WORK SESSION: BOARD, COMMITTEES, AND COMMISSIONS INTERVIEW

Jeff King
Economic Development
Coordinator
Rob Foster
Public Works Director
Paul Downey
Administrative Services

6:00

WORK SESSION: WATER SYSTEM DEVELOPMENT CHARGE:

The City Council will convene in the Community Auditorium - Conference Room to conduct the above work sessions. The public is invited to attend and observe the work sessions; however, no public comment will be taken. The Council will take no formal action during the work sessions.

7:00

1. REGULAR MEETING: Roll Call and Pledge of Allegiance

1. A. APPOINTMENT OF COUNCIL PRESIDENT FOR 2010:

2. CITIZEN COMMUNICATIONS: Anyone wishing to speak to Council on an item not on the agenda may be heard at this time. *Please sign-in before the meeting on the Citizen Communications form posted in the foyer.* In the interest of time, please limit comments to two minutes. Thank you.

3. CONSENT AGENDA: See Page 3 and 4

4. ADDITIONS/DELETIONS:

5. PRESENTATIONS:

Paul Downey
Administrative Services
Director

7:10

5. A.

- *Audit Report Fiscal Year Ending June 30, 2009*

Paul Downey
Administrative Services
Director

7:35

6. RESOLUTION NO. 2010-11 CONSENTING TO THE TRANSFER OF CONTROL OF THE FRANCHISEE AND OF THE CABLE FRANCHISE GRANTED TO VERIZON NORTHWEST, INC., TO FRONTIER COMMUNICATIONS CORPORATION, WITH CONDITIONS

Michael Sykes
City Manager

8:00

7. CITY MANAGER'S REPORT:

8:15

8. COUNCIL COMMUNICATIONS:

8:30

9. ADJOURNMENT

FOREST GROVE CITY COUNCIL AGENDA
JANUARY 11, 2010
PAGE 3

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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 Work Session (B&C Interviews) Meeting Minutes of December 14, 2009.
 - B. Approve City Council Executive Session (Real Property) Meeting Minutes of December 14, 2009
 - C. Approve City Council Regular Meeting Minutes of December 14, 2009.
 - D. Accept Committee for Citizen Involvement Meeting Minutes of October 13, 2009.
 - E. Historic Landmarks Board Meeting Minutes of November 24, 2009.
 - F. Accept Planning Commission Meeting Minutes October 5, October 19, and December 7, 2009.
 - G. Community Development Monthly Building Activity Informational Report for November 2009.
 - H. Accept Resignation on Historic Landmarks Board (Fred Smith, Term Expiring December 31, 2010).
 - I. Accept Resignation on Planning Commission (Ed Nigbor, Term Expiring December 31, 2010).

CONSENT AGENDA (Continued):

- J. RESOLUTION NO. 2010-01 DESIGNATING CITY OF FOREST GROVE CITY COUNCIL MEETINGS FOR YEAR 2010.
- K. RESOLUTION NO. 2010-02 MAKING APPOINTMENTS TO BUDGET COMMITTEE (APPOINT JONATHAN KIPP, TERM EXPIRING DECEMBER 31, 2012, AND REAPPOINT DAVID MAISEL, TERM EXPIRING DECEMBER 31, 2012).
- L. RESOLUTION NO. 2010-03 MAKING APPOINTMENTS TO COMMITTEE FOR CITIZEN INVOLVEMENT (APPOINT KRISTY KOTTKEY, TERM EXPIRING DECEMBER 31, 2013).
- M. RESOLUTION NO. 2010-04 MAKING APPOINTMENTS TO COMMUNITY FORESTRY COMMISSION (REAPPOINT LANCE SCHAMBERGER, TERM EXPIRING DECEMBER 31, 2012).
- N. RESOLUTION NO. 2010-05 MAKING APPOINTMENTS TO ECONOMIC DEVELOPMENT COMMISSION (REAPPOINT RALPH BROWN, FOREST GROVE SCHOOL DISTRICT REPRESENTATIVE; D J SIMCOE, MCMENAMINS GRAND LODGE, LARGE COMMERCIAL REPRESENTATIVE; ALEJANDRO TECUM, ADELANTE MUJERES, HISPANIC COMMUNITY REPRESENTATIVE, TERM EXPIRING DECEMBER 31, 2012).
- O. RESOLUTION NO. 2010-06 MAKING APPOINTMENTS TO HISTORIC LANDMARKS BOARD (APPOINT LARRY WADE, TERM EXPIRING DECEMBER 31, 2010, AND REAPPOINT GEORGE CUSHING AND CLAUDE ROMIG, TERM EXPIRING DECEMBER 31, 2013).
- P. RESOLUTION NO. 2010-07 MAKING APPOINTMENTS TO LIBRARY COMMISSION (REAPPOINT ANITA ELLER; KAREN SHEPARD; AND DAYLA SMOLAND, TERM EXPIRING DECEMBER 31, 2011).
- Q. RESOLUTION NO. 2010-08 MAKING APPOINTMENTS TO PARKS AND RECREATION COMMISSION (REAPPOINT RALPH BROWN, FOREST GROVE SCHOOL BOARD REPRESENTATIVE, TERM EXPIRING DECEMBER 31, 2013).
- R. RESOLUTION NO. 2010-09 MAKING APPOINTMENTS TO PLANNING COMMISSION (REAPPOINT LUANN ARNOTT, CAROLYN HYMES, AND CARL "AL" MILLER, TERM EXPIRING DECEMBER 31, 2013).
- S. RESOLUTION NO. 2010-10 MAKING APPOINTMENTS TO PUBLIC ARTS COMMISSION (REAPPOINT LIAM COOPER, NON-VOTING STUDENT REPRESENTATIVE, TERM EXPIRING DECEMBER 31, 2010; AND REAPPOINT KATHY BROOM, AT-LARGE; DONNA HOUSE, VALLEY ART - ALTERNATE REPRESENTATIVE; AND PAT TRUAX, VALLEY ART - PRIMARY REPRESENTATIVE, TERM EXPIRING DECEMBER 31, 2012).

January 11, 2010

**REPORT ON AMENDING WATER SYSTEM DEVELOPMENT CHARGE
ORDINANCE TO SUPPORT ECONOMIC DEVELOPMENT BY ALLOWING
FOR FINANCING OF CHARGES**

PROJECT TEAM:

Jeffrey King, Economic Development Coordinator
Michael Sykes, City Manager
Paul Downey, Administrative Services Director
Rob Foster, Engineering/Public Works Director

ISSUE STATEMENT:

The current deep recession has resulted in significant job loss and vacant buildings. In this changed economic environment, businesses are scrutinizing all costs closely. Companies are also having difficulty finding financing/credit. For some small and medium sized projects, the cost of SDC's can determine if a project goes forward or not. Forest Grove assesses System Development Charges for Transportation, Water, Sanitary Sewer and Surface Water Management for non-residential projects. To help support business expansion and retention, staff is proposing to allow for water system development charges to be financed over a period of time.

BACKGROUND:

Oregon and the United States are experiencing one of the deepest recessions since the Great Depression. Job loss is severe and vacant industrial and commercial space is growing. Financing is now much harder to secure. One of the challenges is to find new short term tools and incentives to help the economy rebound and to preserve and create jobs, retain businesses and to recruit additional ones to locate in Forest Grove.

With company revenues very tight or declining and financing very difficult to secure, all business costs are being scrutinized. Some projects, but not all have been put on hold. For many smaller or medium sized projects, even the cost of System Development Charges can determine whether a project goes forward or not. For example, the City water SDC, which is the only SDC the City directly controls for non-residential projects, can cost as follows: a 1 ½" water meter SDC is 20,000, 2" nearly \$30,000 and 3" approximately \$64,000.

To help reduce the immediate burden on businesses and encourage expansion projects, staff is proposing to allow for the financing of water SDC's for non-residential projects. This is a change to the current requirement where full payment is required at the time a building permit is requested.

Only the water SDC was considered since it the one SDC the City controls directly. Residential project were also not included since are no speculative homes being constructed in the current environment and homes require only a ¾" water line is needed. For home to be constructed, a homeowner will have construction financing that will wrap all costs in the project. The water SDC alone is small enough that it will not affect whether a house project goes forward or not.

This Water SDC financing program guidelines are proposed as follows:

- The financing term could be up to ten years with payments made each year of the term.
- An interest rate would be charged.
- A lien would be placed on the property or equipment to protect the City's interest.
- Only projects with water meters greater than ¾" would be eligible.
- For non-residential projects only. Industrial and commercially zoned projects.
- Program expires after 2 years. Council could decide to extend depending on economic conditions at time of expiration.
- Applicant needs to provide some type of economic justification e.g. jobs created or retained, growth in property taxes, greater productivity, etc.

This project would not affect the Engineering/Public Works budget. Water SDC revenues from non-residential projects are generally not built into the budget.

STAFF RECOMMENDATION:

Staff recommends that the Council amend Forest Grove Municipal Code, Chapter 3, Section 3.808, Water System Development Charges "Collection of Charge" to allow for a financing period for water system development charges. Staff also recommends that this amendment sunset two years from passage.

Memorandum

TO: Mayor Peter Truax and City Councilors

FROM: Michael Sykes, City Manager
Anna D. Ruggles, CMC, City Recorder

DATE: January 11, 2010

SUBJECT: City Council President Appointment for 2010

BACKGROUND:

At the November 9, 2009, City Council meeting, the City Council appointed Councilor Thomas Johnston as Council President; however, pursuant to City Charter, Chapter III, Section 9, the City Council at its first meeting of each year must elect a Council President from its membership. The Council President shall preside in the absence of the Mayor and act as Mayor when the Mayor is unable to perform mayoral duties.

RECOMMENDATION:

A motion and vote is needed to reappoint or appoint a new Council President.



**FOREST GROVE CITY COUNCIL WORK SESSION
(BOARDS, COMMITTEES, AND COMMISSIONS INTERVIEWS)
DECEMBER 14, 2009 – 6:00 P.M.
COMMUNITY AUDITORIUM – CONFERENCE ROOM
PAGE 1**

Minutes are unofficial until approved by Council.

1. ROLL CALL:

Mayor Peter Truax called the Work Session to order at 6:05 p.m. **ROLL CALL:**
COUNCIL PRESENT: Thomas BeLusko, Jr., Thomas Johnston, Victoria Lowe, Camille Miller, Ronald Thompson, and Mayor Peter Truax. **COUNCIL ABSENT:** Councilor Elena Uhing, excused. **STAFF PRESENT:** Michael Sykes, City Manager, and Anna Ruggles, City Recorder.

2. WORK SESSION: BOARDS, COMMITTEES, AND COMMISSIONS INTERVIEWS

Council interviewed the following applicant for the following position:

- **Jonathan Kipp** **Budget Committee, term expiring
December 31, 2012**

Kipp also applied for the Economic Development Commission (EDC); however, EDC has no vacancies.

Kottkey was unable to make her interview; however, Council made recommendation to appoint Kottkey as follows:

- **Kristy Kottkey** **Committee for Citizen Involvement, term
expiring December 31, 2013**

Kottkey also applied for the Library Commission.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued pertaining to the above appointments. After Council deliberation, Council collectively made recommendation to appoint the applicants as highlighted above (in bold). Resolutions making formal appointments will be considered at the regular Council meeting of January 11, 2010.

Reappointments and Representative Appointments:

The following applicants were seeking reappointment and were not interviewed. After deliberation, Council made recommendation to make the following reappointments:

Budget Committee:

- **David Maisel, term expiring December 31, 2012**

**FOREST GROVE CITY COUNCIL WORK SESSION
(BOARDS, COMMITTEES, AND COMMISSIONS INTERVIEWS)
DECEMBER 14, 2009 – 6:00 P.M.
COMMUNITY AUDITORIUM – CONFERENCE ROOM
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Community Forestry Commission:

- Lance Schamberger, term expiring December 31, 2012

Economic Development Commission:

- D. J. Simcoe, representing McMenamins, term expiring December 31, 2012
- Alejandro Tecum, representing Adelante Mujeres, term expiring December 31, 2012
- Ralph Brown, representing Forest Grove School District, term expiring December 31, 2012

Historic Landmarks Board:

- George Cushing, term expiring December 31, 2013
- Claude Romig, term expiring December 31, 2013

Library Commission:

- Anita Eller, term expiring December 31, 2011
- Dayla Smoland, term expiring December 31, 2011

Parks and Recreation Commission:

- Ralph Brown, representing Forest Grove School District, term expiring December 31, 2013

Planning Commission:

- Luann Arnott, term expiring December 31, 2013
- Carolyn Hymes, term expiring December 31, 2013
- Carl (Al) Miller, term expiring December 31, 2013

Public Arts Commission:

- Kathy Broom, At-Large, term expiring December 31, 2012
- Kathleen Leatham, representing Senior Community, term expiring December 31, 2012
- Pat Truax, representing Valley Art, primary, term expiring December 31, 2012
- Donna House, representing Valley Art, alternate, term expiring December, 31, 2012
- Liam Cooper, non-voting student advisor, term expiring December 31, 2010

Council Discussion:

**FOREST GROVE CITY COUNCIL WORK SESSION
(BOARDS, COMMITTEES, AND COMMISSIONS INTERVIEWS)
DECEMBER 14, 2009 – 6:00 P.M.
COMMUNITY AUDITORIUM – CONFERENCE ROOM
PAGE 3**

Mayor Truax opened the floor and roundtable discussion ensued pertaining to the above reappointments. After Council deliberation, Council collectively made recommendation to reappoint the applicants as highlighted above (in bold). Resolutions making formal appointments will be considered at the regular Council meeting of January 11, 2010.

Council took no formal action nor made any formal decisions during the work session.

3. ADJOURNMENT

Mayor Truax adjourned the work session at 6:32 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder

3B

**FOREST GROVE CITY COUNCIL EXECUTIVE SESSION
ORS 192.660(2)(E) REAL PROPERTY
DECEMBER 14, 2009 – 6:30 P.M.
COMMUNITY AUDITORIUM – CONFERENCE ROOM
PAGE 1**

Minutes are unofficial until approved by Council.

1. ROLL CALL:

Mayor Peter Truax called the Executive Session to order at 6:39 p.m. **ROLL CALL: COUNCIL PRESENT:** Thomas BeLusko, Jr., Thomas Johnston, Victoria Lowe, Camille Miller, Ronald Thompson, and Mayor Peter Truax. **COUNCIL ABSENT:** Councilor Elena Uhing, excused. **STAFF PRESENT:** Michael Sykes, City Manager; Paul Elsner, City Attorney; Paul Downey, Administrative Services Director; and Anna Ruggles, City Recorder

2. EXECUTIVE SESSION:

The City Council met in Executive Session in accordance with:

ORS 192.660(2)(e) to deliberate with persons designated by the governing body to negotiate in real property transactions.

3. ADJOURNMENT

Mayor Truax adjourned the Executive Session at 7:04 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder



**FOREST GROVE CITY COUNCIL REGULAR MEETING
DECEMBER 14, 2009 – 7:00 P.M.
COMMUNITY AUDITORIUM
PAGE 1**

Minutes are unofficial until approved by Council.

1. ROLL CALL:

Mayor Peter Truax called the regular City Council meeting to order at 7:12 p.m. and led the Pledge of Allegiance. **ROLL CALL: COUNCIL PRESENT:** Thomas BeLusko, Jr., Thomas Johnston, Victoria Lowe, Camille Miller, Ronald Thompson, and Mayor Peter Truax. **COUNCIL ABSENT:** Councilor Elena Uhing, excused. **STAFF PRESENT:** Michael Sykes, City Manager; Paul Downey, Administrative Services Director; Tom Gamble, Parks and Recreation Director; Jon Holan, Community Development Director; Janet Lonneker, Light and Power Director; Kerry Aleshire, Police Chief; Rob Foster, Public Works Director (present in the audience); and Anna Ruggles, City Recorder.

1. A. POLICE DEPARTMENT - SPECIAL RECOGNITIONS:

Chief Aleshire read the oaths of promotion to Mike Herb who was promoted to Police Sergeant and Matthew Smith who was promoted to Detective. In addition, Aleshire introduced Amy Erickson who was recently hired as a Police Records Specialist.

2. CITIZEN COMMUNICATIONS: None.

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 Joint Work Session (City of Cornelius and Forest Grove School District Board of Directors) Meeting Minutes of November 17, 2009.
- B. Approve City Council Work Session (2009 Timber Harvest Update) Meeting Minutes of November 23, 2009.
- C. Approve City Council Regular Meeting Minutes of November 23, 2009.
- D. Accept Community Forestry Commission Meeting Minutes of June 17, 2009.

**FOREST GROVE CITY COUNCIL REGULAR MEETING
DECEMBER 14, 2009 – 7:00 P.M.
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- E. Accept Historic Landmarks Meeting Minutes of October 27, 2009.
- F. Accept Public Safety Advisory Commission Meeting Minutes of October 28, 2009.
- G. Endorse Temporary Liquor License Application (Limited-On Premises Sales) for St. Anthony's Catholic Church, 1660 Elm Street (Applicant: Alex Doyle).

MOTION: Councilor Johnston moved, seconded by Councilor Lowe, to approve the Consent Agenda as presented. **ABSENT:** Councilor Uhing.
MOTION CARRIED 6-0 by voice vote.

4. ADDITIONS/DELETIONS:

Sykes added to the Council Meeting Agenda an Executive Session, which was held earlier at 6:30 p.m., in accordance with ORS 192.660(2)(e) to deliberate with persons designated by the governing body to negotiate real property transactions.

5. PRESENTATIONS:

5. A. Urban and Rural Reserves Update

Holan reported the purpose of the above-noted presentation was to provide an update on the regional Urban and Rural Reserves efforts. Holan referenced a map titled "Bragdon/Hosticka Map", pointing out the proposed urban reserves for the David Hill area west of Forest Grove.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued as Council reviewed the map and the proposed areas for Forest Grove, Cornelius, and Hillsboro. In conclusion, Holan reported a series of public hearings will be held in January on the proposed Urban and Rural Reserves Plan and intergovernmental agreements will be drafted between the cities and Metro.

6. PUBLIC HEARING AND RESOLUTION NO. 2009-71 ADOPTING NEW LIGHT AND POWER DEPARTMENT ELECTRIC RATES AND REPEALING RESOLUTION NO. 2007-65

Staff Report:

**FOREST GROVE CITY COUNCIL REGULAR MEETING
DECEMBER 14, 2009 – 7:00 P.M.
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PAGE 3**

Lonneker and Downey presented the above-proposed resolution requesting to increase Light and Power electric rates by five percent (5%) for all customer classes, effective January 1, 2010, noting the Bonneville Power Administration (BPA) increased its wholesale rate by seven percent (7%), effective October 1, 2009. Lonneker reported the City's proposed electric rate increase would help offset current operating expenses; however, the City would be absorbing some of the BPA rate increase through reserves. Lonneker noted the proposed electric rate increase would represent an additional \$3.30 per month for an average residential bill. In addition, Lonneker pointed out an amendment to Schedule 6, noting the Energy Charge should be set at \$5.46. In conclusion, Lonneker presented a chart outlining the regional utility rates, noting the City would remain among one of the lowest 50 percent in the region.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2009-71.

Sykes read Resolution No. 2009-71 by title.

MOTION: Councilor Johnston moved, seconded by Councilor Miller, to approve Resolution No. 2009-71 Adopting New Light and Power Department Electric Rates, Effective January 1, 2010, as amended, and Repealing Resolution No. 2007-65.

Public Hearing Opened:
Mayor Truax opened the Public Hearing.

Proponents:
No one wished to testify and no written comments were received.

Opponents:
No one wished to testify and no written comments were received.

Others:
No one wished to testify and no written comments were received.

Public Hearing Closed:
Mayor Truax closed the Public Hearing.

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Council Discussion:

Mayor Truax and Councilmembers echoed staff's comments, noting the City's proposed electric rate increase was not for the purpose of generating revenue but was necessary to help offset some of BPA's rate increase.

In response to Johnston's concern pertaining to interval meter reading, Lonneker explained the fees are only assessed when a meter is read due to occupancy changes or new accounts are established. In response to Johnston's inquiry pertaining to the City's energy assistance program, Lonneker advised that funds are still available, noting the City increased the program's budget for Fiscal Year 2009-10.

In response to Lowe's inquiry pertaining to green power service, Lonneker explained that customers who voluntarily sign up for the program are billed at \$4.00 per 200KWh unit.

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

**ROLL CALL VOTE: AYES: Councilors BeLusko, Jr., Johnston, Lowe, Miller, Thompson, and Mayor Truax. NOES: None. ABSENT: Councilor Uhing.
MOTION CARRIED 6-0.**

7. APPROVE B STREET TRAIL PLANS AND SPECIFICATIONS

Gamble presented the Plans and Specifications for the B Street Trail Project for Council approval, noting the project will cost approximately \$617,000 and will be funded by various funding sources. Gamble outlined the trail design, noting the design includes viewing/rest areas, bridge features, trailhead features, picnic areas, and parking stalls. In conclusion, Gamble commended the Parks and Recreation Commission and Trails Advisory Committee for assisting in the development of the trail system, noting construction is planned to begin as soon as possible with most work near Gales Creek to be completed in the spring of 2010.

Council Discussion:

In response to Johnston's concern pertaining to budgetary impacts, Gamble

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confirmed that no general funds would be allocated for the project.

In response to Thompson's inquiry pertaining to the Trail Master Plan, Gamble indicated there is approximately 12 miles of trail connecting the "Emerald Necklace" around the community.

Miller commended Gamble, Parks and Recreation Commission, and Trail Advisory Committee for successfully obtaining interagency agreements and grant funding for the project.

Hearing no further discussion from the Council, Mayor Truax asked for a motion and voice vote to approve the B Street Trail Plans and Specifications as presented.

MOTION: Councilor Miller moved, seconded by Councilor Lowe, to approve the B Street Trail Plans and Specifications as presented. **ABSENT:** Councilor Uhing. **MOTION CARRIED 6-0 by voice vote.**

8. CITY MANAGER'S REPORT:

Sykes reported on upcoming events as noted in the Council calendar and reported on other various upcoming local meetings and events. Sykes distributed various handouts pertaining to the City's winter road operations; theft of utility payments; results of the SWOT analysis from the joint session with the City of Cornelius and Forest Grove School District; and a memorandum regarding the title transfer of Scoggins Dam. In addition, Sykes asked for Council feedback on whether staff should proceed with implementing a public rights-of-way (ROW) permit or if the permit should be incorporated into the business license application. BeLusko voiced support of incorporating the ROW permit as part of the business license application, noting the Code was not intended for revenue purposes. In addition, BeLusko stressed the importance of following through with code enforcement after the educational period ends. Johnston voiced support of incorporating the ROW permit as part of the business license application, noting the importance of requiring the applicant to identify the location and seek approval before placing item(s) in the ROW. Thompson voiced support of incorporating the ROW permit into the business license application, noting the importance of protecting the public's rights. In addition, Sykes reported on various ongoing projects and other City-related

**FOREST GROVE CITY COUNCIL REGULAR MEETING
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matters.

9. COUNCIL COMMUNICATIONS:

BeLusko reported on the Parks and Recreation Commission and Public Arts Commission meetings. In addition, BeLusko reported he attended the League of Oregon Cities Ethics Training, noting he found the training to be very beneficial.

Johnston had nothing to report.

Lowe reported she was recently appointed to serve on the League of Oregon Cities Water and Wastewater Committee. In addition, Lowe reported the Fernhill Wetlands Council is seeking citizen/public participation.

Miller reported the Committee for Citizen Involvement is gearing up for the Annual Town Meeting, which will be held on Saturday, January 30, 2010.

Thompson reported the Forest Grove Senior and Community Center is seeking volunteers for its emergency food distribution, noting background checks are now required.

Mayor Truax reported on various local, regional, Metro, and Washington County meetings he attended and reported on various upcoming meetings and events he was planning to attend. In addition, Truax reported a Council Retreat has been tentatively scheduled for Saturday, February 13, 2010. In conclusion, Mayor Truax publicly recognized former Mayor Richard Kidd who was present in the audience.

10. ADJOURNMENT:

Mayor Truax adjourned the meeting at 8:50 p.m.

Respectfully submitted,

Anna D. Ruggles, CMC, City Recorder



CITY OF FOREST GROVE
COMMITTEE FOR CITIZEN INVOLVEMENT
COMMUNITY AUDITORIUM CONFERENCE ROOM, 1915 MAIN STREET
WEDNESDAY, OCTOBER 13, 2009 - 4:30 P.M.

Counselor Camille Miller

Dennis Stoddard (Chair)
Mo Nkiwane
Josiah Bartlett
Jennifer Davis

Michael Perrault
Deborah Delfs
Deborah Greenfield
Sebastian Bannister-Lawler

All public meetings are open to the public and all persons are permitted to attend any meetings except as otherwise provided by ORS 192:

→ Citizen Communications – Anyone wishing to speak on an issue not on the agenda should sign in for Citizen Communications prior to the meeting. The presiding officer will call the individual or group by the name given on the sign in form. Each person must state his or her name and give an address for the record.

All public meetings are handicap accessible. Assistive Listening Devices (ALD) or qualified sign language interpreters are available for persons with impaired hearing or speech. For any special accommodations, please contact the City Recorder, at (503) 992-3235, at least 48 hours prior to the meeting.

Attendees:

Members: Dennis Stoddard, Mo Nkiwane, Josiah Bartlett, Michael Perrault, Deborah Greenfield, Sebastian Bannister-Lawler, Jennifer Davis
Absent: Deborah Delfs
City Staff: Jon Holan, Community Development Director
City Council: Camille Miller (absent)

Call To Order: The meeting was called to order at 4:35 p.m.

Minutes of Last Meeting: Mr. Perrault made a motion to approve the minutes from the August 11, 2009, meeting. Josiah Bartlett seconded. Motion passed.

Communication Inbox: None.

Business:

Mr. Holan asked a question about electronic communication with the citizenry. Mr. Perrault stated that Bev Maughn (City Website Administrator) and Gretchen Roberts (Integrated Systems) did not encourage the pursuit of electronic communication with the public. Mr. Perrault and Mr. Bartlett expressed a desire to stay involved in the electronic communication process. Mr. Bannister-Lawler volunteered to assist.

Mr. Stoddard showed the group a proposal regarding improving communication with the citizenry submitted in April/May. Jon was to discuss the proposal with the City Manager.

Regarding the upcoming Annual Town Meeting, Mr. Stoddard stated that the group needed to decide on the date, topic and communication plan for the Annual Town Meeting. Ms. Greenfield inquired about flyers and inserts and about using the NewsTimes for advertising the ATM. Flyers could be made available at the library and/or Safeway. Flyers could also be made available at the Hillsboro hospital. CCI agreed to set a goal of 125 citizens to attend the ATM.

Mayor Kidd recommended advertising for the ATM at senior centers and in the Chamber of Commerce Friday News Flash. The advertisement could be a teaser indicating that the ATM is coming. The mayor reminded the group that the ATM is not limited to only one meeting per year, but at least one per year. Mayor Kidd explained that this was his last visit to CCI, because he is stepping down from the office of mayor.

The group decided it would be good to meet with Mayor Pete Truax to ask him what he wants out of the ATM. Mr. Perrault recommended an alternate CCI meeting to set the topic and agenda. Mr. Bartlett and Mr. Bannister-Lawler suggested it would be best to meet before the end of October, so CCI can approve the topic and agenda at the November meeting. Mr. Bannister-Lawler suggested the topic, "How can we sustain this community, and how can I contribute?" Mr. Bartlett recommended that CCI poll different constituencies as to what they think needs to be addressed. The date for the CCI work session will be determined by Ms. Nkiwane. The group was encouraged to come to the work session with suggested topics under sustainability.

Mr. Perrault updated CCI on the last Farmer's Market.

Ms. Greenfield made a motion to adjourn. The motion was seconded by Debbie. The meeting was adjourned.

Next Meeting: The next regular meeting will be held on November 10, 2009

Adjourn: The meeting was adjourned at 5:38 p.m.

Respectfully Submitted
Marcia Phillips
City of Forest Grove Permit Coordinator

Members Present: Kevin Kamberg, Neil Poulsen, Claude Romig, Fred Smith
Member Excused: Holly Tsur
Members Absent: George Cushing, Margie Waltz-Actor
Staff Present: James Reitz
Council Liaison: Elena Uhing

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APPROVED

1. **Call to Order:** Poulsen called the meeting to order at 7:02 p.m. **The October 27, 2009 meeting minutes were approved as submitted.**

2. **Citizen Communication:** None.

3. **Action Items/Discussion:**

(a) **Walker's/Naylor's Update Project:** Kim Fitzgerald distributed a revised map of the proposed district boundaries. The proposed district would be several blocks smaller than originally conceived, based on the guidance of State Historian Ian Johnson who toured the area before last month's meeting. She noted that the current proposal dropped the blocks along "D" Street, an area along Main Street on the northeast side, and a couple of smaller areas along the south boundary. Still to be resolved are the blocks on the south side of Pacific Avenue; the buildings there have relatively high integrity but may not contribute to the Walker's/Naylor's "story". She noted that the percentage of contributing resources increased from about 52% to about 64% with the boundary adjustment, a very good percentage.

She has completed about half of the additional intensive level surveys and requested the Board's help to finish the research. Romig will work on 2336 Gales Way; Tsur was volunteered to work on 2307 and 2311 Gales Way. She outlined how the research needs to be done, that it could be done both on-line and at the Forest Grove library, and requested that it be completed by the end of January.

(b) **Painter's Woods Brochure:** Discussion of this item was postponed to the February 2010 meeting.

(c) **Fall (November) Newsletter:** Potential topics were discussed.

(d) **Renovation Grant Disbursement Policies:** Discussion of this item was postponed to the January 2010 meeting.

(e) **Board and Commission Reception:** Poulsen has been progressing with the presentation. He proposed to do a run-through at the December meeting.

4. **Old Business/New Business:**

- **Council Liaison Update:** Uhing described the new sign code and public way use permit ordinances just adopted by the Council, and noted that the CCI had presented the HLB's response to the Council. She also reminded the Board of the upcoming annual town meeting in January, and shared that the Mayor had re-appointed her as Council liaison to the HLB.
- **A. T. Smith House:** No report as Waltz-Actor was absent.
- **Staff Update:** Reitz stated that the terms of Cushing and Romig were expiring at the end of the year. Romig said he would apply for re-appointment.
- **December 15 Meeting Agenda:** An update on the Walker's/Naylor's nomination, and the board and commission reception presentation.

5. **Adjournment:** The November 24, 2009 meeting adjourned at 7:48 p.m.

These minutes respectfully submitted by James Reitz, Senior Planner

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1. **CALL TO ORDER:**

Chairman Beck called the meeting to order at 7:05 p.m.

Planning Commission Present: Tom Beck, Carolyn Hymes, Ed Nigbor, Al Miller, Lisa Nakajima, Luann Arnott.

Absent: Charles Kingston.

Staff Present: Jon Holan, Community Development Director; Marcia Phillips, Assistant Recorder.

2. **PUBLIC MEETING:**

2.1 **PUBLIC COMMENT PERIOD FOR NON-AGENDA ITEMS:** None.

2.2 **PUBLIC HEARING:**

COMMISSION DISCUSSION:

2.3 **ACTION ITEMS:**

A. **Planned Residential Development Number PRD-06-04, Gales Creek Terrace:** Gales Creek Terrace LLC, applicant, is requesting an additional one-year time extension due to the down turn in the housing market in association with the approved planned residential development. The subject site is a 19.55-acre parcel located south of 19th Avenue west of “D” Street.

Chairman Beck called for the staff report.

Mr. Holan stated that staff has been working with the applicant to move the project forward, so it is appropriate to grant a time extension.

Chairman Beck explained that the request for a time extension falls within the Planning Commission’s policy. The applicant was in the audience, but had no comment.

Commissioner Miller made a motion to approve the request for a one year time extension for PRD-06-04, Gales Creek Terrace. Commissioner Nakajima seconded. Motion passed 6-0.

2.4 **WORK SESSION ITEMS:**

A. **Work Session on Metro Chief Operating Officer’s recommendation on performance measures, urban growth report, regional transportation plan, aspirations and investments, and urban and rural reserves.**

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Chairman Beck opened the work session, and asked Mr. Holan to begin the presentation.

Mr. Holan: To begin with, I want to mention 37 acres between Elm Street and Taylor Way adjacent to the industrial area. This is a portion of the Hayworth Farm, and is part of the proposed reserves. Staff just wants the Commission to be aware of this property, so comments can be made. There is no zoning designation when looking at reserves. That comes later. Mr. Hayworth is proposing high end residential. A concept plan would be prepared, if the city is in favor of this area as an urban reserve. The property owner may propose to put it into residential, but staff would not be favorable to that. It makes more sense to extend the industrial area.

Chairman Beck: It makes sense to have some property available when industrial wants to come in. Metro's Chief Operating Officer is arguing that in the next 50 years, Forest Grove does not need to expand its boundary. Does the Commission have any objection to allowing the 37 acres to come inside the Urban Grown Boundary?

Commissioner Miller: With no zoning designation, I have no problem with that.

Mr. Holan: Just to let you know, the owner's representative has been involved with this process.

Commissioner Hymes: The owner can continue to raise crops. We are not limiting that.

Mr. Holan: Staff is asking the Planning Commission for input on the Metro Chief Operating Officer's recommendation. Metro is asking for input by October 15, 2009, which is the date of their initial meeting.

Reserves is not just a Metro decision, the state is also involved. If you have urban reserves you must also have rural reserves. An intergovernmental agreement has been reached between Metro and the three counties involved, but each county can do an IGA with Metro separate from the other counties. Staff has been asked by Washington County what is our bottom line. This is being asked of each city.

There is a lot of interest from Metro to determine the UGB through the IGA, rather than the old way. Part of our task is to decide if Metro's Chief Operating Officer's recommendation is acceptable, or should we look at other areas. Tonight is not a joint work session, so we cannot get the City Council's response until after their meeting on October 12, 2009.

(7:40 p.m.)

Chairman Beck: If Metro and Washington County cannot come to an agreement, we go back to the old laws where new property is determined by type of soil.

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Commissioner Miller: So it is total county agreement or back to the old rules?

Mr. Holan: Correct.

Chairman Beck: Mr. Holan goes to a meeting on Wednesday with our recommendation. Hopefully Metro will wait to hear the City Council's response.

Mr. Holan: Wednesday is a preliminary meeting. The actual discussion will begin in November.

Chairman Beck: I have very definite ideas, so I want to be quiet and let all of the Commissioners respond. Keep in mind that the Commission is making a recommendation to the City Council.

(7:45 p.m.)

Mr. Holan: Metro Chief Operating Officer's recommendation is twofold. The recommendation did not identify an eastern boundary. It is generally accepted by many as Highway 47. The rest of the area would be put into rural reserves.

Generally speaking, there is enough acreage to meet industrial needs in the next twenty-five years, but there is a lack in size of industrial land. Beyond twenty years is when it is anticipated there will be a greater need for industrial land. As the Hillsboro cluster expands, developers will look elsewhere for land. Even when you take out what we can currently meet, there is a deficiency. My concern is long term. By putting these areas into rural reserves, if there is a need to expand in the future, it could not happen. We would have to use all of the urban reserves before using rural reserves. It could only happen if the entire reserves was revisited. In my opinion, the Metro Chief Operating Officer's recommendation is extremely small and conservative for reserves. There very well may come a time in the next twenty years when this would have to be revisited in this region.

Commissioner Miller: What about buffer areas?

Mr. Holan: Vegetative corridors are intended as buffers subject to vegetative corridor requirements. So instead of using a road as a buffer, there would be a 300-foot wide strip of land as a buffer.

Chairman Beck: I would like to see us recommend using the outer edge of the riparian areas as buffers. This would enhance urban areas as well as farm areas. The only problem is that these areas are now farmed.

Mr. Holan: It is good to include these potential riparian areas to preserve them, so they could be re-vegetated in the future.

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Chairman Beck: One thing that strikes me is “one size fits all” mentality. A lot of people live in Portland, because they like the urban life. People who live in Forest Grove are not like that. No city can survive as a residential city. The city must have industry. It is the bigger companies that will make us wealthy.

Commissioner Nakajima: We are dealing with a down economy. In ten years that can change. Forest Grove needs large reserves.

Commissioner Miller: It sounds like the Commissioners are saying we do not care for the Metro CCO’s recommendation.

Commissioner Hymes: As a city we must be able to survive. Metro needs to recognize that and put it in the recommendation.

Chairman Beck: Forest Grove is totally disengaged, with perhaps Cornelius as a partner. We are too small for what Metro wants to do. Where are we going to put our commercial center? Forest Grove has one grocery store, with two others potentially right next door. There is talk about extending Evergreen Parkway toward Forest Grove, in which case, the road would go right through farmers’ homes. I say go from Martin Road to David Hill Road, and put the commercial center down low. It is either that or tear down the City of Verboort.

Commissioner Miller: This area serves more than just the city of Forest Grove. We serve a large area.

Chairman Beck: A large area that is scarcely populated.

(8:10 p.m.)

Mr. Holan: I can show you what staff has as an alternative recommendation, and staff wants a sense of what response the Planning Commission wants to make. (Staff and Commission gathered around a map of the area.) Property should develop on both sides of Purdin Road, so if there is a need for road improvements, it can be done. There would be a traffic signal at Sunset Drive and Beal Road. Beal Road would be a boundary that continues over to Martin Road. This includes a lot of small properties. Should the extension be Beal Road or David Hill Road? David Hill Road would benefit people on the west side, if David Hill Road could be extended to Martin Road. The traffic signal may have to be moved to David Hill Road for ODOT to buy it.

Chairman Beck: The thing that makes no sense is we are talking about a forty year time period. ODOT is saying they will adhere to the same rules then as now. This is not realistic.

Mr. Holan: West of Highway 47 the riparian areas go east and west, so there is an opportunity to use them as boundaries.

(8:20 p.m.)

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Chairman Beck: There is a conflict between town and farm. We have come up with a solution by using riparian areas as boundaries.

Mr. Holan: True to the west, but not east of Highway 47.

Commissioner Nakajima: They put in Evergreen Parkway, which gave multiple east/west access. It dispersed traffic. We need the same thing. Metro may say we have the 37 acres south of town, but as a town, we prefer to have the reserves to the north.

(8:20 p.m.)

Chairman Beck: The 37 acres is a decent piece of industrial property.

Mr. Holan: I do not think it will come down to 37 acres one way or the other. (Holan requested that the Commissioners draw lines on the map to indicate their recommendation.) Staff feels the need to expand the industrial area around 24th Avenue.

Chairman Beck: Cornelius is going to request the area north of them to be industrial, so it would be a continuation of Forest Grove's industrial area.

Commissioner Miller: It appears that we need to set our sites a little higher than Metro's recommendation.

Mr. Holan: The problem with extending reserves to the north is that larger agricultural parcels are involved, and we would come up against preservation of agricultural land. Thousand Friends say no reserves north of Council Creek.

Commissioner Nakajima: I think a larger reserves area is better.

(8:40 p.m.)

(Holan drew a suggested UGB on the map per the Commission's recommendations. The Commissioners agreed their recommended UGB looked better than Metro's recommendation.)

Chairman Beck: I think we should push for what we want, and if Kathryn Harrington does not agree, that is alright.

Mayor Kidd: I strongly recommend that the Commissioners send comments to Metro, because the more recommendations Metro receives the more "weight" they carry.

3.0 BUSINESS MEETING:

3.1 APPROVAL OF MINUTES: None.

3.2 REPORTS FROM COMMISSIONERS/SUBCOMMITTEES: None.

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- 3.3 **DIRECTOR'S REPORT:** Next meeting will be the public hearing on the sign and right-of-way ordinances.

- 3.4 **ANNOUNCEMENT OF NEXT MEETING:** Next meeting will be held on October 19, 2009.

- 3.5 **ADJOURNMENT:** The meeting was adjourned at 8:58 p.m.

Respectfully submitted by:
Marcia Phillips
Assistant Recorder

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1. CALL TO ORDER:

Chairman Beck called the meeting to order at 7:01 p.m.

Planning Commission Present: Tom Beck, Ed Nigbor, Al Miller, Lisa Nakajima, Luann Arnott and Charles Kingston.

Absent: Carolyn Hymes

Staff Present: Jon Holan, Community Development Director; James Reitz, Senior Planner; Marcia Phillips, Assistant Recorder.

2. PUBLIC MEETING:

2.1 PUBLIC COMMENT PERIOD FOR NON-AGENDA ITEMS: None.

2.2 PUBLIC HEARING:

A. Draft Sign Ordinance

B. Draft Right-of-Way Use Permit Ordinance

Chairman Beck opened the public hearing on the sign ordinance, and explained to the audience that they could address both the sign ordinance and the right-of-way ordinance. Beck called for the staff report.

Mr. Holan explained that the right-of-way ordinance is an amendment of the City of Forest Grove Municipal Code, which normally would not come before the Planning Commission, but is being offered because of its link to the sign ordinance.

Mr. Reitz explained that it was thought there would be a third work session on the draft sign ordinance and right-of-way ordinance, but based on the Commission's comments there were not many revisions. It was decided to proceed to public hearing. Reitz stated that the ordinance included in the Commission's packet has been correctly formatted as it would go to the City Council.

Mr. Reitz reviewed the changes that were made to the ordinance.

Commissioner Nakajima stated that McMenemy's has holiday events more than twice a year.

Chairman Beck instructed staff to rewrite the ordinance to say that temporary signs may be up for thirty consecutive days for no more than sixty days per year. The sign must be mounted flush to a permanent structure.

(7:12 pm)

Commissioner Nigbor arrived at 7:13 p.m.

Mr. Reitz pointed out that, as written, community event signs of short duration

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would no longer be permitted. Signs cannot be regulated by content.

Chairman Beck directed staff to leave out “community events”. Banner signs are permitted under certain circumstances.

(7:20 pm)

Mr. Reitz said page 4 of the staff report explains that each business can have one sign. Multi tenant signs not adjacent to businesses are allowed. At Safeway twenty signs would be permitted.

Chairman Beck explained that the purpose of the sign code is to clean up all the portable signs. Shopping centers have some responsibility for making provision for their tenants. Beck requested staff to write into the ordinance some language to allow one sign per property owner rather than per business.

(7:26 pm)

Mr. Holan recommended changing the wording to property instead of property owner.

Commissioner Nakajima said there was a benefit to having portable signs for a new business.

Chairman Beck stated that the property owner could let the new business have the one portable sign that is allowed.

Mr. Reitz asked for clarification on window signage. Should window signage be included as part of the overall signage, and how much of a window can be used for signs?

Chairman Beck explained that interior displays are exempt.

Mr. Reitz asked whether something affixed or adhered to the window would be considered part of the signage.

Chairman Beck said this needs to be made clear, so Page 1, Exempt Signs, Section D, should state that signs intended to be viewed from within are exempt. Delete big window displays. Beck requested staff to write a new Section 8 for windows stating that window signs can be up to 15% of building face.

Commissioner Nakajima asked about goose neck lights.

Mr. Reitz explained that the applicant has the option to go through design review.

Commissioner Nakajima asked whether design review should be cross referenced on Page 5.

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Chairman Beck agreed that would be a good idea. **Beck also instructed staff to leave in and highlight the section affecting the school district.**

(7:41 pm)

Mr. Reitz continued with the staff report, and stated that changeable (manual or electric) signs are not allowed on pole signs. Changeable signs are allowed on monument signs and wall mounted signs. Reitz said that many changeable pole signs exist, would become nonconforming, and would go away with change of use or with a new sign permit.

Chairman Beck said he had no objection to changeable pole signs if they are tastefully done. Beck recalled that the Commission backed off pole signs at the last work session.

Commissioner Miller stated that he did not want to prohibit changeable copy pole signs.

Chairman Beck made the decision to defer this decision until after public testimony had been heard.

PROPONENTS:

Lynn Magner, Miracle Signs, 1934 Elm Street, Forest Grove, OR. Ms.

Magner stated that too many portable signs around town look bad. Lake Oswego has none and people know where businesses are located. Ms Magner agrees with displaying banner signs for community events for up to sixty days. Ms. Magner suggested that the size of the lettering on changeable copy signs could be limited. Most are six inches. Ms. Magner does not find changeable copy signs offensive, but does not like flashing video signs. Ms. Magner questioned why the Commission would allow changeable monument signs, but not changeable pole signs.

(7:54 pm)

Chairman Beck explained that it had to do with clutter. Beck said he liked Ms. Magner's idea of changeable signs versus electronic video signs.

Grace Radacellini, Cottage Connection, 2318 Main Street, Forest Grove, OR 97116. Ms. Radacellini read a statement she had prepared. Ms. Radacellini stated

that her sign is displayed inside her home in the front window, but the sign is not clearly visible to customers. Ms. Radacellini said a sign out by the sidewalk with her business hours clearly stated would prevent people from invading her privacy.

Chairman Beck explained that the proposed sign code would allow a six square foot, non-illuminated, professionally prepared sign in residential areas. Currently signs in residential areas are prohibited.

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OTHER:

(8:06 pm)

Teri Kroener, Executive Director of F.G. Chamber of Commerce, 2417 Pacific Ave., Forest Grove, OR 97116. Ms. Kroener thanked the Commission and stated that the Commission had really listened and been sensitive to business owners. Ms. Kroener said the change of wording to permanently mounted to building or permanent structure would solve the problem in Section F. Ms. Kroener said people are asking what will happen to our street banners, since these banners do not fall under the proposed ordinance but rather under other regulations. Ms. Kroener stated that this information needs to be communicated to the public. Ms. Kroener asked for clarification about temporary signs in Section B2, Page 3. Does the section mean per business or per address? Ms. Kroener said it should be business and not address, and the same in the Right-of-Way ordinance under location permit. Ms. Kroener encouraged the Commission to make the limit 45 consecutive days, and should all be done with a permitting system and a minimum fee. Ms. Kroener stated that this is the best way to control signs.

Chairman Beck said that in his opinion language should be used in all sections to say per property rather than per address or business. The Commissioners were in agreement.

(8:21 pm)

Jeff King, City of F.G. Economic Development Coordinator, PO Box 326, Forest Grove, OR 97116. Mr. King stated that subdivision signs allowed during build-out must come down as soon as the subdivision is completed. **Mr. King explained that all zones allow a six square foot for sale sign during the time of sale, but in commercial/industrial areas that is too small and should be at least 24 square feet in size. King stated that these for sale signs should come down within thirty days after the sale.**

Mr. Holan said he would suggest 32 square feet, which is a sheet of plywood. The Commission was in agreement.

Mr. King said the key to reducing the number of signs in multi-tenant shopping centers is to get directory signs. King said this way several signs can be consolidated.

Chairman Beck asked for a discussion of directory signs.

Commissioner Miller said the signs should be determined by the number of tenants.

Chairman Beck directed staff to add wording to Section D2, Page 5, which allows the Community Development Director, at issuance of building permit, to expand the size of the sign.

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Mr. Reitz explained that in the design guidelines there is a 10% administrative adjustment, and a 20% adjustment with notice sent to adjacent property owners.

Chairman Beck directed staff to craft language to allow for increase of the sign in a multi-tenant shopping center.

(8:34 pm)

Mr. Holan said on a property allowed three monument signs, the signs could be combined so the signs could be up to 120 square feet.

Mr. King stated that 120 square feet of signage for multitenant shopping centers is ridiculous.

Chairman Beck directed staff to add wording to Section D2, which states property with an excess of 3-5 businesses is allowed a pylon sign of 70 square feet predicated by the number of businesses. Beck said there needs to be some kind of a limit. Beck said the Commission can put a number in the proposed code tonight, and let staff devise the language, or it can be differed to the City Council.

Mr. King asked whether the design guidelines allow flexibility in signs.

Mr. Holan stated that the Commission could modify the design guidelines to include signage.

Chairman Beck instructed staff to delete # 6 – overkill.

Mr. King said if the ordinance says per property owner, and the one property owner has two businesses, the businesses would have to fight over who gets to put up the one sign, and upstairs businesses are a whole other issue. Mr. King said his recommendation is one sign per business.

Chairman Beck stated that would open up a Pandora's box with multi-tenant spaces.

Commissioner Arnott stated that the businesses would have to share, and put both businesses on one sign.

Chairman Beck directed staff to devise language stating that three or more tenants can have a pylon sign of up to 70 square feet, and also put a place holder for City Council to review.

(8:47 pm)

Chairman Beck closed the public hearing at 8:47 p.m.

Mr. Holan summarized the changes as agreed upon by the Commission:

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- A new exemption for banner signs spanning the streets. **Chairman Beck directed staff to put in parenthesis (with permits obtained from the appropriate city departments).**
- Section 10.8.820 A2 – Temporary Signs affixed to permanent structures. Apply C2 to commercial/industrial to say 24 square foot sign and residential 6 square foot sign.
- Commercial/industrial 30 days at a time – 60 days per year, per property, per calendar year.
- Page 4 – Portable signs # C change to say each property.
- Community Commercial zone pylon signs – three or more businesses may have up to 70 square feet of signage.
- Town Center zones – signs on the windows or wall 15% of building face. Cross reference Design Guidelines.
- Video and changeable signs – manual changeable copy allowed on any permanent signs
- Page # 6 – strike Section # 6.

Commissioner Nakajima made a motion to recommend approval of proposed sign ordinance ZA-09-01 subject to changes as noted. Commissioner Miller seconded. Motion passed 6-0.

(8.56 pm)

Chairman Beck opened the public hearing on the draft ordinance right-of-way use permit, and called for the staff report.

Mr. Reitz gave an overview of the proposed ordinance. Reitz said the problem is the proliferation of signs, furniture, and newspaper vending machines in the public right-of-way. Reitz stated that this section in the Municipal Code is subjective, but the proposed code would offer definitions and parameters for signs, furniture, etc. in the public right-of-way. Reitz explained that the proposed ordinance would require a location permit for items in the public right-of-way. The Public Works Director has the authority to order an object out of the public right-of-way, and if the owner does not comply the Public Works Director can cause the removal of the item through citations and fines. Reitz stated that since the Public Works Department is in charge of the public right-of-way, that department should also issue the permits. Reitz said there should be communication with the Community Development Department in conjunction with sign permits. The property owner would be liable for injury.

Mr. Holan explained that normally the Planning Commission would not review the municipal code, but due to interrelatedness to the sign code it is appropriate. Holan explained that the proposed code states that signs in the right-of-way must be adjacent to the business. Holan said it had been suggested tonight that temporary permits would be issued per property rather than by address.

Mr. Reitz explained that anything put in the public right-of-way by a government

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agency would be exempt. Garage sale signs are not currently permitted. The code does not deal with garage sale signs specifically.

Mr. Holan explained that as the code is written a person must get a permit from the Public Works Department, and the signs cannot be attached the power poles.

Commissioner Miller asked whether garage sales signs can be ten blocks from the property.

Mr. Holan explained that, as written, the code would allow garage sale signs in front of the property. As defined, a garage sale sign is a temporary sign, and is not covered in the proposed ordinance. Holan said staff can put a recommendation in the staff report and pass it on to the City Council.

Mr. Reitz said other jurisdictions have permitting for garage sale signs, with a deposit which is given back when the signs are removed.

(9:19 pm)

Chairman Beck directed staff to add the recommendation to the staff report with language stating that garage sale and moving sale signs need to be controlled. Enforcement is the issue.

PROPOSERS: None.

OPPOSERS:

Bruce Clark, 2405 Pacific Avenue, Forest Grove, OR 97116. Mr. Clark stated that where portable signs are concerned, the Commission might want to match what is proposed in the right-of-way. Clark emphasized that a property owner must approve before a sign can be put in front of his business.

OTHER:

Jeff King, Economic Development Coordinator. Mr. King made a plea for flexibility. King said he would rather have signs permitted per business rather than per property. King said the current code allows A-frame signs in downtown, but the issue is how to prevent signs all over the place downtown.

Chairman Beck closed the public hearing at 9:24 p.m.

Commissioner Miller made a motion to recommend approval of the draft right-of-way use permit ordinance to City Council. Commissioner Arnott seconded. Motion passed 5-0 with one abstention by Commissioner Nigbor.

2.3 ACTION ITEMS: None.

**PLANNING COMMISSION MEETING MINUTES
FOREST GROVE COMMUNITY AUDITORIUM CONFERENCE ROOM**

October 19, 2009 –7:00 P.M.

PAGE 8 of 8

2.4 WORK SESSION ITEMS: None.

3.0 BUSINESS MEETING:

3.1 APPROVAL OF MINUTES: Commissioner Arnott made a motion to approve the minutes from the September 21, 2009, meeting. Commissioner Nakajima seconded. Motion passed 6-0.

3.2 REPORTS FROM COMMISSIONERS/SUBCOMMITTEES:

The Commissioners welcomed the new member, Commissioner Charles Kingston.

(9:27 pm)

3.3 DIRECTOR'S REPORT: Mr. Holan said staff would like to bring back for discussion the design guidelines, as opposed to regulations. Chairman Beck suggested reviewing the design guidelines at the first meeting in December, and use the second meeting for training. Holan gave a brief report on the status of the Metro CCO's recommendation regarding urban and rural reserves.

3.4 ANNOUNCEMENT OF NEXT MEETING: The next meeting will be held on November 16, 2009.

3.5 ADJOURNMENT: The meeting was adjourned at 9:35 p.m.

Respectfully submitted by:
Marcia Phillips
Assistant Recorder

**PLANNING COMMISSION MEETING MINUTES
FOREST GROVE COMMUNITY AUDITORIUM CONFERENCE ROOM**

December 7, 2009 –7:00 P.M.

PAGE 1 of 5

1. CALL TO ORDER:

Planning Commission Present, Ed Nigbor, Al Miller, Lisa Nakajima, Luann Arnott and Charles Kingston.

Absent: Tom Beck, Carolyn Hymes

Staff Present: Jon Holan, Community Development Director; Marcia Phillips, Assistant Recorder.

2. PUBLIC MEETING:

2.1 PUBLIC COMMENT PERIOD FOR NON-AGENDA ITEMS: None.

2.2 PUBLIC HEARING: None Scheduled.

2.3 ACTION ITEMS: None.

2.4 WORK SESSION ITEMS:

A. Work session on Design Guidelines/Review.

The work session began at 7:10 p.m.

Holan: Since there is not much development going on, it was decided to focus on the Design Guidelines.

Nakajima: The hair salon on 19th Avenue is an example of exactly what we wanted to avoid.

Holan: Staff wants to know the Planning Commission's vision. In the future staff will push for more amenities.

Nakajima: If they would have put up an awning to draw more people down there it would have looked more neighborhood-friendly.

Holan: This project on 19th Avenue was done administratively (per the new development code). It is a good example of what not to do in the future. This project shows how the guidelines were applied, and perhaps how to apply the guidelines in the future. In the guidelines there are two sections that focus on design; both sections have a set of standards. The question is which standards should apply. In some cases there are redundancies – what is the intent?

Nakajima: The code states where two sections conflict, the most restrictive applies. The weakness of the design guidelines is that it does not address the Town Center Support District and the Town Center Transition District. In the commercial section there are no building materials mentioned, and no mention of exterior walls.

**PLANNING COMMISSION MEETING MINUTES
FOREST GROVE COMMUNITY AUDITORIUM CONFERENCE ROOM**

December 7, 2009 –7:00 P.M.

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Holan: The commercial section is intended to be for the Commercial Corridor. Do you get into exterior walls down there? Staff should probably have just applied the Town Center standards.

Nakajima: It sounds like there are some deficiencies in the Town Center plan.

Holan: If the project is not a retail store, no vertical elements are mentioned. Staff waffled between the design guidelines for commercial and Town Center standards. Good design has vertical elements to breakup long walls. There are things that can be done with cinder block. The salon on 19th Avenue was financially constrained. The owner could not meet all of the clear and objective standards. Staff had him apply and his application was reviewed under the design guidelines basic intent. The guidelines allow flexibility. Typically design elements come in at 10-15% of the construction cost. It is more important to apply this to big construction projects rather than small infills, without minimizing the small projects. Regarding the 19th Avenue project, staff tried to add vertical elements between the old and new buildings – the windows add some.

Nakajima: Their application came in under the old design guidelines, but is a good example.

Holan: The question staff is asking the Planning Commission is how we look at interpretation. The awning mentioned tonight is a good example. In the new guidelines approach it is one way and in the new Development Code a different way.

Nigbor: How tough can you get with a business owner?

Holan: Very tough. Most buildings will go to the Planning Commission whether under the Development Code or Design Guidelines for discussion and review. If the business owner cannot meet the development standards, they can choose to do the design guidelines. The business owner has the opportunity to pick and choose (i.e., 80% code – 20% design guidelines). The City of Hillsboro's Planning Commission is very particular with their design guidelines.

Nakajima: I think it is in response to what has been allowed.

Holan: Yes, they want to make sure it never happens again. Does the Planning Commission want to review the guidelines, and how do you want to proceed?

Arnott: I think we should. Staff needs to know what the Commission is thinking.

Holan: We could look at it by topic – streetscapes, pedestrian areas, parking, etc. The question needs to be answered, should the sections be stand alone or should staff pull more than one? In the code, Section 1, Page 9, Retail Storefronts states that storefronts should be open and engaging to the public. What are the Planning Commission recommendations regarding "open and engaging". Does staff look only at the code, or go back to the guidelines?

**PLANNING COMMISSION MEETING MINUTES
FOREST GROVE COMMUNITY AUDITORIUM CONFERENCE ROOM**

December 7, 2009 –7:00 P.M.

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Nakajima: It is about intent. There is a need for flexibility. Being too restrictive gets the project pushed to the City Manager.

Holan: Staff wants what the city wants, which is expressed through the Planning Commission. It is important to know what the Planning Commission and City Council want when meeting with the public.

Nakajima: A visual preference survey could be done, but most people know what they like and don't know how to put it in written form.

Arnott: Awnings make a business look more inviting.

Nakajima: Awnings are a fairly simple way to dress up a façade, and they are not engineered.

Holan: There is not much going on right now, so this is a good time to talk about these details.

Nakajima: Was Town Center vs. Commercial the crux of the problem?

Holan: Actually a code amendment could add that guidelines are very broad based. How specific do we want to get? The Planning Commission field trips were helpful to know what we like and don't like.

Nakajima: It might be good to take another field trip to point out what we like and don't like, and take photos.

Nigbor: Would you meet with the architect?

Holan: Yes, the architect usually initiates this. It is more difficult to deal with a property owner, who is looking at it from a whole different angle. Some business owners along Main Street are very sensitive to historical significance of buildings. Then there is the Times Litho building, which could be a new project coming in. Using the new Development Code how would you handle it?

Nakajima: If we know how it will be used, then we can decide how it should be designed.

Arnott: If a 300-unit apartment is built on the Times Litho site, where are they going to park? There is no provision in the code.

Holan: There are no parking requirements downtown.

Miller: The Times Litho building could be opened up, and cars could be parked in it.

**PLANNING COMMISSION MEETING MINUTES
FOREST GROVE COMMUNITY AUDITORIUM CONFERENCE ROOM**

December 7, 2009 –7:00 P.M.

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Holan: I am hearing that there is interest in reviewing the guidelines. Maybe take an example like the Times Litho building, and take it through the process to discover how it applies.

Kingston: I am very much in favor of doing this. As the newest member of the Commission, it gives me insight into how fellow Commissioners view things.

Holan: We can use Times Litho and imagination to create scenarios of development.

Nakajima: Will staff propose changes to the guidelines?

Holan: No. Let's go through this process first. I see this as a beginning of reading the design guidelines. That is a good way to familiarize all of us with the code – a code audit. Council Meadows is a current situation. The subdivision is vested under the old code, but we could look at it as if it were to come in now. It was approved with 15-foot setbacks in rear yards. There is a storm drain in some lots which rendered setbacks to five feet. It was approved through the Planned Development process, so any setbacks can be approved. Under the current development there are no provisions. Substantial compliance means a carbon copy of approved application. Under the new development code, they would have to go before the Planning Commission. The problem was created through detailed improvements by either the city or ODOT. These things come up as you put in public improvements. This is not an uncommon situation. Another code audit thing would be how should this be dealt with? We could bring back language from the previous code so the Planning Commission can see how it was handled. (Cottage Handout was given to the Commissioners.) The handout shows old style smaller houses circa the 1940s. This is affordable housing – not subsidized. The square footage of the home is limited and the parking is limited to one space. This would be entry level housing or it could be for retired people.

Nakajima: I like it.

Arnott: Beautiful.

Holan: Next time we meet will be after the holidays. We have an appeal that has been filed – much like the Vanderkin appeal that came before the Commission awhile ago.

3.0 BUSINESS MEETING:

- 3.1 APPROVAL OF MINUTES:** Co-chairman Miller opened the business meeting at 8:42 p.m. The only item on the agenda was to approve the minutes of the previous meeting. Commissioner Arnott made a motion to approve the minutes. Commissioner Nakajima seconded. Motion passed 5-0 with a voice vote.

**PLANNING COMMISSION MEETING MINUTES
FOREST GROVE COMMUNITY AUDITORIUM CONFERENCE ROOM**

December 7, 2009 –7:00 P.M.

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3.2 REPORTS FROM COMMISSIONERS/SUBCOMMITTEES:

3.3 DIRECTOR'S REPORT:

Mr. Holan gave a brief update on what is going on in town. Holan stated that staff is slowly working on the periodic review, which involves a newspaper insert to help determine policy and procedure.

3.4 ANNOUNCEMENT OF NEXT MEETING: The next meeting will be held on January 4, 2009.

3.5 ADJOURNMENT: The meeting adjourned at 8:43 p.m.

Respectfully submitted by:
Marcia Phillips
Assistant Recorder

Monthly Building Activity Report

November-09

2009-10

Category	Period: November-08		Period: November-09	
	# of Permits	Value	# of Permits	Value
Man. Home Setup				
Sing-Family New			5	\$897,313
SFR Addition & Alt/Repair			4	\$26,745
Mult. Fam. New/At				
Group Care Facility				
Commercial New				
Commerical Addition				
Commercial Alt/Repair	3	\$4,100	2	\$140,300
Industrial New				
Industrial Addition				
Industrial Alt/Repair				
Gov/Pub/Inst (new/add)			1	\$26,000
Signs	1	\$7,700	1	\$22,500
Grading				
Demolitions			2	
Total	4	\$11,800	15	\$1,112,858

Year-to-Date

2008-09		2009-10	
Permits	Value	Permits	Value
75	\$5,930,747	71	\$9,272,912

Memorandum

TO: Mayor Peter Truax and City Councilors

FROM: Michael Sykes, City Manager
Anna D. Ruggles, CMC, City Recorder

DATE: January 11, 2010

SUBJECT: Accept Resignation on Historic Landmarks Board and
Make Appointment on the Planning Commission

BACKGROUND:

Fred Smith, Historic Landmarks Board, term expiring December 31, 2010, has informed staff of his desire to resign from the Historic Landmarks Board, so that he can seek an appointment on the Planning Commission, as per his attached resignation letter.

The Council interviewed Fred Smith on October 26, 2009, and collectively agreed to tentatively appoint Smith to the Historic Landmarks Board pending a vacancy on the Planning Commission. With the resignation of Ed Nigbor, Planning Commission, term expiring December 31, 2010 (Consent Agenda Item 3.I.), the Planning Commission will have a vacancy. Fred Smith has generously accepted this appointment to the Planning Commission.

STAFF RECOMMENDATION:

Staff recommends the City Council accept the above resignation and deem the seat vacant on the Historic Landmarks Board. Staff is recommending the City Council consider approving at the Council meeting of January 11, 2010, a resolution appointing Fred Smith to the Planning Commission, term expiring December 31, 2010 (Consent Agenda Item 3.R.). If Council desires not to make this appointment, Council may pull this item from the Consent Agenda for separate consideration.

Memorandum

TO: Mayor Peter Truax and City Councilors

FROM: Michael Sykes, City Manager
Anna D. Ruggles, CMC, City Recorder

DATE: January 11, 2010

SUBJECT: Accept Resignation on Planning Commission

BACKGROUND:

Ed Nigbor, Planning Commission, term expiring December 31, 2010, has informed staff of his desire to resign from the Planning Commission, as per his attached resignation letter.

STAFF RECOMMENDATION:

Staff recommends the City Council accept the above resignation and deem the seat vacant.

Memorandum

TO: Mayor Peter Truax and City Councilors

FROM: Michael Sykes, City Manager
Anna D. Ruggles, CMC, City Recorder

DATE: January 11, 2010

SUBJECT: Designating City Council Meetings for 2010

BACKGROUND:

Pursuant to Council Rules, Section III(1), the City Council must adopt a resolution at the first meeting of each year setting its meeting dates for the year. In addition, pursuant to Council Rules, Chapter III(1), the regular City Council meetings are to commence at 7:00 p.m. on the second and fourth Monday of each month, unless the Council designates otherwise. Pursuant to City Charter, Chapter III, Section 11, the City Council must meet at least once a month and other meetings of the Council may be held in accordance with the Council Rules.

RECOMMENDATION:

Staff recommends the City Council adopt the attached resolution designating the City Council Meetings for Year 2010.

RESOLUTION NO. 2010-01

**RESOLUTION DESIGNATING CITY OF FOREST GROVE
CITY COUNCIL MEETINGS FOR YEAR 2010**

WHEREAS, Pursuant to Council Rules, Section III(1), the City Council must adopt a resolution at the first meeting of each year designating its meeting dates for the year.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the Regular Meetings of the City Council of Forest Grove shall be held on the second and fourth Monday of each month during the Year 2010, with the following exceptions: *Meeting dates in **bold** and marked with * may be canceled at the discretion of the Mayor.*

January	11 th and 25 th
February	8 th and 22 nd
March	8 th and 22 nd
April	12 th and 26 th
May	10 th and 24 th
June	14 th and 28 th
July	12 th and 26th*
August	9 th and 23rd*
September	13 th and 27 th
October	11 th and 25 th
November	8 th and 22 nd
December	13 th and 27th*

Section 2. That Work Sessions, Special Meetings, Emergency Meetings, Executive Sessions, and Adjourned Meetings may be scheduled during the Year 2010 at the discretion of the Mayor.

Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor

RESOLUTION NO. 2010-02

**RESOLUTION MAKING APPOINTMENTS
TO THE CITY OF FOREST GROVE
BUDGET COMMITTEE**

WHEREAS, the City of Forest Grove has provided for a City Budget Committee; and

WHEREAS, Resolution Number 2006-10 provides that vacancies on City Advisory Boards, Committees, and Commissions brought about by resignation or removal shall be filled by appointment to fill the term of that seat by the City Council; and

WHEREAS, there currently exist vacancies on the Budget Committee; and

WHEREAS, the City Council has received applications from citizens desiring to serve on the Budget Committee, and subsequently interviewed citizens making application for service on this Committee; and

WHEREAS, the City Council has received application from incumbents who desire to be reappointed to the Budget Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the following person is hereby appointed to the City of Forest Grove Budget Committee for the following term (new appointment noted in **CAPS** and **BOLD** and reappointment noted in **BOLD**):

<u>Last Name</u>	<u>First Name</u>	<u>Term Expires</u>
Bliss	Meredith	December 31, 2011
Haslem	Aaron	December 31, 2010
Hill	Jeffrey	December 31, 2011
KIPP	JONATHAN	DECEMBER 31, 2012
Maisel	David	December 31, 2012
Sandusky	Chere	December 31, 2010
VACANCY		December 31, 2012

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor

RESOLUTION NO. 2010-03

**RESOLUTION MAKING APPOINTMENTS
TO THE CITY OF FOREST GROVE
COMMITTEE FOR CITIZEN INVOLVEMENT**

WHEREAS, the City of Forest Grove has provided for a Committee for Citizen Involvement;
and

WHEREAS, Resolution Number 2006-10 provides that vacancies on City Advisory Boards, Committees, and Commissions brought about by resignation or removal shall be filled by appointment to fill the term of that seat by the City Council; and

WHEREAS, there currently exist vacancies on the Committee for Citizen Involvement; and

WHEREAS, the City Council has received applications from citizens desiring to serve on the Committee for Citizen Involvement, and subsequently interviewed citizens making application for service on this Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the following person is hereby appointed to the City of Forest Grove Committee for Citizen Involvement for the following term (new appointment noted in **CAPS** and **BOLD**):

<u>Last Name</u>	<u>First Name</u>	<u>Term Expires</u>
Bartlett	Josiah	December 31, 2011
Davis	Jennifer	December 31, 2010
Greenfield	Deborah	December 31, 2011
KOTTKEY	KRISTY	DECEMBER 31, 2013
Lawler	Sebastian (Student Advisor)	December 31, 2010
Nkiwane	N. Mo	December 31, 2011
Perrault	Michael	December 31, 2011
Stoddard	Dennis	December 31, 2010

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor



RESOLUTION NO. 2010-04

RESOLUTION MAKING APPOINTMENT
TO THE CITY OF FOREST GROVE
COMMUNITY FORESTRY COMMISSION

WHEREAS, the City of Forest Grove has provided for a Community Forestry Commission; and

WHEREAS, Resolution Number 2006-10 provides that vacancies on City Advisory Boards, Committees and Commissions brought about by resignation or removal shall be filled by appointment to fill the full unexpired term of that seat by the City Council; and

WHEREAS, there currently exist a vacancy on the Community Forestry Commission; and

WHEREAS, the City Council has received an application from a citizen desiring to serve on the Community Forestry Commission, and subsequently interviewed this citizen making application for service on this Commission; and

WHEREAS, the City Council has received application from incumbents who desire to be reappointed to the Community Forestry Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the following person is hereby appointed to the City of Forest Grove Community Forestry Commission for the following term (reappointment noted in **BOLD**):

<u>Last Name</u>	<u>First Name</u>	<u>Term Expires</u>
Beall	Stephanie	December 31, 2010
Hunter	David	December 31, 2011
Nakajima	Mark	December 31, 2010
Schamberger	Lance	December 31, 2012
Wiley	Dale	December 31, 2010
VACANCY		December 31, 2011
VACANCY		December 31, 2012

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor



RESOLUTION NO. 2010-05

RESOLUTION MAKING APPOINTMENT TO
ECONOMIC DEVELOPMENT COMMISSION

WHEREAS, Resolution No. 2007-45 has provided for an Economic Development Commission; and

WHEREAS, Resolution Number 2006-10 provides that vacancies on City Advisory Boards, Committees, and Commissions brought about by resignation or removal shall be filled by appointment to fill the term of that seat by the City Council; and

WHEREAS, the City Council has received applications from representatives desiring to serve on the Economic Development Commission; and

WHEREAS, the City Council has received application from incumbents who desire to be reappointed to the Economic Development Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the following person is hereby appointed to the City of Forest Grove Economic Development Commission for the following term (reappointment noted in **BOLD**):

<u>Last Name:</u>	<u>First Name:</u>	<u>Representative:</u>	<u>Term Expires:</u>
Alexander	J. Preston	Triple Point Biologics, Inc. Citizen/Business At-Large	December 31, 2011
Brown	Ralph	Forest Grove School District Public School	December 31, 2012
Buehler	T. J.	Forest Grove Chamber Of Commerce Chamber Representative	December 31, 2010
Duncan	Lisa	Tuality Hospital Health/Medical Care	December 31, 2011
Frandsen	Mark	News Seasons Foods, Inc. Food/Beverage Processor	December 31, 2010
Hornberger	Lois	Pacific University Higher Education	Primary December 31, 2010
Akers	Philip	Pacific University Higher Education	Alternate December 31, 2010
Johnston	John	Merix Corporation Large Manufacturer	December 31, 2010
Jones	Don	Bank of The West Financial Institution	December 31, 2010
Kobashigawa	Kyle	Frye's Action Athletics Downtown/Retail Business	December 31, 2012

<u>Last Name:</u>	<u>First Name:</u>	<u>Representative:</u>	<u>Term Expires:</u>
Lonneker	Janet	Forest Grove Light and Power Utility	
Marchesi	Rudy	Montinore Estate Small Manufacturer	December 31, 2012
Rasmussen	Dave	Summerfield Homes Residential Developer	December 31, 2010
VACANCY		Wood/Agricultural Products	December 31, 2012
Sandquist	Jackie	Portland Community College Workforce Development	December 31, 2011
Simcoe	DJ	McMenamins Grand Lodge Large Commercial	December 31, 2012
Storms	Guy	Henningsen Cold Storage Company Commercial/Industrial Property Owner	December 31, 2011
Sturm	Cynthia	Sturm Real Estate Industrial/Commercial Broker	December 31, 2011
Tecum	Alejandro	Adelante Mujeres Hispanic Community Representative	December 31, 2012
Wilbur	Brian	Pacific Insurance Partners Small Commercial	December 31, 2010
VACANCY		Non-Voting Student Representative	December 31, 2010

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor

RESOLUTION NO. 2010-06

**RESOLUTION MAKING APPOINTMENT
TO THE CITY OF FOREST GROVE
HISTORIC LANDMARKS BOARD**

WHEREAS, the City of Forest Grove has provided for a Historic Landmarks Board; and

WHEREAS, Resolution Number 2006-10 provides that vacancies on City Advisory Boards, Committees and Commissions brought about by resignation or removal shall be filled by appointment to fill the full unexpired term of that seat by City Council; and

WHEREAS, there currently exist vacancies on the Historic Landmarks Board; and

WHEREAS, the City Council has received applications from citizens desiring to serve on the Historic Landmarks Board, and subsequently interviewed citizens making application for service on this Board; and

WHEREAS, the City Council has received application from incumbents who desire to be reappointed to the Historic Landmarks Board.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the following person is hereby reappointed to the City of Forest Grove Historic Landmarks Board for the following term (new appointment noted in **CAPS** and **BOLD** and reappointment noted in **BOLD**):

<u>Last Name</u>	<u>First Name</u>	<u>Term Expires</u>
Cushing	George	December 31, 2013
Kamberg	Kevin	December 31, 2010
Poulsen	Neil	December 31, 2012
Romig	Claude	December 31, 2013
Tsur	Holly	December 31, 2013
WADE	LARRY	December 31, 2010
Waltz-Actor	Margie	December 31, 2012

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor

RESOLUTION NO. 2010-07

**RESOLUTION MAKING APPOINTMENTS
TO THE CITY OF FOREST GROVE
LIBRARY COMMISSION**

WHEREAS, the City of Forest Grove has provided for a Library Commission; and

WHEREAS, Resolution Number 2006-10 provides that vacancies on City Advisory Boards, Committees, and Commissions brought about by resignation or removal shall be filled by appointment to fill the term of that seat by the City Council; and

WHEREAS, there currently exist vacancies on the Library Commission; and

WHEREAS, the City Council has received an application from a citizen desiring to serve on the Library Commission, and subsequently interviewed the citizen making application for service on this Commission; and

WHEREAS, the City Council has received application from incumbents who desire to be reappointed to the Library Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the following person is hereby appointed to the City of Forest Grove Library Commission for the following term (reappointment noted in **BOLD**):

<u>Last Name</u>	<u>First Name</u>	<u>Term Expires</u>
Bailey	Pamela	December 31, 2011
Combs	Nancy	December 31, 2010
Eller	Anita	December 31, 2011
Martin	Douglas	December 31, 2010
Poulsen	Kathleen	December 31, 2010
Shepard	Karen	December 31, 2011
Smoland	Dayla	December 31, 2011

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor

RESOLUTION NO. 2010-08

**RESOLUTION MAKING APPOINTMENTS
TO THE CITY OF FOREST GROVE
PARKS AND RECREATION COMMISSION**

WHEREAS, the City of Forest Grove has provided for a Parks and Recreation Commission;
and

WHEREAS, Resolution Number 2006-10 provides that vacancies on City Advisory Boards, Committees, and Commissions brought about by resignation or removal shall be filled by appointment to fill the term of that seat by the City Council; and

WHEREAS, there currently exist vacancies on the Parks and Recreation Commission; and

WHEREAS, the City Council has received applications from citizens desiring to serve on the Parks and Recreation Commission, and subsequently interviewed citizens making application for service on this Commission; and

WHEREAS, the City Council has received application from incumbents who desire to be reappointed to the Parks and Recreation Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the following person is hereby appointed to the City of Forest Grove Parks and Recreation Commission for the following term (reappointment noted in **BOLD**):

<u>Last Name</u>	<u>First Name</u>	<u>District</u>	<u>Term Expires</u>
Anderson	Duane	NNW	December 31, 2012
Brown	Ralph	School Board	December 31, 2013
Johnson	Quinn	At Large	December 31, 2011
Kover	Richard	NE	December 31, 2011
Taylor	Susan	NW	December 31, 2012
Vasquez	Stephanie	At Large	December 31, 2010
Waterstreet	Paul	SE	December 31, 2012
VACANCY		SW	December 31, 2013
VACANCY		At Large	December 31, 2013

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor

RESOLUTION NO. 2010-09

RESOLUTION MAKING APPOINTMENT
TO THE CITY OF FOREST GROVE
PLANNING COMMISSION

WHEREAS, the City of Forest Grove has provided for a Planning Commission; and

WHEREAS, Resolution Number 2006-10 provides that vacancies on City Advisory Boards, Committees, and Commissions brought about by resignation or removal shall be filled by appointment to fill the term of that seat by the City Council; and

WHEREAS, the City Council has received applications from citizens desiring to serve on the Public Arts Commission, and subsequently interviewed citizens making application for service on this Commission; and

WHEREAS, the City Council has received application from incumbents who desire to be reappointed the Planning Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the following person is hereby appointed to the City of Forest Grove Planning Commission for the following term (new appointment noted in **CAPS** and **BOLD** and reappointment noted in **BOLD**):

<u>Last Name</u>	<u>First Name</u>	<u>Term Expires</u>
Arnott	Luann	December 31, 2013
Beck	Thomas	December 31, 2011
Hymes	Carolyn	December 31, 2013
Kingston	Charles	December 31, 2011
Miller	Carl "Al"	December 31, 2013
Nakajima	Lisa	December 31, 2010
SMITH	FRED	DECEMBER 31, 2010

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor

RESOLUTION NO. 2010-10

**RESOLUTION MAKING APPOINTMENTS
TO THE CITY OF FOREST GROVE
PUBLIC ARTS COMMISSION**

WHEREAS, the City of Forest Grove has provided for a Public Arts Commission; and

WHEREAS, Resolution Number 2006-10 provides that vacancies on City Advisory Boards, Committees, and Commissions brought about by resignation or removal shall be filled by appointment to fill the term of that seat by the City Council; and

WHEREAS, the City Council has received applications from citizens desiring to serve on the Public Arts Commission, and subsequently interviewed citizens making application for service on this Commission; and

WHEREAS, the City Council has received application from incumbents who desire to be reappointed to the Public Arts Commission.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. That the following person is hereby appointed to the City of Forest Grove Public Arts Commission for the following term (reappointment noted in **BOLD**):

<u>Last Name:</u>	<u>First Name:</u>	<u>Representative:</u>	<u>Term Expires:</u>
Broom	Kathy	At-Large	December 31, 2012
Cooper	Liam	Non-Voting Student Representative	December 31, 2010
Flory	Jim	Chamber Of Commerce	December 31, 2010
House	Donna	Valley Art Association (Alternate)	December 31, 2012
Leatham	Kathleen	Forest Grove Senior Center	December 31, 2012
McCullough	Ruth Anne	Theatre In The Grove	December 31, 2011
Pich	Victoria	At Large	December 31, 2011
Taylor	Linda	At Large	December 31, 2010
Thias	Philip	Forest Grove School District	December 31, 2011
Truax	Pat	Valley Art Association (Primary)	December 31, 2012
Ward	Mona	Pacific University	December 31, 2010

Section 2. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010.

Peter B. Truax, Mayor

January 11, 2010

A REPORT ON A RESOLUTION CONSENTING TO THE TRANSFER OF CONTROL OF THE FRANCHISEE AND OF THE CABLE FRANCHISE GRANTED TO VERIZON NORTHWEST, INC. TO FRONTIER COMMUNICATION CORPORATION, WITH CONDITIONS

Project Team: Paul Downey, Director of Administrative Services
Michael Sykes, City Manager

ISSUE STATEMENT:

Verizon Northwest, Inc. has requested transfer of control of the franchisee and the franchise to Frontier Communications for local television cable services currently provided by Verizon. The Metropolitan Area Communications Commission (MACC), which manages the television cable franchises for the City, has reviewed the proposed transfer and is recommending that the City approve the proposed transfer. The City Attorney's Office has prepared a resolution approving the transfer for Council's consideration.

DISCUSSION:

City staff is relying on MACC's review of the proposed transfer since MACC manages the telecommunications franchises for the City. Also, the City Attorney is also the attorney for MACC and has deeply involved in the review process. Bruce Crest and Fred Crist from MACC will be here to present the staff report from MACC. Larry Hatch, the City's representative to the MACC Board, is also planning on attending the Council meeting.

MACC's staff report and the resolution passed by the MACC Board recommending that the member agencies approve the transfer is attached to this report. The MACC staff report provides more detailed information about the transfer.

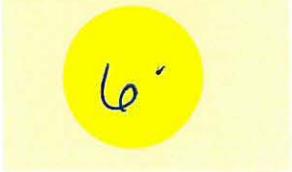
The transfer to Frontier must be approved by all of the affected jurisdictions in order for it to become effective. If any one of the affected jurisdictions votes no, it vetoes the transfer for the other.

FISCAL IMPACT:

Staff is not expecting any fiscal impact from the transfer as Frontier will still be required to pay the franchise fees.

STAFF RECOMMENDATION:

Staff is recommending that the City Council adopt the attached resolution.



RESOLUTION NO. 2010-11

RESOLUTION OF THE CITY OF FOREST GROVE, OREGON
CONSENTING TO THE TRANSFER OF CONTROL OF THE FRANCHISEE AND
OF THE CABLE FRANCHISE GRANTED TO VERIZON NORTHWEST, INC. TO
FRONTIER COMMUNICATIONS CORPORATION, WITH CONDITIONS

WHEREAS, the Metropolitan Area Communications Commission, hereinafter “MACC,” is an intergovernmental commission formed under ORS Chapter 190, with the membership of Washington County and the cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Gaston, Hillsboro, King City, Lake Oswego, North Plains, Rivergrove, Tigard and Tualatin; and

WHEREAS, Verizon Northwest, Inc., a subsidiary of Verizon Communications, Inc. is the Franchisee under a Cable Franchise Agreement approved by MACC and granted by affected member jurisdictions in 2007 for a period of 15 years; and

WHEREAS, on June 1, 2009, MACC and the City of Forest Grove received a Federal Communications Commission Form 394 Application by which Verizon Communications, Inc., the corporate parent of Franchisee, and Frontier Communications Corporation (“Frontier” or “Transferee”) requested approval from MACC and the affected member jurisdictions of a proposed transfer of control of the Franchisee and its franchise to Frontier; and

WHEREAS, following the completion of the transactions constituting the transfer of control, Frontier would assume control of the local cable operations of the Franchisee, but must also secure certain other facilities and agreements to provide a comparable cable service to that currently provided by Franchisee; and

WHEREAS, Federal law and Section 11 of the Franchises authorize MACC and its member jurisdictions to review any proposed transfer of control, including the proposed transaction as described in the Application and as clarified in answers to questions presented by MACC to the Franchisee and Frontier to determine the impact on the Franchisee’s ability to perform the Franchise obligations based on the legal, financial, and technical qualifications of the transferee; and

WHEREAS, Section 11 of the Franchises also authorizes MACC and its member jurisdictions to condition approval of a transfer upon such terms and conditions as they deem reasonably appropriate within the legal, financial, and technical framework provided by the Franchise and federal law; and

WHEREAS, MACC has reviewed the materials provided by the Franchisee and Frontier in the Application and in response to an RFI originally provided to the companies on June 25, 2009, and subsequently revisited and further investigated on numerous occasions through October 30, and undertook additional joint review of the proposed transferee’s financial qualifications in cooperation with the Mt. Hood Cable Regulatory Commission (MHCRC); and

WHEREAS, MACC conducted a duly noticed public hearing concerning the proposed transfer on November 20, 2009, wherein it received public testimony and written communications; and

WHEREAS, the review now being completed except for certain issues necessarily addressed in a prospective manner through conditions, the MACC Commission adopted Resolution No. 2009-05 recommending that the affected member jurisdictions approve the Application, provided those conditions and assurances are obtained from the companies, which Resolution is attached hereto as Exhibit A; and

WHEREAS, pursuant to Section 4(E) of the MACC Intergovernmental Agreement, final approval would be granted only if all eleven affected jurisdictions also approve the Application as recommended by MACC; and

WHEREAS, the City of Forest Grove deems it to be in furtherance of the public interest and the welfare of its citizens to consent to the transfer request, subject to appropriate conditions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. Legal, Technical and Financial Qualifications of the Transferee.

The findings of MACC in the attached Exhibit A demonstrate that the Franchisee and Transferee have the necessary legal, technical and financial qualifications to perform the required duties under the Franchise Agreement, provided certain conditions are imposed on the proposed transfer of control.

Section 2. Consent to the Transfer of Control.

The City of Forest Grove, Oregon, hereby consents to the transfer of control of the franchisee and of the franchise as set forth in the Federal Communications Commission Form 394, subject to the conditions set forth in Section 3, below.

Section 3. Conditions to the Transfer of Control.

The approval of the proposed transfer of control shall not take effect until such time as each of the following conditions is met:

1. All eleven affected MACC member jurisdictions consent to the transfer of control, as determined by MACC staff in a formal written certification.

2. The Verizon/Frontier merger transaction must close with all material terms substantially consistent with the Merger Agreement, as well as the information provided to MACC or the Mount Hood Cable Regulatory Commission (MHCRC) in public documents and responses to Requests for Information submitted by MACC and the MHCRC.

3. The Verizon/Frontier merger transaction is approved by all required federal agencies and the Oregon Public Utility Commission.

4. Franchisee, under the control of Transferee, agrees to remedy any franchise non-compliance issues, including any underpayment of franchise and PEG fees by Verizon, regardless of whether such non-compliance issues are discovered prior to or following the close of the Transfer of Control. Franchisee, under the control of Transferee, shall remain responsible for any and all Franchise requirements (including but not limited to payment of Franchise fees and other amounts due under the Franchise, and indemnification of the Grantor as provided in the Franchise) and non-compliance issues under the Franchise or any obligation that may now exist or may later be discovered to have existed during the term of the Franchise, even if prior to the closing of this Transfer.

5. Franchisee shall comply with all valid local laws, agreements, and Franchise requirements consistent with applicable federal and state law including all terms of the MACC/Verizon Franchise Agreement. In all respects and without exception, Franchisee, under the control of Transferee agrees to continue to abide by all terms of the existing Franchise and acknowledges that the transfer of control will not affect, diminish, impair or supersede the binding nature of the Franchise and any other valid ordinances, resolutions, and agreements applicable to the operation of the cable system in the MACC member jurisdictions.

6. In addition to the current obligations of the franchise Section 13.6, "Letter of Credit", Franchisee, under the control of Transferee, provides and maintains an irrevocable letter of credit or performance bond in a form acceptable to MACC in the amount of \$250,000, to secure the payment of franchise fees and any penalties, for a period of five years after closing of the Verizon/Frontier merger transaction.

7. Verizon has paid MACC all reimbursement costs due as a result of review of the transfer of control application, consistent with the separate agreements concerning those costs.

8. Transferee provides current contact information for notice recipients under Section 16.5 of the Franchise.

9. Transferee provides a new Exhibit E, "Franchisee Parent Structure."

10. MACC and its member jurisdictions' consent to the transfer of control shall not be construed to constitute a waiver or release of any rights they may have under the Franchise and any separate written agreements with the Franchisee and Franchisee's lawful successors.

11. During the week ending January 15, 2010, Transferee will provide MACC with a progress report of its acquisition of content, including a listing of national and local content providers and their associated channels, and video on demand providers, with which: (1) Transferee has signed agreements; (2) Transferee has pending agreements being negotiated; and (3) Transferee is pursuing agreements.

By March 31, 2010, Transferee shall have delivered certification by a Corporate officer that it has acquired rights to distribute linear video, broadcast, and video on demand programming content from vendors, which rights: (a) include at least 75% of the channels provided by Franchisee on November 1, 2009; (b) include all nine Portland area local broadcasters; and (c) include commitments to carrying the majority of this content for a period of not less than two years. Transferee will provide MACC with a complete projected channel lineup no later than 30 days prior to the close of the transaction.

12. Transferee acknowledges these conditions of approval of the transfer of control in writing in a form and by a date acceptable to MACC.

13. Approvals granted by MACC and its member jurisdictions shall be valid until the Verizon/Frontier merger's Hart-Scott-Rodino Approval ("HSR") expires. Currently, the HSR expires on September 1, 2010. If the merger is not completed prior to the expiration of the HSR, Verizon and Frontier shall meet with MACC representatives and advise them on the status of the merger. MACC and its member jurisdictions shall consider the information provided by Verizon and Frontier and consider whether to extend the previously granted approvals. Such extensions shall not be unreasonably withheld.

Section 4. Authorization to Execute and File Resolution.

That the City of Forest Grove City Council hereby authorizes the City Manager to execute and file a copy of this Resolution with MACC.

Section 5. Effective Date.

This resolution is effective immediately upon its enactment by the City of Forest Grove City Council.

PRESENTED AND PASSED this 11th day of January, 2010.

Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 11th day of January, 2010..

Peter B. Truax, Mayor



METROPOLITAN AREA COMMUNICATIONS COMMISSION

REPRESENTING: BANKS, BEAVERTON, CORNELIUS, DURHAM, FOREST GROVE, GASTON, HILLSBORO, KING CITY, LAKE OSWEGO, MILWAUKIE, NORTH PLAINS, RIVERGROVE, TIGARD, TUALATIN AND WASHINGTON COUNTY
Cable TV Franchise Regulation • Telecommunications Advice and Support • Public Communications Network (PCN) • Tualatin Valley Community TV

MACC STAFF REPORT

VERIZON NW INC. TRANSFER OF CONTROL TO FRONTIER COMMUNICATIONS CORPORATION

BY THE CITY OF FOREST GROVE

Prepared by the staff of the Metropolitan Area Communications Commission
December 2009

MACC RECOMMENDS APPROVAL OF THE VERIZON/FRONTIER TRANSFER OF CONTROL

At their November 20th meeting, the Board of Commissioners (Commission) of the Metropolitan Area Communications Commission (MACC) unanimously recommended that your jurisdiction, and the other ten affected MACC members (affected jurisdictions), approve the Transfer of Control (Transfer) of the Verizon NW, Inc. (Verizon) cable television franchise to Frontier Communication Corporation (Frontier).

MACC Intergovernmental Agreement and the Role of Your Jurisdiction – The City is a member of the MACC Intergovernmental Agreement (IGA). The IGA places the responsibility with MACC to review any proposed change of ownership or control. The MACC Commission makes a final recommendation to the affected jurisdictions to either approve or deny the proposed transaction. All of the affected jurisdictions must accept the Commission recommended action in order for it to become effective – if any one of the affected jurisdictions votes no, it vetoes it for the others.

MACC staff takes the Commission's recommendation before each of the affected jurisdictional governing bodies where they will decide whether to accept or reject the Commission's recommendation. This is usually done in the form of a resolution or ordinance which will look very similar to the MACC recommending resolution (see Exhibit A - MACC Recommending Resolution).

In addition to MACC staff, representatives of Verizon and Frontier will be present at the Council meeting to answer any questions you have.

Background - On May 25, 2007, the following jurisdictions of the Metropolitan Area Communications Commission (MACC), Washington County and the cities of Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, Rivergrove, Tigard, and Tualatin (the affected jurisdictions) granted Verizon Northwest Inc. a fifteen-

year cable franchise agreement (Franchise) which expires in 2022. Verizon Northwest, Inc. began offering its cable service, called FiOS, to area subscribers in December 2007.

The Proposed Transaction. On May 13, 2009, Verizon Communications Inc., (Verizon Communications) the parent company of Verizon Northwest Inc. (Verizon) announced that it was selling most of its landline business to Frontier Communications Corporation (Frontier). The sale includes all of Oregon and Washington and 12 additional states (Verizon is not selling its business and wireless services). This \$8.6 Billion transaction (\$5.3 billion in stock and \$3.3 billion in new debt) is set to close in the second quarter of 2010. Largely arranged in this way for tax purposes, the sale involves the change of control of the parent corporation (from Verizon to Frontier) of the current subsidiary (Verizon Northwest, Inc.).

On June 1, 2009, MACC and the affected jurisdictions received an FCC Form 394 Application (Application) from Verizon Communications. This submittal formally requests the Transfer of its cable franchise to Frontier. Upon receipt of the Form 394, MACC staff and legal counsel began a review of the proposed transaction.

MACC Review Process. Federal Law sets out a limited review process for local governments. The Federal Law allows local franchising authorities to inquire into the legal, financial, and technical qualifications of the prospective transferee. MACC may condition the transfer upon such terms and conditions as they deem reasonably appropriate – but these must relate to an incoming company's legal, financial, and technical qualifications. As a result, MACC's review is more limited than the review process undertaken by state public utility commissions in regards to telephone system transfers.

Federal Law also provides MACC a 120-day period of time to complete its review, once MACC deems the application is complete. Since MACC found Verizon and Frontier's (the companies) initial application and responses incomplete, the parties eventually agreed to extend the review time period until January 31, 2010. If all the affected MACC jurisdictions do not act by that date, the Transfer may be deemed approved by Federal Law.

During the six month review period prior to the Commission's consideration on November 20th, MACC, its legal counsel, its retained technical/financial consultants, and some neighboring non-MACC jurisdictions, all worked together to review Frontier's qualifications to own and operate the cable system. That review resulted in the following findings:

Legal Qualifications

Verizon Northwest will continue to be the Franchisee after the completion of the transfer to Frontier. Frontier must gain the approval of local telephone authorities, state public utility commissions, Federal Communications Commission (FCC), and Department of Justice to complete their transaction. The Oregon PUC is scheduled to hold a hearing on

this matter in early December with final decision expected in January 2010. If the Oregon PUC fails to approve Frontier's application, there will be no transfer of cable service.

MACC Conclusion: Assuming Frontier obtains the required local, state, and Federal authorizations to operate Verizon, we see no legal reasons why the transfer should not take place.

Financial Qualifications

In considering a company's financial qualifications to own and operate a cable system, MACC is first concerned about the incoming company's ability to finance the transaction and to manage its new debt load. We are also concerned that a heavily leveraged debt could result in adverse affects on our jurisdictions (i.e., late or non-payment of franchise fees) or subscribers (i.e., higher service rates, poor customer service, delays in installing plant in new areas, or poor program/transmission quality).

To assist with our financial review, we relied upon the financial analysis of this transaction conducted by Mike Katz of KFA Services. Mr. Katz has a long association with cable financial analysis for many local governments, including past work for MACC.

The KFA report, concludes that Frontier is "in reasonable financial health" before and after the Verizon acquisition. KFA is more concerned about the long-term stability of the company, although many of those concerns are affected by circumstances (e.g., the current economy), subject to competitive factors, and uncontrollable by any regulatory or enforcement mechanism. To ensure franchise performance, KFA recommended that Frontier provide a corporate guarantee.

To address KFA's concerns, MACC required Frontier, as a condition for its approval, to provide MACC a new Letter of Credit in the amount of \$250,000 to secure Frontier's obligations under the franchise and to further protect the affected jurisdictions and MACC. Frontier will provide this additional security for a period of five (5) years from the close of the transaction (to 2015 – beyond the midpoint of the fifteen-year original franchise). The Letter of Credit is a new requirement, over and above current obligations in the franchise, and directly related to their performance under the Franchise and any potential financial harm the affected jurisdictions could face if Frontier fails to perform.

MACC Conclusion: Based on the KFA Services report we conclude that Frontier has the financial qualifications to own and operate the cable system. However, as additional protection for cable subscribers, the jurisdictions, and MACC, we have negotiated additional financial protection from Frontier.

Technical Qualifications

The Verizon Communications FiOS system is one of the most technically sophisticated telecommunications systems in the country – it is also a product on this scale unique to Verizon Communications. Our first and largest concern, when we learned of this proposed Transfer, was whether Frontier had the technical qualifications to own and operate the FiOS system.

To assist us in our review, we retained the services of CBG Communications, a technical consulting firm we have worked with for years. Working with CBG, we explored the following areas: Frontier's experience in operating cable systems; their staff experience in cable; the type of system Frontier planned to operate here; their long-term commitment to video; and above all, the likelihood that Frontier will continue to provide a viable competitive cable service to its customers.

Frontier's Cable Operations Experience – Frontier currently does not operate any cable systems – the last time they operated a cable system was in 2005. Prior to that date, Frontier acquired a number of small cable systems when they purchased telephone systems. All of these systems were either abandoned, sold, or were no longer operated by Frontier. In some cases, former subscribers to these systems were offered the satellite-based DISH Network as an alternative. The only video service Frontier currently provides to their telephone subscribers is DISH and DISH is not a cable service.

However, a key element of Frontier's purchase of Verizon is the company's retention of local staff responsible for the current Verizon cable system. Engineers and technicians have been assured that there will be no layoffs for any reason for at least 18 months after the close of the transaction. Other Verizon employees (unrelated directly to the cable system) are expected to be retained, but have no guarantees.

Frontier has also provided us with the following information and commitments to assure us that they will continue to provide a viable cable service in the MACC area:

Facilities – Frontier will operate the existing MACC-area cable system in a manner consistent with Verizon's current operations. MACC has been assured through formal submittals and the review of confidential internal documents that these components have either been, or are in the late stages of being secured. Demonstrated commitments include:

Content – Before it can operate as a cable system, Frontier must acquire the approval, through licensing agreements, of hundreds of cable programming networks. These agreements are necessary in order for Frontier to legally "re-broadcast" those services that all of us have come to expect from a cable provider: e.g., CNN, FOX, ESPN, TNT, DISNEY, HBO. Additional agreements are required to carry local network affiliates: e.g., KATU, KOIN, KGW, PBS, KPTV.

Local governments have little oversight under Federal Law of the content delivered over the cable system – it is largely a function of economics and competition. There is no guarantee, and frankly no expectation, that Frontier will duplicate every channel on the current Verizon cable service. Our sole charge is to ensure that Frontier is technically capable of providing a viable cable channel lineup to its customers.

To accommodate the gap between MACC's review period and the actual proof that Frontier has agreements with programmers, Frontier has agreed to condition the transfer on two points:

- A report to MACC no later than January 15, 2010 that details the status of all programming agreements.
- A certification, no later than March 31, 2010, by a Frontier corporate office that it has retained at least 75% of the channels currently programmed by Verizon.

Frontier has told us that they will make every effort to accommodate any customers unhappy with their ultimate channel line-up, including the potential, if necessary, of severing long term service contracts customers may have signed with Verizon. Frontier will also provide subscribers and MACC with a complete, projected cable channel line-up no later than 30 days prior to the time Frontier assumes operation of the MACC area cable system (projected to be in June or July, 2010).

Conclusion – After reviewing Frontier's telecommunications/cable experience, staff expertise (and the Verizon local staff they will acquire), the type of system they plan to operate, their ongoing contractual relationship with Verizon Communications, and the assurances provided regarding program acquisition, we believe Frontier has the technical qualifications to operate the Verizon FiOS cable system

Commission Action – The Commission met twice (in June and September) with representatives of the companies to discuss the transfer and Frontier's qualifications. At those meetings, the companies were called upon to provide sufficient information to ensure Frontier met the qualifications to provide cable service. The Commission advertised its third meeting (November 20) on this topic extensively and received public testimony regarding the proposed transaction. At the meeting, the Commission unanimously recommended that the affected MACC jurisdictions approve the proposed transfer, with the conditions listed in the Resolution.

What Action Does MACC Recommend? – MACC recommends that your jurisdiction approve the proposed Transfer of Control of Verizon Northwest to Frontier Communications. MACC also recommends that each jurisdiction, as part of the Transfer approval process, adopt the thirteen conditions to the approval to ensure continued performance.

Thank you for considering MACC's recommendation in this matter. We look forward to attending your meeting to discuss the Commission's Transfer recommendation and to

answer any questions you have. We have also attached a Verizon/Frontier Questions and Answers memorandum that addresses typical questions (see Exhibit B – Questions and Answers).

If you have questions about the proposed transfer or MACC's recommendation, please contact the City's representative to MACC: Larry Hatch; or Bruce Crest, MACC Administrator, at 503-645-7365 x 200, or via email: bcrest@maccor.org.

Enclosed Exhibits: A – MACC's Recommending Resolution
 B – MACC Questions & Answers regarding the Proposed Transfer

METROPOLITAN AREA COMMUNICATIONS COMMISSION

RESOLUTION 2009-05

A RESOLUTION RECOMMENDING APPROVAL BY THE AFFECTED MACC MEMBER JURISDICTIONS OF THE TRANSFER OF CONTROL OF THE FRANCHISEE AND OF THE CABLE FRANCHISES GRANTED TO VERIZON NORTHWEST, INC. TO FRONTIER COMMUNICATIONS CORPORATION, WITH CONDITIONS

WHEREAS, the Metropolitan Area Communications Commission, hereinafter "MACC," is an intergovernmental commission formed under ORS Chapter 190, with the membership of Washington County and the cities of Banks, Beaverton, Cornelius, Durham, Forest Grove, Gaston, Hillsboro, King City, Lake Oswego, North Plains, Rivergrove, Tigard and Tualatin; and

WHEREAS, certain MACC jurisdictions granted cable television franchises to Verizon Northwest, Inc., ("Franchisee") a subsidiary of Verizon Communications, Inc. in 2007 for a period of 15 years; and

WHEREAS, the jurisdictions that granted a franchise to Verizon are Washington County and the cities of Beaverton, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, Rivergrove, Tigard and Tualatin (the "Affected Jurisdictions"); and

WHEREAS, on June 1, 2009 MACC received a Federal Communications Commission Form 394 Application ("Application") by which Verizon Communications, Inc., the corporate parent of Franchisee, and Frontier Communications Corporation ("Frontier" or "Transferee") requested approval from MACC and the Affected Jurisdictions of a proposed transfer of control of the Franchisee and its franchises to Frontier; and

WHEREAS, following the completion of the transactions constituting the transfer of control, Frontier would assume control of the local cable operations of the Franchisee, but must also secure certain other facilities and agreements to provide a comparable cable service to that currently provided by Franchisee; and

WHEREAS, Federal law and Section 11 of the Franchises authorize MACC and its member jurisdictions to review any proposed transfer of control, including the proposed transaction as described in the Application and as clarified in answers to questions presented by MACC to the Franchisee and Frontier to determine the impact on the Franchisee's ability to perform the Franchise obligations based on the legal, financial, and technical qualifications of the transferee; and

WHEREAS, Section 11 of the Franchises also authorizes MACC and its member jurisdictions to condition approval of a transfer upon such terms and conditions as they

deem reasonably appropriate within the legal, financial, and technical framework provided by the Franchise and federal law; and

WHEREAS, MACC has reviewed the materials provided by the Franchisee and Frontier in the Application and in response to an RFI originally provided to the companies on June 25, 2009 and subsequently revisited and further investigated on numerous occasions through October 30; and

WHEREAS, the review now being completed except for certain issues necessarily addressed in a prospective manner through conditions, MACC has determined that it should recommend approval of the Application, provided those conditions and assurances are obtained from the companies; and

WHEREAS, pursuant to Section 4(E) of the MACC Intergovernmental Agreement, final approval would be granted only if all eleven Affected Jurisdictions also approve the Application as recommended by MACC; and

WHEREAS, the Commission conducted a duly noticed public hearing concerning the proposed transfer on November 20, 2009;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN AREA COMMUNICATIONS COMMISSION:

Section 1. Commission Action on Form 394 Application.

The Commission hereby approves the Application for Transfer of Control, as submitted on June 1, 2009, subject to the conditions contained in Section 3 below.

Section 2. Recommendation to Member Jurisdictions.

The Commission hereby recommends that each of the Affected Jurisdictions approve the Application for Transfer of Control by duly authorized enactment of each jurisdiction's governing body, subject to the conditions set forth in Section 3, below.

Section 3. Conditions to the Transfer of Control.

The approval recommended herein shall not take effect until such time as each of the following conditions is met:

1. All eleven affected MACC member jurisdictions approve the transfer of control.
2. The Verizon/Frontier merger transaction must close with all material terms substantially consistent with the Merger Agreement, as well as the information provided to MACC or the Mount Hood Cable Regulatory Commission (MHCRC) in public

documents and responses to Requests for Information submitted by MACC and the MHCRRC.

3. The Verizon/Frontier merger transaction is approved by all required federal agencies and the Oregon Public Utility Commission.
4. Franchisor, under the control of Transferee, agrees to remedy any franchise non-compliance issues, including any underpayment of franchise and PEG fees by Verizon, regardless of whether such non-compliance issues are discovered prior to or following the close of the Transfer of Control. Franchisee, under the control of Transferee, shall remain responsible for any and all Franchise requirements (including but not limited to payment of Franchise fees and other amounts due under the Franchise, and indemnification of the Grantor as provided in the Franchise) and non-compliance issues under the Franchise or any obligation that may now exist or may later be discovered to have existed during the term of the Franchise, even if prior to the closing of this Transfer.
5. Franchisee shall comply with all valid local laws, agreements, and Franchise requirements consistent with applicable federal and state law including all terms of the MACC/Verizon Franchise Agreement. In all respects and without exception, Franchisor, under the control of Transferee agrees to continue to abide by all terms of the existing Franchise and acknowledges that the transfer of control will not affect, diminish, impair or supersede the binding nature of the Franchise and any other valid ordinances, resolutions, and agreements applicable to the operation of the cable system in the MACC member jurisdictions.
6. In addition to the current obligations of the franchise Section 13.6, "Letter of Credit", Franchisee, under the control of Transferee, provides and maintains an irrevocable letter of credit or performance bond in a form acceptable to MACC in the amount of \$250,000, to secure the payment of franchise fees and any penalties, for a period of five years after closing of the Verizon/Frontier merger transaction.
7. Verizon has paid MACC all reimbursement costs due as a result of review of the transfer of control application, consistent with the separate agreements concerning those costs.
8. Transferee provides current contact information for notice recipients under Section 16.5 of the Franchise.
9. Transferee provides a new Exhibit E, "Franchisee Parent Structure."
10. MACC and its member jurisdictions' consent to the transfer of control shall not be construed to constitute a waiver or release of any rights they may have under the Franchise and any separate written agreements with the Franchisee and Franchisee's lawful successors.

11. During the week ending January 15, 2010, Transferee will provide MACC with a progress report of its acquisition of content, including a listing of national and local content providers and their associated channels, and video on demand providers, with which: (1) Transferee has signed agreements; (2) Transferee has pending agreements being negotiated; and (3) Transferee is pursuing agreements. By March 31, 2010, Transferee shall have delivered certification by a Corporate officer that it has acquired rights to distribute linear video, broadcast, and video on demand programming content from vendors, which rights: (a) include at least 75% of the channels provided by Franchisee on November 1, 2009; (b) include all nine Portland area local broadcasters; and (c) include commitments to carrying the majority of this content for a period of not less than two years. Transferee will provide MACC with a complete projected channel lineup no later than 30 days prior to the close of the transaction.

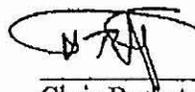
12. Transferee acknowledges these conditions of approval of the transfer of control in writing no later than November 20, 2009.

13. Approvals granted by MACC and its member jurisdictions shall be valid until the Verizon/Frontier merger's Hart-Scott-Rodino Approval ("HSR") expires. Currently, the HSR expires on September 1, 2010. If the merger is not completed prior to the expiration of the HSR, Verizon and Frontier shall meet with MACC representatives and advise them on the status of the merger. MACC and its member jurisdictions shall consider the information provided by Verizon and Frontier and consider whether to extend the previously granted approvals. Such extensions shall not be unreasonably withheld.

Section 4. Effective Date.

This Resolution shall be effective upon its adoption by the Commission and signature by the MACC Chair.

**ADOPTED BY THE BOARD OF COMMISSIONERS OF THE METROPOLITAN
AREA COMMUNICATIONS COMMISSION THIS 20TH DAY OF NOVEMBER,
2009.**



Chris Barhyte, MACC Chair

Transfer of the Verizon Cable Franchise to Frontier Communications Questions and Answers

Prepared by MACC
December 2009

Q1: What did Verizon sell to Frontier?

Verizon sold 14 states' "Wireline" business to Frontier. Verizon will continue to operate in Oregon and other states to provide mobile communications and in providing telecommunications services to local businesses – but will no longer provide cable television or residential telephone service.

Q2: Why did Verizon decide to leave Oregon?

Verizon says that they sold the MACC area system and the others to Frontier in order to consolidate their territory and concentrate on areas where FiOS is built out or will serve more densely populated areas. Selling Oregon and the other states leaves Verizon with a concentration of properties in the Eastern US, California, and Texas.

While the FiOS build-out is complete in our immediate area, Verizon has limited holdings in Oregon and Washington. Areas beyond the Portland and Seattle metropolitan areas were not likely to be upgraded by Verizon to FiOS anytime soon due to long cost-recovery timelines. Since Verizon says it can sell its wirelines only on a statewide basis, they believe they have to either keep all of Oregon or sell it all.

Therefore, the Northwest FiOS cable systems and residential telephone business are less valuable to Verizon.

Q3: What is Frontier Communications?

Frontier is ranked at Number 834 on the Fortune 1000 list (Verizon is 17), and is the 19th largest telecommunications provider in the United States (Verizon is the second largest). Formerly Citizens Communications, the company currently provides service in Oregon in rural Josephine County. Frontier generally owns rural and suburban systems in the Northeast, and Western US, with Rochester, NY (pop. 220,000) as their largest system. The Verizon transaction will triple the size of the company. Frontier currently holds no cable television franchises as part of their operations.

Q4: Why do local jurisdictions review the transfer?

Local jurisdictions in Oregon and Washington are parties to individual contractual agreements, called franchises, to use their Rights of Way to provide cable service. The Franchise and Federal Law give jurisdictions the authority to ensure continued performance by the franchise holder – in this case, assurance that Frontier Communications can deliver on the obligations of the Franchise currently held by Verizon.¹

¹ Cable television is regulated locally and at the Federal level. While there are other local and state regulations over Rights of Way access, in most states, only local governments have the authority to grant a cable franchise. The Franchise is subject to the authority of local decision-makers when a change of ownership occurs.

Q5: Can Jurisdictions decide to approve or deny the transfer on any grounds?

No. The Franchise and Federal Law require that the decision be based on the Legal, Technical, and Financial ability of the new company to fulfill the obligations of the outgoing company.

Q6: Are the MACC jurisdictions a major decision maker in this transaction?

Yes. The merger agreement between the companies requires that all governmental approvals have to be in place prior to the time the deal closes next year. In terms of cable television territory, MACC jurisdictions have more than one-third of the approximately 100,000 cable subscribers that would be transferred to Frontier – and is probably the single largest local government decision maker to consider this issue.

Q7: How would this transaction affect cable television rates?

A number of factors affect cable rates, which are unregulated in the Verizon franchise. A transfer to Frontier has no specific or predictable impact on local rates. As we discussed when granting the Verizon franchise, the competitive pressure to restrain cable rates is usually outweighed by the industry's bizarre pricing methods (i.e., requiring the purchase of multiple channels from a provider) and the extremely high costs attributable to "indispensable" channels such as ESPN.

Q8: Will customers receive the same or better treatment by Frontier?

The Franchise contains substantial customer service requirements, all of which would apply to Frontier. We hope that Frontier will improve responsiveness to customers. Our experience with Verizon has generally been positive – however, Verizon operates a centralized customer service operation which has been problematic. Frontier promises local managers with greater decentralized authority to ensure customer satisfaction. We also feel a smaller company may be more effective in handling subscriber issues. However, Frontier has no plans to bring a new customer service center to Oregon, nor any commitment to improve upon Verizon's limited physical presence to serve walk-in cable customers (although they will assume ownership of one Verizon's Plus Store in the Tanasbourne area). Since customer service is an important issue to subscribers, the company providing the best service is likely to prevail in a competitive environment.

Q9: Will programming change?

Probably. Frontier's goal is to duplicate the current Verizon channel offerings to the extent possible. It is likely, we believe, that the most popular channels will continue to be offered. Frontier has guaranteed as a condition of approving the transfer that at least 75% of the nearly 500 channels currently offered will continue after the close of the merger. In addition, the competitive pressure applied by Comcast's growing channel lineup will influence Frontier.

There are dozens of content providers, and Frontier must negotiate a contract with each of them, or through a programming consortium. These negotiations are complicated and time-consuming. MACC staff will continue to be apprised of Frontier's progress through the close of the sale.

There is no ability by MACC, state or federal government to require cable companies to carry individual commercial channels. Competition and business models drive this decision. However, carriage of our local Public, Education, and Government Access channels are guaranteed.

Q10: What happens to Verizon's employees?

Frontier has told us that it will rely on current Verizon FiOS staff to run system after the merger closes. Frontier is retaining Verizon's area customer service office (in Everett, Washington). However, Frontier will continue, as Verizon has, to rely on telephone and web-based customer

service contact, as well as technician visits and parcel delivery to provide customers with equipment. Regardless of other staffing decisions, Frontier must be able to respond to customers within the timeframes in the Franchise and therefore must maintain staffing adequate to do so. Frontier will also be in a competitive environment, with the possible penalty of losing customers who experience poor service – whether that is caused by staffing ratios or untrained employees.

Q11: Will Frontier build-out the cable system to everyone within the franchise area?

Verizon completed the required build-out of the franchise area. There remain some unserved, mostly rural areas that are unserved by Verizon's cable system (and FiOS). There is no commitment by Frontier to serve these areas, either. However Frontier has a reputation for serving rural areas and has indicated that it might improve high-speed internet speeds to these areas. Therefore, there is some reason to believe that at least Internet service will improve in these areas – and possibly the introduction of cable service as well.

Q12: Will franchise fees be affected?

Verizon currently pays almost \$1,000,000 annually to MACC jurisdictions in franchise fees for use of the Public Right of Way. Frontier would pay the same rate as Verizon. However, if Frontier's business model is not as robust as Verizon's, it may lose customers. Lower subscriber rates, if selected, could reduce revenues. If Frontier elects not to offer all the advanced services that Verizon provides (e.g., pay per view), this could also reduce revenues. Again, retaining Verizon's subscribers and adding more will be essential if Frontier is to be successful in competing with Comcast and the satellite providers.

Q13: Will Frontier be here for the length of the franchise?

MACC's ability to absolutely guarantee continued competitive cable service in the MACC area is limited, given our authority under Federal Law. Nonetheless, Frontier has shown progress on every commitment MACC requested, and has provided confidential documentation of financial and infrastructure commitments. Frontier may fail, or the company may make a business decision to leave the cable business in the future. We have taken every possible step to ensure, however, that Frontier is going to make a sincere effort to succeed. It has every reason to do so.

Q14: What does this transaction mean for video competition in the MACC area?

Frontier does not have the deep pockets and multiple sources of revenue that Verizon has. The risk for MACC area subscribers is that Frontier will not be able to continue to provide all of the video services that Verizon currently offers – or that it may not be able to keep up with cutting-edge technology. Of course, there's no guarantee that Verizon can do so either. Part of the reason for Verizon to sell 14 states' business was to ensure the company's continued viability.

If Frontier fails, it is likely that the MACC area will return to a single video provider (Comcast) area, as it is in 90% of the nation. Telecommunications companies, other than Verizon, have shown little interest in going head-to-head with established cable companies. While MACC believes that the Verizon experiment has been very successful here, with Verizon meeting the goals they set when we negotiated the Franchise, it may not be enough to sustain Frontier.

Nevertheless, as it did prior to Verizon's entry into the market, MACC will continue to pursue local competition.

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