



**CORVALLIS  
CITY COUNCIL AGENDA**

**March 20, 2006  
12:00 pm ONLY**

**(Work Session at 7:00 pm)**

**Downtown Fire Station  
400 NW Harrison Boulevard**

**COUNCIL ACTION**

---

**PLEDGE OF ALLEGIANCE**

**I. ROLL CALL**

**II. CONSENT AGENDA**

The following items are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council member (or a citizen through a Council member) so requests, in which case the item will be removed from the Consent Agenda and considered separately. If any item involves a potential conflict of interest, Council members should so note before adoption of the Consent Agenda.

- A. Reading of Minutes
1. City Council Meeting – March 6, 2006
  2. City Council/509J Work Session – March 14, 2006
  3. For Information and Filing (Draft minutes may return if changes are made by the Board or Commission)
    - a. Citizens Advisory Commission on Transit – February 8, 2006
    - b. Committee for Citizen Involvement – February 2, 2006
    - c. Corvallis-Benton County Public Library Board – February 1, 2006
    - d. Historic Preservation Advisory Board – February 13, 2006
    - e. Housing and Community Development Commission – February 15, 2006
    - f. Land Development Hearings Board – March 1, 2006
    - g. Open Space Advisory Commission – February 14, 2006
    - h. Parks and Recreation Advisory Board – February 16, 2006
    - i. Planning Commission – February 8, 2006
    - j. Public Art Selection Commission – February 1, 2006
- B. Announcement of Vacancies on Bicycle and Pedestrian Advisory Commission and Citizens Advisory Commission Civic Beautification and Urban Forestry (Bennett, Hendrick)
- C. Announcement of Appointment to Commission for Martin Luther King, Jr. (McKay)

- D. Acknowledgment of receipt of updated Boards, Commissions, and Committees directory
- E. Approval of 2006 Planning Commission vacancies and proposed interview schedule
- F. Authorization to enter into and for the City Manager to sign an Intergovernmental Agreement with Benton County Health Department for bike patrol training services
- G. Authorization to enter into and for the City Manager to sign an Amended and Restated Agreement with Regional Automated Information Network (RAIN)
- H. Schedule an Executive Session following the regular noon meeting under ORS 192.660(2)(d)(h) (status of labor negotiations; status of pending litigation or litigation likely to be filed)

**III. ITEMS REMOVED FROM CONSENT AGENDA**

**IV. UNFINISHED BUSINESS**

- A. Neighborhood Empowerment Grant allocation proposals
- B. Telecommunications Service Tax
- C. City Attorney Employment Agreement

**V. MAYOR, COUNCIL, AND STAFF REPORTS**

- A. Mayor's Reports
- B. Council Reports
- C. Staff Reports
  - 1. City Manager's Report – February 2006
  - 2. Council Request Follow-up Report – March 16, 2006

**VI. VISITORS' PROPOSITIONS – 12:30 pm** *(Note that Visitors' Propositions will continue following any scheduled public hearings, if necessary and if any are scheduled)*

**VII. PUBLIC HEARINGS – None.**

**VIII. & IX. STANDING COMMITTEE REPORTS, ORDINANCES, RESOLUTIONS, AND MOTIONS**

- A. Human Services Committee – None.
- B. Urban Services Committee – March 7, 2006
  - 1. Council Policy Review: 91-7.04, "Building Permits Where Public Improvements Are Not Completed and Accepted by the City of Corvallis"
  - 2. Systems Development Charge Annual Review  
*ACTION: A resolution establishing Systems Development Charge rates, per Municipal Code Chapter 2.08, "Systems Development Charge," to be read by the City Attorney*
  - 3. Airport Lease Assumptions – Pacific Rim and AVIA to Corvallis Aero
  - 4. Airport Lease Extension and Sub-Lease – Fred Lowther
- C. Urban Services Committee – March 15, 2006
  - 1. Parks Systems Development Charges
- D. Administrative Services Committee – March 9, 2006
  - 1. Purchasing Ordinance Review
  - 2. Second Quarter Operating Report
- E. Administrative Services Committee/City Charter Review Committee – March 13, 2006
  - 1. City Charter Review Public Forum
- F. Other Related Matters

**X. NEW BUSINESS**

- A. OSU Innovation Campus presentation by John Cassady, OSU Vice President of Research (noon meeting)

**XI. ADJOURNMENT**

For the hearing impaired, a sign language interpreter can be provided with 48 hours' notice prior to the meeting. Please call 766-6901 or TTY/TDD telephone 766-6477 to arrange for such service.

**A LARGE PRINT AGENDA CAN BE AVAILABLE BY CALLING 766-6901**

*A Community That Honors Diversity*



CITY OF CORVALLIS  
ACTIVITY CALENDAR

MARCH 20 - APRIL 1, 2006

MONDAY, MARCH 20

- ▶ City Council - 12:00 pm - Downtown Fire Station, 400 NW Harrison Boulevard
- ▶ City Council - 7:00 pm - Downtown Fire Station, 400 NW Harrison Boulevard (work session: Parks Systems Development Charges)

TUESDAY, MARCH 21

- ▶ Human Services Committee - 11:30 am - Madison Avenue Meeting Room, 500 SW Madison Avenue
- ▶ No Urban Services Committee
- ▶ Watershed Management Advisory Commission - 5:30 pm - Parks and Recreation Conference Room, 1310 SW Avery Park Drive

WEDNESDAY, MARCH 22

- ▶ Parks and Recreation, Youth, and Cultural Services Council Goal - 10:00 am - City Hall Meeting Room A, 501 SW Madison Avenue
- ▶ Downtown Parking Commission - 5:00 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue
- ▶ Planning Commission - 6:00 pm - Downtown Fire Station, 400 NW Harrison Boulevard (deliberate historic provisions)

THURSDAY, MARCH 23

- ▶ Administrative Services Committee - 12:00 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue

SATURDAY, MARCH 25

- ▶ No Government Comment Corner

SATURDAY, APRIL 1

- ▶ No Government Comment Corner

**CITY OF CORVALLIS  
COUNCIL ACTION MINUTES**

**March 6, 2006**

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Decisions/Recommendations
<b>Consent Agenda</b> Pages 129-130			
<b>Unfinished Business</b> 1. OSU Apperson Hall Findings of Fact and Order  2. Strengthen Citizen Involvement Goal – CCI Pages 130-132		Refer to HSC	<ul style="list-style-type: none"> <li>• Approve formal findings and order; approve application passed <u>5-2</u> (one abstaining)</li> </ul>
<b>Mayor's Report</b> 1. Girl Scout Week – March 10-16, 2006 2. Developmental Disability Awareness Month – March 2006 Page 132			<ul style="list-style-type: none"> <li>• Proclaimed</li> <li>• Proclaimed</li> </ul>
<b>Visitors' Propositions</b> 1. Corvallis-to-Sea Trail (Daniels) Page 133	Yes		
<b>Council Reports</b> 1. Gondar Castle presentation (Gándara) 2. SCI Conference (Tomlinson)  3. BMX track follow-up (Grosch) 4. Green Party Gubernatorial Nominating Convention (Grosch) 5. Iraq War Anniversary Rally (Grosch) 6. Gondar Presentation (Gándara) 7. National Trails Day (Davis) 8. Homeless Shelter (Daniels) 9. Tax Initiatives (Tomlinson) Page 133-134	Yes  Yes Yes Yes Yes Yes	Refer to CLC	<ul style="list-style-type: none"> <li>• Use Mayor/City Council travel budget to send Councilor Gándara</li> </ul>
<b>Staff Reports</b> 1. Corvallis-to-Sea Trail Partnership 2. Historic Preservation Provisions 3. Council Request Follow-up Report – March 2, 2006 Pages 134-135	Yes Yes Yes		

Agenda Item	Information Only	Held for Further Review	Decisions/Recommendations
<p><b>Items of HSC Meeting of February 22, 2006</b>            1. ArtCentric Annual Report            2. PASC Annual Report             3. Organizational Diversity Efforts</p> <p>Pages 136-137</p>			<ul style="list-style-type: none"> <li>• Approve Report <u>passed U</u></li> <li>• Approve Report and continuing PASC assistance <u>passed U</u></li> <li>• Approve scope and time line for assessment within City organization and create final report <u>passed 7-1</u></li> <li>• Reintroduce enhancement package during June deliberations <u>passed 7-1</u></li> </ul>
<p><b>Items of ASC Meeting of February 23, 2006</b>            1. Economic Development Allocations Second Quarter Reports</p> <p>Page 137</p>			<ul style="list-style-type: none"> <li>• Approve reports <u>passed U</u></li> </ul>
<p><b>Other Related Matters</b>            1. Series 2006A Advanced Refunding Bonds</p> <p>Pages 137-138</p>			<p>RESOLUTION 2006-07 <u>passed U</u></p>
<p><b>Executive Session</b>            1. Status of LDC Phase I appeal            2. Status of City Attorney performance evaluation            3. Status of City Attorney employment agreement</p> <p>Page 138</p>	<p>Yes            Yes            Yes</p>		
<p><b>New Business</b>            1. Tour of Madison Avenue Building</p> <p>Page 138</p>	<p>Yes</p>		

Glossary of Terms

- ASC Administrative Services Committee
- BMX Bicycle Motorcross
- CCI Committee for Citizen Involvement
- CLC City Legislative Committee
- HSC Human Services Committee
- LDC Land Development Code
- OSU Oregon State University
- PASC Public Art Selection Commission
- SCI Sister Cities International
- U Unanimous

**CITY OF CORVALLIS  
COUNCIL ACTION MINUTES**

**March 6, 2006**

The regular meeting of the City Council of the City of Corvallis, Oregon, was called to order at 12:00 pm on March 6, 2006 in the Downtown Fire Station, 400 NW Harrison Boulevard, Corvallis, Oregon, with Mayor Berg presiding.

**PLEDGE OF ALLEGIANCE**

**I. ROLL CALL**

**PRESENT:** Mayor Berg, Councilors Zimbrick, Daniels, Grosch, Davis, Gándara, Hagen, Brauner, Tomlinson

**ABSENT:** Councilor Griffiths (excused)

Mayor Berg directed Councilors' attention to items at their places, including a letter addressed to the League of Women Voters related to the Land Development Code Phase I appeal (Attachment A); a revised Confirmation of Appointment memorandum (Consent Agenda item B); and project ideas from the City of Gondar, Ethiopia (Attachment B).

**II. CONSENT AGENDA**

Councilors Zimbrick and Grosch, respectively, moved and seconded to adopt the Consent Agenda as follows:

- A. Reading of Minutes
  - 1. City Council Meeting – February 21, 2006
  - 2. For Information and Filing (Draft minutes may return if changes are made by the Board or Commission)
    - a. Airport Commission – February 7, 2006
    - b. Bicycle and Pedestrian Advisory Commission – February 3, 2006
    - c. Corvallis-Benton County Public Library Board – January 11, 2006
    - d. Downtown Parking Commission – January 25, 2006
    - e. Planning Commission – January 25 and February 1, 2006
- B. Confirmation of Appointments to Advisory Boards and Commissions (Parks and Recreation Advisory Board - Noel; Public Art Selection Commission - Krainik, Committee for Citizen Involvement - Nordyke)
- C. Cancellation of a public hearing previously scheduled for March 6, 2006 (ZDC05-00009, SUB05-00005 - Satinwood District Change)
- D. Authorization to enter into and for the City Manager to sign a modified lease agreement with Margaret Coe, dba On the Go Snack Bar, for concession services at the Intermodal Mall

- E. Schedule an Executive Session following the regular noon meeting under ORS 192.660(2)(h)(i) (status of pending litigation or litigation likely to be filed; status of employment-related performance)

The motion passed unanimously.

III. ITEMS REMOVED FROM CONSENT AGENDA - None.

IV. UNFINISHED BUSINESS

- A. Adoption of Findings of Fact and Order relating to an appeal of a Land Development Hearings Board decision (HPP05-00034 – Oregon State University Apperson Hall)

Councilors Grosch and Zimbrick, respectively, moved and seconded to approve the March 6, 2006 Formal Findings and associated Order that reverses the Land Development Hearings Board decision to deny the Historic Preservation Permit request (HPP05-00034), thereby approving the Historic Preservation Permit application (HPP05-00034).

Councilor Gándara stated that he will abstain from voting because he was not able to attend the Hearing or listen to the Hearing tapes.

Councilor Daniels said she was voting against the motion because she disagrees with the interpretation of the statutes and other opinions that led to the findings. Councilor Davis stated agreement with Councilor Daniels' comments.

The motion passed five to two, with Councilors Daniels and Davis opposing and Councilor Gándara abstaining.

Mayor Berg announced that any participant not satisfied with the Council's decision may appeal to the State Land Use Board of Appeals within 21 days of the date of the Council's decision.

- B. Report on City Council Goal – "Strengthen Citizen Involvement – Committee for Citizen Involvement"

Associate Planner Gager said the current Council adopted a goal to "Strengthen citizen involvement by working with the Committee for Citizen Involvement to identify new strategies to improve and increase involvement." Ms. Gager explained that the Committee for Citizen Involvement (CCI) is an ongoing committee, required by State Land Use Planning Goal #1. Committee activities include:

- Provide information to citizens regarding opportunities to become involved in land use processes and decisions.
- Develop educational materials to promote greater understanding of land use issues.
- Evaluate existing programs and procedures used to promote citizen involvement in land use planning.
- Advise on processes by which land use decisions are made.
- Act as a resource for staff and other Advisory Boards and Commissions regarding citizen involvement activities.

Ms. Gager reported that the Committee is requesting a continuation of the .20 Full Time Equivalent (FTE) position that was reinstated in October 2005. The CCI has been reviewing their future role in terms of how the Statewide Land Use programs are changing, and they are also seeking Council direction on suggested changes to their work program and approach.

Ms. Gager said a new role for the CCI is to administer the Neighborhood Empowerment Grants. In addition to land use planning issues, the CCI would like to focus on being a resource for staff, advisory boards, and neighborhood associations. This means the CCI would expand their role from primarily serving the Community Development Department to serving various City departments with guidebooks, performing analysis of citizen involvement in Corvallis, and becoming more involved with City issues versus only land use actions.

Ms. Gager said budget implications include continuing the .20 FTE staff support, \$4,000 for CCI expenses, and \$5,000 for the Neighborhood Empowerment Grant program. She requested feedback from Council and, if appropriate, a referral to the Human Services Committee (HSC) for analysis and recommendation to Council.

CCI member Bull thanked the Council for reinstating staff support. She said Ms. Gager has brought organizational skills to the Committee.

Ms. Bull stated that the CCI has accomplished multiple projects, including creating a pamphlet to help the public testify, developing land use guides, and providing resources for Neighborhood Association Presidents. The Committee believes they can be more effective and relevant to the public if they are allowed to work with issues outside of the land use system. The CCI is hoping to improve their relationship beyond Neighborhood Associations by working at the Ward level.

Ms. Bull said the CCI recently began working on the Neighborhood Empowerment Program process. Applications have been received for the use of those funds. Ms. Bull said this program spends a minimal amount of City money and empowers citizens to become involved in their community.

Ms. Bull said the proposed approach for the CCI will not be at the expense of helping the public understand the land use program. Their intent is to continue this program and be a more useful and resourceful committee.

Councilor Brauner said he agrees that the report should be referred to HSC for a detailed review. He added that giving expertise to other Boards and Commissions is a good idea; however, land use issues must come first.

Councilor Tomlinson requested information about the Portland based United Villages model when the information is presented to HSC. He expressed concerns about the CCI working with Neighborhood Associations, as not all of the community would be represented, and he wanted to make sure the City would be building consensus, not polarity through this process.

As the liaison for the CCI, Councilor Daniels said the first piece to be addressed should be the division in the community. The Committee discussed at length the fact that not all parts of the City belong to Neighborhood Associations, which led to the discussions about the United Villages model that focuses on the Ward system.

Councilor Daniels stated that in reviewing Attachment B of the staff report, it appears as if the CCI only helps citizen groups and Neighborhood Associations. In fact, the Committee has done a lot of work to help prospective developers understand the land use system and how to work with citizens during the planning stages. The land use pamphlet (A Land Use Applicant's Toolkit for Citizen Participation) has guidelines on how to conduct citizen outreach before submitting a formal application for development.

Councilor Daniels added that CCI's proposal, specifically strengthening organizations and helping them work out issues, will potentially save staff time, encourage civility between neighbors, and limit calls for enforcement or intervention. She said the energy and productivity levels of the Committee have dramatically increased since staff support was reinstated.

In response to Councilor Zimbrick's inquiry, Community Development Director Gibb said the Budget Commission approved CCI staff support at .20 FTE and \$4,000 for printing and materials for Fiscal Year (FY) 2006-2007. Neighborhood Empowerment Grant dollars have not been approved for FY 2006-2007.

Mayor Berg confirmed that the proposal will be referred to the HSC for a more detailed analysis.

Mayor Berg welcomed two Boy Scouts attending the Council meeting: Joseph Kleinhenz and Jacob Malaska.

Mayor Berg noted that the City Manager is using a laptop to access an electronic version of the Council packet, which is another step forward in advancing technology.

## V. MAYOR, COUNCIL, AND STAFF REPORTS

### A. Mayor's Reports

1. Proclamation of Girl Scout Week – March 10-16, 2006

Mayor Berg read the proclamation.

2. Proclamation of Developmental Disabilities Awareness Month – March 2006

Mayor Berg read the proclamation.

Mayor Berg reported that she recently attended a memorial service for former Councilor Rollie Smith. She noted that Mr. Smith also served as a School Board member, was an active member of the community, a champion of civil rights, and entertained people through singing and dancing.

## VI. VISITORS' PROPOSITIONS

Kent Daniels, 329 SW 8th Street, stated that the Corvallis-to-Sea Trail proposal includes two routes: Old Peak and Mary's Peak. As a hiker, he would prefer the Old Peak route, as the Mary's Peak route includes hiking on a very dangerous highway with no shoulders. He confirmed that the Old Peak route includes a small portion of the watershed and the City of Philomath.

Mr. Daniels thanked the Council for the recent appointments to the Parks and Recreation Advisory Board.

## V. MAYOR, COUNCIL, AND STAFF REPORTS (continued)

### B. Council Reports

Councilor Gándara presented Mayor Berg with a replica of the first castle built in Gondar, Ethiopia. He said four castles were built in Gondar and all are tour accessible. The castle was presented to Councilor Gándara by the Mayor of Gondar during a meeting with more than 100 people in attendance, including local, regional, and federal dignitaries.

Councilor Tomlinson referred Council to a memorandum from the City Manager related to Councilor Gándara attending the Sister Cities International Conference in Washington, D.C. The Council agreed that the Mayor and City Council travel and training budget should be used to help with expenses.

Councilor Grosch reported that he is following up with City staff and other interested parties on the BMX track improvement request previously received by Council. The improvements may simply involve moving dirt around on the property.

Councilor Grosch reported that Greg Bennett has stepped down as Chair of the Bicycle and Pedestrian Advisory Commission (BPAC) and the Commission is recruiting for new members. BPAC is focusing on public education related to bicycle and pedestrian safety.

Councilor Grosch announced that the Pacific Green Party Gubernatorial Nominating Convention will be held on March 11th from 10:00 am to 4:00 pm at the First United Methodist Church.

Councilor Grosch announced that he will be speaking at a rally planned for March 18th at the Benton County Courthouse commemorating the third anniversary of the beginning of the Iraq War. A march is planned for 11:30 am, with speakers beginning at 12:30 pm.

Councilor Gándara announced that he will give a presentation on his trip to Gondar, Ethiopia at the Madison Avenue Meeting Room on March 15th.

Councilor Davis reported that June 3rd is National Trails Day and the Mayor and Councilors will be invited to an event to commemorate the Willamette River Trail. The first segment of the trail is from Buena Vista to Wheatland Ferry and the new section includes the Upper Willamette, through Eugene and Corvallis to Buena Vista.

Councilor Daniels said she met with several members of the community that expressed concerns during the Budget Commission meetings about providing emergency homeless shelter during the winter. She conveyed to the group the importance of filing for nonprofit status and identified various private and public sources for available grant monies, such as the Community Development Block Grant and Social Services allocations.

Councilor Tomlinson referred to two initiatives included in the packet; TABOR (taxpayer bill of rights) and #14 (tax credits as deduction or federal exemption from tax liability). He suggested that the City Legislative Committee research these two initiatives to determine the impacts and help the Council be more informed how they relate to local government financing. The Council agreed.

#### C. Staff Reports

City Manager Nelson said two areas of opportunities for the City to make progress on the Council Sustainability Goal include water conservation and paper reduction. In response to paper reduction, Mr. Nelson said he has successfully been using his laptop to view the 320 page Council packet during the meeting.

Mr. Nelson said the brief description of problem and project ideas of the City of Gondar (Attachment B) will first be reviewed by the Sister Cities Association and will return to Council with recommendations.

##### 1. Corvallis-to-Sea Trail Partnership

Mr. Nelson reported that the Parks and Recreation Advisory Board (PRAB) is seeking adoption of a resolution for support of the Trail. The next step would be for staff to draft a resolution to be presented to Council at a future meeting.

Councilor Tomlinson stated that it would be good if one section of the trail could be opened during Corvallis' 150th birthday celebration in 2007.

##### 2. Historic Preservation Provisions Public Hearing Process and Upcoming Speaker Visit

Mr. Nelson said the memorandum describes the work sessions and meetings scheduled for consideration of the Historic Preservation Provisions. He said a historic preservation expert is scheduled to speak in Corvallis and he inquired whether the Council would like to schedule a special session with the speaker. The Benton County Board of Commissions and Albany City Council may also be invited.

A lengthy discussion ensued related to scheduling a special session. Councilors Daniels, Davis, and Tomlinson had conflicts for attending the evening session, while other Councilors could not attend an afternoon session. The Mayor encouraged the Councilors to make every effort to attend the evening meeting. Mr. Nelson noted that there is interest in scheduling a special session; however, not all Councilors may be able to attend due to conflicting schedules.

3. Council Request Follow-up Report – March 2, 2006

Mr. Nelson reported that the Oregon Department of Transportation (ODOT) has been reviewing options to address traffic issues near the intersection of State Highway 99W (99W) and NW Elks Drive. This may include an alternative placement of the access road to Good Samaritan Hospital.

Councilor Brauner noted that solutions to the section of 99W between NW Elks Drive and NW Conifer Drive would solve problem intersections.

Mr. Nelson noted that the Administrative Services Committee is holding a public forum on Monday, March 13th at 7:00 pm in the Library main meeting room. The forum follows three focus group meetings held to discuss aligning the City Charter with diversity issues.

Mr. Nelson referred to the February 28, 2006 memorandum from Public Works Director Rogers related to transit route revisions. He said the Citizens Advisory Commission on Transit has done a good job with existing resources and outreach to the community regarding the revisions. Staff recommends moving forward with the route revisions.

Councilor Daniels inquired about the buses using the intersection of Jefferson and 15th Streets. She said she understands the focus of transit going around the Oregon State University (OSU) campus boundaries; however, she thought this intersection was a hard configuration for the buses. Mr. Rogers responded that the intersection is difficult from west bound to north bound and the buses travel north bound to east bound, which does not cause a problem. Mr. Rogers said the route revisions help eliminate taking the buses through the OSU campus. He added that the changes would not work without the OSU shuttle system.

Councilor Daniels noted that she would like bike lanes installed along 14th Street between Monroe and Jefferson Avenues. Mr. Rogers confirmed that this section of 14th Street belongs to OSU.

In response to Councilor Tomlinson's inquiry, Mr. Rogers said routing the buses to the Senior Center has been reviewed many times. It is not safe to route the buses on 27th Street or Tyler Avenue, so the closest the buses can get to the Senior Center is 29th Street, two blocks from the Center.

Mr. Rogers added that the route change to include Stoneybrook Village has resolved the transit issues in Ward 1 and the Department received a thank you note from some of the residents.

VII. PUBLIC HEARINGS – None.

VIII. & IX. STANDING COMMITTEE REPORTS AND ORDINANCES, RESOLUTIONS, AND MOTIONS

A. Human Services Committee – February 22, 2006

1. ArtCentric Annual Report

Councilors Tomlinson and Daniels, respectively, moved and seconded to approve the ArtCentric Annual Report for Fiscal Year 2004-2005.

The motion passed unanimously.

2. Public Art Selection Commission Annual Report

Councilors Tomlinson and Hagen, respectively, moved and seconded to approve the Public Art Selection Commission Annual Report for Fiscal Year 2004-2005 and continuing assistance from the Public Art Selection Commission.

The motion passed unanimously.

3. Organizational Diversity Efforts

Councilors Tomlinson and Daniels, respectively, moved and seconded to approve the scope and time line for completing an assessment of diversity efforts within the City organization and the creation of a final report with recommendations to be brought back to the Committee and Council.

In response to Councilor Zimbrick's inquiry about needing the \$15,000 budget enhancement to complete the work, Councilor Tomlinson said a significant portion of the work can be completed in advance of the allocation.

The motion passed seven to one with Councilor Zimbrick opposing.

Councilor Tomlinson reported that the Budget Commission has not approved the \$15,000 budget enhancement to complete this Council goal and the Committee recommends reintroducing the enhancement package during the June budget deliberations.

Councilors Tomlinson and Gándara, respectively, moved and seconded to reintroduce the \$15,000 Organizational Diversity enhancement package during the Council budget deliberations in June to achieve the Council Goal.

Councilor Zimbrick inquired about what was presented differently to the Committee to cause this recommendation. Councilor Tomlinson responded that the enhancement package was part of a long list of budget items brought forward to the Budget Commission at the same time. When the enhancement was not approved, the Budget Commission was put on notice that Council would not be able to meet their goal without the enhancement. The Human Services Committee agreed that

the Council should have another discussion about this item to confirm the decision not to complete the goal. Councilor Daniels added that the Committee received a more detailed description about the specifics of the \$15,000 and how it relates to the work program.

The motion passed seven to one with Councilor Zimbrick opposing.

Mayor Berg stated that this topic is important and related to the March 13th City Charter review public forum. Councilor Davis encouraged Councilors to attend the forum.

B. Urban Services Committee – None.

C. Administrative Services Committee – February 23, 2006

1. Economic Development Allocations Second Quarter Reports

Councilor Brauner reported that the Committee received activity updates from Corvallis Tourism, Oregon Natural Step Network, Downtown Corvallis Association, Economic Vitality Partnership, Economic Development Partnership, and the Business Enterprise Center.

Councilors Brauner and Zimbrick, respectively, moved and seconded to approve the Fiscal Year 2005-2006 Economic Development Allocations Second Quarter Reports.

Councilor Davis said during the Committee meeting the Downtown Corvallis Association (DCA) confirmed that wayfinding is a part of the Strategic Plan design and implementation will develop in the future through other financial support.

The motion passed unanimously.

D. Other Related Matters

1. A resolution relating to the Series 2006A Advanced Refunding Bonds

City Attorney Fewel read a resolution relating to the Series 2006A Advanced Refunding Bonds and making appropriations for Fiscal Year 2005-2006.

Councilors Gándara and Zimbrick, respectively, moved and seconded to approve the resolution.

RESOLUTION 2006-07 passed unanimously.

Mayor Berg noted that it is wonderful to save money through refinancing. Mr. Nelson added that Finance Director Brewer did a great job accomplishing the refinancing during the Department move to Madison Avenue Building and absence

of several staff members. Councilor Daniels noted that the Department was also working on the budget process during this time.

*The Council entered Executive Session at 1:13 pm.*

Deputy City Attorney Brewer briefed the Council regarding the status of Land Development Code Phase I appeal.

(Mr. Nelson and Councilor Zimbrick left the meeting at 1:30 pm.)

The Council conducted a review of the City Attorney's performance evaluation with Mr. Brewer and Mr. Fewel.

(Mr. Brewer and Mr. Fewel left the meeting at 1:44 pm.)

The Council discussed the City Attorney employment agreement.

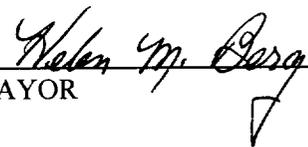
X. NEW BUSINESS

A. Tour of Madison Avenue Building

XI. ADJOURNMENT

Mayor Berg adjourned the meeting at 1:58 pm for a Council tour of the Madison Avenue Building.

APPROVED:

  
MAYOR

ATTEST:

  
CITY RECORDER



Office of the Mayor  
501 SW Madison Avenue  
P.O. Box 1083  
Corvallis, OR 97339-1083  
(541) 757-6985  
FAX: (541) 757-6780  
e-mail: mayor@ci.corvallis.or.us

March 6, 2006

Ms. Karen Nibler, President  
LWV Corvallis  
PO Box 1679  
Corvallis, OR 97339-1679

RE: Possible settlement of LUBA Appeal of LDC Phase I

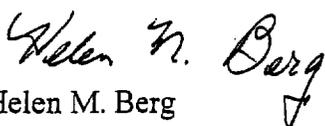
Dear Ms. Nibler:

Thank you for your February 17, 2006 letter regarding the possible resolution of the remaining LUBA appeal for the Land Development Code Phase I. As you know, this portion of the Land Development Code has been under appeal to various state bodies for a number of years. We certainly agree that the residents of Corvallis have a great stake in the outcome of the appeal.

We have discussed your letter with the City Attorney's Office and have been advised that it is inappropriate at this time to discuss pending litigation.

Naturally, any resolution of this case that the City Council approves would be consistent with the work that has already been accomplished on the Land Development Code. As far as a timeline, we have instructed the City Attorney's Office to work diligently on resolving this matter.

Very truly yours,

  
Helen M. Berg  
Mayor

Very truly yours,

  
Charles Tomlinson  
City Council President

2017

ATTACHMENT A  
Page 138-a

**Brief Description on the  
Problems and Project Ideas  
of the City of Gondar**

Prepared for

City Council of Corvallis

Prepared By

City Council of Gondar

January 10, 2006

# **Brief Description of the Problems and Project Ideas for the Development of the City of Gondar**

## **Introduction**

Founded in the 17<sup>th</sup> century, Gondar was the capital city of Ethiopia since its establishment by emperor Fasiledas. It has been the center of Ethiopian politics for a long time. The remains of different palaces and castles herald, even today, the fact that Gondar was once an important center of politics in the African continent.

Gondar is located some 750 K.ms. from the present capital of Ethiopia, Addis Ababa. Located in the North-West part of the country, Gondar is currently one of the very important tourist attractions Cities of Ethiopia.

The various 17<sup>th</sup> & 18<sup>th</sup> century castles constructed by different Emperors, the Fasiledas Bath and its ancient churches are some of the attractions of Gondar.

Apart from the manmade historical attractions Gondar is also surrounded by chain of mountains including the Semien chain of mountains which is home of different endemic birds and mammals including the Walia Ibex.

In 2005 the population of the city is reckoned to be 203,373.

Gondar is administered by a city council and a mayor with various offices including the city services office-all responsible through the mayor to the city council.

Although Gondar is one of the fast growing cities in the country, it has a number of infrastructural and socio-economic problems that need the attention of government, partners and residents.

Some of these problems and their possible solutions are outlined hereunder.

## **1. Drinking Water**

The population of the city is growing very rapidly and the city is required to provide all facilities adequately and efficiently. Drinking water has been a problem in Gondar for long. Since the city is located on hilltop drawing water to the city has remained a major difficulty. Currently the main source of drinking water is the Angereb Dam built north of the city. This source of water is not adequate and inflow of silt during the rainy season of every year has created a serious threat to the water supply of the city. The silt is filling the dam and the capacity of the dam is minimized every year. Different studies have been made clear that after five years time the supply of water in Gondar will be critical. Understanding the extent of the problem the zonal administration of North Gondar has commissioned a feasibility study in 2003-2004. This study was conducted by experts in the region and proposed that among a number of alternatives using Lake Tana as source of drinking water for the city is considered to be more feasible. To implement this project and give long lasting solution to the problem the study suggested that water be brought by electricity power from the lake.

The project is expected to cost about USD \$30,000,000 (Thirty Million US Dollars).

## **2. Housing**

The same rapidly growing population is also creating significant pressure on the provision of housing especially for middle and lower class of the society-those that could not afford to build their own houses. As we can

understand from the city housing stock, there is a back log of 20,000 houses that needs the effort of government and private investors. Construction of condominium houses for about 3000 households per annum is envisaged as a solution for the prevailing problem of housing in Gondar.

Detailed plan and financial requirements of this project will be worked out by the city services office in this 2006 fiscal year.

### **3. Sanitation and Waste Disposal System.**

The city has not yet developed a well organized waste disposal system and this is one of its challenges to develop as a modern city. The condition of Sanitation could be said to be poor by modern standards. Less than 50% of the households have their own toilet (any standard). Provision of adequate toilet facilities and beautification of the city centers and historical sites needs serious concern and attention. Different studies show that only 30% of the total generated liquid wastes and about 60% of solid waste is properly collected and disposed. The city council has already started working on the feasibility study of sustainable waste disposal system by a modern standard.

It is believed that the city council has to complete the started feasibility studies within six months and make them ready for implementation. The resource requirements, sources of finance and possible partners of the project could be identified by the project document to be prepared soon.

### **4. Reducing Urban Unemployment.**

As caused by rural-urban migration and other socio-economic factors urban unemployment has been a major a problem for rapidly developing cities in Ethiopia, Gondar is not different from other cities in the country. Hence, this issue too needs the attention of government, partners and residents of the city. The government has devised and designed different

policy guidelines to reduce urban unemployment in the country. Among the different strategies the emphasis given to micro enterprise development is one that could reduce urban unemployment in Gondar in particular and in Ethiopia in general.

In this regard we need to exploit the existing potential of Gondar in the development of micro enterprises.

The traditional weaving poetry and other different handicrafts that may exploit the tourism market as a potential target for selling our cultural products. Training of educated job seekers in this crafts and provision of seed money for them to establish their own small businesses is one important area that must be given due attention to change the life of the population in the city.

## **5. Women's Support**

In Ethiopia, due to cultural backwardness, Women have been neglected in various economic activities. Currently the government has given the issue of women serious attention to the extent of establishing a ministry for women's affairs.

In this regard addressing the issue of gender inequality in the city of Gondar will be addressing overall social development.

Organizing women's support center could be one possibility to bring about change in Gondar. This is an idea that must be further discussed and implementation modalities be devised.

## **6. Tourism Development**

As mentioned in the introductory section Gondar has a very good potential to earn huge benefits from the tourism industry. The sector needs attention and special provisions must be given for those activities and facility development, organizing strong tourist information center and infrastructure development could be considered as areas of concern for the development of the sector in Gondar.

## **7. Infrastructure Development**

Development of the road network in the city upgrading the street light and recreation and parks could be considered as parts of the infrastructure that need the attention of the city council, partners and residents.

## **8. Market up Grading and Expansion**

The expansion of market in the new expansion area of the city and up grading the status of the existing ones is one of the challenging of our city. The present capacity and arrangements of the city markets are poor and not well organized. All markets need some arrangements in relation to the population pressure and market diversification. Modernized arrangements and expansion of the city markets helps to improve the service sectors and supporting the development of informal sectors. So that to improve the capacity and service provision of present markets up grading their statues and expansion in the new developed areas of the city is necessary.

## **9. Capacity Building**

Provision of city service is complex and multi dimensional by it's nature. Therefore, capacity building in the areas of urban management, sanitation, infrastructure, cadastre, land administration, soft ware development and application is vital for the development of the city. In this case international experience on urban affairs could be shared through exchange of experts and arrangement of scholarships.

In sum these are brief descriptions of the problems and future visions of the city. Detailed Project descriptions and feasibility studies will be formulated on demand in the future.

## **10. University partnership**

Gondar has one young university established in 2003. Previously there was a college of medicine for more than fifty years. Now the medical college is part of the university.

The University has six different faculties;

1. College of Medicine and Health Sciences which trains medical doctors, Health officers, Nurses, Pharmaceutics, laboratory technologists and environmental health technologists. It has also masters program in public Health, Nutrition and surgery.

### **2. Faculty of Business and Economics.**

#### **Training programs**

- Tourism Management
- Economics
- Business Management
- Accounting and
- Marketing

### **3. Faculty of Applied Natural Sciences**

- Computer Sciences
- Physics
- Chemistry
- Biology
- Biotechnology

### **4. Social Sciences & Humanities**

- Anthropology
- Sociology
- Psychology
- Language studies (English)
- Applied Geography

### **5. Veterinary Medicine**

- Trains DUM

### **6. Faculty of Law**

## **7. Planned faculties to be established soon**

- Engineering
- Agriculture

These are the subjects in which the University of Gondar has started training, Research and community services. The university is keen to establish a link of collaboration with a university in the west so that knowledge could be transferred from the west to the south.

## **11. School Children**

Children at school are found to be eager to work with Computers and at the same time Volunteer to have pen friends in other cities of the world. So, arranging attachments of Gondar school children with their counter parts in Corvallis will result better achievements.

## **12. Internet Communication**

Internet communication among Board members and school children will further facilitate relation between the two sister cities

## **13. Attending sister City Conference**

Board members could share comparative experiences of other cities if mechanisms could be in place to some members to participate in the up coming sister City Conference.



Office of the Mayor  
501 SW Madison Avenue  
P.O. Box 1083  
Corvallis, OR 97339-1083  
(541) 766-6985  
FAX: (541) 766-6780

e-mail: mayor@council.ci.corvallis.or.us

## PROCLAMATION

### GIRL SCOUT WEEK

**March 10 -16, 2006**

WHEREAS, Sunday, March 12, 2006, marks the 94th anniversary of Girl Scouts of the USA, founded by Juliette Gordon Low in 1912 in Savannah, Georgia; and

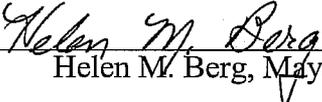
WHEREAS, Throughout its long and distinguished history, Girl Scouts, the pre-eminent organization for girls, has inspired millions of girls with the highest ideals of character, conduct and patriotism; and

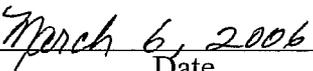
WHEREAS, Girl Scouting will lead businesses and communities to teach girls the skills needed to take active roles in math, science, and technology careers and to fulfill our country's economic needs; and

WHEREAS, Through Girl Scouting, every girl everywhere grows strong, develops skills for success, and gains courage, character, and confidence, making the world a better place; and

WHEREAS, More than 50 million women have enjoyed the benefits of the Girl Scout program, as an American tradition, for 94 years;

NOW, THEREFORE, I, Helen M. Berg, Mayor of Corvallis, Oregon, do hereby proclaim **March 10-16, 2006**, to be **Girl Scout Week** in the City.

  
\_\_\_\_\_  
Helen M. Berg, Mayor

  
\_\_\_\_\_  
Date



Office of the Mayor  
501 SW Madison Avenue  
P.O. Box 1083  
Corvallis, OR 97339-1083  
(541) 766-6985  
FAX: (541) 766-6780  
e-mail: mayor@council.ci.corvallis.or.us

## PROCLAMATION

### DEVELOPMENTAL DISABILITIES AWARENESS MONTH

MARCH 2006

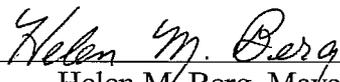
WHEREAS, Developmental disabilities affect more than eight million Americans and their families; and

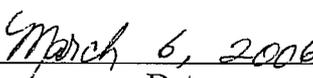
WHEREAS, People with developmental disabilities are people first with capabilities, competencies, personal needs, and preferences; they can be vital and vibrant members of our communities, improving the quality of life for all of us; and

WHEREAS, Public awareness and education enhance a community's understanding of the issues affecting people with developmental disabilities; and

WHEREAS, It is in the public interest to offer people with developmental disabilities the opportunity, to the maximum extent feasible, to make decisions for themselves and to live and work in typical homes and communities where they can exercise their full rights and responsibilities as citizens;

NOW, THEREFORE, I, Helen M. Berg, Mayor of Corvallis, Oregon, do hereby proclaim **March 2006** to be **Developmental Disabilities Awareness Month** in the City and call upon all citizens to give full support to efforts to enable people with developmental disabilities to live full and productive lives of inclusion in our community.

  
\_\_\_\_\_  
Helen M. Berg, Mayor

  
\_\_\_\_\_  
Date

**CORVALLIS CITY COUNCIL AND 509J SCHOOL DISTRICT  
JOINT WORK SESSION MINUTES  
March 14, 2005**

**I. CALL TO ORDER**

The joint work session meeting of the Corvallis City Council and the 509J School District was called to order at 7:04 pm on March 14, 2006 in the Downtown Fire Station, 400 NW Harrison Boulevard, Corvallis, Oregon, with School Board Chair Nell O'Malley presiding.

Ms. O'Malley noted that the City and District share a genuine pride in the community and a desire to work together to maintain a high quality of life. By sharing goals, the City and District will find ways to understand and support each other. A successful community has excellent services and schools are pivotal in its infrastructure.

**II. SELF INTRODUCTIONS**

Each participant introduced themselves and identified how long they have been involved with the City or School District.

Present:

*City* – Mayor Berg, Councilors Brauner, Daniels, Grosch, Davis, Tomlinson, Zimbrick, Griffiths, Hagen, City Manager Nelson

*509J School District* – Superintendent Tarzian, Board Members O'Malley, Donohue, Higgins, Rieck, Rodman, Gesler, Crescent Valley High School Student Representative Moore, Corvallis High School Student Representative Hector

Absent: Councilor Gándara (excused)

Ms. O'Malley presented Mayor Berg with a plaque recognizing the City's outstanding civic service. Mayor Berg noted that the honor is for past, present, and future Council and City staff.

**III. CURRENT GOALS AND PRIORITIES**

• **School Board**

Ms. O'Malley reported that the Board has focused on analyzing and addressing declining enrollment and capacity issues. The District expects to lose 600 students over the next ten years. They have worked with citizen groups, Board members, and staff to identify declining numbers, and to determine how to readjust facility use and the budget changes.

Board members reviewed each of the five goals adopted by the District in November 2005:

- Resource Review and Plan
- Communication and Engagement
- Budget Document and Process Review
- Additional Revenue Training and Decision
- Academic Improvement

Ms. O'Malley referenced Board member participation with various District committees and work groups.

- City Council  
Councilor Tomlinson briefed the participants on Council terms, how Council goals are created, and the following adopted goals:
  - Enhance organizational sustainability efforts
  - Pursue economic vitality
  - Assess organizational diversity efforts and develop goals and objectives
  - Review Charter for diversity and State law consistency purposes

Councilor Griffiths noted the four common points of all Council goals:

- Diversity
- Citizen Involvement
- Sustainability
- Cost Efficiency

Councilor Griffiths identified other Council goals for Fiscal Year 2005-2006:

- Develop Watershed Stewardship Plan
- Complete work and provide direction on Transportation Funding, Street Light Acquisition, and Utility Business Tax
- Evaluate strategies to maximize delivery of parks and recreation, youth, and cultural services

Each Councilor identified their participation level with the various City Boards, Commissions, and Committees. Councilor Tomlinson noted that Mayor Berg appoints more than 200 volunteers to 25 advisory boards.

Discussions ensued related to diversity definitions and applications, economic vitality, educational approaches to workforce training, enrollment and population changes, and affordable housing. Superintendent Tarzian said the District is working on a pathways program, job shadows, internships, and facility sharing for specific vocational programs.

#### IV. EXISTING PARTNERSHIPS AND RECENT COLLABORATION INITIATIVES

City Manager Nelson provided an updated list of successful collaborations between the City and District (Attachment A). He also noted the most recent collaboration initiatives discussed.

#### V. FUTURE COLLABORATION INITIATIVES DISCUSSION

The School Board and City Council discussed potential partnerships. Ideas for future collaborations included:

- Transit (combined contract, facility opportunities, future of City bus routes to schools)
- Health care costs and wellness activities
- State Legislature issues
- Purchasing
- Youth, Parks and Recreation
- Economic vitality
- Communications
- Local revenue resources
- Youth involvement in civic opportunities

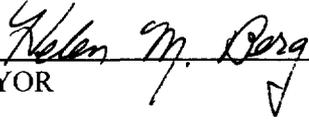
- Public Access Television
- Fiber optics – wireless project
- Career fairs
- Youth drug and alcohol issues

Ms. Rieck noted that there appears to be three themes: vitality, youth activities, and communication. The City offered to share their Comprehensive Communications Plan with the District. Participants agreed that it may be helpful to have liaisons on the School District Board and City Council. They also discussed meeting twice per year. A subcommittee of three elected officials each from the School Board and City Council will meet with the School Superintendent and City Manager to identify the most promising opportunities and report back to the Board and City Council.

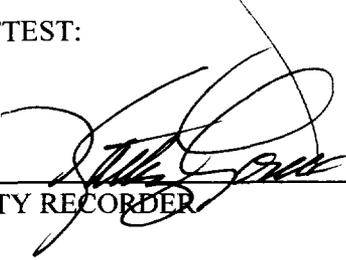
VI. ADJOURNMENT

The meeting was adjourned at 9:09 p.m.

APPROVED:

  
\_\_\_\_\_  
MAYOR

ATTEST:

  
\_\_\_\_\_  
CITY RECORDER

## **City of Corvallis and Corvallis School District 509J**

### **Successful Collaborations**

**Updated February 2006**

#### ***City Manager's Office***

- ▶ Publication of "How Corvallis Works," a curriculum guide to teaching City government.
- ▶ Employer Diversity Partnerships.
- ▶ Martin Luther King, Jr. High School Student Awards and school presentations.
- ▶ Joint participation in the Regional Public Information Officers group.
- ▶ Joint participation in hosting the weekly Government Comment Corner.
- ▶ Mayor visits to grade schools and participation in government classes at high schools.

#### ***Community Development***

- ▶ Staff participates regularly in pre-application and pre-development meetings with School District officials related to planning and construction projects.

#### ***Finance***

- ▶ Staff participation in accounting and budget system review.
- ▶ Coordination of tax information for ballot initiatives.
- ▶ Membership on committee looking at 509J overhead charges.
- ▶ City/County/509J fiber project.

#### ***Fire***

- ▶ Prevention trailer to schools.
- ▶ STARS attendance.
- ▶ Annual fire prevention inspections of all 509J properties through contract.
- ▶ Fire prevention workshop and training for maintenance staff as needed.
- ▶ "Learn Not To Burn" curriculum in place in certain elementary schools.
- ▶ Visits to classrooms and tours of the stations, combined with a "firesafe behaviors" learning experience.
- ▶ Counseling for youths who have demonstrated fire setting behaviors.
- ▶ Work experience for high school students, through job-shadow and ride-along programs.
- ▶ Fire Station #3 is located on property leased from the school district.
- ▶ Safety Town for children entering kindergarten.
- ▶ High school program for health classes: fire safety; EMS.
- ▶ Wash tennis courts at Crescent Valley High School annually.

## ***Library***

- ▶ Bookmobile goes to STARS after school program.
- ▶ School tours, programs, assignment alerts.
- ▶ Annual welcome teachers letter explaining Library services; standing offer to participate in InService orientations for teachers.
- ▶ Work experience through on-the-job training, volunteer experiences.
- ▶ Joint programming such as author visits and database program.
- ▶ Teacher card with different loan privileges.
- ▶ Partner with District on various grant applications.

## ***Parks and Recreation***

- ▶ Joint use/management of Garfield Park.
- ▶ Crescent Valley High School's use of City-owned open space property and former MLK, Jr. Park for outdoor classroom study.
- ▶ Development and maintenance of tennis courts at Linus Pauling, Lincoln, Western View and improvements to courts at Crescent Valley High School.
- ▶ Coordination with District for Youth Parks Corps and Youth Recreation Corps to teach community youth job skills.
- ▶ Agreement for operation of Osborn Aquatic Center, including ongoing cooperation with high school swim teams and special education classes for use of the Center.
- ▶ Joint use agreement for school facility use for Park and Recreation programs and reciprocal use of City-owned facilities.
- ▶ Cooperation between District, City, and Benton County Health Department for special recreation program implementation at school sites, e.g. *WeCan* program to prevent/mitigate child obesity (Ways to Enhance Children's Activity and Nutrition).

## ***Police Department***

- ▶ Safety Town.
- ▶ Community Policing Forum.
- ▶ Traffic safety education to students at both high schools.
- ▶ Ride-along program.

## ***Public Works***

- ▶ Assistance with CHS parking issues.
- ▶ Share bus systems overhead costs (single contractor).
- ▶ Jointly address bus facility needs.
- ▶ 35<sup>th</sup> Street improvements financing agreement.
- ▶ Joint review and assistance with "Walk to School routes" (with Benton County).
- ▶ Assisted with lead testing of school building water system.
- ▶ Offered storm water quality and water conservation expertise for classroom curriculum.

## ***General***

- ▶ Support for the "Yes for Kids" program by both the City and the District.

**DRAFT**  
**CORVALLIS CITIZENS ADVISORY COMMISSION ON TRANSIT**  
**MINUTES**

February 8, 2006

Members Present

Stephan Friedt  
Emily Hagen, City Councilor  
Bob Lowry, Chair  
Annie McMahon  
Brandon Trelstad  
Lita Verts, Vice-Chair  
Bjorn Warloe  
Robert E. Wilson

Staff

Jon Katin, Public Works  
Michelle Rhoads, Public Works

Visitors

John Oliver, CTS Driver  
Marge Coe, "On The Go" Proprietor  
Paul Morgan

Absent

Scott Carroll

**SUMMARY OF DISCUSSION**

Agenda Item	Infor- mation Only	Held for Further Review	Recommendations/Action
I. Introductions	X		
II. Approval of Minutes - January 11, 2006			Approved.
III. CACOT/Visitor's Comments	X		
IV. "On The Go" Transit Concessionaire Request to Reduce Operating Hours			Approved a recommendation for reduction in operating hours and monthly lease amount.
V. Subcommittee and Staff Recommendation on Route Changes			Approved a recommendation to allow staff to move forward with a refined route revision proposal.
VI. Information Sharing	X		
VII. Adjournment	X		

**CONTENT OF DISCUSSION**

**I. Introductions**

Introductions of Commission members, staff and visitors were made.

## II. Approval of Minutes- January 11, 2006

Commissioners Warloe and Verts, respectively, moved and seconded that the Commission approve the January 11, 2006 minutes. The motion passed unanimously.

## III. CACOT/Visitor's Comments

Bob Lowry reported that the Oregon Transportation Commission will meet February 14-15 at the Corvallis Hilton Garden Inn and Alumni Center. Most of the meetings are open to the public.

## IV. "On The Go" Transit Concessionaire Request to Reduce Operating Hours

Marge Coe, the proprietor of "On The Go" has determined there is a lower level of business than was originally anticipated. The requested hours are 7:45 a.m. - 5:00 p.m. Monday - Friday and no Saturday service. During the spring and summer, hours will extend to 6:00 p.m. If business increases, Saturday hours of 10:00 a.m. to 4:00 p.m. may be added. Ms. Coe felt that in order to maintain reasonable business hours and expenses, these reduced hours are necessary. Staff agrees with this request at this point in time and the Staff's recommendation is to accept the request for a lease amendment to allow for a reduction in operating hours. Rhoads reaffirmed that late spring and summer months would have a greater need for Saturday service than the winter months and that the City's expectation is for hours to increase for spring and summer.

**Commissioners Wilson and Warloe, respectively, moved and seconded that the Commission approve staff's recommendation to reduce operating hours for "On The Go" transit concession operation.**

Discussion ensued regarding the recommendation. Jon Katin said this reduction in hours cannot be imposed solely by a CACOT recommendation. The original lease states that the hours of operation would coincide with the hours of operation of CTS. An amendment to the lease agreement must be approved by City Council. It would be signed by Jon Nelson, City Manager.

Rhoads said it is also staff's recommendation to reduce the monthly building lease amount from \$100 to \$50 through June 30, 2006. Starting July 1, 2006, the monthly lease amount would again be \$100.

**Commissioners Wilson and Warloe, respectively, moved and seconded that the Commission approve staff's recommendation to reduce operating hours and reduce the monthly lease payment amount to \$50 through June 30, 2006 for "On The Go" concession operation. The monthly lease payment would revert to \$100 starting July, 2006.**

Discussion ensued regarding this motion. Emily Hagen asked if staff knew what the cost to the City would be to have an information booth-only operation, without concession sales. Jon Katin said City personnel at City Hall has traditionally served in the information role. City personnel currently sell bus tickets, passes and provide route information. Rhoads pointed out that bus pass and tickets sales is but one service provided by City Hall. Laidlaw Transit provides bus route information through the CTS Information Line. It was noted that the City and specifically CTS, benefits from the transit information and sales provided by "On the Go."

Warloe asked if there was a way for staff to modify the operating hours of "On The Go" without a City Council approval process. Katin said he would talk to the City Attorneys Office. Rhoads said staff would talk internally as well.

Bob Lowry suggested opening "On The GO" at 7:40 a.m. because buses depart the Transit Center at 7:45 a.m. Ms. Coe said she is operational nearly every morning by 7:40 a.m.

Friedt asked if "On The Go" was promoted by signs on CTS buses and elsewhere. Katin said because of an advertising contract with a company, Ms. Coe would incur a cost for promotion. Rhoads said she promotes "On The Go" as a source of transit information by means of CTS newsletters, press releases, display advertising, "Try Transit Week" promotions and public hearing notices. Friedt suggested posting notices on buses which stated transit information can be obtained at "On The Go". It was noted that this would likely require including notice of all potential locations for obtaining that information.

**A vote was called and the motion passed unanimously.**

**V. Subcommittee and Staff Recommendation on Route Changes**

Lowry said the subcommittee met recently to discuss public comments regarding the proposed routes changes. The subcommittee suggested the following changes affecting the North end of Corvallis:

**Route 1:** No changes.

**Route 2:** Would stay on 9th Street, travel around Good Samaritan Hospital, then return to the Transit Center via 9<sup>th</sup> Street. This change should keep the route on time.

**Route 4:** Would travel Highland Drive to Satinwood Street, around Good Samaritan Hospital, then return to the Transit Center via Highland.

**Route 5:** No changes.

**Route 6:** No changes.

**Route 7:** Would travel into Hewlett-Packard's (HP) campus to the south gate, turn around, come back through HP's campus and continue to Conifer Boulevard. On Conifer Boulevard, it would proceed directly to 9th Street on its way to Circle Boulevard. It would no longer service the hospital. This route will depart the Transit Center at the bottom of each hour.

The subcommittee suggested the following changes affecting the routes servicing Southwest Corvallis:

**Route 8:** Would travel down Monroe Avenue, to Harrison Boulevard, to 53rd Street, to Country Club Drive, loop around the SW apartment developments, to Philomath Boulevard, to Western Boulevard and 15th Street. OSU's campus shuttle will meet riders at several CTS bus stops on Western Boulevard to ferry students to campus. Routes 8 and 3 will be offset so they are thirty minutes apart, giving certain parts of SW Corvallis twice-hourly service.

**Route 3:** Would travel on Jefferson to SW 15th Street, then on Western to 35th Street, loop around Research Way and Technology Loop back to Country Club Drive, to 35th Street then Western to 15<sup>th</sup>, to Jefferson and then back to the transit center. The Route 3 would provide bi-directional service, i.e. serving both sides of a street with one route. This was one of the goals of the Subcommittee.

Hagen asked if riders of the Route 7 will be negatively impacted by not having direct service to the hospital. Rhoads said Routes 2 and 4 will provide service to the hospital every thirty minutes. It was noted that there would be a reduction in service if Route 7 no longer traveled to the hospital.

Rhoads said because these revised changes are a result of the public hearing process, another public hearing is not necessary before implementing the changes.

John Oliver, a CTS driver, said he is in favor of adding five minutes per trip to each route. He realizes that the addition will confuse some riders who are used to a set schedule but he pointed out that other transit services have off-set schedules. Mr. Oliver thanked CACOT and City staff for its work on route revisions and for keeping CTS drivers informed during the process.

Warloe inquired about comments by Catherine Mater during the public hearing, in which she requested consideration for Systems Development Charges (SDC's) to be "earmarked" for transit service in the downtown area. Katin replied that it is not possible to use City SDC's in this manner. Rhoads said the subcommittee will meet once more before the March CACOT meeting. Any other final comments received from the public and CTS drivers will be discussed at this meeting. CACOT will present a final recommendation at the March 8th CACOT meeting.

Lita Verts asked that the 2nd Street corridor, which was not included in the route revisions to the disappointment of all CACOT members, remain on the radar for future discussion of route changes. Rhoads said she will personally contact persons representing 2nd Street riders to inform them their interests will not be forgotten.

**Commissioners Warloe and Wilson, respectively, moved and seconded that the Commission approve a recommendation for staff to move forward with finalizing changes to Routes 8 and 3, including but not limited to trial runs, and post the revisions for public comment. The Commission will then make a final recommendation at the March 8th CACOT meeting. The motion passed unanimously.**

Jon Katin expressed his appreciation to the Subcommittee members for their effort during the route revision process.

## **VI. Information Sharing**

Rhoads announced a group pass agreement with the Corvallis Clinic. In the past year, the City of Corvallis, Benton County and the Corvallis Clinic have joined the Group Pass Program.

Drivers have been testing the mobile data system in conjunction with the Auto Announce System. The goal is to eventually have a paper-less system for data collection. Also, the data collected during ridership surveys should be more comprehensive.

Katin said the wayside signs are not yet fully-operational because of antennae interference. The interference has been addressed and the next step is to test the accuracy of the wayside signs. Katin said he hoped to have the system up and running by the end of February.

Emily Hagen said the City Council approved a funding request from the Associated Students of Oregon State University (ASOSU) for a "Beaver Bus" to operate 8:00 p.m. - 3:00 a.m. on Thursday, Friday and Saturday. The bus will be used to ferry students between OSU and downtown. Annie McMahon added that other funding partners are ASOSU and downtown businesses.

Bob Lowry said there is discussion that Amtrak is considering providing a train from the Albany Station to Gill Coliseum on OSU football game days.

## **VII. Adjournment**

**Commissioners Friedt and Trelstad, respectively, moved and seconded to adjourn. The motion passed unanimously.**

### **Future Meetings:**

Wednesday, March 8, 2006, 8:15 a.m., Madison Avenue Conf. Room  
Wednesday, April 12, 2006, 8:15 a.m., Madison Avenue Conf. Room  
Wednesday, May 10, 2006, 8:15 a.m., Madison Avenue Conf. Room

**Memorandum**

DATE            March 3, 2006

TO:              CACOT Members

FROM:           Michelle Rhoads, Transit Manager

SUBJECT:       Information Sharing Written Report

- **The Wheels on the Bus Go ‘Round and ‘Round** - Thank you to Lita Verts for volunteering to read a book to Jefferson School kindergarten students during the school’s commemoration of “Read Across America” Day (Dr. Seuss’s birthday).
- **“On the Go” Transit Concessionaire and Lease Agreement-** The CACOT recommendation was forwarded to the City Council for consideration during the Council’s March 6 meeting. An update will be provided during the CACOT meeting.
- **Proposed Routes Published February 21, 2006** - An electronic copy of all written comments received will be sent to CACOT members under separate cover.
- **OSU/ASOSU Annual Ridership Survey** - The two-week survey was held Jan. 23 - Feb. 4, 2006. Results are shown below with a comparison of two prior years.

<b>CTS</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Students</b>	48%	43%	43%
<b>Faculty/ Staff</b>	5%	6%	6%
<b>Other</b>	47%	51%	51%

<b>Philomath</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
<b>Students</b>	33%	23%	34%
<b>Faculty/ Staff</b>	15%	19%	15%
<b>Other</b>	52%	58%	50%

- **Ridership** - Ridership reports will be distributed during the meeting. Highlights are:
  - CTS provided 52,011 rides during February, a new record for February ridership and an increase of 9.3% over the prior record of 47,596 rides set last year (2005). It is a 13.5% increase over the past five year average for February of 45,834 rides.

- **Philomath** provided 1,473 rides during January, another new monthly ridership record and an 11.6% increase over the old February record set in 2004. It is a 20.0% increase over the past five year average of 1,228 rides.
- **Dial-A-Bus** provided 74 ADA rides during February and monthly ridership continues to exceed prior years' ridership.
- **CTS On-Time Performance** - February performance was 93%. The report will be distributed during the meeting.
- **Auto-Announce/Passenger Information System** - The system is still in the test phase and the vendor is eliminating "bugs" in the system.
- **Bus Shelters and Bus Stop Signs** - Most of the refurbished bus shelters have been installed at their sites. There has been a series of incidents involving CTS bus stop signs being pushed over, stolen, and hit by vehicles.
- **South 3<sup>rd</sup> Street Pedestrian Island Construction Project** - It begins March 6 and will continue through the end of July 2006.
- **Upcoming Events** -
  - ▶ **Earth Day** - CTS will provide FREE rides all day on Saturday, April 22, to celebrate Earth Day.
  - ▶ **Travel Training and Nylon Strap Installation** - It has been rescheduled for the afternoon of April 22 (Earth Day) at the Main Meeting Room of the Library, and will be held during regular CTS operating hours.
  - ▶ **Senior/Youth/Disabled Ridership Survey** - It is scheduled for April.
- **Community Outreach** -
  - ▶ **The Corvallis Clinic** - On February 24 the City and The Clinic hosted a transportation fair at the Asbury Building to promote The Clinic's new employee transit group pass program
  - ▶ **West Hills Kiwanis Club** - On February 28 staff made a presentation to the club membership regarding public transportation in the Corvallis area.

**CITY OF CORVALLIS**  
**MINUTES OF THE COMMITTEE FOR CITIZEN INVOLVEMENT**  
**Corvallis Chamber of Commerce, 420 NW 2<sup>nd</sup> Street**  
**February 2, 2006**

Attendance

Barbara Bull  
 Larry Earhart, Chair (Items V-X)  
 Tom Powell, Chair (Items I-IV)  
 Mysty Rusk  
 Felicien Rwangano  
 Frank Hann, Planning Commission Liaison

Staff

Fred Towne, Senior Planner  
 Terry Nix, Recorder

Visitor

Louise Marquering, 1640 NW Woodland Dr.  
 Don Frear

Absent

Brian Holcomb  
 Kirk Newburgh  
 Trish Daniels, City Council Liaison

**SUMMARY OF DISCUSSION**

	Agenda Item	Summary of Recommendations/Actions
I.	Call to Order; Review Agenda	Called to order at 5:20 p.m.
II.	Review Meeting Minutes: January 5, 2006	Approved as presented.
III.	Visitors' Propositions	Information Only.
IV.	Action Item: Election of Officers	Elected Chair Larry Earhart; Vice Chair Mysty Rusk.
V.	Action Item: Selection of Spokesperson for Budget Commission	Selected Barbara Bull.
VI.	Discussion Item: Fishbowl Subcommittee Report	Information Only.
VII.	Discussion Item: Review of Louise Marquering's Letter	Information Only.
VIII.	Discussion Item: Review Status of Each Work Program Item	Discussion Deferred.
IX.	Reports Regarding Other Organizations: CAMPO and Parks SDC Meetings; Economic Vitality Partnership & Leadership Corvallis	Information Only.
X.	Visitors' Propositions	Information Only.
XI.	Next Steps	Next regular meeting: Thursday, March 2, 2006 Subcommittee meeting: To be scheduled.
XII.	Adjournment	The meeting was adjourned at 6:45 p.m.

## CONTENT OF DISCUSSION

I. **CALL TO ORDER; REVIEW AGENDA** - Chair Tom Powell called the meeting to order at 5:20 p.m.

II. **REVIEW MINUTES** - The January 5, 2006 minutes were approved as presented.

**Motion:** Larry Earhart moved approval of the minutes as presented. Mysty Rusk seconded the motion and it **passed** unanimously.

III. **VISITORS' PROPOSITIONS**

Don Frear introduced himself and said he has attended CCI meetings in the past.

Louise Marquering stated that a League of Women Voters (LOWV) member had heard of potential changes to the process, in which applications would bypass Planning Commission review and go directly to the City Council. Senior Planner Fred Towne reviewed the status of the Land Development Code (LDC) Update Phase 1. Towne reviewed the current process to update LDC Historic Preservation provisions, noting that the Historic Preservation Advisory Board is proposed to assume a quasi-judicial decision-making role. Towne added that the Planning Commission will hold a continued public hearing on that issue on Wednesday, February 15, 7:00 p.m., at the Downtown Fire Station meeting room. A recommendation will then be forwarded to the City Council.

Barbara Bull said Ms. Marquering may be referring to removal of the Planned Development (PD) Overlays. Senior Planner Towne reviewed the mandate from the state that PD Overlays must be removed at the request of the owner where there is no active Detailed Development Plan.

Bull said changes may present an opportunity for the CCI to advise and educate the public about the process. Brief discussion followed.

IV. **ACTION ITEM: ELECTION OF OFFICERS FOR 2006**

Committee members discussed potential nominees.

**Motion:** Barbara Bull nominated Larry Earhart as Chair and Mysty Rusk as Vice Chair. Felicien Rwangano seconded the motion and it **passed** unanimously.

Larry Earhart assumed the Chair.

V. **ACTION ITEM: SELECTION OF SPOKESPERSON FOR BUDGET COMMISSION**

Barbara Bull agreed to make a presentation on behalf of the CCI at this evening's Budget Commission meeting. Brief discussion followed regarding the content of the presentation.

VI. **DISCUSSION ITEM: FISH BOWL**

Senior Planner Towne relayed information from Kirk Newburgh. Towne stated that possible dates for the Fishbowl are April 18 or April 20. Towne acknowledged that Dennis Sandou will be out of the country in April, but they will try to coordinate with another facilitator for one of the above dates.

Barbara Bull drew attention to the Subcommittee notes, distributed in packets. In discussion, Bull suggested that it may be difficult to be ready by April, but she agreed to contact Kirk Newburgh to schedule a Subcommittee meeting. In response to inquiry, Towne advised that Associate Planner Kathy Gager is expected back in the office on February 21, 2006.

**VII. REVIEW OF LOUISE MARQUERING'S LETTER**

Chair Larry Earhart drew attention to Louise Marquering's letter, distributed in packets. Earhart noted that the Committee had discussed some of these issues at its January meeting. Ms. Marquering reviewed her suggestions related to a process for announcing Commission openings and making more use of "The City" newsletter. Discussion followed regarding the newsletter, the timing of submittals, the limited amount of space, and competing articles. There was general agreement to add an item to the Committee's Work Plan: to provide information regarding the process for announcing, taking applications, and appointing citizens to commissions. Mysty Rusk suggested that Ms. Marquering provide a copy of her letter to the City Manager's Office.

**VIII. DISCUSSION ITEMS: REVIEW STATUS OF EACH WORK PROGRAM ITEM**

Discussion was deferred due to time constraints.

**IX. REPORTS REGARDING OTHER ORGANIZATIONS**

**Economic Vitality Partnership (EVP)**

Mysty Rusk reported that the EVP has embarked on a process to create a community-wide comprehensive strategic plan around the economy. Rusk stated that the group has been meeting regularly since 2003 and is represented by a variety of organizations. Discussions have included the interdependence of the economy with livability, as well as the need for balanced economic planning that is consistent with the needs of the community. Outreach is being conducted through online surveys; there have been about 600 respondents to date with really good support across the board.

Rusk also reported that EVP put out a Request for Proposals (RFP) for a facilitator and received seven proposals. The facilitator group selected is out of Olympia, Washington, and the Senior Facilitator has received national awards for his work. Four focus areas have been identified:

- \* strengthening and expanding existing business and industry;
- \* recruiting targeted businesses;
- \* developing physical and human infrastructure; and
- \* integrating economic development and quality of life.

The next step is to identify groups of people to serve on Focus Area Teams. A community meeting is planned for 7 p.m., on February 15, 2006, at Fire Station #5 (Walnut Park). Ms. Rusk states that the consultant team will develop two scenarios, using the Economic Vitality Section of the Vision 2020 Statement as a base assumption. A large town hall meeting to review those scenarios is envisioned, after which Focus Area Teams would make any needed changes. The end result will be a summary document of no more than 10 pages, with separate work plans. In discussion, Rusk advised that each of the four work plans will include a specific set of initiatives, and that the facilitator has a history of being able to get to action steps. Discussion followed regarding various attitudes toward business recruitment, the desire to plan for growth within parameters, and the need to facilitate these community discussions.

**CAMPO and Parks SDC Meetings**

Tom Powell said CAMPO has not met since the last CCI meeting. Powell reported on the Parks SDC meetings, noting that participants will be presented with several scenarios about how growth would affect future SDC charges. Powell stated that the group's final recommendations will be forwarded to the City Council for consideration.

**X. VISITORS' PROPOSITIONS: None.**

**XI. NEXT STEPS**

The next regular meeting will be held Thursday, March 2, 2006, at the Madison Building, 500 SW Madison Avenue.

**XII. ADJOURN**

The meeting was adjourned at 6: 45 p.m.

## CORVALLIS-BENTON COUNTY PUBLIC LIBRARY BOARD MINUTES February 1, 2006

Board Present	Staff Present
Bonnie Helpenstell, Chair	Carolyn Rawles-Heiser, Library Director
Hal Brauner	Mary Finnegan, Adult Services Manager
Karin Frederick	Lori Hilterbrand, Circulation Services Supervisor
Phyllis Mix	Curtis Kiefer, Youth Services Manager
Sandy Ridlington	Carol Klamkin, Management Assistant
Phoenix Ries	Teresa Landers, Deputy Library Director
Mary Lee Seward	Mary Norman, Technical Services Manager
Cliff Trow, Vice Chair	DeAnne Eilers, Senior Administrative Specialist
Eric Teegarden (Student Representative)	
 <u>Excused</u> Linda Modrell, Mohammad Saeed Chuck Wicks , Tom Wogaman	

### Summary of Discussion

Agenda Item	Information Only	Action/Recommendation
Call to Order	x	7:30 p.m.
Demo: <b>Library2Go</b> (Downloadable Audio Books)	x	
Visitor's Propositions	None	
Minutes: January 11, 2006		Approved as amended
Library Board Packet	x	
Committee & Board Reports	x	
Director's Report	x	
Library Division Managers' Reports	x	
Information Sharing	x	
Adjournment	8:30 p.m.	March 1, 2006

### CONTENT OF DISCUSSION

#### I. CALL TO ORDER

Chair, Bonnie Helpenstell, called the meeting to order at 7:30 p.m.

## II. DEMO: Library2Go

Deputy Library Director Teresa Landers presented a demonstration of a new service that the Library is offering called "Library2Go" in partnership with the Oregon Digital Library Consortium. Teresa demonstrated how a patron would download an audio book onto a home computer, MP3 player or CD from the Library's site. The downloadable audio books will use the same check-out process as other Library materials.

Teresa said the Consortium is comprised of eight libraries, and the initial cost for Corvallis is about \$2,440 which includes the following:

- |                            |       |               |
|----------------------------|-------|---------------|
| 1. Startup costs           | \$926 |               |
| 2. 18 months maintenance   | \$595 |               |
| 3. 6 months book purchases | \$919 | Total \$2,440 |

Ongoing annual costs include maintenance beginning July 1, 2007 (\$397) and book purchases (\$1,800) for an annual total of \$2,197. If other libraries join the Consortium in July 2007, maintenance costs will decrease and materials costs will either decrease or we will just have more buying power (probably the latter).

Carolyn also noted there is no theft issue and these books can be downloaded into a format that allows people to listen to the books in their cars by using the cigarette lighter.

## III. VISITOR'S PROPOSITIONS

There were no visitors present.

## IV. APPROVAL OF MINUTES

**Motion:** Phyllis Mix moved approval of the minutes to revise the attendance roster. The motion was seconded by Cliff Trow and it carried unanimously.

## V. LIBRARY BOARD PACKET QUESTIONS AND COMMENTS

Carolyn answered a question about the fannypack theft that was reported, and said the incident was a misdemeanor, not a felony, as the patron claimed. The fannypack was left by the patron on the floor in the computer area. The owner left the computer area to go into the book stacks and when she returned, the fannypack was gone. Carolyn said there were ten thefts reported last year at the Library that had more than 700,000 visitors - not a huge figure.

The Board asked about the Library Statistics Report and Carolyn said circulation activity is up about 3-4%. Phoenix Ries asked why there were fewer overdue books reported, but more money collected. Lori Hilterbrand responded that is true because the collections are on large accounts.

Phyllis Mix asked about the increase in the Interlibrary Loans. Mary Finnegan replied that this may indicate people are doing specialized research projects where they request many books on a certain topic that are not available in our Library.

## VI. COMMITTEE AND BOARD REPORTS

Friends of the Library: Mary Lee Seward reported on their meeting and said on June 1 they will have openings for a new president, treasurer and publicity chair. The annual book sale at the Benton County Fairgrounds is February 24 - 26. The boxes of books that were packed to go Katrina victims who did not come to Portland are going to be sent to the Pastega House. A chair dolly was discussed for meeting room chairs, and Carol Klamkin said after a sample worked fine, we ordered more of the dollies - thanks to the Friends' generosity. Mary Lee said the membership letter was prepared and mailed today.

Foundation Board: Cliff Trow reported they had a meeting January 30 and said Barbara Hansen is the new Chair. They will be expending more money than usual, including \$10,000 for a self-check machine in Youth Services and some for the Brookes solarium. The solarium project had unanticipated expenses resulting from a City Development Plans Review fee of \$1,029.20. The total expense budget approved was about \$81,000 for next year. Interest earnings and the general endowment funds have increased. The annual contribution drive has been successful and exceeded \$20,000.

## VII. DIRECTOR'S REPORT

Council Goal Report: The report was forwarded to the City Council and accepted. Mayor Berg will appoint three councilors (one from each standing committee) to work with Parks and Recreation Director Julee Conway and Carolyn to come up with specific recommendations and implementation strategies.

Building & Materials Security: Carolyn is doing a walk-through with several Corvallis Police Officers to get ideas on improving overall building security and staff safety. A Library task force has also been formed to review materials theft.

Budget Commission: Carolyn said the presentation was last Thursday and the Library budget next year includes the implementation of wireless technology. We do not have any building projects proposed and want to get comfortable with our space as it is now. Carolyn invited the Board to walk through the Circulation work room after the meeting to see the remodeling that was recently completed.

## VIII. LIBRARY DIVISION MANAGERS' REPORTS

Circulation: Lori said they are 98.5% moved back into the new work room and she said they have nothing but good to say about the space, the look and the comfortable carpet and tables. Lori said they were also able to incorporate some donations from Hewlett-Packard's overstock furniture supply.

Youth Services: Curtis reported on the *Tcha Tee Man Wi* storytelling festival coming up this weekend. He said there is a preview on Friday at 12:30 that will feature several of the storytellers and a Celtic harp. The festival has become very popular in the community and the locations and events are on the web site. The festival's fund raiser, "Bawdy Tales," will take place Saturday evening at Big River Restaurant.

Adult Services: Mary Finnegan said they are starting a "Fridays in February Film Festival." If people are not at the storytelling festival, they can catch the first film "Groundhog Day," with Bill Murray at 6:30 p.m. this Friday. The Library has a special movie license that

allows us to shows popular films, but does not allow us to advertise the movies in the newspaper.

Administration: Carol said we have reconvened a task force to review use and equipment in the library meeting room. We would like to provide equipment for all users and have decided not to charge our partners for this equipment. We might charge the public for some of the equipment to cover replacements as needed. We are also looking at a built-in audio visual system that Carolyn saw in a new library recently. This might include a data projector that is mounted in the ceiling and a better sound system. Mary Finnegan said there are staffing issues to resolve on handling the equipment and a self-service process for the equipment might be a viable option.

Extensions: Teresa said there continues to be plumbing problems in Philomath. When Applegate was recently worked on there was a little problem - the Library was not reconnected to the sewer system! Adjacent tenants were very nice and let the Library "borrow" their bathroom facilities until we were back in service. She said Alsea was out-of-service for a day after the last storm due to power outages. Teresa said the Monroe mayor is excited about trying to build a new library and is looking at locations.

Technical Services: Mary Norman said she has been busy, but has nothing terribly exciting to report.

## **IX. INFORMATION SHARING**

Mary Lee said she talked to Ann Evans (Friends book sorting coordinator) and Ann reported that the new shelving in the book sorting room is terrific. Carolyn said Mohammad Saeed helped us contact Hewlett-Packard about use of surplus equipment for non-profit organizations.

## **X. ADJOURNMENT**

The meeting was adjourned at 8:30 p.m.

---

**NEXT MEETING: March 1, 2006 at 7:30 p.m. Woman's Club Board Room**

**Historic Preservation Advisory Board  
Meeting Minutes  
February 13, 2006  
Majestic Theater Meeting Room**

**Present**

Karyn Bird, Planning Comm. Liaison  
Carol Chin  
Andy Collins  
Gary Day  
Steve Gadd, Vice Chair  
Max Geier, Chair  
Bob Newton  
Ross Parkerson

**Staff**

Fred Towne, Senior Planner  
Bob Richardson, Associate Planner  
Mark Lindgren, Recorder

**Visitors**

Kirk Bailey, PO Box 1702  
B A Beierle, PO Box T  
Dave Henderer, 340 SW 2<sup>nd</sup> Street, Suite #7  
Mike Middleton, 111 NW 25<sup>th</sup> Street  
Gary Pope, 3050 NW Fillmore Avenue  
Alex Scandalios, 506 SW Adams Avenue  
Mr. McIlvenna, 121 NW 29<sup>th</sup> Street

**Excused/Absent**

Scott Zimbrick, Council Liaison

**SUMMARY OF DISCUSSION**

Agenda Item	Recommendations
I. Call to Order	The meeting was called to order at 5:20 p.m.
II. Visitor Comment	Kirk Bailey submitted a book on wood window repair and renovation to the Planning Division's library.
III. Application Review A. HPP06-00002, Dalaba-Moore House, 506 SW Adams Avenue B. HPP06-00001, Full Gospel Assembly Church, 349 SW 4 <sup>th</sup> Street C. HPP06-00003, Tracy & Leone Johnson House, 111 NW 29 <sup>th</sup> Street	A. Recommend approval as proposed, with conditions, see narrative for details. B. Recommend denial of application as submitted. C. Recommend approval of application as submitted.
IV. Review Minutes A. January 9, 2006	A. Minutes approved as amended.
V. Other Information and Sharing	A motion was passed to recommend to the City Council to adopt the suggested language for local option adoption of second period of special assessment of historic property pursuant to HB 2776 as presented by staff. Planning for Historic Preservation Month. Donovan Rypkema will speak on May 18, 2006.
X. Adjourn Meeting	The meeting was adjourned at 7:28 p.m. Next regular meeting scheduled for March 13, 2006

**CONTENT OF DISCUSSION**

- I. CALL TO ORDER/REVIEW MEETING AGENDA** - The meeting was called to order at 5:20 p.m. by Chair Max Geier.
- II. VISITORS' PROPOSITIONS/CONSULTATIONS.** Kirk Bailey, PO Box 1702, distributed a copy of the Second Edition of Working Windows: A guide to the Repair and

Restoration of Wood Windows, by Terry Meany. Bailey stated that he has found this to be a good reference and will donate a copy to the Planning Division's library.

### III. APPLICATION REVIEW

**A. Dalaba Moore House (HPP06-00002), 506 SW Adams Avenue.** Associate Planner Bob Richardson stated that the property is located within the Avery-Helm Historic District and is classified as Historic Contributing (1). The applicant is requesting a Historic Preservation Permit New Construction approval to construct a 35 foot by 18.5 foot concrete pad to be located on the west side yard of the property. The parking pad would be located 16 feet from the Adams Avenue sidewalk and adjacent to the alley. The applicant also requests approval to construct a berm or retaining wall, not to exceed 2 feet in height, along the north side of the parking pad.

**Alex Scandalios, 506 SW Adams Avenue,** stated that he would like to construct something to visually separate the parking pad, such as a berm, but does not want to be committed to just one solution. Ross Parkerson and Carol Chin suggested that he investigate the use of pervious pavers; which would allow grass to grow through the voids and reduce the impact of additional hard surface. Mr. Scandalios stated that he would consider the suggestion but did not want to be committed to it; he noted that the cost of pavers is three to four times the cost of solid concrete. Scandalios added that he would prefer to use gravel if he were permitted to do so.

Associate Planner Bob Richardson stated that current off-street parking and access standards mandate that new driveways and parking areas need to be constructed of Portland concrete or some other cement. Senior Planner Fred Towne added that gravel eventually becomes an impervious surface once it has been compacted. Gravel also poses a maintenance issue; gravel can be kicked up into the alley and also causes damage.

Mr. Scandalios clarified that any retaining wall or berm would extend from the alley due east 16 feet to the fence. He also noted that he would like to plant a tree in the parking strip once it has been sculpted. Ross Parkerson suggested using a flowering crabapple tree. Max Geier added that the Board does not govern or endorse tree species. Geier also noted that a tree appears in the aerial photo. Mr. Scandalios stated that it is a cherry tree, which will remain, and is not part of the proposal.

**Bob Newton moved and Steve Gadd seconded to recommend approval of the application, including staff conditions of approval and expanding the condition #2 to allow the applicant the option to use the pervious pavers suggested by Ross Parkerson. The motion passed unanimously.**

**B. Full Gospel Assembly Church (HPP06-00001), 349 SW 4<sup>th</sup> Street.** Associate Planner Bob Richardson stated that the applicant, Mr. Sivetz, was not present. The property is individually listed on the Corvallis Register of Historic Landmarks and Districts. The applicant provided a narrative that addresses the criteria set forth by the Land Development Code; specifically the Economic, Social, Environmental and Energy (ESEE) analysis

required in review of the applications and other criteria to remove the property from the register.

Carol Chin observed that the narrative and the attached letter refers to alterations to the building; she inquired if there was a timeline to the alterations, or if it was known whether they were completed before or after the designation. Associate Planner Bob Richardson stated that it is his understanding that most of the alterations occurred in the 1980s, prior to being listed. Carol Chin stated that if that is the case, then she doesn't see a change in the significance of the structure. Chin also notes that there was no objection at the time of the listing. Max Geier agreed that there doesn't appear to be any documentation of opposition on file. A precedent could be set if the Board were to accept a claim without evidence. Associate Planner Richardson added that it was apparent to staff as well as the applicant that he did not object to being listed on the local Register. And because he did not object, he is going through the process to remove the property at this time.

Carol Chin stated that she assumed that if there were previous historic preservation permit applications on the property since its listing, they would have been included in the application. Associate Planner Bob Richardson stated that one couldn't definitively make that assumption but he was aware of none in the last five years. Carol Chin noted that having the property on the local listing gives other alternatives for modifications and variance requirements that might be required for a designated resource. Ross Parkerson stated that both sides of the structure show evidence of the original building, adding that the front is impressive, and the changes to the front door are minor and recoverable. Max Geier added that the building is in a seriously compromised area of the city in terms of historic resources; it is a dramatic visual symbol of historic preservation. Geier stated that the building is very close to a historic district and removal of the structure from the site would have a major impact on the way people experience that part of the city in terms of historic resources; it is a dramatic visual symbol of historic preservation. Geier added that the minor changes are not very visible to passersby. The building is irreplaceable.

Carol Chin added that the first paragraph statement of significance says it all; "...(it) is the only Spanish Colonial non-residential building remaining in downtown Corvallis. It is the only church building remaining on 4<sup>th</sup> Street, which at one time boasted numerous churches." Chin also noted that the property owner is concerned about the benefits that would be available to him if the site were listed on the National Register. Those benefits, Chin stated, (such as the 30 year tax freeze) are still an option for him. It could be individually listed or be a wonderful addition to the downtown historic district. A sign would be very helpful in helping to interpret the building; the Board could provide information to the property owner on how that works.

Carol Chin stated that this case indicates that the City does not communicate well with people who have properties and/or structures listed; Chin suggested that an informational letter could be sent out periodically to inform property owners what benefits are available to them and how to obtain interpretive signs, etc. Max Geier added that there is a sense that property owners feel they were abandoned after initial promises. Geier also suggested that it may be beneficial for the City, or a group connected to the City, to send acknowledgments

to people whose properties are listed either in districts or individually; Ross Parkerson concurred. This applicant, Geier added, appears to be unhappy about the lack of a bronze plaque for his structure.

Associate Planner Bob Richardson stated that it was Mr. Sivetz understanding that the property would be listed on the National Register when it was put on the local register; and that he would be able to receive the benefits allowed at the National level. Mr. Sivetz has an extra set of regulations to maintain a community resource, with no benefit or recognition.

Max Geier noted that presently, there is no budget for plaques, but he advocates that the Board create a design for a plaque to be authorized for historic sites/structures listed on the City Register. Max Geier advocated for keeping the design simple so that anyone with a router could make one. The Board would provide specifications to standardize the plaques and property owners could, at their own volition, contract to have one produced. The Board would instigate a program whereby a letter would be sent out to qualifying property owners encouraging them to participate. Carol Chin noted that a templet for a design had been established in the past. Associate Planner Richardson added that he does have an example of a wooden sign in his office that could be used as a reference. Carol Chin suggested that the example be displayed during Preservation Month to inform property owners of the opportunity to obtain a sign.

Andy Collins advocated setting aside funds to purchase a set amount of signs each year for properties that are not within historic districts; adding that property owners should not have to pay for them. There could be an application or lottery process to pick the participants each year. The Board should start recognizing the contributions of property owners such as Mr. Sivetz by starting the process of obtaining the signs. Max Geier added that it could be a reward for good maintenance and protection of a resource; and it may be worth an investment by the City. Carol Chin suggested requesting funding through the Certified Local Government (CLG) grant; Associate Planner Richardson concurred that it may be possible.

Senior Planner Fred Towne recalled the during the recent Chapter 2.9 Code update, which has been forwarded to the Planning Commission, there was an allowance for historic and interpretive signs. However, Towne noted, although the City is not allowed to get involved with sign content, there may be mechanisms to resolve the issue. Max Geier added that it may be helpful to have the Board pre-authorize the kind of thing that would be allowed for the facades of historic structures, which recognizes the significance of a particular structure. Senior Planner Towne clarified that while the Board could not address the content of the signs, it could address the style of sign, and hopefully, people would abide by the content. Max Geier suggested making the template available on the website, so people would know the design template had been pre-approved for historic structures. Carol Chin added that the Board could also write guidelines for their placement on the historic structure. Andy Collins suggested that to keep the cost of the signs affordable, blank signs could be pre-painted, and owners could paint them themselves.

Bob Newton stated that he had observed that the last time the Board had denied such an application, the real estate community claimed that being listed cost owners money.

Chair Max Geier acknowledged BA Beierle to hear her comments on the application. **BA Beierle, PO Box T**, stated that CLG funds can be used for bronze plaques or other symbols that are attached to structures, and that may be an option that the HPAB may consider. This application underscores the importance of considering a National Register District in the commercial core. Unless the downtown properties are listed on the National Register, they are ineligible to take advantage of the rehabilitation tax credits (15% of a rehabilitation can be taken off the top of taxes, and may significantly reduce one's tax burden; and that can be spread out years ahead, or back, depending on when the burden is the greatest).

Ms. Beierle also noted that, with regards to Bob Newton's citation of some claiming that listing on the National Registry costs property owners money, she recently received a relevant article in the Forum Journal, Winter 2006, Volume 20, No. 2, PP 35, which states; "The area of preservation's economic impact that's been studied most frequently is the effect of local historic districts on property values. It has been looked at by a number of people and institutions using a variety of methodologies in historic districts all over the country. The most interesting result is the consistency of the findings. By far the most common conclusion is that properties within local historic districts appreciate at rates greater than the local market overall, and faster than similar non-designated neighborhoods. Of the several dozen of these analyses, the worst-case scenario is that resources in historic districts appreciate at a rate equivalent to the local market as a whole."

Ms. Beierle urged the HPAB to explore the possibility of funding a National Register District through CLG funds. If possible, it would avoid having to beat the bushes for private funding. Not having National Register listings for historic properties is giving them a disincentive to have their resources listed. By not having them listed it is a tool and money that is basically being left on the table.

Associate Planner Bob Richardson noted that the HPAB's recommendation on this application will be sent on to the Land Development Hearings Board for a final decision on the matter; the LDHB would find references to the Code criteria helpful in reviewing the HPAB's decision.

Carol Chin cited criteria 2.9.60.04a: The Board's discussion found that the property is still extremely significant. Regarding 2.9.60.04b, Ms. Chin stated that the criteria does not apply because it has not changed since its original listing. Regarding 2.9.60.04c, Ms. Chin also noted that the criteria does not apply since there is no proposed conflicting use.

Senior Planner Fred Towne noted that ESEE consequences were addressed in the applicant's narrative in the ESEE analysis. Carol Chin replied that the economic aspect was just addressed by Ms. Beierle's quote for the Forum Journal. Max Geier added that the applicant has provided no evidence that there would actually be a loss; in fact, there is much evidence to the contrary, with identification as a historic resource actually contributing rather than detracting from the structure. Regarding the social argument that it lacks authenticity seems spurious at best; Ms. Chin added that that assessment disagrees with the inventory. Max Geier stated that while there may be some evidence of detraction from the historical integrity of the structure, it is still sufficiently significant and what remains is rehabilitation and

protection. The applicant has not really addressed the environmental issue. Regarding energy, Geier argued that removing a structure from historic designation exposes it to possible demolition, requiring a tremendous commitment of energy to reconstruct or build on the site; with the conservation of the materials in use there is actually a substantial energy savings.

**Bob Newton moved and Ross Parkerson seconded to recommend denial of the application as proposed; the motion passed unanimously.**

**C. Tracy and Leone Johnson House (HPP06-00003), 111 NW 29<sup>th</sup> Street.** Associate Planner Bob Richardson reviewed that the application for the property located in the College Hill West Historic District, and is classified as Historic Contributing (1). The applicant has made a Historic Preservation New Construction request to construct a two-story addition to the east side of the house. The approximately 900 square foot addition is proposed to be constructed with a gambrel roof and oriented perpendicular to the existing house. It is proposed to be clad with fiber-cement siding, with a 5 inch exposure to match existing exposure. The windows are planned to be wood-clad, double-hung with simulated divided lights.

The applicant, **Mike Middleton, 111 NW 29<sup>th</sup> Street**, highlighted public testimony in the public record and emphasized that all of his neighbors are in support of the application. Mr. Middleton then introduced Dave Henderer, the proposed building and Gary Pope, the designer.

Ross Parkerson praised the clear, understandable presentation. The design is a good effort to achieve what the owners feel they have to do to add additional space; the design is rational given the architecture of the house. Parkerson noted that his only hesitancy about the application was due to the considerable change in the scale and volume of the addition and he asked if any design had been considered that would lessen the impact of the addition to the overall design.

**Dave Henderer, 340 SW 2<sup>nd</sup> Street, Suite #7**, stated that Mr. Pope's design sought to shift the overall mass and impact from the street to the south as much as possible. Also, while the drawings do not reflect it, the design retains the existing shrub line; it tries to retain as much of the existing outdoor living space and mature landscaped yard as possible. Henderer also emphasized that his company's approach is to try to accommodate the client's needs while trying to keep buildings as small as possible.

Andy Collins stated that the current design is a vast improvement on the original design that the Board reviewed at the previous meeting; the design attempts to complement the existing structure and to hide the addition behind the house. Collins' only complaint is the size of the addition.

Carol Chin noted that the roofline of the addition is the same height as the existing house; typically, Chin stated, it is more desirable to differentiate an addition with a different height,

according to the Secretary of Interior's Standards. Also, added Chin, the use of a cross gambrel roof is a misrepresentation of what the style is and the square footage is being increased by more than 50%.

In response to Carol Chin's statement, Mike Middleton stated that when you start with a really small house, it doesn't take much to increase it by more than 50%. Carol Chin responded by stating that one must respect what is existing. Mr. Middleton added that there will be design features to differentiate the addition; though, as a homeowner, he does not want there to be too much differentiation.

Dave Henderer stated that he was not sure the garage was original to the house; also, the hip roof is ugly. Carol Chin replied that according to the inventory, it *is* original and historic preservation is not about aesthetics. Chin noted that most of her issue with the design is with the size of the addition and what it does to the house as a historic resource. Generally, one wants an addition to be diminutive to the original structure; she is not sure that the applicant has achieved that with this plan.

Max Geier noted that the footprint of the addition is an increase of about 40%. The plans echo the architectural elements of the original structure. Geier added that the scale of the proposal verges on being too big; but it is oriented to be not observable from the street and the neighbors seem comfortable with it. There also does not seem to be a major impact on the garage; one can still visualize it as it was before the addition. There are a lot of compromises to the original historical resource made for livability and continued occupancy of the house. While it is overbuilding to the original structure, he will not stand in opposition, as the proposal maintains the integrity of the original facade of the structure and the characteristics of the neighborhood. In terms of height, it is important that the addition not be taller than the front of the original house; it can be differentiated with materials and orientation.

Max Geier also inquired if the new structure would compromise the back of the original building structurally. Dave Henderer stated that most loads would be placed on the new foundation and it is planned to recycle any of the windows removed by taking them to the Philomath Carriage House Parts (energy codes do not allow the reuse of single pane windows).

Carol Chin stated that she believes that the addition is not reversible (part of the Secretary of Interior Standards); Dave Henderer disagreed. Max Geier clarified that the Secretary of Interior Standards do not necessarily require that an addition be reversible; however, it is something the Board often looks at as being a mitigating circumstance if there is an addition or a change being made to a historic structure. It is a condition that the Board often imposes, that certain kinds of changes be reversible (it is not a Code requirement). Senior Planner Fred Towne highlighted the review criteria (2.9.50.04) in the conditions in the staff report; they do not specifically identify reversibility on new construction.

Steve Gadd stated that the addition is in the same style as the original structure and is largely hidden behind the existing building and does not change the character of the view when walking down the street. The addition makes a lot of sense for livability; it is how families keep living in that neighborhood.

Gary Day noted the proposal appears to meet the four criteria listed in the staff report. Day added that it probably could not be made more compact.

Carol Chin stated that the gambrel roof style is very unusual in Corvallis and the architectural integrity is fairly intact. To alter that significantly and to diminish the style by adding the cross gambrel is enough to cause a major problem for her. Max Geier added that a number of Board members, even those who have spoken in favor of the proposal, are expressing concern about the size of the addition and that the structure, unusual in design, has a lot of structural integrity as it is.

**Mr. McIlvenna, 121 NW 29<sup>th</sup>**, a long time resident of the College Hill West Neighborhood, and next door neighbor to the applicant, spoke in favor of the proposal. Mr. McIlvenna stated that he believes that the real destruction to the neighborhood has been real estate entrepreneurs and single-family residential houses being occupied by illegally large numbers of college students, making a major impact on parking in the neighborhood.

Max Geier noted that many people want to find unmodified houses like the original house. Carol Chin stated that the proposal does not meet criteria (a) and (b), as well as her other objections. Ross Parkerson added that he cannot support the application; also, the scale of the addition will have a substantial impact on other proposals coming before the Board; there must be a reasonable scale relationship between an addition and the existing structure.

**Steve Gadd moved and Andy Collins seconded to approve the proposal as submitted. The motion passed 5-2, with Ross Parkerson and Carol Chin opposing.**

#### **IV. MINUTES REVIEW**

**A. January 9, 2006.** - Carol Chin stated that the word "requested" was mis-spelled in the Visitors' Comments section on page 1. Ross Parkerson moved and Steve Gadd seconded to approve the minutes as revised; the motion passed.

#### **V. OTHER BUSINESS AND INFORMATION SHARING.** Carol Chin requested a list of past HPAB members so they could be included on a mailing list for upcoming events, including Historic Preservation Month activities. The other Board members concurred and Max Geier added that the former members possess a historic memory and continuity of the Board.

Associate Planner Bob Richardson clarified that Steve Gadd's position is a general public position with the Board. Ross Parkerson also clarified that his and Carol Chin's terms have been extended to June 30, 2006.

Associate Planner Bob Richardson highlighted a memo with suggested language for local option adoption of a special assessment of historic property pursuant to HB 2776. The model resolution from SHPO is something the Corvallis City Council could adopt; Richardson stated that he sought suggestions and noted he had inserted "and cultural" to the existing SHPO language. Andy Collins asked whether eligible property owners know that they have this option. Senior Planner Fred Towne stated that to his knowledge not many people were familiar with it, so a notification to the property owner may be appropriate. Carol Chin added that a property owner needs to have a project that is approved at the state level; approval is not automatic or simple. B A Beierle agreed that proposed projects that are to be supported by a special assessment must be blessed by SHPO.

**Carol Chin moved and Bob Newton seconded to recommend to the Corvallis City Council that they adopt the suggested language for local option adoption of second period of special assessment of historic property pursuant to HB 2776 as presented by Associate Planner Bob Richardson. The motion passed unanimously.**

Carol Chin reported that SHPO is currently undergoing a staff reorganization.

Ross Parkerson thanked staff for following through on a house in the Avery-Helm District at the south end of 5<sup>th</sup> Street; it has been undergoing revisions for a long time.

Associate Planner Bob Richardson reported that he has scheduled a joint meeting with the Benton County Historic Resources Commission to discuss Historic Preservation Month activities. The joint meeting will be at 5:30 p.m., Monday, February 27<sup>th</sup>, at the Benton County Plaza building. The Footwise window display area is scheduled from May 2 to May 15; Carol Chin and Ross Parkerson have volunteered to help set up the display. Carol Chin suggested the display could feature the Poultry Building rehabilitation, and added that the project also merits a preservation award, as the owners have gone above and beyond the original scope of the project. Ross Parkerson added the floor plans, elevations and other information on the building are also available.

Associate Planner Bob Richardson stated that a glass display cabinet is also available at the public library; it would be a good area to display books related to historic preservation. Ross Parkerson suggested that the Footwise window display would be a good place to advertise the scheduled tours. Richardson also noted that one or two items related to Historic Preservation Month can be included in the City Calendar; he suggested advertising an award ceremony or the Rypkema presentation.

B A Beierle stated that she and Bob Richardson have been working with Chris Bentley, Benton County Planning, and a representative from the City of Albany, to schedule Donovan Rypkema for work session with the Corvallis City Council, Benton County Commissioners and other decision makers. A tentative date for that meeting, as well as a presentation to the community has been set for May 18<sup>th</sup>; with the decision makers meeting at 4 p.m. and the presentation to the community at 7 p.m. Richardson noted that a City Council worksession would be scheduled at the Council's request. A location will be confirmed along with the

date and time at a future meeting. Mr. Rypkema is also tentatively scheduled to speak in Salem on the 17<sup>th</sup> and to the U of O School of Architecture on the 19<sup>th</sup>. Beierle stated that funding for this event is a little short. Rypkema's website is: [www.placeeconomics.com](http://www.placeeconomics.com).

Ms. Beierle noted that there has been no decision on an awards ceremony at this time.

Associate Planner Bob Richardson reported that the Department of Transportation (ODOT) has submitted an application to install the required ADA-accessible wheelchair ramps at several intersections in the Avery-Helm Historic District. Richardson stated that he has informed the applicant that three existing sidewalk stamps must be preserved in their current location, or, if not possible, to be relocated as nearby as possible to their original location. Andy Collins cautioned that often such items are destroyed "by accident," as it is easier for the contractors to deal with.

Senior Planner Fred Towne reported that the public hearing for the Chapter 2.9 updates was held January 25 and was continued to February 8; the record will be held open to February 15. The Planning Commission will discuss those sections of the Code that were without controversy and will try to resolve those at the February 15, 2006 meeting. Deliberations will begin at the Planning Commission's February 22 meeting, and will concentrate on the more complicated and controversial issues. City Council public hearings will likely commence sometime in April. Staff recommendations for individual sections will be captured in a document which will be presented to the City Council. Towne stated that no serious objections have been raised with regard to the general direction of the updates; the main issues are regarding specifics on how to proceed. The decision on the overall approach taken is that of the Planning Commission. The recommended changes from the Planning Commission will be outlined in a separate document. Karen Byrd, Planning Commission liaison to the HPAB, stated that the Planning Commission has no plans at this time to have a joint work session with the HPAB.

B A Beierle inquired about the status of the property at 2651 NW Arnold Way, which has temporary cyclone fencing installed around it for several weeks. Associate Planner Richardson stated that the City has received several complaints on this issue and a violation citation is being processed. The fencing is a violation of the Historic Preservation Code. A letter has been sent to the property owner, stating that he must either remove the fence, or apply for a Historic Preservation permit to allow the fence to remain. Richardson stated that according to the property owner, the fence was erected at the advice of an attorney. Apparently the structure was the location of a fire and because it is vacant is deemed unsafe to enter. Senior Planner Towne added that the house has been tagged in the permitting system. Carol Chin stated that the exterior of the structure appears to be intact.

Associate Planner Bob Richardson reported that the J.R. Bryson House, 742 NW 7<sup>th</sup> Street has been approved to be on the special assessment program.

**VI. ADJOURN MEETING.** Chair Max Geier adjourned the meeting at 7:28 p.m.

**Approved at the March 13, 2006 HPAB meeting.**

DRAFT

HOUSING AND COMMUNITY DEVELOPMENT COMMISSION  
MINUTES  
February 15, 2006

Present

Judy Gibson, Chair  
Ed Fortmiller, Vice Chair  
Dan Schofield  
Bruce Sorte  
Denise Saunders, Planning Comm. Liaison  
Trish Daniels, City Council Liaison

Absent

Buzz Berra (excused)  
David McCarthy (excused)  
Wayne Stover (excused)

Staff

Kent Weiss  
Joe DeMarzo  
Lauren Sechrist  
Terri Hejne

SUMMARY OF DISCUSSION

Agenda Item	Action/Recommendation
I. Consideration & Approval: HCDC Draft Minutes of 1/18/06	Approved as Submitted
II. Status: Loan Funds and Recent Rehab Loans	Information Only
III. Administrative Policy Adjustments for Emergency Repair Loan Program (continued)	Recommendation
IV. Administrative Policy Adjustments for Neighborhood Improvement Loan Program	Held Over to 3/22/06
V. Summary of FY 06-07 CDBG & HOME Proposals Received	Information Only

## CONTENT OF DISCUSSION

### **I. Consideration & Approval: HCDC Draft Minutes of 1/18/06**

Chair Gibson opened the meeting, asking for consideration of the HCDC minutes of January 18, 2006. The minutes were approved unanimously.

### **II. Status: Loan Funds and Recent Rehab Loans**

Chair Gibson asked for the status of the loan funds. Housing Program Specialist DeMarzo reported that one new First Time Home Buyer (FTB) loan had closed since the last meeting. Regarding rehabilitation loans, DeMarzo reported that one Emergency Repair loan had closed since the last meeting, adding that one more is expected to close tomorrow.

### **III. Discussion (continued): Administrative Policy Adjustments for Emergency Repair Loan Program**

Housing Division Manager Weiss reminded Commissioners that discussion was started during the last HCDC meeting regarding the Emergency Repair (ER) Loan Program administrative policy. He then directed Commissioners to copies of the ER administrative policy included in their packet. He explained that the changes discussed at last month's meeting are now included in the policy, and that if Commissioners feel the amendments reflect the consensus they reached in January, staff would like to forward the updated ER administrative policy, with HCDC's recommendation, for City Manager approval soon in order to get the changes in place.

DeMarzo then provided an overview of the three main issues discussed in January and now included in the draft revised policy: 1) changing the name of the loan program from Emergency Repair to Essential Repair; 2) increasing the maximum loan amount allowed without an HCDC policy exception recommendation from \$20,000 to \$30,000; and 3) including clear and thorough language in regard to owner/contractors. DeMarzo noted that staff has also added language in the "Definitions" area of the policy to include information regarding severely disabled households and severely disabled people. Weiss explained that there is a difference in the City's consideration of disabled vs. severely disabled definitions because, under HUD's low-mod clientele definitions, there are some clients that are presumed low income, including those with severe disabilities.

Continuing, DeMarzo noted that another issue discussed in January was related to the asset limitations applied to potential borrowers, and specifically, how dedicated retirement accounts should be treated. He noted that staff found the discussion helpful, and in the end was convinced that trying to establish a complex system of measurement and definition to evaluate loan applicants' savings accounts probably creates more challenges than it solves at this point. DeMarzo added that do date, staff has only questioned whether an account should be considered a "dedicated retirement account," or just a savings account, only a few times. He noted that staff is

comfortable it has handled those cases appropriately, and if there had been more reason for concern, the option was available to bring the issue to HCDC for its consideration. For that reason, staff is proposing to leave the policy unchanged with regard to adding a definition of “dedicated retirement accounts,” leaving the flexibility to return to the HCDC for a case-by-case review as necessary.

A lengthy discussion followed. Commissioner Sorte opined that it would be beneficial for staff to continue evaluating potential borrowers’ accounts very closely as it is becoming common that people have plenty of funds set aside as dedicated retirement accounts, but are holding and dispersing the funds in ways that allow them to still qualify as low income in order to use social services to care for them when they are older. Weiss responded that staff will be thorough in its evaluation of potential borrowers’ assets, and will bring any issues that do not meet the current criteria to HCDC for further review. He added that if the questionable cases become more frequent, and HCDC is reviewing them several times a year, it may be beneficial to discuss a policy change in response.

Regarding the changes to the language in the owner/contractor section, Commissioner Sorte suggested that staff include more detailed information regarding whether the owner has the necessary training or licensing that may be required to perform specific aspects of the scope of work. Weiss responded that staff will change the language to state that following approval of the scope of work, it will be determined whether the owner is qualified and has the necessary training and/or licensing to complete the work involved in the project.

DeMarzo noted that staff had also added language to the draft policy regarding time of completion and payment requests. The draft policy now notes that projects shall be completed within a six month period from the date of closing the loan, and that extensions to this time frame may be made at the discretion of the Housing Division Manager. Also, payments shall be limited to a maximum of ten check requests, and that there may be additional escrow charges to the owner outside of the amount loaned for exceeding this limit. DeMarzo then suggested that the six month period for project completion be extended to nine months to allow for unforeseen circumstances, such as changes in the weather, that may make it difficult to proceed with a project as quickly as originally anticipated.

Following the discussion, Commissioner Fortmiller moved, with Commissioner Sorte’s second, that the HCDC recommend the Essential Repair administrative policy, with the revisions as discussed, to the City Manager for approval. The motion to forward a favorable recommendation passed unanimously.

#### **IV: Administrative Policy Adjustments for Neighborhood Improvement Loan Program**

In the interest of time, it was decided to hold over review of the Neighborhood Improvement Loan Program (NIP) to the next regular HCDC meeting on March 22<sup>nd</sup>.

## V. Summary of FY 06-07 CDBG & HOME Proposals Received

Weiss directed Commissioners to a memo and two tables included in their packet regarding the FY 06-07 CDBG & HOME proposals that have been received, and allocation feasibility relative to funding availability. He reminded Commissioners that the proposal presentations and funding allocation sessions are scheduled to take place on March 8<sup>th</sup> and 9<sup>th</sup> beginning at 5:00, with the first half hour designated for dinner each night. Weiss noted that nine agencies will be presenting proposals for Human Services funding on the first night, adding that the second evening will include two additional presentations for Human Services funding, as well as presentations from Corvallis Neighborhood Housing Services (CNHS) for their microenterprise, transitional housing, and Community Housing Development Organization operating funding (CHDO) proposals. He added that Habitat for Humanity will also be presenting their proposal for funding for their Hilltop Village project during the second evening. Following the presentations, HCDC will discuss and develop a set of recommendations for funding allocations.

Regarding the first table, Weiss noted that it summarizes all FY 06-07 funding requests received, including the amounts requested by each agency for each project. He added that the second table provides an overview of FY 06-07 CDBG/HOME allocation projects, noting that this information is provided for planning and feasibility purposes only, and that the projections are not intended to suggest an allocation recommendation.

Concluding, Weiss noted that staff is preparing summaries for all of the proposals received and will mail this information along with copies of the proposals to Commissioners before the end of the month for their review prior to the proposal presentations in March.

There being no further business, the meeting was adjourned at 1:10 p.m.



Approved as submitted, March 15, 2006  
**LAND DEVELOPMENT HEARINGS BOARD**  
**MINUTES**  
**5:30 p.m., Wednesday, March 1, 2006**

**Present**

Patricia Weber, *Chair*  
 Bill York, *Vice Chair*  
 David Graetz

**Staff**

Fred Towne, Senior Planner  
 Eric Adams, Associate Planner  
 Claire Pate, Recording Secretary

**SUMMARY OF DISCUSSION**

Agenda Item	Held for Further Review	Recommendations
I. Opening		
II. Public Hearing - <b>Perry District change (ZDC05-00013)</b>		Approval of the request.
III. Adjournment - 5:50p.m.		

**CONTENT OF DISCUSSION**

**I. OPENING:**

The Land Development Hearings Board was called to order by Patricia Weber, Chair, at 5:30 p.m. in the Downtown Fire Station Meeting Room, 400 NW Harrison Boulevard.

**II. PUBLIC HEARING:**

Chair Weber welcomed citizens and reviewed public hearing procedures as follows:

**A. Opening and Procedures:**

Staff will present an overview followed by the applicant's presentation. There will be a staff report and public testimony, followed by rebuttal by the applicant limited in scope to issues raised in opposition, and sur-rebuttal by opponents, limited in scope to issues raised on rebuttal. The Board may ask questions of staff, engage in deliberations, and make a final decision. Any person interested in the agenda may offer relevant oral or written testimony. Please try not to repeat testimony offered by an earlier speaker; it is sufficient to say you concur with an earlier speaker without repeating their testimony. For those testifying this evening, please keep your comments brief and directed to the criteria upon which the decision is based.

Land Use decisions are evaluated against applicable criteria from the Land Development Code and Comprehensive Plan. A list of the staff-identified applicable criteria for this case is available as a handout at the back of the room.

Persons testifying either orally or in writing may request a continuance to address additional documents or evidence submitted in favor of the application. If this request is made, please identify the new document or evidence during your testimony. Persons testifying may also request that the record remain open seven additional days to submit additional written evidence. Requests for allowing the record to remain open should be included within a person's testimony.

B. Declarations by the Board: Conflicts of interest, ex parte contacts, site visits, or objections on jurisdictional grounds:

1. Conflicts of interest: none
2. Ex parte contacts: none
3. Site visits: Board members York and Graetz
4. Objections on jurisdictional grounds: none

C. Staff Overview:

Associate Planner Eric Adams gave a brief description of the .49-acre site located at 1155 SE Goodnight Avenue, and said that the applicant was requesting a District Change from RS-5 to RS-6. The property is bordered on three sides by Benton County land zoned UR-5. All properties surrounding the site are zoned for Residential-Low Density or Residential-Medium Density. There are a few notable trees on site, including three large cottonwood trees and a row of elm trees along the east and west property lines. A non-locally-significant wetland is located immediately to the east of the property.

The property owner has a current building permit to construct over an existing foundation of a house that is about two-thirds demolished.

D. Applicant's Presentation:

Greg Perry said that he has been the owner of the property since October 2005. He wants to be able to divide it into three parcels for eventual development of single family dwellings. At this time, he is involved in what is technically an extensive remodel of the existing house. He offered to answer any questions that the Board members might have.

E. Staff Report:

Planner Adams said that the staff report covered the four review categories of Land Use, Compatibility, Circulation, and Public Facilities and Services. In summary, approval of the request would result in the ability of the applicant to utilize smaller minimum lot sizes and reduced setbacks, but there would be no change in the number of units that can be constructed. There is very little impact on any of the land use compatibility issues. No circulation nor traffic impacts are anticipated. Goodnight Avenue would serve as the access road, and there are no needed improvements at this time. There are adequate facilities for all necessary utilities. Staff recommends that the request be approved.

F. Legal Declaration:

Board Chair Weber stated that the Board will consider the applicable criteria as outlined in the staff report. Please direct testimony to the criteria in the staff report or other criteria that you feel are applicable. It is necessary at this time to raise all issues that are germane to this request. Failure to raise an issue, or failure to provide sufficient specificity to afford the decision-makers an opportunity to respond, precludes an appeal to the State Land Use Board of Appeals on that issue.

G. Public testimony in favor of the application: none

H. Public Testimony in opposition of the application: none

I. Neutral Testimony: none

J. Close the public hearing:

The applicant stated that he wished to waive a 7-day period to submit additional written argument.

**Motion:** Board member York moved to close the public hearing. Board member Graetz seconded the motion which **passed** unanimously.

K. Discussion and Action by the Board:

In response to a question from Board member York, Mr. Adams said that Attachment B in the staff report inaccurately depicted some sites located within the City limits as County UR-5 zoning. This was a GIS error, and the maps would be corrected. Board member Graetz stated that all was well documented.

**Motion:** Board Member Graetz moved to approve the requested District Change (ZDC05-00013), to modify the zone on the subject property from RS-5 to RS-6, as shown on Attachment D. His motion is based upon the criteria, discussions, and conclusions contained within the February 17, 2006, Staff Report to the Land Development Hearings Board (LDHB) and upon the reasons given by the LDHB members during their deliberations, as reflected in the minutes of the March 1, 2006, LDHB hearing. Board Member York seconded the motion, and it **passed** unanimously.

L. Appeal Period:

The Chair advised that any person may appeal this decision to the City Council within 12 days of the signing of the Notice of Disposition.

III. **Adjournment:**

The hearing was adjourned at 5:50p.m.

**CITY OF CORVALLIS  
MINUTES OF THE OPEN SPACE ADVISORY COMMISSION  
FEBRUARY 14, 2006**

Attendance

Mary Buckman  
Paul A. Hohenlohe  
Margie Powell  
Janine Salwasser, Vice Chair  
Philip Schary  
Cary B. Stephens, Chair  
Charlie Tomlinson, Council Liaison  
Terri Valiant

Staff

Julee Conway, Director  
Steve DeGhetto, Acting Operations Sup.  
Mark Lindgren, Recorder

Visitors

Ray Harris, 4989 SW Roseberry St.  
Louise Marquering, 1640 NW Woodland

Absent/Excused

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Recommendations
'isitors' Propositions	X		
III. Approval of Minutes	X		
IV. Outreach Strategy and Goal Discussion	X		
V. Board Self Evaluation Process	X		
VI. Election-Chair and Vice Chair			Motion passed to nominate Janine Salwasser as Chair and Cary Stephens as Vice Chair.
VII. Adjourn	X		The next Open Space Advisory Commission meeting will be on March 14, 2006, 4:00 p.m. at the OSU library.

**CONTENT OF DISCUSSION**

- I. CALL TO ORDER:** Vice Chair Cary Stephens called the meeting to order at 4:07 p.m.
- II. VISITORS' PROPOSITIONS.** Louise Marquering, 1640 NW Woodland, asked if open space management plans were available online. Director Conway replied that the assessment and the actual report on Owens Farm are available online as PDF files. The management plan of Bald Hill is only available in paper form; management plans for other open space areas have not yet been developed.

Marquering added that Witham Hill Natural Park is still listed online as Frager. She related touring Witham Hill open space area with a forestry professional, who observed a number of young fir trees have the potential to overtop the Oregon Oak and Big Leaf Maples and need to be cut down. She noted that as recently as 35 years ago, oaks predominated Dimple Hill; now they have mostly been overgrown by fir.

Operations Supervisor Steve DeGhetto replied the department will consider it, noting that even cohort oaks can be a problem. When a management plan is put in place, it will look at management units and give a species composition based on the topography, historical hydrology of the site and a spacing that will help guide such decisions. To this point, management has focused more on noxious weeds and non-natives. He added that there were also management plans for Kendall and Mary's River Natural Areas. He stated he looked forward to accelerating the production of more management plans, possibly with the help of Benton County. Director Conway added that the plans are being developed as there is money to do so; two are being done right now.

**III. APPROVAL OF MINUTES.** Mary Buckman moved and Janine Salwasser seconded to approve the February 14, 2006 minutes as presented; motion passed. Salwasser noted there had been a question during the Willamette Explorer training about how to get a metadata for the individual data layers. One simply right-clicks on the data layer in the legend; it then pops up.

**IV. OUTREACH STRATEGY AND GOAL DISCUSSION.** Members suggested focusing on the "A" priorities level of goals. Stephens highlighted the item of Develop and Respond to Project Proposals for CIP Consideration. He noted the commission did that last year and will do so this year. Director Conway noted it is of an on-going nature.

Referring to the item of Meet with Greenbelt Land Trust, Benton County and Identify CIP Partnerships, Stephens stated OSAC hadn't really done that. The GLT did present their open space planning process to the OSAC and encouraged joint work, but then the GLT changed direction and timing in the way the plan was going to be done. The OSAC needs to re-connect with the GLT in the process.

Director Conway added the County has applied for and received a half million-plus dollar grant to conduct a Habitat Conservation Plan (HCP). The HCP is a multi-year, multidisciplinary, multi-agency project, funded partly by federal money, to develop an overarching plan to speak to multiple layers of protection, restoration and how to deal with additional acquisition and enhancements on their existing properties. She clarified that the grant is written with a priority on County lands, though they will work with City-owned properties as well. There is a possibility of interfacing or at least coordinating in the ongoing development of the management plan at Herbert open space. She added there was a required timeline to complete a management plan as part of the City purchase of the Herbert property. Once the technical analysis has been done, then the public involvement can commence.

DeGhetto related that Michael Pope of ODFW stated the ODFW was considering holding a multi-stakeholder meeting with the City, Benton County, the Greenbelt Land Trust, US Fish and Wildlife Service, Finley Wildlife Refuge and perhaps the Mary's River Watershed Council and other interested parties to brainstorm on places and what each group intended to go forward with at Herbert and on possible links or connections, such as to Caldwell open space or to Mary's River Natural Area. He noted that since the areas were so close to each other, that if funding was being done for a hydrological assessment of one area, for example, they may as well all be done for all three at once. If a County property is also there, then it has the makings of a management unit and redundancy should be avoided.

DeGhetto noted the Budget Commission has tentatively approved funding for an operations manual, which should provide best management practices for different kinds of open spaces, such as natural-type areas, turf areas, non-irrigated turf areas, etc. The goal is to not spend unnecessary resources in management areas. An inventory of native plant populations or plant communities in the manual would be available to future park managers or site operators. Salwasser asked if the manual could be a template for private lands, as well. DeGhetto responded that it could be a template for private land stewardship, too.

Stephens stated the OSAC hasn't worked much on the item, Identifying Proposals for Acquisition, Protection and Preservation, at least from a CIP standpoint, though there has been discussion regarding the bridge over the Mary's River. Director Conway added there has been some initial investigation of the idea during this year.

Terri Valiant asked how much money was available to acquire property. Director Conway replied that \$50,000 was in the 05-06 CIP for open space and \$300,000 to acquire a developed park site; the park location will be Council directed. Also, about \$115,000 from the Ross Trust is still available. She added that a church bought some property adjacent to Chip Ross Park, which could open acquisition opportunities for the City, since the land was previously owned three ways. The priority for Chip Ross Trust funds is to acquire land adjacent to the Chip Ross Park.

Valiant stated that the subject of identifying properties doesn't seem to come up often, even though this is the main goal of the commission. Salwasser added that when the commission created the open space map, the idea was to use it to be strategic in identifying the likely places the City would want to purchase or do a capital campaign for. Stephens concurred with Valiant, noting that after the map was created, the commission hadn't taken the next step of using the map to identify properties and trail connections. He added the OSAC did do some identification of property near Willamette Park. Director Conway reported that repeated calls and a letter to the landowners there have gone unanswered.

Valiant observed there could be an opportunity to acquire land in Timberhill; some land there may be less desirable from a developer's standpoint. She conjectured that Pahlisch Homes would submit a Timberhill area proposal after the Council has finalized the Kings Boulevard alignment, around April. DeGhetto noted that there are some trails in the area that currently have dead ends that need to be continued somehow, if possible. Director Conway suggested tracking development in the area near Chip Ross Park in order to spot opportunities as they arise.

Stephens stated that item #3, Developing a Map, has been completed. It was pointed out that Goal I Objective headings A and B were out of order. Stephens noted the group needs to address the item, Articulate Long Term Vision for Open Space; he stated that a future meeting should be devoted to that one objective. Salwasser remarked that that item should be a follow-up from the map creation.

Stephens related that the Greenbelt Land Trust feels that there must be some sort of a connection to a more removed area before it extends its work outwards to it (Tier 2). The GLT is working on a new plan that incorporates new concepts and updates their old one, with a broader geographic scope, with "fingers" out from this area. Council Liaison Charlie Tomlinson stated that GLT and OSAC planning work should be complementary, not redundant. Stephens replied that the two don't have the same jurisdictional roles, but the two plans should share elements, particularly scientific information. He estimated the GLT plan should be done in fall 2006; there will be several steps during that period at which the GLT will want to engage the OSAC. He will forward the GLT timeline to the commission and will commit to present regular GLT updates, perhaps as an agenda item.

Valiant suggested that a desirable goal would be to get funding for management plans, since these are now limited by current budget and staff levels. Director Conway emphasized the need for staff support to write contracts, coordinate with agencies, ensure protocols are followed and to do the public process. She added it took considerable staff resources over fifteen months to complete the Owens Farm management plan. This is why utilizing HCP resources and combining several adjacent open space areas in a single contract is an attractive concept. New money was allocated for Owens Farm.

Buckman asked which property would be the simplest to next get a management plan done for. Director Conway replied that Witham Hill is already developed on three sides, has no river course and has OSU lands on its west boundary. Valiant suggested the commission prioritize development of a Witham Hill management plan; possibly using funds from the developer. There is land there zoned for open space that the developer is seeking to donate to the city, should the Council decide to accept it.

Director Conway noted that now that the management plan has been completed for Owens Farm, there are now things that could be done on the site, but aren't being done, due to funding constraints. DeGhetto suggested the commission could help prioritize the development of management plans of different properties. Buckman added she would like the commission to systematically look at criteria to use to decide on which open spaces to prioritize for development of management plans. DeGhetto suggested that opportunity could be one of the criteria.

Regarding prioritizing development of management plans, Stephens noted that the Timberhill area is now under a lot of pressure; the adjacent Chip Ross also does not have a management plan. There was consensus to reshape Goal II, Objective A1 to: Determine the Prioritization of Management Plans. Salwasser stated another goal could be to look for opportunities for collaborative management in the HCP project.

DeGhetto expressed concern about MLK Park, noting that it has excellent resources that must be managed well in order to protect it. Margie Powell added that she had recently noted extensive scotch broom along the path there.

Item A1, Host Informational Meeting, was removed.

In discussion on finding grant funding for City open spaces, Director Conway noted there was not a lot of funding available. She noted RC&D prefers funding more on-the-ground activity than writing plans. ODFW prefers funding the writing of technical assessments (part of management plans). She could use OSAC help on researching the grants. The department just applied for a Recreational Trails grant to help expand the Oak Creek trailhead parking lot. DeGhetto emphasized that grant opportunities tend to fall into place more easily once a management plan has been completed.

Salwasser suggested upgrading Goal III, Objective B1, Developing Outreach Strategy, from Priority C to Priority A. There are opportunities to work with the other boards and commissions at events; the commission concurred. She suggested inviting other boards and commissions to meet together to plan the year ahead at a single meeting.

Buckman advocated developing a vision first; the commission concurred. Salwasser suggested inviting Karleen McCabe to attend to advise in that discussion at the March OSAC meeting.

Salwasser suggested developing a combination Parks and Open Space brochure for more effective outreach, changing the priority to B. She noted that by not showing parks in the open space map, it is not showing all the areas where one could have a natural experience.

The commission concurred to change the date of the goals document from 04-06 to 06-08. Director Conway will send out the revised document before the next meeting; it is not yet finalized (some tasks lack names attached to them).

V. **BOARD SELF EVALUATION PROCESS.** Stephens noted there was a degree of self-evaluation during the discussion. Buckman stated the group would feel more rewarded if it were working on more tangible things; Stephens concurred. Salwasser suggested focusing on several tangible things to accomplish in 2006; Director Conway remarked the development of the open space brochure and development of the Owens Farm management plan were a good examples. Paul Hohenlohe stated he felt the discussion in and of itself was sufficient self-evaluation.

VI. **ELECTION- CHAIR AND VICE CHAIR.** Stephens reminded the board he had announced at the previous meeting that he would prefer that someone else take over the chair position, which he has occupied since 2000. A term is one year. He added that he would be willing to lessen the burden of a new chair by writing letters, if needed.

**Buckman moved and Phil Schary seconded to nominate Janine Salwasser as Chair and Cary Stephens as Vice Chair; motion passed.**

Director Conway presented a brief staff report, noting that next Tuesday the Mayor will appoint a sub-committee of City Councilors to take the City Council Goal report recommendations to the next level. The Urban Services Committee will present their recommendation to the City Council on the parks SDC methodology following their last meeting March 15. The City Council will discuss the issue at a work session at the end of March, to be followed by a public hearing in June, which should include the Council recommendation. The new parks SDC methodology should be in place in July.

At the most recent Budget Commission meeting last week, the Council discussed community-proposed ideas and the Council Goal ideas and directed staff to come back to them with a budget that includes the items that they initially approved last week. Among the items relating to the department was about \$25,000 in additional funds for Urban Forestry, including about a one-time \$13,000 expense to update urban forestry inventory software and \$12,000 ongoing to remove hazard trees. There was also \$6,500 to fund a maintenance plan to support the Council's sustainability goal. There was about \$50,000 net for Osborn Aquatic Center to upgrade energy efficiency items (mostly a one-time cost).

DeGhetto highlighted a photo of the Bald Hill Farm used in an OHSU publication. He added there will be work on the barn to shore it up some larger timbers, as part of Special Projects.

Stephens highlighted the February 15 meeting of the Economic Vitality partnership.

VII. **ADJOURN.** The meeting adjourned at 5:52 P.M.

**CITY OF CORVALLIS  
MINUTES OF THE PARKS AND RECREATION ADVISORY BOARD  
FEBRUARY 16, 2006**

Attendance

Mary Buckman  
Charles Fisher, Vice-Chair  
Ellen Hooven  
Randy Keller  
Allyson Sandago

Staff

Julee Conway, Director  
Steve DeGhetto, Parks Operations Supervisor  
Mark Lindgren, Recorder

Absent/Excused

Kent Blumenthal  
Kent Daniels, Chair  
Jerry Davis, Council Liaison  
Noel Mingo

Visitors

Greg Bostrom

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Recommendations
II. Review of Minutes	X		
III. Visitors' Propositions	X		
IV. Staff Reports	X		
V. Board Member/ City Council Liaison Reports	X		
VI. Renaming Process for the Former MLK Jr. Park Discussion	X		
VII. SDC Methodology Update	X		
VIII. Ad Hoc Meeting Schedule	X		
IX. Adjournment	X		The next Parks and Recreation Advisory Board meeting is 6:30 p.m., Mar. 16, 2006 at the main Corvallis Fire Station conference room.

**CONTENT OF DISCUSSION**

- I. **CALL TO ORDER:** Vice Chair Charlie Fisher called the meeting to order at 6:37 P.M.
- II. **APPROVAL OF MINUTES.** Mary Buckman drew attention to the hyphen typographical error between "cross" and "parts" in the Corvallis To The Sea motion, item VI, page 8. Mary Buckman moved and Randy Keller seconded to approve January 19, 2006 minutes as revised; motion passed.

**III. VISITORS' PROPOSITIONS.** None.

**IV. STAFF REPORTS.** Director Conway reported that former acting Parks Operations Supervisor Steve DeGhetto had successfully competed in being selected for the position.

The Senior Council recently discussed changing the name of the Senior Center. They will be using the City Council Naming Policy as a guideline; Ellen Hooven is involved in that process. They will likely present name alternatives to the PRAB around summer and the process would be advertised to the public at that time.

The City Council at its Feb. 13 work session discussed its Council Goals on matching capital projects with ways to fund them; they included the Senior Center/Chintimini Park project, the street light conversion, fire vehicles and reserves, the transit center development and relocating the fire training facility. The Council asked staff to come back to them with a May 2007 bond measure proposal to put the Senior Center/Chintimini Park project before the voters. The Council asked staff to determine whether there were any other projects that logically should be included in that bond measure. The CIP would be a good place to look for other logical projects. One possibility for including in the bond measure would be funding relocating or renovating existing ball fields.

She anticipates submitting the follow up information to the Council in late March or April. She related that there is some Council concern that adding projects in addition to the Senior Center/Chintimini Park project could dilute the focus of getting it funded by voters. She added that the initial cost estimates will need to be updated and revised for a 2007-2008 construction timeframe so that they are still accurate in May 2007.

The Council is considering a wireless telecommunications franchise fee, which could amount to operating revenue between \$350,000 and \$500,000 a year. Council discussed possibly using it to fund fire vehicles. There were board questions regarding how such a fee would be implemented.

Director Conway stated the increase operating costs of the Senior Center would be around \$120,000 per year. The Council felt the project should go forward without identifying or dedicating a specific revenue stream to cover the operating impact. The Council felt the it was important enough that the project go forward and that City would be able to find the revenue for operating, to be refined over time.

She related there have been three Budget Commission meetings; they have recommended a budget that includes additional money for Urban Forestry. The funding is for a one-time expense to purchase urban forest inventory software and an ongoing expense to remove hazard trees.

One-time funding was designated for the Osborn Aquatic Center to buy and install indoor pool covers (to reduce energy costs) and improve the pumps; around \$7,000 in ongoing money for casual labor to manage the pool covers and around \$8,000 in one-time funds to perform a pump efficiency analysis. Staff may go back to Council in 07-08 with the next stage in the energy enhancement. About 50-60% of those funds will come back through the State Energy Efficient trust fund; the payback period for most of the improvements averages less than four years. She added that the department's natural gas costs went up 25% this year alone; further increases are projected.

Charlie Fisher asked if there had been consideration of retrofitting solar equipment at the facility. Director Conway affirmed that it had; solar experts have told the department that the current boilers are old (26 years) and inefficient by today's standards. When the department is ready to replace them, solar vendors will then evaluate the facility for feasibility and make payback period and cost estimates. Rising natural gas rates will substantially shorten the payback period.

To support the Council's sustainability goal, \$6,500 in one-time funding will go to complete the Operation and Maintenance Plan for all parks.

The Budget Commission will meet again in May; the City Council will approve the budget in June.

Director Conway drew attention to the letter in members' packets from citizen Sue Ferdig regarding the Satinwood subdivision. The Planning Commission has been considering the application there for the last month or so. She noted there was a leftover piece in the development comprising about three-quarters of an acre, located just behind the Regent care facility, which is one of the areas that the neighbors testified at the November PRAB meeting that they were interested in seeing as a park. The Planning Commission deferred action on the matter until this week.

Two weeks ago she sought direction at the City Council executive session whether to open formal negotiations with the developer and presented the proposed plan. The Council indicated that they were not interested in negotiating for that site at this time, partly because of the steepness of the site. She took that direction back to the Planning Commission meeting last night. She related she informed the Planning Commission that the City was not interested in acquiring the parcel at this time, in part because of the topography of the site and its location. She related she stated that it has been determined that a park is needed in the area, though. The Planning Commission approved the subdivision with conditions (without the park); there is a ten-day appeal period.

She noted that partly because of Measure 37, the Planning Commission cannot mandate that there must be a park in a given location. However, they can say that the subdivision needs to provide park facilities; there is an indication in the plan that there needs to be one in this area; the developer can tell the Commission what portion of the property it wants to set aside in reservation for up to two years in reasonable assurance that the City will be negotiating with the developer to purchase the property. She related that she told the Planning Commission that the City could not give the developer reasonable assurance that it would purchase that particular parcel.

There is \$300,000 in the current capital budget to acquire a new park, though the location is not specified. The next step for getting a park in the Satinwood area would be to advise and work with the City Council on the process and develop criteria. For reasons of confidentiality, a particular parcel would typically not be specified, as it weakens the City's negotiating position. Rather, a general area would be identified, with the kinds of criteria that a parcel would be judged on.

Fisher asked whether the neighbors wanted to acquire this particular site; whether this was the best they felt they could do, rather than waiting to see if they could get a bigger neighborhood park, perhaps farther away. Director Conway affirmed this was the case. She added the three-quarter acre parcel slopes steeply to the east, is at the end of a cul-de-sac, surrounded by buildings; she added she would seriously question even accepting the land as a donation, since it is virtually land locked and has limited vehicle access.

Director Conway announced the February 17-18 OSAA meet at the Osborn Aquatic Center. It is estimated the event brings in \$850,000 in tourism revenue and \$8,800 in revenue to the department. It requires a huge effort by Osborn staff and volunteers; major sponsors are involved. Fisher observed that there are only several such facilities in the state that can host such an event.

Operations Supervisor Steve DeGhetto reported there has been fieldwork during the dry weather, including road repair and turf mowing. Tom Cook's horticulture class did its annual pruning of the rose garden at Avery Park. He reported many downed trees in Avery Park; they will probably be offered to Woodshare, as the wood is too low quality for lumber use. Others on the edge of falling will be included in a logging contract for marketing.

Staff have been working with the First Alternative Coop, the Corvallis Environmental Center and Community Development regarding the community gardens relocation. The irrigation plans and costs are being reviewed; a water meter must be installed. Service contracts will be offered to the coop and the CEC for the use of that site. The goal is to get irrigation in the ground for March; crops could be planted after that.

Crystal Lakes Sports Field was closed for a period due to silt and sand deposits from flooding, which were finally cleared. Steve McGettigan is coordinating volunteers doing trail repair at Bald Hill and Chip Ross. Some of the timber structure of the Bald Hill barn will be replaced and shored up.

A recall letter will be sent out to seasonal staff, now represented by an AFSCME bargaining unit; they should start around March 1. He estimated around seven of nine workers from last year will return; the full complement of seasonal workers is thirteen. The park system will officially open April 15.

He stated the Operations Plan will allow the department to be very site specific in a number of its parks and open space properties, especially where there are not fully developed management plans. There should be resulting savings in the materials consumed and in labor.

- V. **BOARD MEMBER/CITY COUNCIL LIAISON REPORTS.** Charlie Fisher reported that the ODOT Van Buren Bridge stakeholders group initially thought the best plan was for the new bridge to come in to 2<sup>nd</sup> Street. However, the group found, at its last meeting six weeks ago, that that would require reducing the elevation of 1<sup>st</sup> Street ten feet to provide adequate clearance. This would require expensive relocation of the recently installed 1st St. sewer line and would put 1<sup>st</sup> St. at a height that would sometimes get flooded. He related that the current Harrison St. Bridge does not meet ODOT's current code for ramp angle.

As a result, the stakeholders now do not recommend that ODOT bring the new bridge down on 2<sup>nd</sup> Street. There are two main options for siting the new bridge; the group favors siting it as far from the existing Van Buren Bridge as possible. He added that rebuilding entrance ramps on both sides of the river would alone cost the city about \$5 million.

- VI. **RENAMING PROCESS FOR THE FORMER MLK JR. PARK DISCUSSION.** Director Conway asked whether the board had any desires, comments or concerns that it would like staff to take into consideration as it goes forward with the renaming process. The Riverfront Commission wants to be part of the process. The process will be advertised in the G-T and put on a future agenda.

Charlie Fisher suggested the name Orleans Park, in reference to the town that formerly occupied the site.

Randy Keller suggested lightening the process and perhaps having a contest involving schoolchildren; Buckman added that schoolchildren had named Otter Beach at Osborn. Director Conway answered that it may depend on whether a teacher is willing to take it on. Buckman suggested emphasizing the historic angle, since the park is less developed. Allyson Sandago added that during the process of renaming Walnut Park to MLK Jr. Park, there were many comments favoring honoring a local person.

**VII. SDC METHODOLOGY UPDATE.** Director Conway reported the Urban Services Committee has been reviewing the Park SDC methodology; Kent Daniels and Charlie Fisher have been the PRAB liaisons with a diverse stakeholder group involved in that process. The group has met five times; staff is now distilling information from work over the last four months. Staff is working on criteria by which the methodology is developed.

At the last meeting, the USC, with consensus of the whole group, made decisions on the assumptions that would be made for the methodology. They instructed staff to develop one more financial scenario to bring to the March 15 meeting. The expectation is that the group will develop a methodology recommendation March 15 to forward to the City Council. The next step would be a City Council work session on March 20; the Council would probably decide on a methodology, to be followed by a public hearing June 19. The new Park SDC methodology would be effective in July; it could possibly be phased in, as it was over ten months in 2002.

She referenced the Feb. 1 USC staff report in packets. The USC elected to follow a 2020 planning horizon in determining a population base used in calculations on the amount of growth that is being planned for. The group is still deciding what projects in the Capital Facilities Plan to include. For example, in 2000, the City Council did not include certain projects that would be funded by SDC's, including beautification areas, linear parks and special use areas.

She noted the group is opting for an improvements-based approach, picking the specific park typology that will be funded with SDC's. The group wants to focus on funding neighborhood, community and mini parks; they are considering whether to also include open space areas, trails and certain large urban parks, such as Willamette Park.

The group has decided to add infrastructure to all the costs; e.g., half-street improvements, water, sewer, power: whatever it takes to get a park on-line. The group also decided to not seek a reimbursement fee (it was not deemed worth the effort).

She noted the 2000 Capital Facilities Plan did not recognize which parks or areas are used by people who work in the business/commercial area, so it is not clear what the demand is or what parks or park types could be funded through Park SDC's non-residential rates. The group recommended that the next time the Capital Facilities Plan is updated, that the issue be addressed.

Director Conway highlighted Attachment #1 in members' packets, focusing on Approach Alternatives; only the Population Only column will be used March 15. She noted that the total park SDC rate for single family would be \$10,072; the current rate is only \$2,001; the *total overall* SDC rate is \$9,800. She noted the Council will likely find the jump from \$2,001 to \$10,072 extreme and may reconsider the methodology due to this increase.

She clarified that special use areas include facilities such as tennis courts and a few beautification areas; the largest would be Morse Pond, envisioned in the Capital Facilities plan to be a developed recreation feature in the future.

Keller noted that the demand ratio analysis doesn't seem to include what time of day a facility is used, such as peak use times for disc golf or softball fields.

Director Conway stated she has the SDC rates for about 30 Oregon cities; Corvallis is now in the low third for park SDC's and about in the middle for all SDC's. She observed that the state Homebuilders Association looks favorably upon non-residential rates, as they tend to lower rates overall.

She related the Council wants SDC updates done regularly, roughly every five years, at their direction.

**VIII. AD HOC MEETING SCHEDULE.** Director Conway suggested meeting at Elmers at 5 p.m. in future; she sought other suggestions, as well. The Parks and Rec Administration conference room is available. There was consensus to cancel the March Ad Hoc meeting. Fisher stated he found the Ad Hoc meetings very beneficial. This item will be discussed at a future meeting.

**IX. ADJOURNMENT.** Meeting adjourned at 8:08 P.M.



Community Development  
 Planning Division  
 501 SW Madison Avenue  
 Corvallis, OR 97333

Approved as submitted, March 8, 2006

**CITY OF CORVALLIS**  
**PLANNING COMMISSION MINUTES**  
**February 8, 2006**

**Present**

David Graetz, *Chair*  
 Bill York, *Vice Chair*  
 Karyn Bird  
 David Hamby  
 Frank Hann  
 Tony Howell  
 Denise Saunders  
 Brandon Trelstad  
 Patricia Weber  
 George Grosch, *Council Liaison*

**Staff**

Jim Brewer, Deputy City Attorney  
 Kelly Schlesener, Planning Division Manager  
 Fred Towne, Senior Planner  
 Terry Nix, Recorder

**SUMMARY OF DISCUSSION**

	Agenda Item	Information Only	Held for Further Review	Recommendations
I.	Visitors' Propositions	X		
II.	Public Hearing (continued from January 25, 2006): <b>Land Development Code Text Amendments to Chapter 2.9, Historic Preservation Provisions, and Other Related Code Chapters (LDT05-00001)</b>		X	
III.	Old Business	X		
IV.	New Business A. Planning Manager's Update	X		
V.	Adjournment - 9:00 p.m.			

**CONTENT OF DISCUSSION**

The Corvallis Planning Commission was called to order by Chair David Graetz at 7:00 p.m. in the Downtown Fire Station Meeting Room, 400 NW Harrison Boulevard.

I. VISITOR'S PROPOSITIONS:

There were no propositions brought forward.

II. PUBLIC HEARING (continued from January 25, 2006)- Land Development Code Text Amendments to Chapter 2.9, Historic Preservation Provisions, and Other Related Code Chapters (LDT05-00001):

A. Opening and Procedures:

The Chair welcomed citizens and reviewed the public hearing procedures. This is a Continued Public Hearing. The Commission will hear additional public testimony this evening. The Commission may ask questions of staff, engage in deliberations, and make a final decision. Any person interested in the agenda may offer relevant oral or written testimony. Please try not to repeat testimony offered by earlier speakers. It is sufficient to say you concur with earlier speakers without repeating their testimony. For those testifying this evening, please keep your comments brief and directed to the criteria upon which the decision is based.

Land use decisions are evaluated against applicable criteria from the Land Development Code and Comprehensive Plan. A list of the applicable criteria for this case is available as a handout at the back of the room.

Persons testifying may request that the record remain open seven additional days to submit additional written evidence. Requests for allowing the record to remain open should be included within a person's testimony.

B. Declarations by the Commission: Conflicts of Interest, Ex Parte Contacts, Site visits, or Objections on Jurisdictional Grounds

1. Conflicts of Interest: None.
2. Ex Parte Contacts: None.
3. Site Visits: None.
4. Objections on Jurisdictional Grounds: None.

C. Staff Overview:

Planning Division Manager Kelly Schlesener drew attention to handouts at Commissioners' places:

- Pre-February 3<sup>rd</sup> Testimony Sorted by Page Number (**Attachment A**);
- Additional Comments Received on LDT05-00001 (**Attachment B**); and
- two pieces of testimony received via email (**Attachment C**).

She noted that additional testimony has been submitted and distributed this evening (**Attachment D**).

D. Public Testimony:

BA Beierle, P. O. Box T, submitted and reviewed written testimony (**Attachment E**) regarding the issue of "economically feasible rehabilitation" as addressed in the January 25, 2006, memorandum from Senior Planner Fred Towne to the Planning Commission.

She summarized that this issue is best addressed under the economic hardship clause and that any discussion about costs of rehabilitation should be handled in 2.9.90.09.b., rather than with a new, untested definition. Ms. Beierle spoke against using the proposed percentage criteria and stated that doing so would, for example, assume any improvement to the Poultry Building costing more than 75 cents would create an undue financial burden, since the building was purchased for \$1.00.

Commissioner Weber said she is not comfortable using the Poultry Building as an example. She noted that the building was put out to bid as an alternative to demolition. The only bid received was for \$1.00, and the contract required the purchaser to move the building at a cost of about \$10,000.

Commissioner Howell drew attention to the option of using a percentage of replacement value, as noted in the staff report. Ms. Beierle said using replacement value is preferable to using current value, but she feels the economic hardship clause is the best place to deal with this issue.

Commissioner Howell asked whether hardship appeals are more often based on the entire cost of a project, and whether relieving some expectations might promote completion of some specific parts of a project. Ms. Beierle stated that rehabilitation projects are complex; it is preferable to consider the entire project in a comprehensive manner and not to piecemeal it out.

Tammy Stehr, 3560 NW Tyler, distributed and reviewed written testimony (**Attachment F**), in which she has outlined six specific points of concern. In response to inquiry, she said she had originally requested inclusion of the phrase "private street right-of-way" because most of the streets on the Oregon State University (OSU) campus are private and would not fall under the purview of this provision of the Land Development Code if the phrase is not included.

Dan Brown, 3009, NW Van Buren Avenue, submitted and reviewed written testimony on behalf of the College Hill West Neighborhood Association (**Attachment G**), and voiced continued support for the testimony he submitted previously. He expressed appreciation for the work of the Planning Commission, and said he attempted to address many of the questions asked at the last hearing in his written materials. Mr. Brown stated that the College Hill West Historic District has different considerations than do individually-designated properties and other historic districts, and he encouraged the formation of a special section in the Land Development Code for the College Hill West Historic District, or for historic districts in general.

Commissioner York said one objective of this review process is to recognize and address historic districts, and he questioned why there would be a need for separate Land Development Code provisions for the College Hill West Historic District. Mr. Brown said there are many issues that do not apply to the College Hill West Historic District, but which do apply elsewhere. He said he would support having a section in the provisions which distinguishes between individually-listed properties and historic districts; however, the Avery-Helm Historic District may want to define things differently than the College Hill West Historic District does.

Commissioner Weber asked whether Mr. Brown would envision the City adding a new Land Development Code section for any new historic district added. Mr. Brown said the OSU Historic District will likely be addressed separately within the Land Development

Code. He said his preference would be to have one section that addresses all historic districts, separate from individually-listed properties, if each district could agree with the provisions contained therein.

Commissioner Hann stated that the more the regulations are directed toward individual areas, the more difficult they are to administer. He said a process will be undertaken to determine the makeup of the Historic Preservation Advisory Board (HPAB) and asked whether having neighborhood representatives on that body would alleviate any concerns. Mr. Brown stated that the HPAB review criteria are not clear and objective, and he thinks the best solution would be to have one section that deals specifically with historic districts.

Commissioner Howell noted that the goal of this review is to provide clear and objective criteria for Exempt or Director-level decisions; those which require a weighing of values are intended to go before the HPAB. He asked if there are missing or unclear guiding principles that would help to provide for consistency in HPAB-level reviews. Mr. Brown said those suggestions have been provided in the written testimony submitted.

In response to an inquiry from Commissioner Saunders, Mr. Brown affirmed he is proposing that the 24 objective review criteria listed in his testimony be added to the Land Development Code under Review Criteria for Alterations.

Rebecca Landis, 2725 SW Morris Avenue, submitted and read written testimony (**Attachment H**), in which she provided information about the Secretary of Interior's Standards for the Treatment of Historic Properties and encouraged the Planning Commission to include at least the Standards for Rehabilitation as review criteria.

Bruce Sorte, 526 NW 35<sup>th</sup> Street, said he lives in the College Hill West Historic District and expressed support for the information submitted by Dan Brown. He said he worked to convince his neighbors to form a historic district based on information that standards would be advisory. He suggested that the Secretary of Interior Standards not be included in the Land Development Code and that the regulations be more general and provide for flexibility. Mr. Sorte disagrees with the proposal to make the HPAB a quasi-judicial decision-making body. As a homeowner, he said, if regulations become too restrictive, his alternatives would be to argue his case before the HPAB, which he would probably not choose to do, or to sell or rent his property. In his work as a community economist, he has found it is important to consider the issue of equity and who will be most impacted. Consideration should also be given to the impacts on affordable housing, noting that regulations could impact those on fixed incomes trying to stay in their homes. Mr. Sorte said he supports advisory and advocacy groups, but does not think that they should be deciding quasi-judicial issues.

Commissioner Howell noted previous testimony from members of College Hill West Historic District in support of the staff version of the proposed Land Development Code. Mr. Sorte said his concern is that some of the testimony being received might alter that direction, and his purpose in coming here this evening is to encourage the Commission to stay the course and support the staff version.

Deb Kadas, 3105 NW Jackson Avenue, expressed support for the written testimony submitted by Dan Brown in which, she said, he has taken the Land Development Code and reorganized it in order to be more clear and objective all the way through the process. She expressed concern with respect to the issue of differentiation. The Standards for Rehabilitation specify that additions be differentiated from original construction, but as a

homeowner in a historic district, she would want her addition to reflect the character of the district and the original construction of her home. Ms. Kadas stated that it may be appropriate to have different standards for public properties than for private properties, and she believes there needs to be flexibility and leniency for private owners in historic districts in order to encourage families to move into these areas.

Carol Chin, 219 NW 23<sup>rd</sup> Street, said the reason she is on the HPAB is because of her interest in the environment and energy conservation. She believes it is important to consider the energy needed to produce materials; replacement materials are often significantly more consumptive of energy than the original materials were, and many materials found in historic homes are also found in old growth forests. Ms. Chin asked that Commissioners consider the big picture when thinking about energy conservation. She clarified that she is not representing the HPAB this evening.

Ms. Chin requested that the written record be held open for seven days. In response to an inquiry from the Chair, City Attorney Brewer said the record may be held open at the Commission's discretion. In response to further inquiry from the Chair, Ms. Chin said she has made her main points. If the record is held open, she said, she may provide some statistics regarding energy consumption.

Commissioner Howell asked if any designation other than nonhistoric/ noncontributing would address suggestions that there be different standards for individually-listed properties than for those in a historic district. Ms. Chin noted there are several factors to be weighed in determining importance, i.e. rarity, integrity of the resource, etc., and it is a complex balancing act.

Patty McIntosh, OSU Campus Planning, drew attention to written testimony submitted by Vincent Martorello, Interim Director of Facilities Services and Associate Director of University Planning, on January 25. She pointed out that OSU is working to secure funding for its historic preservation district. Ms. McIntosh reviewed portions of Mr. Martorello's written testimony and said she is present tonight to reiterate that OSU does have a real focus on historic preservation on campus because of its scope and importance to the community. She commented that each historic district has unique features and characteristics, and allowing residents to have more of a voice in provisions that affect their properties would encourage the formation of historic districts citywide.

Commissioner York said the Draft Land Development Code, as he reads it, is about process and criteria, and he asked why this language would not work for multiple historic districts. Ms. McIntosh stated that every situation is unique, and people feel compelled to have a voice in their individual districts.

The Chair initiated discussion about the possibility of allowing those who have testified this evening to further address the Commission. It was agreed to open the floor for additional testimony, limited in scope to the request to keep the written record open for seven additional days.

BA Beierle requested that the record be held open so that she might provide additional information regarding the difference between the Land Development Code and Design Guidelines, as well as differences between individually-listed historic properties and those within a historic district.

Tammy Stehr said she would like an opportunity to provide additional testimony regarding the OSU District and the concept of having separate Land Development Code designations for separate historic districts.

Rebecca Landis said she thinks someone should provide additional testimony about how historic preservation work can be done in concert with energy conservation.

Carolyn Ver Linden said she may provide additional information about Secretary of Interior Standards which are not addressed in the Draft Land Development Code, as well as research about energy issues.

Patty McIntosh requested that the record remain open so that OSU may submit additional information about its plans for a historic district.

**MOTION:** Commissioner York moved hold the written record open for seven additional days. Commissioner Bird seconded the motion.

Commissioner Howell suggested that the record be held open until seven days before final deliberations are anticipated. In discussion, it was noted that the Planning Commission has the option of holding the record open for an additional time frame at the next meeting, if desired. City Attorney Brewer agreed that this would be allowable, although there may be noticing considerations. Planning Manager Schlesener reviewed the proposed timeline, noting that the Planning Commission needs to try to forward a recommendation by March 15 if the City Council is going to meet its goal to complete the process by June.

Commissioner Howell suggested that the record be held open until March 1, with the understanding that staff will only summarize material which is submitted within the next seven days. Councilor Grosch said he appreciates the desire to allow for public input, but he feels it is important to set a date to close the record. He said there is a high desire on the part of the City Council to complete this item by June, noted that citizens will have an additional opportunity to submit testimony during the the City Council public hearing. Commissioners York, Hamby, and Weber spoke in support of the motion as stated.

The motion **passed** unanimously.

M. Close the public hearing:

**MOTION:** Commissioner Hamby moved to close the public hearing. Commissioner Bird seconded the motion and it **passed** unanimously.

N. Discussion and Action by the Commission:

The Commission agreed to begin discussion on Chapters 1.1, 1.2, 1.3, 2.0, 2.19, 4.0, 4.2, 4.7, and 4.9 on February 15, following the scheduled public hearing. Staff will provide a whiteboard on which Commissioners may list items for discussion.

III. **OLD BUSINESS:** None.

**IV. NEW BUSINESS:**

A. Planning Manager's Update

Manager Schlesener called attention to the new meeting schedule on the back of the agenda.

**V. ADJOURNMENT:** The meeting was adjourned at 9:00 p.m.

**City of Corvallis**  
**Public Art Selection Commission**  
 Date: 2/1/2006

Attendance:  
 Doug Russell

Absent:  
 Susan Johnson (excused)  
 Candy Pierson-Charlton  
 Megha Shyam  
 Cy Stadvold, chair  
 Charlie Tomlinson

Staff:  
 Hester Coucke

Visitors:  
 NA

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for further review	Action/ Recommendations
II. Approval of Minutes	X		Approved by present Commissioner as submitted, minutes will be brought forward for the entire committee for review on next meeting.
III. Visitors' Propositions			NA
IV. Staff Reports	X		Most Committee members did not make this meeting. Agenda will be revisited on next meeting
V. Adjournments	X		The meeting was adjourned at 4:55

## CONTENT OF DISCUSSION

### 1. CALL TO ORDER

The meeting was called to order at 4:15 by Hester Coucke, Public Art Selection Commission staff liaison.

### 2. APPROVAL OF MINUTES

The minutes of the 10/19/05 meeting were approved by Doug Russell.

Although this Commission does not have a quorum requirement stated in the policy, it seems common sense that the full committee needs to look at the approval at the next meeting.

### 3. VISITORS' PROPOSITIONS

Not Applicable

### 4. STAFF REPORTS

Staff and the present Commissioner talked about some of the items on the agenda. This should be regarded as an informal conversation since staff is not a serving member on the Committee. Although staff took notes, no decisions or recommendations were made and no minutes will be submitted. The agenda will be revisited when the full committee is present.

### 5. ADJOURNEMENT

Meeting adjourned at 4:55 PM

Next meeting TBA

**MEMORANDUM**

**To:** City Council Members

**From:** Helen M. Berg, Mayor 

**Date:** March 7, 2006

**Subject:** Vacancy on Bicycle and Pedestrian Advisory Commission

---

Attached is Greg Bennett's letter of resignation from the Bicycle and Pedestrian Advisory Commission. Greg's term expires June 30, 2008.

I would appreciate your nominations of citizens to fill this vacancy.

1018

March 2, 2006

Lee'd  
CWO 3/6/06  
K

Dear Commission Members, Staff, Council, and Mayor,

After the Friday February 3 BPAC meeting, I dug up my letter of application dated January 1996. Then I accessed the Public Works Web site which states: "No individual commission member may serve more than three consecutive terms or nine years." Even if Mayor Berg took a full year after I applied to officially appoint me, I was confident I had completed my term and missed (at most) two meetings in all those years. That weekend, I let family and friends know that I would have the first Friday morning of the month free.

On Monday the 6th, I phoned both Joe Whinnery and Steve Rogers to let them know I had stayed on the commission past my time. Alas, again I underestimated the power and confusion of technocratic detail. Just like paint on the pavement constitutes a traffic control device that circumvents an ORS enacted for public safety, the city charter explains that, indeed, a commission term may stretch to nearly twelve years. Ignorance of this fact being no excuse, I was informed that I am resigning and am required to write a letter to that effect. So, thank you one and all for the opportunity to try to do my best. I know I would have liked to do more, and do it better.

Please trust that I continue to care, and will be active in the partnership to make Corvallis a more livable community.

Sincerely,



Greg Bennett

MEMORANDUM

**To:** City Council Members

**From:** Helen M. Berg, Mayor



**Date:** March 15, 2006

**Subject:** Vacancy on Citizens Advisory Commission on Civic Beautification and Urban Forestry

---

Attached is a letter from Lori Hendrick announcing her resignation from the Citizens Advisory Commission on Civic Beautification and Urban Forestry. Lori's term on the Commission expires June 30, 2006.

I would appreciate your nominations of citizens to fill this vacancy.

1020

RECEIVED

MAR 15 2006

CITY MANAGERS  
OFFICE

Dick & Lori Hendrick  
3064 NW Maxine Circle  
Corvallis, OR 97330  
541-754-7513  
lori@rmhendrick.com

March 13, 2006

Dear Helen,

As I said in my phone message I have decided that I need a break from my membership in CBUF. I think I've served at least 3 terms and I have some other things I want to do.

However, I am completely committed to following through with the Kathy Wolf presentation and am willing to help out on other projects as I am able to.

I have a great deal of affection for CBUF and its members and am proud of all the work we have done and are doing. I will miss many things about the group.

Please pass my good wishes on to the rest of the commission.

Sincerely,

C: Julee Conway

MEMORANDUM

**To:** City Council Members  
**From:** Mayor Helen M. Berg *Helen*  
**Date:** March 10, 2006  
**Subject:** Appointment to Commission for Martin Luther King, Jr.

---

I am appointing the following person to the Commission for Martin Luther King, Jr., for the term of office indicated:

Mary McKay  
2710 SW Titleist Circle  
Corvallis, OR 97333  
Telephone: 757-5752 (office)  
752-1847 (home)  
Term expires: June 30, 2008

Mary McKay is Student Services Director for Corvallis School District 509J. She was recommended to serve on the Commission by Superintendent Dawn Tarzian.

I will ask for confirmation of this appointment at our next Council meeting, April 3, 2006.

# MEMORANDUM

---

TO: Mayor and City Council  
FROM: Ken Gibb, Community Development Director   
DATE: March 9, 2006  
RE: PLANNING COMMISSION VACANCIES, JULY 1, 2006

I. **ISSUE:**

There will be three vacancies on the Planning Commission for regular, three-year terms that will expire June 30, 2009.

II. **BACKGROUND:**

Planning Commission terms for positions #3, #4 and #6, expire on June 30, 2006. The positions are currently filled by Commissioners Bill York, Tony Howell and Brandon Trelstad, respectively. Commissioner York is completing his second term, Commissioner Howell is completing his first term, and Commissioner Trelstad is completing an unexpired vacancy from July 1, 2005 to June 30, 2006.

III. **DISCUSSION:**

Vacant Planning Commission positions are filled by the City Council through a recruitment and selection process in which the position is advertised and interested citizens are asked to apply. The selection process involves completing an application and an interview with the City Council (with pre-selected questions). When all candidates are interviewed, the Council makes a selection.

Once a new Commissioner is selected, staff provides basic orientation and an overview of the planning process. Staff also provides copies of necessary planning related documents including the Statewide Planning Goals and Legislation, Comprehensive Plan, Land Development Code, and the Vision 2020 Statement. As needed, additional training is also available for the Planning Commission members.

IV. **PROPOSED SCHEDULE:**

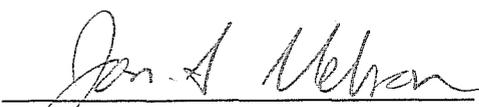
The recruitment schedule is tentatively proposed as follows:

Advertisement	Wednesday, April 26 & Sunday May 7
Receive applications	April 26 <sup>th</sup> through May 22
Schedule interviews	Week of May 22
Council interviews	May 30 and May 31 @ 5:30 p.m.
Appointments	June 6

V. **ACTION REQUESTED:**

City Council is asked to accept the schedule for the Planning Commission vacancies.

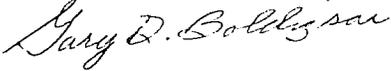
Review and Concur:

  
Jon S. Nelson, City Manager

## MEMORANDUM

March 9, 2006

**TO:** Mayor and City Council

**FROM:** Gary D. Boldizar   
Chief of Police

**SUBJECT:** Intergovernmental Agreement - Receipt of Grant Funding

### ISSUE:

In collaboration with the Benton County Health Department's Substance Abuse Prevention Program, the Corvallis Police Department has been offered grant funding to train a police officer to be a certified bike patrol enforcement instructor. Approval for the City Manager to sign this Intergovernmental Agreement is required.

### BACKGROUND:

The Corvallis Police Department has been a partner with the Benton County Health Department and the Oregon State Police in the Enforcing Underage Drinking Laws (EUDL) Partnership. The mission of the Partnership is to reduce the burden of excessive and underage alcohol use in the Corvallis community. The Partnership seeks to address issues of excessive and underage alcohol use by persons 18 and older. The Partnership is committed to addressing its mission collaboratively through the use of law enforcement and education as prevention strategies and, as such, will provide an opportunity to exchange ideas, build relationships and employ proactive and effective practices to accomplish that mission. This partnership is authorized to receive State grant money and was the recipient of grant funding to purchase Police Mountain Bicycles last fiscal year.

### DISCUSSION:

This intergovernmental agreement shall be for the purpose of accepting grant funding for training a Corvallis Police Officer to become credentialed in Bike Patrol training and can provide certified training to local law enforcement officers. This action is necessary in order to maintain quality Bike Patrol enforcement in Corvallis specifically to reduce and prevent underage drinking and issues associated with excessive alcohol use and thereby assists in fulfilling both the objectives of Benton County's EUDL grant requirements and an objective of the City's Alcohol/Neighborhood Livability Strategic Action Plan which is scheduled to be presented to the Human Services Committee on April 4, 2006.

Mayor and City Council  
Intergovernmental Agreement - Receipt of Grant Funding  
March 9, 2006  
Page 2 of 2

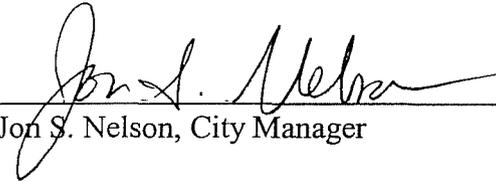
---

The grant authorizes the receipt of up to \$1200 to finance the cost of the International Police Mountain Bike Association (IPMBA) instructor training and requires that the Corvallis Police Department host an IPMBA Police Mountain Bike training by December 31, 2006.

**RECOMMENDATION:**

Staff recommends that the City Council authorize the City Manager to sign this intergovernmental agreement.

Reviewed and concur:

  
\_\_\_\_\_  
Jon S. Nelson, City Manager

Attachment: Intergovernmental Agreement

# INTERGOVERNMENTAL AGREEMENT

Between  
BENTON COUNTY

and

CORVALLIS POLICE DEPARTMENT

For

COLLABORATION WITH THE SUBSTANCE ABUSE PREVENTION PROGRAM (BENTON COUNTY HEALTH DEPARTMENT) TO ENHANCE BIKE PATROL TRAINING IN CORVALLIS

This Agreement is made and entered into upon execution by and between the City of Corvallis (Police), a Municipal Corporation, hereinafter known as CPD, and Benton County, a political subdivision of the State of Oregon, hereinafter known as County.

## Recitals

- A. ORS 190.010 permits units of local and state government agencies to enter into agreements for the performance of required duties or the exercise of permitted powers.
- B. County has the need of the services of law enforcement to address alcohol misuse in Corvallis.
- C. CPD have staff with licensing and experience to provide such service.

THEREFORE, the parties to this intergovernmental agreement agree to the following terms and conditions:

## Agreement

### SECTION 1. SCOPE OF SERVICES

This Agreement shall be for the purpose of providing funding for training such that a CPD officer is credentialed in Bike Patrol training and can provide certified training to local law enforcement. This action is necessary in order to maintain quality Bike Patrol enforcement in Corvallis specifically to reduce and prevent underage drinking and issues associated with excessive alcohol use and thereby assists in fulfilling the objectives of the Enforcing Underage Drinking Laws grant, hereinafter know as EUDL grant, received by the County.

### SECTION 2. COUNTY RESPONSIBILTY

- A. The County will act as fiscal agent for the EUDL grant.
- B. The County will provide technical assistance for coordinating the grant objectives.

### SECTION 3. CPD RESPONSIBILTY

- A. CPD will assist in delivering the grant objectives as follows:
  - a. By June 2006, arrangements will be made such that one officer from CPD will be trained through the International Police Mountain Bike Association (IPMBA) to be a certified bike patrol enforcement instructor. IPMBA Certification of the CPD officer shall be completed by August 2006.
  - b. By June 2006, arrangements will be made such that CPD hosts an IPMBA training to be completed by December 2006.

- B. Reimbursement for IPMBA training shall be made only after the CPD officer has attended all classes offered by IPMBA necessary to complete the training. CPD officer shall receive reimbursement for training expenses not to exceed \$1,200. Reimbursement for training expenses shall be made within 30 days upon receipt of a completed Payment Request Form (Attachment A).
- C. CPD will assist in meeting budget and reporting deadlines as follows:
- a. CPD shall submit a final expenditure report to the County by December 15, 2006.
  - b. CPD shall submit all request(s) for funds by September 15, 2006. Use Attachments "A" to request funds. Both parties agree that reimbursement payment shall be sent directly to the CPD officer submitting "Attachment A". To facilitate payment, "Attachment A" must be accompanied by a completed W-9 Form for the CPD officer requesting reimbursement. "Attachment A" will be used to reimburse CPD for the following services:
    - i. Registration and/or travel arrangements for one CPD officer to attend the IPMBA certification training.
  - c. CPD shall submit a program report by December 15, 2006 that shall consist of the following:
    - i. The program report will describe the date and logistics of local bike patrol trainings that have occurred during this contract time period and the number of officers trained. Use of Attachment "B" should be utilized to keep track of the data required to fulfill this requirement.
    - ii. The program report will describe future plans to provide bike patrol training to local law enforcement.
    - iii. A copy of the training certificate verifying the CPD officer's attendance at the IPMBA certification training.
  - d. All reports are due to Jessica Kelly, Substance Abuse Prevention Specialist by the date indicated above. Send reports to Ms. Kelly at the following address: Benton County Health Department, 530 NW 27<sup>th</sup> Street, Corvallis, OR 97330. Contact Ms. Kelly at 541-766-6247 or [Jessica.Kelly@co.benton.or.us](mailto:Jessica.Kelly@co.benton.or.us) for technical assistance with the reporting requirements.

#### SECTION 4. PROVISIONS

- A. Contract Period: This agreement shall be effective upon signing by both parties and shall terminate on December 31, 2006, unless this agreement is hereafter modified in writing.
- B. Payments: Total payments made to CPD under this agreement shall not exceed \$1,200.
- C. Termination: This agreement may be terminated by either party. Suspension in whole or in part of this agreement by either party will require fifteen (15) days written notice to the other party. In the event of termination, the County shall compensate CPD for all services provided through the date of termination.
- D. Assignability: This contract is for the exclusive benefits of the parties hereto. It shall not be assigned, transferred, or pledged by either party without the prior written consent of all the remaining parties.
- E. Discrimination: The parties agree to comply with all applicable federal, state, and local laws, rules, and regulations on nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, disability, sexual orientation, gender identity or source of income.
- F. Indemnification: To the extent possible under the limits of the Oregon Tort Claims Act, CPD and County shall hold each other harmless, indemnify and defend each other's officers, agents and employee from any and all liability, actions, claims, losses, damages or other costs that may be asserted by any

person or entity arising from, during, or in connection with the performance of the worked described in this agreement, except liability arising out of the sole negligence of either party or its employees. Such indemnification shall also cover claims brought against either party under state or federal workers compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this indemnification.

- G. Public Contracts: Both parties agree to comply with all federal, state, county and local laws, ordinances, and regulations applicable to this Agreement. They specifically agree that the provisions of ORS 279.310 through 279.320 and 279.334 shall govern performance of this contract.
- H. Waiver: Waiver of any breach of any provision of this agreement by either party shall not operate as a waiver of any subsequent breach of this same or any other provision of this agreement.
- I. CPD and County are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017 which requires CPD to provide workers compensation coverage for all of its subject workers.
- J. Any amendment to this agreement shall be in writing and signed by authorized representatives of both parties.

IN WITNESS WHEREOF, the parties hereto each herewith subscribe the same in duplicate.

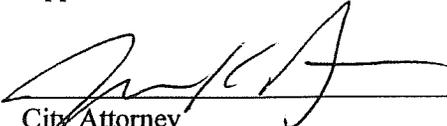
\_\_\_\_\_  
Tom Eversole, Health Administrator      Date  
Benton County Health Department  
PO Box 579, Corvallis, OR 97339-0579

\_\_\_\_\_  
Jon Nelson, City Manager      Date  
City of Corvallis  
PO Box 1083, Corvallis, OR 97339

Approved as to form:

Approved as to Form:

\_\_\_\_\_  
Benton County Counsel      Date

  
\_\_\_\_\_  
City Attorney      Date

**ATTACHMENT A  
PAYMENT REQUEST FORM**

**PAYMENT REQUEST – please attach receipts for items purchased**

**\*\*\* This Form must be accompanied by a completed W-9 Form for the Officer requesting reimbursement.**

<b>Item / Service Description</b>	<b>Date of Purchase / Service</b>	<b>Amount Requested</b>
		\$
		\$
		\$
		\$
		\$
<b>TOTAL</b>		\$
<b>Balance Remaining: (To be completed by</b>	<b>Benton County)</b>	\$

SUBMIT Form to:  
Jessica Kelly, Substance Abuse Prevention Specialist, 530 NW 27<sup>th</sup> Street, Corvallis, Oregon 97330  
or - [Jessica.Kelly@co.benton.or.us](mailto:Jessica.Kelly@co.benton.or.us). For questions call 541-766-6247

## ATTACHMENT B

### Local Bike Patrol Training Data Reporting Form

1. Bike Patrol Training Date (mm/dd/yyyy)	2. Trainer's Name/Agency
3. Training Title	
4. Training Audience (name of agency(s) trained)	
5. Training Location	
<b>Training Audience Demographics</b> (provide numbers for the following)	
6. Female	7. Male
8. Are the demographic numbers provided an estimate or an exact calculation?	

SUBMIT Form to:

Jessica Kelly, Substance Abuse Prevention Specialist, 530 NW 27<sup>th</sup> Street, Corvallis, Oregon 97330  
 or - [Jessica.Kelly@co.benton.or.us](mailto:Jessica.Kelly@co.benton.or.us). For questions call 541-766-6247

\*\*\*\*\*

REMAINDER to be completed by Benton County

<b>Staff ID</b>		<b>Provider ID</b>		<b>Substate</b>	<b>Service Code</b>
KELJ00001		002011		002	S
<b>Service Type</b>	<b>Service Date #2, above</b>	<b>Name of Group</b>		<b>Unit Count Sum of #'s 6 and 7 above</b>	
S T V01		Partnership			
<b>Service Population</b>	<b>Primary R/P Factor</b>	<b>IOM Category (Required)</b>	<b>Funding Source</b>		
S P 27	Community Laws & Norms (203)	Selected	EUDL		
<b>Evaluation Method (Required)</b>		<b>Evidence-Based Practice (Yes/No) (Required)</b>		<b>What City/Town?</b>	
Behavioral Measures		Yes		Corvallis	

## MEMORANDUM

March 10, 2006

**TO:** Mayor and City Council  
**FROM:** Gary Boldizar, Chief of Police  
**SUBJECT:** Regional Automated Information Network membership renewal

### ISSUE:

The City of Corvallis terminated its participation in the Regional Automated Information Network (RAIN), a consolidated agency created under ORS Chapter 190, on July 1, 2001. The Police Department enjoyed a long relationship as a member of RAIN, receiving law enforcement information system services to include records management, mobile in-car computers, a video imaging solution and field reporting.

The services provided by RAIN were adequate; however, the cost of maintaining an antiquated mainframe system and the technological limitation of such a system caused the City to look elsewhere for those services. In 1999, the Corvallis Police Department, Benton County Sheriff's Office and Philomath Police Department joined in developing a county wide law enforcement information system which eventually led to the termination of services with RAIN in 2001. The ultimate goal was to become a partner in the development of a statewide information system through a consortium called the Multi-agency Information Steering Team (MISST). This partnership failed in its effort to develop such a system and Corvallis, Philomath, and Benton County have been cut off from data sharing with other law enforcement agencies in Oregon since that time.

### BACKGROUND:

The Regional Automated Information Network (RAIN) was established on August 11, 1975 in response to a 1974 Criminal Justice Information Systems Design conducted by the Mid Willamette Valley Council of Governments. This system design report recommended the establishment of a Criminal Justice Information Network

The RAIN Consortium was created under authority of Oregon Revised Statute Chapter 190, which allows for members of local government to establish a joint independent organization for mutual advantage and benefit. RAIN has grown from the ten initial agencies to currently a consortium of twenty-one law enforcement agencies located in Lincoln, Marion, Polk and Yamhill counties.

In 1987 RAIN reorganized and decided to contract for information system services rather than attempt to provide those services itself. RAIN entered into an agreement with the Marion County/City of Salem Data Center to provide those services.

RAIN again is undergoing reorganization and no longer provides information services through the Marion County/City of Salem Data Center. The RAIN group no longer manages information systems for its members, but now provides an information sharing system called "CopLink" to its member agencies.

**DISCUSSION:**

The RAIN group now provides an information sharing system that allows member agencies to have access to and consolidate, share, and identify relationships with each other's data.

CopLink was jointly developed by the Artificial Intelligence Lab at the University of Arizona and the Tucson Police Department with funds from a National Institute of Justice (NIJ) Grant. Consistent with the NIJ mandate to make new technologies available to community law enforcement nationwide, the Knowledge Computing Corporation was established to bring CopLink to market.

In 2004 and 2005, RAIN received Federal Grants to expand CopLink throughout Western Oregon. The organization has the funds to bring law enforcement data together from approximately 80% of the state's population. Future plans include the connecting to other CopLink "nodes", allowing the information sharing with the States of Washington, Alaska and Idaho.

The RAIN group has offered to allow the City of Corvallis to renew its membership with RAIN without any back payments or penalties.

The Corvallis Police Department recognizes the value of information sharing with other law enforcement agencies once having that ability. RAIN and CopLink provide an exceptional information sharing and investigative tool. CopLink is a web based system and requires no local IT resources other than internet access through a web browser.

Prior costs to the City for RAIN Information Systems Service approached \$80,000 to \$90,000 per year. The current cost allocation formula used by RAIN for Information Sharing indicate that the cost to the Police Department to be approximately \$10,000 per year. The annual cost could decrease over time as more agencies become members.

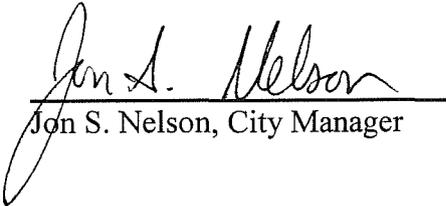
Mayor and City Council  
Regional Automated Information Network membership renewal  
March 10, 2006  
Page 3 of 3

The Police Department anticipates that the costs for membership in RAIN will stay within current allocated operating funds. As we transition to a new RMS and Mobile solution in the next year, an expected reduction in hardware and software maintenance costs will offset the additional expense.

**RECOMMENDATION:**

Attached is the ORS 190 agreement for membership in the RAIN Organization. Staff recommends that the City approve the agreement to renew membership in the Regional Automated Information Network and that council authorizes the City Manager to sign the agreement.

Reviewed and Concur:

  
Jon S. Nelson, City Manager

Attachment: ORS 190 Agreement

AMENDED AND RESTATED AGREEMENT  
REGIONAL AUTOMATED INFORMATION NETWORK

THIS AMENDMENT TO AGREEMENT REGIONAL AUTOMATED INFORMATION NETWORK is made and entered into by and between the governmental units which have signed this Agreement, creating the Regional Automated Information Network (RAIN) as set forth below (hereinafter collectively referred to as “Members”). The Regional Automated Information Network is an intergovernmental entity formed under O.R.S. 190.010, et seq. This Agreement has been amended at various times since its adoption. The Members wish to modify the terms and conditions of the Agreement as set forth herein.

In consideration of the mutual benefits and obligations as set forth herein, the Members agree to the following:

ARTICLE I  
PURPOSE AND AUTHORITY

Pursuant to O.R.S. 190.010, et seq., the Members intend to jointly share criminal justice information, pool technology resources and seek to streamline and minimize costs of information management.

ARTICLE II  
NAME

This Intergovernmental Entity has been and shall continue to be known as the Regional Automated Information Network, hereinafter referred to as “RAIN,” or “Agency.”

ARTICLE III  
GOVERNING AUTHORITY

Supervision and management of RAIN shall be exercised by a BOARD OF DIRECTORS.

3.1 BOARD OF DIRECTORS (hereinafter referred to as the “BOARD”).

A) Composition: The BOARD shall consist of:

1. One (1) Chairperson elected by the GENERAL MEMBERSHIP.

2. One (1) Vice-Chairperson elected by the GENERAL MEMBERSHIP.
3. Seven (7) Members at large.
4. One position must be filled by
  - a. a Sheriff, provided that the County for which the Sheriff serves is among the GENERAL MEMBERSHIP;
  - b. one (1) position by the City for which the Chief of Police serves, provided that a Chief of Police is among the GENERAL MEMBERSHIP; and
  - c. by a Member Agency whose annual user fee is 15% or more of RAIN's total user fees provided that agency has not been elected Chairperson or Vice-Chairperson; and
  - d. the annual user fee percentage may be modified as needed by a fifty-one percent (51%) majority vote at a meeting of the GENERAL MEMBERSHIP.
5. The term of office for all BOARD members shall be for two (2) years. At the initial meeting of the BOARD, terms shall be staggered and the BOARD members shall draw lots for one or two year terms. The initial term of the Chairperson and Vice Chairperson shall also be staggered. At the next annual meeting of the GENERAL MEMBERSHIP, those BOARD member positions drawing one-year initial terms shall be elected for two years. Thereafter, each BOARD position shall be for two years.
6. Any Member Agency may have no more than one Member on the BOARD.
7. The BOARD Chairperson will appoint a nominating committee which will make available its recommendations no later than 30 days prior to the June meeting of the GENERAL MEMBERSHIP for vote.
8. Any BOARD member may be removed from office by an affirmative vote of the Member Agencies of this agreement at a meeting of the GENERAL MEMBERSHIP for violation of law or ethical codes of conduct whether by BOARD policy or statute.
9. In the case of removal of a Director that is a Member of an agency with a guaranteed seat, the affected agency will then nominate a replacement to be ratified by the GENERAL MEMBERSHIP.

B) Meetings.

1. A quorum shall mean at least five (5) of the nine (9) BOARD members and shall be sufficient to conduct any business of the BOARD. Decisions of the BOARD shall require the same number of affirmative votes to pass a measure as if the entire BOARD had been present.

2. Each BOARD member shall have one (1) vote.
3. There shall be at least one meeting of the BOARD each quarter. The Chairperson or three (3) BOARD members may call other meetings as deemed necessary. The Chairperson shall preside over all meetings. The Vice-Chairperson (or in the event the Vice-Chairperson is unavailable any other BOARD member as designated by the Chairperson) shall act as Chairperson in the absence of the Chairperson.

C) Duties: The BOARD is empowered to

1. Determine the type of services and equipment necessary for the operation of RAIN.
2. Enter into contracts with any individual, firm or corporation, or agency of government, to acquire equipment, goods, or services for the operation of RAIN.
3. Prepare an annual budget for the expenditure of RAIN funds and set the amount of financial participation in the form of user fees for each Member to be presented to the GENERAL MEMBERSHIP by December 1st of each year for adoption. The budgeting and appropriation of funds by an entity for its share shall be pursuant to that Member's budget process. The RAIN fiscal year shall be July 1st to June 30th. Payment shall be made within 30 days of invoice. Create committees of RAIN members and/or Member Agency personnel to assist and advise the BOARD on the administration and operation of RAIN.
4. The BOARD may employ or contract for the services of an Executive Director to conduct the day-to-day operation of RAIN.
5. Conduct regular review of the financial operation of RAIN and perform audits as required.
6. Exercise any other power or authority to implement the powers expressly set forth in this Agreement and to adopt policies and procedures as necessary.

3.2 GENERAL MEMBERSHIP:

A) Composition: The GENERAL MEMBERSHIP shall consist of

1. Each Member Agency (County or City) shall select its representative.
2. Each Member Agency (County or City) may appoint an alternate representative. The alternate must declare his/her voting authority at any GENERAL MEMBERSHIP meeting.
3. The voting representative selected by each Member Agency shall be eligible for election to the BOARD OF DIRECTORS.

B) Quorum:

1. A quorum shall mean not less than fifty one percent (51%) or more of the GENERAL MEMBERSHIP shall be sufficient to conduct any business of the GENERAL MEMBERSHIP. Except as otherwise provided in this Agreement, decisions of the GENERAL MEMBERSHIP shall be made by the same number of affirmative votes to pass a measure as if all Members had been present at the meeting.
2. Each Member Agency in the GENERAL MEMBERSHIP shall have one (1) vote, which may be exercised in person by a designated alternate representative. No Member Agency shall have more than one vote at any GENERAL MEMBERSHIP meeting.

C) Duties: The GENERAL MEMBERSHIP is empowered to:

1. Provide advice and assistance to the BOARD.
2. Elect the BOARD OF DIRECTORS from the GENERAL MEMBERSHIP in June of each year.
3. Adopt for recommendation to each Member's governing body an annual budget for the expenditures of RAIN and set the amount of financial participation in the form of user fees for each Member at the meeting of the GENERAL MEMBERSHIP in January each year.

D) Meetings:

1. There shall be at least two meetings of the GENERAL MEMBERSHIP each fiscal year.
2. Special meetings of the GENERAL MEMBERSHIP may be called by the BOARD Chairperson, or by any five (5) Members.
3. The BOARD Chairperson shall preside over all meetings. The Vice-Chairperson (or in the event the Vice-Chairperson is unavailable any other BOARD member as designated by the Chairperson) shall act as Chairperson in the absence of the Chairperson.

ARTICLE IV  
LIMITATION OF LIABILITY

- 4.1 Each Member is responsible for the accuracy of its data and integrity and functions of its computer system. RAIN assumes no liability for the accuracy of

- data entered into RAIN's system by its Members, nor for errors in data transmission.
- 4.2 Subject to the Constitution and laws of this State regarding units of local government, each RAIN Member Agency agrees to indemnify, defend, and hold harmless RAIN, its BOARD, its officers, its employees, and its agents from and against any claim or demand arising out of or in connection with any act, error or omission of any person for whose acts such Member may be responsible under O.R.S. 30.260 to 30.300.
- 4.3 Pursuant to O.R.S. 190.080(3), debts and liabilities of RAIN shall be joint and several to the Member Agencies.

#### ARTICLE V TERM AND TERMINATION

- 5.1 This Agreement shall be effective commencing the date of signing, and continue until terminated as provided in this section.
- 5.2 A Member Agency may voluntarily terminate by giving written notice to RAIN no later than February 1 of any year unless otherwise negotiated and approved by the BOARD. The Agreement shall terminate on the next ensuing June 30.
- 5.3 Notwithstanding termination or withdraw by a Member Agency, this Agreement shall remain in effect as to all remaining Members.
- 5.4 In the event of voluntary withdrawal by a Member Agency, the Member Agency shall forfeit any right to payment of its portion of RAIN's assets except upon dissolution as described in this ARTICLE.
- 5.5 Upon 30 days written notice of a violation of this Agreement and if the violation is not remedied in that time, the Member Agency may be terminated involuntarily by a vote of the BOARD.
- 5.6 In the event of nonpayment by a RAIN member agency 90 days after invoice, membership by the defaulting agency may be terminated upon affirmative vote of 75% of the GENERAL MEMBERSHIP.
- 5.7 If a Member Agency is found in violation of policy, law or ethical codes of conduct adopted by BOARD policy or statute, upon affirmative vote of 75% of the GENERAL MEMBERSHIP, membership in RAIN shall be revoked.
- 5.8 If membership is terminated for nonpayment or revoked, the Member Agency shall forfeit any right to payment of its portion of RAIN's assets upon dissolution.
- 5.9 If three fourths (3/4) of the RAIN Member Agencies vote to dissolve RAIN, the BOARD shall proceed to wind up the entity. Any RAIN assets may be distributed to a governmental entity providing similar services or the assets and cash will be distributed in kind or in cash to the then Member Agencies using the same formula that was used for allocation of user fees. Any unexpended grant proceeds or assets subject to grant agreements or conditions shall be distributed in accordance with grant agreements.

ARTICLE VI  
COMMUNICATIONS AND NOTICE

Any notice required to be delivered shall be in writing. Such notice shall be sufficient upon being deposited in the regular United States mail postage prepaid, electronic mail (email) with return receipt requested, or personally delivered to the BOARD Chairperson, or Executive Director of RAIN.

ARTICLE VII  
ADDITION OF NEW MEMBERS

Additional Member Agencies may become parties to this Agreement by accepting all terms of the Agreement, and upon a three-fourths (3/4) majority vote of the GENERAL MEMBERSHIP.

ARTICLE VIII  
AMENDMENTS

This Agreement represents the complete and integrated agreement between the parties with respect to the subject matter hereof, and may be amended only by written amendment signed by three-fourths (3/4) of the membership. As such, this Agreement cancels and supersedes all prior written and oral agreements, representations, negotiations, and communications between the parties and their representatives with respect to the subject matter hereof.

ARTICLE IX  
USE OF DATA

The Member Agencies agree that to the extent permitted by O.R.S. Chapter 192 (Public Records Law) or any other applicable law, the information or data obtained from RAIN or any Member shall be considered confidential and not for public disclosure.

ARTICLE X  
VALIDITY OF AGREEMENT

If any part, paragraph, article, or provision of the agreement is adjudged to be invalid by any court of competent jurisdiction, such adjudication shall not affect the validity of any remaining article, part or provisions of this agreement.

ARTICLE XI  
COUNTERPARTS

The Member Agencies agree that this Agreement may be executed in counterparts and such signatures shall bind the Member Agency.

IN WITNESS WHEREOF the parties herein have caused this Agreement to be executed on their behalf by their duly authorized representatives as set forth below.



## MEMORANDUM

---

**TO:** Mayor and City Council

**FROM:** Ken Gibb, Community Development Director 

**DATE:** March 16, 2006

**RE:** Allocating FY 2005-2006 Neighborhood Empowerment Grant Funds

---

### ISSUE

As part of goal setting, the City Council (CC) set aside funds for the Neighborhood Empowerment Grant Program and requested that the Committee for Citizen Involvement (CCI) redesign and administer the program for the FY2005-2006 funds (\$5,000). In February, 2006, the CC reviewed the CCI's redesign of the grant program and asked the CCI to review the applications and make a recommendation directly to the CC regarding the funding allocations. The CCI has reviewed the grant applications and is forwarding a recommendation to fund six of the eight applications. The total funds that would be allocated under the CCI's recommendation is \$5,000. The CCI and staff are seeking City Council approval of the proposed funding allocations.

### BACKGROUND

The CCI has reviewed eight applications for Neighborhood Empowerment Grants. The applications were for a variety of projects. The grant requests are summarized in the chart provided under DISCUSSION below. The CCI reviewed these applications based upon the following criteria. These criteria were not prioritized or weighted.

- ◆ Need for the project in terms of addressing neighborhood issues or concerns
- ◆ Need for the project in terms of providing basic organizational tools
- ◆ The number of people benefitting
- ◆ Demonstrated level of support from the neighborhood in terms of matching funds and/or in-kind contributions

The CCI reviewed the applications on March 2, 2006 (The DRAFT minutes are provided as **Attachment A**). During that meeting, several of the applicants were available to answer questions and hear the CCI's deliberations. Based upon the submitted applications, the CCI's determined that two of the eight proposed projects should not be funded. The CCI also determined that six of the proposals should be funded for the full amounts requested (at rounded values). This resulted in a total allocation of \$4,290.00

The CCI then requested that the organizations that were recommended for funding re-examine their proposals and submit appropriate, supplementary applications to the staff. These supplementary applications were to expand the proposals only for the items that were initially recommended for funding. Thus, if an organization had requested funds to plant trees and the CCI was recommending funding for that program, the organization should not submit a supplemental application to buy a lawnmower. The supplemental applications, with a recommendation from staff were then to be forwarded directly to the City Council for a final review to allocate the remaining \$710.

**DISCUSSION**

**2005-2006 Neighborhood Empowerment Grant Applications Summary Table**

Neighborhood Group (in order of date received)	Grant Summary	Project Type	Funds Requested	Total Match	Total Project Cost	CCI Rec. Fund
Jobs Addition Neighborhood Association	Research and prepare a walking tour and publish a brochure of historic homes	Neighborhood Livability Improvements	\$ 1,000.00	\$ 2,600.00	\$ 3,600.00***	YES
Central Park Neighborhood Association	Plant and maintain 12 new street trees within the public right-of-way	Neighborhood Improvements	\$ 900.00	\$ 1,548.00**	\$ 2,448.00	YES
West Hills Neighborhood Association	Landscaping maintenance of a traffic triangle within the public right-of-way	Neighborhood Improvements	\$ 500.00	\$ 950.94	\$1,450.94	YES
Pleasant Street Neighborhood Association	Landscaping maintenance of property within a city easement/right-of-way	Neighborhood Improvements	\$ 2,200.00	\$ ??? Contract management	\$ 2,200.00 +?	NO
North College Hill Neighborhood Association	Design, publish, and distribute a neighborhood newsletter.	Organizational Improvements	\$ 397.40 (rounded to \$ 400.00)	\$ 693.70*	\$ 1,091.10	YES
Samaritan Village (Low Income Seniors Housing Facility)	Purchase replacement tires for a wheelchair equipped bus	Neighborhood Livability Improvements	\$ 981.90 (rounded to (\$1,000.00))	\$ ??? Insurance & maintenance of bus	\$ 981.90 +?	YES
Timberhill Homeowners's Association	Replace sidewalks within the Association's property that are also used by residents of adjoining neighborhoods	Neighborhood Improvements	\$ 1,000.00	\$ 1,400.00	\$ 2,400.00	NO
Friends of the Gardens (Corvallis Environmental Center)	Purchase materials and construct two ADA accessible raised garden beds, paths, and signage	Neighborhood Improvements	\$ 500.00	\$ 600.00 (\$40,580.00)	\$ 1,100.00**** (\$41,080.00)	YES
<b>Total Recommended by CCI for Funding</b>			<b>\$ 4,300.00</b>	<b>+ Supplement Funding of \$ 700.00</b>		

\* includes a higher labor rate for volunteered professional services

\*\* includes maintenance that would be beyond the grant period

\*\*\* taken from front page, detailed figures did not add up to the same calculation

\*\*\*\* part of a \$41,080 project to relocate the Community Gardens and Youth Garden Project

The CCI recommended funding for the applications shown in bold type above. These projects included items that best met the criteria selected by the CCI and the City Council. They are also projects that support City programs and/or Comprehensive Plan policies. Each of the projects is a discrete project that can be completed by citizen volunteers or with some assistance from professional contractors (the professional contracts would primarily be for historic research for the Jobs Addition project).

Staff received two supplemental applications (**Attachment B**). The Friends of the Garden project requested \$500 to construct two additional ADA garden areas. The Central Park Neighborhood Association requested \$405 for additional tree bags and to plant and maintain three additional trees. Staff is recommending that the Friends of the Garden receive \$300 to construct one additional ADA garden project, and that the Central Park Neighborhood Association receive \$400 to purchase additional tree bags and plant and maintain three additional street trees. With these recommendations, the full \$5,000 allocation would be distributed to six neighborhood/community organizations for their highest priority projects.

#### REQUESTED ACTION

**Review this information and if Council believes it is consistent with the City Council's direction and goal, approved the allocations as recommended by the CCI and City staff.**

**Review and Concur:**

  
\_\_\_\_\_  
Jon S. Nelson, City Manager

  
\_\_\_\_\_  
Nancy Brewer, Finance Director

#### ATTACHMENTS:

- Attachment A: DRAFT Minutes of the March 2, 2006, Committee for Citizen Involvement Meeting
- Attachment B: Supplemental Applications

**CITY OF CORVALLIS**  
**MINUTES OF THE COMMITTEE FOR CITIZEN INVOLVEMENT**  
**Madison Building Meeting Room**  
**March 2, 2006 DRAFT**

Attendance

Barbara Bull  
 Larry Earhart, Chair  
 Brian Holcomb  
 Kirk Newburgh  
 Mysty Rusk  
 Trish Daniels, City Council Liaison

Absent

Tom Powell  
 Felicien Rwangano  
 Frank Hann, Planning Commission Liaison

Staff

Kathy Gager, Associate Planner  
 Terry Nix, Recorder

Visitors

Donald Baarstad, 2221 SW Butterfield Dr.  
 Carol Chin, 219 NW 23<sup>rd</sup> Street  
 Pat & June Curran, 285 NW 35<sup>th</sup> Street  
 Kent Daniels, 329 SW 8<sup>th</sup> Street  
 Sue Domingues, 4410 SW Country Club Dr.  
 Don Frear, 4006 NW Witham Hill Dr.  
 Rana Foster, 1415 SW Brooklane Dr.  
 Lyn Larson, 716 NW 14<sup>th</sup> Street  
 Louise Marquering, 1640 NW Woodland Dr.  
 E. Ray Parkerson, 1352 NW Lincoln

**SUMMARY OF DISCUSSION**

	Agenda Item	Summary of Recommendations/Actions
I.	Call to Order; Review Agenda	Called to order at 7:15 p.m.
II.	Review Meeting Minutes: February 2, 2006	Approved as presented.
III.	Discussion and Decision Item: Fishbowl	Information Only.
IV.	Discussion and Decision Item: Neighborhood Empowerment Grant Applications	A recommendation to allocate funds for six applications was forwarded to City Council.
V.	Discussion and Decision Item: Budget Commission Update; Select Spokesperson(s) for City Council Presentations	Barbar Bull may attend the March 6, 2006 City Council Meeting. Larry Earhart will attend the March 21, 2006 HSC Meeting.
VI.	Discussion Item: Review Status of Each Work Program Item	Discussion held.
VII.	Reports Regarding Other Organizations	Information Only.
VIII.	Visitors' Propositions	Information only.

IX.	Next Steps	Next regular meeting: Thursday, April 6, 2006 Subcommittee meeting: Wednesday, March 8, 2006
X.	Adjournment	The meeting was adjourned at 9:40 p.m.

**CONTENT OF DISCUSSION**

**I. CALL TO ORDER; REVIEW AGENDA**

Chair Larry Earhart called the meeting to order 7:15 p.m.

**MOTION:** Mysty Rusk moved to approve the agenda as presented. Brian Holcomb seconded the motion and it **passed** unanimously.

**II. REVIEW MEETING MINUTES: February 2, 2006**

**MOTION:** Mysty Rusk moved to approve the minutes as presented. Barbara Bull seconded the motion and it **passed** unanimously.

**III. DISCUSSION AND DECISION ITEM: FISHBOWL SUBCOMMITTEE REPORT**

Kirk Newburg said the Subcommittee met this afternoon and decided to proceed ahead on planning for the Fishbowl, with a target date of April 27th. Two projects are identified as potential topics: The Camas Commons project or, if there is not sufficient interest in that project, the 5th and "B" Street Habitat for Humanity project. People affected by the Hilltop Project will be invited to observe.

**IV. DISCUSSION AND DECISION ITEM: NEIGHBORHOOD EMPOWERMENT GRANT APPLICATIONS**

Associate Planner Kathy Gager reviewed that the City has allocated \$5,000 for Neighborhood Empowerment Grants this year. Funding may be considered for use in three areas: organizational improvements; neighborhood improvement projects; and neighborhood livability improvements. The four primary review criteria are: 1) need for the project in terms of addressing neighborhood issues or concerns; 2) need for the project in terms of providing basic organizational tools; 3) the number of people benefitting; and 4) demonstrated level of support from the neighborhood in terms of matching funds and/or in-kind contributions. The CCI can also consider how applications fit with community programs and with expectations regarding this use of public funds.

Gager said eight applications have been received, including submittals from neighborhood associations, home owners' associations, and informal groups of neighbors, and she proposed a process by which CCI members might deliberate and prioritize the requests. Gager drew attention to "2005-06 Neighborhood Empowerment Grant Applications Summary Table" and noted that applications are not presented in any particular order. She reviewed the grant Committee for Citizen Involvement, March 2, 2006

summary, project type, funds requested, total match, total project cost, connection to other City programs, and other specifics of each application and the Committee discussed as follows:

Jobs Addition Neighborhood Association: Gager reviewed the request and brief discussion followed. It was noted that this area has historic homes, but is not in a designated historic district. In response to an inquiry from the Committee, Ross Parkerson said the grant money would be used for professional help to conduct the research and develop the brochure, and for printing costs.

Central Park Neighborhood Association: Gager reviewed the request and noted that locations for the proposed street trees would be determined by Urban Forester Becky Merja. She added that CBUF has only a few hundred dollars in grant money to allocate this year and that Urban Forester Merja recommended that CCI not use that funding option as a factor in its decisions. In response to inquiries, Kent Daniels said the request is for 12 trees, but the NA could easily plant 100 trees. He said the Urban Forester's role is to ensure that appropriate trees are selected and that they are planted in places that will work over the long run.

West Hills Neighborhood Association: There was no representative present and Gager stressed that attendance is not a requirement of this process. She reviewed the request and stated that City programs do reflect a desire for nice looking gateway areas and that this is a difficult island on which to require property owner maintenance because it is in the middle of the road and is only partly within the City limits. She said timing would be important to this project due to a potential CIP project for a bike path on the north side. In response to inquiries from Committee members, Gager stated that the Municipal Code requires property owners to maintain landscaped right-of-ways, but that doesn't work well under circumstances such as this; that the City does not want to add to the small number of beautification areas that the Parks Department oversees, due to budget constraints; that the City's advice about plant selection could be requested as part of the grant management; and that this is a reimbursement program and recipients must furnish receipts prior to payment.

Pleasant Street: Gager said she contacted this applicant to verify location and she showed a map of the application site. She said the request is based on having a landscaping company do the work and did indicate there would be some volunteer effort, but did not specify those hours or value. She said this would technically be the responsibility of the property owner to the north, but the request is from property owners to the south who feel impacted by this. Chair Earhart said line-of-site issues are the responsibility of property owners and he asked if the property owner has been contacted. Gager said she does not know if the property owner to the north was involved in this application. There was no representative present.

North College Hill Neighborhood Association: Gager pointed out the location and reviewed information from the application. She noted that part of the match is based on professional rates because the person who would do the work is in that profession. This request would impact approximately 400 households, businesses and churches. Carol Chin was present to answer questions. Chair Earhart asked that this request be rounded to \$400.

Samaritan Village (Low Income Seniors Housing Facility): Gager reviewed the application for tires for the facility's van. She noted that HUD will not pay for transportation; that the applicant indicated a match in the form of the van and operations; that the primary beneficiaries would be the residents of the facility; and that the request meets policies related to senior housing programs, affordability, and transportation. June Curran was present to answer questions. In response to inquiries, Ms. Curran stated that: the van was purchased after five years of fund raising; about \$20,000 was set aside for insurance and maintenance at that time; the facility has continued to do fund raising and to apply for grant money when appropriate; and their five-year track record with the van indicates that they've been doing a fairly good job. In response to further inquiries, Gager said she is not aware of any ODOT funds or other City programs that would be applicable for this request. Brief discussion followed regarding the Dial-a-Bus program and Ms. Curran said the van provides more flexibility for residents, even picking them up at the hospital in the middle of the night when necessary. Chair Earhart asked that this request be rounded to \$1,000.

Timberhill Homeowners Association: Gager said this is one of the older neighborhoods in Timberhill and that sidewalks and trails are used by residents and also by adjoining neighborhoods as part of a larger trail system. Commissioner Earhart said this is part of the original homeowners' association, who should have responsibility for the sidewalks. There was no representative present. In discussion and in response to inquiries from the Committee, Gager said the applicant indicated that they have had some complaints and that the area is becoming dangerous. She is not aware whether the City has received any complaints. Several Committee members expressed concern about fairness and about setting a precedent, and the Chair noted that property owners do not normally get assistance from the City to make sidewalk repairs.

Barbara Bull asked if the CCI needs to have any communication with applicants whose requests are not granted. Gager said the Committee is under no obligation to do so. The meeting minutes will be available and Associate Planner Gager can be reached at City Hall. She added that this is a very open and transparent grant review process.

Friends of the Gardens: Gager noted that the Community Gardens are being moved as part of the Starker Arts Park project and that this request is to pick up part of the project that was not funded by the state grant received for that project. Sue Domingues affirmed that this request would fund two ADA accessible raised garden beds; the program calls for a total of four of these beds.

Chair Earhart stated that he doesn't think the request from Pleasant Street Neighborhood Association is appropriate for this funding. He said maintenance of the right-of-way is the responsibility of the property owner. There is no indication that the applicants contacted the property owner or attempted to do any of the work themselves. CCI members present expressed agreement.

Chair Earhart said he thinks the application from Timberhill Homeowners' Association is for work that should be taken care of by property owners or by the Homeowners Association. There was general agreement.

**MOTION:** Mysty Rusk moved to recommend that the City Council approve six allocations for a total of \$4,300.00, as follows: Jobs Addition NA, \$1,000; Central Park NA, \$900; West Hills NA, \$500; North College Hill NA \$400; Samaritan Village, \$1000; Friends of the Gardens \$500. Barbara Bull seconded the motion.

Kirk Newburgh said he thinks there is diversity in the types of projects and geographical locations in the applications being recommended and he suggested that this be added to the considering factors for allocations in future years.

Mysty Rusk said she had not planned to support the request from Samaritan Village. The fact that they attended and shared additional information tonight was valuable to her. She said she also considered return on investment, noting that the North College Hill request equates to \$1.00 per person. She said she lives near the community gardens, and she expressed appreciation for the work done there and that there will be ADA accessible gardening beds.

Larry Earhart said he thought all of the applications were well thought out and presented. Barbara Bull said she has questions about gauging community support and about setting precedence; she wants to be sure that decisions do not create expectations for future applicants.

Associate Planner Gager initiated discussion about the \$700 in unallocated funds. In response to inquiry, she stated that the CCI could recommend that excess funds be carried forward, but the future of the grant program is uncertain; that additional funding could be added to existing applications; and that timing and cost issues would make a second application round problematic.

Discussion followed regarding possible ways to allocate the remaining funds. In response to inquiries, Kent Daniels said the Central Park NA has a lot of volunteer assistance and could plant additional trees with any additional allocation. He further responded that he would be willing to coordinate an effort to plant fruit trees in the Community Garden, if requested. It was noted that two additional beds need to be constructed as part of the Friends of the Gardens project.

There was a **friendly amendment**, offered and accepted, to ask that staff email grant recipients, advise them that there is an additional \$700 available, and offer an opportunity to request additional funding, specific to the project they previously submitted.

The amended motion **passed** unanimously.

**V. DISCUSSION AND DECISION ITEM: BUDGET COMMISSION AND WORK PROGRAM REVIEW UPDATES; SELECT SPOKESPERSON FOR CITY COUNCIL PRESENTATION**

Larry Earhart and Barbara Bull reported on their presentation to the Budget Commission last month. Associate Planner Gager noted that the Budget Commission recommended approval of staff support and \$4,000 for the CCI, but did not make a motion regarding the Neighborhood

Empowerment Grant. Trish Daniels said she did not feel there was not enough support at Budget Commission to get all three parts of the request approved, so she made a motion to ensure that staff support and operations funding would be recommended. She said Councilor Griffiths has also been advocating for the CCI and she thinks there will be sufficient support at the Council level to add back the Neighborhood Empowerment Grant funding.

Larry Earhart agreed to serve as CCI spokesperson at City Council meeting on March 21, 2006, 12:00 noon. Barbara Bull will try to attend the Human Services Committee meeting on March 6, 2006, 11:30 a.m. Associate Planner Gager advised that Council will also consider Sunset Review for CCI at its March 21st meeting.

#### **VI. DISCUSSION ITEM: REVIEW STATUS OF EACH WORK PROGRAM ITEM**

No discussion held due to time constraints

#### **VII. REPORTS REGARDING OTHER ORGANIZATIONS**

##### **Economic Vitality Partnership (EVP)**

Mysty Rusk updated the Committee on the EVP process to create a community-wide comprehensive strategic plan around the economy. She reviewed work done by the consultant to date and progress toward formation of the Focus Area Teams. She said Committee continues to grow and now has representation from 16 different organizations.

#### **VIII. VISITORS PROPOSITIONS**

**Louise Marquering, 1640 Woodland Drive**, distributed and read a letter from the League of Women Voters (LOWV), presented to the Mayor and City Council last week, in which concerns were expressed regarding negotiations to settle the appeal of Land Development Code Phase 1. Trish Daniels noted that staff and Council cannot discuss this matter because it is in litigation. She said the City will be issuing a written response to the LOWV letter and she will request that CCI members receive a copy. Brief discussion followed regarding process.

#### **IX. NEXT STEPS**

The next regular meeting will be held Thursday, April 6, 2006, at the Madison Building, 500 SW Madison Avenue. The Subcommittee will meet on March 8, 2006, 6:00 p.m., at City Hall, to finalize discussions about the Fishbowl.

Associate Planner Gager advised that the Mayor will likely make a recommendation to fill one of the CCI vacancies on May 6, 2006. Brief discussion followed.

Trish Daniels referred to previous discussions about ways the City could better publicize general volunteer opportunities and board and commission openings. She advised that the Parks and Recreation Advisory Board raised similar questions through its goal setting session, that

Assistant City Manager Ellen Volmert is in charge of the City's communication plan, and that there may be a way to address this issue in a consolidated way. She said she has added this to her list of items to discuss in a meeting with the City Manager next week.

**X. ADJOURNMENT**

The meeting was adjourned at 9:40 p.m.



# Committee for Citizen Involvement

March 2, 2006

Please Sign In

Name	Address	E-mail
DON FREAR	4006 NW Witham Hill Dr.	
PAT & JUNE CURRAN	2857 NW 35 <sup>th</sup> St	SAMV@cascaado- Management, Con
CAROL CHIN	219 NW 23 <sup>rd</sup> St	carol.chin@comcast.net
R. Foster	1415 SW Brookside Dr Corvallis	Tweet37@ Juno.
Kent Daniels	329 SW 8 <sup>th</sup> St Corvallis OR 97333	wally@geek.org
Sue Domingues	4410 SW Country Club Dr	sue-domingues@ hotmail.com
E Ray Parkerson	1352 NW Finnerlin Ave Corvallis 97330	—
Louise MARQUERING	1640 - Woodland	Patch 1L@AOL.com
Lyn Larson	716 NW 14th St	llarson@ch2m.com
Donal Bearstad	2221 SW Butterfield Dr 97333	

17 February 2006

LWV of Corvallis  
PO Box 1679  
Corvallis, Oregon 97339

City of Corvallis Mayor and Councilors  
501 SW Madison Avenue  
Corvallis, Oregon 97333

Dear Mayor and Councilors:

The League of Women Voters of Corvallis was involved in the broad based public process which created the current Comprehensive Plan as well its implementing Land Development Code(s) (LDC). We firmly believe in public involvement at all levels of government. We have recently learned more about the process and progress of the appeals of the LDC(s), in particular, Phase I (Draft D), which was adopted by the City December 18, 2000.

We have concerns about the current negotiations underway between the City and Century Properties, LLC, to settle the appeal to the Land Use Board of Appeals (LUBA) of the LDC Phase 1. Since thousands of hours of work by volunteers was put into the LDC, residents of Corvallis have a great stake in the outcome of the appeal.

The League would like to know the direction given to the negotiators, the criteria for negotiation, and the expected outcome. We would like to know the timeline you envision for public involvement in any proposed changes to the LCD. We expect that public involvement in this process will be at the same level as public involvement in the development of the LDC.

The League looks forward to your prompt response.

Respectfully submitted,

Karen Nibler, President

cc: CCI

From: popem@onid.orst.edu  
Sent: Wednesday, March 08, 2006 5:57 PM  
To: Gager, Kathy  
Cc: Trish and Kent Daniels  
Subject: Re: Neighborhood Empowerment Grants

Kathy,

Please see the supplemental request for our Neighborhood Empowerment Grant below. If you have any questions please let me know. Thanks.

Michael Pope  
Central Park Neighborhood Association  
541-760-5044

- > 2005-2006 Neighborhood Empowerment Grant Supplemental Application
- >
- > Name of the
- > Organization: Central Park Neighborhood Association
- >
- > Supplemental funds being requested:
- > \$ 405.00
- >
- > Additional match being provided (do not include the original matching funds
- > or in-kind match shown on your
- > original application): Cash \$ \_\_\_\_\_ In-kind = \$362.00 Total Match =
- \$362.00
- >
- >
- > Additional work being done - Describe how the additional funds would be used
- > or what could be accomplished with
- > the additional funds and citizen
- > contributions:

3 additional trees will be planted at \$75/tree (total cost = \$225.00) and 6 additional planting bags will be purchased at \$30/bag (total cost= \$180.00) for a total supplemental request of \$405.00. The original request underestimated the cost of the tree bags. Also we are increasing the number of tree bags from 9 to 15. We added 3 additional trees for further neighborhood enhancement. The City Urban Forester donated 6 used bags for a further savings of \$180.00.

**ATTACHMENT B**

## Gager, Kathy

---

**From:** Sue Domingues [sue\_domingues@hotmail.com]  
**Sent:** Thursday, March 09, 2006 4:10 PM  
**To:** Gager, Kathy  
**Subject:** Neighborhood Empowerment Grants

Dear Kathy, Please accept this as a supplemental request for funds.

2005-2006 Neighborhood Empowerment Grant Supplemental Application  
Name of the Organization: \_\_\_Friends of the Garden (Corvallis  
Environmental  
Center)

Supplemental funds being requested: \$\_\_500\_\_

Additional match being provided (do not include the original matching  
funds  
or in-kind match shown on your  
original application): Cash \$\_\_250\_\_ In-kind \$\_\_250\_\_ Total  
\$  
500\_\_

Additional work being done - Describe how the additional funds would be  
used  
or what could be accomplished with the additional funds and citizen  
contributions:\_\_\_\_\_Our new site plan includes 4 ADA accessible raised  
bed  
for community gardeners with disabilities. With this additional money we  
will be able to build two more beds and the surrounding paths. It would  
also  
allow us to install an irrigation system that would be easier to access.  
Please note: Just this week one Corvallis resident called to request a  
garden sit. He is confined to a wheelchair. And last year, a community  
gardener thought he would not continue to garden because of his knees.  
He  
was 94. There is a need! Especially near Stoneybrook Assisted Living  
and  
Camas Commons.

Sue Domingues  
Coordinator of the Community Garden  
754-7239

\*\*\*MEMORANDUM\*\*\*

TO: Mayor and City Council

FROM: Nancy Brewer, Finance Director

DATE: March 14, 2006

SUBJECT: Telecommunications Service Tax Ordinance

**ISSUE**

Staff seeks City Council approval of a process for public input on a telecommunications service tax ordinance which would impose a 5% tax on the gross revenues of all providers of telecommunications services within the city (attached).

**BACKGROUND**

In December, 2005, staff submitted a report to Council concerning a proposal to tax all providers of telecommunications services at an equal rate of 5% of gross revenues earned within the city. In addition to traditional facility-based telecommunications providers, the tax would apply to wireless providers and non-facility based resellers of telecommunications services. Currently, some telecommunications providers pay a higher fee to operate in the city while others pay little or nothing for this privilege. To maintain a competitive marketplace for all providers of these services staff is also proposing to amend Telecommunications Ordinance #99-26 to reduce all telecommunications franchise fee and privilege tax payments from 7% to 5%. The reduction would ensure a level playing field for all providers of telecommunications services offered within the city and would also be consistent with the 5% franchise fees currently paid by private utilities furnishing gas, electric, cable television and solid waste collection services and the public utility providing water, waste water and stormwater services.

Staff is also proposing to amend Telecommunications Ordinance #99-26 to reduce all telecommunications franchise fee and privilege tax payments from 7% to 5%. Franchise fees, privilege taxes, or occupancy permit fees paid to the City could be credited against the telecommunications service tax provided the same gross revenues used to calculate the telecommunications service tax is also used as a measure of right of way compensation. In addition, non-facility based providers of telecommunications services would no longer be required to enter into franchise agreements to provide service, but would simply register and pay the telecommunications service tax. With these changes the telecommunications tax system becomes equitable and provides a level playing field across all telecommunication providers regardless of the type of service offered or their direct or indirect use of public rights of ways.

**DISCUSSION**

Adoption of a telecommunications service tax, as part of a long-term financial stability strategy, would generate an estimated \$350,000 to \$500,000 of additional revenue annually from existing sources while removing any competitive inequities to market entry. These estimates include taxable revenues from non-local exchange access services and wireless services based on 4,600 billable addresses within the city at \$50 per wireless bill per month (\$2.50 telecommunications service tax). The following table illustrates revenue projections based on actual FY 04/05 franchise fee pay payments to the City and assuming a 5% telecommunications service tax. Total annual gross revenues for Qwest and Pioneer Telephone are estimated to be 65% greater than local exchange access revenues.

Utility	FY 04/05 Franchise Fee (7%)	Estimated Annual Gross	5% Tax	Increase/ (Decrease)
Qwest	\$252,086	\$10,803,685	\$540,184	\$288,098*
Pioneer Telephone	\$3,809	\$163,242	\$8,162	\$4,353*
ELI	\$14,548	\$207,828	\$10,391	(\$4,157)
Wireless	-0-	\$2,760,000**	\$138,000	\$138,000
Total	\$270,443	\$13,934,755	\$696,737	\$426,294

\*includes 2% reduction in franchise fee or privilege tax

\*\*estimate is based on 4,600 billable addresses within the City at \$50 per bill per month

### **PROPOSED PROCESS**

A Council work session was conducted in February to discuss adoption and implementation of the proposed tax including public outreach methods and how the proceeds of the tax could be used near term. Following discussion, Councilors concluded telecommunications service tax revenue would be used for critical and unavoidable fire department needs such as fire vehicle replacement and training facilities.

Council also discussed conducting public forums attended by City Councilors to introduce the telecommunications service tax proposal. A question and answer sheet will also be available to participants to address many of the questions concerning implementation of the new tax (attached).

Staff proposes the following schedule to discuss the telecommunications service tax ordinance and approval process:

April 13 <sup>th</sup>	7:30 pm	Fire Station #1 Meeting Room	Public Forum
May 4 <sup>th</sup>	Noon	Madison Avenue Meeting Room	ASC
May 15 <sup>th</sup>	7:30 pm	Fire Station #1 Meeting Room	City Council

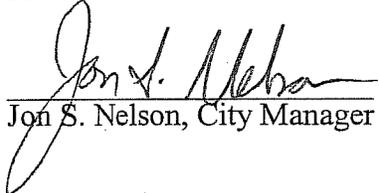
### **RECOMMENDATION**

Staff is recommending City Council conduct a public forum on April 13<sup>th</sup> at the downtown Fire Station. The entire Council, ASC or individual Councilors could sign-up to attend this forum. On the May 4<sup>th</sup> ASC meeting, ASC could provide direction on a final draft telecommunications service tax ordinance and recommendation for City Council approval with an effective date of July 1, 2006.

Council direction is requested on:

1. Does the public forum, ASC review and City Council schedule meet Council's intent?
2. Should City Council, ASC or City Councilors host the April 13<sup>th</sup> forum?

Review and Concur:

  
Jon S. Nelson, City Manager

  
James K. Brewer, City Attorney

**Telecommunications Services Tax Ordinance  
Frequently Asked Questions**

**1. What is a telecommunications service tax?**

The telecommunications service tax proposal includes a 5% tax on all revenues generated from telecommunications services offered by telecommunication providers operating within the city.

**2. Who will the telecommunications service tax apply to?**

The tax will apply to all providers offering telecommunications services within the city including traditional telephone service providers and wireless providers.

**3. Does the telecommunications service tax apply equally to all providers of telecommunications services?**

Yes. The telecommunications service tax will apply to all revenues (allowable under federal law) of all providers of telecommunications services within the city. Currently, some providers pay 7% of local exchange, while some providers pay 7% of all revenues earned within the city. Wireless providers pay no tax for the privilege of operating within the city. The telecommunications service tax will level the playing field for all competitors by requiring all providers to pay an equal tax of 5% of the revenues they earn within the city.

**4. Do other utility service providers pay a tax on revenues earned from offering their services within the city?**

Other utility service providers operating within the city such as electric, natural gas, solid waste and cable, all pay a 5% tax on the revenues earned from services provided to the community. Even the City's water, wastewater and stormwater services pay a 5% tax on earned revenues. Please refer to the two attached charts showing current rates and proposed rates.

**5. Who will be responsible for paying the telecommunications service tax?**

The telecommunications service tax is a 5% tax on providers offering telecommunication services within the city. State law allows these providers to pass a portion of the tax through to the customer and to itemize the tax on the customer bill.

**6. Will this proposal increase the cost of my traditional telephone service?**

Probably. If the telecommunications provider passes any portion of the tax on to its customers and itemizes the tax on the customer bill, the bill will increase.

**7. Will this proposal increase the cost of my long distance service?**

Probably. Same answer as above. If the telecommunications provider passes any portion of the tax on to its customers and itemizes the tax on the customer bill, the bill will increase.

**8. Does the telecommunications service tax apply to wireless telephone service providers? If so, how would it be taxed?**

Yes. This tax will apply to wireless telephone service providers as well as traditional telephone service providers. The 5% tax will be based on revenue generated from all calls made from a wireless telephone during the billing period provided the customer's place of primary use (billing address) is within the city.

**9. Do providers of wireless telecommunications services already pay excessive state and local taxes in Oregon?**

No. Wireless providers currently pay no local tax. In addition, based on a study conducted in 2004, state and local tax rates for wireless services in Oregon ranked 46<sup>th</sup> nationwide at only 2.27%. The majority of the states were above 8%. Adoption of the telecommunications service tax would put Corvallis at 7.27% equal to the 31<sup>st</sup> state in the nation; 19<sup>th</sup> from the bottom.

**10. Does the telecommunications service tax apply to internet telephone service providers?**

Yes. Internet telephone service providers are subject to the 5% telecommunications service tax.

**11. How much new revenue will the 5% telecommunications service tax generate? How will the City spend this new revenue?**

The telecommunications service tax could generate between \$350,000 and \$500,000 of additional revenue each year. This estimate assumes at least 4,600 billable addresses in the city have wireless service and use an average of \$50 of service each month. City Council is directing these funds to be used for critical and unavoidable fire department needs such as fire vehicle replacement, fire station replacement and training facilities.

**12. Why does the fire department need a new training tower? Isn't the one by Public Works sufficient in times of financial need?**

The current fire training tower is 40 years old. However, the need to replace the tower is driven by the Wastewater Reclamation Plant's requirement to treat water to meet federal guidelines. The ground currently occupied by the training tower will be used to build water purification tanks.

**13. Does the City really need a fire training tower and facility? Why can't you train in parking lots and at buildings in the area?**

All fire departments are evaluated by the Insurance Services Offices (ISO) for available and adequate water supply, apparatus, and training and a variety of other areas. Most insurance companies base the cost of local insurance on the city's overall ISO score. One of the areas ISO evaluates is the fire department training facility. Training is 7 points of the 50 possible points a fire department can achieve.

It is always good for fire departments to train at various buildings in their response area/city. However, due to the frequency and periods of time staff trains, it would be disrupting and inconvenient to business owners to have multiple fire apparatus congesting their parking area and buildings. Having a dedicated training facility allows uninterrupted periods of time for repetitive training of fire crews and others in the community who use the facility.

**14. The proposal mentions that this will also be for a fire station. Why is this needed?**

The project is planned for several phases. The first phase is to acquire land for a combined fire training facility and future fire station location. The second phase will be to construct the training tower and the associated training props. We hope/expect these two phases to be completed within three years. The third phase is long term. We are seeking enough property so that if growth patterns dictate placing a fire station in a better location to serve the community in terms of response times and growth, sufficient property will be available.

**15. Why aren't fire vehicle replacement funds being reserved so new vehicles can be purchased when necessary?**

In FY 02-03, as part of a number of service reductions necessary to balance the budget, the City stopped putting over \$180,000 per year into reserves for fire vehicle replacements. The monies which would have been put into reserves were re-directed to other operational areas of the City to continue as many other services as possible.

**16. The Fire Department has a variety of apparatus. Can we reduce the number of vehicles?**

Corvallis Fire Department protects city residences and commercial business property, as well as rural residential, land, and commercial property. In addition, the Fire Department provides the ambulance service, regional hazardous materials response, and special rescue services. In order to cover all these missions, it requires a mix of apparatus.

Each of the five city fire stations has an engine for use where fire hydrants are the water supply. When fires occur in the rural or non-fire hydrated areas, water tenders carrying water are used. In addition, if the fire is in rugged terrain (off the road or in fields) smaller brush vehicles are used. Three city stations also have ambulances for medical emergencies and transport.

The need for fire apparatus is driven by the community's desire to provide an appropriate level of fire protection. The Insurance Service Office, who plays a major role in setting insurance rates for the community, evaluates the number and type of fire apparatus. The department has strived to maintain an excellent insurance rating, which equates to lower insurance costs for property owners.

**17. What new vehicles does the fire department need? What drives the need for new vehicles?**

The department places vehicles in a replacement schedule. Each year staff evaluates the maintenance, parts availability, and expected life of vehicles. We plan for twenty-year life for engines and ladder trucks, six years for older style ambulances (pre-1995) and nine years for truck style ambulances (after 1995.) The following chart identifies age, replacement cost, and comments. The vehicle identified as Engine 136 receives extremely high use and we have continuously high maintenance costs for that vehicle.

<b>Vehicle Name</b>	<b>Current Age</b>	<b>Life Expectancy</b>	<b>Planned Replacement Year</b>	<b>Replacement Cost</b>	<b>Comments</b>
Truck 151	24 y.o. (1982)	20 years	2008	\$ 708,000* (Used price)	Escalating maintenance costs; changing safety requirements
Engine 136	12 y.o (1994)	20 years	2009	\$ 372,000	Escalating maintenance costs; high use
Amb. 121	12 y.o (1994)	6 years	2007	\$ 210,000	Currently a reserve unit
Amb. 123	7 y.o (1999)	9 years	2010	\$ 210,000	Very rough ride for patients; vibration problem

\* based on used vehicle cost, replacement cost if new \$934,000

**18. What other options does the City have to fund the apparatus needing replacement?**

The city has several options for funding the replacement of fire vehicles. The City could seek a local property tax levy to provide monies to buy replacement vehicles. The City could issue general obligation bonds to purchase replacement vehicles. Both of these options would require voter approval and would increase property taxes. The City could reduce a number of other property tax funded services to free up monies to be used to purchase fire vehicles. The City Council has not wanted to pursue that option because the services that would have to be reduced are important to the community -- Library, Parks, Transit, Fire, and Police.

**19. Additional questions should be directed to the City Manager's Office, who will share them with City Council.**

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE CREATING A NEW MUNICIPAL CODE CHAPTER 3.06, "TELECOMMUNICATIONS SERVICE TAX," A TAX UPON TELECOMMUNICATIONS BUSINESSES PROVIDING TELECOMMUNICATIONS SERVICES WITHIN THE CITY OF CORVALLIS, AND STATING AN EFFECTIVE DATE.**

WHEREAS, the City Charter of the City of Corvallis (City) grants to the City all powers that the constitutions, statutes and common law of the United States and of the State of Oregon now or hereafter expressly or impliedly grant or allow; and

WHEREAS, among the powers granted to the City is the power to impose local taxes; and

WHEREAS, adoption of this ordinance ensures the City a mechanism to receive compensation from all telecommunications businesses for the privilege of conducting the business of providing telecommunications services within the city;

**NOW, THEREFORE, THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:**

**Section 1.** Title 3, Utilities/Public Rights of Way, of the Corvallis Municipal Code is amended to add a new Chapter 3.06 as follows:

- 3.060.010 Title.
- 3.060.020 Purpose.
- 3.060.030 Definitions.
- 3.060.040 Telecommunications Service Tax.
- 3.060.050 Returns.
- 3.060.060 Exemptions and Credits.
- 3.060.070 Penalties and Interest.
- 3.060.080 Willfull Violation.
- 3.060.090 Severability.

**3.060.010 Title.**

This Chapter shall be known and may be cited as the Telecommunications Service Tax Chapter of the Corvallis Municipal Code.

(Ord. 2006-\_\_ § 1, \*\*/\*\*/2006)

**3.06.020 Purpose.**

This Chapter implements the Telecommunications Service Tax Ordinance as approved by City Council. The City reserves the right, by adoption of this ordinance, to impose a Telecommunications Service Tax on any person for the privilege of conducting a telecommunications business and/or providing telecommunications services within the city. The tax imposed pursuant to this ordinance shall be imposed for general governmental purposes and to pay the usual and current expenses of conducting those general governmental purposes. The proceeds of the Telecommunications Service Tax shall be deposited into the general fund of the City.

(Ord. 2006-\_\_ § 1, \*\*/\*\*/2006)

**3.06.030 Definitions.**

In this Chapter the following definitions shall apply:

1) Cable Service means the one-way transmission to subscribers of video programming or other programming service, and subscriber interaction, if any, which is required for the selection or use of such video programming or other programming service as described (47 USC Section 522 (7)).

2) City means the City of Corvallis, Oregon.

3) Gross Revenues means all revenues of a telecommunications business or its affiliate derived from the provision of telecommunications services within the city. Gross revenues shall include all subsidies, discounts, rebates or other considerations or forbearance, including revenues from the use, rental, or lease of the Grantee's operating facilities. Gross revenues shall not include proceeds from the sale of bonds, mortgage or other evidence of indebtedness, securities or stocks. No expenses, encumbrances, or expenditures shall be deducted from the gross revenue in determining the total gross revenue. In determining gross revenues for the calculation of taxes for mobile telecommunications services, the city shall consider mobile telecommunications services to occur within the city if such services are used by a customer whose place of primary use is within the city.

4) Mobile Telecommunications Service means the same as set forth in the Mobile Telecommunications Sourcing Act (4 U.S.C. Section 124) and the implementing regulations.

5) Open Video System (OVS) means a facility consisting of a set of transmission paths and associated signal generation, reception, and control equipment that is designed to provide cable service, which includes video programming, which is provided to multiple subscribers within a community, and which the Federal Communications Commission or its successor has certified as compliant with 47 C.F.R., Part 76.

6) Person means any individual, corporation, partnership, association, joint stock company, trust, limited liability company, or other legal entity.

7) Place of Primary Use means the mailing address of the service user where the telecommunications business submits invoices or bills for payment by the service user if the customer's place of primary use is in the city, regardless of where the mobile telecommunications service may originate, terminate, or pass through, consistent with the Mobile Telecommunications Sourcing Act, 4 USC 116-126.

8) Telecommunications Business means any person offering telecommunications services within the city.

9) Telecommunications Service Tax means a tax, approved by City Council, imposed upon a telecommunications business for the privilege of conducting the business of providing telecommunications services.

10) Telecommunications Services means the business of sale, delivery, distribution or furnishing the provision or offering for rent, sale, or lease, or in exchange for other value received, the transmittal of voice, data, image, graphic and video programming information between or among points by wire, cable, fiber optics, laser, microwave, radio, satellite or similar facilities, or utilizing internet protocol or any successor protocol with or without the benefit of any closed transmission medium, pursuant to federal law, including mobile telecommunications service and non-cable television services. For purposes of this ordinance, telecommunications services do not include (1) OVS services; (2) cable television services; (3) private telecommunications network services; (4) over-the-air radio or television broadcasting to the public-at-large from facilities licensed by the Federal Communications Commission or any successor thereto; (5) direct-to-home satellite service within the

meaning of Section 602 of the Telecommunications Act of 1996; (6) internet access or any services that are incidental to internet access, such as voice-capable e-mail or instant messaging; (7) public safety radio systems; and (8) services to devices exclusively utilizing electromagnetic spectrum unlicensed by the Federal Communications Commission.

(Ord. 2006-\_\_ § 1, \*\*/\*\*/2006)

### **3.06.040 Telecommunications Service Tax.**

The City hereby imposes a five percent (5%) Telecommunications Service Tax upon the privilege of conducting a telecommunications business and providing telecommunications services within the City. The rate of such tax shall be calculated as a percentage of the gross revenues earned within the corporate boundaries of the City.

(Ord. 2006-\_\_ § 1, \*\*/\*\*/2006)

### **3.06.050 Returns.**

For purposes of calculating taxes due under this ordinance, every telecommunications business subject to the tax shall pay the tax on the basis of a calendar year, and shall file, quarterly, before the forty-fifth (45th) day following the end of a calendar quarter, a return certified by an officer of the telecommunications business, calculating the amount of tax due and accompanied by payment of the amount due. Such return shall show the amount of gross revenue of the telecommunications business within the City for the period covered by the payment, computed on the basis set out in this ordinance, and shall show any offsets, deductions or credits against the revenue or the amount of tax due. The compensation for the period covered by the statement shall be computed on the basis of the gross revenue so reported. If the telecommunications business fails to pay the entire amount of compensation due to the City, through error or otherwise, the difference due the City shall be paid by the telecommunications business within fifteen (15) days from discovery of the error or determination of the correct amount, with interest at the rate indicated in Section 6 of this chapter. Any overpayment to the City through error or otherwise shall be offset against the next payment due from the telecommunications business. The City may audit or review any return filed by the telecommunications business, and require the telecommunications business to submit such information as shall reasonably be required to establish the accuracy of any payment of tax or return documenting the amount of tax due. If an audit or review of the records determines the tax due to have been underpaid by three percent (3%) or more, the telecommunications business shall reimburse the City for the total cost of the audit or review within thirty (30) days of City's written demand for same. In the event such audit or review shall disclose a discrepancy in favor of the City in excess of five (5) percent of the amount paid, there is hereby imposed a penalty in the amount of ten (10) percent of the difference between the amount paid and the amount found, upon audit or review, to be due. Acceptance by the City of any payment due under this section shall not be deemed to be a waiver by the City of any rights to conduct such audit or review, nor shall the acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City.

(Ord. 2006-\_\_ § 1, \*\*/\*\*/2006)

### **3.06.060 Exemptions and Credits.**

If any telecommunications business is party to a franchise agreement, privilege tax ordinance, registration provision, occupancy permit or other contract with the City which requires the payment of a fee for use of public rights of ways, the full amount of such payment made under such agreement during the filing year may be credited against any tax due under this chapter, provided the same gross

revenue used as the measure for the Telecommunications Service Tax is also used as the measure for right of way compensation. Cable services and OVS services shall be separately franchised and are exempt from this tax.  
(Ord. 2006-\_\_ § 1, \*\*/\*\*/2006)

**3.06.070 Penalties and Interest.**

If any tax payment due under this chapter is not received within thirty (30) days of the initial due date, or is underpaid, interest shall be imposed at a rate no higher than the current legal interest rate on judgments in the State, calculated from the date the payment was originally due until the date the City receives the payment. Additionally, if any payment becomes ninety (90) days in arrears, a ten (10) percent penalty shall be applied.  
(Ord. 2006-\_\_ § 1, \*\*/\*\*/2006)

**3.06.080 Willfull Violation.**

Any person willfully violating any of the provisions herein shall be guilty of a misdemeanor and shall be punishable therefor by a fine of not more than \$500.00 per day, per violation, or by imprisonment in the City-County jail for a period of not more than six months, or by both such fine and imprisonment.  
(Ord. 2006-\_\_ § 1, \*\*/\*\*/2006)

**3.06.090 Severability.**

Should any court of competent jurisdiction determine that a section or part of a section of this ordinance is invalid, such invalidity shall not impair the effect or validity of the remaining sections or parts of sections.  
(Ord. 2006-\_\_ § 1, \*\*/\*\*/2006)

PASSED by the Council this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

EFFECTIVE DATE this 1st day of July, 2006.

\_\_\_\_\_  
Helen M. Berg, Mayor

\_\_\_\_\_  
Kathy Louie, City Recorder

ORDINANCE 2006-\_\_\_

**An Ordinance amending Ordinance 99-26, an ordinance relating to the provision of telecommunications services and telecommunications infrastructure located within the public right of way.**

**THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:**

**Section 1.** Section 1, Purpose and Intent of the Telecommunications Ordinance 99-26 is hereby amended as follows:

F. Secure fair and reasonable compensation to the City and its residents for permitting private use of the public right-of-way and for the privilege of providing telecommunications services within the city;

**Section 2.** Section 2, Definitions of the Telecommunications Ordinance 99-26 is hereby amended as follows:

Q. Grantee - means the person to which a franchise or privilege is granted by the City.

DD. Telecommunications Carrier - means any provider of telecommunications services (and includes every person) that directly or indirectly owns, controls, operates or manages telecommunications facilities within the City.

**Section 3.** Section 5, Registration of Telecommunications Carriers of the Telecommunications Ordinance 99-26 is hereby amended as follows:

Section 5.2 Registration Required: Except as provided in Section 5.4 hereof, any provider of telecommunications services within the city ~~all telecommunications carriers having telecommunications facilities within the City, and all telecommunications carriers that offer or provide telecommunications service to customer premises within the City,~~ shall register. The appropriate application and license from: a) the Oregon Public Utility Commission (PUC); or b) the Federal Communications Commission (FCC) qualify as necessary registration information. Applicants also have the option of providing the following information:

Section 5.3 Registration Fee: Each application for registration as ~~a telecommunications carrier~~ shall be accompanied by a non-refundable registration fee. An amount, sufficient to cover the City's administrative costs, shall be determined by resolution of City Council.

Section 5.4 Exceptions to Registration: The following providers of telecommunications ~~carriers~~ services are excepted from registration:

A. Providers of Telecommunication ~~carriers~~ services that are owned and operated exclusively for its own use by the State or a political subdivision of this State.

**Section 4.** Section 8, Telecommunications Franchise of the Telecommunications Ordinance 99-26 is hereby amended as follows:

Section 8.1 Telecommunications Franchise: A telecommunications franchise shall be required of any provider of telecommunications service with facilities located within the public rights-of-ways ~~within~~ of the City.

Section 8.2 Franchise Exemption:

A. A private telecommunications network located in the public right-of-way will not be required to obtain a franchise agreement but shall be required to obtain an occupancy permit and pay a one time initial fee in addition to an annual charge of ~~two-three~~ dollars and ~~seventy-five~~ thirteen cents (~~\$2-753.13~~) per lineal foot of applicant's private telecommunication system located in the public right-of-way. The amount of the ~~fee~~ annual charge specified herein shall increase each year by a percentage equal to the change in the Consumer Price Index (CPI) for urban wage earners and clerical workers for the Portland, Oregon metropolitan region for the prior year, published semi-annually, unadjusted for seasonal variations, as determined by the Bureau of Labor Statistics of the Department of Labor.

B. A telecommunication service provider that (only) uses facilities located within the public rights-of-ways that are owned and operated by other telecommunications carriers shall not be required to obtain a franchise but must register and pay a fee as described in Section 8.9, Franchise or Privilege Fee, paragraph B.

Section 8.3.B Application: A description of the telecommunications services that are to be offered or provided by the applicant over its telecommunications facilities ~~or facilities owned by other persons~~.

Section 8.9 Franchise or Privilege Fee: Each franchise or privilege granted by the City is subject to the City's right, which is expressly reserved, to fix a fair and reasonable compensation to be paid for the privileges granted. The compensation shall be subject to the specific payment terms and conditions contained in this ordinance or a the franchise agreement and applicable state and federal laws.

A. Telecommunications utilities as defined in Section 4, shall pay a maximum franchise fee of 75% calculated as a percentage of annual gross revenues as allowed under ORS 221.515(1997).

B. Providers of telecommunications service other than telecommunication utilities and long-distance carriers as defined in Section 4, shall pay a maximum franchise or privilege fee of 75% calculated as a percentage of annual gross revenues earned within the city. Providers reselling telecommunication services to customers within the City may deduct the cost of leasing lines for that purpose before calculation of gross revenues.

C. Long-distance carriers or other point-to-point telecommunication providers (not providing telecommunications services within the city) shall be required to pay an annual charge of ~~two~~ three dollars and ~~seventy-five~~ thirteen cents (~~\$2-753.13~~) per lineal foot of provider's telecommunication system located within the public right-of-way. The amount of the fee specified herein shall increase each year by a percentage equal to the change in the Consumer Price Index (CPI) for urban wage earners and clerical workers for the Portland, Oregon metropolitan region for the prior year, published semi-annually, unadjusted for seasonal variations, as determined by the Bureau of Labor Statistics of the Department of Labor. In the event provider leases any portion of its telecommunication system, provider shall pay an additional franchise fee to the City of one percent (1%) of the lease revenues annually.

Section 8.10 Verification of Franchise or Privilege Fee Payment: No acceptance of any payment shall be construed as an accord that the amount paid is, in fact, the correct amount, nor shall any acceptance of payments be construed as a release of any claim the City may have for further or additional sums payable. All amounts paid under Section 8.9 shall be subject to confirmation and recomputation by the City. The grantee agrees to reimburse the City for:

A. The reasonable costs of such confirmation if the City's recomputation discloses that the grantee has paid 95% or less of the franchise or privilege fees owing for the period at issue; or

B. One-half of the reasonable costs of such confirmation if the City's recomputation discloses that the grantee had paid more than 95% but less than 98% of the franchise or privilege fees owing for the period at issue.

**Section 5.** Section 10 General Ordinance Provisions of the Telecommunications Ordinance 99-26 is hereby amended as follows:

Section 10.1 Governing Law: Any franchise or privilege granted under this Ordinance is subject to the provisions of the Constitution and laws of the United States, and the State of Oregon and the ordinances and Charter of the City.

Section 10.5 Penalties: Whenever the City Manager finds that the grantee has violated one (1) or more terms, conditions or provisions of this ordinance, a written notice, or a verbal notice followed by a written notice, shall be given to franchisee informing it of such violation or liability. If the violation concerns requirements mandated by the Oregon Occupational Safety and Health Administration, Oregon Department of Transportation or the National Electrical Safety Code, a verbal notice followed by a written notice may be given. For these safety or permit violations, grantee shall have 24 hours from receipt of verbal notification to correct the violation. For all other violations and liabilities the written notice shall describe in reasonable detail the specific violation so as to afford grantee an opportunity to remedy the violation. Grantee shall have twenty (20) days subsequent to receipt of the notice in which to correct the violation. Subject to the requirement of prior notice for violations occurring without just cause, the City Manager may assess penalties against grantee as follows:

**Section 2.** This ordinance shall become effective on July 1, 2006.

PASSED by the Council this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

---

APPROVED by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

EFFECTIVE this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

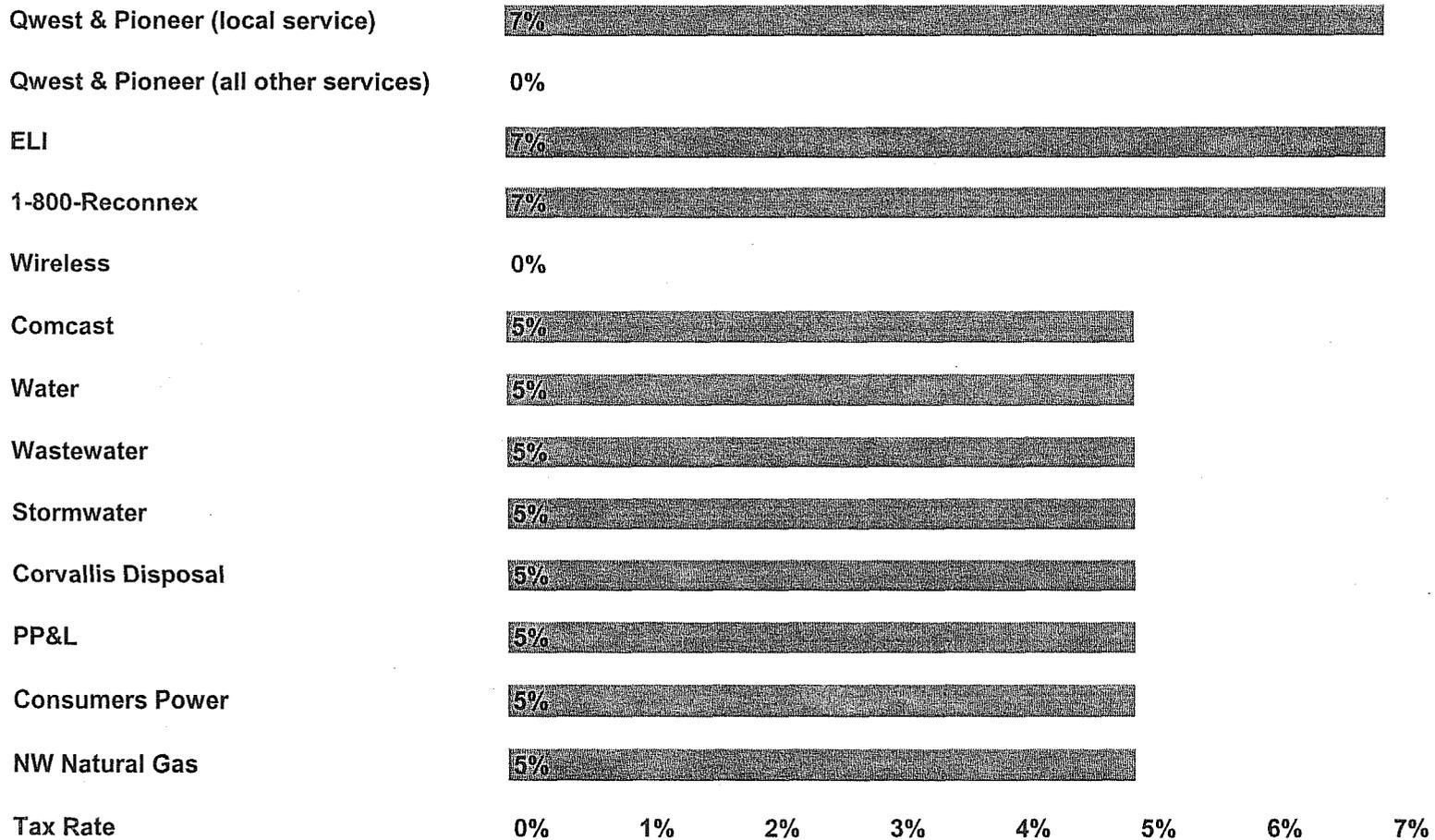
\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Recorder

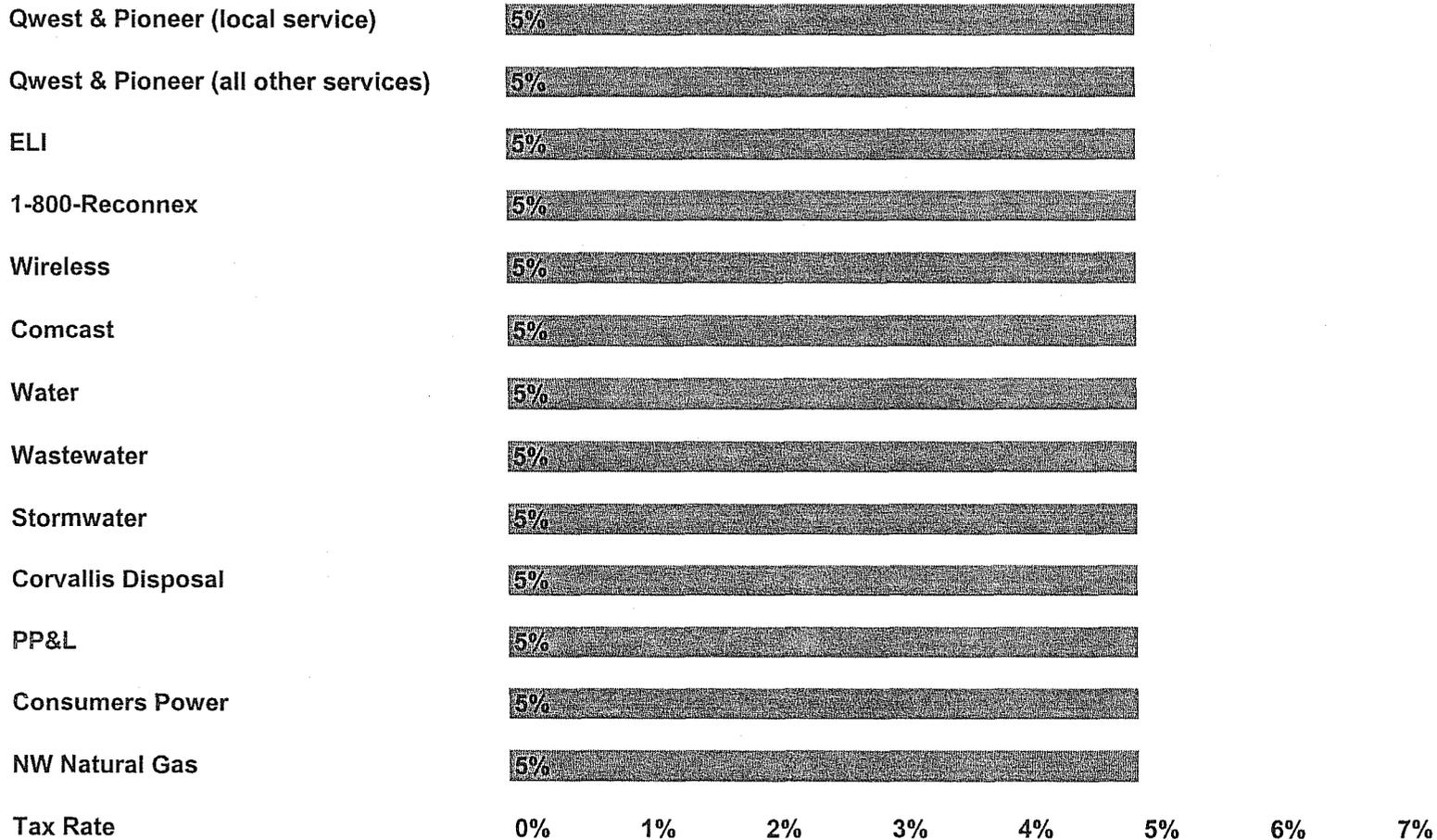
# BEFORE TELECOMMUNICATIONS SERVICE TAX

## CURRENT CODE



# AFTER TELECOMMUNICATIONS SERVICE TAX

## PROPOSED CODE



**MARCH 14, 2006**

**TO: MAYOR AND CITY COUNCIL**

**FROM: CHARLES TOMLINSON**  
**BETTY GRIFFITHS**

**SUBJECT: CITY ATTORNEY CONTRACT**

The new City Attorney contract is attached for your review and Council adoption at our meeting on March 20, 2006.

Changes to the contract include:

- Raising the monthly Compensation for Services by 2 percent to \$18,869.14
- Creating a five-year contract effective April 1, 2006 and expiring March 31, 2011
- Adding a new section entitled Criminal Background Check
- Updating the dates for Annual Adjustments
- Changing wording to the "Relationship to City Manager's Office" section

If you have questions, please give either of us a call.

**CITY OF CORVALLIS, OREGON  
CITY ATTORNEY EMPLOYMENT AGREEMENT**

This agreement is made and entered into by and between the City of Corvallis, Oregon (hereinafter referred to as "City"), and the law firm of Fewel & Brewer (hereinafter referred to as "Law Firm").

Personnel. Scott A. Fewel is contracted as chief city attorney and general counsel and shall be designated "City Attorney." Other attorneys in the Law Firm are authorized to assist the City Attorney in carrying out the responsibilities of the position. Each person acting on behalf of the City Attorney is designated "Deputy City Attorney."

Law clerks employed by the Law Firm are authorized to perform direct municipal prosecution functions. Law clerks must be qualified under the Supreme Court's Student Appearance Rule to prosecute cases in Municipal Court and will be supervised by the City Attorney or a Deputy City Attorney.

Relationship to City Manager's Office. Unless otherwise directed by motion or resolution of the City Council of the City of Corvallis, the City Manager shall be the primary liaison between the City Attorney and the City Council. In this capacity, the City Manager shall have general responsibility for administering the Employment Agreement of the City Attorney and shall **assist the City Council in conducting** such reviews and evaluations as ~~he/she~~ **they** may deem appropriate to encourage the provision of prompt, professional and cost-effective legal representation.

Scope of Services/Retainer. The Law Firm is responsible for City legal representation as authorized by the City Manager. Such services included in the retainer include:

1. Attendance at all regularly scheduled City Council meetings.
2. Attendance at Planning Commission meetings.
3. Attendance at City Council work sessions as needed, department head meetings, committee meetings, and other meetings as directed by the City Manager or his/her designee when items under consideration warrant attorney input concerning City business.
4. Provision of written and oral legal advice to City Manager and department personnel, including advising staff on election and lobbying activities.
5. Provision of general legal advice on municipal matters to the Mayor, City Council and City Council members.
6. Assist or lead staff in the preparation and/or review of ordinances, resolutions, contracts, correspondence and other documents as requested. This may include involvement in the preparation and negotiation of franchise agreements.

7. Preparation of written legal opinions at the request of the City Manager or his/her designee.
8. Prosecution of all matters before the Corvallis Municipal Court.
9. Provision of counsel for all personnel-related issues, including representing the City as necessary in grievances and employee/union related litigation, but excluding labor negotiations, arbitration, and internal investigations.
10. Advice to department personnel on compliance with local and state purchasing procedures and public contracting statutes.
11. Review of newly enacted laws, administrative rules, and case law, and advice to department personnel for appropriate compliance measures.
12. Provision of staff assistance and legal counsel relating to real property.
13. Responses to citizens' requests for information regarding ordinances, processes and other matters of a legal nature. It is not intended that this would include providing legal advice.
14. Assistance to the Personnel Division in the interaction between the insurance companies representatives, including attorneys and adjusters, with regards to all claims made against the City.
15. Work with all City departments to provide alternate dispute resolution where appropriate, including helping to resolve disputes prior to having them prosecuted in Municipal Court and directing disputes to appropriate forums other than the Municipal Court, such as mediation or the City ombudsperson, etc.

As long as the City Manager is designated as the primary liaison between the City Attorney and the City Council, the City Attorney shall keep the City Manager informed of legal issues which come to the City Attorney's attention, and shall keep no confidences from the City Manager concerning City business.

Work Performed Outside of the Retainer. The City Manager or his/her designee may authorize work to be performed by the City Attorney outside of the retainer. Failure of the City Attorney to obtain approval prior to performing work outside of the retainer may result in the waiver of compensation for services performed. If the parties mutually agree that additional counsel or separate counsel for certain services is in the City's best interests, taking into account the expertise required and the complexity of the issues, the City may hire counsel outside of this agreement and may pay for the cost of the outside counsel.

Examples of services that are considered outside of the retainer, for which the City may use outside counsel and/or the City Attorney include:

1. Preparation for anticipated, and conduct of, all civil litigation and appeals beyond City hearings bodies (i.e., Land Use Board of Appeals).
2. Preparation for the issuance and sale of City bonds.
3. Preparation of business development loan/guarantee documentation.
4. Assignments mutually agreed as outside of the retainer by the City Manager and City Attorney and not specifically listed as included in the retainer.
5. Labor negotiations.
6. Internal investigations.
7. Labor arbitrations.

Compensation for Services. As compensation for services included in the retainer, the City shall pay the Law Firm ~~\$18,525.63~~ **\$18,869.14** per month effective April 1, ~~2005~~ **2006**. This monthly payment is to be paid on or before the 10th day of each month. This monthly payment will be adjusted effective July 1, ~~2005~~ **2006** in the same amount as inflationary adjustments to the City Manager and Department Director salaries.

Compensation for Services Performed Outside of the Retainer. As compensation for services performed outside of the retainer, the City will pay the Law Firm for the services of the City Attorney and Deputy City Attorneys at a rate of \$110.00 per hour effective April 1, ~~2005~~ **2006**. Charges for work performed outside of the retainer in a given month will be invoiced the following month and will be paid to the Law Firm with the next regular monthly retainer payment.

Annual Adjustments. The parties acknowledge that this agreement is intended to be a ~~36-month~~ **60-month** agreement. The parties agree that the compensation may be revised on April 1, ~~2004~~ **2007**, and April 1, ~~2005~~ **2008, April 1, 2009 and April 1, 2010** following performance reviews, and on July 1, ~~2004~~ and again on ~~2006~~, July 1, ~~2005~~ **2007, July 1, 2008, July 1, 2009 and July 1, 2010** based on an inflationary adjustment to the agreement.

Additional Costs. Expenses related with lawsuits, such as filing fees and deposition charges, shall be reimbursed by City as they are incurred. City also agrees to pay expenses as outlined in Attachment A, which is by this reference incorporated herein. City and Law Firm agree to open the contract for further discussions if living wage ordinance implementation requirements materially affect Law Firm Compensation.

Workers' Compensation Insurance. As a contractor of the City of Corvallis, the Law Firm will provide annually to the City's Personnel Director a statement certifying that the Law Firm is in compliance with Oregon's workers' compensation insurance laws. The statement will include the

name of the workers' compensation insurance provider, policy number and policy expiration date.

Criminal Background Check. The Law Firm will be required to certify that criminal background checks have been performed and approved in accordance with the City's policy for any employees, volunteers, or other representatives who will have contact with City clients in carrying out the City's contract. Employees of the Law Firm must have the ability to meet LEADS certification requirements.

Term of Employment. This agreement shall commence on the 1st day of April, ~~2003~~ **2006**, and shall terminate on the 31st day of March, ~~2006~~ **2011**. This agreement may be terminated by either party with written notice of intent to terminate provided to the other party at least 180 days prior to such termination. This agreement may also be terminated without notice in the event that City Attorney or any Deputy City Attorney is indicted of any illegal act.

AGREED AND ACCEPTED this \_\_\_\_\_ day of \_\_\_\_\_, ~~2005~~ **2006**.

CITY OF CORVALLIS

FEWEL & BREWER

\_\_\_\_\_  
Helen M. Berg, Mayor

\_\_\_\_\_  
Scott A. Fewel

ATTESTING AS TO THE MAYOR

\_\_\_\_\_  
City Recorder

## ATTACHMENT A

### COSTS OF CAO TO BE CARRIED BY CITY OF CORVALLIS

Unless otherwise agreed by the parties, the following items will be paid for by the City Attorney's Office. The City Attorney's Office will be reimbursed by the City along with the regular monthly payments in the month following the City's receipt of the invoice for these expenses.

1. One telephone line and the monthly charges for said line (including long distance charges) to be used solely for City business.
2. Annual dues for Scott Fewel's membership in the Oregon City Attorneys' Association.
3. Registration for one attorney yearly at the League of Oregon Cities Annual Conference.
4. One set of Oregon Revised Statutes and the annual updates.
5. One set of McQuillan's Municipal Legal Forms and updates as required.
6. One set of Thompson West Oregon State and Federal Rules of Court and updates as required.
7. One set of Public Employer's Collective Bargaining Reporter and updates as required.



\*\*\*\*\*  
**CITY MANAGER'S REPORT**

**MARCH 16, 2006**

\*\*\*\*\*

**# 2006-02**

**REPORTING PERIOD: FEBRUARY 2006**

**I. ORGANIZATIONAL HIGHLIGHTS**

- The City began conducting a series of focus group meetings to discuss potential amendments to the City Charter.

**II. MAYOR'S DIARY**

Meetings included those with the Council President and Vice President, the City Manager, and the Superintendent of Corvallis School District 509J; an Oregon Department of Transportation Area Manager, District Manager, and Senior Bridge Engineer; representatives of The Earth Charter Campaign; the League of Oregon Cities Finance & Taxation Committee; a well-attended Council Legislative Committee meeting; three City Charter Review public process meetings at Wilson, Jefferson, and Lincoln Elementary Schools; a Leadership Corvallis panel discussion of citizen involvement; and talking with the members of an Oregon State University (OSU) Athletic Leadership Seminar.

February events included welcoming the Oregon Transportation Commission at dinner prior to their meeting the following day; introducing Senator Ron Wyden at his Corvallis Town Forum; greeting the newly appointed Director of the Oregon Economic and Community Development Department at a Corvallis Neighborhood Housing Services reception; welcoming participants to the annual Tourism Think Tank; attending the retirement reception for Kevin Bethel, who served in the Corvallis Police Department for 25 years; and attending a Downtown Corvallis Association (*Somebody has to do these things.*) "After Hours" at Sahalie Wine Cellar.

### III. FIRE

#### A. Department Highlights

##### *Operational*

- Major incident: February 21, 2006, at approximately midnight, in the 3000-block of NW Manzanita Place; 25 firefighters responded in five engines, one ladder truck, and one command vehicle to a single-family residence with fire and smoke showing from the windows and roof. The incident was under control in 35 minutes. The home was undergoing renovation and was unoccupied at the time of the fire. The cause of the fire appears to be related to application of flammable finishes to woodwork. Damage from the fire was extensive.

<b>Response Activity - January 2006</b>	<b>City</b>	<b>Non-City</b>	<b>Total</b>
Fires	8	1	9
Overpressure/Rupture	0	0	0
Requests for Ambulance	193	58	251
Rescue (Quick Response Team)	65	8	73
Hazardous Condition	4	0	4
Service Requests	29	5	34
Good Intent	25	11	36
False Calls	29	2	31
Mutual Aid	0	0	0
Other	2	1	3
<b>TOTAL RESPONSES OVERALL</b>	<b>355</b>	<b>86</b>	<b>441</b>

### IV. LIBRARY

#### A. Department Highlights

- Library Director Carolyn Rawles-Heiser, Adult Services Manager Mary Finnegan, and Management Assistant Carol Klamkin met with two Police Officers and walked through the building to assess security issues. The officers' recommendations will provide the basis for some security improvements in Fiscal Year 2006-2007. Special project budget funds were requested to begin the project.
- Circulation staff and volunteers continue to adapt to their new space, making small adjustments and reveling in the larger space! Next steps include a keypad for the outer stairwell door, a remote entry buzzer for the loading dock, and ergonomic standing mats for check-in and desk areas.
- The fourth annual Tcha Tee Man Wi Storytelling Festival was held February 2nd through 5th and was a smashing success. The Library uses

Ready to Read Grant moneys from the Oregon State Library to bring nationally recognized storytellers to the community. Approximately 3,500 youth heard stories in schools in Corvallis, Philomath, and Albany. More than 2,500 kids, teens, and adults attended performances at First Presbyterian Church and workshops at the Library in Corvallis. The Library's Website was the second-most-used source for folks to learn about the Festival after the *Corvallis Gazette-Times*. The first year of the Festival, the Library's Website was the least-used source.

- Approximately \$33,000 worth of furniture was received from Hewlett-Packard as part of their community giving process. Most of it will be used in the newly remodeled Circulation workroom, but the Board Room was also outfitted with some new/used chairs.
- A downloadable audio book service, Library2Go, premiered January 30th. Corvallis is part of an eight-library consortium of Oregon public libraries. The service is extremely popular, with all materials checked out in the first three days with very little publicity. Fifty "always available" titles were added to the collection by the middle of February.

## V. PARKS AND RECREATION

### A. Department Highlights

#### *Administration/Planning*

- Received a grant from the Benton County Tobacco Coalition for non-smoking signage.
- Submitted a State Parks grant to fund the Bald Hill Trailhead Enhancement project.

#### *Aquatic Center*

- Hosted the District High School Swim Championships February 10th and 11th, which brought approximately 1,000 people to Corvallis for two days.
- Hosted the State High School Swimming Championships February 17th and 18th, which brought approximately 2,000 people to Corvallis for two days.
- Hosted the State 11-14 age group swim championships February 23rd through 26th, which brought approximately 1,200 people to Corvallis for four days.

#### *Parks*

- Worked with Community Development staff on the plans review of the Community Garden relocation to Starker Arts Park.
- Volunteers and staff worked on trail repair work at Bald Hill Park.
- Flood cleanup of silt at Willamette Boat Landing is near completion.

- Ed Olsen, Steve McGettigan, and David Phillips completed course work and projects earning graduate certificates from the Pacific Northwest Resource Management School.
- Becky Merja was a guest speaker for a horticulture class at OSU on the topic of Urban Forestry.

#### *Recreation*

- The youth obesity initiative, *WeCan!* (Ways to Enhance Children's Activity and Nutrition), received \$5,500 from Samaritan Health Services. *WeCan!* is a national initiative cosponsored by Corvallis Parks and Recreation Department, Benton County Health Department, and the Healthy Weight and Lifestyles Coalition. The funds will be used to promote upcoming *WeCan!* Programs and events through Comcast advertising, as well as to purchase parent education handbooks and promotional wrist bands.
- Held a very successful Story Telling Festival, cosponsored with the Public Library. The evening performance was sold out.
- Spring/Summer Activity Guide is under development and will be mailed to Corvallis residents the week of March 17th.

#### *Senior Center*

- Entertained football fans Superbowl Sunday with a festive party that included food, games, and prizes.
- Staff continues to host the American Association of Retired Persons (AARP) Tax Aide program through April 13th. The program is offered at three locations: the Corvallis Library, the Senior Center, and the Philomath Library. This free service helped more than 2,400 people last year, and it is anticipated that 15 percent more will be served this year.
- Numbers continue to expand in the service area with more individuals enrolling in the Parkinsons, Alzheimer, and Better Hearing groups each month.
- The Footcare and Seniors Health Insurance Benefits Assistance (SHIBA) programs continue to meet a high level of patron demand, with each being offered at least two days per week.
- The Senior Center is looking at the concept of a possible name change to more accurately reflect the breadth of services offered at the facility. A Committee was formed to begin this process. There will be several public meetings to discuss this idea and seek feedback. According to City Council Policy, recommendations will be sent to the Parks and Recreation Advisory Board and the City Council for review and direction.

## **VI. POLICE**

### **A. Department Highlights**

Officers investigated 1,089 incidents this month and made 40 arrests for Driving Under the Influence of Intoxicants (DUII). Following are the highlights:

- Investigations Division personnel assisted Corvallis Fire Department personnel in the investigation of an arson of a non-profit organization's warehouse.
- Detectives arrested a 36-year-old man on Private Indecency and Child Neglect in the Second Degree. The victims were the suspect's six-year-old daughter and four-year-old son.
- Detectives and officers arrested six men in their early 20s on multiple charges, including Manufacturing a Controlled Substance (Marijuana), Conspiracy to Deliver a Controlled Substance Within 1,000 Feet of a School, and Theft by Receiving in the First Degree. Recovered during the arrests were several thousand dollars in cash, approximately one pound of marijuana, packaging materials, and scales. Investigation is continuing.
- Officers were dispatched for an assault that stemmed from a "road rage" incident. The victim was followed from Albany, was attacked as he exited his vehicle, and required reconstructive facial surgery as a result of his injuries. The suspect fled the scene of the attack and was later identified and charged with Assault, Reckless Endangering, Reckless Driving, and Disorderly Conduct.
- Officers are investigating an international fraud case reported to the Police Department. Numerous Corvallis citizens were victims of a fraud and identity theft operation. The victims' automated teller machine (ATM) card/bank accounts were compromised, and unknown suspects used their cards/information in the United States, England, Russia, and other countries. The investigation into this incident is continuing and has been referred to the Federal Bureau of Investigation (FBI).
- Officers responded to a single-vehicle crash in the parking lot of Timberhill Shopping Center. The driver crashed into several objects and almost ran over a person before passing out behind the wheel with the car in gear. A search warrant was obtained, and the driver was subsequently charged with DUII, Reckless Driving, Reckless Endangering, and Criminal Mischief.
- Officers responded to a disturbance, and the suspect brandished an 8-foot section of hand rail. The suspect was subsequently Tased and charged with Menacing, Unlawful Use of a Weapon, and Disorderly Conduct.
- Officer Harvey and Xar were deployed 15 times during February. They were involved in four building searches, four area searches, four business alarms, six trail searches, one evidence search, and two agency assists. During this

period Xar was responsible for two captures, making two for the year and 12 for his career.

- Investigations Division personnel continue to work with investigators from Oregon State Police, the Benton County District Attorney's Office, the Benton County Sheriff's Office, the FBI, and the National Center for Missing and Exploited Children on the Brooke Wilberger case.

*Tactical Action Plans (TAP)*

- A Tactical Action Plan was conducted to enforce the crosswalk law to improve pedestrian safety. Approximately 60 drivers were given informational brochures. Officers issued 12 verbal warnings and 46 citations for crosswalk violations.

*9-1-1 Center Calls for Service*

- The Corvallis Regional Communications Center dispatched 2,097 calls for police, fire, and medical assistance this month as follows:

POLICE		FIRE AND MEDICAL	
Corvallis Police	1,089	Corvallis Fire/Ambulance	387
Benton County Sheriff	496	Other Fire/Medical	33
Philomath Police	92		
<b>TOTAL</b>	<b>1,677</b>	<b>TOTAL</b>	<b>420</b>

**B. Other**

- Officer Bethel retired February 28th after 25 years of service.
- Officer Mann continues as the Day Shift Acting in Capacity (AIC) Sergeant.
- Officer Setzer returned from light duty after injuries sustained from being assaulted by a mentally ill adult male.
- Sergeant Fieman remained on extended medical leave.
- Officer Stenger went on extended medical leave following the birth of his child.
- Sergeant Crain and Officers Roach, Thelen, and Kantola were presented with Challenge Coins.
- Sergeant Crain and Officers Zessin and Poole conducted a recruitment Oral Board for Police Officer.
- Officers Lee, Eaton, and Hutchinson are attending Department of Public Safety Standards and Training (DPSST) Basic Police Academy,
- Officers are completing annual First Aid and cardiopulmonary resuscitation (CPR) training.
- Officer Glock attended Deputy Medical Examiner training in Portland at the Oregon State Medical Examiner's Office.

- Investigations Division personnel attended a three-day training on Star Witness, a computer-based video processing system that provides state-of-the-art video forensics and editing capabilities.
- Investigations Division personnel and officers attended Recognition and Investigation of Child Abuse in the Field. This one-day training was held at the Corvallis Police Department and was co-sponsored by the Corvallis Police Department and the Oregon Police Officers' Association Child Abuse/Sex Crimes Sub-Chapter.

## VII. PUBLIC WORKS

### A. Department Highlights

#### *Administration Division*

- Completed International City Managers' Association (ICMA) performance measure surveys for fleet, facilities, and street maintenance activities.
- Used furniture obtained from Hewlett-Packard to create walk-up work stations for staff who do not have daily access to a computer.
- Division Manager Steckel attended a training session on working toward zero waste.
- Department Director Rogers attended the Northwest Transportation Conference.
- The City's Sustainability Steering Committee met to review backcasting charts created with the help of the consultant. This information will be shared with all staff to generate ideas on how to reduce water and paper used in performing city services.

#### *Engineering Division*

- Projects currently in the design phase: Dixon/Oak Creek Fish Barrier Removal, SW Brooklane Drive Bicycle Lanes, 2006-2007 Storm Water Master Plan projects, SW Ninth Street and SW Jefferson Avenue Traffic Signal, Taylor Water Treatment Plant High Service Pumps and Surge Tank, and the 2006-2007 Sanitary Sewer Rehabilitation.
- Projects currently out for bid: 2006-2007 Street Reconstruction and 53rd Street Waterline.
- Construction is in progress for the Wastewater Reclamation Plant Disinfection Facilities (June completion).
- Construction is scheduled to begin in early-March 2006 for the South Third Street Improvements project (July completion) and in May for the Ninth Street Sewer Diversion project (October completion).

### *Transportation Division*

- Maintenance projects currently in design phase: SE Goodnight Avenue Grind/Inlay and the annual Slurry Seal.
- Participated with other agencies in updating the joint American Public Works Association/Oregon Department of Transportation Construction Standard Specifications.
- Completed the Madison Avenue Building Renovation project, and moved the Finance Department into the building.
- Completed the Library circulation remodel project.
- Received four new replacement vehicles that will use bio-diesel.
- Participated in the External Advisory Committee to Oregon Department of Energy in developing rules for transportation projects benefitting from the Business Energy Tax Credit (BETC) program.
- Participated in the Federal Highway Administration and Federal Transit Administration review for the proposed Corvallis Area Metropolitan Planning Organization Unified Planning Work Program for 2006-2007.
- Corvallis Transit System (CTS) riders set a new ridership record for February with 52,011 rides – an increase of 9.3 percent over the prior record of 47,596 rides set last year.
- The annual OSU ridership survey was conducted with the results showing more student ridership and less faculty/staff ridership compared to the two prior years.
- Hosted a transportation fair at The Corvallis Clinic February 24th to promote the new Clinic employee transit group-pass agreement (for pre-paid rides on CTS).

### *Utilities Division*

- Water conservation staff attended "Water Sources," a biennial national conference primarily focused on water conservation projects, programs, and technologies.
- Started phase two of the project to bring existing water pipeline air relief valves into compliance with current Oregon Drinking Water Program standards.
- Hired Jon Boyd as an Operator for the Taylor Water Treatment Plant; he had worked for the City of Albany.
- The water system pump station upgrade project is underway.

### **B. Other**

- Traffic Order 0518 was signed by the City Manager. This order will allow staff to mark seven downtown locations for on-street motorcycle parking.

## **VIII. CITY MANAGER'S OFFICE**

### **A. Department Highlights**

- Worked with OSU Graduate Research Assistant Alex Johnson on the public outreach process for the City Charter focus group meetings and public forum.
- Finalized an administrative policy for handling public records requests.
- Provided notice to all elected officials, Planning Commissioners, and Municipal Judge regarding the filing of Statement of Economic Interest required by state law.
- Conducted training on Difficult Conversations, Part II, a follow-up from January training session.
- Conducted first joint Wellness brown bag session under the Benton County/City partnership obesity grant (Heart Health).
- Two-thirds of American Federation of State, County, and Municipal Employees (AFSCME) members and 95 percent of Corvallis Police Officers Association (CPOA) members elected to participate in the Wellness Incentive Program.
- Selected consultant for redesign of cablecasting equipment for the City Council Chambers.
- Conducted safe driver simulation training.

## **IX. COMMUNITY DEVELOPMENT**

### **A. Department Highlights**

- Housing received 49 Rental Housing Program-related contacts outlining 77 separate issues, with 25 related to habitability and 52 of a non-habitability nature. Eighteen of the habitability issues reported may be subject to the Rental Housing Code; callers were advised of the process to follow in order to file a complaint under the Code.
- One Rental Housing Code complaint investigation led to issuance at month-end of an enforcement order to make repairs to plumbing and weatherization deficiencies in a unit. Resolution is expected during March.
- Housing and Community Development Commission (HCDC) completed a review of the administrative policy for the City's emergency repair loan program. The Policy's most significant changes are an increase in the loan amount (from \$20,000 to \$30,000), above which a review by the HCDC is required, and refitting the Policy to "Essential Repair Loan Program."
- Two emergency (now essential) repair loans were closed, one for \$56,468 and the other for \$4,986.

- Development Services staff processed 22 residential and 21 non-residential plan reviews for proposed construction projects and conducted 1,786 inspections.
- Inspection staff investigated 12 citizen complaints including such concerns as a home business exceeding Land Development Code allowances, a refrigerator in a driveway, and converting a garage to bedrooms without permits.
- Met with the Stakeholder Advisory Group to discuss Council Policy 7-04 ("Building Permits Where Public Improvements Are Not Completed and Accepted by the City of Corvallis"); software purchases; service enhancements; and development of policies for phased development, deferred submittals, and temporary occupancy.
- Building Inspector Troy Skinner resigned to accept a position with the City of Dallas; a recruitment was initiated to fill his position. Also initiated a recruitment to add a third plans examiner as part of an approved service enhancement with the fee increase in July 2005.
- Facilitated three free pre-development meetings for new projects, including the Benton County Museum, OSU's Magruder Hall, and 30th Street Improvements.
- Staff attended a very educational landslide forum in Salem.
- Staff and the Historic Preservation Advisory Board approved five residential Historic Preservation Permits.
- The Planning Commission held a work session and then a public hearing regarding the Land Development Code Text Amendment that would update the City's Historic Preservation provisions.
- Staff continued work on reports to Planning Commission for a number of development proposals, including John and Phil's Auto Dealership and Seventh Street Station.

## **X. FINANCE**

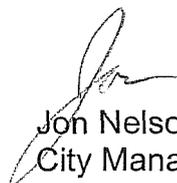
### **A. Department Highlights**

- The Budget Commission requested staff to prepare a budget that continues all existing services at current levels, including proposed capital improvement program projects. The Budget Commission also approved enhancements totaling \$474,310, which included funding for services as varied as a sustainability program coordinator and an operating grant for the Corvallis Environmental Center.
- The Finance Department successfully relocated to the Madison Avenue Building.

- Utility Billing is no longer providing door hangers for delinquent water billing account customers. Customers will receive a letter as a final notice prior to water shut-off for nonpayment of service.
- Began testing HTE Version 4.0.
- Prepared for 2006A Refunding issuance.
- Completed implementation of NovusVendor (Bids Online) application, an online bid registration and solicitation system. MIS also conducted application training for staff and will conduct internal testing before advertising this new service to the public.
- Staff has been maintaining its workload with one full-time court clerk absent since February 1st due to serious illness.

**XI. MISCELLANEOUS**

- Attached is the City Attorney's Office Report to the City Council for February.



Jon Nelson  
City Manager

# TRAFFIC ORDER NO. 0518

**TO:** Jon Nelson, City Manager  
**FROM:** Steve Rogers, Public Works Director   
**DATE:** Nov. 30, 2005

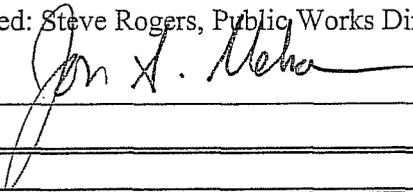
The traffic order described below is for your review and approval. No action on the part of the City Council is required to approve the traffic order.

Public Request: YES (X) NO ( )

**Request:** Parking for motorcycles on public streets in the Downtown area of Corvallis is controlled by Sec. 6.11.330 of the municipal code. Pursuant to the code, for such parking to be legal, the spaces must be marked. The traffic order was reviewed and approved by both the BPAC, and DPC at regularly scheduled meetings. This traffic order would provide for marked motorcycle parking in the following locations: 1) 2nd and Madison NE corner on Madison, 2) 2<sup>nd</sup> and Monroe NW corner on 2<sup>nd</sup>, 3) 3<sup>rd</sup> and Monroe SE corner on Monroe, 4) 3<sup>rd</sup> and Adams NW corner on 3<sup>rd</sup>, 5) 4<sup>th</sup> and Adams NW corner on Adams, 6) 4<sup>th</sup> and Jefferson NW corner on Jefferson, 7) Madison between 4<sup>th</sup> and 5<sup>th</sup> west of alley south side. (See Attachments).

**Action:** With your approval, (as weather permits), staff will mark the locations indicated on the attached map and described above for on-street motorcycle parking. (See Attachments)

Recommended: Steve Rogers, Public Works Director

Authorized:  Decision Date: 3-2-06

## APPROVAL STATUS

- Council Notified - Date: \_\_\_\_\_
- Referred to Urban Services Committee
- Reviewed by City Council



Traffic Order 0518

Mark Motorcycle Parking at all points indicated



CORVALLIS CITY ATTORNEY  
456 SW Monroe, #101  
Corvallis, OR 97330-4710  
Telephone: (541) 766-6906  
Fax: (541) 752-7532

CITY ATTORNEY'S OFFICE  
REPORT TO CITY COUNCIL: HIGHLIGHTS

February 2006

The following are highlights of the City Attorney's Office activities during February, 2006.

1. Review pleadings pertaining to *Junque Busters, LLC dba 1-800-Got-Junk? of Salem v. City*.
2. Meetings/Review of documents pertaining to systems development charges for parks.
3. Meeting with City staff re: Timberhill Shopping Center retaining wall failure.
4. Continued work re: public records requests.
5. *Alberti v. City* telephone conference: Benton County Circuit Court.
6. Meeting with City staff regarding Grand Oaks Park water bill.
7. Correspondence with Dale Wolf agency re: damages to City property in excess of \$29,000.

Ongoing/Future Matters:

1. Representation of the City before LUBA and Oregon Court of Appeals re: *McElroy v. March* (nka *McElroy v. Carlson* - Mandamus Appeal), *Century Properties, LLC, v. Corvallis* (Natural Features Preservation LUBA Appeal), *Century Properties v. Corvallis* (Land Development Code LUBA Appeals).
2. Enforcement actions regarding code violations (building, sidewalk, land development code violations, etc.).
3. Development of Master Lease agreements for Municipal Airport/Industrial Park.
4. Continued work on Charter revisions.
5. Continued work on Grand Oaks and APD easement/development issues.

\*\*\*\*\*

## COUNCIL REQUESTS

### FOLLOW-UP REPORT

MARCH 16, 2006

\*\*\*\*\*

1. NW Walnut Boulevard Sidewalk (Nelson)

At the end of December 2005 a portion of sidewalk on the south side of NW Walnut Boulevard between NW Kings Boulevard and NW Rolling Green Drive failed, settling as much as 18 inches. The cause of the failure was found to be the failure of a retaining wall on property owned by Timberhill Shopping Center outside of the public right-of-way. The Center's Engineer, Fred Wright, and the retaining wall contractor responded quickly and took actions intended to limit further movement of the slide and assured the City that the damage would be repaired. Since then there has been some additional movement of the slide. Although the visual damage is limited to the sidewalk, potentially there could also be subsurface damage to the subgrade that supports the adjacent street and to a waterline located in the area under the sidewalk. To mitigate potential damage should the waterline rupture, a section of the line has been isolated from normal water pressure.

Since the initial response by the wall contractor, they have not been responsive to staff's request for action. On Friday, March 3rd, the City Attorney's office (CAO) was asked to assist in developing a strategy to encourage the repair. The CAO is now implementing that strategy. On Monday, March 6th, City Engineer Braun received confirmation from the wall contractor's insurance carrier that they were proceeding with design and repair of the failed wall and the City's damaged infrastructure. Although we expect to receive a schedule for the repair work in the near future, at this time we believe the repairs will take four to six months.

2. Electronic City Council Packets (Nelson)

Staff continues to assess the potential of using e-packets to increase efficiency and promote the City's sustainability efforts. Staff has been experimenting and recently created two Council e-packets using Adobe Writer software. City Manager Nelson agreed to test the e-packet at the March 6th Council meeting, and some Councilors expressed an interest in using e-packets.

As background for first-term Councilors, as a part of the internal review of overhead operations to maximize efficiencies, the City Council was surveyed in October 2004 on receiving an electronic Council meeting packet in lieu of a hard-copy packet. The City Council discussed e-packets in January and February 2005, and a majority of the Councilors indicated they preferred the paper meeting packet format. The Council decided to consider using e-packets in the future.

The 319-page e-packet for March 6th was created with Adobe Writer by consolidating all the documents into a single .pdf file so it can be downloaded or opened quickly. The e-packet includes bookmarks and links for easy retrieval of attachments. Other features include the ability to edit and insert comments or notes within the e-packet. Staff is still in a learning stage about Adobe's capabilities and has not yet attempted to use it during a large public hearing.

Unlike Adobe Reader, the Adobe Writer software is not free, and each license costs approximately \$200. Funding to obtain this software for the Council was previously budgeted in the City Manager's Office in 2004 and 2005 but was eliminated in 2006 with Council's decision to pursue e-packets at a later time. Budgeting a license for each Councilor would occur after Council decides to use e-packets and the next "check-in" discussion is scheduled for the 2007-08 City Council.

Having Council use a mix of e-packet and paper packets, in either a read-only or Adobe Writer format (if funds were added to the 2006-07 budget), is your decision, understanding that we are still at the experimental stage, and meetings requiring paper packets will probably occur.



Jon Nelson  
City Manager

**CITY OF CORVALLIS – COUNCIL REQUESTS – TRACKING REPORT  
PENDING REQUESTS**

<b>Council Request Item</b>	<b>Requested By</b>	<b>Date of Request</b>	<b>CM Report Due Date</b>	<b>Assigned to</b>	<b>Response in CM Rpt No.</b>	<b>Comments</b>
NW Walnut Boulevard Sidewalk	Nelson	02-24-06	03-14-06	Rogers	CCR 03-16-06	
Electronic City Council Packet	Nelson	03-07-06	03-20-06	Louie	CCR 03-16-06	

## Corvallis Fire Department Memorandum

TO: Jon Nelson  
FROM: Dan Campbell  
RE: Forest Patrol Assessment  
Date: 03/10/06

As you are aware, the Oregon Department of Forestry has sent a number of property owners in the City of Corvallis a letter stating their intent to charge a Forest Patrol Assessment on land and improvements. Their ability to do this is based on ORS Chapter 477. This ORS specifies that any property within a forest protection boundary may be subject to this assessment if at any time during the year the property contains any type of vegetation that could burn. The local forest protection boundary currently covers about seventy-five percent of Corvallis property. The Forest Patrol Assessment notification letters were sent out only to the properties on the fringe of the City but next year an additional mailing will occur.

Currently, Corvallis Fire Department has adequate resources in staff, apparatus, and equipment to control, contain, and/or suppress all fires occurring within city of Corvallis boundaries and most of the rural district. In the attached letter I propose to the District Forester that Corvallis Fire Department desires to completely protect all property within the City in lieu of ODF charging their \$56 annual assessment on any property in the City limits.

Provisions to enable a unified approach to combat large fires that originate in the city of Corvallis, another local fire district, or on ODF protected lands are outlined in the mutual aid agreement signed by all agencies in Linn and Benton Counties. Corvallis Fire Department has historically provided more mutual aid than it has requested, predominantly because we have the most resources in the area and we are immediately available.

While I hope this issue can initially be resolved locally through an agreement between the City and the local ODF district, I feel the ORS needs to be changed to more appropriately identify and define "forest land" to a more practical definition. The current definition could include almost all of Oregon. Proper legislation should give credit where a local fire agency or municipality has adequate resources to provide a level of protection equal to or above the protection afforded by the local ODF district.

I am happy to answer any questions you might have or clarify the statements I provided.

DRAFT

March 10, 2006

Steve Laam, District Forester  
Oregon Department of Forestry  
24533 Alsea Hwy.  
Philomath, OR 97370

Dear Steve:

As you are aware, many residents living within the boundaries of the City of Corvallis and the Corvallis Rural Fire Protection District (CRFPD) recently received notices of Forest Patrol Assessment on their property.

This letter is to request that no properties within the City of Corvallis be required to pay the forest patrol assessment. In addition, it would seem appropriate that properties residing in the Corvallis Rural Fire Protection District (CRFPD) that are less than five acres would only pay the forest patrol assessment on land, but not on structures. The intent is that these properties receive primary protection from City of Corvallis Fire Department (CFD) and CRFPD (through a contract with CFD). Mutual aid agreements are in place with all fire agencies in Benton County, including ODF, in order to assist each other in larger scale incidents within the region.

In recent years the CFD has purchased apparatus, built fire stations, staffed and provided training to enable the Department to handle all fires originating within the City and most within the CRFPD. These resources include more than 100 paid and volunteer firefighters, with 20 - 30 on duty each day, all year. The City owns and maintains six engines (Type 1 or 1x), three tenders (Type 2 and 3), and four brush trucks (three Type 3 or 3x, and one Type 6) operating out of five City-owned fire stations. The stations, apparatus and personnel are strategically located to allow us to best handle all fire emergencies that may occur in the City.

The CRFPD built a fire station in the Vineyard Mountain area and has also purchased two 3000-gallon tenders for use in their District. A contract between the City and the CRFPD allows for all the resources of CFD to be used in suppression of fires on CRFPD protected properties.

The tenders and brush rigs aid in suppression of fires in the City but are more often used in the urban interface setting, particularly on property within CRFPD areas. Corvallis

Fire Department has been aggressive in training staff in wildland firefighting, including meeting all training requirements of ODF entry-level positions. In addition, we are fortunate to have more than 18 strike team/task force leaders in our organization. Most training and certification requirements of the Department of Public Safety Standards and Testing (DPSST) are the same as those required for state and federal wildland firefighters. In fact, ODF or US Forest Service employees teach most of the wildland classes. Based on this training, staff participation in annual wildland live-fire training locally and regionally, participation on state and federal fires in Oregon, we have extremely competent wildland firefighters.

According to ORS Chapter **477.406 Cooperative contracts or agreements for forest protection or forest related; negotiation.** *(1) The forester and a forest protective association may enter into a contract or agreement with each other or, jointly or separately, with a federal or state agency, political subdivision, corporation, responsible organization or responsible landowner or group of landowners for the prevention and suppression of fire on forestland or on land other than forestland, or both, to prevent and suppress fire.* Based on this language, the City of Corvallis Fire Department would like to enter into agreement with Oregon Department of Forestry whereby Corvallis Fire Department would provide all fire suppression and prevention for all property within the City. In return, ODF would agree not to charge the forest patrol assessment to property owners, nor would ODF need to provide forest patrol for those areas. The CRFPD may like you to consider a similar proposal for portions of their district as well.

I would like to move forward immediately to accomplish steps necessary to write and enact the agreement based on ORS 477.120 (c) and ORS 477.406. If there are other requirements our agency needs to address, I would be happy to discuss these with you. I can be contacted at 541-766-6953.

Dan Campbell  
Fire Chief

**Training and Business  
Development Center**

6500 Pacific Blvd SW  
Albany, OR 97321  
[joseph.bailey@linnbenton.edu](mailto:joseph.bailey@linnbenton.edu)  
541-917-4935

---

**City of Corvallis**  
*Facilitation of Community Meetings*

**Summary of Meeting**

Date: March 8, 2006

Attendees: Ellen Vollmert, Gary Boldizsar, George Grosch, Joseph Bailey

**Forum Focus**

The focus of the sessions will be to get input from citizens on the following questions:

- 1) What are your expectations of a Citizen Review Board for the Corvallis Police Department?
- 2) Given the current complaint process, what keeps people from using it?
- 3) What would you like to be different if Corvallis had a Citizen Review Board?
- 4) Does the City of Corvallis need a Citizen Review Board?

**Agenda**

Introductions, overview, statement of intent	Councilor George Grosch
Background presentation	Councilor Grosch
Q & A from the audience	Joseph Bailey
Process for the questions	Joseph Bailey
Evaluations	Joseph Bailey
Summary of next steps	Councilor Grosch

---

## Facilitated Forums

These are the proposed dates/times. Two hours in length, maximum

Corvallis Police Employees	Wednesday, April 5, 4-6
Open Forum	Wednesday, April 5, 7-9
Bilingual session	Saturday, April 8
Follow-up session with Open forum	April 26/ 27

## Timeline

April 5	Corvallis Police Employees Forum
April 5	Open Forum
April 8	Bilingual Forum
April 10-13	LBCC staff compiles the input
April 14	Summary of forums to stakeholder group
April 17-21	Stakeholder groups meet to discuss the information from the forums
April 26, 27	Open forum to review stakeholder recommendations
May 1-3	Stakeholders group meets to review comments from Open Forum
May 10	Staff report completed
May 11/16	Report goes to Human Services Committee
June 5	Report goes to City Council

## Items to be done

◆ Agree upon ground rules	George, Ellen, Gary, Joseph
◆ Identify Spanish speaking facilitator	LBCC
◆ Develop a fact sheet that gives an overview of the process to this point	George/Gary
◆ Develop a fact sheet that spells the current complaint process	Gary
◆ Develop overheads/PowerPoints that highlight the fact sheets	George/Gary/LBCC
◆ Translate all fact sheets into Spanish	LBCC
◆ Translate all visual presentation material into Spanish	LBCC
◆ Establish forum dates and times	Joseph, Ellen
◆ Establish stakeholder meetings	Gary
◆ Conduct forums	George/Joseph
◆ Translate all Spanish information	LBCC
◆ Capture all information into one document	LBCC
◆ Prepare a final product	Gary
◆ Wrap-up	George, Ellen, Gary, Joseph

## **Costs**

The unknowns at this point will affect the cost. The main unknowns are the cost of the Spanish facilitator, a person to document the night of the Spanish facilitation and the translation costs. However, with that caveat, the approximate cost: \$5825.

**ADMINISTRATIVE SERVICES COMMITTEE  
SCHEDULED ITEMS**

**March 16, 2006**

MEETING DATE	AGENDA ITEM
March 23	<ul style="list-style-type: none"> <li>• City Charter Review</li> <li>• Municipal Code Revisions to Utility Billing Services</li> </ul>
April 6	<ul style="list-style-type: none"> <li>• City Charter Review</li> </ul>
April 20	<ul style="list-style-type: none"> <li>• daVinci Days Loan Agreement Status Annual Report</li> <li>• Allied Waste Annual Report</li> <li>• Fire Fees Legislation</li> <li>• Nuisance Fire Alarms</li> </ul>
May 4	<ul style="list-style-type: none"> <li>• Economic Development Allocations Orientation</li> <li>• Telecommunication Service Tax Process</li> </ul>
May 16	<ul style="list-style-type: none"> <li>• Economic Development Allocations Presentations</li> </ul>
May 18	<ul style="list-style-type: none"> <li>• Economic Development Allocations Deliberations</li> </ul>
June 8	<ul style="list-style-type: none"> <li>• Third Quarterly Operating Report</li> </ul>
June 22	
July 6	<ul style="list-style-type: none"> <li>• Economic Development Allocations Third Quarter Reports</li> </ul>
July 20	
August 10	
August 24	
September 7	<ul style="list-style-type: none"> <li>• Fourth Quarterly Operating Report</li> </ul>
September 21	
October 5	<ul style="list-style-type: none"> <li>• Corvallis Environmental Center Funding Agreement Annual Report</li> <li>• Council Policy Review: CP 91-1.02, "Liquor License Approval Procedures"</li> <li>• Council Policy Review: CP 04-1.09, "Public Access Television"</li> <li>• Council Policy Review: CP 91-2.03, "Expense Reimbursement"</li> </ul>
October 19	<ul style="list-style-type: none"> <li>• Economic Development Allocations Fourth Quarter Reports</li> <li>• Council Policy Review: CP 91-3.02, "City Compensation Policy"</li> </ul>
November 9	<ul style="list-style-type: none"> <li>• Benton County Historical Society/Museum Annual Report</li> <li>• Economic Development Application Process and Calendar</li> <li>• Utility Rate Annual Review</li> </ul>
November 23	No Meeting
December 7	<ul style="list-style-type: none"> <li>• Comprehensive Annual Financial Report (CAFR)</li> </ul>

MEETING DATE	AGENDA ITEM
December 21	<ul style="list-style-type: none"> <li>• Economic Development Allocations First Quarter Reports</li> <li>• First Quarterly Operating Report</li> </ul>

**ASC PENDING ITEMS**

- Council Policy Review: CP10.04.060, "Funding for Community Facilities" Finance
- Majestic Theatre Management Agreement Parks and Recreation
- Philomath Water Agreement Public Works

**Regular Meeting Date and Location:**

Thursday following Council, 12:00 pm – Madison Avenue Meeting Room

**HUMAN SERVICES COMMITTEE  
SCHEDULED ITEMS**

**March 16, 2006**

MEETING DATE	AGENDA ITEM
March 21	<ul style="list-style-type: none"> <li>• Corvallis Fall Festival Annual Report</li> <li>• Committee for Citizen Involvement               <ul style="list-style-type: none"> <li>• Report on Council Goal</li> <li>• Sunset Review</li> </ul> </li> </ul>
April 4	<ul style="list-style-type: none"> <li>• Social Services Second Quarter Report</li> <li>• Corvallis Neighborhood Housing Services Second Quarter Report</li> <li>• Alcohol/Neighborhood Livability Strategic Action Plan</li> </ul>
April 18	<ul style="list-style-type: none"> <li>• Majestic Theatre Annual Report</li> <li>• Boys and Girls Club Annual Report</li> <li>• Municipal Code Revision to Chapter 10.06, "Downtown Tree Management Program"</li> </ul>
May 2	<ul style="list-style-type: none"> <li>• Liquor License Annual Renewals</li> </ul>
May 16	<ul style="list-style-type: none"> <li>• Rental Housing Program Sunset Review</li> <li>• Citizens Review Board Report</li> </ul>
June 6	<ul style="list-style-type: none"> <li>• Social Services Third Quarter Report</li> <li>• Corvallis Farmers' Markets Annual Report</li> <li>• Boards and Commissions Sunset Reviews:               <ul style="list-style-type: none"> <li>• Citizens Advisory Commission on Civic Beautification and Urban Forestry</li> </ul> </li> </ul>
June 20	<ul style="list-style-type: none"> <li>• Social Services Allocations – Fiscal Year 2006-2007</li> </ul>
July 5	
July 18	<ul style="list-style-type: none"> <li>• Corvallis Neighborhood Housing Services Third Quarter Report</li> </ul>
August 8	<ul style="list-style-type: none"> <li>• Parks and Recreation Annual Fee Review</li> </ul>
August 22	
September 6	
September 19	<ul style="list-style-type: none"> <li>• Social Services Fourth Quarter Report</li> <li>• Rental Housing Program Annual Report</li> </ul>
October 3	<ul style="list-style-type: none"> <li>• Council Policy Review: CP 95-1.07, "Policy Regarding the City Flag"</li> <li>• Council Policy Review: CP 92-4.05, "Library Meeting Rooms Policy"</li> <li>• Council Policy Review: CP 92-4.06, "Library Displays, Exhibits, and Bulletin Boards"</li> <li>• Council Policy Review: CP 95-4.08, "Code of Conduct on Library Premises"</li> </ul>

MEETING DATE	AGENDA ITEM
October 17	<ul style="list-style-type: none"> <li>• Council Policy Review: CP 91-4.03, "Senior Citizens' Center Operational Policies"</li> <li>• Council Policy Review: CP 92-4.04, "Park Utility Donations"</li> <li>• Council Policy Review: CP 97-4.09, "Guidelines for Free Use of Park Facilities"</li> </ul>
November 7	<ul style="list-style-type: none"> <li>• Corvallis Neighborhood Housing Services Fourth Quarter Report</li> </ul>
November 21	
December 5	<ul style="list-style-type: none"> <li>• ArtCentric Annual Report</li> <li>• Public Art Selection Commission Annual Report</li> </ul>
December 19	<ul style="list-style-type: none"> <li>• Social Services First Quarter Reports</li> <li>• Corvallis Neighborhood Housing Services First Quarter Report</li> </ul>

**HSC PENDING ITEMS**

- Organizational Diversity Efforts
- Red, White, and Blues Festival Fencing
- Social Services Priority Setting and Policy Review

Parks and Recreation  
Community Development

**Regular Meeting Date and Location:**

Tuesday following Council, 11:30 am – Madison Avenue Meeting Room

**URBAN SERVICES COMMITTEE  
SCHEDULED ITEMS**

**March 16, 2006**

MEETING DATE	AGENDA ITEM
March 21	No Meeting
April 4	<ul style="list-style-type: none"> <li>• Permit to Occupy Public Right-of-Way (Highland Medical Center)</li> <li>• Airport Lease – G&amp;C Maintenance</li> <li>• Airport Lease – Phelan Hangar</li> <li>• Airport Lease – Reach Air Ambulance</li> <li>• CASA Jet Transfer</li> </ul>
April 18	<ul style="list-style-type: none"> <li>• Waste Water Temperature Discharge Limits</li> <li>• Request for Extension of Water Service (Jeffery Mull)</li> </ul>
May 2	
May 16	
June 6	<ul style="list-style-type: none"> <li>• Boards and Commissions Sunset Reviews:               <ul style="list-style-type: none"> <li>• Airport Commission</li> <li>• Downtown Parking Commission</li> </ul> </li> </ul>
June 20	
July 5	
July 18	
August 8	
August 22	
September 6	
September 19	
October 3	<ul style="list-style-type: none"> <li>• Council Policy Review: CP 04-1.08, "Sustainability"</li> <li>• Council Policy Review: CP 95-7.12, "Integrated Vegetation Pest Management (IVPM) Program"</li> </ul>
October 17	<ul style="list-style-type: none"> <li>• Council Policy Review: CP 03-7.16, "Guidelines for Donations of Land and/or Improvements for Parks as an Offset to Systems Development Charges for Parks"</li> <li>• Council Policy Review: CP 98-9.06, "Transportation Corridor Plans"</li> </ul>
November 7	
November 21	
December 5	
December 19	

**USC PENDING ITEMS**

- Airport Industrial Park Master Lease Review Public Works
- Council Policy Review: CP 05-7.17, "Utility/Transportation Facility Extensions Through Public Areas" Public Works
- Downtown Housing Implementation Consideration Community Development
- Interim Systems Development Charge Review Public Works
- Systems Development Charge (SDC) Exemption for TCE in South Corvallis Public Works

**Regular Meeting Date and Location:**

Tuesday following Council, 4:00 pm – Madison Avenue Meeting Room

## UPCOMING MEETINGS OF INTEREST



### City of Corvallis

**MARCH - JUNE 2006**  
(Updated March 16, 2006)

#### MARCH 2006

Date	Time	Group	Location	Subject/Note
16	6:30 pm	Parks and Recreation Adv Board	Downtown Fire Station	
18	10:00 am	Government Comment Corner	Library Lobby - Helen Berg	
20	12:00 pm	<b>City Council</b>	<b>Downtown Fire Station</b>	
20	7:00 pm	<b>City Council</b>	<b>Downtown Fire Station</b>	<b>work session – Parks SDCs</b>
21	11:30 am	Human Services Committee	Madison Avenue Mtg Rm	
21		No Urban Services Committee		
21	5:30 pm	Watershed Mngmt Adv Cmsn	Park and Rec Conf Room	
22	10:00 am	<b>Parks &amp; Rec Youth &amp; Cultural Services Subcommittee</b>	<b>City Hall Meeting Rm A</b>	
22	<del>4:20 pm</del>	<del>Housing and Community Dev Cmsn</del>	<del>Madison Avenue Mtg Rm</del>	
22	5:00 pm	Downtown Parking Commission	Madison Avenue Mtg Rm	
22	<del>7:00 pm</del> 6:00 pm	Planning Commission	Downtown Fire Station	<i>deliberate historic provisions</i>
23	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
25		No Government Comment Corner		

#### APRIL 2006

Date	Time	Group	Location	Subject/Note
1		No Government Comment Corner		
3	12:00 pm	<b>City Council</b>	<b>Downtown Fire Station</b>	
3	7:00 pm	<b>City Council</b>	<b>Downtown Fire Station</b>	
4	7:00 am	Airport Commission	Madison Avenue Mtg Rm	
4	11:30 am	Human Services Committee	Madison Avenue Mtg Rm	
4	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
5	12:00 pm	<i>Housing and Community Dev Cmsn</i>	<i>Madison Avenue Mtg Rm</i>	
5	7:00 pm	Planning Commission	LaSells Stewart Center	PH: 7th Street Station Planned Development
5	7:30 pm	Library Board	Library Board Room	
6	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
6	7:15 pm	Committee for Citizen Involvement	Madison Avenue Mtg Rm	
7	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm	
8	10:00 am	Government Comment Corner	Library Lobby - Scott Zimbirck	
10	5:15 pm	Historic Preservation Advisory Bd	Madison Avenue Mtg Rm	
11	4:00 pm	Open Space Advisory Commission	Parks and Rec Conf Rm	
11	7:00 pm	Ward 8 (Betty Griffiths)	Fire Station 5	City sponsored
12	8:15 am	Citizens Adv Cmsn on Transit	Madison Avenue Mtg Rm	
12	<del>FBD</del>	<del>Community Policing Forum</del>	<del>Gheldelin Middle School</del>	tentative
13	8:00 am	Citizens Adv Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
13	4:00 pm	Riverfront Commission	Parks and Rec Conf Rm	
15	10:00 am	Government Comment Corner	Library Lobby - Linda Modrell	

Date	Time	Group	Location	Subject/Note
17	12:00 pm	City Council	Downtown Fire Station	
17	5:30 pm	City Council	Downtown Fire Station	quarterly work session
17	7:00 pm	City Council	Downtown Fire Station	
18	11:30 am	Human Services Committee	Madison Avenue Mtg Rm	
18	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
18	5:30 pm	Watershed Mngmt Adv Cmsn	Park and Rec Conf Room	
19	12:00 pm	Housing and Community Dev Cmsn	Madison Avenue Mtg Rm	
19	7:00 pm	Planning Commission	Downtown Fire Station	
20	11:30 am	Cmsn for Martin Luther King, Jr.	to be determined Madison Avenue Mtg Rm	
20	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
20	6:30 pm	Parks and Recreation Adv Board	Downtown Fire Station	
22	10:00 am	Government Comment Corner	Library Lobby - TBD	
24	7:00 pm	City Council	Downtown Fire Station	LDC Chapter 2.9
26	5:00 pm	Downtown Parking Commission	Madison Avenue Mtg Rm	
27	7:00 pm	Fishbowl - Sponsored by Committee for Citizen Involvement	Library Main Meeting Rm	
29	10:00 am	Government Comment Corner	Library Lobby - George Grosch	

**MAY 2006**

Date	Time	Group	Location	Subject/Note
1	12:00 pm	City Council	Downtown Fire Station	
1	7:00 pm	City Council	Downtown Fire Station	
2	7:00 am	Airport Commission	Madison Avenue Mtg Rm	
2	11:30 am	Human Services Committee	Madison Avenue Mtg Rm	
2	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
3	7:00 pm	Planning Commission	Downtown Fire Station	
3	7:30 pm	Library Board	Library Board Room	
4	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
4	7:15 pm	Committee for Citizen Involvement	Madison Avenue Mtg Rm	
5	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm	
6	10:00 am	Government Comment Corner	Library Lobby - Nell O'Malley	
8	5:15 pm	Historic Preservation Advisory Bd	Madison Avenue Mtg Rm	
8	7:00 pm	City Council	Downtown Fire Station	LDC Chapter 2.9
9	4:00 pm	Open Space Advisory Commission	Parks and Rec Conf Rm	
9	7:00 pm	Ward 9 (Brauner)	Osborn Aquatic Center	City sponsored
10	8:15 am	Citizens Adv Cmsn on Transit	Madison Avenue Mtg Rm	
11	8:00 am	Citizens Adv Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
11	4:00 pm	Riverfront Commission	Parks and Rec Conf Rm	
13	10:00 am	Government Comment Corner	Library Lobby - Linda Modrell	
15	12:00 pm	City Council	Downtown Fire Station	
15	7:00 pm	City Council	Downtown Fire Station	
16	TBD	Econ Dev Allocations Committee	Majestic Theatre Cmty Rm	presentations
16	11:30 am	Human Services Committee	Madison Avenue Mtg Rm	
16	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
16	5:30 pm	Watershed Mngmt Adv Cmsn	Park and Rec Conf Room	
17	12:00 pm	Housing and Community Dev Cmsn	Madison Avenue Mtg Rm	
17	7:00 pm	Planning Commission	Downtown Fire Station	
18	11:30 am	Cmsn for Martin Luther King, Jr.	Madison Avenue Mtg Rm	

Date	Time	Group	Location	Subject/Note
18	12:00 pm	No Administrative Services Cmte		
18	TBD	Historic Preservation Month Activity	to be determined	presentation by Donovan Rypkema
18	4:00 pm	Econ Dev Allocations Committee	Majestic Theatre Cmty Rm	deliberations
18	6:30 pm	Parks and Recreation Adv Board	Downtown Fire Station	
20	10:00 am	Government Comment Corner	Library Lobby - Hal Brauner	
<b>22</b>	<b>7:00 pm</b>	<b>City Council</b>	<b>Downtown Fire Station</b>	<b>LDC Chapter 2.9</b>
24	5:00 pm	Downtown Parking Commission	Madison Avenue Mtg Rm	
27		No Government Comment Corner		
29		City holiday – all offices closed		

### JUNE 2006

Date	Time	Group	Location	Subject/Note
1	7:15 pm	Committee for Citizen Involvement	Madison Avenue Mtg Rm	
2	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm	
3	10:00 am	Government Comment Corner	Library Lobby - Betty Griffiths	
<b>5</b>	<b>12:00 pm</b>	<b>City Council</b>	<b>Downtown Fire Station</b>	
<b>5</b>	<b>7:00 pm</b>	<b>City Council</b>	<b>Downtown Fire Station</b>	
6	7:00 am	Airport Commission	Madison Avenue Mtg Rm	
6	11:30 am	Human Services Committee	Madison Avenue Mtg Rm	
6	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
7	7:00 pm	Planning Commission	Downtown Fire Station	
7	7:30 pm	Library Board	Library Board Room	
8	8:00 am	Citizens Adv Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
8	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
8	4:00 pm	Riverfront Commission	Parks and Rec Conf Rm	
10	10:00 am	Government Comment Corner	Library Lobby - Nell O'Malley	
12	5:15 pm	Historic Preservation Advisory Bd	Madison Avenue Mtg Rm	
13	4:00 pm	Open Space Advisory Commission	Parks and Rec Conf Rm	
13	7:00 pm	Ward 5 (Gándara)	Senior Center Game Rm	City sponsored
14	8:15 am	Citizens Adv Cmsn on Transit	Madison Avenue Mtg Rm	
15	11:30 am	Cmsn for Martin Luther King, Jr.	Madison Avenue Mtg Rm	
15	6:30 pm	Parks and Recreation Adv Board	Downtown Fire Station	
17	10:00 am	Government Comment Corner	Library Lobby - Patricia Daniels	
<b>19</b>	<b>12:00 pm</b>	<b>City Council</b>	<b>Downtown Fire Station</b>	
<b>19</b>	<b>7:00 pm</b>	<b>City Council</b>	<b>Downtown Fire Station</b>	
20	11:30 am	Human Services Committee	Madison Avenue Mtg Rm	
20	4:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
20	5:30 pm	Watershed Mngmt Adv Cmsn	Park and Rec Conf Room	
21	12:00 pm	Housing and Community Dev Cmsn	Madison Avenue Mtg Rm	
21	7:00 pm	Planning Commission	Downtown Fire Station	
22	12:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
24	10:00 am	Government Comment Corner	Library Lobby - TBD	
<b>26</b>	<b>7:00 pm</b>	<b>City Council</b>	<b>Downtown Fire Station</b>	
28	5:00 pm	Downtown Parking Commission	Madison Avenue Mtg Rm	

### JULY 2006

Date	Time	Group	Location	Subject/Note
1	10:00 am	Government Comment Corner	Library Lobby - Emily Hagen	
3	12:00 pm	<b>City Council</b>	<b>Downtown Fire Station</b>	
3	7:00 pm	<b>City Council</b>	<b>Downtown Fire Station</b>	
4		City Holiday – all offices closed		
5	11:30 am	Human Services Committee	Madison Meeting Room	
5	4:00 pm	Urban Services Committee	Madison Meeting Room	
5	7:00 pm	Planning Commission	LaSells Stewart Center Construction & Engineering Hall	
5	7:30 pm	Library Board	Library Board Room	
6	12:00 pm	Administrative Services Committee	Madison Meeting Room	
6	7:15 pm	Committee for Citizen Involvement	Madison Meeting Room	
8	10:00 am	Government Comment Corner	Library Lobby - TBD	
10	5:15 pm	Historic Preservation Advisory Bd	Madison Meeting Room	
11	4:00 pm	Open Space Advisory Commission	Parks and Rec Conf Rm	
13	8:00 am	Citizens Adv Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
13	4:00 pm	Riverfront Commission	Parks and Rec Conf Rm	
15	10:00 am	Government Comment Corner	Library Lobby - Kari Rieck	
17	12:00 pm	<b>City Council</b>	<b>Downtown Fire Station</b>	
17	7:00 pm	<b>City Council</b>	<b>Downtown Fire Station</b>	
18	11:30 am	Human Services Committee	Madison Meeting Room	
18	4:00 pm	Urban Services Committee	Madison Meeting Room	
19	12:00 pm	Housing and Community Dev Cmsn	Madison Meeting Room	
19	7:00 pm	Planning Commission	Downtown Fire Station	
20	11:30 am	Cmsn for Martin Luther King, Jr.	Madison Avenue Mtg Rm	
20	12:00 pm	Administrative Services Committee	Madison Meeting Room	
20	6:30 pm	Parks and Recreation Adv Board	Downtown Fire Station	
22	10:00 am	Government Comment Corner	Library Lobby - TBD	
29	10:00 am	Government Comment Corner	Library Lobby - George Grosch	

509J	Corvallis School District 509J	SDC	Systems Development Charge
LDC	Land Development Code	TBD	To be Determined
PH	Public Hearing		

**Bold type** – involves the Council      ~~Strikeout type~~ – meeting canceled      *Italics type* – new meeting

**Ward Meetings:**

- Ward 3 (George Grosch) – second Wednesday of each month, 7:00 pm  
Tunison Community Room (no meetings March through August)
- Ward 5 (Rob Gándara) – third Sunday from May -October, 4:00 pm  
Franklin Square Park (no meetings November through April)

**URBAN SERVICES COMMITTEE  
MINUTES  
March 7, 2006**

Present

Rob Gándara, Chair  
George Grosch

Absent

Betty Griffiths (excused)

Visitors

Lyle Hutchens  
Robert Wilson

Staff

Jon Nelson, City Manager  
Steve Rogers, Public Works Director  
Dan Carlson, Development Services  
Division Manager  
Jim Mitchell, Transportation and Buildings  
Division Manager  
Greg Gescher, Engineering Supervisor  
Emely Day, City Manager's Office

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Council Policy Review: CP 91-7.04, "Building Permits Where Public Improvements Are Not Completed and Accepted by the City of Corvallis"			Approve Policy as amended
II. Systems Development Charge Annual Review			Adjust water, sewer, drainage, street, and park systems development charge rates <b>by means of a resolution to be read by the City Attorney</b>
III. Airport Lease Assumptions – Pacific Rim and AVIA to Corvallis Aero			Approve the lease addenda and assumptions and authorize the City Manager to sign the appropriate documents
IV. Airport Lease Extension and Sub-Lease – Fred Lowther			Approve deleting Section 12 of the original lease, approve the requested lease extension, approve the sub-lease request, and authorize the City Manager to sign the appropriate documents
V. Other Business			

## CONTENT OF DISCUSSION

I. Council Policy Review: CP 91-7.04, "Building Permits Where Public Improvements Are Not Completed and Accepted by the City of Corvallis" (Attachment)

Development Services Division Manager Carlson noted that the Policy was presented to the Committee last October. He explained that, if the Policy did not exist, a developer would be required to complete a development design, obtain a public improvement by private contractor (PIPC) permit, and complete all PIPC work before Development Services staff could issue a building permit. Development Services staff is seeing an increased focus on phased development with projects being submitted in "pieces," rather than as "complete packages." The Policy caused staff to reconsider current procedures.

When the Policy was presented to the Committee last October, local developer Lyle Hutchens presented last-minute concerns regarding the Policy. Staff withdrew the Policy from the Committee's consideration and met with Mr. Hutchens and staff representatives (Public Works and Community Development Directors, City Engineer, and others). A revised Policy was presented twice to development community stakeholders. Mr. Hutchens' concerns were addressed through the reviews.

Mr. Carlson reviewed staff's recommended Policy amendments, as outlined in the staff report. He noted that staff could issue an erosion control permit without pursuing the Policy, allowing expediting of a development project.

Lyle Hutchens said his concerns were addressed in the recommended Policy amendments, and he is satisfied with the recommendations. He concurred that the Policy is necessary. He said some of his concerns were addressed through additional language on the permit application as a means of notifying permit applicants that they must have a PIPC permit before beginning project development to avoid delays.

Mr. Carlson added that staff is "overhauling" the City's development permit process, including creating checklists for staff to ensure they are advising developers of appropriate requirements, such as PIPC permits.

Based upon a motion moved and seconded by Councilors Grosch and Gándara, respectively, the Committee unanimously recommends that Council approve Council Policy CP 91-7.04, "Building Permits Where Public Improvements Are Not Completed and Accepted by the City of Corvallis," as amended.

II. Systems Development Charge Annual Review (Attachment)

Public Works Director Rogers said the Corvallis Municipal Code requires that the City's systems development charge (SDC) rates be reviewed annually and adjusted for inflation, modifications to master facility plans, and modifications to lists of projects eligible for SDC funding. Oregon Revised Statutes do not require a public hearing, unless one is

requested; staff scheduled today's meeting as a public hearing and notified potentially interested parties who might request a public hearing; no response was received.

In response to Councilor Gándara's inquiry, Mr. Rogers said staff is reviewing the feasibility of a separate SDC rate for the Downtown area, which would be presented to a group of Downtown stakeholders for consideration later this month.

Mr. Rogers reported that staff reviewed the Seattle Engineering News-Record Construction Cost Index, which indicated an inflationary adjustment rate of 3.7 percent; staff applied the rate to the City's current SDC rates. Staff also reviewed the SDC project list, transferring from the improvement fee list to the reimbursement fee list those projects completed during the past year, as indicated in the staff report. Four projects were added to the improvement fee list.

Engineering Supervisor Gescher said most projects eligible for SDC funding are included in the City's various master plans, which do not include the minute detail of identifying each extra-capacity facility that may be constructed in the future. Three of the four new projects were not identified in facility master plans.

- South Third Street Extension of Sewer Services – The project involves 12-inch sewer lines.
- NW Fair Oaks Drive Water Line Extension – The water line was constructed in conjunction with construction of Fire Station 5 and will provide service to property above the Station.
- NW Ninth Street/NW Circle Boulevard Intersection Improvements – The project was identified this year and should be constructed within two years. The project would add a right-turn lane for northbound traffic on NW Ninth Street turning eastbound onto NW Circle Boulevard. The additional lane should improve traffic flow at the intersection and reduce the number of accidents occurring at the intersection.
- SW Corvallis Area Water Main – The project was included in the City's master plan but was inadvertently omitted from the SDC project list under the misimpression that it had been constructed. The water line extends into the Grand Oaks Summit Subdivision and was eligible for SDC reimbursement to the Grand Oaks Summit developer.

Mr. Rogers added that the proposed rate increases, if approved by the Council, would become effective April 1st.

Based upon a motion moved and seconded by Councilors Grosch and Gándara, respectively, the Committee unanimously recommends that Council adjust water, sewer, drainage, street, and park systems development charge rates **by means of a resolution to be read by the City Attorney.**

III. Airport Lease Assumptions – Pacific Rim and AVIA to Corvallis Aero (Attachment)

Mr. Rogers explained that Corvallis Municipal Airport (CMA) has periodically been serviced by two fixed base operators (FBOs); one FBO decided to no longer function in that capacity

and is coordinating procedures for the remaining FBO to use the relinquished facilities. This transition resulted in several proposed amendments to CMA leases:

- AVIA Aviation (AVIA), which will no longer serve as a FBO, requested that some of its leased land be removed from its lease; this includes five tie-downs, part of the fuel farm, and a card lock area. These areas would be leased to the remaining FBO. The lease rate for the remaining land leased by AVIA would change from 16 cents to 19 cents per square foot; the lower rate was established in recognition of the fuel flowage fees AVIA paid to the City.
- AVIA requested that its amended land lease be assigned to Pacific Rim Aviation (PRA). Both AVIA and PRA are owned by Ron Gustafson and have maintained corporate entities at CMA; PRA owns a corporate hangar.
- Corvallis Aero Service (CAS) requested authorization to assume the PRA land lease for the corporate hangar for equipment storage purposes.
- CAS requested a lease amendment to add the areas transferred from AVIA (five tie-downs, fuel farm area, and card lock area). The lease rate for this additional land would be adjusted to 16 cents per square foot to account for the fuel flowage fees.

In response to Councilor Grosch's inquiry, Transportation and Buildings Division Manager Mitchell said AVIA is selling its assets and leaving the FBO business. Most of the assets were sold to CAS. Mr. Gustafson is phasing out of one of his AVIA operations and focusing on PRA, which owns the hangar occupied by Helicopter Transport Services, Inc. (HTSI). It is Mr. Mitchell's understanding that PRA and HTSI entered into a lease-purchase agreement for the hangar; until the purchase is completed, PRA owns a building covered by a land lease at CMA.

Based upon a motion moved and seconded by Councilors Grosch and Gándara, respectively, the Committee unanimously recommends that Council approve the lease addenda and assumptions involving AVIA Aviation, Pacific Rim Aviation, and Corvallis Aero Service and authorize the City Manager to sign the appropriate documents.

#### IV. Airport Lease Extension and Sub-Lease (Attachment)

Mr. Rogers said the Fred Lowther Trust requested approval of a ten-year extension of an expired lease and approval of a sublease to CAS. He explained that the original lease expired during 2003, and the Trust continued making the lease payments to the City. The Trust asserted that it verbally requested a lease extension, which was not completed. Staff believes the request was made and should be honored.

Mr. Rogers further explained that the original lease required that the corporate hangar building be inspected before a lease extension is approved to ensure that the building will endure the ten-year lease extension period. The inspection was completed with a positive evaluation.

Mr. Mitchell added that the Trust's hangar is the first corporate hangar constructed at CMA, and the lease has language not included in other hangar leases at CMA because staff

wanted to ensure that the hangar was used as a corporate hangar and not as a means of competing with the FBOs in existence at the time.

Mr. Rogers explained that Section 12 of the original lease prohibited the use of any facility on the property for aircraft repair if the aircraft was not owned by the hangar lessee. This provision was intended to protect the existing CMA FBO. Staff recommended that the lease provision be deleted because the sub-lease request is from the only FBO operating at CMA. CAS is requesting the sub-lease of the building for purposes of aircraft maintenance while considering constructing a new facility at CMA during the next two years. Staff anticipates that the hangar would be used for aircraft maintenance only until the new facility is constructed.

Mr. Rogers said Section 8 of the original lease gives the City the right to approve or deny aircraft maintenance in the subject hangar. Section 12 specifically prohibits aircraft maintenance in the hangar. In conjunction with the sub-lease request, it is important that CAS be allowed to perform aircraft maintenance in the subject hangar.

Mr. Rogers summarized staff's recommendations:

- Amend the existing lease with the Fred Lowther Trust by deleting Section 12.
- Approve the requested ten-year lease extension.
- Approve the requested sub-lease.

Councilor Grosch inquired whether it would be easier to declare the original lease expired and authorize a new lease with the Fred Lowther Trust. Mr. Mitchell responded that, by Council Policy, CMA leases are typically at least 20 years in duration with up to two ten-year extensions possible. It is his understanding that Mr. Lowther is still interested in selling the hangar, so he probably would not be interested in a lease of more than ten years. The original lease rate has been adjusted over time and corresponds with existing lease rates at CMA.

Councilor Grosch inquired whether any provisions of the original lease were inconsistent with current CMA land leases. Mr. Rogers responded that the original lease did not include any requirements for participation in infrastructure, but such participation is not needed. Mr. Mitchell said the original lease references a specific aircraft stored in the hangar, but the language could be deleted without impacting the lease. The other original lease provisions are typical of the City's current CMA leases.

Councilor Grosch observed that the Trust's continued payment of the lease rate, despite expiration of the lease, constitutes implied continuation of the lease.

Mr. Rogers said staff reviewed its procedures for monitoring CMA leases. He noted that leases specify that lessees are responsible for requesting lease extensions. He said staff believes Mr. Lowther verbally requested a lease extension, which was not completed.

Based upon a motion moved and seconded by Councilors Grosch and Gándara, respectively, the Committee unanimously recommends that Council approve deleting Section 12 of the original Corvallis Municipal Airport lease with the Fred Lowther Trust, approve the requested lease extension, approve the sub-lease request of Corvallis Aero Service, and authorize the City Manager to sign the appropriate documents.

V. Other Business

- A. A special Urban Services Committee meeting is scheduled for March 15, 2006, at 4:00 pm in the Parks and Recreation Conference Room.
- B. The next regular Urban Services Committee meeting is scheduled for March 21, 2006, at 4:00 pm, in the Madison Avenue Meeting Room.

Respectfully submitted,

Rob Gándara, Chair

## Memorandum

---

Date: March 7, 2006

To: Urban Services Committee

From: Ken Gibb, Community Development Director 

Subject: Review of Council Policy 91-7.04, Building Permits where Public Improvements are not Completed and Accepted by the City of Corvallis

### I. ISSUE

Council Policy 91-7.04, Building permits where public improvements are not completed and accepted by the City of Corvallis, is scheduled for review.

### II. BACKGROUND

Council Policy 91-7.04 was originally adopted in 1975 to establish a process for allowing building permits for construction projects to proceed prior to the installation and acceptance of public improvements.

### III. DISCUSSION

Community Development solicited the feedback of Public Works, Fire, and the Development Services Stakeholder Advisory Group. Three areas of the policy were modified to provide additional clarification. These modifications were brought before Urban Services in November 2005 for recommended approval.

As a result of a request presented by a stakeholder at Urban Services, the recommendation from the committee was for staff to revise the policy further.

Staff met internally and twice with the Stakeholder Advisory Group. All parties are in agreement with the changes proposed, including the stakeholder who raised the additional concerns at the previous Urban Services Committee.

The following is a brief highlight of the proposed changes to the current adopted version:

- Additional language was added to expand the purpose fo the policy and to reflect the goal of facilitating the development of approved projects. A suggestion was made that this rationale would help developers and staff keep with the spirit and intent of the policy when considering proposals.

- A definition was added for "Building Permit" to clarify what type of construction permit activity would be excluded from needing a development agreement. Erosion control permits are the only exclusion.
- A definition was added for the term "Authorized" as it relates to approval by the City Engineer to proceed with construction.
- Additional language was added to differentiate between processes involving a land division versus processes that do not.
- A section dealing with water main acceptance was enhanced with additional specific language to help clarify the level of acceptance and testing required. The City Engineer was also added as a reference.
- Agreement was reached among all parties that it is simply not a good idea to allow construction of a structure via issuance of building permits without staff being able to at least require plans, conduct a review, and ensure that the site can be served by public infrastructure. Therefore, the policy was revised in several sections to accommodate this review.

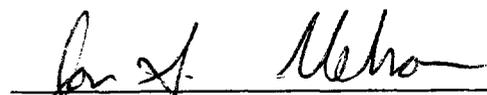
#### IV. ACTION REQUESTED

Staff recommends that Council Policy 91-7.04 be forwarded to City Council with a recommendation to approve and affirm with the noted changes.

Review and Concur:

  
\_\_\_\_\_  
Dan Campbell  
Fire Chief

  
\_\_\_\_\_  
Steve Rogers  
Public Works Director

  
\_\_\_\_\_  
Jon Nelson  
City Manager

# CITY OF CORVALLIS

## COUNCIL POLICY MANUAL

### POLICY AREA 7 - COMMUNITY IMPROVEMENTS

#### CP 91-7.04            **Building Permits Where Public Improvements are not Completed and Accepted by the City of Corvallis**

##### Adopted December 15, 1975

Affirmed October 7, 1991

Revised February 22, 1994

Revised March 20, 1995

Revised November 20, 1995

Revised July 21, 1997

Revised October 18, 1999

Revised November 19, 2001

Revised October 20, 2003

Revised March 7, 2006

#### 7.04.010            Purpose

To establish a policy regarding issuance of building permits in developments where public improvements have not been accepted by the City. This policy is an effort to facilitate approved development projects by allowing an exception which provides opportunity for early start to projects. In addition, this policy exists for the following reasons:

- a. Performance securities are ineffective without approved designs;
- b. Secured but incomplete public improvements do not protect third parties from delays in constructing on subdivision lots;
- c. Demand on infrastructure for emergency access, water, wastewater and storm water commences with building construction;
- d. Punch list repairs to public improvements may result in extended service disruptions to the developer and to the public;
- e. Building construction can constrain options for optimal public improvement configurations;

## Council Policy 91-7.04

- f. It is very important to ensure public improvement projects are finalized with respect to off-site improvements, punch list repairs, easements, as-builts and warranty initiation.

### 7.04.015      Definitions

**Building Permit** - Any construction permit issued by Development Services including Excavation & Grading, Site Utilities, Foundation, Shell, Completion, Plumbing, Mechanical, Electrical or Building Permit. Does not include Erosion Control Permits.

**Authorized** - When referring to authorization from the City Engineer for PIPC work to proceed, the term authorized shall mean - Approval to proceed with work based on a set of engineered drawings that have been reviewed by the City Engineer and stamped authorized for construction. Authorization does not refer to the completion of the PIPC permit checklist.

### 7.04.020      Policy

- a. For the reasons listed above, it is the policy of the City of Corvallis that building permits should not be issued. It is the policy of the City of Corvallis not to issue building permits until all public improvements are completed and accepted by the City of Corvallis. To be accepted, all construction items must be fully completed, all contract payments made, as-built drawings from the engineer-of-record submitted to and accepted by the City Engineer and the warranty period initiated.
- b. For projects not involving any land division, the City recognizes that development schedules are economically important and that partial permit processes, which include phased development and deferred submittals, are project management approaches allowed by building code. For these projects, the Building Official may issue building permits when conditions 2 through 13 below have been met.
- c. Projects that involve a land division present special concern primarily due to the potential for adverse impacts to third party lot purchasers. However, from time to time, it is considered to be in the best interest of the community and the developer to allow construction to commence in certain situations prior to the completion of public improvements. These situations may include weather-related or scheduling circumstances which are outside the control of the developer. In order to accommodate both the builder's desire to commence construction as quickly as possible and the City's need to ensure proper construction, inspection, testing, and

## Council Policy 91-7.04

initial acceptance of public improvements, the Building Official may issue building permits for lots in cases when conditions 1 through 13 below have been met, where the following conditions are met:

d. Conditions:

- 1) The developer will submit a letter to the Building Official which outlines the reasons for the request and specifies how the conditions listed in this policy will be met.
- 2) The plat has been recorded and the developer has provided a performance guarantee for the public improvements meeting the requirements of Land Development Code Section 2.4.40.09.01.
- 3) All plans for public improvements have been authorized approved by the City Engineer. In order to avoid adverse impacts due to implementation of this Policy, public improvement design may require a heightened level of diligence on the part of applicant. For example, careful attention shall be given to potential utility conflicts and conflict areas shall be investigated (as-builts reviewed, utility locations physically verified, etc) to ensure the feasibility of proposed designs.
- 4) The developer agrees that required corrections identified during the inspection of public improvements will be addressed in good faith within a reasonable amount of time given the magnitude of the correction required.
- 5) All required off-site improvements have been addressed to the satisfaction of the City Engineer.
- 6) ~~The developer has installed water mains and operational fire hydrants for fire protection, or has installed a temporary water supply approved by the Fire Chief. Water lines must be properly chlorinated and accepted for service so there is no danger of cross contamination.~~  
Adequate water mains and operational fire hydrants or temporary water supplies approved by the Fire Chief are available for fire protection. Water lines open to the public system must be properly pressure tested, disinfected and accepted by the City Engineer for service to prevent danger of cross contamination.

## **Council Policy 91-7.04**

- 7) The developer has submitted, in writing, a proposal indicating the lots for which there will be building permit applications submitted prior to the acceptance of the public improvements and how access to these lots, including adequate access for fire apparatus as determined by the Fire Chief, will be accomplished without damage to underground public improvements or to the street sub-base or pavement.
- 8) A written agreement between the developer and the City has been signed stating that building permits issued to the developer would not authorize connection to the City water system unless the water lines have been accepted by the City and that the building permits would not authorize connection to the City sewer system unless the sewer lines have been accepted by the City.
- 9) A written statement from the developer has been submitted stating that no City water will be utilized without the approval of the City.
- 10) A proposal from the developer has been submitted describing how wastewater generated from the building process will be managed without sewer service availability. Use of storm water facilities will not be acceptable.
- 11) A written agreement from the developer has been submitted stating that the project "as-built" drawings will be submitted to and accepted by the City Engineer prior to connection to the City water and sewer systems.
- 12) A written agreement from the developer has been submitted stating that all potential and actual lot purchasers shall be informed in writing that required public improvements have not been accepted and that the City shall not be liable regarding the timing of such acceptance and ability to connect or occupy.
- 13) All street identification signs have been installed to facilitate emergency response and building inspection. Any signs damaged prior to final acceptance of the project by the City shall be replaced at the developer's expense.

Violation of any of the above conditions will be grounds for permit revocation and/or the issuance of a "stop work" order by the Community Development Director for any construction previously authorized by a City permit in the subdivision.

## **Council Policy 91-7.04**

Alternative arrangements which meet the intent of this policy may be approved by the Community Development Director except that condition 3 relating to the City Engineer's authorization of public improvement plans shall not be waived.

### 7.04.030      Review and Update

This Community Improvement Policy shall be reviewed biennially beginning in October 1995 by the Community Development Director and updated as appropriate.

# MEMORANDUM

---

**TO:** Urban Services Committee (USC)

**FROM:** Steve Rogers, Public Works Director *SR*  
Julee Conway, Parks and Recreation Director

**DATE:** February 8, 2006

**SUBJECT:** Annual System Development Charge Adjustment

## Issue

Municipal Code Section 2.08, Systems Development Charges (SDC's), directs the City to review and revise SDC's annually, adjusting for: inflation, modifications to master facility plans, and modifications to eligible project lists. Current Oregon Revised Statutes (ORS) do not require a public hearing unless requested by an interested party. Although no such request has been made, staff has scheduled the USC review as a public hearing to avoid delays that a last minute request might cause. USC recommendations to the City Council will be in the form of a regular committee report.

## Background

SDC fees are collected from new development to pay for capital projects that have been, or will be built to serve growth. All SDC fees, with the exception of Park SDCs, are comprised of two components: a reimbursement fee and an improvement fee.

The improvement fee is based on projects to be constructed that provide extra capacity to serve growth. Municipal Code Section 2.08.030.3 requires this fee to be adjusted annually for inflation using the *Engineering News-Record* (ENR) Construction Cost Index (CCI) for Seattle. Improvement fee monies collected can be used to construct capital projects that provide extra capacity. The reimbursement fee is based on projects already constructed that provide extra capacity to serve growth. It is not adjusted for inflation and can be used to construct any capital improvement. Both improvement and reimbursement fees must be spent on projects consistent with the funding source (i.e. Park, Sewer, Water, Drainage, or Street SDCs).

Once an identified project on the improvement fee list is constructed, it's estimated costs are removed from that list and actual project costs are added to the reimbursement fee list. This occurs in conjunction with the annual inflationary adjustment to SDCs.

Park SDCs were developed in a separate process from that used for Street, Water, Sewer, and Drainage SDCs. At the time the fee was updated in 2000, a conscious decision was made by City Council to not establish a reimbursement fee. The Park SDC program is currently under review and the process is expected to be completed in July.

An intermediate review of transportation and utility SDCs is scheduled to be undertaken this year (see attached March 31, 2005 Council Request Follow-up). Staff will be proposing a process and issue list to the USC sometime within the next 2-3 months.

## Discussion

Current SDC fees are based on a January 2005 Seattle ENR CCI of 8165.36. The January 2006 Seattle ENR CCI is 8464.55, representing an inflationary adjustment of approximately 3.7%. This increase is applied only to the improvement fee list of each SDC.

The following projects have been constructed and moved from the improvement fee list to the reimbursement fee list:

- ▶ Bicycle Parking Improvements (Downtown Bulbs and Crosswalks Project)
- ▶ 2003-04 Stormwater Treatment Facilities
- ▶ 45<sup>th</sup> Street Improvements (Transportation and Water SDC reimbursement to developer)
- ▶ 49<sup>th</sup> Street Improvements (Transportation SDC reimbursement to developer)
- ▶ Country Club Dr. Street Improvements (Transportation and Water SDC reimbursement to developer)
- ▶ Birdsong Drive (Transportation SDC reimbursement to developer)
- ▶ Midvale Avenue Improvements (Transportation and Water SDC reimbursement to developer)
- ▶ Transit Bus Stop Facilities (Transportation SDC reimbursement to developer)
- ▶ Timberhill 3<sup>rd</sup> Level Transmission Main (Water SDC reimbursement to developer)

The following projects will be new additions to SDC project lists with approval of the attached resolution. These projects were not identified by utility master plans, and were not accounted for when the SDC project lists were developed. Construction of the first three is complete, and they will be added to the reimbursement list. The last project is identified in the current draft CIP update for design next fiscal year, and has been added to the improvement fee list.

- ▶ SW Corvallis Area Water Main (Water SDC reimbursement to developer)
- ▶ South 3<sup>rd</sup> Street Extension of Sewer Services (Sewer SDC reimbursement to County Sewer District)
- ▶ Fair Oaks Drive Water Line Extension
- ▶ 9<sup>th</sup> Street & Circle Boulevard Intersection Improvements

Staff also recommends adjusting the amount of SDCs identified for the 35<sup>th</sup> Street Turn Lanes project, which was added to the reimbursement list as part of last year's update. At that time, the SDC eligible portion of the project was identified as \$391,919. With the final accounting for the project, the SDC eligible element has been reduced to \$287,591.

Table 1 details the resulting fee adjustments based on the January 2006 Seattle ENR CCI and the above-listed modifications to improvement and reimbursement fee project lists. The impact of the fee changes on a typical single family residence and comparison with other Cities is shown in Table 2. This information is based on a survey conducted by the League of Oregon Cities in 2004. Although more Cities responded to the survey than shown in Table 2, staff restricted the comparitors to those Cities with Parks, Water, Sewer, Street, and Drainage SDCs.

Rate increases would become effective April 1, 2006, if approved by City Council.

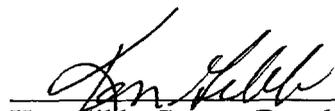
Notification of the March 7, 2006, USC public hearing and a copy of the staff report was sent to identified stakeholders and interested parties.

**Recommendation**

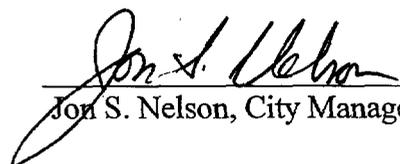
Staff recommends the USC forward the attached resolution adjusting Water, Sewer, Drainage, Street and Park SDC rates to the City Council for approval.

***Review & Concur:***

  
\_\_\_\_\_  
Scott Fewel, City Attorney

  
\_\_\_\_\_  
Ken Gibb, Comm. Development Director

  
\_\_\_\_\_  
Nancy Brewer, Finance Director

  
\_\_\_\_\_  
Jon S. Nelson, City Manager

**Attachments**

X:\Divisions\Engineering\Capital Planning\Projects\Projects\SDC\SDC 05-06\06 Adjustment USC Staff Rpt.wpd

<b>System Development Charge Rates</b>		
<b>Unit Description</b>	<b>Current SDC (\$/Unit)</b>	<b>Proposed SDC (\$/Unit)</b>
<b>WATER</b>		
Equivalent Fixture Units		
1st Level	\$ 63.54	\$ 64.97
2nd Level	\$ 134.13	\$ 138.48
3rd Level	\$ 240.78	\$ 248.23
<b>SEWER</b>	\$ 188.50	\$ 195.10
Equivalent Fixture Units		
<b>STREET</b>	\$ 214.29	\$ 220.49
Daily Trip Ends		
<b>DRAINAGE</b>	\$ 0.073	\$ 0.076
Impervious Sq Ft		
<b>PARKS</b>	\$ 714.71	\$ 740.90
Dwelling Unit Occupants		
<b>Adjusted From:</b>		
January 2005 Seattle ENR CCI:	8165.36	
<b>Adjusted To:</b>		
January 2006 Seattle ENR CCI:	8464.55	

**Table 1 – Current / Proposed SDC Comparison**

<b>LEAGUE OF OREGON CITIES MULTI-CITY SDC COMPARISON</b>						
<b>SINGLE FAMILY RESIDENCE</b>						
<b>City</b>	<b>Parks</b>	<b>Sewer</b>	<b>Water</b>	<b>Transportation</b>	<b>Stormwater</b>	<b>Total</b>
<b>Lebanon</b>	\$610.00	\$363.01	\$548.00	\$437.00	\$34.74	<b>\$1,993</b>
<b>Cottage Grove</b>	\$204.00	\$624.00	\$416.00	\$663.00	\$1,073.00	<b>\$2,980</b>
<b>Madras</b>	\$400.00	\$2,000.00	\$800.00	\$600.00	\$133.33	<b>\$3,933</b>
<b>Monmouth</b>	\$1,484.00	\$2,753.00	\$1,413.00	\$394.00	\$200.00	<b>\$6,244</b>
<b>Grants Pass</b>	\$1,157.00	\$1,062.00	\$796.00	\$1,866.15	\$2,255.00	<b>\$7,136</b>
<b>Corvallis (Existing)</b>	\$2,001.19	\$3,016.00	\$1,016.64	\$2,050.76	\$201.26	<b>\$8,286</b>
<b>Corvallis (Proposed)</b>	\$2,074.52	\$3,121.60	\$1,039.52	\$2,110.09	\$209.53	<b>\$8,555</b>
<b>Sherwood</b>	\$4,996.00	\$42.00	\$856.00	\$2,530.00	\$500.00	<b>\$8,924</b>
<b>Columbia City</b>	\$1,133.60	\$1,318.00	\$3,088.00	\$3,466.00	\$250.00	<b>\$9,256</b>
<b>Lake Oswego</b>	\$1,825.00	\$1,921.00	\$2,108.00	\$3,757.00	\$112.00	<b>\$9,723</b>
<b>Tualatin</b>	\$2,100.00	\$2,400.00	\$2,758.00	\$2,530.00	\$275.00	<b>\$10,063</b>
<b>Woodburn</b>	\$1,513.00	\$2,977.00	\$2,085.00	\$3,286.00	\$330.00	<b>\$10,191</b>
<b>Salem</b>	\$2,962.00	\$2,591.33	\$3,567.27	\$1,527.66	\$383.00	<b>\$11,031</b>

3.2%  
Increase

**Table 2 – Multi-City SDC Comparison**

**RESOLUTION 2006- \_\_\_\_\_**

Minutes of the March 20, 2006, Corvallis City Council meeting, continued.

A resolution submitted by Councilor \_\_\_\_\_.

WHEREAS, the methodology for establishing systems development charges is established in Municipal Code Chapter 2.08, as amended;

WHEREAS, Municipal Code Chapter 2.08, as amended, requires the system development charge rates be established by resolution of the City Council;

WHEREAS, Municipal Code Chapter 2.08, as amended, directs council to review system development charge rates annually and revise capital project costs used to set rates to reflect changes in the *Engineering News - Record* (ENR) Construction Cost Index (Seattle), modifications to master facility plans or modifications to the list of eligible projects as approved by City Council;

WHEREAS, the ENR CCI has risen from 8165.36 (Jan 2005), to 8464.55 (Jan 2006) since the previous review of improvement fee rates;

WHEREAS, the City Council approves the addition of four projects:

South Third Extension of Sanitary Sewer Service	\$ 4,696 Sewer SDC
Fair Oaks Water Line	\$12,810 Water SDC
SW Corvallis Area Water Main (Master Plan Pipe #880)	\$ 8,798 Water SDC
9 <sup>th</sup> Street & Circle Boulevard Intersection Improvements	\$88,500 Street SDC

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS RESOLVES that the system development charge rates are determined as follows:

(1) System Development Charge Determination

<b>System Development Charge Rates</b>			
Unit Description	Improvement Fee (\$/Unit)	Reimbursement Fee (\$/Unit)	Total SDC (\$/Unit)
<b>WATER:</b> Fixture Units			
1st Level	\$ 43.06	\$ 21.91	\$ 64.97
2nd Level	114.73	23.75	138.48
3rd Level	213.19	35.04	248.23
<b>SEWER:</b> Fixture Units	186.11	8.99	195.10
<b>STREET:</b> Trip Ends	197.71	22.78	220.49
<b>DRAINAGE:</b> Sq. Ft. - Impervious Surface	0.070	0.006	0.076
<b>PARKS:</b> Dwelling Unit Occupants	740.90	N/A	740.90

BE IT FURTHER RESOLVED that portion of Resolution 2005-09, previously establishing system development charge rates for extra-capacity facilities are by this resolution rescinded;

BE IT FURTHER RESOLVED that the City Manager is hereby directed to apply these rates as req by Municipal Code Chapter 2.08, as amended, for system development charges, effective April 1, 2006.

---

Councilor

Upon motion made and seconded, the foregoing resolution was adopted and the Mayor thereupon declared said resolution to be adopted.

than 35 mph. For this project, that includes the southern-most two islands, one of which had been configured as a "gateway" to the City, with fully-developed planting wells featuring an imaginative combination of trees and shrubs. To compensate for the loss of trees in the "gateway" island, staff added a dense planting of shrubs to the next island north of the "gateway" island. Plantings of miniature landscape roses and ground cover were added to the pedestrian crossing islands to compensate for the loss of trees in those. As a result of these constraints, only two of the eight median islands will have trees.

3. Systems Development Charge (SDC) Methodology Review (Nelson)

A complete review of the SDC program, as was completed in 2000 (water, wastewater, transportation) and 2004 (storm water), is a resource-intensive (Council, staff, money) endeavor. Factors driving a review include potential changes to methodology, general policy questions, changes to project lists, and revisions to project cost estimates. Staff notes that the City's basic SDC methodology (how SDCs are calculated and applied) has stood the test of time and has not changed significantly since SDCs were established in 1972. Recently, the City of Bend's SDC methodology was challenged by the development community, who cited the City of Corvallis SDC program as a "best of breed." Changes to project lists and cost estimates come from updates to the City's master plans. Our master plans are still functional and do not merit updating at this time. Master plan updates are also resource-intensive efforts, and proceeding with an update in advance of being required is not a good use of the time and money.

During the 2000 SDC update, it was noted that as time passes, individual circumstances would require program adjustments. These adjustments were viewed as necessary at several levels including:

- annual Engineering News Review inflationary updates for construction costs (done),
- annual update of Capital Improvement Program projects, including adding or deleting projects as appropriate (done),
- periodic master plan updates that automatically lead to review of SDCs (revised schedule below), and

<u>Master Plan Document</u>	<u>Last Update</u>	<u>Tentative Next Update</u>
Transportation (MPO Regional Plan adoption)	1996	2006
Water Treatment	2000	2010
Water Distribution	1998	2008
Wastewater Collection and Treatment	1998	2010
Storm Water	2002	2012

- three-to-five-year SDC program reviews to evaluate and consider changes between the annual updates and the longer-term master plan updates.

This intermediate three-to-five-year review is scheduled for calendar year 2006. Previous policy questions (hose bibs, remodel projects, laundry sinks, etc.) will be considered at this time, as well as bench-marking projects in each of the above SDC project lists to make sure our cost basis is still current. Staff will include a community input component during this intermediate review.

  
Jon Nelson  
City Manager

## MEMORANDUM

TO: Urban Services Committee

FROM: Steve Rogers, Public Works Director 

DATE: February 12, 2006

SUBJECT: Lease changes due to Corvallis Aero Service purchasing of AVIA Aviation assets and Pacific Rim Aviation, LLC corporate hangar.

### Issue

Honey B. LLC, d.b.a. Corvallis Aero Service, (CAS) a Fixed Base Operator (FBO) at the Corvallis Municipal Airport, is growing and has purchased most of the business assets of the only other FBO at the airport, AVIA Aviation Services, Inc. (AVIA). AVIA will no longer be an FBO and is discontinuing use of the AVIA Aviation Services, Inc. name and will use the business name of Pacific Rim Aviation, LLC. Pacific Rim, LLC, requests authorization to assume the AVIA SASO lease to continue leasing the area that is subleased to Helicopter Transport Services, Inc. (HTSI) and will continue to operate at the airport as a SASO.

### Discussion

Honey B. LLC, d.b.a. Corvallis Aero Service, took over the FBO services in the city-owned main hangar (5695 Airport Place) at the Corvallis Municipal Airport in February, 2005. Since then they have renovated the office, pilot lounge and classroom spaces, expanded their flight training operations, cleaned-out and sublet portions of the hangar, are in the process of establishing an FAA 141 flight training service and an aircraft self-service fueling station. They have just concluded an agreement with AVIA and Pacific Rim Aviation, LLC. (both owned by Ron Gustafson) to purchase most of the assets of AVIA and the corporate hangar (5556 SW Plumley Place) which was owned by Pacific Rim Aviation, LLC.

This report and attached lease addenda and assignments are to update the Corvallis Aero Service, AVIA Aviation Service, Inc., and Pacific Rim Aviation, LLC leases to reflect these business changes.

- 1) AVIA requests an addendum to their SASO land lease to remove the five aircraft tie-down spaces on the ramp, the fuel farm and card-lock area from their lease. The addendum to the AVIA land lease also increases the lease rate from \$0.16/sq ft/year to \$0.19/sq ft/year plus CPI increases. The reduced rate was applied to the original lease to offset the fuel flowage fees that were being paid by AVIA. Since AVIA has ceased fuel sales and sold the fuel farm to CAS, Section 20 of the original lease authorizes renegotiation of that rate.

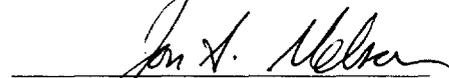
- 2) AVIA requests the City consent to the assignment of their amended SASO land lease to Pacific Rim Aviation, LLC.
- 3) CAS requests authorization from the City for the assumption of the Pacific Rim Aviation's land lease for the corporate hangar at 5556 SW Plumley Place dated September 5, 2002.
- 4) CAS requests an addendum to their FBO lease to add the areas removed from the AVIA SASO lease: the five aircraft tie-downs, fuel farm and card-lock areas. The lease rate for these areas is \$0.16/sq ft/year plus the CPI increases since the FBO lease includes fuel flow fees.

The Airport Commission reviewed the proposed lease changes at their February 7, 2006 meeting and recommends approval.

Recommendation

That the Urban Services Committee recommend the lease addenda and assumptions to the City Council for approval and authorize the City Manager to sign them.

Review and Concur



Jon S. Nelson  
City Manager

Attachments

**LEASE ADDENDUM**

This Lease Addendum, dated this \_\_\_\_\_ day of \_\_\_\_\_, 2006, is to amend the land lease agreement dated March 10, 2003, by and between the City of Corvallis, an Oregon municipal corporation, hereinafter referred to as the City, and AVIA Aviation Services, Inc., hereinafter referred to as the Lessee.

**1. PREMISES**

The City, in consideration of the terms, covenants and agreements contained herein, does hereby remove from the lease to the Lessee the property as shown on Exhibit A and described in Exhibit B, located at the Corvallis Municipal Airport, located about three and one-half miles south of Corvallis, all in Benton County, Oregon.

**2. RENT**

In accordance with Section 20 of the original land lease, the original lease rate of \$0.16/sqft/year is increased to the lease rate of \$0.19/sqft/year plus the two CPI percentage rate increases which have been applied to the original lease rate (1.4% in 2004, 2.6% in 2005). A monthly total of **\$1937.35** will be due and payable on March 1, 2006 for the 2.7 acres described in Exhibits A-1 and B-1.

**3. AGREEMENT**

All other conditions and terms, written and agreed upon are as per the said lease dated March 10, 2003.

IN WITNESS WHEREOF, the parties hereto have executed this lease addendum on the date and year first written below:

DATED this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Ron Gustafson, Owner  
AVIA AVIATION SERVICES, INC.

STATE OF OREGON     }  
                                  } ss.  
COUNTY OF BENTON   }

Personally appeared the above-named RON GUSTAFSON, who acknowledged he is the OWNER and he accepted the foregoing instrument on behalf of AVIA AVIATION SERVICES, INC. Before me this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
NOTARY PUBLIC FOR OREGON  
My Commission expires \_\_\_\_\_

ACCEPTED BY:  
CITY OF CORVALLIS, OREGON

\_\_\_\_\_  
Jon S. Nelson, City Manager

STATE OF OREGON     }  
                                  } ss.  
COUNTY OF BENTON   }

Personally appeared the above-named JON S. NELSON, who acknowledged he is the City Manager of

Corvallis and he accepted the foregoing instrument on behalf of the City of Corvallis by authority of its City Council. Before me this \_\_\_\_ day of \_\_\_\_\_, 2006.

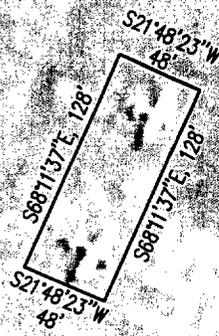
\_\_\_\_\_  
NOTARY PUBLIC FOR OREGON

My Commission expires \_\_\_\_\_

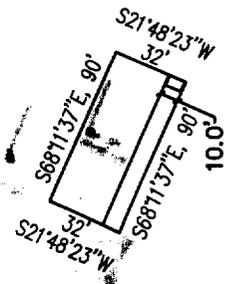
Approved as to form:

  
\_\_\_\_\_  
City Attorney

Ramp Area



Fuel Farm



FILE: X:\Divisions\Engineering\Capital Planning&Projects\Surveys\AIRPORT\LEASE\CAS fuel farm-ramp area.dwg

DESIGNED  
 DRAWN CRB  
 CHECKED  
 DATE January 2006  
 SCALE: 1" = 100'

CORVALLIS AERO SERVICE  
 GROUND LEASE  
 EXHIBIT "A"  
 0.2 Acres

## Exhibit B

Corvallis Aero Service Land Lease for Ramp, Fuel Farm, and Card-lock Areas.

### **Ramp Area -**

Beginning at a point which is East 181.04 feet, South 1025.50 feet from the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21°48'23"W, 48.00 feet; thence S 68°11'37"E, 128.00 feet; thence N 21°48'23"E, 48.00 feet; N 68°11'37"W, 128.00 feet to the point of beginning. Containing 6144 square feet, more or less.

### **Together with Fuel Farm -**

Beginning at a point which is West 335.37 feet, South 643.43 feet from the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21°48'23"W, 32.00 feet; thence N 68°11'37"W, 90.00 feet; thence N 21°48'23"E, 32.00 feet; S 68°11'37"E, 90.00 feet to the point of beginning. Containing 2880 square feet, more or less.

### **Together with Card-lock Fuel Area -**

Beginning at a point which is West 335.37 feet, South 643.43 feet from the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21° 48' 23"W, 32.00 feet to the **point of beginning**; thence S 21° 48' 23" W, 10.00 feet; thence N 68° 11' 37" W 90.00 feet; thence N 21° 48' 23" E, 10.00 feet; thence S 68° 11' 37" E, 90.00 feet to the point of beginning. Containing 900 square feet, more or less.

SE Corner of the  
Alfred Rhinehart  
D.L.C. No 73

SOUTH  
765.69'

EAST  
560.72'

Taxiway B (North)  
N30°43'26"E  
172.06

S68°8'54"E  
168.74

Paved parking lot

47.37  
S20°40'53"W

S68°49'53"E  
208.79

Paved road

N21°51'43"E  
150.00

Paved AC area

Paved AC area

Blgd.

Blgd.

Beacon

405.00  
N68°8'17"W

215.21  
S27°51'43"W

Taxiway A (East)



SCALE



DESIGNED

DRAWN wbd

CHECKED

DATE October 2002

SCALE: as shown

# AVIA Ground Lease Exhibit A-1



## EXHIBIT B-1

### AVIA Ground Lease Legal For 2.70 Acres

Beginning at the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence East, 560.72 feet; thence South, 765.69 feet to the TRUE POINT OF BEGINNING; thence S 68°08'54"E, 168.74 feet; thence S 20°40'53"W, 47.37 feet; thence S 68°49'53"E, 208.79 feet; thence S 21°51'43"W, 275.21 feet; thence N 68°08'17"W, 405.00 feet; thence N 21°51'43"E, 150.00 feet; thence N 30°43'26"E, 172.06 feet to the true point of beginning. Containing 2.70 acres, more or less.

LEASE ADDENDUM

This Lease Addendum, dated this 9TH day of MARCH, 2005, is to amend the lease agreement dated March, 10, 2003, by and between the City of Corvallis, an Oregon municipal corporation, hereinafter referred to as the City, and AVIA Aviation Services, Inc., hereinafter referred to as the Lessee.

1. PREMISES

The City, in consideration of the terms, covenants and agreements contained herein, does hereby lease to the Lessee the property as shown on Exhibit A-3 and described in Exhibit B-3, located at the Corvallis Municipal Airport, located about three and one-half miles south of Corvallis, all in Benton County, Oregon. The land is to be used for a card-lock fueling facility and appurtenances associated with Lessee's fuel facility.

2. AGREEMENT

All other condition and terms, written and agreed upon are as per the said lease dated March 10, 2003.

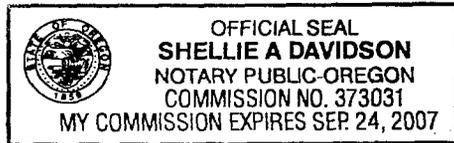
IN WITNESS WHEREOF, the parties hereto have executed this lease addendum on the date and year first written below:

DATED this 9th day of March, 2005.

[Signature of Ron Gustafson]
Ron Gustafson, Owner, PRESIDENT
AVIA AVIATION SERVICES, INC.

STATE OF OREGON )
COUNTY OF BENTON ) ss.

Personally appeared the above-named RON GUSTAFSON, who acknowledged he is the OWNER, and he accepted the foregoing instrument on behalf of AVIA AVIATION SERVICES, INC. Before me this 9th day of March, 2005.



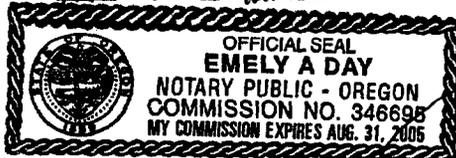
[Signature of Shellie A Davidson]
NOTARY PUBLIC FOR OREGON
My Commission expires 9/24/07

ACCEPTED BY:
CITY OF CORVALLIS, OREGON

[Signature of Jon S. Nelson]
Jon S. Nelson, City Manager

STATE OF OREGON )
COUNTY OF BENTON ) ss.

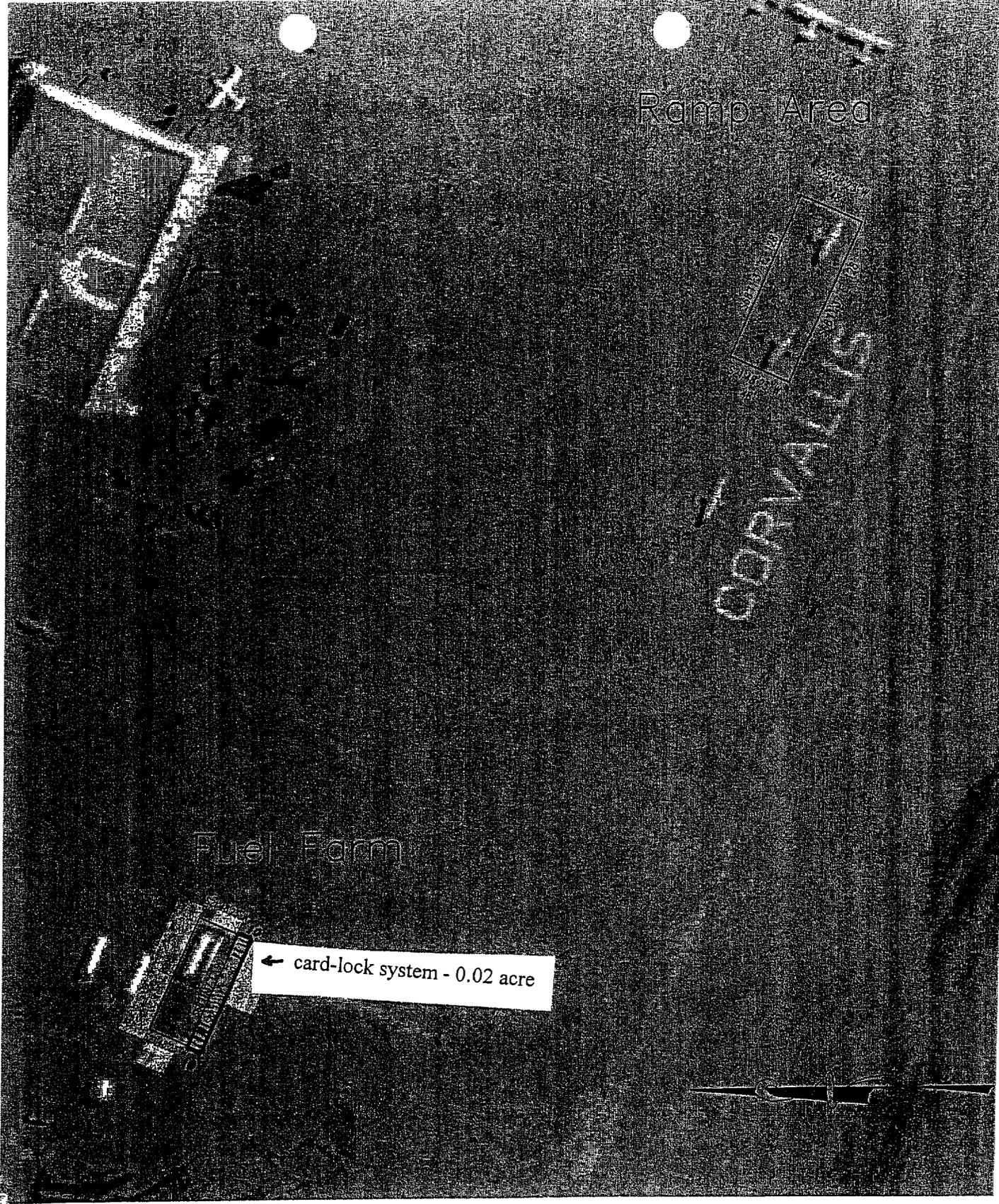
Personally appeared the above-named JON S. NELSON, who acknowledged he is the City Manager of Corvallis and he accepted the foregoing instrument on behalf of the City of Corvallis by authority of its City Council. Before me this 11th day of March, 2005.



[Signature of Emely A Day]
NOTARY PUBLIC FOR OREGON
My Commission expires 08-31-05

Approved as to form:

[Signature of City Attorney]
City Attorney



Ramp Area

Fuel Farm

← card-lock system - 0.02 acre

CORVALLIS  
SURVEYING  
INC.  
1000 1/2 S.W. 10th St.  
Corvallis, OR 97331  
503-325-1111

FILE: X:\...\Surveys\AIRPORT\LEASE\avia fuel farm-ramp area.dwg

DESIGNED
DRAWN wbd
CHECKED
DATE January 2005
SCALE: 1" = 100'

AVIA Ground Lease  
Exhibit A-3  
**0.02 Acres**



### Exhibit B-3

AVIA Ground Lease for card-lock fuel system - 0.02 acres

Beginning at a point which is West 335.37 feet from the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21° 48' 23"W, 32.00 feet to the point of beginning; thence S 21° 48' 23" W, 10.00 feet; thence N 68° 11' 37" W 90.00 feet; thence N 21° 48' 23" E, 10.00 feet; thence S 68° 11' 37" E, 90.00 feet to the point of beginning. Containing 900 square feet, more or less.

# SASO LAND LEASE AGREEMENT CORVALLIS AIRPORT

THIS LEASE, made this 10<sup>th</sup> day of **March, 2003**, is by and between the City of Corvallis, an Oregon municipal corporation, hereinafter referred to as the City, and **AVIA Aviation Services, Inc.**, hereinafter referred to as the Lessee.

## 1. PREMISES

The Corvallis Municipal Airport is owned and managed by the City of Corvallis and is operated as an Enterprise Fund, in that all fees, land lease and rent revenues are retained by the City for the exclusive operation of the Airport. The City, in consideration of the terms, covenants, and agreements contained herein, does hereby lease to the Lessee the following property located at the Corvallis Municipal Airport:

See Attached Exhibit "A"1,2 -site plans, Exhibit "B" 1,2 -legals.

## 2. TERM

The Lessee shall have the right to possession, use, and enjoyment of the leased property for a period of Thirty (30) years, beginning on **January 1, 2003** and ending **December 31, 2032**.

## 3. RENT

A. Rental Rate. Lessee shall pay in advance, a monthly rent payment by the first day of each month beginning **April 2003**, and continuing on the first day of each month thereafter during the term of this lease. The monthly rate for the above-described land shall be determined as follows: **\$ 0.16** per square foot = **\$20,261.76** as an annual base rate. Annual base rate/12 = **\$1,688.48** as a monthly rent payment.

Rental payments are to be made payable to the City of Corvallis and are to be delivered in person or mailed to the City at the address given in Section 23 of this lease.

B. Late Charges. It is hereby agreed that if rent is unpaid after fifteen (15) days following the due date, the Lessee shall pay a late charge of \$1.00 per day computed to include the first day due and continuing until both rent and late charges are fully paid. Payments will be applied first to late charges, then to outstanding rent.

FOR COUNTY RECORDING ONLY:

AFTER RECORDING RETURN TO CITY OF CORVALLIS  
ENGINEERING DIVISION, CITY HALL, EXT 5057

C. Annual Adjustment. The rental rate shall be adjusted annually utilizing the January through December U.S. City Average Consumer Price Index, with adjustments made July 1 of each year commencing July 2003. The City shall give written notice to Lessee at least thirty (30) days in advance of the annual adjustment date.

D. Land Rental Rate Adjustment. Notwithstanding 3C above, at each 10 year lease anniversary date, the land lease rate will be adjusted based on 10% of the appraised market value of the parcel.

#### **4. USE OF THE PROPERTY**

A. Scope of Operation and Required Services. Lessee shall comply with the conditions of the airport rules and regulations, as identified in the Corvallis Airport Handbook - Rules, Regulations, Pilot Information and Building Standards (Airport Handbook), and the Minimum Standards for Commercial Aeronautical Activities (Minimum Standards), and by these references incorporated into and made a part of this lease. The Airport Handbook and Minimum Standards may be revised from time to time by the City.

B. Conformance with Laws. Lessee shall conform to all applicable laws and regulations, municipal, state, and federal, affecting the premises and the use thereof.

C. Nuisance. Lessee shall not use or permit the use or occupancy of the property for any illegal or immoral purposes, or commit or permit anything which may constitute a menace or hazard to the safety of persons using the property, or which would tend to create a nuisance, or that interferes with the safe operation of aircraft using the Corvallis Airport.

D. Hazardous Materials. Lessee shall not store or handle on the premises or discharge onto the property any hazardous wastes or toxic substances, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 to 9675, and as further defined by state law and the City's Sewer Regulations, Municipal Code Chapter 4.03 as amended, except upon prior written notification to the City and in strict compliance with rules and regulations of the United States and the State of Oregon and in conformance with the provisions of this lease. Any violation of this section may, at the City's option, cause this lease to be immediately terminated in accordance with the provisions of Section 18 of this lease.

E. Roads. Lessee shall be entitled to reasonable use for its purposes of the roads and public ramp areas and taxiways now existing and serving the leased property. The City may locate and relocate roads as desirable to improve the Corvallis Municipal Airport so long as reasonable and adjacent access is provided to Lessee.

#### **5. WATER, SEWER, AND DRAINAGE SYSTEMS**

A. Water, Drainage, and Domestic Waste. The City agrees to provide the use and benefits of the public water, sewer, and drainage systems as they now exist or may be later modified. Conditions for the use of these systems shall be the same as the conditions and regulations applying within the corporate limits of the City of Corvallis, including any assessments or charges for any expansion or intensification of Lessee's use of the property.

**B. Utility Bills.** Water, sewer, and drainage charges shall be paid by the Lessee in addition to the basic monthly land lease and at the same rates applicable within the corporate limits of the City of Corvallis. The Lessee shall promptly pay all water, sewer, and drainage charges, and all other utility charges, for the premise as they come due.

**C. Prohibited Discharges.** Discharge of industrial waste, as that term is defined in the Sewer Use Ordinance, Ord. 83-3 as amended, into the sanitary sewer system, drainage system, surface ponds or ditches, or elsewhere is specifically prohibited, except as permitted by a valid Industrial Wastewater Discharge Permit in strict accordance with the Sewer Use Ordinance and applicable state and federal laws. Violation of any provisions contained in sections 27 through 39E of Ord. 83-3, as amended, as presently constituted or as amended hereafter, may cause this lease to be immediately terminated in accordance with the provisions of Section 18 of this lease.

**D. Discharge Response Procedures.** In the event of any discharge or spill of noxious or hazardous material into the environment, sewer system, or drainage system, Lessee shall immediately notify the Oregon Department of Environmental Quality and the City. The City and any appropriate state or federal agency shall have the right to inspect the premises immediately to determine if the discharge or spill constitutes a violation of any local, state, or federal laws, rules, or regulations. If a violation exists, the City shall notify the Lessee of the specific violations and Lessee shall immediately cease all activities and use of the property until the violations are remedied, all at the Lessee's sole cost and expense and without expense whatsoever to the City.

**E. South Corvallis Drainage Master Plan.** Lessee hereby agrees to comply with the requirements of the "South Corvallis Drainage Master Plan", approved by the City Council in February 1997. Future improvements within the Industrial Park or Airport in compliance with the approved drainage plan may include parcel assessments or charges. Conditions and regulations for any assessment or charges shall be similar to those conditions or regulations applying within the corporate limits of the City of Corvallis.

## **6. DEVELOPMENT STANDARDS**

This agreement is made subject to the terms and conditions as referenced in Chapter XIV Development and Building Standards of the Corvallis Airport Handbook. In addition, compliance with all Corvallis development regulations is required relative to the City's Land Development Code (LDC). Where not otherwise specified by the Airport Corvallis Airport Handbook, the City's zoning provisions shall apply. Enforcement of development provisions is the responsibility of the City's Development services Department and, where specified by the Corvallis Airport Master Plan, the Airport Design Review Committee.

## **7. ALTERATIONS, IMPROVEMENTS AND GENERAL MAINTENANCE**

**A. Right to Construct.** The Lessee, at its own expense may construct structural improvements on the leased property, subject to Lessee's compliance with all applicable city, county, and state laws and regulations and issuance of necessary building permits.

**B. Ownership of Improvements.** Any buildings constructed on the leased property during the term of this lease shall belong to the Lessee and may be removed by the Lessee at will. Lessee shall have the right to enter the premises during the thirty day period following termination of this lease to remove any of its property, including buildings or other improvements, on the leased premises. If, after thirty days after termination of the lease, any of said property remains

on the premises, the City may retain the property, or, at its option, remove the property at the Lessee's expense.

C. Sale of Improvements. City shall have the first right of refusal to purchase Lessee's improvements, if Lessee decides to sell the improvements.

D. Above Ground Fuel Tanks. Lessee shall have the right to maintain its own above ground fuel tank facility in accordance with the latest City, State, Federal Aviation Administration (FAA) or DEQ requirements for above ground fuel facilities. Lessee's above ground fuel facility shall provide for containment of any fuel spill, and shall be completely fenced. The security fence, containment structure and fuel tanks shall be installed and maintained at the Lessee's expense.

E. General Maintenance. During the entire term of this lease, and for any additional time that Lessee shall hold the Leased Premises, Lessee shall keep the premises, including improvements, in neat, sanitary, well-maintained condition.

No machinery, equipment, or property of any kind shall be stored or kept outside of the building; and any wrecked, permanently disabled, or otherwise unsightly aircraft shall not be kept unless housed within the hangar space.

Lessee shall permit no aircraft at any time to be left standing unattended or parked, even temporarily, upon any roadway/taxiway or access road within said airport, and the City shall have the right and privilege, at the expense of the Lessee, to remove from any public road or access road which approaches the airport or within the airport any such aircraft that Lessee or any of its tenants may leave standing or parked upon any such road or roadway/taxiway.

Lessee or any guest shall not park any vehicle outside the boundary of the leased premises herein described other than designated public parking areas. Any vehicle parked in violation of this section shall be moved at Lessee's expense by City.

## **8. ENTRY ON PROPERTY**

A. Right to Inspect. The City shall have the right to enter the property at any reasonable time or times to examine the condition of the premises or Lessee's compliance with the terms of this lease.

B. Access. The City retains the right to enter the leased premises at any reasonable time or times to repair or modify City utilities located upon the property or to conduct repairs or other work on the property.

## 9. ASSIGNMENT AND SUBLETTING

The Lessee shall not assign or sublease this lease without the prior written consent of the City; provided, however, that the City shall not unreasonably withhold such consent. Lessee shall have the right to sublet space within any building it may construct on the leased premises to others, subject to the following conditions:

- 1) No sublease shall relieve Lessee from primary liability for any of its obligations under this lease, and Lessee shall continue to remain primarily liable for payment of rent and for performance and observance of its other obligations and agreements under this lease.
- 2) Every sublease shall require the sublessee to comply with and observe all obligations of the Lessee under this lease, with the exception of the obligation to pay rent to the City.

## 10. LIENS

The Lessee shall promptly pay for any material and labor used to improve the leased property and shall keep the leased property free of any liens or encumbrances.

## 11. TAXES

The Lessee shall promptly pay all real and personal property taxes levied upon the leased premises during the tax year that they become due. Lessee shall not permit a lien for other than the current year's taxes to be placed on the leased property.

## 12. INSURANCE

A. Coverage Requirements. The Lessee shall purchase and maintain General Liability Insurance that provides at least premises and operations coverage. The limit of liability shall be no less than \$1,000,000 per occurrence with not less than a \$2,000,000 general aggregate. The policy shall name the City of Corvallis, its officers, agents, and employees as an additional insured.

B. Certificate of Insurance. At the time that this lease is signed, the Lessee shall provide to the City a certificate of insurance complying with the requirements of this section and indicating that insurer will provide the City with 30 days notice prior to cancellation. A current certificate shall be maintained at all times during the term of this lease.

## 13. HOLD HARMLESS

A. General. The Lessee shall at all times indemnify, protect, defend, and hold the City of Corvallis, its officers, agents, and employees harmless from any claims, demands, losses, actions, or expenses, including attorney's fees, to which the City may be subject by reason of any property damage or personal injury arising or alleged to arise from the acts or omissions of the Lessee, its agents, or its employees, or in connection with the use, occupancy, or condition of the property.

B. Environmental Protection. The Lessee shall be liable for, and shall hold the City harmless from, all costs, fines, assessments, and other liabilities arising from Lessee's use of the premises resulting in the need for environmental cleanup under state or federal environmental protection and liability laws, including, but not limited to, costs of investigation, remedial and removal actions, and post-cleanup monitoring arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 to 9675, as presently constituted or hereafter amended.

#### **14. NONDISCRIMINATION**

The Lessee agrees that no person shall be excluded from participation in the use of the premises on the basis of race, color, creed, religion, sex, sexual preference, age, physical or mental disability, source of income, or national origin or shall otherwise be subjected to discrimination in the use of the premises.

#### **15. CONDITIONS ON PROPERTY BY THE UNITED STATES OF AMERICA**

This agreement is made subject to the terms and conditions and restrictions of transfer recorded in Book 121, Page 40 and Book 125, Page 239, deed records of Benton County, Oregon, as modified by the Instrument of Release recorded in Book 182, Page 238 of said deed records.

#### **16. WAIVER OF BREACH**

A waiver by the City of a breach of any term, covenant, or condition of this lease by the Lessee shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition of the lease.

#### **17. DEFAULT**

A. Declaration of Default. Except as otherwise provided in this lease, the City shall have the right to declare this lease terminated and to re-enter the property and take possession upon either of the following events:

- A. Rent and Other Payments. If the annual rent or any other payment obligation, including but not limited to property taxes and utility bills, remains unpaid for a period of 30 days after it is due; or
- B. Terminates SASO License. If Lessee fails to renew annual SASO license and/or does not comply with the requirements of the license within 30 days of written notice by the Lessor; or
- C. Other Obligations. If any other default is made in this lease and is not corrected after 30 days written notice to the Lessee. Where the default is of such nature that it cannot reasonably be remedied within the 30-day period, the Lessee shall not be deemed in default if the Lessee proceeds with reasonable diligence and good faith to effect correction of the default.

B. Court Action. It is understood that either party shall have the right to institute any proceeding at law or in equity against the other party for violating or threatening to violate any provision of this lease. Proceedings may be initiated against the violating party for a restraining injunction or for damages or for both. In no case shall a waiver by either party of the right to seek relief under this provision constitute a waiver of any other or further violation.

## **18. TERMINATION**

A. Immediate Termination. Where a specific violation of this lease gives the City the option to terminate this lease immediately, this lease shall be terminated upon written notification to the Lessee.

B. Termination Upon 30 Days Default. In the event of any other default under Section 17 of this lease, the lease may be terminated at the option of the City upon written notification to the Lessee.

C. Surrender Upon Termination. Upon termination or the expiration of the term of the lease, the Lessee will quit and surrender the property to the City in as good order and condition as it was at the time the Lessee first entered and took possession of the property under this or a prior lease, usual wear and damage by the elements excepted.

D. Restoration of Property. Upon termination or expiration of this lease or Lessee's vacating the premises for any reason, the Lessee shall, at its own expense, remove and properly dispose of all tanks, structures, and other facilities containing waste products, toxic, hazardous, or otherwise, which exist on the leased property or beneath its surface. Lessee shall comply with all applicable state and federal requirements regarding the safe removal and proper disposal of said facilities containing waste products. If the Lessee fails to comply or does not fully comply with this requirement, the Lessee agrees that the City may cause the waste products and facilities to be removed and properly disposed of, and further Lessee agrees to pay the cost thereof with interest at the legal rate from the date of expenditure.

E. Holding Over. No holding over upon expiration of this lease shall be construed as a renewal thereof. Any holding over by the Lessee after the expiration of the term of this lease or any extension thereof shall be as a tenant from month to month only and not otherwise.

## **19. NONEXCLUSIVE**

This lease agreement shall not be construed to give the Lessee an exclusive right to perform aeronautically associated service operation or activities at the Corvallis Municipal Airport, as contained in the airport minimum standards.

## **20. FUEL FLOWAGE FEE RECORDS**

Lessee covenants and agrees to remit monthly to the City the sum of 5 cents per gallon for all fuel used, pumped, transferred, consumed, or shared by the Lessee as additional rental herein: that books shall be kept by Lessee covering its operations: and the City, its authorized agents, and representatives shall have the right to examine books and records of Lessee at any reasonable time. That the information obtained by the City from those books and records, either directly or indirectly, shall be kept confidential and shall not be made public information. The City

may from time to time establish increased fuel flowage fees for all fuel used by Lessee on the airport. Any increases in the fuel flowage fee will be applied uniformly to all airport fuel operators in order to maintain parity for all fueling operations. Fuel flowage fees are due and payable to the City within 15 days after the end of each month. Lessee agrees that under this agreement, no aviation fuel will be provided to the general public for retail sale. If Lessee ceases to use the fuel facility, the City may require Lessee to renegotiate the compensation terms of this lease.

**21. RECORDING FEES**

The lease will be recorded with the Benton County Assessor's Office and the Lessee shall be responsible for paying all associated fees.

**22. ATTORNEY FEES**

If any suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover, in addition to damages and costs, such sum as the trial court or appellate court, as the case may be, may adjudge reasonable as attorney fees.

**23. NOTICE**

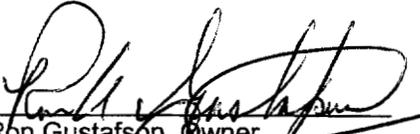
When any notice or anything in writing is required or permitted to be given under this lease, the notice shall be deemed given when actually delivered or 96 hours after deposited in United States mail, with proper postage affixed, directed to the following address:

City: City of Corvallis  
Public Works Department  
Attention: Airport Manager  
P.O. Box 1083  
Corvallis, Oregon 97339-1083

Lessee: AVIA Aviation Services, Inc.  
Corvallis Municipal Airport  
5671 SW Plumley Street  
Corvallis, Oregon 97333

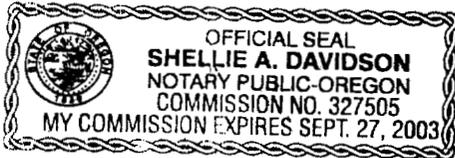
IN WITNESS WHEREOF, the parties hereto have executed this lease the date and year first written below.

DATED this 10 day of March, 2003.

  
Ron Gustafson, Owner  
AVIA AVIATION SERVICES, INC.

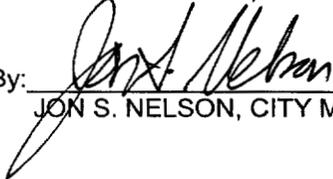
STATE OF OREGON )  
                          ) ss.  
COUNTY OF BENTON )

Personally appeared the above-named RON GUSTAFSON, who acknowledged he is the QWNER and he accepted the foregoing instrument on behalf of AVIA AVIATION SERVICES, INC. Before me this 10th day of March, 2003.



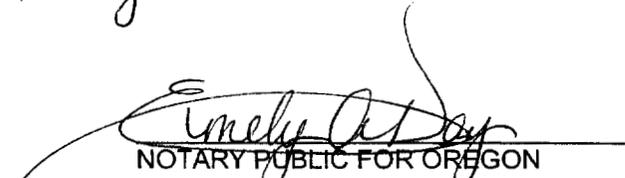
  
NOTARY PUBLIC FOR OREGON  
My Commission Expires 9/27/03

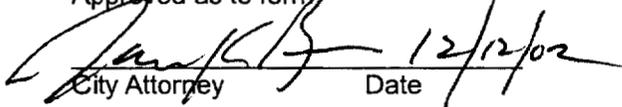
STATE OF OREGON )  
                          ) ss.  
County of Benton )

ACCEPTED BY:  
CITY OF CORVALLIS, OREGON  
By:   
JON S. NELSON, CITY MANAGER

Personally appeared the above-named JON S. NELSON, who acknowledged he is the City Manager of CORVALLIS and he accepted the foregoing instrument on behalf of the City of CORVALLIS by authority of its City Council. Before me this 28th day of January, 2003.



  
NOTARY PUBLIC FOR OREGON  
My Commission Expires 08-31-05

Approved as to form  
  
City Attorney                      Date

SE Corner of the  
Alfred Rhinehart  
D.L.C. No 73

SOUTH  
765.69'

EAST  
560.72'

Taxiway B (North)  
N30°43'28"E  
172.06

S68°8'54"E  
168.74

Paved parking lot

47.37  
S20°40'53"W

S68°49'53"E  
208.79  
Paved road

concrete

N21°51'43"E  
150.00

Paved AC area

Paved AC area

Beacon

405.00  
N68°8'17"W

Bldg.  
Bldg.

Bldg.

275.21  
S21°51'43"W

conc.

Taxiway A (East)



SCALE



DESIGNED  
DRAWN wbd  
CHECKED  
DATE October 2002  
SCALE: as shown

# AVIA Ground Lease Exhibit A-1



## EXHIBIT B-1

### AVIA Ground Lease Legal For 2.70 Acres

Beginning at the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence East, 560.72 feet; thence South, 765.69 feet to the TRUE POINT OF BEGINNING; thence S 68°08'54"E, 168.74 feet; thence S 20°40'53"W, 47.37 feet; thence S 68°49'53"E, 208.79 feet; thence S 21°51'43"W, 275.21 feet; thence N 68°08'17"W, 405.00 feet; thence N 21°51'43"E, 150.00 feet; thence N 30°43'26"E, 172.06 feet to the true point of beginning. Containing 2.70 acres, more or less.



DESIGNED  
DRAWN wbd  
CHECKED  
DATE October 2002  
SCALE: NONE

AVIA Ground Lease  
Exhibit A-2  
0.2 Acres



## Exhibit B-2

### AVIA Ground Lease for Ramp and Fuel Farm

#### Ramp Area -

Beginning at a point which is East 181.04 feet, South 1025.50 feet from the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21°48'23"W, 48.00 feet; thence S 68°11'37"E, 128.00 feet; thence N 21°48'23"E, 48.00 feet; N 68°11'37"W, 128.00 feet to the point of beginning. Containing 6144 square feet, more or less.

#### Fuel Farm -

Beginning at a point which is West 335.37 feet, South 643.43 feet from the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21°48'23"W, 32.00 feet; thence N 68°11'37"W, 90.00 feet; thence N 21°48'23"E, 32.00 feet; S 68°11'37"E, 90.00 feet to the point of beginning. Containing 2880 square feet, more or less.

## ASSUMPTION OF LEASE AND CONSENT TO ASSIGN

Pacific Rim Aviation, LLC, Assignee of all the right, title and interest in the leasehold estate described in the attached Exhibits A-1, B-1, hereby assumes all rights and obligations of the Assignor, AVIA Aviation Services, Inc. under the March 10, 2003 land lease with the City of Corvallis; and further agrees to abide by all terms and conditions of the lease, including payment of rent, and to indemnify and hold harmless AVIA Aviation Services, Inc. from any liability under such lease.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2006

PACIFIC RIM AVIATION, LLC

By: \_\_\_\_\_  
Ron Gustafson, Manager  
Pacific Rim Aviation, LLC.

The City of Corvallis, as Lessor under the above-described lease, consents the assignment by AVIA Aviation Services, Inc, Assignor, to Pacific Rim Aviation, LLC, Assignee, of all of Assignor's right, title and interest in the March 10, 2003 lease of the property described in Exhibits A-1, B-1 and the City accepts Pacific Rim Aviation, LLC. as Lessee under that lease. This consent to assignment shall not affect contractual privity between Assignor and the City.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2006

CITY OF CORVALLIS

By: \_\_\_\_\_  
Jon S. Nelson, City Manager

Approved As to Form

  
City Attorney

SE Corner of the  
Alfred Rhinehart  
D.L.C. No 73

SOUTH  
765.69'

EAST  
560.72'

Taxiway B (North)  
N30°43'26"E  
172.06

S68°8'54"E  
168.74

Paved parking lot

47.37  
S20°40'53"W

S68°49'53"E Paved road  
208.79

N21°51'43"E  
150.00

Paved AC area

Paved AC area

405.00  
N68°8'17"W

275.21  
S21°51'43"W

Beacon

SCALE



DESIGNED

DRAWN wbd

CHECKED

DATE October 2002

SCALE: as shown

# AVIA Ground Lease Exhibit A-1



## EXHIBIT B-1

### AVIA Ground Lease Legal For 2.70 Acres

Beginning at the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence East, 560.72 feet; thence South, 765.69 feet to the TRUE POINT OF BEGINNING; thence S 68°08'54"E, 168.74 feet; thence S 20°40'53"W, 47.37 feet; thence S 68°49'53"E, 208.79 feet; thence S 21°51'43"W, 275.21 feet; thence N 68°08'17"W, 405.00 feet; thence N 21°51'43"E, 150.00 feet; thence N 30°43'26"E, 172.06 feet to the true point of beginning. Containing 2.70 acres, more or less.

## ASSUMPTION OF LEASE AND CONSENT TO ASSIGN

Honey B. LLC dba Corvallis Aero Service, Assignee of all the right, title and interest in the leasehold estate described in the attached Exhibits A, B, C and D, hereby assumes all rights and obligations of the Assignor, Pacific Rim Aviation, LLC under the September 5, 2002 land lease and subsequent 2004 lease addendum with the City of Corvallis; and further agrees to abide by all terms and conditions of the lease, including payment of rent, and to indemnify and hold harmless Pacific Rim Aviation, LLC from any liability under such lease.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2006

HONEY B, LLC. dba Corvallis Aero Service

By: \_\_\_\_\_  
Mark Perry, Owner  
HONEY B, LLC.

The City of Corvallis, as Lessor under the above-described lease, consents the assignment by Pacific Rim Aviation, LLC, Assignor, to Honey B, LLC dba Corvallis Aero Service, Assignee, of all of Assignor's right, title and interest in the September 5, 2002 lease and subsequent 2004 lease addendum of the property described in Exhibits A, B, C, and D; and the City accepts Honey B, LLC. dba Corvallis Aero Service as Lessee under that lease. This consent to assignment shall not affect contractual privity between Assignor and the City.

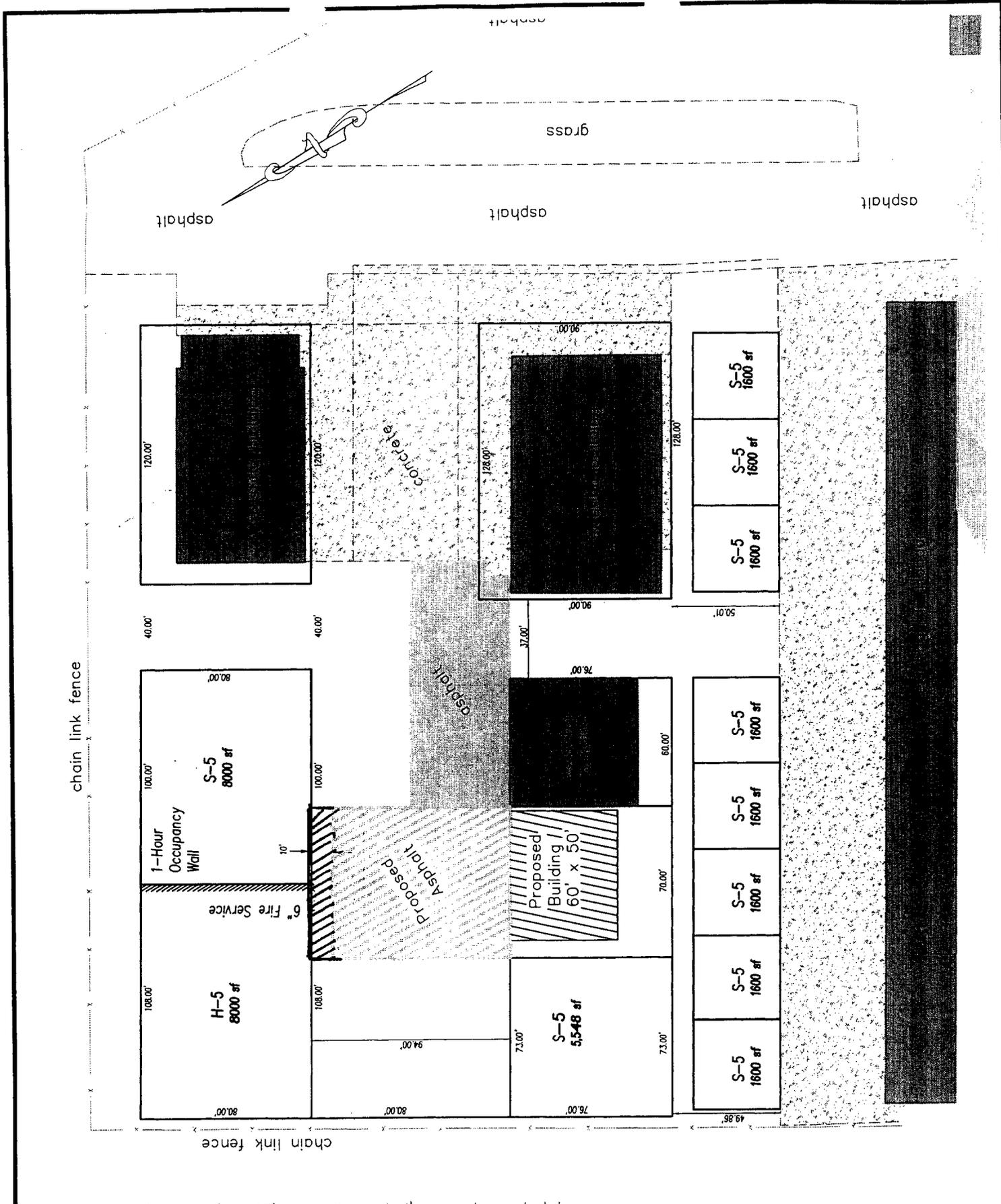
DATED this \_\_\_\_ day of \_\_\_\_\_, 2006

CITY OF CORVALLIS

By: \_\_\_\_\_  
Jon S. Nelson, City Manager

Approved As to Form

  
City Attorney

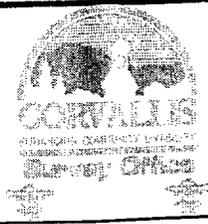


ACAD File: N:\AIRPORT\LEASE\corporate control\corporate control.dwg

DESIGNED  
 DRAWN wbd  
 CHECKED  
 DATE July 2002  
 SCALE: 1"=60' (8 1/2 x 11)

# Pacific Rim Aviation Corporate Hangar

## EXHIBIT A



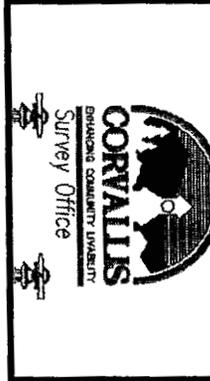
## EXHIBIT B

Pacific Rim Corporate Hangar  
70 x 76 Parcel Site #1

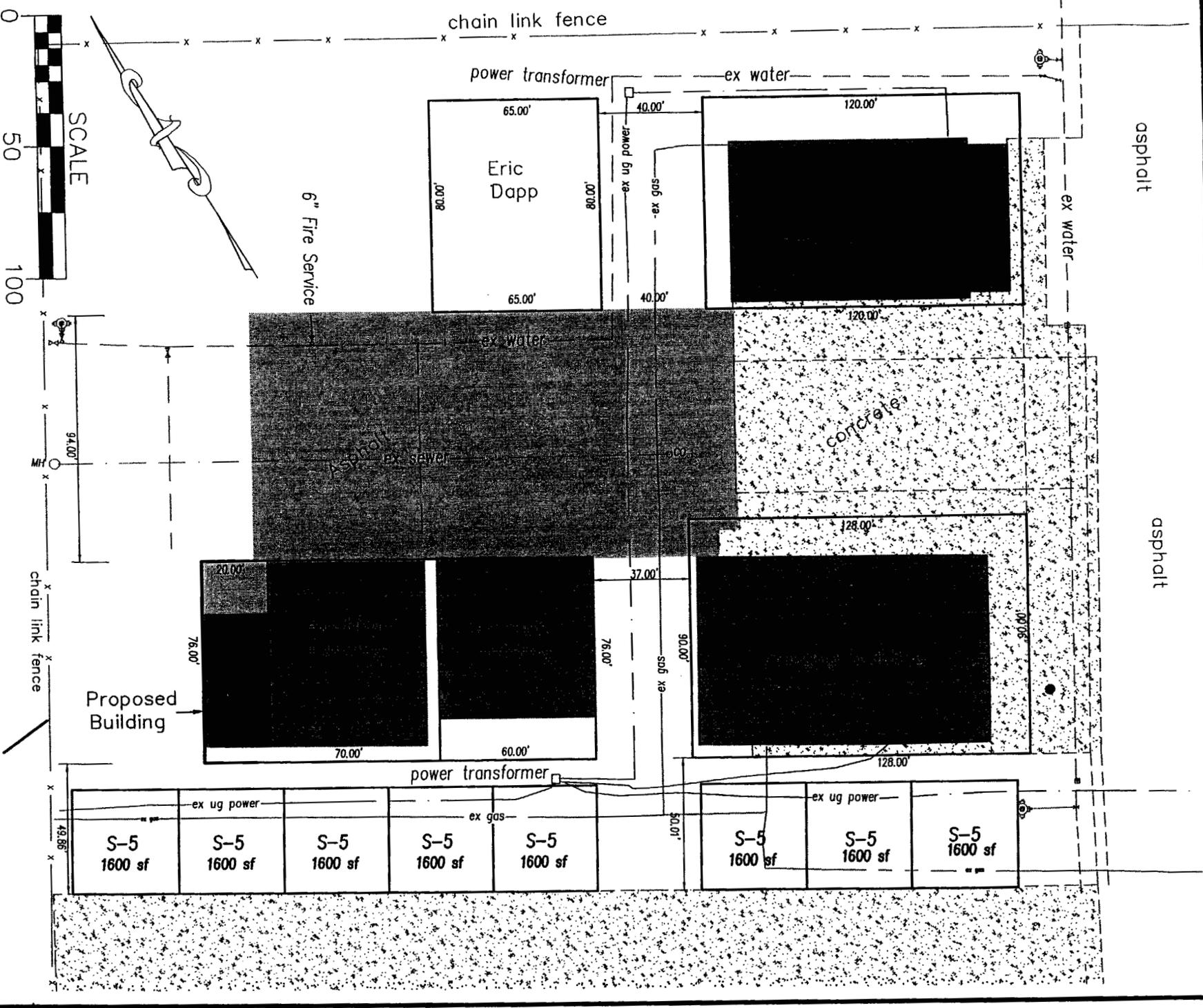
Beginning at a point that is South, 202.43 feet and East, 811.58 feet from the southeast corner of the Alfred Rhinehart D.L.C. No. 73, in Section 27 of Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence N 59°10'44"W, 225.00 feet to the TRUE POINT OF BEGINNING; thence N 30°49'16"E, 76.00 feet; thence N 59°10'44"W, 70.00 feet; thence S 30°49'16"W, 76.00; thence S 59°10'44"E, 70.00 feet to the TRUE POINT OF BEGINNING. Containing 5,320 square feet, more or less.

DESIGNED  
 DRAWN wbd  
 CHECKED  
 DATE June 2004  
 SCALE: as shown

Pacific Rim  
 20' x 76' Lease Parcel  
 EXHIBIT c



ACAD File: N:\AIRPORT\LEASE\corporate control\pacific rim 20x76.dwg



## **EXHIBIT D**

### **Pacific Rim Corporate Hangar Addition 20' x 76'**

Beginning at a point that is South, 202.43 feet and East, 811.58 feet from the southeast corner of the Alfred Rhinehart D.L.C. No. 73, in Section 27 of Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence N 59°10'44"W, 295.00 feet to the TRUE POINT OF BEGINNING; thence N 30°49'16"E, 76.00 feet; thence N 59°10'44"W, 20.00 feet; thence S 30°49'16"W, 76.00; thence S 59°10'44"E, 20.00 feet to the TRUE POINT OF BEGINNING. Containing 1,520 square feet, more or less.

## LEASE ADDENDUM

THIS ADDENDUM, is to that lease agreement dated September 5, 2002, between the **City of Corvallis**, an Oregon municipal corporation, hereinafter referred to as Lessor, and **Pacific Rim Aviation, LLC**, hereinafter referred to as Lessee. This addendum shall not change the terms or conditions of the September 5, 2002 lease agreement, except as specifically provided herein.

### 1. PREMISES

The Lessor, in consideration of Lessee's request, terms covenants, and agreements does hereby agree to modify the original lease parcel and lease to Lessee that additional property described in Exhibit "C" and "D" attached.

### 2. INCORPORATION OF TERMS AND CONDITIONS

If this addendum is silent on a term or condition, the lease of this property described in Exhibit "C" shall be subject to the terms and conditions of the September 5, 2002 lease agreement, as they have been adjusted or amended as of the date of execution of this addendum.

### 3. RENT

For the use and possession of the property described in Exhibit "C", Lessee shall pay the current land rental rate paid for the property shown in Exhibit "A" of the underlying lease dated September 5, 2002 as that rate has been re-evaluated effective June 1, 2004 in accordance with the terms and conditions of the original lease agreement dated September 5, 2002. The additional lease amount is \$295.04. A total of **\$1,327.68** will be due and payable on September 1, 2004 that includes the original lease and the addendum lease.

### 4. CONSTRUCTION OF TAXI-LANE

As required in the original lease dated September 5, 2002, the Lessee has constructed the full width of the taxi-lane as described in Chapter XIV. Section B2c of the Corvallis Municipal Airport Handbook. The Lessee is to be reimbursed the cost of one half ( $\frac{1}{2}$ ) of the total cost of the required full width taxi-lane as described in Section B2c. The future developer/tenant of the hangar site opposite of this leased site is to pay Pacific Rim Aviation/ Mr. Ron Gustafson the total sum of **\$10,694.02** plus interest based on the total CPI index as per the Airport Land Leases, from date of original construction to the date of the new land lease.

It is further agreed by both parties that the obligation of paving the additional 20' of taxi-lane for this amended lease agreement shall be waived until such time there is construction on the opposite (north) side of the taxi-lane. The Lessee then agrees to pay for the cost associated with the 20' frontage to the center of the additional taxi-lane.

### 5. ORIGINAL LEASE AGREEMENT

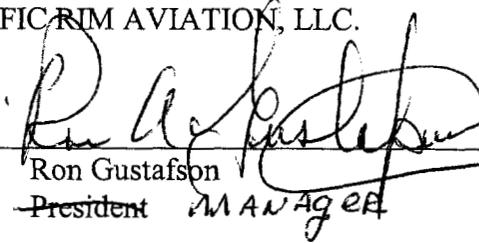
All other terms and conditions of the existing lease between Lessor and Lessee shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this lease amendment effective \_\_\_\_\_, 2004.

CITY OF CORVALLIS

By:   
City Manager

PACIFIC RIM AVIATION, LLC.

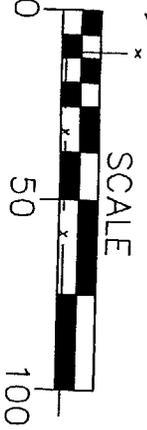
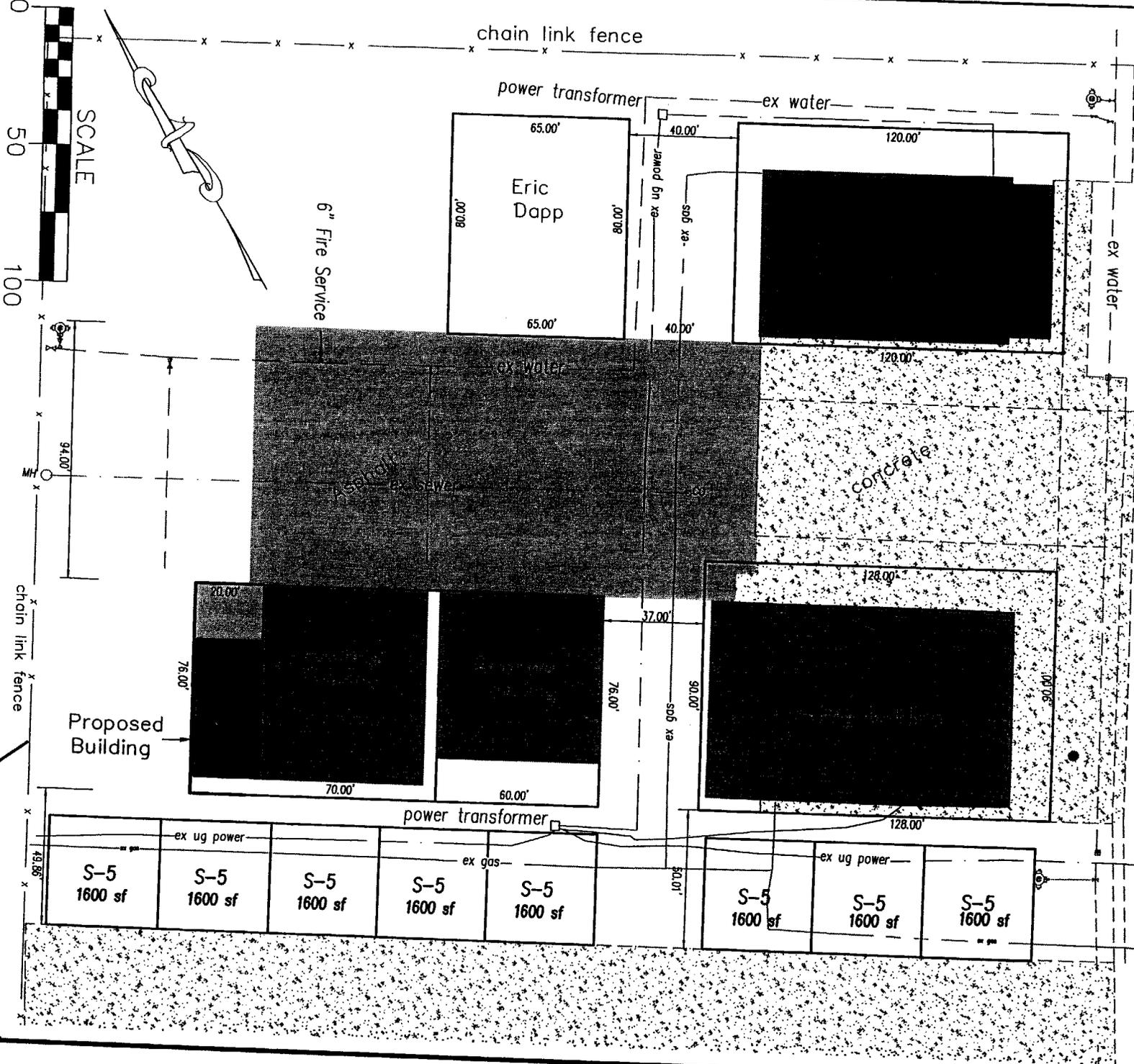
By:   
Ron Gustafson  
~~President~~ MANAGER

Approved as to form:

  
City Attorney

asphalt

asphalt



ACAD File: N:\AIRPORT\LEASE\corporate control\pacific rim 20x76.dwg

DESIGNED

DRAWN wbd

CHECKED

DATE June 2004

SCALE: as shown

Pacific Rim  
 20' x 76' Lease Parcel  
 EXHIBIT C



## **EXHIBIT D**

### **Pacific Rim Corporate Hangar Addition 20' x 76'**

Beginning at a point that is South, 202.43 feet and East, 811.58 feet from the southeast corner of the Alfred Rhinehart D.L.C. No. 73, in Section 27 of Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence N 59°10'44"W, 295.00 feet to the TRUE POINT OF BEGINNING; thence N 30°49'16"E, 76.00 feet; thence N 59°10'44"W, 20.00 feet; thence S 30°49'16"W, 76.00; thence S 59°10'44"E, 20.00 feet to the TRUE POINT OF BEGINNING. Containing 1,520 square feet, more or less.

# LAND LEASE AGREEMENT CORVALLIS AIRPORT

THIS LEASE, made this 5<sup>th</sup> day of **September, 2002**, is by and between the City of Corvallis, an Oregon municipal corporation, hereinafter referred to as the City, and Pacific Rim Aviation LLC, Ron Gustafson, owner, hereinafter referred to as the Lessee.

## 1. PREMISES

The Corvallis Municipal Airport is owned and managed by the City of Corvallis and is operated as an Enterprise Fund, in that all fees, land lease and rent revenues are retained by the City for the exclusive operation of the Airport. The City, in consideration of the terms, covenants, and agreements contained herein, does hereby lease to the Lessee the following property located at the Corvallis Municipal Airport:

See Attached Exhibit "A" site plan and Exhibit "B" legal.

## 2. TERM

The Lessee shall have the right to the possession, use, and enjoyment of the leased property for a period of Twenty (20) years, beginning on **September 5, 2002** and ending August 31, 2022. The term of this lease may be extended for two additional ten-year periods provided Lessee notifies the City in writing at least sixty (60) days prior to the termination date of this lease.

## 3. RENT

A. Rental Rate. Lessee shall pay in advance, an annual rent payment by the first of the month beginning **September 5, 2002**, and continuing on the first day of each September thereafter during the term of this lease. The annual rate for the above-described land shall be determined as follows: **\$ 0.19** per square foot = **\$1,010.80** as an annual base rate. Rental payments are to be made payable to the City of Corvallis and are to be delivered in person or mailed to the City at the address given in Section 20 of this lease.

B. Late Charges. It is hereby agreed that if rent is unpaid after fifteen (15) days following the due date, the Lessee shall pay a late charge of \$1.00 per day computed to include the first day due and continuing until both rent and late charges are fully paid. Payments will be applied first to late charges, then to outstanding rent.

C. Annual Adjustment. The rental rate shall be adjusted annually utilizing the January through December U.S. City Average Consumer Price Index, with adjustments made July 1 following the publication of the annual index, commencing July 2003. The City shall give written notice to Lessee at least thirty (30) days in advance of the annual adjustment date.

D. Land Rental Rate Adjustment. Notwithstanding 3C above, at each 10 year lease anniversary date, the land lease rate will be adjusted based on 10% of the appraised market value of the parcel.

E. Extended Term. If this lease is extended as provided in Section 2 of this lease, the rental rate shall continue to be adjusted annually on the basis described in Section 3C & D above.

✓ Lease Agreement /rev CVO702: City / Pacific Rim  
After Recording Return to:  
City Hall Engineering - Dianne ext 5057

#### **4. USE OF THE PROPERTY**

A. Scope of Operation. Lessee shall comply with the conditions of the airport rules and regulations, as identified in the Corvallis Airport Handbook - Rules, Regulations, Pilot Information and Building Standards (Airport Handbook), and by this reference incorporated into and made a part of this lease. The Airport Handbook may be revised from time to time by the City.

B. Conformance with Laws. Lessee shall conform to all applicable laws and regulations, municipal, state, and federal, affecting the premises and the use thereof.

C. Nuisance. Lessee shall not use or permit the use or occupancy of the property for any illegal or immoral purposes, or commit or permit anything which may constitute a menace or hazard to the safety of persons using the property, or which would tend to create a nuisance, or that interferes with the safe operation of aircraft using the Corvallis Airport.

D. Hazardous Materials. Lessee shall not store or handle on the premises or discharge onto the property any hazardous wastes or toxic substances, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 to 9675, and as further defined by state law and the City's Sewer Regulations, Municipal Code Chapter 4.03 as amended, except upon prior written notification to the City and in strict compliance with rules and regulations of the United States and the State of Oregon and in conformance with the provisions of this lease. Any violation of this section may, at the City's option, cause this lease to be immediately terminated in accordance with the provisions of Section 18 of this lease.

E. Roads. Lessee shall be entitled to reasonable use for its purposes of the roads and taxiways now existing and serving the leased property. The City may locate and relocate roads as desirable to improve the Corvallis Municipal Airport so long as reasonable and adjacent access is provided to Lessee.

#### **5. WATER, WASTEWATER, AND STORM WATER SYSTEMS**

A. Water, Drainage, and Domestic Waste. The City agrees to provide the use and benefits of the public water, wastewater, and storm water systems as they now exist or may be later modified. Conditions for the use of these systems shall be the same as the conditions and regulations applying within the corporate limits of the City of Corvallis, including any assessments or charges for any expansion or intensification of Lessee's use of the property.

B. Utility Bills. Water, wastewater, and storm water charges shall be paid by the Lessee in addition to the basic monthly land lease and at the same rates applicable within the corporate limits of the City of Corvallis. The Lessee shall promptly pay all water, wastewater, and storm water charges, and all other utility charges, for the premises as they come due.

C. Prohibited Discharges. Discharge of industrial waste, as that term is defined in the Sewer Use Ordinance, Ord. 83-3 as amended, into the sanitary wastewater system, storm water system, surface ponds or ditches, or elsewhere is specifically prohibited, except as permitted by a valid Industrial Wastewater Discharge Permit in strict accordance with the Sewer Use Ordinance and applicable state and federal laws. Violation of any provisions contained in sections 27 through 39E of Ord. 83-3, as amended, as presently constituted or as amended hereafter, may cause this lease to be immediately terminated in accordance with the provisions of Section 18 of this lease.

D. Discharge Response Procedures. In the event of any discharge or spill of noxious or hazardous material into the environment, wastewater system, or storm water system, Lessee shall immediately notify the Oregon Department of Environmental Quality and the City. The City and any appropriate state or federal agency shall have the right to inspect the premises immediately to determine if the discharge or spill constitutes a violation of any local, state, or federal laws, rules, or regulations. If a violation exists, the City shall notify the Lessee of the specific violations and Lessee shall immediately cease all activities and use of the property until the violations are remedied, all at the Lessee's sole cost and expense and without expense whatsoever to the City.

E. South Corvallis Drainage Master Plan. Lessee hereby agrees to comply with the requirements of the "South Corvallis Drainage Master Plan," approved by the City Council in February 1997. Future improvements within the Corvallis Airport, in compliance with the approved drainage plan, may include parcel assessments or charges. Conditions and regulations for any assessment or charges shall be similar to those conditions or regulations applying within the corporate limits of the City of Corvallis.

## **6. DEVELOPMENT STANDARDS**

This agreement is made subject to the terms and conditions as referenced in Chapter XIV Development and Building Standards of the Airport Handbook. In addition, compliance with all Corvallis development regulations is required relative to the City's Land Development Code (LDC). Where not otherwise specified by the Airport Handbook, the City's zoning provisions shall apply. Enforcement of development provisions is the responsibility of the City's Development Services Department and, where specified by the Corvallis Airport Master Plan, the Airport Design Review Committee.

## **7. ALTERATIONS, IMPROVEMENTS AND GENERAL MAINTENANCE**

A. Right to Construct. The Lessee, at its own expense, may construct structural improvements on the leased property, subject to Lessee's compliance with all applicable city, county, and state laws and regulations and issuance of necessary building permits. The Lessee shall be obligated to commence construction of such facilities within 12 months from the date the lease is signed and to complete construction within 12 months. The lessee may apply for a six month extension to this time period provided written request is given 90 days prior to the end of the 12 months. This notice shall include a new completion date.

B. Ownership of Improvements. Any buildings constructed on the leased property during the term of this lease shall belong to the Lessee and may be removed by the Lessee at will. Lessee shall have the right to enter the premises during the thirty-day period following termination of this lease to remove any of its property, including buildings or other improvements, on the leased premises. If, after thirty days after termination of the lease, any of said property remains on the premises, the City may retain the property, or, at its option, remove the property at the Lessee's expense.

C. Construction of Taxi-Lane. The Lessee agrees to construct a taxi-lane improvement along the entire frontage of leased property as per the Airport Handbook, Chapter XIV. Section B.2. The taxi-lane shall be asphalt-concrete (AC) built to City and FAA standards and shall include a designed storm drain system. The Airport will maintain the taxi-lane in good and serviceable condition for the duration of the lease.

D. Sale of Improvements. City shall have the first right of refusal to purchase Lessee's improvements, if Lessee decides to sell the improvements.

E. General Maintenance. During the entire term of this lease, and for any additional time that Lessee shall hold the leased premises, Lessee shall keep the premises, including improvements, in neat, sanitary, well-maintained condition.

No machinery, equipment, or property of any kind shall be stored or kept outside of the building; and any wrecked, permanently disabled, or otherwise unsightly aircraft shall not be kept unless housed within the hangar space.

Lessee shall permit no aircraft at any time to be left standing unattended or parked, even temporarily, upon any roadway/taxiway or access road within said airport, and the City shall have the right and privilege, at the expense of the Lessee, to remove from any public road or access road which approaches the airport or within the airport any such aircraft that Lessee or any of its tenants may leave standing or parked upon any such road or roadway/taxiway.

Lessee or any guest shall not park any vehicle outside the boundary of the leased premises herein described other than designated public parking areas. Any vehicle parked in violation of this section shall be moved at Lessee's expense by City.

## **8. ENTRY ON PROPERTY**

A. Right to Inspect. The City shall have the right to enter the property at any reasonable time or times to examine the condition of the premises or Lessee's compliance with the terms of this lease.

B. Access. The City retains the right to enter the leased premises at any reasonable time or times to repair or modify City utilities located upon the property or to conduct repairs or other work on the property.

## **9. ASSIGNMENT AND SUBLETTING**

The Lessee shall not assign or sublease this lease without the prior written consent of the City; provided, however, that the City shall not unreasonably withhold such consent. Lessee shall have the right to sublet space within any building it may construct on the leased premises to others, subject to the following conditions:

- 1) No sublease shall relieve Lessee from primary liability for any of its obligations under this lease, and Lessee shall continue to remain primarily liable for payment of rent and for performance and observance of its other obligations and agreements under this lease.
- 2) Every sublease shall require the sublessee to comply with and observe all obligations of the Lessee under this lease, with the exception of the obligation to pay rent to the City.

## **10. LIENS**

The Lessee shall promptly pay for any material and labor used to improve the leased property and shall keep the leased property free of any liens or encumbrances.

## **11. TAXES**

The Lessee shall promptly pay all real and personal property taxes levied upon the leased premises during the tax year that they become due. Lessee shall not permit a lien for other than the current year's taxes to be placed on the leased property.

## **12. INSURANCE**

A. Coverage Requirements. The Lessee shall purchase and maintain General Liability Insurance that provides at least premises and operations coverage. The limit of liability shall be no less than \$1,000,000 per occurrence with not less than a \$2,000,000 general aggregate. The policy shall name the City of Corvallis, its officers, agents, and employees as an additional insured.

B. Certificate of Insurance. At the time that this lease is signed, the Lessee shall provide to the City a certificate of insurance complying with the requirements of this section and indicating that insurer will provide the City with 30 days notice prior to cancellation. A current certificate shall be maintained at all times during the term of this lease.

## **13. HOLD HARMLESS**

A. General. The Lessee shall at all times indemnify, protect, defend, and hold the City of Corvallis, its officers, agents, and employees harmless from any claims, demands, losses, actions, or expenses, including attorney's fees, to which the City may be subject by reason of any property damage or personal injury arising or alleged to arise from the acts or omissions of the Lessee, its agents, or its employees, or in connection with the use, occupancy, or condition of the property.

B. Environmental Protection. The Lessee shall be liable for, and shall hold the City harmless from, all costs, fines, assessments, and other liabilities arising from Lessee's use of the premises resulting in the need for environmental cleanup under state or federal environmental protection and liability laws, including, but not limited to, costs of investigation, remedial and removal actions, and post-cleanup monitoring arising under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 to 9675, as presently constituted or hereafter amended.

## **14. NONDISCRIMINATION**

The Lessee agrees that no person shall be excluded from participation in the use of the premises on the basis of race, color, creed, religion, sex, sexual orientation, age, physical or mental disability, source of income, or national origin or shall otherwise be subjected to discrimination in the use of the premises.

## **15. CONDITIONS ON PROPERTY BY THE UNITED STATES OF AMERICA**

This agreement is made subject to the terms and conditions and restrictions of transfer recorded in Book 121, Page 40 and Book 125, Page 239, deed records of Benton County, Oregon, as modified by the Instrument of Release recorded in Book 182, Page 238 of said deed records.

## **16. WAIVER OF BREACH**

A waiver by the City of a breach of any term, covenant, or condition of this lease by the Lessee shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition of the lease.

## 17. DEFAULT

A. Declaration of Default. Except as otherwise provided in this lease, the City shall have the right to declare this lease terminated and to enter the property and take possession upon either of the following events:

- 1) Rent and Other Payments. If the annual / monthly rent or any other payment obligation, including but not limited to property taxes and utility bills, remains unpaid for a period of 30 days after it is due; or
- 2) Other Obligations. If any other default is made in this lease and is not corrected after 30 days written notice to the Lessee. Where the default is of such nature that it cannot reasonably be remedied within the 30-day period, the Lessee shall not be deemed in default if the Lessee proceeds with reasonable diligence and good faith to effect correction of the default.

B. Court Action. It is understood that either party shall have the right to institute any proceeding at law or in equity against the other party for violating or threatening to violate any provision of this lease. Proceedings may be initiated against the violating party for a restraining injunction or for damages or for both. In no case shall a waiver by either party of the right to seek relief under this provision constitute a waiver of any other or further violation.

## 18. TERMINATION

A. Immediate Termination. Where a specific violation of this lease gives the City the option to terminate this lease immediately, this lease shall be terminated upon written notification to the Lessee.

B. Termination Upon 30 Days Default. In the event of any other default under Section 17 of this lease, the lease may be terminated at the option of the City upon written notification to the Lessee.

C. Surrender Upon Termination. Upon termination or the expiration of the term of the lease, the Lessee will quit and surrender the property to the City in as good order and condition as it was at the time the Lessee first entered and took possession of the property under this or a prior lease, usual wear and damage by the elements excepted.

D. Restoration of Property. Upon termination or expiration of this lease or Lessee's vacating the premises for any reason, the Lessee shall, at its own expense, remove and properly dispose of all tanks, structures, and other facilities containing waste products, toxic, hazardous, or otherwise, which exist on the leased property or beneath its surface. Lessee shall comply with all applicable state and federal requirements regarding the safe removal and proper disposal of said facilities containing waste products. If the Lessee fails to comply or does not fully comply with this requirement, the Lessee agrees that the City may cause the waste products and facilities to be removed and properly disposed of, and, further, Lessee agrees to pay the cost thereof with interest at the legal rate from the date of expenditure.

E. Holding Over. No holding over upon expiration of this lease shall be construed as a renewal thereof. Any holding over by the Lessee after the expiration of the term of this lease or any extension thereof shall be as a tenant from month to month only and not otherwise.

**19. RECORDING FEES**

The lease will be recorded with the Benton County Assessor's Office and the Lessee shall be responsible for paying all associated fees.

**20. ATTORNEY FEES**

If any suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover, in addition to damages and costs, such sum as the trial court or appellate court, as the case may be, may adjudge reasonable as attorney fees.

**21. NOTICE**

When any notice or anything in writing is required or permitted to be given under this lease, the notice shall be deemed given when actually delivered or 96 hours after deposited in United States mail, with proper postage affixed, directed to the following address:

City: City of Corvallis  
Public Works Department  
Attention: Airport Manager  
P.O. Box 1083  
Corvallis, Oregon 97339-1083

Lessee: Pacific Rim Aviation LLC  
5671 SW Plumley Street  
Corvallis, OR 97333

IN WITNESS WHEREOF, the parties hereto have executed this lease the date and year first written above.

CITY OF CORVALLIS, OREGON

PACIFIC RIM AVIATION LLC

By: Jon S. Nelson Date 9/5/02  
Jon S. Nelson

By: Ron Gustafson Date 9/5/02  
Ron Gustafson

Approved as to form:  
[Signature]  
City Attorney



## EXHIBIT B

Pacific Rim Corporate Hangar  
70 x 76 Parcel Site #1

Beginning at a point that is South, 202.43 feet and East, 811.58 feet from the southeast corner of the Alfred Rhinehart D.L.C. No. 73, in Section 27 of Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence N 59°10'44"W, 225.00 feet to the TRUE POINT OF BEGINNING; thence N 30°49'16"E, 76.00 feet; thence N 59°10'44"W, 70.00 feet; thence S 30°49'16"W, 76.00; thence S 59°10'44"E, 70.00 feet to the TRUE POINT OF BEGINNING. Containing 5,320 square feet, more or less.

# LEASE ADDENDUM

This lease addendum, dated \_\_\_\_ day of \_\_\_\_\_, 2006, is to that lease agreement dated October 27, 1986, amended December 1, 1997, and assumed in February, 2005 between the **City of Corvallis**, an Oregon municipal corporation, hereinafter referred to as Lessor, and **Honey B, LLC dba Corvallis Aero Service**, hereinafter referred to as Lessee. This addendum shall not change the terms or conditions of the October 27, 1986 lease agreement or the December 1, 1997 lease amendment, except as specifically provided herein.

## 1. PREMISES

The Lessor, in consideration of Lessee's request, terms covenants, and agreements does hereby agree to lease to Lessee that additional property described in Exhibit "A" and "B" (attached).

## 2. INCORPORATION OF TERMS AND CONDITIONS

If this addendum is silent on a term or condition, the lease of this property described in Exhibit "B" shall be subject to the terms and conditions of the October 27, 1986 lease agreement, as they have been adjusted or amended as of the date of execution of this addendum.

## 3. RENT

For the use and possession of the property described in Exhibit "B", Lessee shall pay the current land rental rate paid for the property by the previous lessee, AVIA Aviation Services, Inc. (\$.16/sqft/year) as that rate has been re-evaluated effective July 1, 2005 in accordance with the terms and conditions of the original lease agreement with AVIA dated March 10, 2003. The additional lease amount is \$137.66 per month. A total of \$1099.89 will be due and payable on March 1, 2006 that includes the original lease and the addendum lease.

## 4. ORIGINAL LEASE AGREEMENT

All other terms and conditions of the existing lease between Lessor and Lessee shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this lease addendum on the date and year first written below:

DATED this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
Mark Perry, President  
Honey B, LLC dba Corvallis Aero Service

STATE OF OREGON    )  
                              ) ss.  
COUNTY OF BENTON )

Personally appeared the above-named MARK PERRY, who acknowledged he is the OWNER and he accepted the foregoing instrument on behalf of HONEY B, LLC. Before me this \_\_\_\_ day of \_\_\_\_\_, 2006.

\_\_\_\_\_  
NOTARY PUBLIC FOR OREGON

My Commission expires \_\_\_\_\_

ACCEPTED BY:  
CITY OF CORVALLIS, OREGON

\_\_\_\_\_  
Jon S. Nelson, City Manager

STATE OF OREGON    )  
                                  ) ss.  
COUNTY OF BENTON )

Personally appeared the above-named JON S. NELSON, who acknowledged he is the City Manager of Corvallis and he accepted the foregoing instrument on behalf of the City of Corvallis by authority of its City Council. Before me this \_\_\_\_ day of \_\_\_\_\_, 2006.

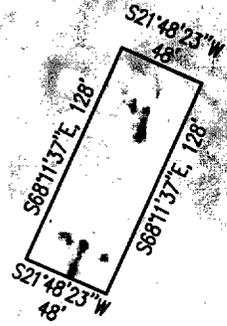
\_\_\_\_\_  
NOTARY PUBLIC FOR OREGON

My Commission expires \_\_\_\_\_

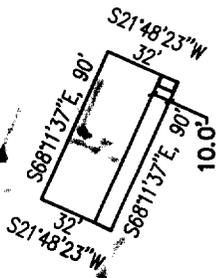
Approved as to form:

  
\_\_\_\_\_  
City Attorney

Ramp Area



Fuel Farm



FILE: X:\Divisions\Engineering\Capital Planning&Projects\Surveys\AIRPORT\LEASE\CAS fuel farm-ramp area.dwg

DESIGNED  
 DRAWN CRB  
 CHECKED

DATE January 2006  
 SCALE: 1" = 100'

CORVALLIS AERO SERVICE  
 GROUND LEASE  
 EXHIBIT "A"  
 0.2 Acres

## Exhibit B

Corvallis Aero Service Land Lease for Ramp, Fuel Farm, and Card-lock Areas.

### **Ramp Area -**

Beginning at a point which is East 181.04 feet, South 1025.50 feet from the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21°48'23"W, 48.00 feet; thence S 68°11'37"E, 128.00 feet; thence N 21°48'23"E, 48.00 feet; N 68°11'37"W, 128.00 feet to the point of beginning. Containing 6144 square feet, more or less.

### **Together with Fuel Farm -**

Beginning at a point which is West 335.37 feet, South 643.43 feet from the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21°48'23"W, 32.00 feet; thence N 68°11'37"W, 90.00 feet; thence N 21°48'23"E, 32.00 feet; S 68°11'37"E, 90.00 feet to the point of beginning. Containing 2880 square feet, more or less.

### **Together with Card-lock Fuel Area -**

Beginning at a point which is West 335.37 feet, South 643.43 feet from the southeast corner of the A. Rhinehart Donation Land Claim No. 73 in Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21° 48' 23"W, 32.00 feet to the **point of beginning**; thence S 21° 48' 23" W, 10.00 feet; thence N 68° 11' 37" W 90.00 feet; thence N 21° 48' 23" E, 10.00 feet; thence S 68° 11' 37" E, 90.00 feet to the point of beginning. Containing 900 square feet, more or less.

**LEASE ASSIGNMENT AGREEMENT**

DATE: February \_\_, 2005

PARTIES: Corvallis Aero Service, Inc., ("CAS, Inc.")  
an Oregon Corporation f.k.a.  
Berteau Aviation, Inc.  
P.O. Box 606  
Corvallis, Oregon 97339

and

Honey B LLC, ("Honey B")  
an ~~Oregon~~ Limited Liability Company  
Washington  
P.O. Box 73399  
POYALLUP, WA 98373

**RECITALS:**

A. CAS, Inc. is the current Lessee in a lease wherein the City of Corvallis is the Lessor. The lease provides for the use of real property located at the Corvallis Municipal Airport and the operation of a Fixed Based Operation ("FBO"). A copy of the lease agreement is attached hereto as Exhibit 1 ("Lease Agreement") and incorporated herein by reference.

B. Honey B desires to assume the lease from CAS, Inc. including all rights and obligations under the Lease Agreement.

C. In accordance with the requirements for operation of the FBO as set forth in the Lease Agreement and Corvallis Municipal Code Chapter 8.02, CAS, Inc. entered into a sublease agreement whereby Frontier Flight Services, Inc. provides flight instruction. A copy of the sublease is attached hereto as Exhibit 2 and incorporated herein by reference.

D. CAS, Inc., has entered into a Management Agreement with Honey B, under the terms of which agreement Honey B will operate CAS, Inc.'s FBO. That Management Agreement will terminate upon the execution of this Lease Assignment Agreement ("Agreement") and closing after the occurrence of conditions precedent set forth in Sections 8 and 9 of this Agreement.

E. A sublease currently exists with JBH, Enterprises, Inc.

F. This Lease Assignment Agreement shall be effective when signed by both parties and consented to by the City of Corvallis.

**AGREEMENT:**

**SECTION 1. LEASE TRANSFER AND ASSUMPTION OF OBLIGATIONS**

CAS, Inc. assigns all of its interest in the Lease Agreement attached hereto as Exhibit 1 to Honey B which accepts the assignment and assumes all responsibilities under the Lease Agreement.

1.1 Honey B shall perform all duties required by the Lease Agreement.

1.2 Honey B shall honor the existing sublease with Frontier Flight Services, Inc. for operation of a flight instruction program.

1.3 Honey B shall honor the existing sublease of JBH, Enterprises Inc. and any other subleases that exist at the time of closing.

**SECTION 2. PURCHASE AGREEMENT**

2.1 Honey B has agreed to purchase certain assets owned by CAS, Inc. That agreement is contained in an Asset Sale Agreement. Its terms are not set forth in the assignment. Upon execution of this Assignment of Lease, the rights of Honey B, CAS, Inc., and the City of Corvallis shall be governed by the terms of this Agreement and the lease and sub-leases described herein. The Asset Sale Agreement shall govern all other agreements between Honey B and CAS, Inc.

2.2 Honey B agrees to give CAS, Inc. six (6) months to remove furniture, fixtures, and equipment currently located on the real property.

2.3 Honey B agrees to give CAS, Inc. reasonable use of the premises to marshal and sell its furniture, fixtures, and equipment and agrees to reasonably cooperate in the process of the sale of the furniture, fixtures, and equipment.

**SECTION 3. CONSIDERATION FOR ASSIGNMENT**

The consideration for this assignment is CAS, Inc.'s assignment of its rights under the lease attached hereto as Exhibit 1 and Honey B's agreement to perform CAS, Inc.'s duties under that lease. Additional consideration is described in the Asset Sale Agreement. Notwithstanding any provision of the Asset Sale Agreement, upon execution of this Assignment of Lease and acceptance by the City of Corvallis, this assignment shall be considered and treated as a conveyance of all of CAS, Inc.'s rights under the lease with the City of Corvallis. CAS, Inc. shall have no further rights under the underlying Lease Agreement.

**SECTION 4. REPRESENTATIONS AND WARRANTIES OF CAS, INC.**

CAS, Inc. represents and warrants to Honey B as follows:

**4.1 Corporate Existence.** CAS, Inc. is now and on the closing date will be a corporation duly organized and validly existing under the laws of the state of Oregon. CAS, Inc. has all requisite corporate power and authority to enter into this Agreement.

**4.2 Authorization.** The execution, delivery, and performance of this Agreement have been duly authorized and approved by the board of directors and shareholders of CAS, Inc., and this Agreement constitutes a valid and binding Agreement of CAS, Inc. in accordance with its terms.

**4.3 Accuracy of Representations and Warranties.** None of the representations or warranties of CAS, Inc. contain or will contain any untrue statement of a material fact or omit or will omit or misstate a material fact necessary in order to make statements in this Agreement not misleading. CAS, Inc. knows of no fact that has resulted, or that in the reasonable judgment of CAS, Inc. will result, in a material change in the business, operations, or assets associated with the lease that has not been set forth in this Agreement or otherwise disclosed to Honey B.

## **SECTION 5. REPRESENTATIONS OF HONEY B**

Honey B represents and warrants as follows:

**5.1 Entity Existence.** Honey B is a limited liability company duly organized and validly existing under the laws of the state of Oregon. Honey B has all requisite power and authority to enter into this Agreement and perform its obligations hereunder.

**5.2 Authorization.** The execution, delivery, and performance of this Agreement have been duly authorized and approved in the manner required under its existing management agreements, and this Agreement constitutes a valid and binding Agreement of Honey B in accordance with its terms.

**5.3 Accuracy of Representations and Warranties.** None of the representations or warranties of Honey B contain or will contain any untrue statement of a material fact or omit or will omit or misstate a material fact necessary in order to make the statements contained herein not misleading.

## **SECTION 6. COVENANTS OF CAS, INC.**

**6.1 CAS, Inc.'s Covenants Prior to Closing.** CAS, Inc. agrees that between the date of this Agreement and the closing date, CAS, Inc. will continue to comply with requirements and obligations under the lease that is the subject of this Agreement in the usual and ordinary course and in substantial conformity with all applicable laws, ordinances, regulations, rules, or orders, and will use its best efforts to preserve its business organization and preserve the continued operation of its business with its customers, suppliers, and others having business relations with CAS, Inc.

**6.2 Access to Premises.** At reasonable times before the closing date, CAS, Inc. will provide Honey B and its representatives with reasonable access during business hours to the

leasehold property.

**6.3 Conditions and Best Efforts.** CAS, Inc. will use its best efforts to effectuate the transactions contemplated by this Agreement and to fulfill all the conditions of the obligations of CAS, Inc. under this Agreement, and will do all acts and things as may be required to carry out its respective obligations under this Agreement and to consummate and complete this Agreement.

## **SECTION 7. COVENANTS OF HONEY B**

**7.1 Conditions and Best Efforts.** Honey B will use its best efforts to effectuate the transactions contemplated by this Agreement and to fulfill all the conditions of Honey B's obligations under this Agreement, and shall do all acts and things as may be required to carry out Honey B's obligations and to consummate this Agreement. Honey B has entered into a separate Management Agreement with CAS, Inc., under the terms of which it will manage the FBO at Corvallis Municipal Airport pending closing of the Asset Purchase Agreement and execution of the Agreement. Honey B will perform all conditions described in that Management Agreement.

**7.2 Confidential Information.** If for any reason the assignment of the lease is not closed, Honey B will not disclose to third parties any confidential information received from CAS, Inc. or in the course of investigating, negotiating, and performing the transactions contemplated by this Agreement.

## **SECTION 8. CONDITIONS PRECEDENT TO OBLIGATIONS OF HONEY B**

The obligation of Honey B to purchase the Assets is subject to the fulfillment, of each of the following conditions, any one or portion of which may be waived in writing by Honey B:

**8.1 Representations, Warranties, and Covenants of CAS, Inc.** All representations and warranties made in this Agreement by Honey B shall be true as of the closing date as fully as though such representations and warranties had been made on and as of the closing date, and, as of the closing date, Honey B shall not have violated or shall not have failed to perform in accordance with any covenant contained in this Agreement.

**8.2 Consent of Lessor.** CAS, Inc. shall have obtained the Lessor's written approval of the assignment and transfer of the lease.

## **SECTION 9. CONDITIONS PRECEDENT TO OBLIGATIONS OF CAS, INC.**

The obligations of CAS, Inc. to consummate the transactions contemplated by this Agreement are subject to the fulfillment, of each of the following conditions, any one or a portion of which may be waived in writing by CAS, Inc.:

**9.1 Representation, Warranties, and Covenants of Honey B.** All representations and warranties made in this Agreement by CAS, Inc. shall be true as of the closing date as fully as though

such representations and warranties had been made on and as of the closing date, and CAS, Inc. shall not have violated or shall not have failed to perform in accordance with any covenant contained in this Agreement.

**9.2 Consent of Lessor.** CAS, Inc. shall have obtained the Lessor's written approval of the assignment and transfer of the lease.

**9.3 Payment of Purchase Price.** Honey B shall have provided payment of the purchase price as described in the Asset Sale Agreement.

## **SECTION 10. HONEY B'S ACCEPTANCE**

Honey B represents and acknowledges that it has entered into this Agreement on the basis of its own examination, personal knowledge, and opinion of the value of the lease. Honey B has not relied on any representations made by CAS, Inc. other than those specified in this Agreement. Honey B further acknowledges that CAS, Inc. has made no agreement or promise to repair or improve any of the leasehold improvements, and that Honey B takes all such property in the condition existing on the date of this Agreement, except as otherwise provided in this Agreement.

## **SECTION 11. RISK OF LOSS**

The risk of loss, damage, or destruction to the property to be conveyed to Honey B under this Agreement shall be borne by CAS, Inc. to the time of closing. In the event of such loss, damage, or destruction, CAS, Inc., to the extent reasonable, shall replace the lost property or repair or cause to repair the damaged property to its condition before the damage. If replacement, repairs, or restorations are not completed before closing, then the purchase price shall be adjusted by an amount agreed upon by Honey B and CAS, Inc. that will be required to complete the replacement, repair, or restoration following closing. If Honey B and CAS, Inc. are unable to agree, then CAS, Inc., at its sole option and notwithstanding any other provision of this Agreement, upon notice to Honey B, may rescind this Agreement and declare it to be of no further force and effect, in which event there shall be no closing of this Agreement and all the terms and provisions of this Agreement shall be deemed null and void.

## **SECTION 12. INDEMNIFICATION AND SURVIVAL**

**12.1 Survival of Representations and Warranties.** All representations and warranties made in this Agreement shall survive the closing of this Agreement, except that any party to whom a representation or warranty has been made in this Agreement shall be deemed to have waived any misrepresentation or breach of representation or warranty of which such party had knowledge before closing. Any party learning of a misrepresentation or breach of representation or warranty under this Agreement shall immediately give written notice thereof to all other parties to this Agreement.

## **12.2 CAS, Inc.'s Indemnification.**

**12.2.1** CAS, Inc. agrees to indemnify and hold Honey B, its successors, and assigns harmless from and against:

**12.2.1.1** Any and all claims, liabilities, and obligations of every kind and description, contingent or otherwise, arising out of or related to the operation of CAS, Inc.'s business prior to the close of business on the day before the closing date, except for claims, liabilities, and obligations of CAS, Inc. expressly assumed by Honey B under this Agreement or paid by insurance maintained by CAS, Inc., or Honey B.

**12.2.1.2** Any and all damage or deficiency resulting from any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of CAS, Inc. under this Agreement.

**12.2.2** CAS, Inc.'s indemnity obligations under this agreement shall be subject to the following:

**12.2.2.1** If any claim is asserted against Honey B that would give rise to a claim by Honey B against CAS, Inc. for indemnification under the provisions of this paragraph, then Honey B shall promptly give written notice to CAS, Inc. concerning such claim and CAS, Inc. shall, at no expense to Honey B, defend the claim.

**12.2.2.2** CAS, Inc. shall not be required to indemnify Honey B for an amount that exceeds the total purchase price paid by Honey B under the Asset Sale Agreement.

**12.3 Honey B's Indemnification.** Honey B agrees to defend, indemnify, and hold harmless CAS, Inc. from and against:

**12.3.1** Any and all claims, liabilities, and obligations of every kind and description arising out of or related to the operation of the business following closing or arising out of Honey B's failure to perform obligations of CAS, Inc. assumed by Honey B pursuant to this Agreement.

**12.3.2** Any and all damage or deficiency resulting from any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of Honey B under this Agreement.

## **SECTION 13. CLOSING**

**13.1 Time and Place.** Once approval is granted by the City of Corvallis, this Agreement shall be closed at the leasehold premises at Corvallis Municipal Airport, at such other time and date as the parties may agree in writing. If closing has not occurred on or before June 1, 2005, then either party may elect to terminate this Agreement. If, however, the closing has not occurred because of a breach of contract by one or more parties, the breaching party or parties shall remain liable for

breach of contract.

**13.2 Obligations of CAS, Inc. at the Closing.** At the closing and coincidentally with the performance by Honey B of its obligations described in this Agreement, CAS, Inc. shall deliver to Honey B the following:

**13.2.1** The Lease Agreement described in Section 1 of this Agreement.

**13.2.2** Possession of the property to be conveyed pursuant to this Agreement.

**13.2.3** Such other certificates and documents as may be called for by the provisions of this Agreement.

**13.3 Obligations of Honey B at the Closing.** At the closing and coincidentally with the performance by CAS, Inc. of its obligations described in this Agreement, Honey B shall deliver to CAS, Inc. such certificates and documents as may be called for by the provisions of this Agreement.

#### **SECTION 14. RIGHTS AND OBLIGATIONS SUBSEQUENT TO CLOSING**

**14.1 CAS, Inc.'s Right to Pay.** In the event Honey B fails to make any payment of taxes, assessments, insurance premiums, or other charges that Honey B is required to pay to third parties under this Agreement, CAS, Inc. shall have the right, but not the obligation, to pay the same. Honey B will reimburse CAS, Inc. for any such payment immediately upon CAS, Inc.'s demand, together with interest at the same rate provided in any agreement from the date of CAS, Inc.'s payment until Honey B reimburses CAS, Inc. Any such payment by CAS, Inc. shall not constitute a waiver by CAS, Inc. of any remedy available by reason of Honey B's default for failure to make the payments.

#### **SECTION 15. TERMINATION OF AGREEMENT**

**15.1 By Mutual Consent.** This Agreement may be terminated by mutual written consent of Honey B and CAS, Inc.

**15.2 Breach of Representations and Warranties; Failure of Conditions.** Honey B may elect by notice to CAS, Inc., and CAS, Inc. may elect by notice to Honey B, to terminate this Agreement if:

**15.2.1** The terminating party shall have discovered a material error, misstatement, or omission in the representations and warranties made in this Agreement by the other party which shall not have been cured by such other party within 30 days after written notice to such other party specifying in detail such asserted error, misstatement, or omission, or by the closing date, whichever occurs first.

**15.2.2** All of the conditions precedent of the terminating party's obligations under this Agreement as set forth in either Section 8 or 9, as the case may be, have not occurred and have

not been waived by the terminating party on or prior to the closing date.

**15.3 Closing Notwithstanding the Right to Terminate.** The party with a right to terminate this Agreement pursuant to Section 15.2.1 or 15.2.2 shall not be bound to exercise such right, and its failure to exercise such right shall not constitute a waiver of any other right it may have under this Agreement, including but not limited to remedies for breach of a representation, warranty, or covenant.

## **SECTION 16. MISCELLANEOUS**

**16.1 Additional Documents.** Each party shall execute such additional documents and take such actions as are reasonably requested by either party in order to complete or confirm the transactions contemplated by this Agreement.

**16.2 Counterparts.** This Agreement may be executed in two or more counterparts, which together shall constitute one agreement.

**16.3 Governing Law.** This Agreement shall be governed by Oregon law.

**16.4 Headings.** Headings in this Agreement are for convenience only and shall not affect its meaning.

**16.5 Severability.** The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of the remaining provisions.

**16.6 Notices.** Any notice, demand, or communication required or permitted to be given by any provision of this Agreement shall be deemed to have been sufficiently given or served for all purposes if delivered personally to the party or to an executive officer of the party to whom the same is directed or, if sent by first class mail, postage prepaid, addressed to the address which is set forth in this Agreement. A party to this Agreement may change addresses by giving written notice of the same in the manner provided by this Section. Except as otherwise provided herein, any such notice shall be deemed to be given three business days after the date on which it was deposited in the United States mail, addressed, and mailed as stated above.

**16.7 Waivers.** The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Agreement shall not prevent that party or any other party from seeking redress for any subsequent violation or to thereafter insist upon the strict performance of each and every covenant and condition of this Agreement.

**16.8 Rights and Remedies Cumulative.** The rights and remedies provided by this Agreement are cumulative and the use of any one right or remedy shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights of the parties that may exist by law, statute, ordinance, rule, regulation or otherwise.

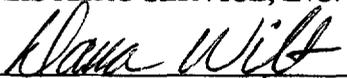
**16.9 Heirs, Successors, and Assigns.** Each of the covenants, terms, provisions and agreements contained herein shall be binding upon and inure to the benefit of the parties hereto, and, to the extent permitted by this Agreement, their respective spouses, heirs, legal representatives, personal representatives, successors and assigns.

**SECTION 17. ATTORNEY FEES AND LITIGATION EXPENSE**

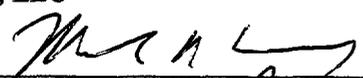
In the event any suit, action, or other proceeding is instituted to enforce or determine the parties' rights or duties arising out of the terms of this Agreement, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such proceeding, action, or suit, or any appeal therefrom, to the extent deemed reasonable by the court having jurisdiction over the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first written above.

CORVALLIS AERO SERVICE, INC.

By:   
Name: Dana Wilt  
Title: President

HONEY B, LLC

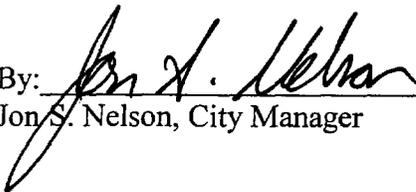
By:   
Name: Mark Perry  
Title: Manager

**ASSUMPTION OF LEASE AND CONSENT TO ASSIGN**

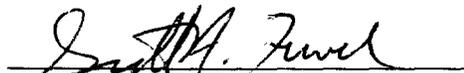
The City of Corvallis, as Lessor, consents the assignment by Corvallis Aero Services Incorporated, Assignor, to Honey B LLC, Assignee, of all of Assignor's right, title and interest in the October 27, 1986 lease and the City accepts Honey B LLC as Lessee under that lease.

DATED this 29<sup>th</sup> day of MARCH, 2005

CITY OF CORVALLIS

By:   
Jon S. Nelson, City Manager

Approved as to form:

  
City Attorney

L E A S E

THIS LEASE, made and entered into this 27th day of October, 1986, is by and between the CITY OF CORVALLIS, a municipal corporation of Oregon, hereinafter referred to as "LESSOR," and BERTEA/AVIATION, INC., hereinafter referred to as "LESSEE."

This in consideration of the covenants and agreements herein contained on the part of the Lessee to be kept and performed, Lessor does hereby lease to the Lessee those portions of the Corvallis Municipal Airport located about 3-1/2 miles south of Corvallis, all in Benton County, Oregon, described as "Parcel FBO 1", which consists of two parcels of land containing 1.65 and 3.428 acres totaling 5.078 acres and the buildings and improvements located on the described 5.078 acres, as shown on Exhibit A, which by this reference is hereby incorporated herein.

1. ACCESS: Access, together with the necessary ingress and egress to all of the listed property and the right to use all runways, taxiways, aprons, approaches, aviation aids, parking lots, and other public areas as necessary or desirable for the operations of the Lessee is provided.
2. TERM: This Lease shall run from July 31, 1987, to and including July 30, 2017. Lessee shall have the option to renew

this Lease for one (1) additional 10-year period on the same terms and conditions except for the establishment of the land rental rate as herein provided. The option shall be exercised by notice in writing to the Lessor not less than sixty (60) days nor more than one hundred and twenty (120) days before the last day of the expiring term.

3. RENTAL RATES: The rental rate for the above described land shall be \$123.50 per acre per month, which is one percent per month of the per acre land value. This will total \$627.13 per month.

For the second 10-year period of this lease, to-wit, the period commencing July 31, 1997, and ending July 30, 2007, Lessee shall pay a monthly rental in advance computed by Lessor by first ascertaining a fair market value of the premises, exclusive of buildings, structures, and improvements placed on the premises by, through, or under the Lessee, its successors or assigns, and then applying to said fair market value a rental rate of 1 percent per month of the value so determined.

The determination of the monthly land rental rate for the second 10-year period shall be made not less than 6 months before the expiration of the original 10-year period of the lease.

For the third 10-year period of this lease, to-wit, a period commencing July 31, 2007, and ending July 30, 2017, Lessee shall

pay a monthly rental in advance computed in the same manner as is provided herein for computation of monthly rental for the second 10-year period of this lease.

The rental rate for the buildings located on the above described land shall be \$850.00 per month, with an annual rate adjustment based upon the movement of the Portland Consumers Price Index up to a maximum of 5 percent adjusted annually utilizing the January through December average with adjustments made April 1 of each year commencing April 1, 1988. Lessor shall review movement of the Portland Consumer Price Index every 10 years commencing July 31, 1997. The 5% maximum annual rate adjustment may be revised at this time.

Lessor shall maintain at Lessor's expense, the roof and exterior of the buildings on the leased premises in a good condition of repair with Lessor to make repairs, or maintenance in a timely manner following written notice from Lessee of the necessity for such repairs or maintenance. Lessee shall maintain at Lessee's expense the internal portion of the leased premises in good condition and repair.

4. NONDISCRIMINATION: Lessee agrees that there will be no discrimination against any employee or person receiving service on account of race, color, sex, religious background, marital status, mental or physical disability, ancestry, or national origin in its performance of this Lease.

5. SCOPE OF OPERATION AND REQUIRED OPERATIONS: Lessee will comply with minimum operating standards as mutually agreed upon between Lessor and Lessee, as shown on Exhibit B herein. The minimum operating standards may be revised from time to time by Lessor, and as mutually agreed upon by Lessee.

6. NONEXCLUSIVE: That this Lease agreement shall not be construed to give the Lessee an exclusive right to perform aeronautically associated service operation or activities of the type herein above indicated at the Corvallis Municipal Airport.

7. HANGAR SPACE: That the Lessee will make available to private airplane owners a storage space for airplanes within the large hangar as space will accommodate, and in the tie-down area covered hereby, at reasonable rates to be determined by said Lessee.

8. FUEL TANKS: Lessee will install and maintain its own fuel tanks in accordance with the latest state, FAA or DEQ requirement for fuel tanks. The berm and/or security fence will be installed and maintained by the Lessor. Until such time as Lessee installs its own fuel tanks, Lessee agrees to pay the sum of \$50.00 per month additional rent for the use of a fuel tank and pump belonging to Lessor, and Lessee shall perform all necessary maintenance on the pump.

9. ATTORNEYS FEES: In the event either of the parties hereto institutes suit or action to procure any remedy for any breach hereof, the party prevailing shall recover from the other party such sum for attorneys fees in such suit or action and on any appeal therefrom as the court shall adjudge to be reasonable.

10. FEDERAL AVIATION ADMINISTRATION (FAA) REQUIREMENTS: That in the event that the FAA shall place any reasonable restrictions on the Lessor herein in conflict with any provision hereof in order to qualify the City of Corvallis for federal funds in connection with the development of the airport, that this agreement shall be modified as necessary in order to comply with such reasonable FAA requirements. The Lessee shall be given notice of any such proposed requirement at the earliest reasonable times so that Lessee may protect its interest by making its position known to the FAA.

11. INSURANCE - INDEMNIFICATION: Berte/Aviation, Inc. (Lessee) shall indemnify defend, and hold CITY and CITY'S employees and agents harmless from and against any and all claims, losses, actions, or damages made or suffered by any person that results directly or indirectly from any negligent act of Lessee or Lessee's employees, agents, or invitees arising in connection with or related to Lessee's use or occupancy of the Premises or the conduct of Lessee's operations at Airport.

CITY agrees to notify Lessee in writing as soon as practicable of any claim, demand or action arising out of an occurrence covered under Lease of which the CITY has knowledge, and to cooperate with Lessee and/or Lessee's Insuror in the investigation and defense thereof.

Lessee shall obtain and maintain continuously in effect at all times during the term of this lease, property insurance on the main hangar building in the amount of \$200,000 for Lessor. The insurance shall insure Lessor and Lessee's improvements on the premises, now existing on or hereafter erected, against loss by fire extended coverage and vandalism.

12. NATIONAL EMERGENCY: This Lease may be renegotiated in the event of a national emergency.

13. REVIEW AND EXPANSION: Lessee agrees to secure Lessor's approval on all buildings, locations, signs, and all other physical features to be placed on the property subject to this Lease.

14. FUEL FLOWAGE FEE RECORDS: Lessee covenants and agrees to handle and sell aviation fuel to the public and others requiring the same for reasonable prices and to remit to the Lessor the sum of 2 cents per gallon for all fuel sold or used by the Lessee as additional rental herein; that books shall be kept by Lessee covering its operations; and the Lessor, its authorized agents and representatives shall have a right to examine books and

records of Lessee at any reasonable time. That the information obtained by the Lessor from those books and records, either directly or indirectly, shall be kept confidential and shall not be made public information. Lessor may from time to time establish increased fuel flowage fees for all fuel sold or used by Lessee on the airport. Any increases in the fuel flowage fee will be applied uniformly to all Fixed Base Operators (FBOs) in order to maintain parity between the FBOs.

15. UTILITIES: Lessee will pay for all electric power, gas, and water consumed by Lessee.

16. FIRE: Lessee agrees to participate in necessary fire fighting activities that are so determined by Lessor.

17. AIRPORT LICENSE: That in the event the Lessor shall for good cause revoke Lessee's license or Lessee's license is terminated under the provisions of Ordinance 64-53 as that ordinance now provides or is hereafter amended to conform to recommendations of the FAA for municipal airport licensing ordinance, then and in that event this Lease may be terminated by either party hereto. The automatic expiration of the license for failure to pay fee or for any other nominal violation shall not be considered as a termination for cause until and after the Lessee is given notice of the default and an opportunity to reinstate the license.

18. WATER AND SEWER SERVICE: It is understood and agreed that if and when the City of Corvallis shall provide new and different water and sewer systems to the leased premises, the old systems shall be abandoned and the Lessee shall participate in the cost of the new improvements through the formation of assessment districts, without remonstrance.

19. UNICOM/ALTIMETER READINGS/WEATHER OBSERVATIONS: Lessee shall receive a credit of \$75.00 per month for operation of the Airport Unicom Base Radio, in conjunction with providing qualified personnel to observe and record the weather in accordance with the Federal Meteorological Handbook as provided by and in conjunction with the National Weather Service.

The monthly credit shall begin on August 1, 1987, provided that Lessor has installed the necessary instruments and equipment required for taking weather observations, and provided that Lessee is prepared to commence taking weather observations by certified personnel. If Lessor and/or Lessee are not prepared to provide weather observations on or before August 1, 1987, the monthly credit shall not commence until the weather service station is in operation.

20. ASSIGNMENT, TRANSFER, AND SUBLETTING: Lessee agrees that it will not assign, transfer, or sublease the whole or any portion of this Lease or the leased premises without first having obtained written approval of the Lessor, and Lessor will not unreasonably withhold approval.

In the event of any assignment, transfer, or sublease approved by the Lessor, any assignee, transferee, or sublessee shall be subject to the same conditions, obligations, and terms as set forth here.

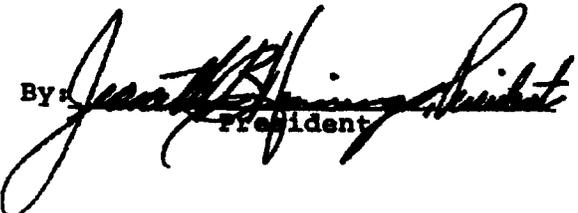
20. Lessee has the first right of refusal to lease the easterly portion of the upper balcony of the south lean to of the main hangar currently occupied by Lessor, if Lessor decides to vacate the area.

IN WITNESS THEREOF, the parties hereto have executed this agreement the date and year first above written.

CITY OF CORVALLIS, OREGON

By:   
OPERATIONS SERVICES PROGRAM MANAGER

BERTEA/AVIATION, INC.

By:   
President

Approved as to Form:

  
City Attorney

EXHIBIT A

LEGAL DESCRIPTION  
PARCEL FBO 1  
BERTEA AVIATION, INC.

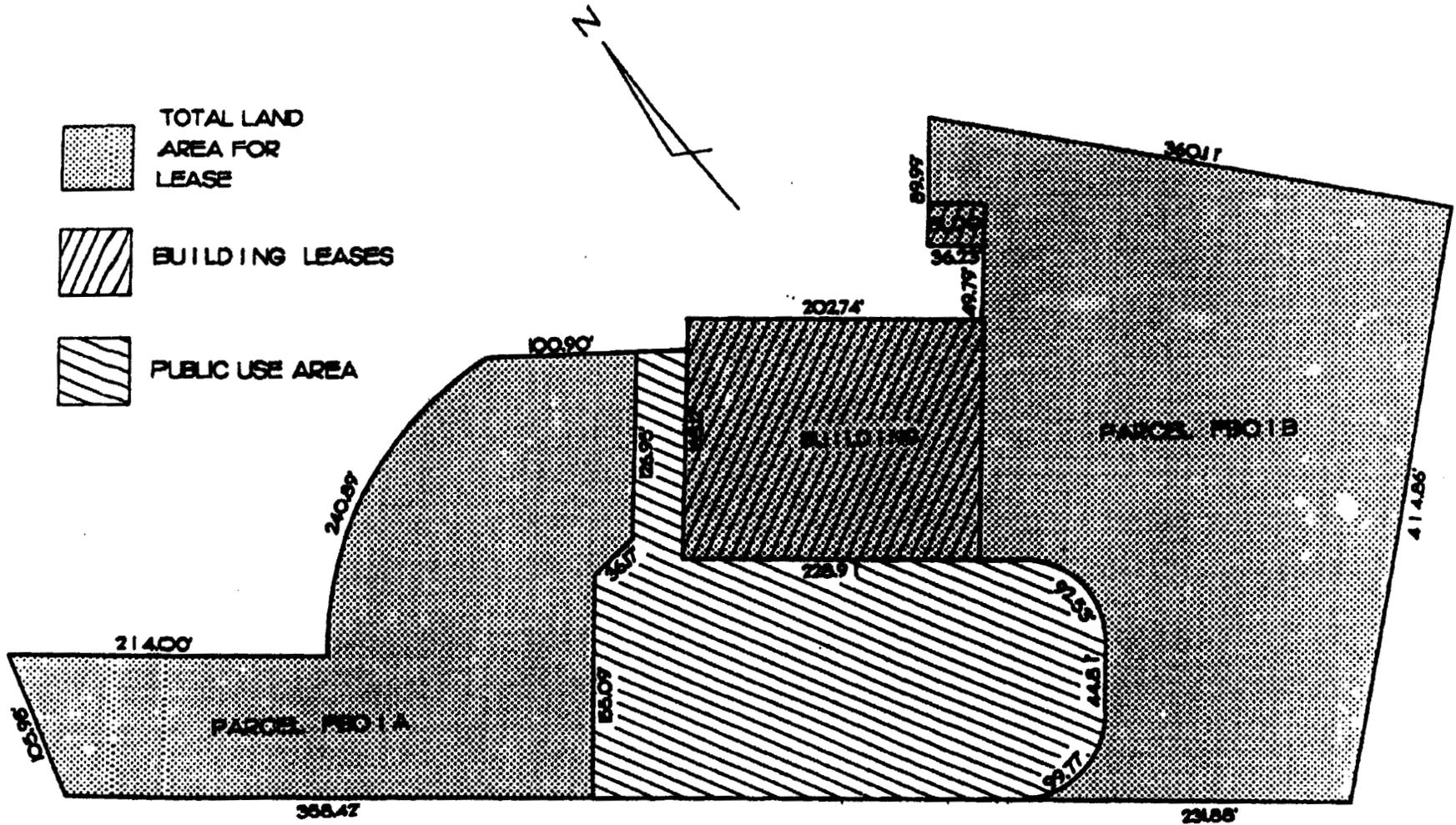
PARCEL FBO 1A

Beginning at a point South 08°23'39" East, 423.90 feet from the southeast corner of the Alfred Rhinehart Donation Land Claim, No. 73 in section 22 of Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence North 70°02'40" West, 100.90 feet; thence 240.89 feet along the arc of a 246.69 foot radius curve left (the chord of which bears South 49°59'34" West, 231.43 feet); thence North 67°58'52" West, 214.00 feet; thence South 0°33'23" West, 105.98 feet; thence South 67°58'52" East, 358.42 feet; thence North 22°01'48" East, 155.09 feet; thence North 69°08'00" East, 36.17 feet; thence North 21°52'23" East, 126.95 feet to the point of beginning, containing 1.65 acres, more or less.

Together with the following:

PARCEL FBO 1B

Beginning at a point South 14°08'54" East, 424.80 feet from the southeast corner of the Alfred Rhinehart Donation Land Claim, No. 73 in section 22 of Township 12 South, Range 5 West of the Willamette Meridian in Benton County, Oregon; thence South 22°07'48" West, 163.12 feet; thence South 68°07'25" East, 228.91 feet; thence 92.53 feet along the arc of a 58.47 foot radius curve right (the chord of which bears South 23°24'30" East, 83.18 feet); thence South 21°55'44" West, 44.81 feet; thence 99.77 feet along the arc of a 63.45 foot radius curve right (the chord of which bears South 66°58'18" West, 89.80 feet); thence South 67°58'52" East, 231.88 feet; thence North 31°00'49" East, 414.86 feet; thence North 58°29'27" West, 360.11 feet; thence South 21°48'15" West, 89.99 feet; thence South 68°13'06" East, 36.23 feet; thence South 21°51'35" West, 49.79 feet; thence North 68°02'24" West, 202.74 feet to the point of beginning, containing 3.428 acres, more or less.



" EXHIBIT A "

CORVALLIS MUNICIPAL AIRPORT  
PARCEL FBO 1  
BERTEA AVIATION, INC.



Lessor hereby leases those portions of the buildings and improvements described as follows:

In main hangar (C-28), all of the ground floor except that portion of the west bay of the south lean-to, now in use for public restrooms and except the corridor which extends from the public waiting room to the public restrooms and except that portion of the south lean-to now in use as a public waiting room;

Also, in that main hangar, all of the balcony of the north lean-to and the westerly 150 feet of balcony in the south lean-to;

Also, the building immediately north of the main hangar known as C-27;

Also, that portion of the tie-down and ramp area lying generally west of the main hangar and between the north line of the concrete apron and the main hangar;

Also, access to and use of the ramp area lying generally east of the main hangar and between the north line of the concrete apron and the main hangar, in common with others.



EXHIBIT B

MINIMUM OPERATING STANDARDS

**SCOPE OF OPERATION:** That the Lessee will have the right to operate a mechanics school; a commercial shop; a flying school; charter flights; cross-country flying; sales agency for new and used aircraft and equipment; radio and electronic equipment; aircraft parts (retail and wholesale); navigational and airmen supplies and accessories; flight operations; auto and aircraft rental; vending machines and food service; flying service; parking areas; aircraft financing and insuring operations' aerial advertising; helicopter service; forest fire fighting and patrol services; aviation fuel and oil sales and service; aircraft, engine, and accessory maintenance; agricultural chemical operations and aerial mapping, surveying, and photography; and the Lessee shall have the right to do all things necessary or desirable in connection with handling any one of the foregoing and any other activities agreeable to the Lessor.

**REQUIRED OPERATIONS:** That during operating hours Lessee will furnish services to private plane owners and maintain full-time operations of line aeronautical services as defined in Section 6 of Ordinance 64-53 consistent with the following licenses and any additional licenses and activities agreed upon by the Lessor:

1. Fuel and oil sales license
2. Aircraft, engine, and accessory maintenance license
3. Flight training license
4. Aircraft charter and taxi license
5. Aircraft rental license
6. Aircraft sales license
7. Miscellaneous aeronautical license

**INSURANCE:** Lessee shall obtain and maintain continuously in effect at all times during the term of this Agreement, at their expense, the following Insurance:

1. **LIABILITY POLICIES** shall include Contractual Liability coverage for CITY hereunder. CITY shall be named as an Additional Insured on Lessee's Insurance Policies. Each policy shall contain an endorsement entitling CITY to thirty (30) days' prior written notice of any material change or cancellation. All policies required hereunder shall be placed with companies acceptable to CITY and shall be in such form as CITY prescribes. A copy of all Policies or Certificates of Insurance thereof satisfactory to CITY shall be delivered to CITY prior to commencement of operations by Lessee;
2. **HANGARKEEPER'S LEGAL LIABILITY INSURANCE** in the minimum amount of \$500,000.00 each aircraft and \$500,000 each occurrence;

- 
3. AIRPORT PREMISES INSURANCE protecting City against any and all liability by reason of Lessee's conduct incident to the use of the Premises Leased or under control of Lessee at the Airport, caused by or arising out of any wrongful act or omission of Lessee in the minimum amount of \$1,000,000.

The City Manager, for reasonable cause, may from time to time adjust these requirements upon application in writing by the Lessee provided the spirit and intent of comprehensive aeronautical services are met by the Lessee.

EXHIBIT 1

Page 14 of 20 - Exhibit B

Bertea/Aviation, Inc. and City

## ADDENDUM TO LEASE

Agreement between the City Of Corvallis and Berteia Aviation, Inc. dated October 27, 1986 to modify the terms of occupancy in Hangar T-317

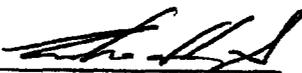
1. Berteia Aviation, Inc. hereby agrees to release the following area as described in Exhibit "A", attached, in Hangar T-317

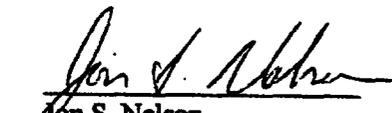
- a. Approximately 600 square feet on the south side of Hangar T-317, commonly referred to as the "waiting area".
- b. Approximately 115 square feet adjacent to the "waiting area", commonly referred to as the "ticket counter"
- c. Approximately 124 square feet of hallway between the "waiting room and the area commonly referred to as the "OPA meeting room"

2. In exchange for the aforementioned areas, the City of Corvallis, agrees to the following:

- a. The City of Corvallis shall, in the course of its scheduled remodeling, provide and install floor covering in the hallways, waiting room and the OPA meeting room at a cost not to exceed \$4,500.00, that is acceptable to Berteia Aviation, Inc.
- b. The City of Corvallis agrees to return the "waiting area", "the ticket counter", and the hallways to Berteia Aviation, Inc. at the termination of this agreement

3. This agreement shall commence on February 1, 1999 and continue through such a time as the City of Corvallis and Harbor Airlines and/or its successors or sub-lessee maintain a valid lease requiring space in Hangar T-317.

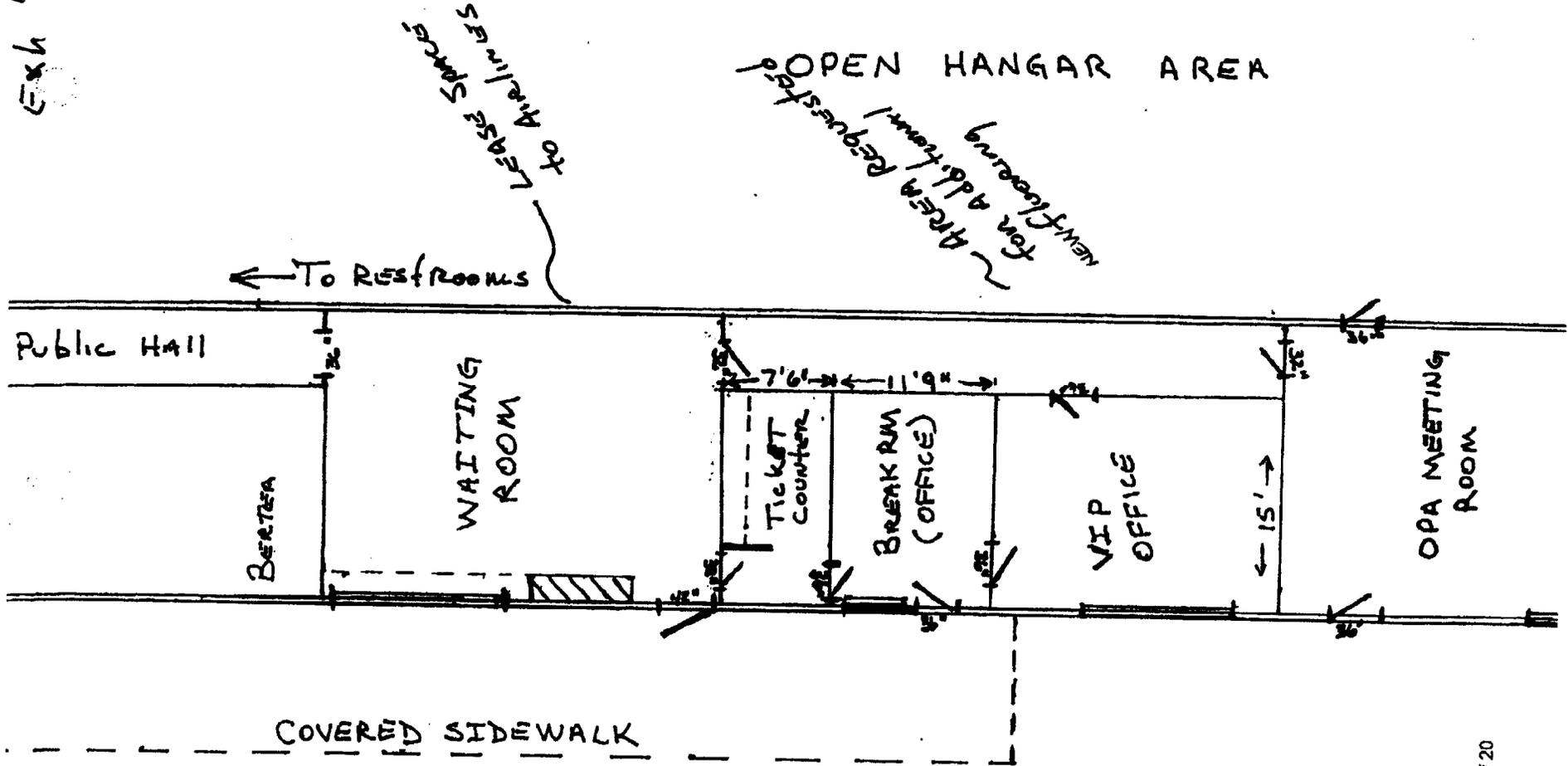
  
Ed W. Hennings, Secretary  
Berteia Aviation, Inc.

  
Jon S. Nelson  
City of Corvallis

Approved As to Form:

  
City Attorney

Exhibit "A"



## **AMENDMENT**

**THIS AMENDMENT**, is to that lease agreement dated October 27, 1986, between the City of Corvallis, an Oregon municipal corporation, hereinafter referred to as Lessor, and Berteau Aviation, Inc., hereinafter referred to as Lessee. This amendment shall not change the terms or conditions of the October 27, 1986 lease agreement, except as specifically provided herein.

### **1. PREMISES**

The Lessor, in consideration of Lessee's request, terms, covenants, and agreements does hereby agree to modify the original lease parcel and lease to Lessee that property described in Exhibit "A", attached. The land described in Exhibit "A" shall replace the original leased premises shown in Exhibit "B".

### **2. INCORPORATION OF TERMS AND CONDITIONS**

If this amendment is silent on a term or condition, the lease of this property described in Exhibit "A" shall be subject to the terms and conditions of the October 27, 1986 lease agreement, as they have been adjusted or amended as of the date of execution of this amendment.

### **3. RENT**

For the use and possession of the property described in Exhibit "A", Lessee shall pay the current land rental rate per acre paid for the property shown in Exhibit "B" of the underlying lease dated October 27, 1986, as that rate has been re-evaluated effective August 1, 1997 in accordance with the terms and conditions of the original lease agreement dated October 27, 1986.

### **4. ORIGINAL LEASE AGREEMENT**

Lessor hereby agrees to trade to Lessee, the area lost by the demolition of City building C-27, for the easterly portion of the upper balcony of the south lean-to of the main hangar building, found in page 2 of Exhibit "A" of the original lease agreement dated October 27, 1986.

All other terms and conditions of the existing lease between Lessor and Lessee shall remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this lease amendment effective 12-1, 1997.

CITY OF CORVALLIS

By: Jan A. Nelson  
City Manager

BERTEA/AVIATION, INCORPORATED

By: Ed W. Hennings  
Corporation Secretary

Approved as to form:

James K. Brown  
City Attorney

\\barrowja\bertea.amd

**LEASE AMENDMENT  
EXHIBIT "A"**

**LEGAL DESCRIPTION  
PARCEL FBO 1  
BERTEA AVIATION, INC.**

**PARCEL FBO 1A**

Beginning at a point South 08°23'39" East, 423.90 feet from the southeast corner of the Alfred Rhinehart Donation Land Claim, No. 73 in section 22 of Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 21°52'53"W, 126.95 feet; thence S 69°08'00"W, 36.17 feet; thence S 22°01'48"W, 155.09 feet; thence N 67°58'52"W, 259.77 feet; thence S 22°01'08"W, 37.09 feet; thence N 67°58'52"W, 98.65 feet; thence N 22°01'08"E, 37.09 feet; thence N 0°33'23"E, 87.31 feet; thence S 67°58'52"E, 130.61 feet; thence N 22°01'48"E, 215.10 feet; thence S 70°02'40"E, 286.09 feet to the point of beginning. Containing 2.18 acres, more or less.

Together with the following:

**PARCEL FBO 1B**

Beginning at a point South 14°08'54" East, 424.80 feet from the southeast corner of the Alfred Rhinehart Donation Land Claim, No. 73 in section 22 of Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 68°02'24"E, 202.74'; thence S 22°07'48"W, 23.98'; thence S 68°03'39"E, 38.47'; thence 263.86 feet along the arc of a 168.00 foot radius curve right (the chord of which is 237.57', and bears S 23°03'57"E); thence S 21°55'44"W, 137.84'; thence N 67°58'52"W, 185.13'; thence 99.77 feet along the arc of a 63.45 foot radius curve left (the chord of which is 89.80 feet and bears N 66°58'18"E); thence N 21°55'44"E, 44.80'; thence 92.53 feet along the arc of a 58.47 foot radius curve left (the chord of which is 83.18' and bears N 23°24'30"W); thence N 68°07'25"W, 228.91'; thence N 22°07'48"E, 163.12' to the point of beginning. Containing 1.78 acres, more or less.

**PARCEL FBO 1C**

Beginning at a point South 40°32'44" East, 452.79 feet from the southeast corner of the Alfred Rhinehart Donation Land Claim, No. 73 in section 22 of Township 12 South, Range 5 West of the Willamette Meridian, Benton County, Oregon; thence S 59°13'14"E, 376.40'; thence S 30°46'46"W, 53.00'; thence N 59°13'14"W, 376.40'; thence N 30°46'46"E, 53.00' to the point of beginning. Containing 0.46 acres, more or less.



## MEMORANDUM

TO: Urban Services Committee

FROM: Steve Rogers, Public Works Director 

DATE: February 27, 2006

SUBJECT: Lowther Lease Extension and Sublease Consent

### Issue

The Fred Lowther Trust is requesting a ten year extension on the land lease for the corporate hangar at 5560 SW Plumley Place. The Trust is also requesting approval of their sublease of that hangar to Corvallis Aero Service.

### Discussion

This hangar was the first corporate hangar built at Corvallis Municipal Airport. The original land lease was with Advanced Control Technology, Inc. on October 27, 1983 for a 20 year term ending October 6, 2003. The land lease was assumed by CH2M Hill in 1984 and then by the Fred Lowther Trust on September 14, 1995. The lease includes the option for one ten(10) year extension. That extension option was to be exercised by a written request to the City within 180 days preceding termination of the primary term (October 6, 2003). This was never done, however, the previous Airport Manager was informed verbally by Fred Lowther of his desire to exercise that option if he could not sell the hangar in a timely manner. Since that time, the Lowther Trust has been paying the annual lease payments, including the CPI adjustments. The hangar has been up for sale and was recently subleased to Corvallis Aero Service for use as their maintenance hangar. It is the desire of Fred Lowther that the ten year extension option be formally exercised. Section 2.1.2 of the original lease requires inspection of the hangar by the City of Corvallis to determine that the hangar has ten years of additional life expectancy. That inspection will be performed before this USC meeting. This request for approval of the extension is being routed due to the gap in the lease since the primary term ended on October 6, 2003.

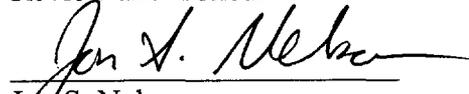
Corvallis Aero Service, the only Fixed Base Operator at the Corvallis Municipal Airport, has found it difficult to conduct maintenance operations in the Main Hangar leased from the City. Due to these difficulties, they wish to use continue to use that hangar building as office, classroom and storage only and have recently entered into a sublease with the Fred Lowther Trust for the use of the corporate hangar at 5560 SW Plumley Place. The lease requires city approval of any sublease of the property. The Fred Lowther Trust requests the sublease with Corvallis Aero Service be approved by the City of Corvallis.

The Airport Commission reviewed the lease extension and sublease at their February 7, 2006 meeting and recommends approval. At that meeting they were also advised of the use of the hangar by Corvallis Aero Service for commercial repair of customer aircraft for a short time period until a new maintenance hangar could be built. That use was specifically restricted by Section 12 of the original lease to prevent competition with the Fixed Base Operators (FBO). Since the hangar is currently being used by the only FBO, it is requested that the original lease be amended to remove Section 12.

#### Recommendation

That the Urban Services Committee recommend to the City Council approval of the amendment of the original lease to remove Section 12, the lease extension, the sublease consent and authorize Jon Nelson to sign these documents.

Review and Concur

  
\_\_\_\_\_  
Jon S. Nelson  
City Manager

Attachment

## LEASE AMENDMENT

This Lease Amendment, dated this \_\_\_\_\_ day of \_\_\_\_\_, 2006, is to amend the lease agreement dated October 27, 1983 between the City of Corvallis known as the City and Advanced Control Technology, Inc. and subsequently assumed by Fred Lowther Trust, known as the Lessee.

Conditions herein set forth as follows:

**1. DELETE**

“Section 12. RESTRICTIONS ON USE. The Lessee’s rights provided for hereunder are expressly limited to the purposes permitted in Section 8, except as otherwise approved in writing by the Lessor. Lessee shall not offer or permit the sale of fuel or commercial repair service to be offered to or rendered in or from the hangar or hangar site.”

**2. AGREEMENT**

All other conditions and terms, written and agreed upon, to said lease signed October 27, 1983..

IN WITNESS WHEREOF, the parties hereto have executed this lease amendment on this date above.

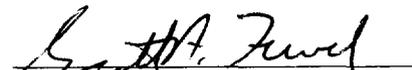
CITY OF CORVALLIS, OREGON

FRED LOWTHER TRUST

\_\_\_\_\_  
Jon S. Nelson, City Manager

\_\_\_\_\_  
Fred Lowther, Trustee

Approved as to form:

  
\_\_\_\_\_  
City Attorney

**LEASE EXTENSION**

Per the written request of Fred Lowther (attachment 1) of the Fred Lowther Trust, dated January 15, 2006, and in accordance with Section 2.1 of the original Corporate Hangar Site Lease dated October 27, 1983 between the City of Corvallis and Advanced Control Technology, Inc. and assumed by Fred Lowther Trust on September 14, 1995, an extension is hereby granted for a period of ten years from the end date of the primary term of the original lease. This extension is for the period from that end date, October 6, 2003 through October 6, 2013.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

CITY OF CORVALLIS

By: \_\_\_\_\_  
Jon S. Nelson, City Manager

FRED LOWTHER TRUST

By: \_\_\_\_\_  
Fred R. Lowther, Trustee of the  
FRED LOWTHER TRUST

Approved as to Form:

\_\_\_\_\_  
City Attorney



January 15, 2006

Dan Mason  
Airport Coordinator  
Public Works Department  
1245 NE 3rd Street  
PO Box 1083  
Corvallis, OR 97330

Dear Mr. Mason,

It is my understanding that my original lease dated October 27, 1983, and assumed by the, Fred Lowther Trust on September 14, 1995 as become delinquent. I believe I have a ten year option I can exercise. Buck Taylor and I discussed this renewal, I continually asked Buck to get the paper work ready , and he continually told me he would get right on that, then before anything got accomplished Buck left Corvallis for another job. It was never my intension to let this lease laps, I have continued to pay the yearly lease and the property taxes, I do not feel I am delinquent in anyway except for Buck's negligence. Please call my home @ 929-3733 to set up a time that will work for both of us to get the new lease signed.

There also seems to be confusion as to the address of this hangar. On all lease and city documents the address is 5560 SW Plumley, but the county tax roll has it listed as 5570 SW Plumley. Please let me know the correct address, so the correct address will be on the new lease agreement.

Sincerely

Fred Lowther  
PO Box 815  
Corvallis, OR 97339  
541-754-3733

Rec'd @ Pw  
1/19/06 D

## Sublease Consent of Master Lessor

The City of Corvallis (Master Lessor) hereby consents to this Sublease, conditioned on Sublessor's agreement to the following:

- (1) Sublessor is not released from its obligations in any respect under the Master Lease dated October 27, 1983 with Advanced Control Technology, and assumed by Fred Lowther Trust on September 14, 1995..
- (2) This consent shall not be deemed a consent to any future sublease of the Premises or assignment of the Master Lease.
- (3) By this consent, City of Corvallis does not warrant the accuracy of any of the provisions of the Lease, nor shall the City of Corvallis be deemed a party to the sublease or in privity with the Sublessee.

DATED this \_\_\_\_\_ day of February, 2006.

Master Lessor:

CITY OF CORVALLIS

By \_\_\_\_\_  
Jon S. Nelson, City Manager

Sublessor:

FRED LOWTHER TRUST

By \_\_\_\_\_  
Fred R. Lowther, Trustee of the  
FRED LOWTHER TRUST

Approved as to form:

\_\_\_\_\_  
City Attorney



January 15, 2006

RECEIVED  
JAN 19 2006  
PUBLIC WORKS

Dan Mason  
Airport Coordinator  
Public Works Department  
1245 NE 3rd Street  
PO Box 1083  
Corvallis, OR 97330

Dear Mr. Mason,

I have entered into a sub-Lease agreement with Corvallis Aero Service, for the corporate hangar located at 5560 Plumley. I am asking that the city approve this sub-Lease, and also am asking for approval for them to do FBO maintenance operations, at this site. A copy of the sub-Lease, I do believe you already have, if not let me know and I will provide you with a copy.

Sincerely,

Fred Lowther  
PO Box 815  
Corvallis, OR 97339  
541-754-3733

LEASE

THIS LEASE, made and entered into on December 23, 2005, by and between Fred R. Lowther Trustee, of Fred R. Lowther, hereinafter called lessor, and Corvallis Aero Service dba Honey B. LLC, Mark R. Perry, hereinafter called lessee:

WITNESSETH: That in consideration of the covenants and agreements herein contained, lessor hereby leases to lessee those premises described as 5570 SW Plumley St. Corvallis, OR. 97333  
AKA: T12-R5W-Sec.27-TL# 0000300A09 Benton County Oregon

in the City of CORVALLIS, State of OREGON,

TO HAVE AND TO HOLD the premises for a period commencing December 1, 2005, and continuing through November 30, 2006. Lessee agrees to pay, during the term of this lease, the full sum of \$ 2,700.00, to be paid as follows: Per month, Due and payable the first of each month

TO: Fred R. Lowther, P. O. Box 339, Corvallis Oregon, 97339-0339.

Both Lessor and Lessee agree to an extention of this lease for an additional 12 month period beginning December 1, 2006 Thru November 30, 2007. Lessee agrees to give the Lessor 30 days written notice of intent. Extention lease payments are to be negotiated by November 30, 2006.

LESSOR AGREES TO: Pay the City gound lease on the subject property.  
Pay the Annual taxes on the subject property.

LESSEE AGREES TO: Carry renters personal property insurance.  
Provide liability insurance (See paragraph below).  
Accept the building in as-is contition.

 **COPY**

Lessor Initials fl Date: 11/23/05

Lessee Initials MMP Date: 11/23/05

Lessee agrees to make no unlawful, improper or offensive use of the premises. At the expiration of the lease term or upon any termination of this lease, lessee will quit and deliver up the premises and all future erections, improvements or additions to or upon the same, to lessor, peaceably and in as good an order and condition as the same now are or may be put in by lessor, reasonable use and wear thereof excepted. Lessee will not suffer or commit any strip or waste thereof, nor make or suffer to be made any alterations or additions to or upon the same, nor assign this lease, nor sublet or permit any other person(s) to occupy the same without consent of lessor being first obtained in writing. Lessor and lessor's representatives, at reasonable times, may enter into and upon the same to examine the condition thereof. Lessee will, at lessee's expense, keep and deliver to lessor liability insurance policies in form and with an insurer satisfactory to lessor, naming lessor as an additional insured party.



If the rent shall be in arrears for more than 15 days, or if lessee shall neglect or fail to do, perform, or observe any of the covenants hereinbefore contained which on lessee's part are to be performed, then lessor may immediately, or at any time thereafter, and while neglect or default continues, and without further notice or demand, enter into and upon the premises, or any part thereof, repossess the same, and expel lessee, and those claiming under lessee, and remove lessee's effects without being taken or deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be used for arrears of rent, or preceding breach of covenant.

Any waiver of any breach of covenant to be kept and performed by lessee shall not be deemed or considered a continuing waiver and shall not operate to bar or prevent lessor from declaring a forfeiture for any succeeding breach, either of the same condition or covenant or otherwise. Time is of the essence of this instrument.

Any holding over by lessee after the expiration of the term of this lease, or any extension thereof, shall be deemed a tenancy at sufferance and not otherwise.

In the event any suit or action is brought to collect any rent due hereunder, to enforce any provision of this lease, or to repossess the premises, the losing party agrees to pay such sum as the trial court may adjudge reasonable as attorney fees and costs of such suit or action to be allowed the prevailing party in such suit or action and upon any appeal therefrom.

This instrument shall bind and inure to the benefit of both parties hereto and their respective executors, administrators, successors in interest and assigns.

 COPY

IN WITNESS WHEREOF, the parties have executed this lease in duplicate on the day and year first written above.

Fred R. Lowther  
 Lessor: Fred R. Lowther Trustee  
[Signature]  
 Witness

Mark R. Perry 11/23/05  
 Lessee: Mark R. Perry Honey B. LLC  
[Signature]  
 Witness

NOTE - In Oregon, this form is not suitable for leasing a "dwelling unit." Defined in ORS 90.100(4) as follows: "Dwelling unit" means a structure or the part of a structure that is used as a home, residence or sleeping place by one person who maintains a household or by two or more persons who maintain a common household \* \* \* (For Oregon "dwelling unit" forms, see Stevens-Ness Form Nos. 14, 818A and 818B.)



**ASSUMPTION OF LEASE AND CONSENT TO ASSUMPTION**

The Fred Lowther Trust, Assignee of all of the right, title and interest in the leasehold estate described in the attached Exhibit A, hereby assumes all rights and obligations of the Assignor, CH2M Hill, Inc., under the October 27, 1983 lease with the City of Corvallis, recorded December 27, 1984, in Benton County Microfilm Records as document #M-63599-84; and further agrees to abide by all terms and conditions of the lease, including payment of rent, and to indemnify and hold harmless CH2M Hill, Inc., from any liability under such lease.

DATED this 14 day of SEPTEMBER, 1995.

FRED LOWTHER TRUST

By: \_\_\_\_\_  
Fred R. Lowther, Trustee of the  
FRED LOWTHER TRUST

The City of Corvallis, as Lessor under the above-described lease, consents the assignment by CH2M Hill, Inc., Assignor, to the Fred Lowther Trust, Assignee, of all of Assignor's right, title and interest in the October 27, 1983 lease of the property described in Exhibit A; and the City accepts the Fred Lowther Trust as Lessee under that lease.

DATED this \_\_\_\_ day of September, 1995.

CITY OF CORVALLIS

Approved As to Form:

Scott A. Jewel  
City Attorney

By: Jon S. Nelson

ASSIGNMENT

THIS ASSIGNMENT is made December 27, 1984, between ADVANCED CONTROL TECHNOLOGY, INC., herein referred to as "Assignor", and CH2M HILL, INC., herein referred to as "Assignee".

RECITALS

1. Assignor entered into a lease, on October 27, 1983, with the City of Corvallis, an Oregon municipal corporation, Corvallis, Oregon, herein referred to as Lessor, which agreement was evidenced of record by Memorandum of Lease recorded December 27, 1984 as M-63599, Microfilm Records, Benton County, Oregon.

2. Assignor desires to assign, and the Assignee desires to assume the rights, duties, and liabilities of the Lessee.

In consideration of Thirteen Thousand Five Hundred Dollars (\$13,500.00), receipt of which is acknowledged by the Assignor, Assignor assigns the lease entered into with the Lessor on October 27, 1983 to Assignee effective December 27, 1984, for the balance of the term as provided in the lease.

Assignee shall assume all rights and duties required of Assignor under the lease, a copy of which the Assignee has read and approved, including all payments thereby and shall comply with all terms and conditions of the lease.

ADVANCED CONTROL TECHNOLOGY, INC.

Charles E. Pietka

by: Charles E. Pietka,  
Vice President Finance

CH2M HILL, INC.

F. E. Hill

by: Floyd E. Hill,  
Director of Financing,  
Planning and Resources

M-63600  
12/27/84  
2:17 PM

STATE OF OREGON

County of Benton

)  
} ss.  
)

On this 27 day of December, 1984, personally appeared the within named Charles E. Pietka as Vice President Finance for Advanced Control Technology and acknowledged the foregoing instrument to be executed on behalf of said corporation.

Sondy R. Hill  
Notary Public for Oregon  
My commission expires: 2-20-84

STATE OF OREGON

County of Benton

)  
}  
)

On this 27 day of December, 1984, personally appeared the within named Floyd E. Hill, Director of Financing, Planning and Resources, for CH2M Hill, Inc. and acknowledged the foregoing instrument to be executed on behalf of said corporation.

Sondy R. Hill  
Notary Public for Oregon  
My commission expires: 2/20/84

CONSENT TO ASSIGNMENT

THIS CONSENT TO ASSIGNMENT agreement is made and entered into this day of \_\_\_\_\_, 19\_\_\_\_, by and between the CITY OF CORVALLIS, a municipal corporation of the State of Oregon, hereinafter called the "Lessor," and ADVANCED CONTROL TECHNOLOGY, INC., an Oregon corporation, hereinafter referred to as "Lessee."

RECITALS

1. Lessor demised to Lessee premises located at the Corvallis Municipal Airport on October 27, 1983, for a primary term of 20 years, commencing October 6, 1983, and ending October 6, 2003, with a renewal provision for an additional 10 years.

2. Lessee is prohibited by Section 13 of the lease from assigning the lease without the written consent of Lessor.

3. Lessee desires to assign lease to CH2M HILL, INC., of 2300 N.W. Walnut Boulevard, Corvallis, Oregon, hereinafter referred to as "Assignee."

4. Lessee guarantees that CH2M HILL, INC., has agreed to assume all rights and duties required of Advanced Control Technology, Inc., under the terms of the lease.

In consideration of the mutual covenants contained herein, the parties agree as follows:

Lessor consents to the assignment of the lease described above to Assignee and does accept the Assignee as the new tenant and does release Advanced Control Technology, Inc., from any responsibility under the lease.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

CITY OF CORVALLIS

By: \_\_\_\_\_

CITY MANAGER

ADVANCED CONTROL TECHNOLOGY, INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
CITY ATTORNEY

CORPORATE HANGAR SITE LEASE

THIS LEASE, made this 27th day of October, 1983, is by and between the CITY OF CORVALLIS, a municipal corporation of the State of Oregon, hereinafter called the "Lessor", and ADVANCED CONTROL TECHNOLOGY, INC., an Oregon corporation, hereinafter called the "Lessee".

W I T N E S S E T H:

In consideration of the covenants contained herein, Lessor does hereby lease and let to the Lessee the premises described below and as shown on Exhibit A, which is attached hereto and by this reference incorporated herein, upon the following terms and conditions:

Beginning at a point that is South 202.43 feet and East 811.58 feet from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73 in Section 27, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon; thence North 59°10'44" West, 180.00 feet; thence North 30°49'16" East, 90.00 feet; thence South 59°10'44" East, 180.00 feet; thence South 30°49'16" West, 90.00 feet to the Point of Beginning.

There is hereby reserved to the Lessor, its successors, and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises herein leased, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on Corvallis Municipal Airport, hereinafter referred to as "Airport".

Section 1. PRIMARY TERM. The term of this lease is from October 6, 1983, to and including October 6, 2003.

Section 2. RENEWAL TERM.

2.1 Renewal Term. Provided the Lessee is not in default in the performance of any term or condition of this lease, Lessee shall have the option to extend this lease for a renewal term of ten (10) years, commencing with the termination of the primary term, upon the following conditions:

2.1.1 The renewal option may be exercised at any time within one hundred eighty (180) days preceding termination of the primary term by giving written notice to Lessor. If not exercised within such period and in such manner, the option to renew shall be void.

2.1.2 Within sixty (60) days after receipt of Lessee's notice of exercise of the renewal term option, Lessor shall cause the improvements to be inspected by the Building Official, or his/her designated representative, of the City of Corvallis, hereinafter referred to as Building Official. The inspection shall be for the purpose of determining whether the improvements are in satisfactory condition and repair, and have, at that time, an additional life expectancy of not less than ten (10) years beyond the current term.

2.1.3 Following the inspection, Lessor shall notify Lessee of the determination. The additional renewal term, if granted, shall become effective on the termination of the primary term subject to Lessee's satisfactory compliance with the provisions of Section 2.1.4.

2.1.4 Notwithstanding a determination that the improvements are in good condition and repair, with a useful life of not less than ten (10) years beyond the current term, subject to supplemental rewriting, Lessor may require, as a further condition to the Lessee's right to continue the lease for the period of the renewal term, that Lessee make such alterations, improvements, or repairs to the leasehold improvements as Lessor deems necessary or appropriate for the good of the Airport, taking into consideration the state of repair and condition of other similar and newer improvements located at the Airport and the overriding desire to maintain at the Airport clean, safe, and attractive facilities for noncommercial users. Items considered for improvement shall include, but shall not be limited to, structural integrity of the hangar, exterior finish, condition and operation of doors, and condition of roof. To effectuate any such additional conditions, Lessee's right to continue the lease during the renewal term shall be subject to a supplemental writing between Lessor and Lessee, setting forth a reasonable time, determined by Lessor, in which such alterations and repairs will be made and providing that upon Lessee's failure to make such alterations and repairs within that period, the Lease renewal term provision shall immediately terminate, in which event the provisions of Section 23 shall apply.

2.1.5 The Building Official may, at Lessor's expense, employ the services of outside consultants to assist in making a life expectancy determination, inspecting the structural integrity of the improvements, and for the purpose of determining what alterations and repairs, if any, should be required as a further condition of the renewal term as provided in Section 2.1.4.

2.1.6 As used herein, the Building Official is the individual occupying that position at the time the inspection is made, or that person's designee or agent, or the individual occupying a similar position in a successor agency or governmental unit having building code jurisdiction over the Airport facilities.

2.1.7 The rent and all other terms and conditions of the lease shall be subject to adjustment or amendment at the commencement of the renewal term. Adjustment of rental shall be made on the basis of the factors mentioned in Section 4 and disputes regarding such adjustment shall be determined by arbitration in the manner provided in Section 4.

Section 3. RENT. Lessee shall pay the Lessor the sum of Two Thousand, Four Hundred Thirty Dollars and No Cents (\$2,430.00) per year as the rent, for the period from October 1 to September 30. Rent is payable in advance and shall be paid by the year. The amount paid at the Lease Execution, Fourteen Thousand, Nine Hundred Thirty-One Dollars and Thirty Cents (\$14,931.30), is payment in full for the first ten years of the primary term. Thereafter, rent for each year shall be paid on or before the first day of the month of October.

Section 4. ADJUSTMENT TO RENT. The rent shall be subject to adjustment commencing on the first day of the eleventh, fourteenth, seventeenth, and twentieth years of the primary term, as set by the Lessor, not less than sixty (60) days prior to implementation. The rent set in 1993 will be a maximum of \$3,645 per year.

4.1 During the renewal period, the rent shall be subject to rent adjustments effective the first day of the third, sixth, and ninth years, as set by the Lessor, not less than sixty (60) days prior to implementation.

4.2 In the event the Lessee does not agree that the rent adjustment provided by the Lessor is reasonable, the Lessee can request to have the proposed rent reviewed. The rent review shall consist of conducting a survey for like usage at the following airports: Mahlon Sweet Field (Eugene), Hillsboro (Port of Portland), and Medford/Jackson County. The rents paid per year, per square foot, shall be totaled and averaged. The rent shall not in any event exceed 100 percent of the average of the rent survey.

4.3 In the event that the Lessee does not agree with the findings of the survey, the Lessee may, within ten (10) days of receiving notification of the survey findings, request in writing that the question be submitted to arbitration in accordance with the provisions of ORS 33.210 to 33.340 or the future corresponding provision of any such law.

11<sup>th</sup> - 11-1-93  
2<sup>nd</sup> - 11-1-94  
3<sup>rd</sup>  
14<sup>th</sup> - 11-1-96  
15<sup>th</sup> - 11-1-97  
17<sup>th</sup> - 11-1-99  
18<sup>th</sup> - 11-2000  
19<sup>th</sup> - 11/2001  
20<sup>th</sup> - 11/2002  
21<sup>st</sup> - 2003  
22<sup>nd</sup> - 2004  
23<sup>rd</sup> - 11/2005

Section 5. TAXES. Lessee shall pay when levied any taxes or assessments as due on the leased premises, as well as any taxes upon real and personal property constructed and maintained upon the premises, it being the intent of the parties that Lessor shall not be required to pay any taxes or assessments on the leased premises. Lessee shall not place or suffer to be placed against said premises any liens or encumbrances by, through, or under it which may become superior to the interest of the Lessor.

Section 6. UTILITY PAYMENTS. Lessee shall, promptly as the bills become due and payable, pay for any and all water, power, light, telephone, and other utility service used by the Lessee in or about the leased premises during the term of this lease or any renewal hereof. Lessee shall pay the cost of installing meters or other expenses incurred in the process of providing service to the premises.

Section 7. APPROVAL OF PLANS AND CONSTRUCTION.

7.1 Lessee shall construct and maintain upon the leased premises an aircraft hangar which shall in all respects comply with applicable laws, rules, regulations, ordinances, and resolutions of all government entities, including Lessor. The plans and specifications of the hangar shall be subject to approval by Benton County and the City of Corvallis. Lessee shall submit such plans and specifications within ninety (90) days of the date hereof. No site preparation or construction shall be commenced without first obtaining the written approval from Lessor. Lessee shall commence construction within ninety (90) days, weather permitting, after approval of the plans and specifications and shall complete such construction within a reasonable time thereafter, weather permitting, as determined by the Building Official.

7.2 Prior to the commencement of any such work, Lessee shall furnish Lessor with a good and sufficient surety bond guaranteeing the completion of such building and the payment of all bills therefor.

Section 8. USE OF THE PREMISES. The Lessee may use the leased premises for the following purposes and no others without the prior written approval of the City of Corvallis Airport Manager, hereinafter referred to as "Airport Manager":

8.1 Storage of Lessee's private aircraft;

8.2 Aircraft storage for rent;

8.3 Storage of fuel not available for resale;

8.4 Maintenance and repair of the tenant's aircraft by tenant or by a person or firm authorized by Lessor to perform such services at the Airport;

8.5 Air charter and taxi service activities;

8.6 Storage for related equipment.

Any such sublease is subject to the provisions of Section 13. Sublessee will act independently, and shall comply with all applicable ordinances, rules, and regulations. In addition, Lessee agrees upon request from Lessor, from time to time, to provide a list of persons or firms renting space on the premises for storage of aircraft.

Lessee shall obtain and maintain at all times the necessary and appropriate licenses as covered within City ordinance. Lessee agrees that the Air Charter and Taxi Service License obtained in conjunction with this agreement shall apply only to the aircraft currently owned by Lessee, aircraft serial number BB-1069, and registration number N6393F. Licenses for air charter and taxi service for additional aircraft shall not be unreasonably withheld.

#### Section 9. CONDITIONS ON USE OF PROPERTY.

9.1 The Lessee shall not commit waste and will not use, suffer, or permit the use or occupancy of the property heretofore described for any illegal or immoral purposes nor commit, suffer, or permit anything which will or may constitute a menace, nuisance, or hazard to the safety of persons or property. Lessee will use said property in a lawful manner, keep and maintain the same in sanitary condition and comply with all governmental laws and requirements, including Fire and Life Safety Codes, with respect thereto, all at the Lessee's sole cost and expense and without expense whatsoever to the Lessor.

9.2 The Lessee shall not permit the erection of any structure or object nor permit the growth of any tree on the land conveyed hereunder above a mean sea level elevation of 340 feet. In the event the aforesaid covenant is breached, the Lessor reserves the right to enter on the land conveyed hereunder and to remove the offending structure or object or cut the offending tree, all of which shall be at the expense of the Lessee.

9.3 The Lessee shall not make use of the same property in any manner which might interfere with the landing and taking off of aircraft or otherwise constitute an airport hazard from the Corvallis Municipal Airport. In the event the aforesaid covenant is breached, the Lessor reserves the right to enter on the land conveyed hereunder and cause the abatement of such interference at the expense of the Lessee.

Section 10. PEACEFUL POSSESSION. The Lessee paying the rent hereby reserved and performing the covenants and agreements by it to be kept and performed as herein provided, may peaceably hold

and enjoy said premises during said terms without any interruption by the Lessor or any person lawfully claiming under or through it, except as herein otherwise provided.

Section 11. LESSEE'S ADDITIONAL RIGHTS. Lessee shall have the use of Corvallis Municipal Airport facilities and navigational aids for the purpose of landing, take-off, and taxiing of Lessee's aircraft and related rights of ingress and egress, subject to the current laws, rules, regulations, ordinances, and resolutions of applicable governmental bodies, including Lessor, as provided without obligation to the best ability of the City of Corvallis.

Section 12. RESTRICTIONS ON USE. The Lessee's rights provided for hereunder are expressly limited to the purposes permitted in Section 8, except as otherwise approved in writing by the Lessor. Lessee shall not offer or permit the sale of fuel or commercial repair service to be offered to or rendered in or from the hangar or hangar site.

Section 13. ASSIGNMENT, SUBLEASE, OR OTHER TRANSFER OF POSSESSION OR CONTROL OF THE PREMISES. Lessee acknowledges that the operation and use of the Airport are matters of public interest. Lessee further acknowledges that Lessor has granted this lease to Lessee in partial consideration of Lessor's understanding of Lessee's particular experience in matters of aviation, financial integrity, and other similar factors and that this lease is personal between Lessor and Lessee. Therefore, and in any event, except as permitted in Sections 8 and 27.5, Lessee shall not assign this lease, encumber this lease or any interest in the premises or improvements, or in any other manner transfer possession or control of the premises to any other person without the prior written approval of Lessor.

Section 14. SPECIFIC OBLIGATIONS OF LESSEE. In connection with Lessee's occupancy and use of the leased premises, the following specific conditions shall apply:

14.1 Utilities. Lessor shall provide utility service consisting of water, sanitary sewer, and storm sewer to the premises, upon the condition that Lessee assumes and agrees to pay, in advance or otherwise as required by Lessor, the costs incidental thereto, including, but not limited to, necessary meters, transmission lines, connection fees, and charges for utility services provided. Lessee is entitled to connect to any storm sewers and sanitary sewers, and to water and utility outlets at its sole cost and expense. Lessee shall have the sole responsibility and expense to provide all other utility services than those listed above.

14.2 Maintenance. Lessee shall, at its own cost and expense, keep and maintain the leased premises, including hangar building and all other improvements, in a condition of repair satisfactory to the Airport Manager. In determining

whether or not the premises are in proper condition, the Airport Manager shall take into consideration the appearance and character of other similar improvements at the Airport which are in good condition and repair. It is specifically acknowledged that the condition of repair includes appearance of the premises and improvements and therefore the condition of paint or other exterior finish. Lessee shall not store parts, equipment, or other materials outside the hangar structure. Lessee shall cause all Lessee's refuse to be removed from the premises and the Airport.

14.3 Compliance with Laws. Lessee shall comply with all rules and regulations relating to the Airport and all applicable laws, ordinances, rules, and regulations of any governmental bodies having jurisdiction over the Airport with respect to Lessee's activity in relation to the use and occupancy of the premises and of the Airport in general. Lessee shall also abide by any additional rules and regulations from time to time promulgated by Lessor. Any act or failure to act by Lessee or by any sublessee, employee, invitee, or agent of Lessee in violation of any such laws, ordinances, rules, and regulations shall be deemed a violation of this lease.

14.4 Signs. In addition to compliance with any ordinance of the City of Corvallis pertaining to signs, Lessee shall not permit to be maintained any sign or billboard on the premises or at the Airport without the prior written approval of the Airport Manager.

14.5 Alterations, Improvements, and Changes Permitted. Lessee shall have the right to make such alterations, improvements, and changes to any building which may from time to time be on the premises as Lessee may deem necessary, or to replace any such building with a new one of at least equal value, provided that prior to making any structural alterations, improvements, or changes, or to replacing any such building, Lessee shall obtain Lessor's written approval of plans and specifications therefor, which approval Lessor shall not unreasonably withhold, provided that the value of the building shall not be diminished and the structural integrity of the building shall not be adversely affected by any such alterations, improvements, or changes, or that any proposed new building is at least equal in value to the one which it is to replace, as the case may be. In the event of disapproval, Lessor shall give to Lessee an itemized statement of reasons therefor. Lessee will in no event make any alterations, improvements, or other changes of any kind to any building on the premises that will decrease the value of such building, or that will adversely affect the structural integrity of the building. Prior to commencing any work that will cost in excess of One Hundred Thousand Dollars and No Cents (\$100,000.00), Lessee shall furnish Lessor, on demand,

with a good and sufficient surety bond insuring the completion of such work and the payment of all bills therefor.

14.6 Damage to and Destruction of Improvements. The damage, destruction, or partial destruction of any building or other improvement which is a part of the premises shall not release Lessee from any obligation hereunder, and in case of damage to or destruction of any such building or improvement, Lessee shall at its own expense promptly repair and restore the same to a condition as good or better than that which existed prior to such damage or destruction.

14.7 Fuel Flowage Fee. Lessee will remit, on a yearly basis, four cents (4¢) per gallon of all fuel purchased by Lessee during the period from October 1 to September 30. Such fuel flowage fees shall be accompanied by copies of State of Oregon Form 1347-3M-6-80, Report of Licensed Aircraft Fuel Retailer, or its replacement form, in addition to copies of all applicable invoices. Fuel flowage fee shall be fixed for the first ten (10) years of the primary term, unless adjustment to the fee is mutually agreed upon. Fuel flowage fee shall then become and remain equal with fee extended to other parties. Fuel flowage fee adjustments shall occur at rent adjustment intervals. The procedure outlined in Section 4.2 shall be utilized to adjust fuel flowage fees.

14.8 Common Corridor. Lessee shall be responsible for the construction of a concrete apron, approximately 60 feet by 125 feet, which shall meet all current operational requirements of Lessee. Should Lessee's operational requirements change in conjunction with Section 14.5, Alterations, Improvements, and Changes Permitted, and Lessee receives sole benefit from the extension of the concrete apron to a total of approximately 60 feet by 225 feet, as depicted in Exhibit D, Lessee shall be responsible for such construction. It is acknowledged that the concrete apron shall serve as a "common corridor", allowing access and egress to all contiguous corporate parcels. Construction of the "common corridor" shall be in conformance with the City of Corvallis Standard Construction Specifications. Maintenance responsibilities for the common corridor shall be assumed by the City, commencing one (1) year after construction is completed.

#### Section 15. LIABILITY TO THIRD PARTIES.

15.1 Lessee's Indemnification. Lessee agrees to defend, indemnify, and hold Lessor harmless from any claim, loss, liability, or cause of action or suit arising out of or in any way related to any activity of Lessee or Lessee's sublessees, employees, invitees, or agents on the leased premises or at the Airport, including the construction and maintenance of improvements on the premises in the exercise

or enjoyment of any rights or privileges granted by this lease. In the event Lessee or any sublessee, employee, invitee, or agent commits any act or omission that results in a penalty or fine imposed upon the Lessor, Lessee agrees to pay such fine or penalty and hold Lessor harmless from costs and expenses in connection therewith.

15.2 Liability Insurance Required. Lessee shall procure and maintain throughout the term of this Lease, and any renewal hereof, at Lessee's cost, public liability, and property damage insurance with the combined single limit of not less than \$2,000,000 for bodily injury, death, or property damage in connection with Lessee's use or occupancy of the leased premises, or the exercise or enjoyment of rights or privileges granted by this lease. Lessor shall have the right to require Lessee to increase the limits of such coverage from time to time, to an amount deemed by Lessor to be reasonable in view of conditions and circumstances existing at the time of such increase. Lessee shall cause Lessor to be named as an additional insured on its liability policy. Lessee shall provide Lessor with a certificate of insurance evidencing the required coverage and shall provide Lessor with such evidence as Lessor may require from time to time that the policy remains in force. The insurance carrier for the Lessee shall be required to notify the City of Corvallis directly should the insurance be canceled.

Section 16. SPONSOR'S ASSURANCE SUBORDINATION. This lease shall be subordinate to the provisions of any existing or future agreement between Lessor and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.

Section 17. USE OF ROADS. Lessee shall be entitled to reasonable use for its purposes of the roads now existing and serving the leased premises. Lessor may locate and relocate roads as desirable to improve its Airport and industrial park so long as reasonable and adjacent access is provided to Lessee.

Section 18. WATER AND SEWER SERVICE. Lessee may have the use and benefit of the water and sewage system now existing but shall not use water or sewer service in excess of 8 units (1 unit per 100 cubic feet) in any 2-month billing period.

18.1 Should Lessee exceed the consumption standard outlined within Section 18, Lessee shall be charged a penalty of \$50.00 per occurrence, to be paid in addition to the invoiced water and sewer charges. If the Lessee should exceed the consumption standard for three consecutive billing periods, the Lessee may treat such as a default under this lease.

18.2 It is understood and agreed that if and when the City of Corvallis shall provide new and different water and sewer systems to the leased premises, the old systems shall be abandoned, and the Lessee shall participate in the cost of new improvements without remonstrance.

Section 19. DEVELOPMENT STANDARDS. This agreement is made subject to the terms and conditions of that certain document "Standards for the Development and Use of Land in the Municipal Industrial Airport," a copy of which is attached as Exhibit B and shall comply with the 1978 Airport Master Plan, a copy of which is attached as Exhibit C, both of which are by the reference incorporated herein and made a part of this lease.

Section 20. <sup>122</sup> CONDITIONS OF TRANSFER OF PROPERTY FROM USA. This agreement is made subject to the terms, conditions, and restrictions of transfer recorded in Book 121, page 40; Book 125, page 239; and Book 192, page 238, Deed Records of Benton County, Oregon; and the Lessor assumes no liability and shall in no way be liable for any loss incurred by the Lessee in the event that the said premises are taken over by the United States of America pursuant to the terms and conditions of said transfer.

Section 21. ATTORNEY FEES. If suit or action is instituted in connection with any controversy arising out of this lease, the prevailing party shall be entitled to recover, in addition to costs, such sums as the court may adjudge reasonable as attorney fees, including attorney fees for any appeals herein.

Section 22. NONDISCRIMINATION. The Lessee in the operation and use of the premises and of the facilities of Corvallis Municipal Airport shall not, on the grounds of race, creed, color, national origin, or sex, discriminate or permit discrimination against any person or group of persons in any manner prohibited by applicable law and shall abide by the provisions of Part 21 of the Rules and Regulations of the Office of the United States Secretary of Transportation, effectuating Title VI of the Civil Rights Act of 1964.

Section 23. TERMINATION - REMOVAL OF IMPROVEMENTS. This lease shall terminate at the end of the primary term or the renewal term if exercised. Upon termination, Lessee shall have no right or interest in any of the leased premises. The Lessor, at its option, may direct the Lessee to cause the leased premises to be restored to clean and orderly condition, free of any improvements above ground level and any debris, within sixty (60) days from the date of termination. If, upon the direction of the Lessor, the Lessee fails to so restore the leased premises within sixty (60) days, Lessee shall pay the Lessor the reasonable expense of such removal and cleanup. If termination occurs as a result of a default by the Lessee in performance of the terms and conditions of this lease, title to any improvements shall vest in Lessor and Lessor shall have the option within six (6) months to remove the improvements and restore the premises to the above-

described physical condition, and Lessee agrees to pay the reasonable expenses thereof.

Section 24. ABANDONMENT. If Lessee abandons the premises, Lessor may treat such abandonment as a default under this lease and Lessor may exercise any rights it may have as in the case of a default for which Lessee is not entitled to notice. Any personal property remaining on the premises sixty (60) days after a termination of this lease for any reason shall be deemed abandoned by Lessee and Lessor may make any disposition of such personal property as it deems appropriate. Lessor may charge Lessee for the reasonable costs incurred in disposing of such personal property.

Section 25. NONWAIVER. Waiver by either party of strict performance of any provision of this lease shall not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. No act or omission shall constitute a waiver of this nonwaiver clause.

Section 26. DEFAULT. Lessee shall be in default under this lease upon the occurrence of any one or more of the following events, time of payment and performance being of the essence:

26.1 Failure of Lessee to pay any rent or other charges within thirty (30) days after the same becomes due.

26.2 Except as otherwise provided in this paragraph, the failure of Lessee to comply with any term or condition, to fulfill any obligation, or to cure any violation of this lease within thirty (30) days after written notice by Lessor specifying the nature of the default with reasonable particularity. If such default is of such a nature that it cannot be completely remedied within thirty (30) days, this provision shall be deemed complied with if Lessee begins correction of the default within the thirty (30) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. Lessor may require, as a part of the cure of any violation by Lessee, reimbursement by Lessee to Lessor of any and all costs and expenses incurred by Lessor by reason of Lessee's violation of this lease.

26.3 If Lessee cures a deficiency in the manner described above, Lessee's subsequent failure to comply with the same term or condition shall constitute a default without requirement of notice.

26.4 Lessee shall also be in default in the event of its insolvency; the filing by Lessee of a voluntary petition in bankruptcy; adjudication that Lessee is bankrupt; the filing of an involuntary petition in bankruptcy and the failure of Lessee to seek a dismissal of the petition within

thirty (30) days after the filing; and the attachment of or the levy of execution on the leasehold interest and failure of the Lessee to secure a discharge of the attachment or release of the levy of execution within ten (10) days after such attachment or execution.

Section 27. REMEDIES ON DEFAULT. In the event of a default, the lease may be terminated at the option of the Lessor by notice in writing to Lessee. The notice of termination may be included in a notice of failure of compliance given under Section 26. If the property is abandoned by Lessee in connection with a default, termination shall be automatic and without notice. If the lease is not terminated by election of Lessor, Lessor shall be entitled to recover damages from Lessee for the default. If the lease is terminated for any reason, Lessee's liability to Lessor for damages shall survive such termination, and the rights and obligations of the parties shall be as follows:

27.1 Lessee shall vacate the property immediately, remove any property of Lessee including any fixtures which Lessee is required to remove at the end of the lease term, perform any cleanup, alterations, or other work required to leave the property in the condition required at the end of the term, and deliver all keys to Lessor.

27.2 Lessor may re-enter, take possession of the premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages.

27.3 Following re-entry or abandonment, Lessor may relet the premises and in that connection may relet all or part of the premises, alone or in conjunction with other properties, for a term longer or shorter than the term of this lease, upon any reasonable terms and conditions, including the granting of some rent-free occupancy or other rent concession, and may make any suitable alterations or refurbish the premises, or both, or change the character or use of the premises, but Lessor shall not be required to relet to any tenant which Lessor may reasonable consider objectionable.

27.4 The foregoing remedies shall be in addition to and shall not exclude any other remedy available to Lessor under applicable law.

27.5 Notwithstanding the other default provisions contained within Sections 23, 24, 26, and 27, if the Lessee should voluntarily or involuntarily release its interest in the improvements, the Lessor may allow a new owner to continue this lease and be recognized as Lessee, subject to the review and approval of the City, which shall not be unreasonably withheld.

Section 28. NOTICES. Any notice required or permitted under this lease shall be given when actually delivered or when deposited with postage prepaid in the United States mail as registered or certified mail, addressed as follows:

TO LESSOR: Airport Manager  
City of Corvallis  
P.O. Box 1083  
Corvallis, OR 97339-1083

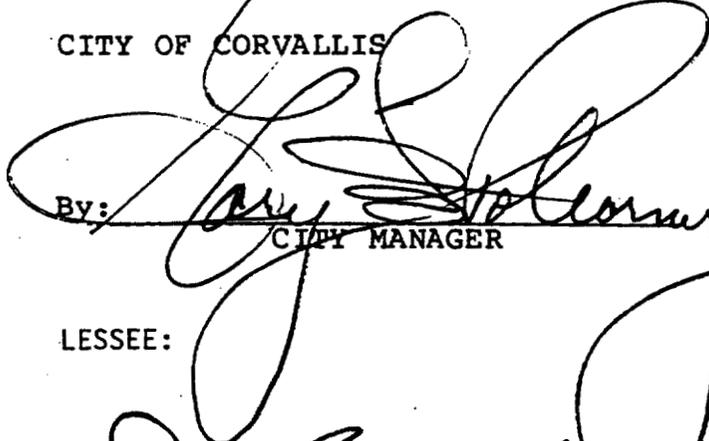
TO LESSEE: Advanced Control Technology, Inc.  
P. O. Box 1148  
Albany, Oregon 97321

or to such other address as may be specified from time to time by either of the parties in writing.

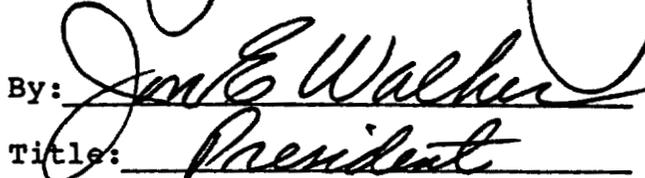
Section 29. SUCCESSION. Subject to the limitations set forth elsewhere in this lease on the transfer of Lessee's interest, this lease shall be binding upon and inure to the benefit of the parties, their respective heirs, legal representatives, successors, and assigns.

IN WITNESS THEREOF, the parties hereto have executed this agreement the day and year first above written.

CITY OF CORVALLIS

By:   
CITY MANAGER

LESSEE:

By:   
Title: President

Approved as to Form:

  
CITY ATTORNEY

TO BE DEVELOPED BY A.C.T.  
AS CONCRETE APRON

205'

"COMMON CORRIDOR"

S 59°10'44" E

180.00'

25.00'

SE. CORNER  
ALFRED RHINEHART  
DLC. #73

N 30°49'16" E  
90.00'

A.C.T. LEASEHOLD

S 30°49'16" W  
90.00'

"CITY"

TAXIWAY "G"

N 59°10'44" W

180.00'

25.00'

50.00'

SCALE 1" = 40'

SOUTH  
202.43'

EAST  
811.58'

EXISTING "T" HANGAR



A.C.T. CORPORATE HANGAR SITE  
OCTOBER, 1983

EXHIBIT A

**URBAN SERVICES COMMITTEE  
MINUTES  
March 15, 2006**

Present

*Committee Members*  
Betty Griffiths, Chair  
Rob Gándara  
George Grosch

*Stakeholders*

Robert Best, Corvallis Area Chamber of Commerce  
Amanda Dalton, Willamette Association of Realtors  
Kent Daniels, Parks and Recreation Advisory Board  
John Davis, Budget Commission  
Mike Goodrich, Willamette Valley Home Builders Association  
Paul Hohenlohe, Open Space Advisory Commission  
Tracy Noel, Corvallis Environmental Center  
Brigetta Olson, Corvallis Neighborhood Housing Services  
Tom Powell, Committee for Citizen Involvement  
Mysty Rusk, Corvallis-Benton County Economic Development Partnership

Absent

*Stakeholders*  
Bill York, Capital Improvement Program Commission (excused)

Visitor

Walter Barkan, 6960 NW Cabernet Place  
Terri Valiant, Legend Homes

Staff

Jon Nelson, City Manager  
Julee Conway, Parks and Recreation Director  
Don Ganer, Consultant  
Emely Day, City Manager's Office

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Parks Systems Development Charge	Yes		Accept the Committee's recommendation of 60 percent of Scenario 1, which will approximately equal the SDC rate in Scenario 3
II. Other Business			

## **CONTENT OF DISCUSSION**

### I. Parks Systems Development Charge (Attachment)

Councilor Griffiths noted that *Benton Business*, published by the Corvallis Area Chamber of Commerce, had a comprehensive article regarding the City's review of parks systems development charges (SDCs).

Councilor Griffiths reviewed options the group discussed during its February 8th meeting in terms of the SDC rate calculation methodology:

- Planning Horizon – A planning horizon of 2020 would correlate with the planning period of the Parks and Recreation Facilities Plan (PRFP).
- Methodology Approaches – The Standards-Driven Approach is based upon a unit of facility per 1,000 people, the Improvements-Driven Approach is based upon improvements identified in the PRFP, and the Level-of-Service Approach is based upon maintaining the existing level of service in relation to the population level. The group determined that the Improvements-Driven Approach was most appropriate for Corvallis.
- Reimbursement Fee – The City can assess improvement fee and reimbursement fee SDC components. A reimbursement fee SDC component is assessed for other utility SDCs but has not been assessed for parks because it is less clear that excess parks and recreation facility capacity exists, and the cost to determine excess capacity would not balance with the potential revenue to be generated by a reimbursement fee SDC component.
- Infrastructure Costs – Street, water, and sewer costs for parks development can be included in the parks SDC rate calculation methodology; they are not currently included. The group determined that infrastructure costs should be included in the cost of park development.
- Non-Residential Fees – The City has not assessed non-residential SDCs. The group determined that possible negative response to a non-residential SDC could far outweigh potential revenue. Additionally, the PRFP does not specify how non-residential employees in the community use the City's parks. When the PRFP is updated in the future, this issue should be addressed, so a non-residential SDC can be considered in the future.

Parks and Recreation Director Conway clarified that the reimbursement fee SDC component provides for new development to reimburse the City for facilities paid for by existing developments.

Councilors Griffiths and Grosch confirmed for Ms. Dalton that the Committee will present a recommendation to the Council for consideration during a work session March 20th. The Council will conduct a public hearing, currently scheduled for June 19th, and will render a decision regarding parks SDC rates during July.

Ms. Conway added that Oregon Revised Statutes require that the City make its proposed SDC rate calculation methodology available to the public 60 days prior to the Council's public hearing and that the public hearing be announced 90 days before its occurrence.

Councilor Griffiths reported that all information presented to and discussed by the Committee and the stakeholder group representatives has been presented to the Council.

Ms. Conway reviewed items distributed to the group at the beginning of today's meeting:

- Communications received from stakeholder group representatives Bill York and Lori Hickey.
- An updated chart of park SDC rates for single-family and multi-family dwelling units in selected Oregon cities; the chart was current January 1, 2006, and prepared by City of Corvallis Public Works Department.
- Population and SDC rates for single-family dwelling units in selected Oregon cities, as included in a survey conducted by Eugene, Oregon; the survey was completed during November 2004.
- Corvallis' SDC rates for all utilities, which the Council will review March 20th for annual inflationary adjustments; the rate information is current and includes a comparison compiled with data from the League of Oregon Cities.
- Population projections presented to the group during December 2005. The table entitled "Basic Population Projections" is from the City's Comprehensive Plan. The group agreed to use 2020 as a parks SDC planning horizon. The Comprehensive Plan population projection for 2020 is 58,461 to 61,029. The Corvallis Area Metropolitan Planning Area (CAMPO) projected Corvallis' population in 2020 at 67,228. The CAMPO projection was completed more recently than the Comprehensive Plan projection.

Ms. Conway reviewed that the group discussed planning horizons of 2020 and 2030 in relation to a possible non-residential SDC fee, for which employment projections were needed, which the CAMPO had. The CAMPO population projections include Corvallis, Philomath, and Benton County, which the Comprehensive Plan does not include. The Plan also does not include population projections to 2030. For these reasons, the CAMPO population projections were used in the scenarios presented to the group.

Councilor Griffiths reviewed that the SDC rate calculation methodology scenarios presented to the group are based upon the CAMPO's projected population of 67,228, which is more than the population projection cited in the Comprehensive Plan. In response to Mr. Daniels' inquiry, she said the CAMPO projection is based upon the 2000 Census and the 2004 Portland State University population projection.

Mr. Daniels opined that the Comprehensive Plan population projection is closer to the Census population, and he questioned why the higher CAMPO projections should be used.

City Manager Nelson recalled that the group discussed whether 2020 or 2030 should be used as the SDC rate calculation methodology planning horizon. The Comprehensive Plan

includes a population projection for 2020 but not for 2030; the CAMPO had population projections for 2020 and 2030. Based upon the group's direction, staff used the CAMPO population projections. The CAMPO projections for 2020 and 2030 vary by approximately 3,000, and the group chose to use the 2020 projection for the SDC rate calculation methodology discussions.

Ms. Conway added that the CAMPO population projections are reviewed more often than the Comprehensive Plan projections; therefore, the CAMPO projections are considered more accurate.

Councilor Griffiths reported that she received today a population projection from the CAMPO of 66,586 for 2020.

Current Corvallis population is tracking with the CAMPO population projections.

Mr. Hohenlohe inquired as to the extent to which the Comprehensive Plan population projections affected the projects identified in the PRFP and the extent to which identified improvements are associated with population estimates.

Consultant Ganer explained that SDCs are based upon population increase and are assessed per additional person in the city. The population increase would affect the per-capita SDC assessment.

Ms. Conway noted that the 2000 PRFP was based upon population projections but did not reference a source for a specific population level. Councilor Griffiths added that the PRFP was designed to address the community's needs over 15 to 20 years with a projected population of 60,000 to 120,000 at the end of that planning period. Ms. Conway concluded that the SDC rate should be associated with a specific population figure.

Ms. Conway referenced her February 24th memorandum in the Committee meeting packet. She said the group, during its last meeting, reviewed various calculation scenarios and parks and recreation facility categories. The group asked staff and Mr. Ganer to develop three additional scenarios (attached to the memorandum) deleting specific facility categories from SDC funding:

- Scenario 1 – Delete special use areas and swimming pools.
- Scenario 2 – Delete special use areas, swimming pools, and linear parks.
- Scenario 3 – Delete special use areas, swimming pools, linear parks, and undeveloped large urban parks.

Ms. Conway explained that Attachment 5 to her memorandum delineates the acreage, square footage, and total costs of each park and recreation facility category proposed for deletion under each scenario, including the costs attributable to growth and existing deficiencies.

Ms. Conway also explained that Attachment 4 to her memorandum includes SDC rate calculations for single-family and multi-family dwelling units under the scenarios outlined above. She noted that SDCs would not be collected for parks and recreation facility categories deleted from the SDC rate calculation methodology – new development would not contribute towards the construction of those facilities, which must be paid for from other funding sources. She summarized that deleting the referenced facility categories from the SDC rate calculation methodology would reduce the projected SDC rate.

Councilor Griffiths noted that the current SDC rate calculation methodology does not include linear parks, swimming pools, special use areas, and parks infrastructure. Additionally, beautification areas are not included in the calculation methodology because they are not included in the PRFP.

In response to Mr. Daniels' inquiry, Mr. Ganer said the City owns some undeveloped large urban park land. The PRFP does not specify a need to acquire additional land in this facility category. The group discussed developing some existing large urban park land and the impact of doing so without using SDC revenue, which is reflected in Scenario 3. Ms. Conway confirmed that, if Scenario 3 were adopted, SDC fees could not be collected and used to develop large urban park land during the time that the SDC rate calculation methodology was in effect.

In response to Councilor Griffiths' inquiries, Ms. Conway said Willamette Park development projects are proposed to be funded with SDCs. No improvements are proposed for Avery Park, and Alan B. Berg Park (Berg Park) will probably not be developed by 2020. Upgrades are planned for Willamette Park, partly to serve the increasing population in South Corvallis.

As a representative of the Parks and Recreation Advisory Board, Mr. Daniels said he does not want to eliminate Berg Park from SDC funding during the next 15 years.

Ms. Conway said 73.37 acres of large urban park land development (all Berg Park) was identified in the PRFP. The Council could retain a portion of that acreage amount for development paid by SDC revenue.

Mr. Daniels said he would like the Council to be aware of the issue of Berg Park when making its decision regarding the group's recommendation.

Mr. Ganer noted that the PRFP did not include further development projects at Willamette Park.

Mr. Powell observed that, according to the SDC comparator table updated January 1, 2006, parks SDCs are approximately \$2,000 for single-family dwelling units and \$1,500 for multi-family dwelling units. He also noted that the projected SDC rate under Scenario 3 would be more than three times the current SDC rate.

Mr. Nelson and Ms. Conway, referencing Attachment 1 to the Committee's February 8th meeting minutes, noted that funding all projects identified in the PRFP with associated infrastructure would result in a single-family dwelling unit parks SDC rate of \$10,072. The group asked staff and Mr. Ganer to recalculate the projected SDC rate after deleting specific facility categories.

Councilor Gándara recalled that the group discussed a desire to give the Parks and Recreation Department as much flexibility as possible in the allocation of parks SDC funds, rather than restricting how the funds could be invested. He suggested keeping open all investment options in terms of facility categories but reducing the rate of SDC funding for projects. He would prefer applying this strategy to the large urban park facility category.

Mr. Daniels observed that the Council can amend the group's recommendation.

In response to Ms. Dalton's comment, Ms. Conway confirmed that the projected SDC rate under Scenario 3 would place Corvallis among the top third of comparator communities based only upon parks SDCs.

Councilor Griffiths noted that SDC rate adjustments have been phased in over time, which the group can consider. Parks SDCs will not be reviewed again for a few years. She referenced the need to balance the amount of rate increase with the need to assure that the City collects an adequate amount of SDC revenue to fund parks development needed to serve an increasing population.

Mr. Nelson reviewed the challenges in developing Berg Park: access, the adjacent state highway, the presence of wetlands, a former landfill with methane gas, the location in Linn County, and the location within the Willamette River Greenway. Councilor Griffiths reported that Oregon Department of Transportation considers the adjacent highway an expressway and will not grant the City access to its property from the highway.

Mr. Daniels said he was comfortable with Scenario 3, with a recommendation that the Council consider Berg Park.

Mr. Goodrich inquired as to the City's responsibility for parks outside the City Limits and within the Urban Growth Boundary (UGB).

Ms. Conway explained that the City owns parks outside the City Limits but within the UGB. These parks are included in the PRFP. No mini parks are located outside the City Limits, but some neighborhood and community parks are outside the City Limits and are included in the PRFP. These parks can be included in the SDC rate calculation methodology because they are included in the PRFP. If these parks were excluded from the calculation methodology, SDC revenue could not be collected for acquisition or development of the parks.

Councilor Grosch added that the City owns a variety of parks outside the City Limits and is responsible for the maintenance of those parks. Councilor Griffiths referenced Forest Dell Park, which was recently annexed into the City Limits. The City is responsible for land it owns. The parks within the UGB will eventually be within the City Limits. Annexation proposals may include plans for parks.

Mr. Powell opined that the SDC rate for multi-family dwelling units should be higher than for single-family dwelling units. He observed that apartment residents typically use parks frequently because they have no yard space of their own.

Mr. Ganer responded that some communities assess the same parks SDC rate for all types of dwelling units. Census data indicates the average number of people per dwelling unit in a community. A community may have the same occupancy rate among all dwelling types, or the SDC rate may be assessed based upon the average number of residents for all dwelling types. According to Census data, Corvallis has more people per single-family dwelling unit than multi-family dwelling unit. Corvallis has small apartment units and many college students living in apartments. If the occupancy rates for single-family and multi-family dwelling units is averaged and the same SDC rate is assessed regardless the type of dwelling unit, the SDC rate would be smaller for single-family dwelling units and higher for multi-family dwelling units.

Councilor Gándara expressed a preference for denser housing developments with their lower associated costs.

Mr. Ganer noted that SDCs would be used to acquire public facilities. Multi-family housing developments often have green space, which is privately owned. Some apartment developments have amenities, such as pools and park settings.

Mr. Powell said he would prefer a single SDC rate for all dwelling unit types. He noted that the proposed SDC rate calculation methodology would make "affordable" single-family residences less affordable.

Mr. Hohenlohe concurred with Councilor Gándara regarding greater housing density having lower development costs. He noted that the City does not have information to support a contention that apartment residents use parks more than single-family housing residents.

In response to Mr. Davis' inquiry, Mr. Ganer reviewed the calculations of Scenario 3:

- Growth Costs – Total project costs attributable to growth are \$34,567,907.
  - Growth costs are divided by the increase in population for a per-person rate, which is multiplied by 2.55 people per single-family dwelling unit, resulting in \$6,442.
- Deficiency Costs – These costs cannot be paid with SDCs and represent improvements needed to serve existing populations, unrelated to population growth.
  - An estimated \$30,000,000 of the total deficiency costs of \$31,125,733 would need to be paid through non-SDC means, resulting in a credit against the projected SDC rate, so growth does not pay for an existing deficiency.

- SDC Rate – Growth costs less deficiency costs result in the SDC rate per dwelling unit.

Mr. Ganer confirmed that the existing population would pay for improvements to correct existing facility deficiencies. Growth would pay only for facilities prompted by population increases.

Ms. Conway noted that SDCs paid approximately 10 percent of parks and recreation facility developments over the past five to six years; the remaining costs were paid with bonds, grants, and other funds.

Referencing Mr. Ganer's explanation, Ms. Dalton inquired whether the City Council plans to seek bond approval in the near future. Councilor Griffiths responded that the City does not have specific funding strategies at this time for park acquisition costs not eligible for SDC funding. As projects are added to the Capital Improvement Program (CIP) Plan, staff seeks appropriate funding sources. Other than the planned renovation and expansion of the Senior Center, the Council has not considered seeking bond funding for any parks and recreation facility.

Mr. Goodrich observed that the projects identified in the PRFP would be funded by the new SDC rate, once it is approved. He further observed that the City does not have plans for funding the remaining project costs, other than grants, bonds, and other funding sources previously utilized. He inquired what would happen if these funding sources were not available.

Ms. Conway explained that the CIP Plan is updated annually, and a portion of each project in the Plan is assigned to a funding source. If funding sources are not available for a project, the project is deferred; and the SDCs previously allocated for that project are reallocated for another appropriate project. The City's SDC fund balance is small because the SDC revenue is used to match and leverage other funding sources.

Mr. Goodrich said the Association he represents does not oppose parks development or growth paying for its share of new parks.

Mr. Ganer said the PRFP requires specific project plans identifying the portion of each property that can be funded by SDCs. He explained that SDC revenue cannot be spent on any project not identified in the PRFP or for any portion of a project not attributable to growth. Ms. Conway added that some projects must be postponed until adequate funding is available.

In response to Ms. Dalton's inquiry, Councilor Griffiths explained that Scenarios 1, 2, and 3, presented today, were the result of the group's request during its last meeting; the group did not request a scenario purposefully crafted for a projected SDC rate closer to the current rate. She said she previously asked why the projected SDC rate was so much higher than the current rate, and staff told the group that the costs of land acquisition, the

proposal to include infrastructure (not previously included), and better cost estimates for park development contribute to the increase.

Ms. Conway noted that the Council, during the 2000 SDC review, chose to assess a SDC rate lower than the rate the Committee proposed. This lower SDC rate "caught up" with the City in terms of insufficient SDC revenue being collected over the past few years. This contributed to the higher projected SDC rate, which would be a more accurate rate in terms of collecting sufficient SDC revenue to pay project costs. The projected SDC rates are based upon actual park developments and were compared with the rates of other cities.

Mr. Daniels said the group must develop a rational explanation for its recommended SDC rates. The Council can make a different decision.

Councilor Griffiths solicited input regarding phasing in the SDC rate increase.

Mr. Hohenlohe concurred with Councilor Gándara's proposal of giving the Parks and Recreation Department as much flexibility as possible in how it invests SDC revenue as opportunities arise. Therefore, he supports Scenario 1 with the City Council having the opportunity to consider phasing in the SDC rate increase or reducing the SDC rate.

Councilor Griffiths noted that Scenario 1 deletes special use areas and swimming pools, thereby slightly restricting the desired SDC investment flexibility.

Ms. Noel concurred with Mr. Hohenlohe. She said she often hears that it is expensive to live in Corvallis because of housing costs. She speculated that the group could develop numerous scenarios to achieve desired SDC rates. Rather than assess a flat SDC rate for any type of dwelling unit, she suggested allowing a percentage discount for development of low-income housing to provide more affordable housing. Mr. Nelson responded that the City offers an affordable housing SDC offset program.

Ms. Rusk speculated that, if the proposed SDC rate is implemented, many current and prospective Corvallis residents will seek housing in other communities, including people who earn slightly more than the Corvallis median income. However, if the proposed rate is not implemented, the City will not have the revenue needed for parks development.

Councilor Grosch referenced recent arguments in the media regarding the need for governmental entities to operate as businesses operate, to streamline operations, and to keep expenses within budgets. This SDC review is an example of the community expecting the City to provide a level of service. The amount of property tax revenue available to cities has been severely reduced. To reduce housing costs, the City kept SDC rates artificially low. At some point, the consequences of the suppressed SDC rates must be addressed. If the City was a business, it would increase its fees to cover its costs of providing services.

Councilor Gándara added that property taxes are based upon property values, while SDCs are based upon the number of residents in a house, regardless its property value. He noted that the City cannot change the property tax rate.

Mr. Nelson explained that State Measures 47 and 50 capped property tax increases at three percent per year plus an increment associated with new growth that is based upon the market.

Mr. Goodrich observed that new house buyers are suffering the burden of the property tax levies, as they pay the house purchase price, SDCs, and property taxes.

Ms. Rusk opined that parks SDC rates have been "compromised" during the past five years, so growth has not been paying its fair share of park developments. New growth will pay more than its share to compensate for past suppressed SDC revenue collections.

Ms. Olson expressed concern regarding the projected SDC rate and its impact on affordable housing in Corvallis.

Councilor Gándara said Ms. Olson's concern underlines the importance of the Parks and Recreation Department having flexibility to seek other funding sources that can be matched and leveraged with SDC revenue.

Mr. Nelson emphasized that the City, during the past five years, used SDC revenue for only ten percent of parks development projects, obtaining the remaining 90 percent of project costs from other funding sources.

In response to Ms. Dalton's inquiry, Ms. Conway explained that a usage rate could not be applied to the projected SDC rates based solely upon the City's practice the previous five years of using SDC revenue to fund only ten percent of parks projects. She elaborated that the extensive use of other funding sources was prompted by the City not having sufficient SDC revenue to cover more of the parks project costs. She said the Council could direct that growth will pay for a specific lower percentage of project costs, which would reduce the SDC rate and require the City to seek other funding sources for remaining project costs.

Councilor Griffiths observed that Scenario 1 provides the greatest flexibility in investing SDC revenue. Alternatively, the original proposal with all projects included could be considered, with a percentage rate applied so growth did not pay the entire cost of park development.

Mr. Davis observed that Scenarios 1 and 3 differ in terms of linear parks and large urban parks. He believes these facility categories are low priorities in terms of livability and desires of Corvallis residents. Conversely, the projected SDC rates of Scenarios 1 and 3 are \$5,700 and \$2,800, respectively, more than the current SDC rate. He believes Scenario 3 might be more appropriate from the perspectives of house buyer finances and

the types of park facilities that would not be developed. Councilor Griffiths noted that Scenario 3 matches the City's current SDC funding profile.

Mr. Powell concurred with Mr. Davis' analysis.

Ms. Noel suggested combining the revenue application options of Scenario 1 with a percentage rate reduction to equal the projected SDC rate of Scenario 3, keeping Berg Park on the project list as a development to ultimately fund with SDC revenue.

Councilor Griffiths suggested retaining all facility categories and applying a percentage to reduce the projected SDC rate to a desired amount, rather than reducing the Parks and Recreation Department's flexibility. Ms. Olson concurred.

Mr. Daniels said he was not sure he wanted to include swimming pools and linear parks in the SDC-funded project profile.

Mr. Ganer noted that each scenario presented today has a different deficiency cost. The initial scenario that included all facility categories and all projects identified in the PRFP had a deficiency of \$91 million, which the City would need to raise through other means. If the City could not reasonably raise that amount of money, another scenario must be considered. Scenario 1, presented today, has a deficiency of \$46,031,970; Scenarios 2 and 3 have deficiencies of \$31,125,733.

Councilor Griffiths opined that it would be better to select one of the scenarios presented today and direct that growth pay a percentage of the projected SDC rate.

Mr. Ganer elaborated that any amount of the identified projects could be funded with the reduced SDC revenue; however, some of the projects must be funded from other sources. Alternatively, the Council could direct that the amount of development in each facility category be reduced by a percentage rate. He cautioned that the Council should provide clear direction regarding application of percentage reductions.

Councilor Griffiths observed that applying percentages to each facility category would create confusion.

Mr. Hohenlohe inquired whether the Council could apply a percentage rate to the SDC rate and indicate that the same percentage of the deficiency rate will be paid from other funding sources. Mr. Ganer responded affirmatively.

Mr. Davis opined that the group was inappropriately combining SDC rate calculation methodology with comprehensive park planning. He noted that the group analyzed the suggested methodology and must now consider the SDC rate that would be acceptable in the community. He believes the community should not bear a SDC rate increase of more than \$2,000. If that low a SDC rate increase is implemented, decisions must be made regarding the parks and recreation projects that will be postponed. He would prefer that

park planning be kept flexible and that staff and its advisory groups determine the best way to invest SDC revenue. The PRFP can be revised during the next 14 years.

Councilor Griffiths observed a consensus within the group of the projected SDC rate represented in Scenario 3 but no limitations on application of SDC revenue. She expressed a desire for a clear explanation of the group's consensus for presentation to the Council.

Ms. Conway observed that the group would like to retain as much flexibility as possible for SDC revenue investment. Scenario 2 deletes special use areas and swimming pools, but she has not heard compelling arguments to retain those facility categories. The Council may want to retain the linear park facility category. She suggested Scenario 2 with growth paying a percentage of the projected SDC rate.

Ms. Rusk inquired how previous SDC rate adjustments that were substantial proceeded to approval. Mr. Nelson responded that the Council arbitrarily made a market determination for parks SDCs, which are not as clear cut as other utilities that have set development costs and are required before development occurs.

Ms. Rusk inquired how a proposal that does not completely pay project costs would affect the community. If the full projected SDC rate is implemented, the community's housing prices will increase more. Conversely, if the parks SDC rate is not adjusted to match project costs, further problems will occur.

Mr. Best opined that parks projects have not been fully funded because of insufficient SDC rates. He questioned how proposed parks and recreation projects could be funded and whether the costs should be paid entirely by SDCs or how project costs not funded by SDCs should be paid. He said Texas communities have park usage fees. He questioned whether the City is appropriately considering funding sources.

Councilor Griffiths explained that the Parks and Recreation Department is funded with property tax revenue. The City has not fully funded the growth portion of the parks and recreation system, which prompted the discussion of growth paying a percentage of parks development costs.

Mr. Best countered that using property taxes to support the parks and recreation department is asking property tax payers to pay for a service they may not use. He questioned why the City does not ask citizens to pay for services they use.

Councilor Grosch responded that all residents of a community pay a cost for choosing to live in the community. He said the situation is the same as all property tax payers supporting the school system, even if their children are out of school.

Councilor Griffiths stated that the City pays for parks development with non-SDC funds, charges for some of its services, and charges non-city residents for parks and recreation services.

Councilor Griffiths observed that the group preferred the project profile of Scenario 2 but the projected SDC rate of Scenario 3.

Upon inquiry by Councilor Griffiths, no one expressed interest in phasing in the projected SDC rate.

Councilor Griffiths said she would prefer to retain linear parks in the project profile but delete large urban parks from the profile, similar to Scenario 1.

In response to Mr. Goodrich's inquiry, Councilor Grosch said the Council, based upon past practice, would likely accept the Committee's recommendation, hold a public hearing and hear citizens' testimony, and then deliberate the recommendation.

Mr. Davis said he would prefer the project profile of Scenario 1, with a 40-percent reduction to the approximate projected SDC rate of Scenario 3.

Ms. Dalton said the members of the Association she represents have not discussed the projects to be included in the SDC rate or the percentage of those projects that should be paid by growth; therefore, she cannot comment today regarding the Committee's recommendation.

#### Visitors' Propositions

Walter Barkan said the League of Women Voters (LWV) did not have a position regarding a specific proposed scenario. The LWV is concerned that the City make full disclosure and public accounting. He opined that the use of SDC rate percentages could mislead the public. He said the PRFP includes a list of identified projects. If the projects are not fully funded from SDC revenue, the City must reduce its level of service and/or seek other funding sources. If the projects will not be fully funded by SDCs, the City must indicate what projects will not be constructed or the source of remaining needed funding. He believes the funding scenario must be complete for the benefit of the Council and citizens.

Councilor Grosch concurred that any SDC rate that will not completely fund projects identified in the PRFP must be accompanied by an indication of other funding sources.

Mr. Barkan observed that many issues are causing housing prices to increase. He expressed doubt that, in the overall housing market, a large increase in the SDC rate would stop the development of new housing. He questioned the relationship between the cost of building housing and the cost of buying housing. A significant increase in SDC rates may make a house unaffordable to build but not unaffordable to buy. He said SDC fees are a small part of housing costs, so addressing affordable housing through SDC rates is

inappropriate. The LWV supports affordable housing, but that objective cannot be achieved through SDC rates.

Mr. Davis thanked staff and Mr. Ganer for providing expert information during the past few months.

Councilor Griffiths thanked stakeholder group representatives for their diligence in reviewing and discussing the information presented.

Based upon a motion moved and seconded by Councilors Grosch and Gándara, respectively, the Committee unanimously recommends that the Council accept the Committee's recommendation of 60 percent of Scenario 1 (deleting application of systems development charge revenue to projects relating to special use areas and swimming pools), which will approximately equal the SDC rate in Scenario 3.

Councilor Griffiths announced that the Council will conduct a work session March 20th to review the Committee's recommendation, conduct a public hearing on the recommendation June 19th, and render a decision July 17th. She added that written testimony to the Council is the best means of conveying views to the Council.

## II. Other Business

- A. The Urban Services Committee meeting scheduled for March 21, 2006, was canceled due to lack of agenda items ready for presentation.
- B. The next regular Urban Services Committee meeting is scheduled for April 3, 2006, at 4:00 pm, in the Madison Avenue Meeting Room.

Respectfully submitted,

Betty Griffiths, Chair

## Conway, Julee

---

**From:** Bill York [yorkb@peak.org]  
**Sent:** Thursday, March 09, 2006 10:49 AM  
**To:** Conway, Julee  
**Subject:** Parks SDC Review

Hi Julee,

Thanks for the timely delivery of the materials for the next meeting.

Assuming it doesn't unduly limit your flexibility to respond to changing conditions associated with Large Urban Parks, I can comfortably support Scenario 3. The \$4,870 Rate per SFR seems very reasonable.

It is a very substantial increase from our current \$2,001, but I think it is defensible given what has happened to property values (costs) over the past several years.

It also puts us a little higher in the rankings of comparable communities than our stated goal, but I think that will change as others revisit and revise (raise) their rates.

Finally, I think our methodology - selective improvements driven - demonstrates thoughtfulness and could withstand challenge.

Sorry I have to miss the next meeting - golf in sunny Phoenix beckons - but I do plan on attending the Council Work Session on March 20.

Regards,

Bill

## Conway, Julee

---

**From:** Lori L. Hickey [lori@wvhba.com]  
**Sent:** Thursday, March 02, 2006 11:44 AM  
**To:** Conway, Julee  
**Subject:** Questions

Julee,

I have briefly gone over the minutes from the previous meeting. I do, as I am sure you are expecting, have questions. Could you please, in laymen's terms, give me the proposed SDC Parks fee given each scenario? I understand that you are going to be potentially removing some projects for review purposes, but I would still like to know the original numbers. I guess I did not receive the packet that was presented at the February 8<sup>th</sup> meeting.

Also, I do not see my concern regarding projects outside the urban growth boundary as being addressed. Can you tell me the status on that?

Thank you,

Lori L. Hickey, EO  
Willamette Valley HBA  
32054 Old Hwy 34  
P.O. Box 440  
Tangent, Oregon 97389  
(541) 928-5159  
(541) 928-0865 Fax  
lori@wvhba.com

3/15/2006

**Date: March 15, 2006**

**To: City of Corvallis Urban Services Committee  
Julee Conway, Parks & Recreation Director**

**From: Lori L. Hickey, Executive Officer  
Willamette Valley Home Building Association**

**Re: Urban Services Committee Scheduled March 15, 2006**

**The following are questions that the Willamette Valley Homebuilding Association would like to see answered prior to the conclusion of the Urban Services Committee Meetings regarding the City of Corvallis' Parks System Development Charges.**

1. How does the City of Corvallis plan to maintain the new parks when it currently struggles to maintain the parks already in the system?
2. How can the City of Corvallis justify proposed parks outside of the City limits? Shouldn't those be the responsibility of the County? Furthermore, wouldn't Parks outside the City limits be on land that would have to be annexed into the City? When annexations have to be approved by a vote of the people, it seems pretentious on the part of the City to collect for future growth that may or may not ever occur.
3. How does the City of Corvallis plan to make up the residual balance of the portion of proposed parks not paid for by Systems Development Charges?
4. What is the Council policy regarding Affordable Housing?
5. Does the Committee understand that it is not the developer that pays for the SDC? It is the new home buyer who pays the SDC over the next 30 years adding an exponential amount to the life of their mortgage.

**Given the information received thus far, the Association will not support Scenario #1 or Scenario #2 found on Attachment #4. However, the Association may consider support of Scenario #3 on Attachment #4 pending answers to the above questions.**

Respectfully,

Lori L. Hickey, EO  
WVHBA

**SELECTED OREGON PARKS SDC RATES** as of 01/01/06

City or Parks District	Single Family	Multi-Family	*Non-Residential
West Linn <sup>1</sup>	\$ 8,029	\$ 5,677	\$ -
Sherwood	6,661	4,999	69
North Plains	4,941	4,941	-
Canby	4,725	3,869	129
Happy Valley	4,222	4,222	-
Tigard	4,023	3,234	273
Troutdale	3,600	3,600	-
Tualatin	3,388	3,388	-
Bend Metro PRD (Bend)	3,199	2,870	-
Tualatin Hills PRD (Beaverton)	2,981	2,293	93
Portland	2,960	1,925	-
Lake Oswego	2,825	2,888	264
Oregon City	2,839	2,245	186
Hillsboro	2,685	2,685	382
North Clackamas PRD (east of I-205)	2,660	2,118	-
Medford	2,544	1,769	44
Wilsonville	2,394	1,820	63
North Clackamas PRD (west of I-205)	2,231	1,857	-
**Corvallis	2,001	1,501	-
Forest Grove	2,000	2,000	-
McMinnville	2,000	2,000	-
Sandy	2,000	1,334	-
Hood River Valley PRD	1,635	1,169	-
Albany	1,500	1,500	-
Chehalam PRD (Newberg)	1,471	1,075	-
Woodburn	1,448	1,556	26
**Eugene	1,345	1,345	-
**Gresham	1,115	1,115	-
Ashland	1,041	815	-
**Willamalane PRD (Springfield)	1,000	692	-

\* Non-residential rates are per employee except for Hillsboro, which is per parking space.

\*\* Parks SDC methodologies and rates are currently being reviewed and updated.

<sup>1</sup> City of West Linn Parks SDC methodology is currently being reviewed by the Oregon Court of Appeals.



---

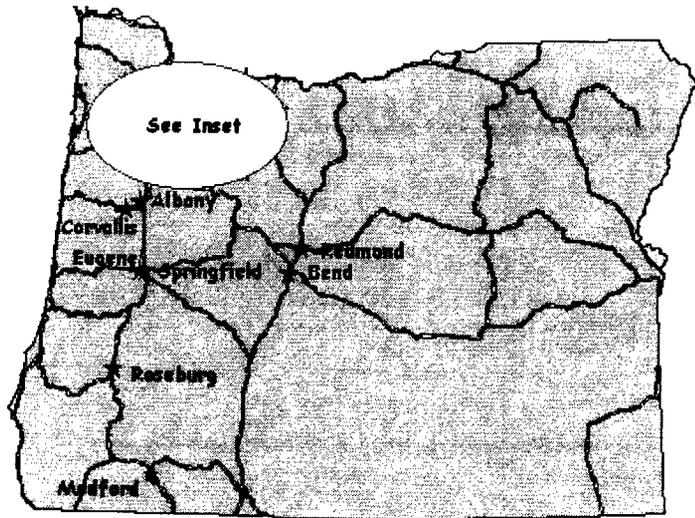
**City of Eugene, Oregon**

**2004**

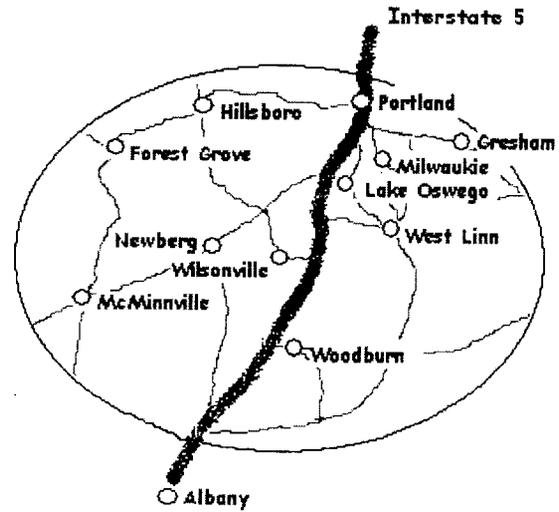
**Oregon System Development Charge Survey**

---

# Participating Oregon Communities



**Oregon**  
With major highways depicted.



City	Population*
<i>Albany</i>	43,600
<i>Bend</i>	62,900
<i>Corvallis</i>	52,950
<i>Eugene</i>	143,910
<i>Forest Grove</i>	19,130
<i>Gresham</i>	93,660
<i>Hillsboro</i>	79,340
<i>Lake Oswego</i>	35,860
<i>McMinnville</i>	28,890
<i>Medford</i>	68,080
<i>Milwaukie</i>	20,580
<i>Newberg</i>	19,530
<i>Redmond</i>	17,450
<i>Roseburg</i>	20,480
<i>Springfield</i>	54,720
<i>West Linn</i>	23,820
<i>Wilsonville</i>	15,880
<i>Woodburn</i>	21,560

\*July 1, 2004 certified estimates from Portland State University Population Research Center.

# SDC Comparison Summary

## Single - Family Dwelling (1,500 sq.ft.)

City	Stormwater	Wastewater	Transportation	Parks	SDC Admin Fees	Subtotal	Water	Water SDC Admin Fee	Total SDC
<i>West Linn</i>	\$455	\$5,413	\$4,217	\$8,029	\$0	\$18,114	\$5,946	\$0	\$24,060
<i>Wilsonville</i>	\$456	\$1,628	\$2,917	\$2,320	\$0	\$7,321	\$4,111	\$0	\$11,432
<i>Lake Oswego</i>	\$112	\$1,921	\$4,420	\$2,825	\$0	\$9,278	\$2,108	\$0	\$11,386
<i>Hillsboro</i>	\$500	\$2,500	\$2,690	\$2,276	\$0	\$7,966	\$3,141	\$0	\$11,107
<i>Woodburn</i>	\$220	\$2,977	\$3,286	\$1,513	\$0	\$7,996	\$2,085	\$0	\$10,081
<i>Forest Grove</i>	\$275	\$2,500	\$2,690	\$2,000	\$0	\$7,465	\$2,552	\$0	\$10,017
<i>Bend</i>	\$0	\$1,098	\$3,145	\$3,064	\$0	\$7,307	\$2,356	\$0	\$9,663
<i>Corvallis</i>	\$168	\$3,528	\$1,924	\$1,870	\$0	\$7,490	\$1,395	\$0	\$8,886
<i>Newberg</i>	\$223	\$1,656	\$1,583	\$1,471	\$0	\$4,933	\$3,331	\$0	\$8,264
<i>Gresham</i>	\$823	\$1,963	\$1,997	\$1,073	\$0	\$5,856	\$2,273	\$0	\$8,129
<i>Springfield</i>	\$769	\$1,921	\$948	\$1,000	\$192	\$4,830	\$3,000	\$0	\$7,830
<i>Redmond</i>	\$0	\$1,970	\$2,722	\$790	\$0	\$5,482	\$1,902	\$0	\$7,384
<i>Albany</i>	\$0	\$2,284	\$1,584	\$1,500	\$0	\$5,368	\$1,903	\$0	\$7,271
<i>Medford</i>	\$486	\$1,612	\$2,896	\$1,086	\$0	\$6,081	\$783	\$0	\$6,863
<i>Eugene</i>	\$429	\$1,354	\$1,377	\$1,345	\$235	\$4,740	\$1,860	\$130	\$6,600
<i>McMinnville</i>	\$0	\$2,550	\$1,273	\$2,000	\$0	\$5,823	\$0	\$0	\$5,823
<i>Milwaukie</i>	\$473	\$893	\$1,527	\$1,817	\$0	\$4,710	\$1,095	\$0	\$5,805
<i>Roseburg</i>	\$331	\$1,400	\$605	\$500	\$0	\$2,836	\$1,200	\$0	\$4,036

Methodologies and rates effective November, 2004.

<b>System Development Charge Rates</b>		
<b>Unit Description</b>	<b>Current SDC (\$/Unit)</b>	<b>Proposed SDC (\$/Unit)</b>
<b>WATER</b>		
Equivalent Fixture Units		
1st Level	\$ 63.54	\$ 64.97
2nd Level	\$ 134.13	\$ 138.48
3rd Level	\$ 240.78	\$ 248.23
<b>SEWER</b>	\$ 188.50	\$ 195.10
Equivalent Fixture Units		
<b>STREET</b>	\$ 214.29	\$ 220.49
Daily Trip Ends		
<b>DRAINAGE</b>	\$ 0.073	\$ 0.076
Impervious Sq Ft		
<b>PARKS</b>	\$ 714.71	\$ 740.90
Dwelling Unit Occupants		
<b>Adjusted From:</b>		
January 2005 Seattle ENR CCI:	8165.36	
<b>Adjusted To:</b>		
January 2006 Seattle ENR CCI:	8464.55	

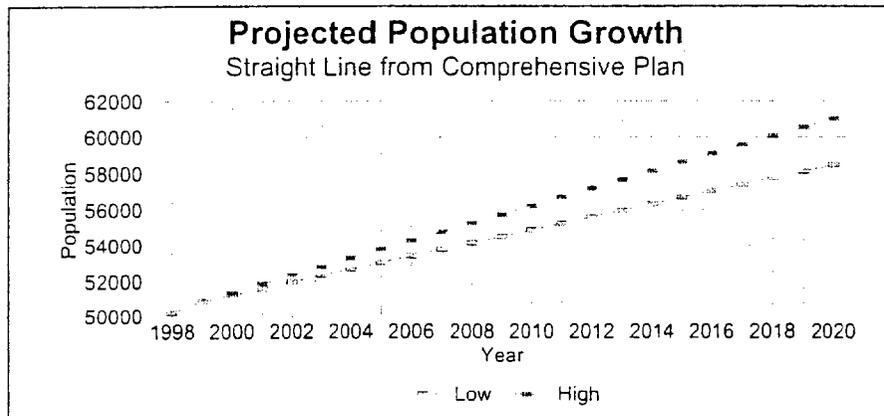
**Table 1 – Current / Proposed SDC Comparison**

<b>LEAGUE OF OREGON CITIES MULTI-CITY SDC COMPARISON</b>						
<b>SINGLE FAMILY RESIDENCE</b>						
<b>City</b>	<b>Parks</b>	<b>Sewer</b>	<b>Water</b>	<b>Transportation</b>	<b>Stormwater</b>	<b>Total</b>
Lebanon	\$610.00	\$363.01	\$548.00	\$437.00	\$34.74	<b>\$1,993</b>
Cottage Grove	\$204.00	\$624.00	\$416.00	\$663.00	\$1,073.00	<b>\$2,980</b>
Madras	\$400.00	\$2,000.00	\$800.00	\$600.00	\$133.33	<b>\$3,933</b>
Monmouth	\$1,484.00	\$2,753.00	\$1,413.00	\$394.00	\$200.00	<b>\$6,244</b>
Grants Pass	\$1,157.00	\$1,062.00	\$796.00	\$1,866.15	\$2,255.00	<b>\$7,136</b>
Corvallis (Existing)	\$2,001.19	\$3,016.00	\$1,016.64	\$2,050.76	\$201.26	<b>\$8,286</b>
Corvallis (Proposed)	\$2,074.52	\$3,121.60	\$1,039.52	\$2,110.09	\$209.53	<b>\$8,555</b>
Sherwood	\$4,996.00	\$42.00	\$856.00	\$2,530.00	\$500.00	<b>\$8,924</b>
Columbia City	\$1,133.60	\$1,318.00	\$3,088.00	\$3,466.00	\$250.00	<b>\$9,256</b>
Lake Oswego	\$1,825.00	\$1,921.00	\$2,108.00	\$3,757.00	\$112.00	<b>\$9,723</b>
Tualatin	\$2,100.00	\$2,400.00	\$2,758.00	\$2,530.00	\$275.00	<b>\$10,063</b>
Woodburn	\$1,513.00	\$2,977.00	\$2,085.00	\$3,286.00	\$330.00	<b>\$10,191</b>
Salem	\$2,962.00	\$2,591.33	\$3,567.27	\$1,527.66	\$383.00	<b>\$11,031</b>

3.2%  
Increase

**Table 2 – Multi-City SDC Comparison**

<b>Basic Population Projections</b> <i>(Straight Line from Comprehensive Plan Range<sup>2</sup>)</i>		
<b>Year</b>	<b>Low</b>	<b>High</b>
1999 <sup>3</sup>	50,880	50,880
2000	51,241	51,363
2001	51,602	51,847
2002	51,963	52,330
2003	52,324	52,813
2004	52,685	53,296
2005	53,046	53,780
2006	53,407	54,263
2007	53,768	54,746
2008	54,129	55,230
2009	54,490	55,713
2010	54,851	56,196
2011	55,212	56,679
2012	55,573	57,163
2013	55,934	57,646
2014	56,295	58,129
2015	56,656	58,613
2016	57,017	59,096
2017	57,378	59,579
2018	57,739	60,062
2019	58,100	60,546
2020	58,461	61,029



<sup>2</sup> Year 2020 range is identified in Finding 1.1.c of the City Council adopted 1998 Corvallis Comprehensive Plan.

<sup>3</sup> Population of Corvallis for the first year following Comprehensive Plan adoption (estimate from Portland State University).

**Corvallis Area MPO Demographic Projections\***

<b>Households</b>	<b>2000 HH</b>	<b>2010 HH</b>	<b>2020 HH</b>	<b>2030 HH</b>
Corvallis	23,052	24,505	26,575	28,018
Unincorporated Benton County	2,312	2,514	2,840	3,242
Philomath	1,853	1,973	2,147	2,281
Adair Village	179	193	213	228
<b>Total</b>	<b>27,396</b>	<b>29,185</b>	<b>31,774</b>	<b>33,769</b>

<b>Population</b>	<b>2000 Pop</b>	<b>2010 Pop</b>	<b>2020 Pop</b>	<b>2030 Pop</b>
Corvallis	58,436	63,907	67,228	70,517
Unincorporated Benton County	6,339	7,274	7,828	8,894
Philomath	5,286	5,755	6,131	6,517
Adair Village	557	620	662	710
<b>Total</b>	<b>70,618</b>	<b>77,557</b>	<b>81,850</b>	<b>86,638</b>

<b>Employment</b>	<b>2000 Emp</b>	<b>2010 Emp</b>	<b>2020 Emp</b>	<b>2030 Emp</b>
Corvallis	30,000	36,179	38,821	40,738
Unincorporated Benton County	687	829	889	933
Philomath	1,657	1,998	2,144	2,250
Adair Village	242	292	313	329
<b>Total</b>	<b>32,586</b>	<b>39,297</b>	<b>42,167</b>	<b>44,249</b>

\*The boundaries used in counting population, households and employment were designed specifically for the modeling process and deviate from actual geographic boundaries.

# MEMORANDUM



**To:** Urban Services Committee & Stakeholders  
**From:** Julee M. Conway, Director  
**Date:** February 24, 2006  
**Subject:** Park SDC Methodology Update - Preferred Alternative Development

---

**Issue:** Based on the Committee's request, staff has prepared three final Park SDC funding scenarios, based on the assumption decisions that were discussed at the February 8<sup>th</sup> USC meeting. Final direction is needed regarding the preferred Park SDC methodology. This methodology will be forwarded to City Council for its further review at the March 20<sup>th</sup> City Council work session.

**Background:** The Committee refined its preferred assumptions at its February 8<sup>th</sup> meeting including recommending a 2020 planning horizon, residential only, improvement fee only, include infrastructure costs, using an improvements-based methodology.

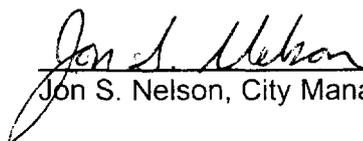
Based on the adopted 2000 Park and Recreation Facilities Plan, the Committee requested additional financial scenarios that would exclude specific park improvements from the SDC calculations. The Committee requested the Park SDC financial impact under the following three scenarios:

1. Remove special use areas and swimming pools, resulting in these facilities not being funded with Park SDC fees.
2. Remove special use areas, linear parks and swimming pools, resulting in these facilities not being funded with Park SDC fees.
3. Remove less developed large urban parks, special use areas, linear parks and swimming pools, resulting in these facilities not being funded with Park SDC fees.

**Discussion:** The financial impact for single family and multi-family development for the three scenarios are illustrated on Attachment 4. In each case, the more facilities that are removed from the list of projects to be funded with SDC's the lower the Park SDC and the associated deficiency costs. Deficiency costs are those that must be paid through non-SDC funds, reflecting the existing residents' proportionate financial responsibility for park improvements.

**Recommendation:** The Committee is requested to review the three scenarios and recommend a preferred alternative Park SDC methodology for City Council's consideration.

**Review and Concur:**

  
\_\_\_\_\_  
Jon S. Nelson, City Manager

## Attachments

**ATTACHMENT #4  
PARKS SDC FACILITY MIX ALTERNATIVES**

SUMMARY OF ADDITIONAL FACILITIES		SCENARIO #1 NO SPECIAL USE AREAS, SWIMMING POOLS	SCENARIO #2 NO SPECIAL USE AREAS, SWIMMING POOLS, LINEAR PARKS	SCENARIO #3 NO SPECIAL USE AREAS, LINEAR PARKS, SWIMMING POOLS, LESS DEV. LARGE URBAN PARKS
NEW CAPACITY	Mini Parks (acres)	6.00	6.00	6.00
	Neighborhood Parks (acres)	75.00	75.00	75.00
	Large Urban Parks (acres)	73.37	73.37	0.00
	Community Parks (acres)	65.00	65.00	65.00
	Special Use Areas (acres)	0.00	0.00	0.00
	Open Space (acres)	254.49	254.49	254.49
	Linear Parks (acres)	25.22	0.00	0.00
	Swimming Pools (square feet)	0.00	0.00	0.00
	Pathways & Trails (miles)	14.98	14.98	14.98
GROWTH COSTS	Mini Parks (acres)	\$643,620	\$643,620	\$643,620
	Neighborhood Parks (acres)	\$10,825,267	\$10,825,267	\$10,825,267
	Large Urban Parks (acres)	\$12,106,050	\$12,106,050	\$0
	Community Parks (acres)	\$7,571,050	\$7,571,050	\$7,571,050
	Special Use Areas (acres)	\$0	\$0	\$0
	Open Space (acres)	\$11,731,650	\$11,731,650	\$11,731,650
	Linear Parks (acres)	\$6,588,063	\$0	\$0
	Swimming Pools (square feet)	\$0	\$0	\$0
	Pathways & Trails (miles)	<u>\$3,796,320</u>	<u>\$3,796,320</u>	<u>\$3,796,320</u>
TOTALS:	\$53,262,020	\$46,673,957	\$34,567,907	
DEFICIENCY COST	Mini Parks (acres)	\$670,780	\$670,780	\$670,780
	Neighborhood Parks (acres)	\$16,687,883	\$16,687,883	\$16,687,883
	Large Urban Parks (acres)	\$0	\$0	\$0
	Community Parks (acres)	\$9,653,950	\$9,653,950	\$9,653,950
	Special Use Areas (acres)	\$0	\$0	\$0
	Open Space (acres)	\$0	\$0	\$0
	Linear Parks (acres)	\$14,906,237	\$0	\$0
	Swimming Pools (square feet)	\$0	\$0	\$0
	Pathways & Trails (miles)	<u>\$4,113,120</u>	<u>\$4,113,120</u>	<u>\$4,113,120</u>
TOTALS	\$46,031,970	\$31,125,733	\$31,125,733	

SDC RATE CALCULATIONS		SCENARIO #1 NO SPECIAL USE AREAS, SWIMMING POOLS	SCENARIO #2 NO SPECIAL USE AREAS, SWIMMING POOLS, LINEAR PARKS	SCENARIO #3 NO SPECIAL USE AREAS, LINEAR PARKS, SWIMMING POOLS, LESS DEV. LARGE URBAN PARKS
SINGLE FAMILY DWELLING UNIT	Growth Cost Per Single Family Dwelling (2.55 persons)	\$9,832	\$8,637	\$6,442
	Family Dwelling Unit (Deficiency Repair)	(\$2,120)	(\$1,572)	(\$1,572)
	<b>PARKS SDC PER SINGLE FAMILY DWELLING UNIT</b>	<b>\$7,712</b>	<b>\$7,065</b>	<b>\$4,870</b>
MULTI FAMILY DWELLING UNIT	Growth Cost Per Multi Family Dwelling (1.82 persons)	\$7,017	\$6,165	\$4,598
	Family Dwelling Unit (Deficiency Repair)	(\$509)	(\$377)	(\$377)
	<b>PARKS SDC PER MULTI FAMILY DWELLING UNIT</b>	<b>\$6,508</b>	<b>\$5,788</b>	<b>\$4,221</b>

**ATTACHMENT #5  
SDC SCENARIOS - COST REDUCTION SUMMARY**

**SCENARIO #1 NO SPECIAL USE AREAS OR SWIMMING POOLS**

<b>FACILITIES</b>	<b>ACRES</b>	<b>SQUARE FEET</b>	<b>TOTAL COSTS</b>	<b>GROWTH</b>	<b>DEFICIENCY</b>
Special use areas	250		\$66,250,000	\$21,229,150	\$45,020,850
Swimming Pools		2790	\$976,500	\$834,642	\$141,859

**SCENARIO #2 NO SPECIAL USE AREAS, LINEAR PARKS, OR SWIMMING POOLS**

<b>FACILITIES</b>	<b>ACRES</b>	<b>SQUARE FEET</b>	<b>TOTAL COSTS</b>	<b>GROWTH</b>	<b>DEFICIENCY</b>
Special use areas	250		\$66,250,000	\$21,229,150	\$45,020,850
Swimming Pools		2790	\$976,500	\$834,642	\$141,859
Linear Parks	25.22		\$21,494,300	\$6,588,063	\$14,906,237

**SCENARIO #3 LESS DEVELOPED LARGE URBAN PARKS, NO SPECIAL USE AREAS, LINEAR PARKS, OR SWIMMING POOLS**

<b>FACILITIES</b>	<b>ACRES</b>	<b>SQUARE FEET</b>	<b>TOTAL COSTS</b>	<b>GROWTH</b>	<b>DEFICIENCY</b>
Special use areas	250		\$66,250,000	\$21,229,150	\$45,020,850
Swimming Pools		2790	\$976,500	\$834,642	\$141,859
Linear Parks	25.22		\$21,494,300	\$6,588,063	\$14,906,237
Large Urban Parks	73.37		\$12,106,050	100%	0

Park System Development Charge  
Methodology Update Review  
Meeting Schedule & Agenda  
**\*\*REVISED\*\***

3/8/06

Date	Meeting	Time	Location	Expected Outcome
10/4	USC	4:00 pm		Update/confirm schedule/stakeholder representatives
10/17	CC (noon)	12:00 pm		Confirm Stakeholder appts and schedule
10/31	USC/SH	4:00 pm		Overview/purpose/review existing Pk SDC, ORS statute rqm'ts
11/8	USC/SH	4:00 pm		Identify issue paper topics
11/21	CC	12:00 pm		Confirm issue paper topics
12/6	USC/SH	4:00 pm		Review analysis of issue papers, discuss existing park methodology based on cap. facilities plan, initial discussion re: desired changes to methodology
12/13	USC/SH	4:00 pm		Continue 12/6 review and finalize direction re: potential revisions to methodology based on issue paper direction
12/19	CC	12:00 pm		Confirm direction on SDC methodology update
1/10	USC/SH	4:00 pm		Review consultant/staff info. re: draft SDC methodology update rpt, as it relates to SDC-eligible project list
1/18	USC/SH	4:00 pm		(Back-up mtg) Continue 1/10 review and finalize methodology update recommendations
<b>Cancelled</b> 2/13	CC/WS	7:00 pm		Review final methodology recommendations from USC/SH
<b>2/8</b>	USC/SH	4:00 pm	Parks & Rec-Avery Pk Conf Room	Review approach alternatives, refine/select final methodology approach for final analysis
<b>3/15</b>	USC/SH	4:00 pm	Parks & Rec-Avery Park Conf Room	Review/recommend final methodology
<b>3/20</b>	CC/WS	7:00 pm	Main Firestation	Review final methodology recommendations from USC/SH
<b>Cancelled</b> 4/17	CC	7:30 pm		Public Hearing
<b>6/19</b>	CC	7:30 pm	Main Firestation	Public Hearing
<b>Cancelled</b> 5/1	CC	12:00 pm		Final Action
<b>7/17</b>	CC	12:00 pm	Main Firestation	Final Action

Note: USC=Urban Services Committee-Rob Gandara, George Grosch, Betty Griffith  
CC-City Council  
SH-Stakeholders selected by City Council  
CCWS-City Council Evening Work Session

**ADMINISTRATIVE SERVICES COMMITTEE  
MINUTES  
March 9, 2006**

Present

Councilor Hal Brauner, Chair  
Councilor Jerry Davis  
Councilor Scott Zimbrick

Staff

Jon Nelson, City Manager  
Nancy Brewer, Finance Director  
Carla Holzworth, City Manager's Office

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Purchasing Ordinance Review		X	
II. Second Quarter Operating Report Fiscal Year 2005-06			Accept Second Quarter Operating Report for Fiscal Year 2005-06
III. Other Business	X		

Chair Brauner called the meeting to order at 12:02 p.m.

**CONTENT OF DISCUSSION**

I. Purchasing Ordinance Review (Attachment)

Finance Director Nancy Brewer said the previously distributed staff report contains the same information that was recently provided to Council as a Council request. Per Council direction from last year's review, staff is returning for direction regarding Municipal Code Chapter 1.04: Purchasing, and the concept of a local purchasing preference.

Referencing item #6 in the February 16, 2006 Council Requests Follow-Up Report, Councilor Zimbrick asked Ms. Brewer to define "fitness" as it relates to local purchasing preferences. Ms. Brewer said it is how the good or service being purchased fits with other components in a City system. For example, if the only computer dealer in Corvallis sold Macintosh and all of the City's computers were PCs, purchasing from that vendor would not be a fit; the software and other components of a Macintosh would not be compatible with the City's existing standard. Mr. Nelson added that the language of "...price, fitness, availability, and quality are otherwise substantially equal" came from the Chamber of Commerce and Benton County.

Councilor Zimbrick asked why the State's purchasing rules provide printing preferences. Ms. Brewer presumed it could be legislated and related to agencies in the Portland metro area who could easily purchase printing services from Vancouver, Washington vendors.

In response to Councilor Zimbrick's inquiry, Ms. Brewer said local vendor training about purchasing with the City is coming soon. The Online Bid software has been loaded on the server, staff are testing the new system, and commodity codes are being refined. The next step is to meet with local vendors to explain the Online Bid system and provide other information about how to purchase with the City. Mr. Nelson added that the new Purchasing Coordinator position can provide the vendor attention needed, such as organizing a vendor fair. Ms. Brewer said most cities of comparable size have a position that coordinates purchasing. Councilor Zimbrick noted that proper communication is important to avoid misinformation. Ms. Brewer said the Online Bids software will be helpful in understanding local purchasing volume. Although much is purchased from local vendors, many services and goods are not available in Corvallis.

Councilor Davis said he believes the local purchasing policy is fine, but he questioned whether the \$25,000 threshold for formal bids could be raised. He added that providing a written response is a barrier to participation by some vendors who see it as time consuming and bureaucratic. Mr. Nelson said staff has not expressed concern with the current threshold and requests for written proposals provide comfort that the City is providing a level playing field. Councilor Zimbrick said he is not comfortable with raising the amount, but suggested that language could be modified to allow purchasing above \$25,000 through partnerships when it makes sense. Chair Brauner noted that an opportunity already exists through the State purchasing agreement. Mr. Nelson suggested having staff come back in one year with purchasing metrics, which could be gathered by the new Purchasing Coordinator and through the Online Bids system. The Committee agreed.

Councilor Zimbrick asked how the "cost" of customer service is defined and how it fits with local purchasing preferences. Ms. Brewer said staff evaluates customer service based on the good or service being bid. For example, can a vendor deliver a canister of chlorine in a timely manner without breaking it in the process. Ms. Brewer recognized that it is more difficult to assign a customer service cost to services. She added that there are trade offs in customer service in staff time versus contractor time. For example, can business be accomplished via email instead of staff making three trips to Portland. Councilor Zimbrick said he would like to see customer service more clearly defined.

Mr. Nelson cited how the City recently collaborated with Benton County and the 509J School District on a banking services request for proposal. The process resulted in a national bank being the most competitive in price and technology. However, the City withdrew from the process because customer service and community involvement were not considered in the evaluation. Legal counsel opined that only a 20 percent to 30 percent weight could be assigned for customer service and community involvement. After a review of State statute and purchasing rules, the

attorney said the preponderance of the award should be based on technology and price, rather than qualitative components like customer service.

Councilor Zimbrick requested that the word "fitness" be defined in the purchasing policy, noting that the other criteria for defining local preference are self explanatory. He also requested that the City better communicate to vendors about the legal constraints of following purchasing rules. Chair Brauner asked the Committee to think about definitions and the \$25,000 formal process threshold, but suggested that changes wait until next year when purchasing data is available.

The Committee agreed to review the purchasing policy in one year after staff has collected relevant data.

II. Second Quarter Operating Report (Attachment)

Ms. Brewer said second quarter revenues and expenses are as expected, with minor exceptions. The Fleet and Transit funds have been hit by high fuel costs; staff are working on mitigating actions. Tax revenues for the Street Fund and 911 Fund have been running low due to timing issues. Staff expects that will balance out by the end of the fiscal year, but receipts will continue to be monitored.

In response to Councilor Davis' inquiry, Ms. Brewer said the Amended budget includes Council-approved additions to the Adopted budget, such as grants and supplemental budgets. Ms. Brewer also clarified that at 50 percent of the year, budgets that appear to be over or under expended are usually a reflection of timing. For example, the Risk Management Fund pays most of its annual insurance premiums in the first quarter, so it may be 80 percent spent at 25 percent of the year.

The Committee unanimously recommends that the Council accept the Second Quarter Operating Report for Fiscal Year 2005-06.

III. Other Business

The next Administrative Services Committee meeting is scheduled for March 23, 2006 at 12 p.m. in the Madison Avenue Meeting Room.

Respectfully submitted,

Hal Brauner, Chair

**MEMORANDUM**

March 1, 2006

TO: Administrative Services Committee

FROM: Nancy Brewer, Finance Director *NB*

SUBJECT: **Purchasing Update**

**I. Issue**

To discuss any issues the City Council has with current Purchasing practices.

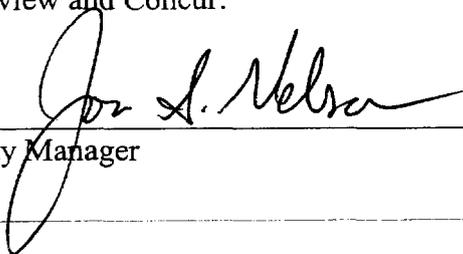
**II. Discussion**

The attached information summarizes a number of issues surrounding purchasing practices. As noted, staff has no recommendations for changes to the current language in the Municipal Code (Chapter 1.04) about purchasing. The City Council requested an opportunity to discuss the issues in more depth.

**III. Requested Action**

Review the attached information and provide staff direction.

Review and Concur:

  
\_\_\_\_\_  
City Manager

TO ASC

\*\*\*\*\*

**COUNCIL REQUESTS**

**FOLLOW-UP REPORT**

**FEBRUARY 16, 2006**

\*\*\*\*\*

1. Purchasing Chapter of Corvallis Municipal Code (Nelson)

The City Council re-adopted the 2005 purchasing ordinance at its February 6, 2006, meeting. From the staff perspective, as noted in the staff report, the new rules are working well. This Council Requests Follow-up Report provides background information and the opportunity for Council to refer the purchasing ordinance for staff and Committee/Council follow-up, based on your one-year review. Attached as background material are:

1. February 7, 2005, Council minutes where the purchasing code revisions were discussed and approved,
2. February 7, 2005, Local Contract Review Board minutes where purchasing rules were discussed and approved.
3. July 26, 2005, Administrative Services Committee (ASC) staff report on buy local preference.
4. August 4, 2005, ASC minutes on buy local preference.
5. August 15, 2005, City Council minutes on buy local preference.
6. Administrative Policy AP 97-5.06, "Purchasing Policy," including Section 5.06.023, providing for local preference if "price, fitness, availability, and quality are otherwise substantially equal."
7. Chapter 1.04, "Purchasing," of the Municipal Code.
8. November 13, 2003, report to City Council on the Chamber of Commerce buy local policy request.
9. November 23, 2004, internal report surveying other cities' practices, including a table on page 4 summarizing other cities' bid processes.
10. February 7, 2006, e-mail from County Counsel Vance Croney on how Benton County has codified their buy local preference.

The balancing act involves ensuring "the maximum value is obtained for each public dollar spent" with buy local preferences. Raising the bid minimum and/or defining "local" and limiting solicitations are options considered but not pursued in the past.

Council Request Follow-up  
February 16, 2006  
Page 2

I apologize for all the paperwork, but the issue has received substantial review in years past.



Jon Nelson  
City Manager

1. Social Services First Quarter Report

Councilors Tomlinson and Daniels, respectively, moved and seconded to accept the Social Services First Quarter Report for Fiscal Year 2004-2005.

The motion passed unanimously.

Councilor Tomlinson reported that United Way had sanctioned the Corvallis Community Children's Centers \$2,875 for lack of reporting during the fourth quarter of Fiscal Year 2003-2004. Councilor Griffiths stated that she hoped United Way was helping the Children's Centers with their reporting requirements.

Councilors Tomlinson and Daniels, respectively, moved and seconded to approve a carryover of the \$2,875 sanctioned funds from Corvallis Community Children's Centers into the social service allocations for Fiscal Year 2005-2006.

The motion passed unanimously.

B. Urban Services Committee – January 19, 2005

2. Underground and Aerial Encroachments into the Right-of-Way Update

Councilors Gándara and Griffiths, respectively, moved and seconded to direct staff to proceed with developing a lease for underground and aboveground encroachment into the public right-of-way in conjunction with the Renaissance on the Riverfront development project, and with the lease being applicable to the Central Business District.

Mr. Nelson clarified that for now the underground leases are only associated with the Central Business District, and are determined on a case-by-case basis. He said the City is willing to look at requests for other districts.

The motion passed unanimously.

C. Administrative Services Committee – January 20, 2005

1. Economic Development Allocations First Quarter Report

Councilors Brauner and Davis, respectively, moved and seconded to accept the Economic Development Allocations First Quarter Report for Fiscal Year 2004-2005.

The motion passed unanimously.

X 2. Municipal Code Revision to Purchasing

Councilor Brauner reported that during the last legislative session, the State administrative rules and regulations for purchasing were revised. The City has

drafted a revision to the Municipal Code to bring it in line with the State rules and regulations with an exception to purchasing levels.

City Attorney Fewel read an ordinance rescinding Municipal Code Chapter 1.04 and adopting a new Corvallis Municipal Code Chapter 1.04, effective March 1, 2005.

Councilor Brauner added that during the Committee meeting, three local businesses testified regarding local purchasing and the Committee's interest to discuss this issue further.

Councilor Griffiths added that she appreciated the Committee taking a look at procurement options and having the chance to review these changes again in one year. She opined that the City's purchasing levels appear to be too low compared to the State purchasing laws.

ORDINANCE 2005-01 passed unanimously.

D. Other Related Matters

1. Mr. Fewel read a resolution accepting a grant from the Oregon Department of Transportation in the amount of \$170,213 for Brooklane Improvements and authorizing the City Manager to sign grant documents.

Councilors Gándara and Zimbrick, respectively, moved and seconded to accept the resolution.

RESOLUTION 2005-01 passed unanimously.

2. Mr. Fewel read a resolution establishing a zone of benefit for public alley improvements between NW 21st and NW 23rd Streets and south of NW Taylor Avenue.

Councilor Gándara and Tomlinson, respectively, moved and seconded to accept the resolution.

RESOLUTION 2005-02 passed unanimously.

**CORVALLIS CITY COUNCIL  
LOCAL CONTRACT REVIEW BOARD  
MINUTES**

**February 7, 2005**

The meeting of the Corvallis City Council, sitting as the Local Contract Review Board, was called to order at 1:27 pm on February 7, 2005, in the Downtown Fire Station, 400 NW Harrison Boulevard, Corvallis, Oregon, with Mayor Berg presiding.

**I. ROLL CALL**

PRESENT: Mayor Berg, Councilors Hagen, Brauner, Tomlinson, Griffiths, Zimbrick, Daniels, Grosch, Davis, Gándara

**II. NEW BUSINESS**

**A. Adoption of purchasing rules**

Councilor Brauner explained that as part of adopting a new purchasing code, the Administrative Services Committee is recommending approving a resolution with exceptions to the State purchasing law regarding procurement levels. He said the State purchasing law has raised the formal procurement level to \$150,000.

City Attorney Fewel read a resolution defining a small procurement as any purchase under \$2,500; intermediate procurement as any purchase between \$2,500 and \$24,999.99; and formal procurement as any purchase over \$25,000.

Councilors Brauner and Gándara, respectively, moved and seconded to accept the resolution.

Councilor Zimbrick opined that, because this proposal sets the procurement levels so much higher than what has been accepted in the past, he would favor phasing in an increase. He urged staff to ensure a safe process is in place and stated that this change creates efficiencies and risks.

Councilor Grosch commented that the City recently received an exemplary audit, meaning that the safety precautions are in place and working.

RESOLUTION 2005-03 passed unanimously.

**III. ADJOURNMENT**

The meeting was adjourned at 1:33 pm.

APPROVED:

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY RECORDER

MEMORANDUM

July 26, 2005

TO: Administrative Services Committee  
FROM: Nancy Brewer, Finance Director NB  
SUBJECT: Buy-Local Purchasing Preference

I. Issue

The City Council requested staff look at a buy-local purchasing preference.

II. Background

In February 2005 the City implemented an update to the Corvallis Municipal Code Chapter 1.04 Purchasing to align the City's local practices with substantial revisions in Oregon State law governing purchasing for governmental units. At the time that the issue was discussed with the ASC, several local vendors requested the City consider implementing a local purchasing preference.

The governmental purchasing focus in the ORS is on equity in the procurement process and receiving good value for tax payer's monies. Equity in the procurement process is achieved through the use of written documentation and a process that ensures all potential vendors have access to the same information at the same time. Staff undertake tasks such as publishing an advertisement in the Gazette-Times as well as other publications likely to reach the target bidding audience, providing written responses to all potential vendors to all questions raised during the procurement process, a stated/published bid due/opening date and time, and a stated evaluation process. These processes ensure that all vendors are treated equally, have access to the same information, and can make a good bid or proposal based on that information. Good value is addressed by directing the acquisition of goods to be based on lowest life-cycle costs; for services, value is based on vendors which best meet the stated work requirements.

The City's current procurement process directs staff to follow state law (identified in ORS 279A, 279B, and 279C and the accompanying Administrative Rules), but with some added limitations (i.e., state law requires a formal bid process at \$150,000 but the City requires the formal bid process at \$25,000). For goods or services that cost less than \$25,000 staff follows an informal procurement process that involves obtaining at least three e-mail, FAX, or phone quotes. In cases where federal funds are involved, the City will also have to layer federal procurement rules into the process; federal rules trump Oregon rules. State law has some exemptions from the competitive process. The exemptions used most often are:

- contracts with Qualified Rehabilitation Facilities (QRF) – State law requires a unit of government to enter into an agreement with a QRF if the QRF can do the work;
- contracts under the State price agreement – the State has already bid certain goods that the City can purchase at the prices the State has negotiated. In most cases these prices are comparable to or better than the City could negotiate for itself because of the volume of goods purchased by the State and other agencies. Staff saves the time and cost involved in completing a bid process by using the State price agreement;
- contracts with other units of government – these are most often entered into with Benton County or the State to address a specific area of service.

Staff will note that there are challenges for both staff and vendors in the governmental procurement process. Governmental procurement is not designed to be easy for anyone! The City's basic bid document template is six pages, without specifications. However, the bid document is written to ensure that all vendors have the same information about the bid process, what is required to be submitted, due dates, the evaluation process, contract requirements, and when/where to get more information. In addition, State law is clear about some specific terms that are required to be in a procurement document such as whether or not a vendor can withdraw a bid, and if so, when in the process the withdrawal can occur.

### III. Discussion

- A. State Purchasing Preferences – The State of Oregon does not have an across the board State purchasing preference. There are some specific areas where a State preference exists – most notably that printing is required to be done in the State unless it cannot be done anywhere in Oregon. The State also has a preference for using recycled products. Other states may have an “in-state” purchasing preference where an out-of-state vendor’s bid has an amount added to it at the time of evaluation. For this situation, ORS allows agencies to add on an out-of-state vendor’s home state purchasing preference percentage when evaluating the bids (i.e., an Oregon vendor and a New Mexico vendor both bid \$100,000 – for evaluation purposes, the New Mexico vendor’s bid would be set at \$105,000 since New Mexico gives a 5% preference for goods made in New Mexico). The State of Oregon requires using an out-of-state vendor’s local preference in evaluating an Oregon bid to “level the playing field” because an Oregon vendor would be disadvantaged trying to do business in the other state.
- B. Corvallis Local Purchasing Preference – The City has an administrative policy that directs staff to select a local vendor over a non-local vendor when the bid is otherwise the same (i.e., specifications are met and the price is equal). The policy does not extend to a price preference.
- C. Other Local Purchasing Preferences – The City Attorney did a list-serve request and found no other local governments in Oregon that have a local purchasing preference except via policy, similar to the City’s – there is no price preference given to a local vendor. Some Oregon government organizations may limit bids or quotes to local vendors, getting to an implied local purchasing preference. The City of Corvallis Municipal Code (Chapter 1.04)

and the City's purchasing policies all lead staff to encourage a level playing field whether the vendor is in the City or not. Furthermore, to specifically structure a bid in this fashion would set-up the opportunity for a bid protest that the City was not following a fair and impartial process.

- D. State Law on a Local Purchasing Preference – State law is silent on whether or not a local government can give a local purchasing preference. The City Attorney has stated that since the State does not specifically bar such activity it is likely that a local government could implement a local preference. However, staff would note that if the State did not approve it would likely address the issue via a preemption of the local preference.
- E. Local Issues – The City does not have a centralized purchasing function, so there is no “clearinghouse” for all procurement issues. However, in the last several months the City has experienced a higher than usual number of local vendors who have commented on not being awarded a bid. Examples include:
- The local vendor has offered to lower a price after the bids have been opened. Governmental purchasing requires bids to be firm when submitted, and only allows an auction when the purchasing process has been designated as such from the outset.
  - Vendors have protested the award of bid when the low bid (from out of town) was a few hundred dollars lower than a local vendor.
  - Vendors have submitted incomplete bids (i.e., did not follow the bid instructions), then at bid opening offered that they could submit the required information if requested.
  - Local vendors who have requested the opportunity to sell to the City have been sent bid packages, but did not submit a bid.
  - Local vendors have bid substantially higher (more than two times the cost of the low bid) than a bidder from another city.

Staff is reviewing options for coordinating purchasing and cost recovery for adding this position to the organization.

#### **IV. Alternatives**

Based on the information staff has available, there are two primary alternatives the City Council may wish to consider:

1. Direct staff to develop a training program for local vendors on the City's procurement process. This could be timed to coincide with the roll out of a new software package to allow the City to publish bids on the City's web site and could therefore cover both the bid process and how vendors can get signed up to receive notice of bids.

2. Pursue a local purchasing preference. If this alternative is pursued, staff would recommend Council consider the following issues and provide direction to staff for developing draft municipal code language to bring back for further discussion:

- How is "local" defined? Does the vendor have to have an office in Corvallis or be owned by a Corvallis resident(s)? Does the vendor have to have some percentage of its employees live in Corvallis? Does "Corvallis" mean the vendor must be located within the city limits or the urban growth boundary or some other defined area? How will a determination of "local" be tested?
- What kind of local preference? Should the City pay more to do business locally? If so, how much more (i.e., 1%, 5%, 10% of the bid amount)? How firm would that local preference be (i.e., a local vendor who was X% plus one cent would lose the bid)?
- Is the local preference reciprocal? Would Corvallis have to do a reciprocal evaluation for out-of-state bidders? Would other local units of government penalize Corvallis vendors for the City's local purchasing preference (i.e., follow the State's application of a reciprocal preference)? Could the State require Corvallis, with a local purchasing preference, to do a reciprocal preference for non-local vendors? Would other states see Corvallis' local preference as a "state" preference and treat all Oregon vendors by the reciprocal rules?
- Would a local preference end the use of the State Price Agreement? Would staff always have to secure a bid in order to calculate the local preference?

A copy of this staff report has been provided to the three vendors who appeared at ASC to discuss the buy-local preference, as well as Corvallis Independent Business Alliance and the Chamber of Commerce.

#### V. Requested Action

Provide direction to staff on a buy-local purchasing preference.

Review and Concur:

  
City Manager

  
City Attorney

**ADMINISTRATIVE SERVICES COMMITTEE  
MINUTES  
August 4, 2005**

Present

Councilor Scott Zimbrick, Chair  
Councilor Hal Brauner  
Councilor Jerry Davis

Staff

Jon Nelson, City Manager  
Nancy Brewer, Finance Director  
Steve Rogers, Public Works Director  
Mary Steckel, Public Works  
David Coulombe, City Attorney's Office  
Carla Holzworth, City Manager's Office

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Buy Local Preference in Purchasing Guidelines			Direct staff to develop a training program for local vendors on the City's procurement process.
II. Transportation Funding Public Outreach Update	*****		
III Other Business			

Chair Zimbrick called the meeting to order at 12:00 p.m.

**CONTENT OF DISCUSSION**

I. Buy Local Preference in Purchasing Guidelines (attachment)

Finance Director Nancy Brewer said in February 2005, staff presented to the Administrative Services Committee (ASC) changes to the purchasing chapter of the Municipal Code, based upon revisions to State law. At that time, some local vendors requested that the City Council consider a buy local purchasing preference. Staff is now returning to ASC with follow-up information. She noted that the interested parties at the February meeting, Corvallis Independent Business Alliance, and Chamber of Commerce received the staff report and are aware of the meeting.

Ms. Brewer provided background about the government procurement process, noting that it is designed to be an equitable system that yields good value for the tax payers' money. She said staff strive to meet these basic tenants and added that the City's purchasing process is more restrictive than what is required by State law. Exemptions from the government procurement process include Qualified Rehabilitation Facilities, contracts under the State Price Agreement, and contracts with other government agencies.

Ms. Brewer said with the exceptions of using recycled products and printing, the State generally does not have a purchasing preference. She discussed the various purchasing preferences outlined in the staff report, noting that in Corvallis, when all else is equal, the

bid is awarded to the local vendor. Ms. Brewer reviewed several issues to consider if a local purchasing preference was pursued, such as defining what constitutes a local business, what kind of preference would be used, whether the local preference is reciprocal, and whether a local preference would end the use of the State Price Agreement.

Chair Zimbrick said he has given much thought to a local purchasing preference. He agrees that purchases should provide good value for the taxpayers' money and he struggled with the definition of a "local" business. He supports implementing a training program for local vendors. In light of the Council's sustainability goals, Chair Zimbrick asked about environmental issues and purchasing. Mr. Nelson said staff is finding it difficult to quantify sustainability goals in making purchasing decisions and the City Council may be asked to provide direction.

Councilor Brauner agreed that the training program is a good approach. He observed that implementing a local purchasing preference has many complex issues, as Ms. Brewer noted earlier.

Councilor Davis said implementation of a local purchasing preference would be staff-intensive, which would ultimately increase the City's cost of purchasing. He added that the training program would help local vendors.

In response to Chair Zimbrick's inquiry, Ms. Brewer estimated that six or fewer bid challenges rise to the level of appeal each year.

The Committee unanimously recommends that Council direct staff to develop a training program for local vendors on the City's procurement process.

Mr. Nelson said staff will report back to ASC how many vendors take advantage of the training.

## II. Transportation Funding Public Outreach Update (attachment)

Public Works Director Steve Rogers reviewed the Transportation Funding Public Outreach Process staff report, noting that it is for information only.

Mr. Rogers said those who attended the meetings agreed that good streets are important and a reasonable funding source dedicated to street maintenance is needed. A few citizens said it is not fair to treat all single family homes the same because many have only one person living in the home.

Councilor Davis commented that the outreach has been good.

- B. Urban Services Committee – None.
- C. Administrative Services Committee – August 4, 2005

- X 1. Buy Local Preference in Purchasing Guidelines

Councilor Zimbrick reported that the Committee recommended not pursuing staff investigating a buy-local purchasing preference policy.

Councilor Zimbrick moved to direct staff to develop a training program for local vendors that might want to bid to provide services to the City. Councilor Davis seconded the motion.

Councilor Davis commented that extensive staff time would be involved in developing and administering a buy-local purchasing policy. The Committee determined that it would be better to train vendors regarding City purchasing practices.

The motion passed unanimously.

- 2. Transportation Funding Public Outreach Update

Councilor Zimbrick reported that staff presented to the Committee some of the comments from the transportation maintenance fee outreach efforts. He opined that the outreach was very successful, with special efforts by Public Works Director Rogers and Public Works Administration Division Manager Steckel. The matter was presented to the Committee for information only. A public hearing will be held September 6th. No Council action is required at this time.

- D. Other Related Matters

- 1. Mr. Nelson reported that the City was awarded a grant of \$302,575 for purchase of portable digital radios. He referenced Councilor Gándara's recent e-mail to the Council regarding an Oregon community providing community-wide wireless internet access. He said staff is investigating the concept and appropriate funding opportunities.

City Attorney Fewel read a resolution accepting a grant from the Department of Homeland Security in the amount of \$302,575 for purchase of portable hand-held digital radios and authorizing the City Manager to sign the grant documents.

Councilors Daniels and Grosch, respectively, moved and seconded to adopt the resolution.

RESOLUTION 2005-32 passed unanimously.

6

**CITY OF CORVALLIS**

**ADMINISTRATIVE POLICY MANUAL**

**POLICY AREA 5 - FINANCIAL MATTERS**

**AP 97-5.06 Purchasing Policy**

**Adopted**      **January 1998**  
**Revised**      **October 9, 2002**  
**Revised**      **November 17, 2003**  
**Revised**      **February 1, 2005**

**5.06.010 Purpose**

To set forth the policies and guidelines for procurement activities in the City of Corvallis that ensure the protection of the City's fiscal resources and competitive acquisition of goods and services, consistent with the Corvallis Charter, Chapter 1.04 of the Corvallis Municipal Code (CMC), Oregon Revised Statutes (ORS), and Oregon Administrative Rules (OAR).

**5.06.020 Policy**

5.06.021 Purchases to satisfy the needs of the City are to be made by an authorized Purchasing Agent, designated by the Corvallis City Charter as the City Manager. The City Manager may delegate all or part of his/her purchasing authority. If he/she delegates purchasing authority it will be in writing. Permanent delegation will be set forth within the City's purchasing manual.

5.06.022 It is the policy of the City to stimulate competition among qualified vendors. Except as may otherwise be provided for herein, all purchases will be made fairly, by securing quotations and bids where necessary prior to the purchase. Purchases will be made after consideration is given to the appropriate quality to suit the intended purpose and the best economic cost to the City. Deviations from this policy shall be approved by the City Manager or designee and documented via a permanent notation to the affected file.

5.06.023 It is the desire of the City to purchase from Corvallis vendors whenever possible. This can be accomplished by ensuring that local vendors who

Administrative Policy 97-5.06

have goods or services needed by the City are included in the competitive procurement process. The City also has the responsibility on behalf of Corvallis residents to ensure that the maximum value is obtained for each public dollar spent. In all public contracts or purchases, the City may give preference to goods or services that have been developed, manufactured, produced, or sold within Benton County if price, fitness, availability, and quality are otherwise substantially equal.

- 5.06.024 It is the intent of the City to secure the most economical goods and services available. Opportunity, installation, operating, maintenance, and price costs should be considered in evaluating the most economical purchase. Departments are responsible for developing the expertise to determine the most economical purchase available.
- 5.06.025 The City is committed to increasing opportunities for participation by small, minority-owned and female-owned firms in all aspects of procurement. Actions by each department to fulfill this commitment will be reviewed by the City Manager or designee annually.
- 5.06.026 The Purchasing Manual sets forth guidelines for the purchasing process in compliance with State purchasing laws, the Corvallis Municipal Code, and the Attorney General's Handbook on purchasing. Failure to follow competitive purchasing requirements may result in discipline up to and including termination.
- 5.06.030     Definitions
- 5.06.031 Authorized Purchasing Agent – Those individual staff members who have been delegated purchasing authority by the City Manager in his or her capacity as Purchasing Agent (Purchasing Authorization List) per CMC Chapter 1.04.
- 5.06.032 Public Contract – Any purchase, lease, or sale by a public agency of personal property, public improvements, or service other than agreements which are for personal services.
- 5.06.033 Personal Service Contract – A contract for services, defined by the Local Contract Review Board via resolution, performed by a consultant or independent contractor in a professional capacity for the performance of a specific task.
- 5.06.034 Public Improvement – Construction, reconstruction, or major renovation exceeding \$25,000 on real property by or for the City. Public improvement does not include emergency work, minor alterations, ordinary repairs, or maintenance necessary to preserve a public improvement.

Administrative Policy 97-5.06

5.06.035 Using Department – Any department, agency, informative bureau, or other unit in the City government using supplies or procuring contractual services as provided for in the annual budget.

5.06.036 Local Contract Review Board – City Council serves as the Local Contract Review Board.

5.06.040 Procedures

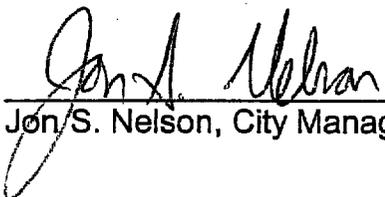
The City of Corvallis Purchasing Manual shall set forth the procedures and practices of the City's procurement system. No purchase shall be split or divided to avoid any portion of the competitive process or subvert any of the rules governing procurement in the City of Corvallis.

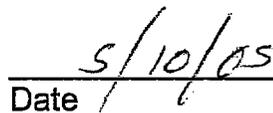
5.06.050 Review and Update

5.06.051 This policy and the Purchasing Manual shall be reviewed biennially in October by the Finance Director.

5.06.052 Each department is responsible for maintaining updated copies of the Purchasing Manual. Updated sections shall be provided to each department by the Finance Department. The most current copy of the City's Purchasing manual will be posted and maintained on the City's intranet site at <http://cityhome>, then select Finance.

Reviewed and concurred:

  
\_\_\_\_\_  
Jon S. Nelson, City Manager

  
\_\_\_\_\_  
Date

## Chapter 1.04

### Purchasing (repealed by Ord. 2005-01 and reenacted by Ord. 2005-01 on 02/07/2005)

#### Sections:

1.04.010	<b>Title.</b>
1.04.020	<b>Local Contract Review Board.</b>
1.04.030	<b>Purchasing Agent.</b>
1.04.040	<b>Purchasing, Procurement, and Contracting Process</b>
1.04.050	<b>Prohibition of Interest.</b>
1.04.060	<b>Gifts and Rebates.</b>
1.04.070	<b>Unauthorized Purchases.</b>
1.04.080	<b>Street, Sewer, and Water Improvements.</b>
1.04.090	<b>Penalties.</b>
1.04.100	<b>Validity.</b>

#### Section 1.04.010 Title.

This Chapter shall be known and may be cited as the Purchasing Chapter of the City of Corvallis Municipal Code.

(Ord. 2005-01 §1, 02/07/2005)

#### Section 1.04.020 Local Contract Review Board.

1) The City Council is hereby designated as the Local Contract Review Board and, relative to contract concerns of the City, shall have all the power granted to the Local Contract Review Board. The Local Contract Review Board may delegate any of its powers and duties to the Purchasing Agent.

2) The Local Contract Review Board may, by resolution, adopt rules pertaining to purchasing as identified in state law.

3) The Local Contract Review Board may, by resolution, exempt contracts not exempted by State law from competitive bidding if it finds:

a) The lack of bids will not result in favoritism or substantially diminished competition in awarding the contract; and

b) The exemption will result in substantial cost savings.

c) In making such findings, the Board may consider the type, cost, amount of the contract, number of persons available to bid, and such other factors as the Board may deem appropriate.

4) The Local Contract Review Board may determine that a contract is exempt from competitive bidding if the Board determines that emergency conditions require prompt execution of the contract. A determination of such an emergency shall be entered into the record of the meeting at which the determination was made. The Board shall adopt rules allowing the governing body to declare that an emergency exists. Any contract awarded under this subsection must be awarded within 60 days following declaration of the emergency, unless the Board grants an extension.

5) The Local Contract Review Board may determine that a contract is exempt from competitive bidding to address or mitigate public health and safety impacts of a natural disaster, or similar scale, emergency occurrence. The Purchasing Agent may award any contract necessary to address or mitigate a natural disaster, or similar scale emergency, within 30 days following the declaration.

6) Real property may only be sold with the approval of the Local Contract Review Board, except as allowed under Chapter 2.12 of this Municipal Code.

7) The Local Contract Review Board shall establish the dollar amounts which require that a solicitation for work, goods, or services shall be subject to formal solicitation processes. The City Manager shall incorporate these dollar amounts into the Corvallis Purchasing Manual.

8) In addition to the powers and duties established hereby, the Local Contract Review Board shall have such additional powers as authorized by State law.  
(Ord. 2005-01 §2, 02/07/2005)

**Section 1.04.030 Purchasing Agent.**

The City Manager is, by Charter provision, designated as the Purchasing Agent of the City. The City Manager may delegate any of the powers and duties to any other officers or employees of the City. The City Purchasing Agent shall have the power and duty to:

1) Purchase or contract for all supplies and contractual services needed by any using agency which derives its support wholly or in part from the City, in accordance with purchasing procedures as prescribed in this Chapter and such rules and regulations as the City Manager shall adopt for the internal management and operation of the City.

2) Establish and amend rules and regulations which are necessary and proper to fulfill the intent of this Chapter for procurement as well as disposition of surplus property. In the event of delegated responsibility, all changes will be subject to the approval of the City Manager.

3) Adopt an official City of Corvallis Purchasing Manual. The City of Corvallis Purchasing Manual shall constitute the local rules authorized by ORS 279A.065(5)(a)(B) and ORS 279A.070. The City of Corvallis Purchasing Manual shall be reviewed, revised if necessary, and readopted by the City Manager each time the Attorney General modifies the Model Rules.

4) Prescribe and maintain such forms as may be reasonably necessary in the operation of this Chapter.

5) Declare vendors in default in their quotations, irresponsible bidders, and to disqualify them from receiving any business from the City for a stated period of time.

6) Declare a vendor a sole source vendor, upon development of written findings as identified in ORS 279B.075.

7) Define special procurement procedures that differ from the standard procedures for a class of purchases, upon development of written findings that describe the proposed procedures, the goods or services or the class of goods or services to be acquired through the special procurement, and the circumstances that justify the use of special procurement procedures, in accord with ORS 279B.085.

8) Make, without further authorization from Council, all expenditures reasonably necessary for the orderly, uniform operation of the City as long as the same are within the budget allowances allotted for said operations for the fiscal year in which the expenditures are made, and also within said budget provisions, to make, without further authorization from Council, such expenditures as are reasonably necessary for goods, wares, merchandise, services, or in payment of obligations ordinarily and reasonably needed or incurred by cities in the State of Oregon of comparable size and engaging in like pursuits as the City, together with authority to make all expenditures incidentally and reasonably needed in connection therewith.

9) Sell or dispose of all personal property which has become obsolete and unusable. All property acquired with Federal dollars shall follow Federal guidelines for the disposal of such properties.

10) Declare the existence of a natural disaster, or similar scale emergency, that may require immediate City purchases of goods, materials or services to mitigate the public health and safety impacts.  
(Ord. 2005-01 §2, 02/07/2005)

**Section 1.04.040 Purchasing, Procurement, and Contracting Process**

1) Except as set out in the Manual, Purchasing the City of Corvallis adopts for local public procurement and purchasing requirements those statutes and administrative rules enacted by the State of Oregon which relate to public purchasing and procurement, and which generally are contained in ORS Chapters 279A, 279B and 279C and the 2004 Oregon Attorney General's Public Contract Manual, as

these may be amended from time to time.

2) The rules, procedures and processes specifically set forth in the City of Corvallis Purchasing Manual shall be applied by the City rather than any model rule that conflicts with the City of Corvallis rule, procedure or process.

3) Nothing in this section shall prevent the City from using any alternative means of procurement allowed by State law even if the City of Corvallis Purchasing and Procurement Manual is silent about the alternative means of procurement.

(Ord. 2005-01 §2, 02/07/2005)

**Section 1.04.050 Prohibition of Interest.**

No officer or employee of the City shall use his or her official position or office to obtain financial gain, other than official salary, for himself or herself or for any member of his or her household, or for any business with which he or she, or a member of his or her household, is associated.

(Ord. 2005-01 §2, 02/07/2005)

(99-08, Amended, 06/21/1999)

**Section 1.04.060 Gifts and Rebates.**

The Purchasing Agent and every officer and employee of the City are expressly prohibited from accepting, directly or indirectly, from any person, company, firm, or corporation to which any purchase order or contract is or might be awarded, any rebate, gift, money, or anything of value whatsoever, except where given for the use and benefit of the City.

(Ord. 2005-01 §2, 02/07/2005)

**Section 1.04.070 Unauthorized Purchases.**

Any purchase order or contract made contrary to the provisions hereof shall not be approved by the City officials, and the City shall not be bound thereby.

(Ord. 2005-01 §2, 02/07/2005)

**Section 1.04.080 Street, Sewer, and Water Improvements.**

Nothing contained herein shall be construed in any manner to render invalid any street, sidewalk, sewer, or water improvement or assessment.

(Ord. 2005-01 §2, 02/07/2005)

**Section 1.04.090 Penalties.**

Any person violating any provision herein shall, upon conviction thereof, be punished by imprisonment for a period not to exceed 30 days, or by a fine not to exceed \$1,000, or by both such fine and imprisonment. Each violation of a provision herein shall constitute a separate offense; and each day or portion thereof over which the same violation occurs shall constitute a separate offense.

(Ord. 2005-01 §2, 02/07/2005)

**Section 1.04.100 Validity.**

If any Section, subsection, sentence or part herein shall be held to be void by any court of competent jurisdiction, the remaining parts herein shall remain and be in full force and effect; and Council hereby

declares that the provisions of the Chapter are not interdependent.  
(Ord. 2005-01 §2, 02/07/2005)

\*\*\* MEMORANDUM \*\*\*

NOVEMBER 13, 2003

OK

TO: MAYOR AND CITY COUNCIL

FROM: JON S. NELSON, CITY MANAGER *Jon*

SUBJECT: CHAMBER OF COMMERCE REQUEST: BUY LOCAL POLICY

**I. BACKGROUND**

The May 15, 2003 memorandum and proposed policy from the Chamber of Commerce (COC) requesting a Buy Local Policy is attached. Also attached as background are City Municipal Code Chapter 1.04 Purchasing Agent, the City administrative purchasing policy, and the purchasing process explanation from the City's purchasing manual. For your reference, Benton County Administrative Policy #02-02 Local Purchasing Preference is also attached.

**II. DISCUSSION**

Providing tie breaker preference to local vendors is not stated explicitly in our purchasing policies, but is common practice, in part, because of the convenience of discussing any problems resulting from the purchase. The City Attorney and Finance Director have reviewed the request and are comfortable with amending Section 5.06.023 to include the proposed COC policy.

The second paragraph on the proposed policy, concerning dissemination of requests for proposal (RFP), is problematic to implement. Posting all of the City RFPs on the Web site is not possible at this time with eight different departments and no centralized purchasing structure. We continue to work on having RFPs on line, but there are technical challenges, such as having firms register on line so addendums can be mailed, and in a non-challengeable format. We hope to have this service in place in 2004. Using "the City" newsletter is not feasible due to the lag time in production. We will continue, from the operating departments, to advertise in the Gazette-Times, the Daily Journal of Commerce, and to all firms local and otherwise that either ask to be on our mailings or we know have performed or provided services and goods in the past.

**III. FINANCIAL IMPACT**

Revenue neutral.

Mayor and City Council

November 13, 2003

Page 2

**IV. ALTERNATIVES**

1. Formalize a "Buy Local Policy" if all factors are equal.
2. Continue current practice
3. Refer to the Administrative Services Committee

**V. STAFF RECOMMENDATION**

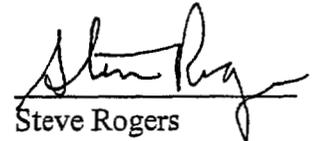
Revise the administrative policy manual on purchasing section 5.06.023, as attached, to include the sentence "In all public contracts or purchases, the City may give preference to goods or services that have been developed, manufactured, produced or sold within Benton County if price, fitness, availability, and quality are otherwise substantially equal."



Scott Fewel  
City Attorney



Nancy Brewer  
Finance Director



Steve Rogers  
Public Works Director

c: Mary Nolan, COC

Attachments

3097

# Memorandum

**To:** Mayor Helen Berg, Jon Nelson  
**From:** Business Advocacy Committee  
**Date:** May 15, 2003  
**RE:** Corvallis Business Plan Initiative:  
Buy Local Policy



**CC:**

---

Recognizing that businesses in Corvallis provide jobs locally, regionally and even statewide, and that Oregon jobs are the foundation for a strong economy and healthy government, we encourage the City of Corvallis to put in place the attached 'buy local' policy modeled on Benton County Administrative Policy #02-02.

The County's policy was put into place to allow staff latitude in considering factors when making purchasing decisions. Selecting the lowest priced bid from a vendor, for example, may not always lead to taxpayer savings in the end. Local businesses pay property taxes, employ workers who also pay taxes and add to the economy of the city and the county. There may be times when choosing a local vendor may result in the greatest overall benefits to taxpayers. With a proposed 'buy local' policy, staff is given the latitude to determine if price, fitness, availability and quality are otherwise substantially equal.

We also strongly urge that the City evaluate their RFP processes with the aim of assuring that local goods and services suppliers are made aware of bidding opportunities with adequate time to respond.

Benton County's policy was reviewed by county counsel prior to adoption and was found to not be in conflict with state law.

**Corvallis Business Plan  
"Buy Local" Initiative**

**Proposed Policy for the City of Corvallis**

**TITLE:       Local Purchasing Preference**

**POLICY**

In all public contracts or purchases, the City may give preference to goods or services that have been developed, manufactured, produced or sold within Benton County if price, fitness, availability and quality are otherwise substantially equal.

The City is required to disseminate Requests for Proposals (RFP) throughout the County in a fashion sufficient to allow a timely response. RFPs will be posted on the City's website, in the City newsletter when timing is appropriate, and submitted to the local Chamber of Commerce and other local business organizations for broadcast and distribution.

Chapter 1.04

Purchasing Agent

Sections:

1.04.010	Title.
1.04.020	Definitions.
1.04.030	Designation.
1.04.040	Powers and duties.
1.04.050	Competitive bids - exemptions.
1.04.051	Competitive bidding procedure.
1.04.060	Disposal of surplus property.
1.04.070	Prohibition of interest.
1.04.080	Gifts and rebates.
1.04.090	Unauthorized purchases.
1.04.100	Street, sewer, and water improvements.
1.04.110	Penalties.
1.04.120	Validity.
1.04.130	Hearings.
1.04.140	Additional authority of the board.
1.04.150	Personal services.
1.04.151	Public improvement contracts.

Section 1.04.010 Title.

This Chapter shall be known and may be cited as a purchasing Chapter of the City of Corvallis Municipal Code.

(Ord. 95-26 § 1, 09/05/95; Ord. 68-61, 1968; Ord. 61-77 § 1, 1961)

Section 1.04.020 Definitions.

- 1) Board - The local contract review board as established herein.
- 2) Personal service contract - A contract for services performed by a consultant, as an independent contractor, in a professional capacity for the performance of a specific task. Not included in personal services are contracts where the purpose of the contract is for a product, services that can be performed by any competent workers, contracts with a personnel agency to supply labor, contracts for services to accomplish routine, and continuing and necessary functions even though a specific license is required to engage in the activity (OAR 125-20-130(7)(a)(b)(c)(d)).
- 3) Public contract - Any purchase, lease, or sale by the City of personal property, public improvements or services other than agreements which are exclusively for personal service.
- 4) Public improvement - Projects for construction, reconstruction, or major renovation on real property. Does not include repairs, maintenance, or minor alterations on real property.
- 5) Purchasing agent - The City Manager of the City or any person appointed by the City Manager to exercise the functions of purchasing agent in the manner prescribed herein.
- 6) Requisition - As used in the City Charter, means purchase order.

7) Service - All telephone, gas, water, electric light and power service, towel and cleaning service; insurance; banking; auditing; leases for all grounds, buildings, offices, or other space required by the City; and the rental, repair, or maintenance of equipment, machinery, and other personal property.

8) Supplies - All supplies, materials, and equipment.

9) Using agency - Any Department, agency, informative bureau, or other unit in the City government using supplies or procuring contractual services as provided for herein.

10) Personal property - Property not attached to land in a permanent manner. Buildings, and the fixtures within, that are attached to the land in a permanent manner are real property.

(Ord. 95-26 § 2, 09/05/95; Ord. 84-47 § 1, 1984; Ord. 81-55 § 1, 1981; Ord. 76-04 § 1, 1976; Ord. 68-61, 1968; Ord. 61-77 § 2, 1961)

#### **Section 1.04.030 Designation.**

1) Council is hereby designated as the local contract review board and, relative to contract concerns of the City, shall have all the power granted to the Local Public Contract Review Board.

2) The City Manager is, by Charter provision, designated as the purchasing agent of the City. The City Manager may delegate any of the powers and duties to any other officers or employees of the City. (Ord. 84-47 § 2, 1984; Ord. 81-55 § 2, 1991; Ord. 76-04 § 2, 1976; Ord. 68-61, 1968; Ord. 61-77 § 3, 1961)

#### **Section 1.04.040 Powers and duties.**

The City purchasing agent shall have the power and duty to:

1) Purchase or contract for all supplies and contractual services needed by any using agency which derives its support wholly or in part from the City, in accordance with purchasing procedures as prescribed in this Chapter and such rules and regulations as the City Manager shall adopt for the internal management and operation of the City.

2) Establish and amend rules and regulations which are necessary and proper to fulfill the intent of this Chapter. In the event of delegated responsibility, all changes will be subject to the approval of the City Manager.

3) Prescribe and maintain such forms as may be reasonably necessary in the operation of this Chapter.

4) Have the authority to declare vendors in default in their quotations, irresponsible bidders, and to disqualify them from receiving any business from the City for a stated period of time.

5) Make without further authorization from Council all expenditures reasonably necessary for the orderly, uniform operation of the City as long as the same are within the budget allowances allotted for said operations for the fiscal year in which the expenditures are made, and also within said budget provisions, to make, without further authorization from Council, such expenditures as are reasonably necessary for goods, wares, merchandise, services, or in payment of obligations ordinarily and reasonably needed or incurred by cities in the State of Oregon of comparable size and engaging in like pursuits as the City, together with authority to make all expenditures incidentally and reasonably needed in connection therewith.

6) Sell or dispose of all personal property which has become obsolete and unusable. (Ord. 84-47 § 3, 1984; Ord. 81-55 § 3, 1981; Ord. 68-61, 1968; Ord. 61-77 § 4, 1961)

#### **Section 1.04.050 Competitive bids - exemptions.**

1) All contracts shall be based upon competitive bids except:

a) Contracts made with or the cost of which is provided by other public agencies or the Federal government.

b) Contracts for any purchase, other than public improvement contracts, the amount of which is less than \$10,000.

c) Contracts for any item which is available only through one company, firm, or individual.

d) Contracts for any item which is available from the State Price Agreement.

e) Contracts exempted from competitive bidding pursuant to subsection 2).

f) Contracts made with qualified non-profit agencies providing employment opportunities for disabled individuals.

2) The contract review board may, by resolution, exempt other contracts from competitive bidding if it finds:

a) The lack of bids will not result in favoritism or substantially diminished competition in awarding the contract; and

b) The exemption will result in substantial cost savings.

In making such findings, the board may consider the type, cost, amount of the contract, number of persons available to bid, and such other factors as the board may deem appropriate.

3) A contract may also be exempted from competitive bidding if the board determines that emergency conditions require prompt execution of the contract. A determination of such an emergency shall be entered into the record of the meeting at which the determination was made. The board shall adopt rules allowing the governing body to declare that an emergency exists. Any contract awarded under this subsection must be awarded within 60 days following declaration of the emergency, unless the board grants an extension.

(Ord. 99-08 § 1, 06/21/1999; Ord. 95-26 § 3, 09/05/95; Ord. 84-47 § 4, 1984; Ord. 81-55 § 4, 1981; Ord. 76-04 § 3, 1976; Ord. 68-61, 1968; Ord. 61-77 § 5, 1961)

#### **Section 1.04.051 Competitive bidding procedure.**

The purchasing agent shall follow the following procedures in competitive bidding:

1) Purchasing agent shall solicit bids by a combination of two or more of the following methods, provided that publication as specified in subsection c) or d) is one of the methods selected:

a) Direct mail request to the prospective bidders;

b) Telephone;

c) Advertisement in a newspaper of general circulation in the City in at least two publications thereof prior to the date of bid openings; or

d) Advertisement in at least two publications prior to the date of bid openings in a newspaper in such part of the United States of America as in the opinion of the agent is likely to promote bids.

2) The purchasing agent shall, when it is deemed necessary, require reasonable bid deposits to be made by bidders and may require such additional conditions as may be reasonably necessary to protect the interests of the City.

3) The purchasing agent shall have the authority to reject all or any part of any bid submitted when the public interest may be served thereby. The purchasing agent may reject any bid not in compliance with all prescribed public bidding procedures and requirements and may reject all bids if it is in the public interest to do so.

4) The purchasing agent shall have the authority to award all bids or contracts consistent with Chapter 9, Section 41 of the City Charter.

5) Contracts shall be awarded to the lowest responsible bidder. In determining the lowest responsible bidder, the agent may consider, in addition to price:

a) The ability, capacity, and skill of the bidder to perform the contract and provide the service required;

- b) Whether the bidder can perform the contract to provide the service promptly or within the time specified without delay or interference;
- c) The character, reputation, integrity, judgment, experience, and efficiency of the bidder;
- d) The quality of performance of previous contracts or services;
- e) The previous and existing compliance by the bidder with laws and ordinances relating to the contract or service;
- f) The sufficiency of the financial resources and ability of the bidder to perform the contract or provide the service;
- g) The quality, availability, and adaptability of the supplies or contractual services to the particular use required;
- h) The ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- i) The number or scope of conditions attached to the bid.

6) When the award is not given to the lowest bidder, a full and complete statement of the reasons for placing the order elsewhere shall be prepared by the agent and filed with other papers relating to the transaction.

7) The agent shall have the authority to require a performance bond before entering into a contract in such an amount as is reasonably necessary to protect the interests of the City.

8) No contract or purchase shall be subdivided to avoid the requirements of this Section.

9) As an alternative to the competitive bidding procedures provided herein, purchases and contracts for supplies and services may be made with or through the State of Oregon pursuant to ORS 190.240 and the applicable rules of the appropriate agencies of the State of Oregon.

10) The purchasing agent may disqualify any person as a bidder on a contract if:

a) The person does not have sufficient financial ability to perform the contract and cannot provide evidence that the person can acquire a surety bond in the amount and type required to be sufficient to establish financial ability;

b) The person does not have equipment available to perform the contract;

c) The person does not have personnel of sufficient experience to perform the contract; or

d) The person has repeatedly breached contractual obligations to public and private contracting agencies.

11) Except as provided in Section 1.04.051 subsection 9) above, services of an anticipated cost or value in excess of \$10,000 shall, whenever possible, be based on at least three competitive bids.

(Ord. 99-08 § 2, 06/21/1999; Ord. 93-22 § 1, 1993; Ord. 84-47 § 5A, 1984)

#### **Section 1.04.060 Disposal of surplus property.**

1) The purchasing agent may sell surplus personal property at auction if he or she determines that sale by auction will probably result in a higher net return than if the property were sold by competitive written bid.

2) The purchasing agent may sell surplus personal property without formal competitive bidding if he or she determines that a negotiated sale will produce a higher net return, subject to the following conditions:

a) If the current market value of the property is deemed to be less than \$1,000 per item, the purchasing agent may establish a selling price, schedule and advertise a sale date, and sell to the first qualified buyer meeting the sale terms.

b) If the current market value of the property is deemed to exceed \$1,000 per item, the purchasing agent shall offer the property for competitive written bid in accordance with this Chapter. If no

bids are received or if a determination is made that the market value of the property exceeds the offer of the highest responsible bidder, all bids may be rejected and the purchasing agent may negotiate a sale. The negotiated price must either meet or exceed the market value of the property as determined by appraisal, or exceed the highest bid received through the competitive bidding process.

3) The purchasing agent may sell surplus personal property through a commercially recognized third party liquidator if he or she determines that a liquidation sale will result in greater net revenue than sale by competitive bids or auction. The selection of a liquidator must be conducted in accordance with the requirements of Section 1.04.150.

4) The purchasing agent may transfer surplus personal property without remuneration or with only nominal remuneration without competitive bids to:

- a) Another public agency;
- b) Any recognized non-profit entity which is certified to receive federal surplus property;
- c) Any other recognized private non-profit social or health service entity, subject to the

following conditions:

1] The purchasing agent must determine that the property is not needed for other public purposes, and that this is the most efficient and cost-effective method of disposing of the property; and

2] If the current market value of the property exceeds \$250, the donation or sale must be approved by the purchasing agent and must be documented to be clearly in the public interest.

5) The purchasing agent shall maintain a record of all transfers, donations and sales under paragraph 4) of this Section.

6) Real property may only be sold with the approval of the contract review board.

7) All property acquired with Federal dollars shall follow Federal guidelines for the disposal of such properties.

(Ord. 95-26 § 4, 09/05/95; Ord. 93-26 § 1, 11/15/93; Ord. 68-61, 1968; Ord. 61-77 § 6, 1961)

#### **Section 1.04.070 Prohibition of interest.**

No officer or employee of the City shall use his or her official position or office to obtain financial gain, other than official salary, for himself or herself or for any member of his or her household, or for any business with which he or she, or a member of his or her household, is associated.

(Ord. 93-26 § 2, 11/15/93; Ord. 68-61, 1968; Ord. 61-77 § 7, 1961)

#### **Section 1.04.080 Gifts and rebates.**

The agent and every officer and employee of the City are expressly prohibited from accepting, directly or indirectly, from any person, company, firm, or corporation to which any purchase order or contract is or might be awarded, any rebate, gift, money, or anything of value whatsoever, except where given for the use and benefit of the City. (Ord. 68-61, 1968; Ord. 61-77 § 8, 1961)

#### **Section 1.04.090 Unauthorized purchases.**

Any purchase order or contract made contrary to the provisions hereof shall not be approved by the City officials, and the City shall not be bound thereby.

(Ord. 84-47 § 6, 1968; Ord. 68-61 § 9, 1968; Ord. 61-77 § 9, 1961)

**Section 1.04.100 Street, sewer, and water improvements.**

Nothing contained herein shall be construed in any manner to render invalid any street, sidewalk, sewer, or water improvement or assessment.

(Ord. 68-61 § 10, 1968; Ord. 61-15, § 10, 1961)

**Section 1.04.110 Penalties.**

Any person violating any provision herein shall, upon conviction thereof, be punished by imprisonment for a period not to exceed 30 days, or by a fine not to exceed \$1,000, or by both such fine and imprisonment. Each violation of a provision herein shall constitute a separate offense; and each day or portion thereof over which the same violation occurs shall constitute a separate offense.

(Ord. 84-47 § 7, 1984; Ord. 68-61 § 11, 1968; Ord. 61-77 § 11, 1961)

**Section 1.04.120 Validity.**

If any Section, subsection, sentence or part herein shall be held to be void by any court of competent jurisdiction, the remaining parts herein shall remain and be in full force and effect; and Council hereby declares that the provisions of the Chapter are not interdependent.

(Ord. 68-61 § 12, 1968; Ord. 61-77 § 12, 1961)

**Section 1.04.130 Hearings.**

1) Exemption hearings. Whenever the board is considering an exemption to the requirements for competitive bids or brand name specifications, it shall provide for notice to the public, and an opportunity for a public hearing on whether the exemptions should be allowed:

2) Hearing on appeal of disqualification. A person who has been disqualified as a bidder may appeal such disqualification to the board as provided in this subsection:

a) The person shall notify the City Manager in writing that she or he wishes to appeal a disqualification within three business days after receipt of notice of disqualification. The appeal shall specify the reason(s) why the person believes the disqualification is unwarranted.

b) Immediately upon receipt of such written notice of appeal, the City Manager shall inform the board.

c) Upon receipt of notice of appeal, the board shall notify the person appealing of the time and place of the hearing.

d) The board shall conduct the hearing according to the provisions of ORS 279.045 (3) and decide the appeal within 10 days after receiving the notification, and shall set forth in writing the reasons for its decision.

e) Rules of procedure shall be adopted by the board for the conduct of the hearing.

(Ord. 84-47 § 8, 1984; Ord. 76-04 § 14, 1976; Ord. 61-77 § 14, 1961)

**Section 1.04.140 Additional authority of the board.**

In addition to the powers and duties established hereby, the board shall have such additional powers as authorized by State law.

(Ord. 76-04 § 5, 1976)

**Section 1.04.150 Personal services.**

1) The City will contract for consultant services when the specialized skills, knowledge, and resources are not available within the staff; when the work cannot be done in a reasonable time with the City's own work force; when an independent and impartial evaluation of a situation is required by a person with recognized professional expertise and stature in a field; or when it will be less expensive to contract for the work. Personal service agreements may only be let by approval of the City Manager, the City Attorney, and/or department heads.

2) Formal selection procedure. This procedure shall be used whenever the estimated fee to the contractor is \$10,000 or more. All payments made to a contractor for a year shall be aggregated for the purpose of determining the estimated fee. On smaller projects, the contracting official may elect to use the formal selection procedure whenever it determines it is prudent to do so.

a) Announcement. The contracting official will make at least one public announcement of its need for personal services in an appropriate trade periodical or newspaper of general circulation. In addition, solicitation for application may be made by telephone or mail. The announcement shall include a description of the proposed project, the scope and services required, project completion dates, minimum qualifications, and a description of any special requirements. The announcement shall invite qualified applicants to submit their proposals to the City. The announcement shall specify a closing date for receipt of the application and the department for whom the services are to be provided and the department's mailing address.

An announcement for a specific project or contract need not be made if the contracting official has published a general announcement at least annually describing the type of services to be required in the year. The announcement shall invite interested contractors to submit their qualifications to the contracting official for the types of services for which they wish to be considered. The contracting official may utilize the responses for a year to determine who should receive proposed contracts.

b) The contracting official shall evaluate the qualifications of all applicants responding to the announcement and select from among them a minimum of three prospective contractors whose statements evidence the highest level of qualifications. If less than three prospective contractors meet the minimum qualifications, each prospective contractor which meets the minimum qualifications will be considered.

c) Final selection. The contracting official may utilize a review committee to assist in the selection process. An interview with the final candidates may be employed to determine the applicant's capability, experience, and compensation requirements. The contracting official will award the contract and notify the other prospective candidates of the award.

3) Informal selection procedure. When the estimated contract price of the consultant does not exceed \$10,000, the contracting official will follow procedures outlined in the purchasing rules and regulations.

4) Emergency appointment and procedure. Where the contracting officer determines that an emergency exists, the officer may solicit proposals in writing or by phone by informal quotations and, on the basis of the officer's best judgment and information received, immediately enter into a contract with a contractor.

5) Single source contracts. If the contracting official is satisfied that only a single source is available or practical, the official may waive the portion of this rule applicable to the solicitation of proposals.

6) Term. No contract for personal services shall exceed the term of three (3) years, except as provided below. If the subject of the contract cannot be accomplished within three (3) years, the contracting officer may specify a term not to exceed five (5) years. A personal service agreement may be extended for a maximum of one (1) additional year without following the selection procedure specified above if the

contracting official documents that the extension is necessary to effectuate the purpose of the agreement or will result in substantial cost savings to the City.  
(Ord. 99-08 § 3, 06/21/1999; Ord. 84-47 § 9, 1984)

**Section 1.04.151 Public improvement contracts.**

The procedures required by ORS and OAS will be used for the procurement of Public Improvement Contracts.  
(Ord. 95-26 § 5, 09/05/95)

CITY OF CORVALLIS

ADMINISTRATIVE POLICY MANUAL

POLICY AREA 5 - FINANCIAL MATTERS

AP 97-5.06 PURCHASING POLICY

Adopted January 1998

5.06.010 Purpose

To set forth the policies and guidelines for procurement activities in the City of Corvallis that ensure the protection of the City's fiscal resources and competitive acquisition of goods and services, consistent with the Corvallis Charter, Chapter 1.04 of the Corvallis Municipal Code (CMC), Oregon Revised Statutes (ORS) and Oregon Administrative Rules (OARs).

5.06.020 Policy

5.06.021 Purchases to satisfy the needs of the City are to be made by an authorized Purchasing Agent, designated by the Corvallis City Charter as the City Manager. The City Manager may delegate all or part of his/her purchasing authority. If he/she delegates purchasing authority it will be in writing. Permanent delegation will be set forth with the City's purchasing manual.

5.06.022 It is the policy of the City to stimulate competition among qualified vendors. Except as may otherwise be provided for herein, all purchases will be made fairly, by securing quotations and bids where necessary prior to the purchase. Purchases will be made after consideration is given to the appropriate quality to suit the intended purpose and the most economic cost to the City. Deviations from this policy shall be approved by the City Manager or designee and documented via a permanent notation to the affected file.

- 5.06.023 It is the desire of the City to purchase from Corvallis vendors whenever possible. This can be accomplished by insuring that local vendors who have goods or services needed by the City are included in the competitive procurement process. However, the City has a greater responsibility to Corvallis residents to ensure that the maximum value is obtained for each public dollar spent.
- 5.06.024 It is the intent of the city to secure the most economical goods and services available. Opportunity, installation, operating, maintenance, and price costs should be considered in evaluating the most economical purchase. Departments are responsible for developing the expertise to determine the most economical purchase available.
- 5.06.025 The City is committed to increasing opportunities for participation by small, minority owned and female owned firms in all aspects of procurement. Actions by each department to fulfill this commitment will be reviewed by the City Manager or designee annually.
- 5.06.030     Definitions
- 5.06.031     **Authorized Purchasing Agent** - Those individual staff members that have been delegated purchasing authority by the City Manager in his or her capacity as Purchasing Agent (Purchasing Authorization List) per CMC 1.04.
- 5.06.032     **Public Contract** - Any purchase, lease or sale by a public agency of personal property, public improvements, or service other than agreements which are for personal services.
- 5.06.033     **Personal Service Contract** - A contract for services performed by a consultant or independent contractor in a professional capacity for the performance of a specific task.
- 5.06.034     **Public Improvement** - Construction, reconstruction or major renovation exceeding \$10,000 on real property by or for the City. Public improvement does not include emergency work, minor alterations, ordinary repairs or maintenance necessary to preserve a public improvement.

Administrative Policy 97-5.06

- 5.06.035 **Using Department** - Any department, agency, informative bureau, or other unit in the City government using supplies or procuring contractual services as provided for in the annual budget.
- 5.06.036 **Local Contract Review Board** - City Council serves as the local contract review board.
- 5.06.040 Procedures
- The City of Corvallis Purchasing Manual shall set forth the procedures and practices of the City's procurement system.
- 5.06.050 Review and Update
- 5.06.051 This policy and the Purchasing Manual shall be reviewed biennially in October by the Finance Director.
- 5.06.052 Each department is responsible for maintaining updated copies of the Purchasing Manual. Updated sections shall be provided to each department by the Finance Department.

## THE PURCHASING PROCESS

### INTRODUCTION

The primary purpose of the Purchasing Manual is as a user's guide and reference for the policies and procedures relating to the acquisition of goods and services by the City. While this manual does not answer all questions related to purchasing, it does provide a solid foundation as a centralized resource on purchasing policies and procedures for the City of Corvallis. It is recommended that Departments purchase and use as an additional reference the "Oregon Attorney General's Model Public Contract Rules Manual". The Manual may be obtained for a nominal fee from the department of Justice Publications Center, (503) 378-4400. The rules manual provides additional information on Public Improvement Contracts, Personal Service Contracts, and procurements requiring the Competitive Bidding Process.<sup>1</sup>

### BACKGROUND

Government purchasing practices have been a concern of citizens for as long as government has been in place. In the U.S., scandals such as Tammany Hall and Teapot Dome led to the development of the populist movement in municipal government.<sup>2</sup> From the populist movement came several basic rules of what a good government will do. Most applicable to purchasing is the rule that purchases of goods and services will be done in a public, competitive environment that ensures no favoritism, nepotism, political cronyism, or graft, and purchases will be at the lowest economic cost.<sup>3</sup> The rules which were promulgated resulted in a more complex purchasing process for government to ensure a true competitive process was in place. Checks and balances were implemented to minimize the opportunities for favoritism in the procurement process. Oregon developed in a strong populist mode which is apparent in such things as the strict public purchasing rules, and citizen-based initiative/ referendum processes.

---

<sup>1</sup> To include all of the regulations that are contained in ORS and OAR would have resulted in a thick and cumbersome manual. The Oregon Attorney General's Model Public Contract Rules Manual should be referenced for purchases of \$5,000 or greater, for Public Improvement Contracts, and for Personal Service Contracts.

<sup>2</sup> At the turn of the last century a number of scandals in government were uncovered. Basic practices included bribery, kickbacks, graft, nepotism, and political cronyism. For light reading, see *Plunkett of Tammany Hall*, available at OSU, call number JK 2319.N57 R5, 1991.

<sup>3</sup> The lowest economic cost weighs all benefits against all costs. A vendor may not be the lowest bidder by cost, but may offer services above the minimum required by the bid or offered by the lowest dollar cost vendor.

## CORVALLIS IMPLICATIONS

Of importance to the City of Corvallis is the cost-effective control of the City's expenditures. Control of the City's expenditures includes proper authorization of each purchase, verification that the purchase was made within the appropriations available, verification that the goods or services purchased were received and met specification, and ensuring that the purchase is made through the lowest responsible bidder. Of equal importance is compliance with applicable State and local laws and/or ordinances. Knowledge of purchasing policies and procedures by employees is essential if the City is to obtain the maximum value for the dollars spent and to ensure compliance with State and local laws.

The Purchasing Manual details the procedures and policies to be followed when purchasing goods or services as an agent for the City, as well as other activities related to purchasing. The Purchasing Manual is divided into nine sections: Purchasing Policy, Purchasing Process, Purchase Order "How To" Section, Miscellaneous Purchasing & Accounts Payable Processing, Additional Information, Bid Process, Contracts, Forms, and Glossary.

The Oregon Revised Statutes (ORS 279), Oregon Administrative Rules, the Corvallis City Charter (1995) and the City of Corvallis Municipal Code (CMC §1.04) are the regulations by which purchases are made. The most restrictive regulation shall be applied when making purchases. A matrix (p. II-4) has been included as part of this Purchasing Manual to show the regulations as they apply to purchasing procedures in the City of Corvallis. Both the ORS and the CMC carry civil penalties (ORS 279.990 and CMC 1.04.110) for violating the provisions of the regulations.

## SCOPE OF AUTHORITY

The City Council is responsible for the expenditures of all City funds and the adoption of ordinances governing the purchase of goods and services by the City. The City Council adopts the annual appropriations resolution which authorizes the expenditure of City funds for the purposes identified in the annual budget.

The City of Corvallis Charter designates the City Manager as the purchasing agent for the City, and provides for the City Manager's ability to delegate all or part of the powers and duties of the purchasing agent to other City employees. The delegation of powers and duties is described in the section **Purchasing Authorizations and Procedures** (p. II-4). The powers and duties of the Purchasing Agent are:

The Purchasing Process cont.

- 1) Contract for the purchase of all supplies and services in accordance with procedures prescribed in the Corvallis Municipal Code, State statutes, and policies and procedures adopted for the internal management and operation of the City.
- 2) Establish and amend policies and procedures necessary to fulfill the intent of the Corvallis Municipal Code (CMC). Delegated responsibilities are subject to the approval of the City Manager.
- 3) Prescribe and maintain such forms as may be necessary in the operation of the CMC.
- 4) Have the authority to declare vendors in default of their quotations or irresponsible bidders, and to disqualify them from receiving any business from the City for a stated period of time.
- 5) Make, without further authorization from Council, all expenditures reasonably necessary for the orderly operation of the City as long as the expenditures are within budget allowances for operations within the fiscal year of the expenditure.
- 6) Sell or dispose of all personal property which has become obsolete and unusable.

The City Manager is responsible for formulating, or delegating the formulation of, policies and procedures to enforce the Oregon Revised Statutes (ORS) and the Oregon Administrative Rules (OAR), and the CMC 1.04. The City Manager has delegated this responsibility to the Finance Director.

The Finance Director develops policies and procedures to ensure the integrity of the financial statements and to safeguard the City's resources in a cost-effective manner. The rules are designed to balance the cost of the public procurement process against the need to protect taxpayers resources and ensure that the best product at the most economical cost is obtained. The rules are reviewed at least biennially and updated as appropriate.

All employees are responsible for complying with purchasing policies and procedures. All policies and procedures shall be in compliance with Oregon Revised Statutes, Oregon Administrative Rules, and the City of Corvallis Purchasing Code (CMC 1.40).

**CITY MANAGER DELEGATED SCOPE OF AUTHORITY**

Scope of Authority	DELEGATED TO:				
	City Manager	Finance Director	Dept. Director	Division Mgr/ Supervisor	Supervisor /Admin Support Staff
1) Purchase or contract for all supplies and contractual services in accordance with procedures prescribed in the CMC, State statutes, and policies and procedures adopted for the internal management and operation of the City. NOTE: The City Manager must sign all formal written contracts.	Yes - Req. for all purchases > \$5,000.	Yes - Req. for all purchases > \$5,000 + Department Director < \$5,000	Yes < \$5,000	Yes < \$1,000	Yes < \$500
2) Establish and amend policies and procedures necessary to fulfill the intent of the CMC. Delegated responsibilities are subject to the approval of the City Manager.	Yes	Yes	No	No	No
3) Prescribe and maintain such forms as may be necessary in the operations of the City ordinance.	Yes	Yes	No	No	No
4) Have the authority to declare vendors in default of their quotations, or irresponsible bidders, and to disqualify them from receiving any business from the City for a stated period of time.	Yes	Yes Department Director < \$5,000	Yes < \$5,000	No	No
5) Make, without further authorization from Council, all expenditures reasonably necessary for the orderly operation of the City as long as the expenditures are within budget allowances allotted for operations within the fiscal year of the expenditure, except CIP projects which require Council approval.	Yes	Yes - Department Director < \$5,000	Yes < \$5,000	Yes < \$1,000	Yes < \$500
6) Sell or dispose of all personal property which has become obsolete and unusable.	Yes	Yes Department Director < \$5,000	Yes < \$5,000	No	No

## COMPETITIVE BIDS

City policies and procedures require purchases to be made through a competitive process using a formal or an informal bid process (see **Formal Bids, p.VI-3, or Informal Quotes, p. VI-2 for more specific information**). The competitive process is designed to ensure the lowest possible purchase price for goods and services, and to give all vendors equal access to the City's business.

Purchases by the City are authorized through either personal service contracts<sup>4</sup> or public contracts<sup>5</sup>. A personal services contract is a formal, written agreement for services as a consultant or independent contractor, in a professional capacity and using professional judgement for the performance of a specific task (see **Personal Services Contracts, sec. VII**). A public contract can be a written, formal contract or a properly approved purchase order. The Oregon Revised Statutes (ORS) and the City of Corvallis Purchasing Code (hereafter referred to as Code or CMC) require that all contracts shall be made by formal competitive bid unless specifically exempted by ORS or CMC. Those purchases specifically exempted from competitive bids are identified on p.VI-18.

## THE PURCHASING PROCESS

This section of the Purchasing Manual summarizes the steps required for completing the purchasing process. The Purchase Order "How To" section (sec III) of the Purchasing Manual gives specific information on requisition, purchase order, and invoice processes and procedures. The Formal Bid and Informal Quote Process section of the Purchasing Manual provides procedural information on the requirements for obtaining competitive cost quotes.

- A. **Identify a need:** The purchasing process begins with the identification of a need for goods and/or services. In most cases, the annual budget process serves as a preliminary identification of a need to purchase a good or service. Some specific needs are identified and planned for during the budget process. This list would include such things as a master plan update budgeted for \$150,000, a desk chair budgeted for \$400, or a contract for a consultant for \$30,000.

---

<sup>4</sup> Personal service contract is defined as a contract for services performed by a consultant or independent contractor in a professional capacity where the performance of a specific task requires the vendor to use professional judgement and always requires a formal written contract. See the Contracts section of the purchasing manual for more information (sec VII).

<sup>5</sup> Public contract is defined as any purchase, lease or sale by a public agency of personal property, public improvements, or services other than agreements which are for personal services and can be a written formal contract or a purchase order.

As the fiscal year progresses, more specific needs must be developed before a purchase can be initiated. For example, no one calls an office supply store to send over "some supplies." Instead, a shopping list is developed, and a request is made for specific supplies. A similar process is followed for any given purchase the City makes. In general, the specifications for a purchase will become more complex the more costly or more important the purchase is. As a result, the City has a three-tiered purchasing process, with each tier tied to a specific dollar amount.

1. Purchases under \$500: For purchases under \$500, the documentation of the need is very informal, and almost always consists solely of the invoice for payment. Occasionally, the documentation may be a shopping list (i.e., 10 lined tablets, 4 boxes of blue ink pens). Before a purchase is made the purchasing agent should make a reasonable effort to ensure that the prices being paid are comparable to prices at other vendors. For example, office supply prices can be checked relatively easily in two or three catalogues to ensure a reasonable price. This type of price check can also confirm that the final purchase will be below \$500 and therefore no more formal action is required.

Once the goods or services have been received, the person who receives the goods/services should sign the invoice or packing slip indicating that all items have been received in good order and meet the specifications. A second signature from a person authorized to purchase indicates that the purchase was authorized. The person who receives the goods/services and the purchasing agent can not be the same person.

The final step in the process is the invoice processing. The appropriate person in the department will receipt the good/service on the HTE financial system on either a Blanket Purchase Order (BPO) or Field Purchase Order (FPO) (see the **difference between BPO, FPO on P. III-46**). Once receipted, the invoice should be immediately forwarded to Accounts Payable for prompt payment.

2. Purchases between \$500 and \$4,999.99: For purchases totaling between \$500 and \$4,999.99 the process begins in a similar fashion, with the identification of a specific need. In this case, the need should be documented in writing and the Informal Bid Process followed (see **Informal Quote Process, p. VI-2; see Exemptions from Bids, p. VI-18**). The more complex the specifications, the more in-depth an informal bid process must be to ensure the desired specifications are met. In some cases, the specifications for a good or service may be more complex than can be easily documented for potential vendors in an informal quote process. This situation may require a formal bid process even though the total cost is less

than \$5,000. For most purchases between \$500 and \$4,999.99, the informal quote process will be adequate (see **Informal Quote Process**, p.VI-12).

When at least three competitive quotes have been obtained through the informal quote process, an award of quote is made, usually by the Supervisor, Division Manager, or Department Director (see **Delegated Authority**, p.II-4). If the award of quote is made for any reason other than low quote, those reasons must be documented in an award of quote memo and be summarized in the on-line requisition comments section. If the award is based solely on price, documentation of quotes on the on-line requisition and the on-line signature of the appropriate purchasing agent authorizes the award of quote.

For all purchases over \$500, a purchase requisition must be placed on the HTE financial system for approval (see **Purchase Order Exemptions**, p. III-1). Approvals are made on-line. When the requisition is approved at the highest required level, it is processed into a Purchase Order (PO). A PO constitutes a fully authorized contract to purchase a good or service, and can be used to place the order. In some cases, a more formal written contract may be required in addition to an approved PO. If a formal written contract is also made, the formal contract must be signed by the City Manager before the purchase may proceed (see **Contracts**, sec. VII). If the purchase requisition does not route simultaneously with the contract, it should be processed as soon as possible to ensure no delays in making payments to the vendor. The cases where a formal, written contract may be necessary are:

- ▶ **Personal Services Contracts** -- where the work is to be completed by a person or firm working independently, using professional judgement, and where no tangible good (other than a report) is the outcome of the work. (wetlands consultant, auditor, architect, etc.)
- ▶ **Public Improvement Contract** -- where the work is for construction, reconstruction, or major renovation on real property.
- ▶ **Public Contract** -- where the work may be a goods, services, or a combination of goods and services and/or the scope of work cannot be clearly defined in the limited space of a PO.

Even if a formal, written contract is used, a PO is required to encumber budgeted appropriations unless the purchase is exempt from PO requirements (see **Purchase Order Exemptions** p.III-1).

Purchases shall not be split to circumvent the \$500 threshold, nor shall any purchase be split to circumvent ORS, CMC, or any purchasing policy or procedure. Circumvention may render the purchase unauthorized (see **Unauthorized Purchases, p.III-1**).

When the good or service is received, the person receiving the good or service should sign the invoice or packing slip indicating receipt of the item(s) and that those items are in good order and meet the requested criteria. This step is not specifically required for the purchasing process, but is recommended to assist support staff in processing invoices. The last step is to receipt the invoice on-line against the PO, then immediately forward the invoice to Accounts Payable for prompt payment (p. III-40).

3. Purchases over \$5,000 -- For purchases totaling over \$5,000 the process still begins with the identification of a specific need. In this case, the need must be documented in writing and the Formal Bid Process followed (see **Formal Bid Process, p. VI-3**; see **Exemptions from Bids, p. VI-18**).

When the bids have been opened and evaluated, an award of bid is made by the City Manager (see **Delegated Authority, p.II-4**). If the award of bid is made for any reason other than low bid, those reasons must be documented in an award of bid memo. If the award is based solely on price, and a formal written contract is not required, documentation of bids on the on-line requisition and the on-line signature of the City Manager authorizes the award of bid.

For all purchases over \$5,000, a purchase requisition must be placed on the HTE financial system for approval (see **Purchase Order Exemptions, p.III-1**). Approvals are made on-line. When the requisition is approved at the highest required level, it is processed into a Purchase Order (PO). A PO constitutes a fully authorized contract to purchase a good or service, and can be used to place the order. In some cases, a more formal written contract may be required in addition to an approved PO. If a formal written contract is also made, the formal contract must be signed by the City Manager before the purchase may proceed. The cases where a more formal written contract may be necessary are the same as for purchases between \$500 and \$4,999.99 (see **Contracts, sec. VII**).

Even if a formal, written contract is used, a PO is required to encumber budgeted appropriations unless exempt from PO requirements (see **Purchase Order Exemptions, p.III-1**).

Purchases shall not be split to circumvent the \$5,000 threshold, nor shall any purchase be split to circumvent ORS, CMC, or any purchasing policy or procedure. Circumvention may render the purchase unauthorized (see **Unauthorized Purchases, p.III-1**).

When the good or service is received, the person receiving the good or service should sign the invoice or packing slip indicating receipt of the item(s) and that those items are in good order and meet the requested criteria. This step is not specifically required for the purchasing process, but is recommended to assist support staff in processing invoices. The last step is to receipt the invoice on-line against the PO, then immediately forward the invoice to Accounts Payable for prompt payment (see **Requisition Processing, p.III-11, or Partial Requisition Processing, p.III-17**).

- B. **Lowest Responsible Bidder** -- Both the ORS and the CMC require that contracts be awarded to the lowest responsible bidder/proposer. The ORS and the CMC recognize that price alone is not the only factor in determining the lowest responsible bidder. Factors to be considered are identified in the **Formal Bid Process (p.VI-3)**.

When the contract is not awarded to the lowest bidder, a full and complete statement of the reasons for not awarding to the lowest bidder shall be documented and filed with other papers relating to the transaction (CMC 1.04.051 6). These documents shall be signed by the authorized purchasing agent, and be approved by the Department Director and/or City Manager (see **Delegated Authority, p.II-4**).

### **PROHIBITION OF INTEREST**

No purchase shall be made or contract entered into, in which ANY employee of the City taking part in the transaction has ANY financial interest either directly or indirectly. Any such purchase or contract performed where a financial interest exists shall be void. (CMC 1.04.070)

### **GIFTS AND REBATES**

Any agent, officer, or employee of the City is expressly prohibited from accepting, directly or indirectly, from any person, company, firm, or corporation, any rebate, gift, money, or anything of value whatsoever, except where given for the use and benefit of the City. (CMC 1.04.080)

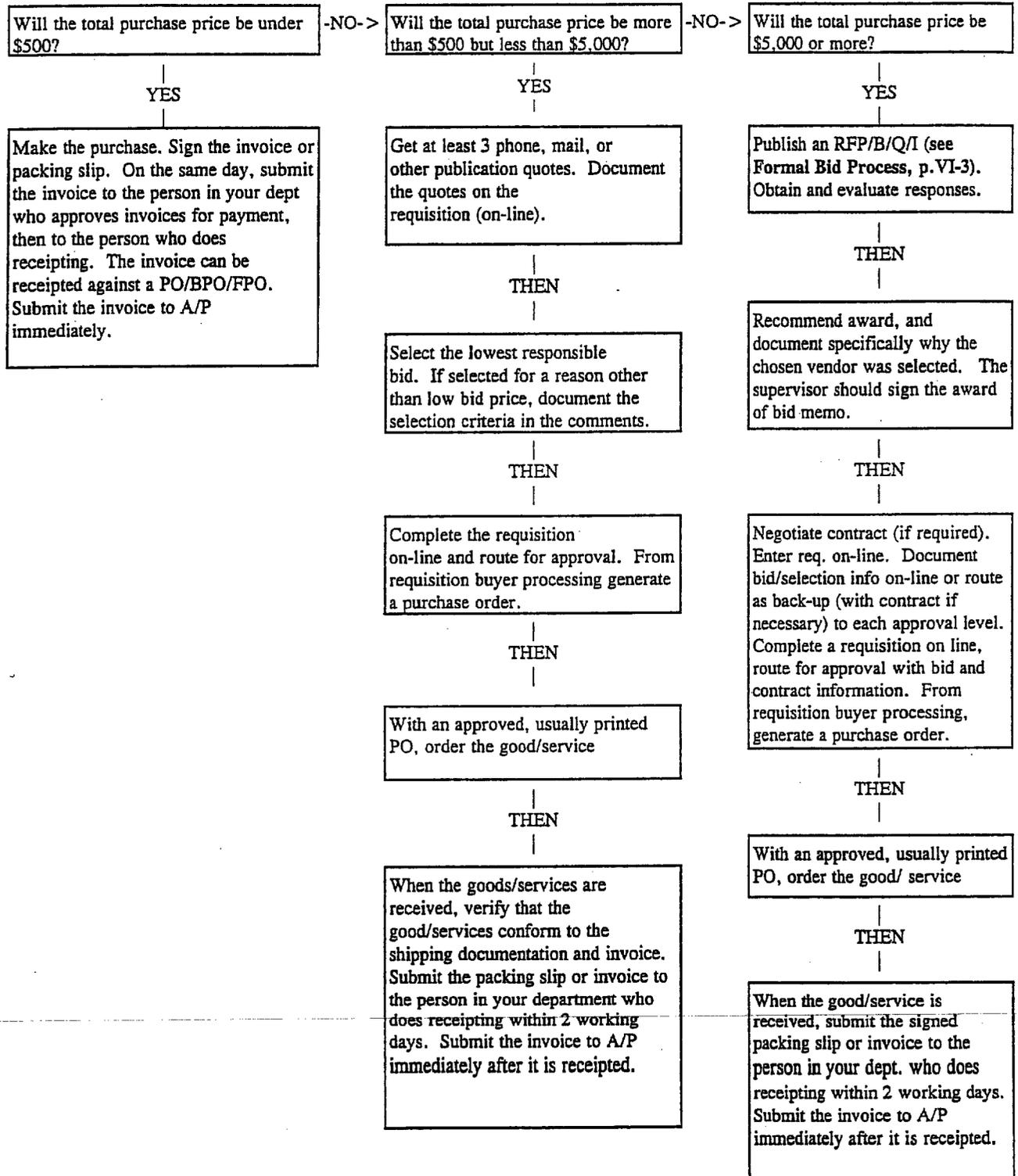
### **PENALTIES**

Any person violating any provision of the City Purchasing Code shall, upon conviction, be punished by imprisonment for a period not to exceed 30 days, or a fine not to exceed \$1,000 or both. Each violation constitutes a separate offense and each day or portion thereof that the same offense occurs shall constitute a separate offense. (CMC 1.04.110)

### **DOCUMENTATION**

It is the responsibility of each Department to ensure that adequate documentation of the competitive process exists for each purchase. The documentation must demonstrate that the purchase followed the requirements of the Oregon Revised Statutes, Oregon Administrative Rules, and the Corvallis Municipal Code as set forth in this purchasing manual.

## THE PURCHASING PROCESS - SUMMARY



**CRITERIA FOR FINANCE TO CUT A CHECK:**

1. Purchase is properly authorized, and receipted by a different person than the one who authorized.
2. Good/Services have been received and conform to specifications. The signature on the packing slip or invoice verifies receipt.

**BENTON COUNTY, OREGON  
ADMINISTRATIVE POLICIES MANUAL  
ADMINISTRATIVE POLICY NO. 02-02**

**TITLE:**       **Local Purchasing Preference**

**SECTION:**              **Operational**          

**DATE ADOPTED BY BOARD:** 6/25/02 **SUPERSEDES:**           **Not Applicable**          

**SIGNATURE OF BOARD CHAIR:** \_\_\_\_\_

-----

Benton County has adopted its own public contracting and purchasing rules (Benton County Code Chapter 2). The rules establish the requirements and procedure for entering into public contracts. This policy is intended to provide guidance to the County when selecting vendors, service providers or manufacturers.

**POLICY**

In all public contracts or purchases, the County may give preference to goods or services that have been manufactured, produced or sold within Benton County if price, fitness, availability and quality are otherwise substantially equal.

MEMORANDUM

November 23, 2004

TO: Procurement Team

FROM: Nancy Brewer, Finance Director NB

SUBJECT: Results of the Procurement Survey of Other Cities

I have completed telephone surveys with six Oregon and five non-Oregon cities of comparable make-up to discuss the purchasing process each City follows. Flagstaff, Arizona never answered the phone so there are only eleven completed surveys. This was not a scientific survey. While I used the survey form, I used it only as a guideline since there was considerable discussion about some issues and not so much about others depending on the applicability of the issue to the organization (i.e., Medford is the only City with any recent history of changing from centralized to de-centralized, most of the other people I spoke with had no idea if they had ever been the other way), and most of the surveys took 30 minutes or longer to complete. This summarizes what I heard through the surveys:

**Centralization:**

- The only City that had any recent history with purposely changing their procurement method (centralized or de-centralized) was Medford, and the Purchasing Agent thought it was a dreadful process, mostly because there was no training or additional time allotted to department staff who are now doing a substantial portion of the purchasing process. As a result, the Purchasing Agent felt that most of the City's informal purchases were being done without any competition. Gresham has not changed their method, but they have been suffering budget cuts and the Purchasing Office is now down to only 1.0 FTE, so they have modified their process. Even so, Jeff reports that he is doing more bids now than he did when they were fully staffed.
- Eight of the eleven cities considered themselves to have a decentralized process, but still have at least 1.0 FTE devoted to procurement. In most cases, the central purchasing office facilitates formal solicitations, while the departments do informal quotes or work with Purchasing to get informal quotes. The Purchasing Office's interaction in formal solicitation processes ranged from Hillsboro where Paul said that he thinks of himself as a consultant to the operating departments in the procurement process, to a number of other cities where the operating department prepares specifications and the Purchasing Office puts the specifications into the right format, develops the calendar, advertises, receives and opens the bids/proposals, drafts recommendation memos, drafts the contract, routes the contract/award memos, and then keeps the procurement files.
- The only fully centralized City (Columbia, Missouri), has a long history of being centralized, and departments prefer to have Purchasing do the procurement work. The only parts of the procurement process not done centrally are for minor purchases and certain Engineering

work, which by Charter must be bid by the City Clerk. They are working on a Charter change, but it will be slow in getting done (voting, etc.).

- Regardless of the level of centralization, all cities have the operating department write the specifications for both bids and proposals. None of the cities operate a one size fits all procurement process; if a department is dissatisfied with a product it is because they were not clear on the specifications they identified.
- In most cities (nine of the eleven), Purchasing made the bid award for formal bids (where price is the sole deciding criteria), usually with department concurrence. In all cities, the department made the recommendation for award of proposals, with varying levels of interaction from Purchasing on the review committee, ranging from a review of the committee's recommended award to full voting participation on the review committee.
- The two cities that describe themselves as very de-centralized (Pullman, Washington and Albany, Oregon), have very little oversight of the purchasing function, but they are thinking about increasing oversight. Pullman just drafted their first purchasing ordinance a couple of years ago, otherwise they were doing only State law. Both organizations are just now developing boilerplates for bids and contracts, but so is Gresham and they used to have a larger purchasing staff.

### **Paper Processing**

Most of the cities indicated a similar paper process to the City of Corvallis. In most cases multiple signatures are required for contracts. It may also be important to note that in most cities, the City Council awards all formal solicitations. In most cities, the department places the requisition (which is the initiating point for procurements), then once bids are done the Purchasing Office completes the requisition, then the req is approved by Department Directors, etc., then Purchasing does Buyer Processing, prints the POs and sends copies to the department. In most cities, the department receives the goods/services and receipts invoices, then sends the invoice to A/P to make the payments.

### **Problem Solving**

In most of the cities the Department is the lead in working with vendors to solve problems, and the staff in the Purchasing Office only get involved if the problem cannot be resolved at the department level. Medford noted that when they had centralized purchasing, the Purchasing Office would deal with the vendors to solve problems, but that ended when they went to de-centralized, and staff do not know how to make good decisions and are having more vendor relationship problems, but Purchasing is not involved in them.

### **Organizational Issues**

Purchasing, whether fully centralized or only one person, is pretty universally located in Finance or a "Central Services" department. Job titles appear to be fairly similar – Purchasing Agent, Buyer,

Senior Buyer, Procurement Specialist, etc. The Purchasing Function seems to either be a General Fund operation and/or charged through an internal service charge. About half of the people I talked with did not know for sure how they were funded.

### **Supplies**

Very few of the cities keep a central store, and most commented on the uselessness in the age of on-line office supply ordering with next day delivery. Those that keep a central store indicated that the inventory was pretty specialized.

### **Purchasing Cards**

The survey respondents were pretty evenly split between those who have P. Cards, and those who are considering it. All require some level of reconciliation, usually done by the employee, but sometimes by a designated person in the department. Most indicated that for small dollar purchases it saved a lot of time in the PO/receipting/payment process, but increased time spent in reconciling the P. card. Most of the cities are using an on-line bank system where statements can be downloaded and reconciled on-line. One indicated some difficulties researching purchases. As an aside, I loved the title "Department Reconciler" given in Columbia Missouri!

### **Bids On-Line**

This is another area where there does not seem to be a lot of consistency. Of the entities posting bids on-line, some just publish the ads, some the full bid. Of the ones who publish the full bid, only Medford seemed to have a good system for vendor registration for the bid package required before the bid would open. Gresham uses a service that requires vendors to pay if they want bids pushed to them. A lot of the cities don't exactly "push" a bid – rather if the vendor is signed up they e-mail a notice that a new bid is available on the web site with a URL. Of the cities that have/are considering pushing, some use commodity codes (most often cited are the NIGP codes). Several are using/considering seven to eight broad-based categories and then e-mail if the bid is in that category. All also publish the bids in something like the Daily Journal of Commerce. Gresham made interesting comments about e-mailing the basic Word document – if the vendor changes something it will be clear in the bid/proposal that they are not responding to what the City requested, so they simply e-mail in Word and have no problems.

### **Authorities**

While there is no consistent practice, it appears that minor purchases in most cities are set at \$5,000 (5). Others were at \$500 (1), \$2,500 (2), \$10,000 (1), and anything less than a formal solicitation required the informal process (2).

The formal process seems to apply most often at \$25,000 (3) and \$50,000 (4). Others were \$5,000 (1), \$15,000 (1), \$30,000 (1) and \$90,000 (1).

In most cases, Department Directors who have authority to purchase without additional authority were either limited to the same amount as the P. card, or to the minor level. In some cases, they

were limited to the informal level. Department Directors can sign some contracts in some cities, but the level is not always matched with purchasing authority or solicitation levels.

## Summary

I have attached the survey results for the committee's consideration. The following table summarizes a few of the items.

Organization	Cent/De/Bbbs	Purch	Minor	Informal	Formal	P Cards	Bids on Line
Corvallis	De	0.00 FTE	<500	\$500-\$10,000	>\$10,000	No	No
Gresham, OR	Both	1.0 FTE	<\$5,000	\$5,000 to \$25,000	>\$25,000	Yes	Yes
Hillsboro, OR	Both, but more De	1.0 FTE <sup>1</sup>	<\$5,000	\$5,000 to \$50,000	>\$50,000	No	Some ads
Albany, OR	Very De	0.00 FTE	<\$2,500	\$2,500 to \$25,000	>\$25,000	Not yet	Yes
Bend, OR	Both	1.0 FTE	<\$5,000	\$5,000 to \$50,000	>\$50,000	Visa	No
Tigard, OR	Both	2.0 FTE	<\$2,500	\$2,500 to \$25,000	>\$25,000	Yes	Yes
Medford, OR	Both	1.0 FTE		<\$50,000	>\$50,000	Yes	Yes
Pullman, WA	Very De	0.00 FTE		<\$30,000 per year	>\$30,000 <sup>2</sup>	Not yet	No
Chapel Hill, NC	Both	1.5 FTE	<\$5,000	\$5,000 to \$90,000	>\$90,000	Yes	No
Iowa City, IA	Both	6.0 FTE <sup>3</sup>	<\$5,000	<\$5,000	>\$5,000	Yes	Yes
Ames, IA	Both	4.0 FTE	<\$10,000	\$10,000 to \$50,000 <sup>4</sup>	>\$50,000	Yes	Ads, no bids
Columbia, MO	Very Centralized	6.5 FTE	<\$500	\$500 to \$15,000	>\$15,000	Yes	Yes
Flagstaff, AZ							

<sup>1</sup> Considers himself to act as a consultant to operating departments.

<sup>2</sup> Formal is required at \$200,000 for capital improvements.

<sup>3</sup> The work group includes the City's mail clerk and 2.0 FTE Information Desk Clerks who do central reception but also input Pos, Accounting/Treasury support, etc.

<sup>4</sup> Capital Improvements require bids at \$25,000.

**Nelson, Jon**

---

**From:** CRONEY Vance M [Vance.CRONEY@Co.Benton.OR.US]  
**Sent:** Tuesday, February 07, 2006 4:56 PM  
**To:** Nelson, Jon  
**Subject:** contracting provisions

Jon:

Here are a couple of provisions that are in our contracting code. If you want to look at the entire code, it is chapter 2 and it is at the following web address:  
<http://ww2.co.benton.or.us/CountyCodes/Codechapter2.pdf>

The buy local provision is codified at BCC 2.011:

**2.011 Preference to Benton County Goods and Services.** For purposes of awarding a public contract, a department shall give preference to goods or services that have been manufactured or produced in Benton County and immediate surrounding area if price, fitness, availability and quality are otherwise equal. [Ord. 2005-205]

The provision that allows departments to forego the formal RFP process and select a vendor based on price (anticipated contract value less than \$100,000) is BCC 2.501:

**2.501 Contracts for Goods, Services, Construction and Maintenance Under Certain Dollar Amounts.** The county may, in its discretion, let public contracts not to exceed \$100,000 for the purchase of goods, materials, supplies, and services or for trade related projects, i.e., construction, maintenance, repair, or similar labor and materials contracts without competitive bidding, if the county has determined that the awarding of the contract without competitive bidding will result in cost savings and the contract is for a single project, and is not a component of or related to any other project.

- (1) When the amount of the contract does not exceed \$5,000, the County should, where feasible, obtain competitive quotes.
- (2) When the amount of the contract is more than \$5,000, but less than \$100,000, and except as provided in subsection (3) of this section, the County shall obtain a minimum of three competitive quotes. The County shall keep a written record of the source and amount of the quotes received. If three quotes are not available, a lesser number will suffice provided that a written record is made of the effort to obtain the quotes.
- (3) When the contract is for maintenance or repair of roads, highways or parking lots and is less than \$100,000, the County may let the contract without competitive bidding if at least three competitive quotes are obtained. The County shall keep a written record of the source and amount of the quotes received and comply with the requirements, as applicable, of subsection (4) of this section. If three quotes are not available, a lesser number will suffice provided a written record is made of the effort to obtain the quotes;
- (5) When the contract is for a "public improvement" as defined in BCC 2.020 or for "public works" as defined in ORS 279C.800, and the contract price exceeds \$25,000 but is less than \$100,000, the County and the contractor shall comply with:

- (a) The prevailing wage provisions of ORS 279C.800 to 279C.870, when applicable;
- (b) The performance bond requirements of BCC 2.205 and ORS 279C.380;
- (c) The contractor registration requirements of ORS ch. 701; and
- (d) Any other law applicable to such a contract. [Ord. 85-0002; Ord. 2000-162; Ord. 2005-205]

Of course, since we revised our code last year, the law has changed. The threshold dollar amount in BCC 52.501(5) is no longer \$25,000, but is now \$50,000. We believe our code, as written, accommodates that change, but the number is different than what is found in statute.

I hope this is helpful. If not, or if there is something else I can do for you please let me know and I'll be happy to help. Vance.

**CITY OF CORVALLIS – COUNCIL REQUESTS – TRACKING REPORT  
PENDING REQUESTS**

Council Request Item	Requested By	Date of Request	CM Report Due Date	Assigned to	Response in CM Rpt No.	Comments
Traffic Light at Hwy 99/Elks Drive	Zimbrick	02-06-06	03-02-06	Rogers		
Purchasing Chapter of Corvallis Municipal Code	Nelson	02-06-06	02-14-06	Nelson	CCR 02-16-06	

## MEMORANDUM

March 1, 2006

TO: Administrative Services Committee

FROM: Nancy Brewer, Finance Director 

SUBJECT: Second Quarterly Operating Report - Fiscal Year 2005-2006

### I. Issue

The Second Quarterly Operating Report for FY 05-06 has been published on the City's web site and is ready for the City Council to review and accept.

### II. Discussion

The Finance Department Budget Analysts have completed the review of the City's financial performance through the second quarter of fiscal year 2005-2006. The Second Quarterly Operating Report highlights the City's performance at the mid-way point in the fiscal year. At the end of the second quarter, the City's financial operations were generally as expected. Highlights of the City's financial operations are:

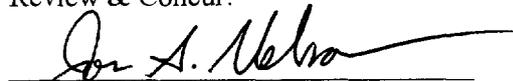
- The majority of the estimated property tax revenues were received in the second quarter as expected.
- All funds were performing as expected with the following exceptions:
  - The Fleet and Transit Funds continue to be impacted by the high cost of fuel. Public Works is looking at strategies to contain this cost and expects to remain within budget at year-end.
  - The Street Fund has not been receiving System Development Charge Revenues or State Highway Taxes at the rate projected in the Adopted Budget. As a result, expenditures are outpacing current revenues year-to-date relative to the mid-year target. Staff is monitoring these receipts closely and still fully expects the fund balance to end FY05-06 higher than projected based on the revised budget estimates.

Finance Department staff will continue to monitor financial activity in all funds. Attached to this report is the QOR transmittal, a summary of revenues and expenditures, operating expenditures for each department, and the income statement for the combined property tax supported funds.

### III. Action Requested

Recommend the City Council accept the Second Quarterly Operating Report for FY 05-06.

Review & Concur:

  
\_\_\_\_\_  
City Manager

Attachments

February 17, 2006

City Manager, Mayor, and City Council  
City of Corvallis  
501 S.W. Madison Ave.  
Corvallis, OR 97330

RE: Fiscal Year 2005-06 2nd Quarter Operating Report

I am pleased to present the City of Corvallis' Second Quarterly Operating Report for the 2005-06 Fiscal Year. The Quarterly Operating Report provides the Budget Commission and City Council with information about how the quarter ended.

This Quarterly Operating Report begins with highlights of the City's total Budget which is followed by a reader's guide to the income statement.

The Financial Information section summarizes the revenue and expenditure performance for each fund in an income statement format that includes operating and non-operating revenues, expenditures and total fund activities. There is an income statement combining all property tax funds in this section of the report.

The status of the City's finances was generally as expected at the end of the second quarter. Year-to-date operating revenues of \$44,041,798 are at 56.71% of the Amended Operating Revenue Budget of \$77,663,617. Non-operating revenues which include transfers, proceeds from sale of fixed assets and proceeds from debt issuance totaled \$18,363,070 or 81.59% of the \$22,505,425 Amended Non-Operating Budget. Significant revenue highlights include:

- **Property taxes** totaled \$15,845,644 which equals 84.83% of the budgeted property tax revenue. Current year property taxes are primarily collected in the second quarter of the fiscal year, as reflected in these results.
- **Licenses, Fees and Permits** totaled \$2,513,728 which represents 43.19% of budget and is marginally higher than the dollars collected in the same period last fiscal year but slightly lower as a percentage of budget.
- **Charges for Services** were \$17,822,694 which represents 52.15% of the adopted budget. This is higher in dollars and as a percentage of budget than the comparable period last fiscal year. Construction activity and corresponding receipts for System Development Charges (SDC) payments are high in FY05-06.
- **Intergovernmental** is below target at \$5,625,552 or 39.04% but ahead of the year-to-date results for the same period in FY04-05. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures.
- **Interest earnings** totaled \$534,844 which represents 75.04% of the budgeted interest which is much higher than the first half of the prior year. Interest rates have rebounded a bit and the higher than expected receipts are reflective of this.
- **Proceeds from debt issuance** related to the 2005A Pension Obligation Bonds (POB) totaling \$9,980,000 were received in the first quarter of FY05-06. A supplemental budget was approved by Council which served to amend the adopted budget and facilitate financial reporting. It is the timing of the bonds that served to skew the percentage of non-operating revenues received year-to-date.

Operating expenditures for all funds totaled \$39,634,042 or 50.59% of the Amended Operating Expenditure Budget. Non-operating expenditures, which include capital projects, transfers, debt service, and contingency, totaled \$18,742,622 or 52.68% of the \$35,579,400 Amended Non-Operating Budget. In total, expenditures were \$58,376,664 or 51.24% of the \$113,925,917 budgeted compared to 41.67% at the same time last year. The total dollars expended is higher in FY 05-06 due primarily to the pension obligation bonds issued to pay down the PERS liability and to a higher volume of capital projects and related transfers this fiscal year. Expenditure highlights include:

- **Personal services** totaled \$17,038,657 or 46.97% of the amended budget of \$36,277,654. The amount spent this year is comparable to the amount spent last fiscal year.
- **Supplies and Services** totaled \$21,929,813 or 55.86% of the amended budget of \$39,256,955. The amount spent in FY 05-06 is higher than the amount spent in FY 04-05 due in part to the payment of the Pension Obligation Bond proceeds to PERS. During FY 05-06, the City issued over \$9 million in pension obligation bonds to pay down the City's PERS liability.
- **Capital projects** totaled \$5,993,170 or 41.48% of the amended budget of \$14,447,285. The amount spent in FY 05-06 to date is considerably higher than the amount spent in the prior fiscal year. See the Capital Improvement Program section for more information on the status of capital projects.

- **Debt service** payments totaled \$4,380,940 or 61.14% of the amended budget of \$7,165,180. The amount spent this year so far is essentially comparable to the amount spent in the same period last fiscal year, though marginally lower as a percentage based on inclusion of the new POB payments in the amended budget.
- **Transfers** totaled \$8,368,512 or 67.11% of the amended budget of \$12,470,445. The majority of the transfers are related to capital projects. See the Capital Improvement Program section for information on the status of capital projects.

This Quarterly Operating Report also includes an expenditure summary by classification for each department, performance indicators by department, a Vacancy Report, a Capital Improvement Program summary and an update of City Council Values and Goals.

As always, if you have questions or concerns about the information in this report, please do not hesitate to contact me at (541) 766-6990 or via e-mail at [nancy.brewer@ci.corvallis.or.us](mailto:nancy.brewer@ci.corvallis.or.us).

Nancy Brewer  
Finance Director

# THE CITY'S BUDGET HIGHLIGHTS

## ***REVENUES***

A total of 62.30% of budgeted revenue has been collected as of the end of the second quarter. Of this amount, operating revenue is 56.71% collected and 81.59% of non-operating revenue has been collected.

*Property Tax Revenues* - 84.83% collected. Property taxes provide about half of the operating revenue for General Fund supported programs. Property taxes are found in the General, Parks and Recreation, Fire and Rescue, Transit, Library and General Obligation Debt Service Funds. The majority of the property tax revenues are received in the second quarter.

*Other Taxes* - 48.65% collected. Transient Room Taxes are taxes on hotel and motel occupancy and reflect their usage rate. The City currently levies a room tax of 9% of the room costs on all transient lodging in the City limits.

*License, Fees & Permits* - 43.19% collected. Franchise Fees provide approximately 37% of the operating revenue in the General Fund. In addition to right-of-way fees charged to local utility companies, franchise fees are also assessed against and paid for by the City's water, wastewater, and storm water utilities. Revenues for parks, sound and camping permits are received in the Parks & Recreation Fund. Building permit revenue is recorded in the Development Services Fund. Parking lot space fees are received in the Parking Fund and residential parking permits and right of way permits are received in the Street Fund.

*Charges for Services* - 52.15% collected. General Fund charges include development review charges and rental charges for City owned buildings. The Parks and Recreation Fund generates revenue from recreation programs and System Development Charges (SDC's). Charges for Police and Fire 911 services are received in the 911 Fund. Water, sewer and drainage user fees and SDC's are received in the Water, Wastewater, and Storm Water Funds. The Airport Fund receives revenues for hangar rentals, fuel sales, and seed crops. The Internal Service Funds (Technology and Communications, Administrative Services, Fleet, Facility Maintenance, and Risk Management) receive payments for services provided to other city departments.

*Intergovernmental* - 39.04% collected. State revenues include cigarette, liquor and highway taxes and currently make up approximately 27.37% of amended budget intergovernmental revenues. Benton County Intergovernmental funds for Library support make up approximately 13.34% of intergovernmental revenues and are normally received in the second quarter since they are tied to property tax turnovers. In FY 05-06, grant revenue makes up nearly 56.43% of the intergovernmental revenue amended budget. The receipt of grant monies tends to be volatile and highly dependent on timing of related expenditures; this accounts for lower than target revenues collected to date. The remaining 2.86% of budget is for other revenue items such as 911 system cost share.

*Fines and Forfeitures* - 50.61% collected. Revenues include fines imposed through Municipal Court for traffic and parking violations, late utility payments, library fines and violations of the Uniform Fire Code. Revenues are also derived from property damage restitution payments, asset seizures and forfeitures through court action. Fines and forfeitures are mainly found in the following funds: General, Parking, Library, and Water.

*Miscellaneous Revenues* - 48.09% collected. Miscellaneous revenues include donations, housing and assessment loan repayment proceeds, gifts/contributions, insurance proceeds, bad debts recovered and investment interest revenues. Interest revenues represent approximately 46% of the total miscellaneous revenue budget.

*Other Financing Sources* - 81.59% collected. Other Financing Sources consist mainly of "interfund" and "intrafund" transfers that are primarily for capital construction projects, debt service requirements and bond proceeds. During FY 05-06, the City issued over \$9 million in pension obligation bonds to pay down the PERS transition liability. The Capital Improvement Program section presents an analysis by project and information on year to date expenditures.

## EXPENDITURES

The City's total budget was 51.24% spent at the end of the second quarter, with operating expenditures at 50.59% of the operating budget and non-operating expenditures at 52.68%.

The following information summarizes the fiscal year expenditures by classification and identifies any significant variances:

*Wages and Benefits\** - 46.97% spent. Includes amounts paid to both permanent and temporary City employees, including personnel substituting for those in permanent positions.

*Services & Supplies\** - 55.86% spent. Includes amounts paid for supplies used in operations and services rendered by organizations or personnel not on the City's payroll, including repair and maintenance-related services, professional contractual services and utilities.

*Capital Outlay\** - 23.67% spent. Most capital outlay purchases consist of machinery, equipment and vehicles over \$5,000. Expenditures in this category are typically lower in the first part of the year based on cash flow management.

*Capital Projects* - 41.48% spent. Capital Projects occur in the Capital Construction, Water Construction, Wastewater Construction, Storm Water Construction and Airport Construction Funds. The Capital Improvement Program Section presents an analysis by project and information on year-to-date expenditures.

*Debt Service* - 61.14% spent. Budgeted debt service payments of \$1,985,490 are supported by specific property tax levies. Debt service incurred in support of enterprise operations (Water, Wastewater, Storm Water and Airport) totals \$3,399,010 and is paid from revenues derived from charges for services within each fund. Pension obligation bond annual debt service of \$1,650,800 is primarily funded by current revenue proportionate to each City Fund's respective PERS liability.

*Transfers* - 67.11% spent. Transfers represent Intra-fund and Inter-fund transfers for capital projects and debt service contributions. These can fluctuate depending on the progress of construction projects.

\* See the following table for a summary of operating expenditures by Department.

### OPERATING EXPENDITURES BY DEPARTMENT

DEPARTMENT	AMENDED BUDGET	PERSONAL SERVICES	SUPPLIES & SERVICES	CAPITAL OUTLAY	TOTAL EXPENDITURES	% OF AMENDED BUDGET
City Manager's Office	\$2,608,520	\$469,175	\$1,021,029	\$0	\$1,490,204	57.13%
Community Development	6,448,990	1,347,669	839,858	0	2,187,527	33.92%
Finance	4,293,240	1,315,292	666,681	0	1,981,973	46.16%
Fire	9,458,920	3,145,883	738,640	365,755	4,250,278	44.93%
Library	5,540,230	1,614,183	1,005,736	0	2,619,919	47.29%
Parks & Recreation	5,008,670	1,500,738	914,608	7,105	2,422,451	48.37%
Police	10,907,957	3,454,088	1,237,744	189	4,692,021	43.01%
Public Works	22,539,620	4,191,629	4,864,126	292,523	9,348,278	41.47%
Non Department	11,540,370	0	10,641,391	0	10,641,391	92.21%
<b>TOTAL</b>	<b>\$78,346,517</b>	<b>\$17,038,657</b>	<b>\$21,929,813</b>	<b>\$665,572</b>	<b>\$39,634,042</b>	<b>50.59%</b>

## PROPERTY TAX FUNDS COMBINED\*

REVENUE	AMENDED BUDGET	2nd Qtr FY 05-06	UNAUDITED YTD 05-06	FY 05-06 % REC/EXPEND	2nd Qtr REC/EXPEND	Y-T-D FY04-05	FY 04-05 % REC/EXPEND
Budgeted Fund Balance	\$10,096,616						
Property Taxes	\$16,864,910	\$14,245,180	\$14,343,345	85.05%	\$13,697,614	\$13,814,403	86.51%
Other Tax	920,500	253,326	447,842	48.65%	242,089	421,737	49.80%
Licenses/Permits	4,684,970	1,045,086	1,866,663	39.84%	1,002,118	1,779,006	40.02%
Charges for Service	3,986,300	1,529,620	2,180,339	54.70%	1,426,694	2,030,176	54.64%
Intergovernmental	4,333,507	2,099,744	2,315,908	53.44%	2,139,382	2,331,779	55.74%
Fines/Forfeitures	683,770	192,574	379,149	55.45%	169,389	355,029	52.46%
Miscellaneous	867,680	185,669	350,157	40.36%	126,171	172,772	51.83%
Other Financing Sources	56,480	0	21,527	38.11%	3,857	36,716	43.33%
<b>TOTAL CURRENT REVENUE</b>	<b>\$32,398,117</b>	<b>\$19,551,199</b>	<b>\$21,904,930</b>	<b>67.61%</b>	<b>\$18,807,314</b>	<b>\$20,941,618</b>	<b>69.22%</b>

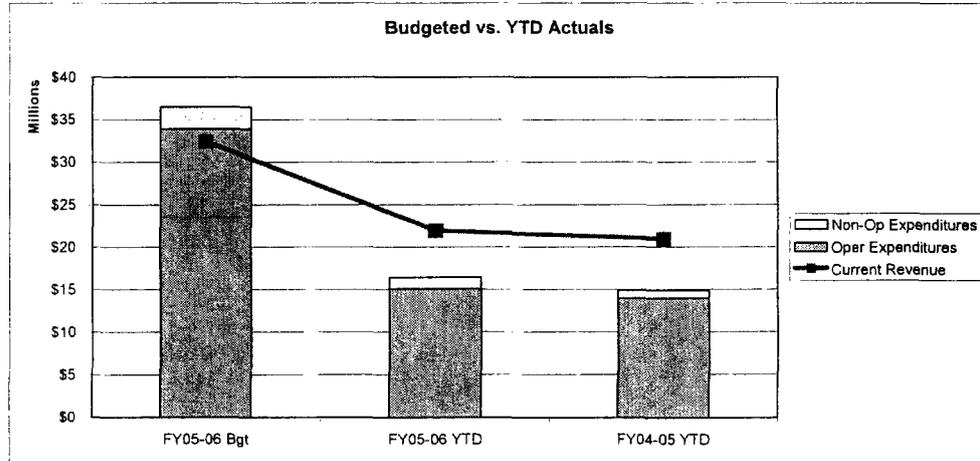
### EXPENDITURE BY DEPARTMENT

Community Development	\$1,196,750	\$266,748	\$529,635	44.26%	\$292,747	\$566,515	45.43%
Finance	492,650	113,303	227,398	46.16%	113,876	227,530	47.69%
Fire	9,458,920	1,956,849	4,250,279	44.93%	1,741,326	3,452,200	41.11%
Library	5,539,230	1,315,731	2,619,920	47.30%	1,250,225	2,531,776	48.74%
Park & Recreation	3,872,400	774,302	1,809,317	46.72%	767,626	1,775,558	46.16%
Police	8,539,497	1,824,513	3,741,711	43.82%	1,763,647	3,486,908	46.26%
Public Works	3,177,070	608,635	1,146,139	36.08%	609,827	1,218,170	37.36%
Non-Departmental	1,547,870	332,767	717,432	46.35%	304,528	649,858	53.08%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>\$33,824,387</b>	<b>\$7,192,848</b>	<b>\$15,041,831</b>	<b>44.47%</b>	<b>\$6,843,802</b>	<b>\$13,908,515</b>	<b>44.60%</b>
Debt Service	\$129,800	\$0	\$65,188	50.22%	\$0	\$65,248	49.81%
Transfers	1,907,100	551,226	1,283,037	67.28%	464,838	875,077	67.80%
Contingencies/Reserves	638,390	0	0	0.00%	0	0	0.00%
<b>TOTAL ALL EXPENDITURES</b>	<b>\$36,499,677</b>	<b>\$7,744,074</b>	<b>\$16,390,056</b>	<b>44.90%</b>	<b>\$7,308,640</b>	<b>\$14,848,840</b>	<b>44.73%</b>

### CURRENT REVENUE LESS

<b>TOTAL EXPENDITURES</b>	<b>(\$4,101,560)</b>	<b>\$11,807,125</b>	<b>\$5,514,874</b>		<b>\$11,498,674</b>	<b>\$6,092,778</b>	
---------------------------	----------------------	---------------------	--------------------	--	---------------------	--------------------	--

\* Includes General, Parks & Recreation, Fire & Rescue, Transit and Library Funds



**ADMINISTRATIVE SERVICES COMMITTEE  
MINUTES  
March 13, 2006**

Present

Councilor Hal Brauner, Chair  
Councilor Jerry Davis

Staff

Kathy Louie, City Manager's Office  
Ellen Volmert, City Manager's Office  
Carla Holzworth, City Manager's Office

Absent

Councilor Scott Zimbrick (excused)

Visitors

*See individual testimony below*

**SUMMARY OF DISCUSSION**

Agenda Item	Information Only	Held for Further Review	Recommendations
I. City Charter Review Public Forum	X		
II. Other Business			

Chair Brauner called the meeting to order at 7:02 pm.

**CONTENT OF DISCUSSION**

I. City Charter Review Public Forum (Attachment)

Chair Brauner welcomed those in attendance. He noted that one of the 2005-2006 City Council goals is to review the City Charter to ensure it does not contain discriminatory language and that it acknowledges diversity. Oregon State University (OSU) graduate student Alex Johnson, who brought the Charter review issue to the City Council, has assisted with the outreach process. Three focus group meetings were held with the public in February to discuss Diverse Identities, Affirmative Action, and Access to Services and Governance.

Chair Brauner emphasized that when the Council adopted the Charter review goal, they chose to limit the review to addressing discriminatory language and ensuring compliance with State law. In January, the City Attorney reported to the Administrative Services Committee (ASC) and to the City Council that the Charter complies with State law. While there are some areas that could be clarified, Chair Brauner said they alone are not substantive enough to take to a vote of the people. A revised Charter will be placed on the November ballot; however, if changes are needed to address discriminatory language.

Chair Brauner recognized in the audience Mayor Berg and City Councilors Gándara, Daniels, Grosch, and Griffiths. He noted that they were only observing the meeting and their attendance does not constitute a quorum. Chair Brauner invited Mr. Johnson to report on the outcome of the February focus group meetings.

Mr. Johnson thanked the ASC and the Council for agreeing to review the City Charter. He specifically recognized Councilors Tomlinson and Gándara, and OSU Professor Bruce Sorte for helping to get the project started. He thanked Prudence Miles and OSU Professor Terryl Ross for facilitating the focus group meetings.

Mr. Johnson said a series of meetings were organized to ensure citizens had several opportunities to speak and share information about the City Charter. He noted that his March 13, 2006 handout (Attachment A) outlines suggestions and considerations that came from the meetings. Specifically, Mr. Johnson referred to:

#6 - public improvements and developments should include considerations for the displacement of marginalized communities (Chapter 9: Public Improvement, page 10);

#8 - public improvement contractors should be held to the same standards reflected in Corvallis City ordinances (Chapter 9, Section 41, page 11);

#12 - include consideration for diversity in Council-appointed positions (Section 10, page 3);

#15 - proactive language that protects and affirms all identities should be present and prominent in the Charter - generate a list of identities and others may be included in subsequent ordinances (Chapter 2: Powers, page 1)

#16 - the Charter is currently only a legal document. The Charter should reflect goals and aspirations - a preamble could be developed to represent the citizenry or integrate language from the 2020 Vision Statement.

In response to Chair Brauner's inquiry, Mr. Johnson confirmed that the other items on the list are general comments to take into account when developing revised language. He encouraged the ASC and the Council to look at the Process Considerations list when moving forward. He added that the Charter review process is an opportunity to mobilize voters and build partnerships with the Corvallis community.

Mr. Johnson researched other city charters, including the California cities of Santa Rosa, Los Angeles, San Diego, and Berkeley, as well as Vancouver, Washington. Topics included redistricting, diversity, affordability, housing access, public participation, and removing gender language. Suggested language from each of these cities' charter topic areas, as well as specific focus group meeting notes, is included in the handout.

In response to Councilor Davis' inquiry, Mr. Johnson said extra paper copies were not made for the meeting, but information is available on the Web at [www.oregonstate.edu/admin/comdiv/projects.php](http://www.oregonstate.edu/admin/comdiv/projects.php). Chair Brauner said he could further investigate language in the Santa Rosa charter, as his brother recently retired as their assistant city manager. Mr. Johnson encouraged those in the audience to share their thoughts about the Charter with the Committee.

Chair Brauner reviewed the process by noting that the Committee will take testimony from the audience, as well as comments from the focus groups, into consideration, but no action will be taken at tonight's meeting. Rather, the ASC will discuss the comments and previously distributed materials at their March 23 regular meeting and provide direction to staff at that time.

Clinton Downs, 854 SW Jefferson, Co-Chair of Basic Rights Action Team (BRAT) in Corvallis, said his group has been a part of the review process. He commended Mr. Johnson for his outreach efforts and agreed the Charter needs proactive language that protects and affirms all identities. Mr. Downs noted that Benton County has such protective language, but Corvallis does not. Adding the language provides recourse and signals that Corvallis will protect diverse identities. Mr. Downs recommends including a list of protected identities so there is no misinterpretation. He recognized that the list might need to be modified over time to include new identities. In response to Chair Brauner's inquiry, Mr. Johnson said Chapter 2: Powers has suggested language. Mr. Downs suggested that the list be alphabetized so it does not reflect priorities.

Elise Elliott-Smith, 1163 NW Polk Avenue, agreed with Mr. Downs. She said Corvallis is generally an accepting community, but she experienced some harassment when her hair was shorter.

Jeanne Raymond, 3430 NW Elmwood Drive, thanked Mr. Johnson for bringing the Charter review issue to the Council. She said she is speaking on behalf of the Benton County Bill of Rights Defense Committee and recommended reviewing the Minneapolis, Minnesota charter, which includes language about hiring practices, police profiling, community oversight, and specific places to bring grievances.

Jo Casselberry, 751 SE Alexander, who is also with BRAT, agreed that a list is needed to clearly state identities that have protection. She added that some groups, such as gender identity and expression, low income, and people with language challenges, are often the most vulnerable to crime and harassment.

Michele Ribeiro, 124 NW 7th Street, said language is needed to encourage diversity among Council-appointed positions and that the community needs to see racially diverse people on the Council and on boards and commissions. Chair Brauner commented that adding language would be good, but added that Mayor Berg does an excellent job of seeking diverse representation on the City's boards commissions, and committees.

Mike Beilstein, 1214 NW 12th Street, supports the inclusion of a Bill of Rights in the Charter. He said while he agrees that identities should be protected, he is not comfortable with specifically listing protected groups, as some will always be left out. He recommended that the Bill of Rights be created using the 2020 Vision Statement and Council goals. The purpose is to be clear that, in the event of legislative action, the City's Charter would be interpreted to match consistency with those documents. In response to Chair Brauner's inquiry, Mr. Beilstein agreed to submit a suggested Bill of Rights for the March 23 ASC meeting. Mr. Beilstein invited others to also give input into a draft Bill of Rights.

Dr. Terry Ross, OSU, said he believes the Charter should include a list of individual identities, recognizing that it will be difficult to please everyone. He added that the review is a unique opportunity for the City of Corvallis and that a public education campaign should accompany the Charter ballot measure. Dr. Ross volunteered to personally get involved in the campaign and he believes others from OSU would help. Chair Brauner thanked Dr. Ross for his willingness to assist with the effort.

Joan Collison, 7360 NW Valley View, said she agrees with listing groups in the Charter. She expressed concern about what specific action would be taken after the Charter is updated.

Jamila Gordon, no address given, agreed with Dr. Ross, noting that diverse identities need to be listed. She emphasized that action after the Charter language is changed is key and education about diverse identities is needed. She thanked Corvallis for being inclusive and hopes that people will participate in the process.

Rafael Palacios, 2062 Chase Loop SW, Albany, said he has lived in Corvallis, but currently resides in Albany where the topic of diversity is also being discussed. He commended Corvallis for reviewing its Charter and said the topic is relevant at Hewlett-Packard, which is a multi-national corporation. He added that it is good to see that all persons are welcome in Corvallis and he appreciates the opportunity to address the Committee.

Deborah Burke, 3185 NE Pilkington Avenue, thanked the Committee for bringing the Charter review forward and agreed that naming specific identities and addressing religious diversity is important. She noted that invisibility of many groups, such as Wicca, is an element of oppression. Ms. Burke suggested that the Charter, as well as other City documents, be offered in different languages to increase citizen participation in government. She offered to help coordinate translation volunteers. Chair Brauner agreed that having the Charter available in other languages was a good idea. Mr. Johnson said Russian and Chinese, as well as Spanish are prominent languages in Corvallis.

Joni Zander, 3755 NW Van Buren, said she supports naming of specific groups, especially those who are invisible to the community. She added that teenagers in invisible groups, such as those who are transgender, are more likely to commit suicide. Listing specific identities will show that all members of the community have value.

Prudence Miles, 1002 NW Polk, said she was a member of the City Council when the civil rights ordinance was passed in 1992. She noted that gender identity and gender expression were not considered at that time, but those groups should to be added now. Ms. Miles also supports inclusion of physical and psychological disabilities as well. She agrees that an educational campaign is important and she thanked Mr. Johnson for his work on the project.

David Lev, 3588 NW Robin Place, agreed that a list is needed, but he suggested using general categories of gender identities, as there are too many to list individually.

Tom Eversole, 221 SW 9th Street, thanked the Council for agreeing to review the Charter and encouraged identification of protected classes. He noted there is power in naming and there is power in silence. Mr. Eversole recommended that language be added to the Charter, rather than in an Ordinance because the Charter signifies a greater commitment and is more difficult to change. In addition, including specific language makes violations actionable. Mr. Eversole said when he moved to Corvallis, he was impressed with the number of developmentally disabled people working productively in the community. He added that marginalized groups will look to what is actually happening in the community, not what is printed on a banner.

JoAnn Miller, Commission on Children and Families, said review of the City Charter is another step in making Corvallis a more inclusive community. She agreed with Ms. Collison's point that follow up or an action plan is needed. Ms. Miller also agreed that young people should be valued and honored with recognition in the Charter. She supports naming groups, rather than being silent.

Jane Nichols, 1337 NW 13th, agrees that the Charter should include considerations for the displacement of marginalized communities. She said she lived in another city where some related consideration was given when a new development came in. Ms. Nichols suggested this would be one way to move the Charter language from a statement to an action plan. She expressed agreement with the comments made thus far.

Ellen Taylor, 1002 NW Polk Avenue, thanked those who have worked on the Charter review and agreed with most of what has been said. She noted that when she came to Corvallis 11 years ago, she found it to be a welcoming community. As time has gone by, she has learned that not every group has been welcomed. Ms. Taylor hopes the Charter process will be as inclusive as possible.

Allan Gaerlan, 805 NW 23rd Street, said he came to Corvallis to attend OSU and he has not experienced it as a welcoming community. He believes the Charter review is important for marginalized communities, noting that he often hears about diversity, but he does not always see it. He stressed the importance of leading by example, as young people model the behavior of adults.

Mario Magana, 755 NE Circle Blvd, thanked the City for reviewing the Charter and agreed that education about the matter is important. He said some groups do not share the same understanding due to a lack of knowledge in the community. He agreed that the Charter should be available in different languages and he volunteered to review translation materials. Mr. Magana noted the recent increase in the Latino student population in kindergarten through 12<sup>th</sup> Grade, asking if communities are prepared for their progression to high school and college. He would like to see Latinos more involved in the community and more diverse representation on City committees.

Chair Brauner closed the public hearing. He said the ASC will consider specific language during their March 23 meeting. He encouraged those who have additional comments to submit them to the City Manager's Office by 5 pm on Wednesday, March 15 for inclusion in the Committee packet. The Committee will review a draft Charter at the April 6 meeting. A public hearing on the draft Charter is scheduled for May 1 and Council will consider a ballot measure for the November election. Chair Brauner asked for everyone's help by submitting suggested language, and then assuming there is an amendment to the Charter, to actively participate in promoting and supporting the ballot measure. He asked that whatever the outcome of the Charter review process, that citizens through the assistance of the City, continue educating others.

## II. Other Business

The next ASC meeting is scheduled for March 23, 2006 at 12 pm in the Madison Avenue Meeting Room.

Respectfully submitted,

Hal Brauner, Chair

**ADMINISTRATIVE SERVICES COMMITTEE/  
CITY CHARTER REVIEW COMMITTEE**

**Public Forum Agenda**

**Monday, March 13, 2006  
7:00 p.m.**

**\* Public Library Main Meeting Room \*  
645 NW Monroe**

---

- I. Welcome by Chair Brauner
- II. Background by Chair Brauner
  1. City Council Goal and Focus
  2. City Charter Review by City Attorney for State Law Consistency
  3. Focus Group Meetings and Public Forum
- III. Summary of focus group meetings and recommendations by Alex Johnson, OSU Graduate Research Assistant/Focus Groups facilitator
- IV. Public Forum
  1. Citizen input
- V. Next Steps
  1. March 23, 2006 ASC meeting to provide language direction to staff on draft Charter
  2. April 6, 2006 ASC review of draft Charter
  3. May 1, 2006 City Council public hearing on draft Charter
- VI. Adjournment

4. Preferred Approach – Standards-Driven, Improvements-Driven, or Level-of-Service
5. Infrastructure – Analysis of improvement needs; street, water, sewer (not calculated as parks costs in the past)
6. Reimbursement and non-residential development fees – impact analysis

Councilor Griffiths opined that the items most controversial are the reimbursement fee, the non-residential fee, and which methodology to use (#4).

Councilor Grosch added that the committee is nearing the end of the review and recommendations will most likely be brought forward in mid-March.

Mayor Berg urged Council to inform themselves about this issue as decisions will affect Corvallis for decades.

Councilor Davis noted that the SDC work session scheduled for February 13th has been cancelled. Mr. Nelson said schedules will be discussed during the February 8th work session.

C. Administrative Services Committee – January 19, 2006

1. City Charter Review

Councilor Brauner reported that the Committee focused on the legal aspects of the City Charter and the City Attorney confirmed that there are no conflicts with State law, although several areas could be clarified to ensure consistency with State law.

Councilors Brauner and Davis, respectively, moved and seconded to approve for further consideration language changes to the City's Charter in the preamble; Chapter 4, Section 14 (notice); Chapter 4, Section 14 (emergency meetings); Chapter 5, Section 22 (c)(3); Chapter 5, Section 22 (f); and Chapter 1, Section 1, as recommended in sections 1-5 and 7 in the City Attorney's January 12, 2006 staff report to the Administrative Services Committee.

Councilor Griffiths stated that she will oppose this motion as it goes beyond the mandate. She said the City Attorney opined that the Charter was consistent with State law. Councilor Griffiths added that she agreed with the clean-up language, but not with the rest of the amendments.

The motion passed eight to one, with Councilor Griffiths opposing.

## CONTENT OF DISCUSSION

### I. City Charter Review (Attachment)

Chair Brauner clarified that today's Charter review discussion focuses on whether the City Charter is in compliance with State law.

City Attorney Scott Fewel said his office found the Charter to be in compliance with State law; however, minor language clarification changes are suggested. Mr. Fewel reviewed each of the proposed changes as outlined in the previously distributed staff report:

- I. Add a preamble after the Charter's enactment phrase to read, "Be it enacted by the people of the City of Corvallis, Benton County, Oregon: **we the people of Corvallis, Oregon exercise our power to the fullest extent possible under the Constitution and laws of this State and enact this Home Rule Charter:**" While the addition to the preamble statement is not required, it does signify the intent of citizens to fully exercise their home rule powers.
- II. In Chapter 4, Section 14, clarify language related to State public meeting laws by modifying the second sentence to read, "The Mayor upon his or her own motion may, or at the request of three members of the Council shall, by giving **lawful** notice ~~thereof to all members of the Council then in the City~~, call a special meeting of the Council for a time not earlier than 24 nor later than 72 hours after the notice is given." This language ensures that the Charter remains compliant whenever the State's meeting notification laws change.
- III. Also in Chapter 4, Section 14, add language about the ability to call for emergency meetings, which would exempt the City from giving less than 24-hours' notice. The language would read, "**In case of an actual emergency, a meeting may be held upon such notice as is appropriate under the circumstances, with the minutes describing the nature of the emergency, justifying less than 24 hours notice.**"

Councilor Zimbrick asked if "emergency" would need to be defined and what the consequences would be if an emergency meeting was called that was later found not to be an emergency. Mr. Fewel said if the meeting was erroneously called an "emergency" at the advice of counsel, the City would not be liable for the meeting notice violation, but the City Attorney could be.

- IV. Clarify the first sentence in Chapter 5, Section 22(c)(3) to read, "S/he shall appoint all appointive City officers and employees **except** as this Charter otherwise provides, and shall have general supervision and control over them

and their work, with power to transfer an employee from one department to another, and shall exercise supervision and control over the departments, to the end of obtaining the utmost efficiency in each of them.”

- V. Correct an apparent scrivener's error in Chapter 5, Section 22(f), modifying the sentence to read, “Neither the Mayor nor any member of the Council shall in any manner, directly or indirectly, by suggestion or otherwise, attempt to influence or coerce the Manager in the making of any appointment or removal of any officer or employee or in the purchase of supplies; or attempt to enact any promise relative to any appointment from any candidate for Manager, or discuss, directly or indirectly, with him or her the matter of specific appointments to any City office or employment.”
- VI. Mr. Fewel said the taxing provisions in Chapter 10, Sections 45 (a-e), 49 and 50 are no longer necessary and could be deleted from the Charter. He does not believe deleting those sections would create unintended consequences; however, he acknowledged that bond counsel has more expertise in this area. The advice of bond counsel was recently sought and they declined to opine on the matter and referred it back to the City Attorney. Councilor Zimbrick asked Mr. Fewel if he saw any unintended consequences by leaving the sections in the Charter. Mr. Fewel said he did not because the City is not levying taxes under those provisions. Chair Brauner added that the sections are not currently applicable due to Measure 5 and Measure 47/50. Mr. Nelson noted the periodic state-wide discussions to roll back Measure 5 and 47/50. Based on the discussion, the Committee agreed the sections should be retained because removing them has unknowns and would constitute a substantive change.
- VII. Mr. Fewel said if modifications are submitted for a vote of the people, Chapter 1, Section 1 would be required to read, “This enactment may be referred to as the Corvallis Charter of ~~1995~~ **2006, an amendment of the 1995 Charter. which replaces the 1949 Charter.**”

In addition, Chapter 10, Section 48 should be modified to read, “This Charter shall take effect \_\_\_\_\_, ~~2006 December 1, 1995.~~ [As amended by special election, \_\_\_\_\_, ~~2006 November 7, 1995.~~]”

Committee and Council approval of the language changes means they will be considered as part of the March 13 ASC public forum on the proposed Charter revisions.

The Committee unanimously recommends that Council approve for further consideration language changes to the City's Charter in the preamble; Chapter 4, Section 14 (notice); Chapter 4, Section 14 (emergency meetings); Chapter 5, Section 22 (c)(3); Chapter 5, Section 22 (f); and Chapter 1, Section 1, as recommended in sections 1-5 and 7 in the City Attorney's January 12, 2006 staff report to the Administrative Services Committee.

II. Council Policy Review: 93-1.06, "Guidelines for Use of the City Logo" (Attachment)

Assistant to City Manager/City Recorder Kathy Louie said the City logo policy was adopted in 1993, revised in 1995, and affirmed upon its last review in 2000. Staff have received several requests recently from organizations who wish to use the City's logo on an ongoing basis. These requests exceed policy criteria, so they have been held pending direction from the City Council.

Ms. Louie said the policy works well in most instances, but flexibility to address exceptions related to extended use by City partners is needed. As outlined in the previously distributed staff report, staff recommends adding Section 1.06.023 to define City Partners and adding an item 9 in Section 1.06.031 which would grant the City Manager authority to approve exceptions to items 6 and 8 in that same section.

Ms. Louie said staff's proposed changes address the concerns raised in the memos from Sister Cities Association Treasurer Kent Weiss (Attachment A) and the Economic Development Partnership (Attachment B), with the exception of the requirement to keep usage of the City's logo to a local focus. Mr. Weiss' memo advocates for usage of the logo in the materials for Sister Cities in the Ukraine and Ethiopia. Ms. Louie agreed that Mr. Weiss' request is reasonable.

United Way Business Manager Debbie Parsons said her organization would like to use the City logo on their Requests for Proposals and Letter of Intent cover forms. Use of the City logo lends credence to fact that City money is being used for social services funding. She added that United Way's contract with the City requires annual renewal, so use of the logo could be tied to having a current contract.

Sister Cities Treasurer Kent Weiss agreed that use of the City logo brings credibility and demonstrates that the City supports Sister City partnership efforts. From a staff perspective, using the logo gives the City credit for its contributions.

The Committee discussed the definition of City Partners in 1.06.023 and agreed that the phrase "*through the economic development allocation process and/or social services allocation process*" is not needed. They also agreed that expanding 1.06.031 to include "*a local focus or benefit,*" addresses logo usage for organizations such as Sister Cities. Finally, the Committee agreed the requirement for six weeks of advance notice of logo use" should be added to the list of exceptions that the City Manager may approve.

**CHARTER AMENDMENT TIMELINE**  
**NOVEMBER 7, 2006 ELECTION**  
**(Revised March 6, 2006)**

<b><u>Date</u></b>	<b><u>Event</u></b>
September 8, 2005	ASC discussion of Charter review process
September 19	Council approved level of review and desired process
October 20	ASC/Charter Review Committee meets to approve election timeline and meeting schedule
November 29	ASC/Charter Review Committee meets with Alex Johnson
January 5, 2006	ASC/Charter Review Committee meets and reviews City Attorney's analysis of Charter
February 9,23,27	Focus group meetings to solicit public comments
March 13	ASC/Charter Review Committee hosts public forum to solicit additional public comments (evening meeting)
March 23	ASC/Charter Review Committee provides direction on draft City Charter
April 6	ASC/Charter Review Committee reviews draft City Charter
April 17	ASC/Charter Review Committee recommendations to Council; schedule a public hearing for May 1 for public comments
April 20	CAO submits draft Ballot Title to ASC
May 1	City Council holds public hearing and considers/approves Ballot Title
May 8	Assistant to City Manager/City Recorder publishes "Notice of Receipt of Ballot Title"
May 17	Deadline to file dissatisfaction of ballot title with Circuit Court
May 18-26	Circuit Court holds hearing and decides on Ballot Title
August 7	City Council adopts resolution forwarding the Charter amendment to the voters on the November 7, 2006 ballot, and directing the Assistant to City Manager/City Recorder to publish notice of municipal election
August 10	Voters' Pamphlet article (Explanatory Statement) to ASC
August 21	City Council considers/approves Voters' Pamphlet article (Explanatory Statement)
September 7	Assistant to City Manager/City Recorder files SEL and Explanatory Statement with County Elections
September 23	Charter amendment Explanatory Statement published in " <i>the City</i> "
October 14 ??	Ballots in mailboxes
October 14 and 21	Assistant to City Manager/City Recorder publishes "Notice of Municipal Election" (and post in four locations)
November 7	Election
December 4	Assistant to City Recorder/City Recorder prepares Abstract and Canvass of Votes to City Council

3/13 Received from Alex Johnson. *Kenny*

A

## Corvallis City Charter Review – Suggestions and Considerations

To solicit public input on the Corvallis City Charter review for diversity a series of three topic forums were held at elementary schools throughout the Corvallis Community. These forums focused on how diverse identities, affirmative action, and access to services and governance can inform the Corvallis City Charter review process. At each forum participants engaged in discussion to develop shared understanding of the different topics. With a shared understanding, the participants made suggestions to improve the Corvallis City Charter to reflect the values espoused by the citizens of Corvallis. Through this series of topic forums a number of considerations and specific suggestions have emerged.

### ***Specific suggestions for the Corvallis City Charter Review:***

1. “Act affirmatively” with considerations about the participation of historically marginalized groups in paid and unpaid work of the city
2. A bill of rights for Corvallis citizens could be incorporated, with strong local emphasis
3. A chapter on civil rights could be included (see Portland, OR ordinances)
4. Acknowledging identity in employment services
5. A framework for how we think – values of the council can be included
6. Chapter 9 public improvements – should include considerations for the displacement of marginalized communities
7. Citizen training for boards and commissions to encourage the representation of diverse needs and interests
8. Contractors should be held to the same standards reflected in Corvallis city ordinances (see Section 41, page 11)
9. Develop an appointment process that has those that have not been included share responsibility in selecting appointees
10. Freedom of gender identity and expression should affirmed in the Corvallis City Charter
11. If a section is included that lists identities to be affirmed, the phrase “...including, but not limited to...” could be used
12. Include considerations for diversity in council appointed positions (see page 3, Section 10 – example in Los Angeles Neighborhood Council appointment considerations)
13. Include role of city government to review barriers that limit opportunities and disproportionately impact specific identities in employment and provision of services
14. Integrate some of the municipal code language about diversity into the City Charter
15. Proactive language that protects and affirms all identities should be prominent in the Corvallis City Charter – generate a list of identities and others may be included in subsequent ordinances
16. The city charter is currently only a legal document. The Corvallis City Charter should reflect goals and aspirations – a preamble could be developed to represent the citizenry or integrate language from the 2020 Vision process
17. The Corvallis City Charter should include active language such as “The city of Corvallis shall provide for and protect from ...” – it is the responsibility of the city to provide and protect from incursion

### ***Process considerations for the Corvallis City Charter Review:***

1. Consider broader language in charter and more specific language in ordinances –*concern:* open to interpretation unless identities are affirmed
2. Look to the National Civic League for examples
3. The objective of changing the Corvallis City Charter must be clear to voters.
4. The process should be inclusive, requiring continuous outreach throughout the process.
5. What do we want to enable with a charter amendment? – consider the functions a city charter provides for a city (see Legal Authority rationale)

## Corvallis City Charter Review - "Diverse Identities" Topic Forum

2-16-06, 7PM to 9PM, Wilson School Library (2701 NW Satinwood St.)

Facilitated by Dr. Terry Ross and Alex T. Johnson

Oregon State University Office of Community and Diversity

This introductory forum explored the how different characteristics of our identities as community members inform our challenges and opportunities as city. This forum also explored how the demographics of our community are changing, will continue to change, and the opportunities associated with that change. Based on this shared understanding, the forum participants explored how these concepts and considerations can be incorporated in the Corvallis City Charter review process. The sections in this document reflect the responses of the forum participants to different questions:

*Based on your observations, what identities have been historically excluded/marginalized in Corvallis?*

- Casually dressed
- Conservatives
- Differently-abled
- Gay men
- Homeless
- Individuals w/ mental illness
- International Students
- Jewish community
- Lower Income
- Lower education
- Muslims
- Non-English speakers
- People of color
- People with disabilities
- South Corvallis residents
- Students
- Transgendered
- Women
- Youth

*What are your first observations about the provided Corvallis census statistics?*

- Bi-racial growth
- High percentage of people below the poverty level
- Housing prices
- Immigration issues
- Is the information unreliable with student populations included?
- It would be nice to see the census data without students
- LGBTQI community data missing

*What are some diversity-related challenges in Corvallis?*

- Affordable housing
- Encouraging diverse neighborhoods
- Facilities
- Family wage jobs
- Growth and sustainability
- Language barriers
- Needs of disenfranchised not satisfied – what does it mean to be poor?
- Participation
- Philanthropy
- Poverty
- Public service support
- Services
- The population is 40% students
- Uneven opportunities for kids
- Visibility of issues to broader community

*What are some diversity related opportunities in Corvallis?*

- Collaborating, bringing information together
- Engaging different groups
- Fundraising – leverage
- Feasibility of paying the city council
- Highly educated population
- Home ownership – eliminating exclusionary zoning and encouraging mixed income housing
- Increasing diversity
- Linking disenfranchised to service – English as a second language students
- Mobilizing vote around City Charter Review
- Size of Corvallis is an opportunity
- University relationship w/ community – keeping folks in the community, services, expertise
- Using agricultural resources to bring together different cultures
- Utilizing the capacity of the university infrastructure and ideas – Service Learning, Community & Diversity

*What are your suggestions for language and groups to be included/affirmed in the Corvallis City Charter?*

- Acknowledgement of identity in employment services
- Active Language “City shall provide for and protect from ...” – it is the responsibility of the city to provide and protect from incursion
- Charter should include a statement of community/vision
- Consider broader language in charter and more specific language in ordinances – *concern*: open to interpretation unless identities are affirmed
- Contractors should be held to the same standards reflected in Corvallis city ordinances (see Section 41, page 11)
- Gender identity and expression (see attached suggestions)
- Include role of city government to review barriers that limit opportunities and disproportionately impact specific identities in employment and provision of services
- Integrating some of the municipal code language about diversity into the City Charter
- Look to the National Civic League for examples
- Proactive language that protects and affirms all identities – generate a list of identities and others may be included in subsequent ordinances
- What do we want to enable with a charter amendment?

## Corvallis City Charter Review - "Affirmative Action" Topic Forum

2-23-06, 7PM to 8:30PM, Jefferson School Library (1825 NW 27<sup>th</sup> St.)

Facilitated by Prudence Miles and Alex T. Johnson

Oregon State University Office of Affirmative Action and Equal Opportunity, Office of Community and Diversity

This forum explored the purpose, community perceptions, and myths associated with affirmative action. Through several exercises, the forum participants explored how the active inclusion of different perspectives in public commissions and public employment can empower local government to reflect the desires of its citizens. The sections in this document reflect the responses of the forum participants to different questions:

*What is the purpose of affirmative action?*

- Laws are a reminder that we need to change how we live
- To benefit society
- To counteract existing structures that favors those in power

*What are the issues and perceptions associated with affirmative action?*

- "Better mix" is only goal
- "Exceptions"
- "Model minorities"
- "Quotas"
- "Reverse discrimination"
- Anti-male, anti-white
- Different meaning for everybody
- In the Supreme Court, the result of any progress is challenged
- Perceived that it will let less qualified minorities take the place of whites
- Perceived to lower the quality of the labor force
- There hasn't been enough action

*Commission Exercise: In this exercise, participants were asked to explore structural changes, implications, and priority differences that would result if different identity groups were leading each selected bureau, commission, or service provider. These responses reflect the perceptions of the participants:*

BPAC – Senior Citizens

- Better lighting and legibility of signs
- Bikes not on main streets
- Longer crossing lights
- More space for larger bikes

Library – Youth

- Different collections
- Later hours

Planning Commission – Low

Income/Working Mothers

- Different standards for development

• Inclusionary zoning

- More affordability
- More facilities to support families – playgrounds, etc.

Police Department – People of Color

- Elimination of barriers-more equitable patrols
- Higher incidence of not obeying police
- Possible pressure on police officers-minorities enforcing powers on a majority

*What are your suggestions for language and affirmative action considerations in the Corvallis City Charter?*

- A bill of rights for Corvallis citizens could be incorporated, with strong local emphasis

- A chapter on civil rights could be included (see Portland, OR ordinances)
- A framework for how we think – values of the council can be included
- Chapter 9 public improvements – should include considerations for the displacement of marginalized communities
- Citizen training for boards and commissions to encourage the representation of diverse needs and interests
- Develop an appointment process that has those that have not been included share responsibility in selecting appointees
- If a section is included that lists identities to be affirmed, the phrase “...including, but not limited to...” could be used
- Include considerations for diversity in council appointed positions (see page 3, Section 10)
- Objective of change must be clear to voters – local efforts could be part of a larger movement
- Paid and unpaid work to “act affirmatively” with considerations about the participation of historically marginalized groups
- There are currently no aspirations in the document – a preamble could be developed to represent the citizenry or integrate language from the 2020 Vision process

## **Corvallis City Charter Review - “Access to Governance and Services” Topic Forum**

2-27-06, 7PM to 8:30PM, Lincoln School Library (110 SE Alexander Ave.)

Facilitated by Dr. Terryl Ross and Alex T. Johnson

Oregon State University Office of Community and Diversity

This forum explored how absence and presence of privileges can influence access to public participation opportunities. The forum participants discussed barriers and strategies to increase public participation in governance. The sections in this document reflect the responses of the forum participants to different questions:

*What privileges have you experienced in your life?*

- Education
- Gender
- Health
- Income
- Opportunity
- Race

*What are the barriers to public participation in governance?*

- Apathy
- Communication – lack of response from elected officials
- Economics
- Encouragement
- Fear – shyness, intimidation, criticism
- Illiteracy
- Knowledge of system and structure
- Language
- Physical barriers – ADA accommodations, length/method of travel, public transportation

*What can be done to increase public participation and knowledge of public participation opportunities?*

- Action on requests & acknowledgement by council/commissions
- Alternative means of participation
- Building infrastructure – staff, neighborhood associations
- City functions are taken for granted – education campaigns about what the city provides
- Distribute information through children – work with schools
- Evaluate commission appointment process
- Free food
- Incentives – having a say is not always enough
- Information and explanation for participants – orientation/training
- Information available in multiple languages – Spanish, Russian, Chinese
- Online polls – optimize the internet
- Personal interaction – more contact with community by elected officials
- Support for city council members – childcare, stipend, insurance, credit

*What are your suggestions for language and access considerations to be included in the Corvallis City Charter?*

- “No resolutions on national or international issues that represent the citizens of Corvallis will be forwarded by the City Council without legal polling of the residents of Corvallis”
- The city charter is currently only a legal document. The city charter should reflect goals and aspirations
- The process should be inclusive, more outreach needs to occur throughout the process

**City of Corvallis – City Charter  
Suggested Charter Provisions**

**The following are four options for a paragraph to be inserted in Chapter Two (Powers) or in Chapter 10 (Miscellaneous). The four options have slight differences in wording and have essentially the same meaning and effect:**

Section 6. Powers for the Protection of Citizens. The City has the power to ensure the equal protection and treatment of all persons without discrimination based on sex, race, color, religion, religious observance, national origin, disability, age, marital status, citizenship status, sexual orientation and gender identity or expression.

Section 6. Powers for the Protection of Citizens. The City has the power to ensure equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, color, religion, sex, age, mental or physical disability, sexual orientation, gender identity or expression.

Section 6. Powers for the Protection of Citizens. The City shall exercise its power to provide for the equal protection and equal benefits of its residents without discrimination and, in particular, without discrimination based on race, national or ethnic origin, color, religion, sex, age, mental or physical disability, sexual orientation, gender identity or expression.

Section 6. Powers for the Protection of Citizens. The City shall exercise its power to ensure the equal protection and treatment of all persons without discrimination based on sex, race, color, religion, religious observance, national origin, disability, age, marital status, citizenship status, sexual orientation and gender identity or expression.

## Examples for Corvallis City Charter Review

### **Public Participation:**

*Santa Rosa, California*

<http://ci.santa-rosa.ca.us/default.aspx?PageId=258>

### **Section 11. Participation and Diversity in Boards and Commissions.**

(a) The City shall undertake all reasonable efforts to encourage participation by all citizens. Further, the Council shall undertake all reasonable methods to ensure that its appointments to boards, commissions and committees reflect Santa Rosa's diversity, including geographic and ethnic diversity.

The City Council shall issue a written report annually that will be discussed in public session regarding its appointments to boards, commissions and committees. The report shall contain, but is not limited to, the total number of appointments in a given year, the total number of applications in a given year, and relevant diversity information including geographic and ethnic diversity. Further, the report will evaluate the progress and success of increasing the diversity of appointments.

(b) Individual council members shall appoint one member of boards and commissions, except as provided below. Terms shall coincide with the term of the appointing council member. A new council member may replace appointments in the event one is selected to serve out the unexpired term of a council member. Any board or commission with less than seven members shall be increased to seven. This process shall be phased in by the council within two years of adoption by the electorate of this provision. Boards and commissions dealing with issues of interest to the general public shall commence public hearings, whenever practicable, no earlier than 5:00 p.m. The provisions of this subsection shall not apply to the District Commission, Redevelopment Agency, and Personnel, Building Regulation Appeals, and Housing Authority boards.

*Vancouver, Washington*

<http://www.ci.vancouver.wa.us/charter/Art11.htm>

**Section 7.10 Prohibitions:** No person in the service of the city or seeking admission thereto shall be in any way favored or discriminated against because of race or sex or political or religious opinions or affiliations. No persons seeking appointment to, or promotion in, the service of the city shall give cause to be given any money or other thing of value to any person in connection with such appointment or promotion. No person shall in any manner solicit or be concerned with soliciting any contribution for any political purpose from any city employee. No person shall commit any fraud or deceit tending to defeat the purposes of this article or in connection with any appointment or promotion in the city service. Any person who is convicted of violating any provision of this section shall, in addition to any other penalties provided by law, be ineligible for appointment or employment in the city's service for a period of five years, and shall, if an officer or employee of the city, immediately forfeit such position. (As amended by vote of the people on November 6, 1979.)

**Section 11.18 Deletion of Charter Terms Referring to Masculine or Feminine Gender:** Future amendments to the city charter shall require the use of terms which are neither masculine nor feminine, unless the context of such charter provision shall require otherwise.

*Los Angeles, California*

<http://www.mtwashington.org/neighborhoodcouncils/charter-amendment.htm>

**Sec. 22.811. Certification of Neighborhood Councils.**

(3) assurances that the members of the neighborhood council will reflect the diverse interests within their area;

**Diversity in Redistricting Specifications:**

*San Diego, California*

[http://clerkdoc.sannet.gov/RightSite/getcontent/local.pdf?DMW\\_OBJECTID=09001451800a946a](http://clerkdoc.sannet.gov/RightSite/getcontent/local.pdf?DMW_OBJECTID=09001451800a946a) (page two of document near bottom)

Each redistricting plan shall provide fair and effective representation for all citizens of the City, including racial, ethnic, and language minorities, and be in conformance with the requirements of the United States Constitution and Federal statutes.

**Diversity in Affordability and Housing Access:**

*Berkeley, California*

[http://www.ci.berkeley.ca.us/rent/OrdRegs/iii\\_char.html](http://www.ci.berkeley.ca.us/rent/OrdRegs/iii_char.html)

**Section 120. Purpose of Elected Rent Stabilization Board.**

The purpose of this article is to provide for proper administration of programs to regulate residential rents; to protect tenants from unwarranted rent increases and arbitrary, discriminatory or retaliatory evictions; to help maintain the diversity of the Berkeley community; and to ensure compliance with legal obligations relating to the rental of housing.

## Chapter 23.01 Civil Rights

---

### -Note

(New Title added by Ord. No. 164709, Oct. 3, 1991.)

---

### 23.01.010 Policy.

(Amended by Ordinance No. 175158, effective January 15, 2001.) It is the policy of the City of Portland to eliminate discrimination based on race, religion, color, sex, marital status, familial status, national origin, age, mental or physical disability, sexual orientation, gender identity or source of income. Such discrimination poses a threat to the health, safety and general welfare of the citizens of Portland and menaces the institutions and foundation of our community.

---

### 23.01.020 Intent.

(Amended by Ordinance No. 175158, effective January 15, 2001.) The City Council finds that discrimination on the basis of sexual orientation, gender identity and source of income exists in the City of Portland and that state law does not clearly prohibit such discrimination. It is the intent of the Council, in the exercise of its powers for the protection of the public health, safety, and general welfare and for the maintenance of peace and good government, that every individual shall have an equal opportunity to participate fully in the life of the City and that discriminatory barriers to equal participation in employment, housing, and public accommodations be removed.

---

### 23.01.030 Definitions.

(Amended by Ordinance No. 175158, effective January 15, 2001.)

- A. **“Sexual Orientation”** - actual or supposed male or female homosexuality, heterosexuality or bisexuality.
  - B. **“Source of Income”** - the means by which a person supports himself or herself and his or her dependents, including but not limited to money and property from any occupation, profession or activity, from any contract, settlement or agreement, from federal or state payments, court-ordered payments, gifts, bequests, annuities, life insurance policies, and compensation for illness or injury, but excluding any money or property derived in a manner made illegal or criminal by any law, statute or ordinance.
  - C. **“Gender Identity”** – a person’s actual or perceived sex, including a person’s identity, appearance, expression or behavior, whether or not that identity, appearance, expression or behavior is different from that traditionally associated with the person’s sex at birth.
  - D. All other terms used in this ordinance are to be defined as in Oregon Revised Statutes Chapter 659.
- 

### 23.01.040 Exceptions.

(Amended by Ordinance No. 175158, effective January 15, 2001.)

- A. The prohibitions in this Chapter against discriminating on the basis of sexual orientation and gender identity do not apply:
  - 1. To the leasing or renting of a room or rooms within an individual living unit which is occupied by the lessor as his or her residence;
  - 2. To dwellings with not more than two individual living units where one of the units is owner occupied;

3. To space within a church, temple, synagogue, religious school, or other facility used primarily for religious purposes.

B. The prohibitions in this Chapter against discriminating on the basis of source of income do not prohibit:

1. Inquiry into and verification of a source or amount of income;
2. Inquiry into, evaluation of, and decisions based on the amount, stability, security or creditworthiness of any source of income;
3. Screening prospective purchasers and tenants on bases not specifically prohibited by this chapter or state or federal law;
4. Refusal to contract with a governmental agency under 42 U.S.C. §1437f(a) "Section 8."

C. The prohibitions in this Chapter against discriminating on the basis of gender identity do not prohibit:

1. Health or athletic clubs or other entities that operate gender-specific facilities involving public nudity such as showers and locker rooms, from requiring an individual to document their gender or transitional status. Such documentation can include but is not limited to a court order, letter from a physician, birth certificate, passport, or driver's license.
2. Otherwise valid employer dress codes or policies, so long as the employer provides, on a case-by-case basis, for reasonable accommodation based on the health and safety needs of persons protected on the basis of gender identity.
3. The above exceptions do not excuse a failure to provide reasonable and appropriate accommodations permitting all persons access to restrooms consistent with their expressed gender.

---

**23.01.050 Discrimination in Employment Prohibited.**

(Amended by Ordinance No. 175158, effective January 15, 2001.)

A. It shall be unlawful to discriminate in employment on the basis of an individual's race, religion, color, sex, national origin, marital status, age if the individual is 18 years of age or older, or disability, by committing any of the acts made unlawful under the provisions of ORS 659.030 and 659.425.

B. In addition, it shall be unlawful to discriminate in employment on the basis of an individual's sexual orientation, gender identity, source of income or familial status, by committing against any such individual any of the acts already made unlawful under ORS 659.030 when committed against the categories of persons listed therein.

---

**23.01.060 Discrimination in Selling, Renting, or Leasing Real Property Prohibited.**

(Amended by Ordinance No. 175158, effective January 15, 2001.)

A. It shall be unlawful to discriminate in selling, renting, or leasing real property on the basis of an individual's race, religion, color, sex, national origin, marital status, familial status, or disability, by committing any of the acts made unlawful under the provisions of ORS 659.033 and 659.430.

**B.** In addition, it shall be unlawful to discriminate in selling, renting, or leasing real property on the basis of an individual's sexual orientation, gender identity, source of income, or age if the individual is 18 years of age or older except as is excluded in ORS 659.033 subsection 6 (a) and (b), by committing against any such individual any of the acts already made unlawful under ORS 659.033 when committed against the categories of persons listed therein.

---

### **23.01.070 Discrimination in Places of Public Accommodation Prohibited**

(Amended by Ordinance No. 175158, effective January 15, 2001.)

**A.** It shall be unlawful to discriminate in public accommodations on the basis of an individual's race, religion, color, sex, national origin, marital status, age if the individual is 18 years of age or older, or disability, by committing any of the acts made unlawful under the provisions of ORS 659.037, 659.425, or ORS 30.670 to 30.685.

**B.** In addition, it shall be unlawful in public accommodations to discriminate on the basis of an individual's sexual orientation, gender identity, source of income or familial status, by committing against any such individual any of the acts already made unlawful under ORS 659.037 or ORS 30.670 to 30.685 when committed against the categories of persons listed therein.

---

### **23.01.080 Enforcement and Administration.**

(Amended by Ord. No. 165319, Apr. 15, 1992.)

**A.** Enforcement of all or any part of this Chapter shall be governed by the procedures established in ORS Chapter 659. Rules adopted by the City Attorney pursuant to section 23.01.090 of this Chapter may also be used to implement enforcement and administration of this Chapter.

**B.** Any person claiming to be aggrieved by an unlawful employment practice under this Chapter may file a complaint with the Commissioner of the Bureau of Labor and Industries under procedures established in ORS 659.040, and any person claiming to be aggrieved by an unlawful practice under this Chapter relating to selling, renting or leasing real estate or discrimination in public accommodations, may file a complaint with the Commissioner under procedures established in ORS 659.045.

**C.** The Commissioner may then proceed and shall have the same enforcement powers under this Chapter, and if the complaint is found to be justified the complainant shall be entitled to the same remedies, under ORS 659.050 to 659.085 as in the case of any other complaint filed under ORS 659.040 or 659.045.

**D.** Any order issued by the Commissioner of the Bureau of Labor and Industries under this Chapter shall be viewed as one issued by a hearings officer employed by the City within the meaning of ORS 46.045 (3) and shall be fully enforceable by the City.

**E.** Any person claiming to be aggrieved by an unlawful discriminatory act under the provisions of this code shall have a cause of action in any court of competent jurisdiction for damages and such other remedies as may be appropriate. Election of remedies and other procedural issues relating to the interplay between administrative proceedings and private rights of action shall be handled as provided for in ORS 659.095 and 659.121. The court may grant such relief as it deems appropriate, including, but not limited to, such relief as is provided in ORS 659.121.

---

### **23.01.090 Authority of City Attorney to Adopt Rules.**

**A.** The City Attorney is hereby authorized to adopt rules, procedures and forms to assist in the implementation of the provisions of this Chapter.

**B.** Any rule adopted pursuant to this section shall require a public review process. Not less than ten nor more than thirty days before such public review process, notice shall be given by publication in a newspaper of general circulation. Such notice shall include the place, time, and purpose of the public review process and the location at which copies of the full text of the proposed rules may be obtained.

**C.** During the public review, a designee of the City Attorney shall hear testimony or receive written comment concerning the proposed rules. The City Attorney shall review the recommendation of his or her designee, taking into consideration the comments received during the public review process, and shall either adopt the proposal, modify it or reject it. If a substantial modification is made, additional public review shall be conducted, but no additional notice shall be required if such additional review is announced at the hearing at which the original comments are received.

**D.** Unless otherwise stated, all rules shall be effective upon adoption by the City Attorney and shall be filed in the office of the City Auditor.

**E.** Notwithstanding paragraphs B and C of this section, an interim rule may be adopted without prior notice upon a finding that failure to act promptly will result in serious prejudice to the public interest or the interest of the affected parties. The finding shall state the specific reasons for such prejudice. Any rule adopted pursuant to this paragraph shall be effective for a period of not longer than 180 days.

---

**23.01.100 Construction.**

This Chapter shall be broadly construed, consistent with its remedial purpose.

---

**23.01.110 Severability of Provisions.**

If any part or provision of this Chapter, or application thereof to any person or circumstance, is held invalid, the remainder of this Chapter and the application of the provision or part thereof, to other persons not similarly situated or to other circumstances, shall not be affected thereby and shall continue in full force and effect. To this end, provisions of this Chapter are severable.

# PART I: LEGAL AUTHORITY

## § 1 Overview

All governments in the United States derive their authority from some legal source – such as a constitution, a statute, or a charter. Through the Oregon Constitution, the people in Oregon granted broad powers to the state government. Pursuant to these broad powers, the Legislature has created state agencies and local governments (such as counties, school districts, fire districts, and irrigation districts). When the Legislature created these governmental entities, the Legislature also specified what powers the entities could possess. Thus, for most local governments in Oregon, it is the Legislature that determines how the governments are established, what procedures they must follow, what powers they can exercise, and what actions they can take.

Cities are different from other forms of local government. Although the people granted the state government significant powers, the people reserved to themselves the authority to grant power directly to their city governments. Article XI, section 2 of the Oregon Constitution reserves to local voters the power to adopt a city charter, in which the people can structure their city government and grant powers directly to that city government. The city charter cannot authorize a city to take action that violates the U.S. Constitution, the Oregon Constitution, or federal or state statutes. But unless federal or state law prohibits a city from exercising some power or taking some action, a city may do so if authorized by the city charter. Occasionally, even if a charter does not authorize an action, a state statute nevertheless may authorize that action.

In other words, a city council can take any action it desires so long as three conditions are met. First, the action must be authorized (by charter or statute); this issue is discussed in Part I of this document. Second, the council must comply with procedural requirements established by city charter, local code, and state law; these procedural requirements are discussed in Part II. Third, the action must not be preempted by federal or state law (*i.e.*, constitution or statute); limitations upon city action are discussed in Part III. In Parts IV and V, we summarize issues related to liability – both city and personal liability – and how to effectively and efficiently use your city attorney.

## § 2 City Charter

Article XI, section 2 of the Oregon Constitution authorizes a city's voters to adopt and amend a city charter. The city charter is similar to a constitution. Like a constitution, your charter may (1) create and structure your city government (for example, creating a city council, city manager, municipal court judge); (2) empower your city government (by granting certain powers to the city council, the city manager/administrator and the municipal court judge); and (3) limit your city government (prohibiting certain actions, such as adopting an ordinance without two readings at two separate meetings).

There are two basic types of city charters: those which contain a “general grant of powers” and those with “enumerated powers.”

## **§ 2.1 General Grant**

Most city charters contain a “general grant” of power, such as the following: “The city has all powers that the constitution or laws of the United States or of this state expressly or impliedly grant or allow cities, as fully as if the charter specifically stated each of those powers.” Such a provision generally authorizes the city government to take any action which is not prohibited by the U.S. Constitution, the Oregon Constitution, or federal or state law.

## **§ 2.2 Enumerated Powers**

Charters which lack a general grant of powers have “enumerated powers.” This type of charter will list each specific power granted by the voters to their city government, often including more than 100 separate powers and authorized functions. These specific grants will include such powers as the power to tax, to levy assessments, to sue and be sued, to hold property, to employ assistants, to enter into contracts, and to license businesses. For cities with charters containing enumerated powers, a city council cannot take any action unless the council can identify a specific power in the charter authorizing that action.

## **§ 3 Statutory Powers**

Occasionally, the Legislature will grant to cities specific powers. For example, ORS 223.005 grants to every incorporated city the power to condemn property. For some cities, these statutorily granted powers may merely duplicate powers granted by a city charter. For other cities, these statutory powers will supplement the powers authorized by an enumerated powers charter. For some cities, these statutory powers may allow a city to take an action which the charter actually prohibits. For example, ORS 287.003 states that “[n]otwithstanding any other provision of law, including the city charter,” a city with a certain population may issue certain types of debt. Consequently, even if your city charter does not authorize you to exercise a certain power (or, goes further by prohibiting the council from exercising that power), you still may be able to take an action if authorized by state statute.

## **§ 4 Summary of Limitations on City Powers**

Even where authorized by city charter, a city may not be able to take certain actions if those actions violate the U.S. Constitution, the Oregon Constitution, or federal or state statutes. Listed below are some of the more common federal and state provisions which have prohibited Oregon cities from exercising powers otherwise authorized by city charter. In Part III of this document, we discuss in more detail some of the most significant limitations imposed by state statute.

### **§ 4.1 U.S. Constitution**

1<sup>st</sup> Amendment - free speech

5<sup>th</sup> Amendment - takings clause

14<sup>th</sup> Amendment - due process clause

**§ 4.2 Federal Statutes**

Environmental Laws  
Civil Rights Laws  
Fair Housing Act  
Anti-trust Laws  
Telecommunications Act of 1996  
Fair Labor Standards Act

**§ 4.3 Oregon Constitution**

Property Tax Limitations (such as Measure 5 and Measure 50)  
Oregon “Bill of Rights” (Article I)  
Initiative and Referendum (Article IV, § 1)

**§ 4.4 State Statutes**

Public Records - ORS 192.410 *et seq*  
Public Meetings - ORS 192.610 *et seq*  
Land Use - ORS Chapter 197  
Annexations - ORS 199 and 222  
Cities - ORS Chapter 221  
Public Improvements - ORS 223  
Ethics - ORS Chapter 244  
Elections - ORS 250.255 *et seq*  
Street Vacations - ORS Chapter 271  
Public Contracts - ORS Chapter 279  
Public Budget Law - ORS Chapter 294  
Criminal Laws, Civil Forfeiture, and many others

**PART II: STRUCTURE AND PROCESS**

**§ 5 Types of City Government**

There are four basic types of city government in Oregon. The most popular are the “council/manager” and “weak mayor” forms of government. Other forms of government include “commission” and “strong mayor.”

**§ 5.1 Council/Manager**

The council/manager form of municipal government was originally formulated by the National Short Ballot Organization (NSBO), in 1911. The mission of the NSBO was to make government more responsible by reducing the number of elective offices. The NSBO adopted the

## Mullens, Carrie

---

**From:** Clinton Downs [clintondowns@hotmail.com]  
**Sent:** Wednesday, March 15, 2006 04:48 PM  
**To:** Mullens, Carrie  
**Subject:** written comments about the City Charter Review

To the Administrative Services Committee and Members of the City Council,

Monday night (March 13<sup>th</sup>, 2006) was a climactic night for quite a few of us in the audience, as I'm sure you could tell. With the discussion of the Non-Discrimination statement being expanded to include Gender Identity, Sexual Orientation and Gender Expression, we hoped to ensure that one specific aspect of this charter review be addressed.

My only fear is that we focused too much on the one aspect of the review, and didn't give enough emphasis to this ENTIRE review. Alex Johnson put in hours and hours of work formulating, enacting and synthesizing an impressive process to help people process the needs of the city and turn that into a realistic action plan for changing the City Charter to reflect the action associated with our hopes and dreams for our fair city. Please seriously look at EVERY aspect of this plan as a need. Quite a few people expressed their hope for a more accepting and friendly community. These were general supportive statements for every suggestion Mr. Johnson put forward, and I hope the Administrative Services Committee, and the entire City Council take seriously every aspect of this presentation.

I had the opportunity to participate in only one of the community forums on Affirmative Action, during which we talked about the need for City Committees and Boards to take multiple views into account. Someone also suggested there be more work done to include people of different backgrounds on City Committees. While this is easy to say, it is difficult to do, so I would like to offer a few simple suggestions for policy and practice:

- 1) As bullet point 7 in Mr. Johnson's suggestions says, offer a "Citizen training for boards and commissions to encourage the representation of diverse needs and interests."
- 2) One other issue is access to the meetings themselves. Parents of children may need child care during the meetings, younger people may need to meet later in the evenings, some people work the swing or graveyard shift and can't make evening meetings at all, some don't have transportation, some don't speak fluent English, some people may not even be able to speak or hear, some may not understand the importance or feel valued on commissions even though they are, and many people just aren't asked to serve! There should be services in place to address as many of these as possible. As well, Commissions should be allowed flexibility to accommodate the needs of the members.
- 3) Every City Councilor and city official should be recruiting 24/7. I was surprised at the Forum that no one asked members of the audience to serve on committees!
- 4) Produce reports on how policy decisions of commissions affect different groups- young people, people with disabilities, etc.- primarily to raise continual awareness of these otherwise forgotten about populations.

Lastly, I feel that adding a vision or overall mission for the city to the Charter would be beneficial to people accessing the charter as they make decisions for the city. See specific suggestions #2, 5, 14, 16 and 17.

Thank you for your consideration, and taking the time to consider these revisions,

Sincerely,

Clinton Downs

Co-Chair: Basic Rights Action Team: Corvallis!

854 SW Jefferson Ave, Apt. #1

Corvallis OR 97333

clintondowns@hotmail.com

As the liaison for the CCI, Councilor Daniels said the first piece to be addressed should be the division in the community. The Committee discussed at length the fact that not all parts of the City belong to Neighborhood Associations, which led to the discussions about the United Villages model that focuses on the Ward system.

Councilor Daniels stated that in reviewing Attachment B of the staff report, it appears as if the CCI only helps citizen groups and Neighborhood Associations. In fact, the Committee has done a lot of work to help prospective developers understand the land use system and how to work with citizens during the planning stages. The land use pamphlet (A Land Use Applicant's Toolkit for Citizen Participation) has guidelines on how to conduct citizen outreach before submitting a formal application for development.

Councilor Daniels added that CCI's proposal, specifically strengthening organizations and helping them work out issues, will potentially save staff time, encourage civility between neighbors, and limit calls for enforcement or intervention. She said the energy and productivity levels of the Committee have dramatically increased since staff support was reinstated.

In response to Councilor Zimbrick's inquiry, Community Development Director Gibb said the Budget Commission approved CCI staff support at .20 FTE and \$4,000 for printing and materials for Fiscal Year (FY) 2006-2007. Neighborhood Empowerment Grant dollars have not been approved for FY 2006-2007.

Mayor Berg confirmed that the proposal will be referred to the HSC for a more detailed analysis.

Mayor Berg welcomed two Boy Scouts attending the Council meeting: Joseph Kleinhenz and Jacob Malaska.

Mayor Berg noted that the City Manager is using a laptop to access an electronic version of the Council packet, which is another step forward in advancing technology.

## V. MAYOR, COUNCIL, AND STAFF REPORTS

### A. Mayor's Reports

1. Proclamation of Girl Scout Week – March 10-16, 2006

Mayor Berg read the proclamation.

2. Proclamation of Developmental Disabilities Awareness Month – March 2006

Mayor Berg read the proclamation.

Mayor Berg reported that she recently attended a memorial service for former Councilor Rollie Smith. She noted that Mr. Smith also served as a School Board member, was an active member of the community, a champion of civil rights, and entertained people through singing and dancing.

Ms. Gager reported that the Committee is requesting a continuation of the .20 Full Time Equivalent (FTE) position that was reinstated in October 2005. The CCI has been reviewing their future role in terms of how the Statewide Land Use programs are changing, and they are also seeking Council direction on suggested changes to their work program and approach.

Ms. Gager said a new role for the CCI is to administer the Neighborhood Empowerment Grants. In addition to land use planning issues, the CCI would like to focus on being a resource for staff, advisory boards, and neighborhood associations. This means the CCI would expand their role from primarily serving the Community Development Department to serving various City departments with guidebooks, performing analysis of citizen involvement in Corvallis, and becoming more involved with City issues versus only land use actions.

Ms. Gager said budget implications include continuing the .20 FTE staff support, \$4,000 for CCI expenses, and \$5,000 for the Neighborhood Empowerment Grant program. She requested feedback from Council and, if appropriate, a referral to the Human Services Committee (HSC) for analysis and recommendation to Council.

CCI member Bull thanked the Council for reinstating staff support. She said Ms. Gager has brought organizational skills to the Committee.

Ms. Bull stated that the CCI has accomplished multiple projects, including creating a pamphlet to help the public testify, developing land use guides, and providing resources for Neighborhood Association Presidents. The Committee believes they can be more effective and relevant to the public if they are allowed to work with issues outside of the land use system. The CCI is hoping to improve their relationship beyond Neighborhood Associations by working at the Ward level.

Ms. Bull said the CCI recently began working on the Neighborhood Empowerment Program process. Applications have been received for the use of those funds. Ms. Bull said this program spends a minimal amount of City money and empowers citizens to become involved in their community.

Ms. Bull said the proposed approach for the CCI will not be at the expense of helping the public understand the land use program. Their intent is to continue this program and be a more useful and resourceful committee.

Councilor Brauner said he agrees that the report should be referred to HSC for a detailed review. He added that giving expertise to other Boards and Commissions is a good idea; however, land use issues must come first.

Councilor Tomlinson requested information about the Portland based United Villages model when the information is presented to HSC. He expressed concerns about the CCI working with Neighborhood Associations, as not all of the community would be represented, and he wanted to make sure the City would be building consensus, not polarity through this process.

307 / Article from Connector Difficulties. *Kottz*

## Wi-Pie in the sky?

### Communications: Cities across America plan to build municipal Wi-Fi networks to widen access to broadband. Will they work?

“WE WILL not stop until every San Franciscan has access to free wireless-internet service.” It was a typically bold statement from Gavin Newsom, the charismatic young mayor of San Francisco, as he announced plans in October 2004 for a Wi-Fi network that would blanket the city with wireless-internet coverage. Mr Newsom thus joined a nationwide movement of cities across America that are planning to provide wireless-broadband access for government workers, residents and businesses.

These municipalities, ranging in scale from communities of a few thousand residents to huge cities including Philadelphia and San Francisco, are concerned that the lack of availability of broadband access, compared with other parts of the developed world, is holding back economic growth and perpetuating a “digital divide” between internet-haves and have-nots. A further motivation is that by setting up their own wireless networks, municipalities hope to be able to cut communications costs, improve the efficiency of their staff, and make possible new services such as allowing parking meters to accept debit and credit cards.

Small municipal wireless networks, typically built for local-government use, have been up and running in some parts of America for some time. The far bolder idea of building citywide networks available to all took flight in August 2004, when plans for such a network were announced by John Street, the mayor of Philadelphia. Stringing transmitters across the entire city would create the world’s largest Wi-Fi hotspot, providing access both indoors and out.

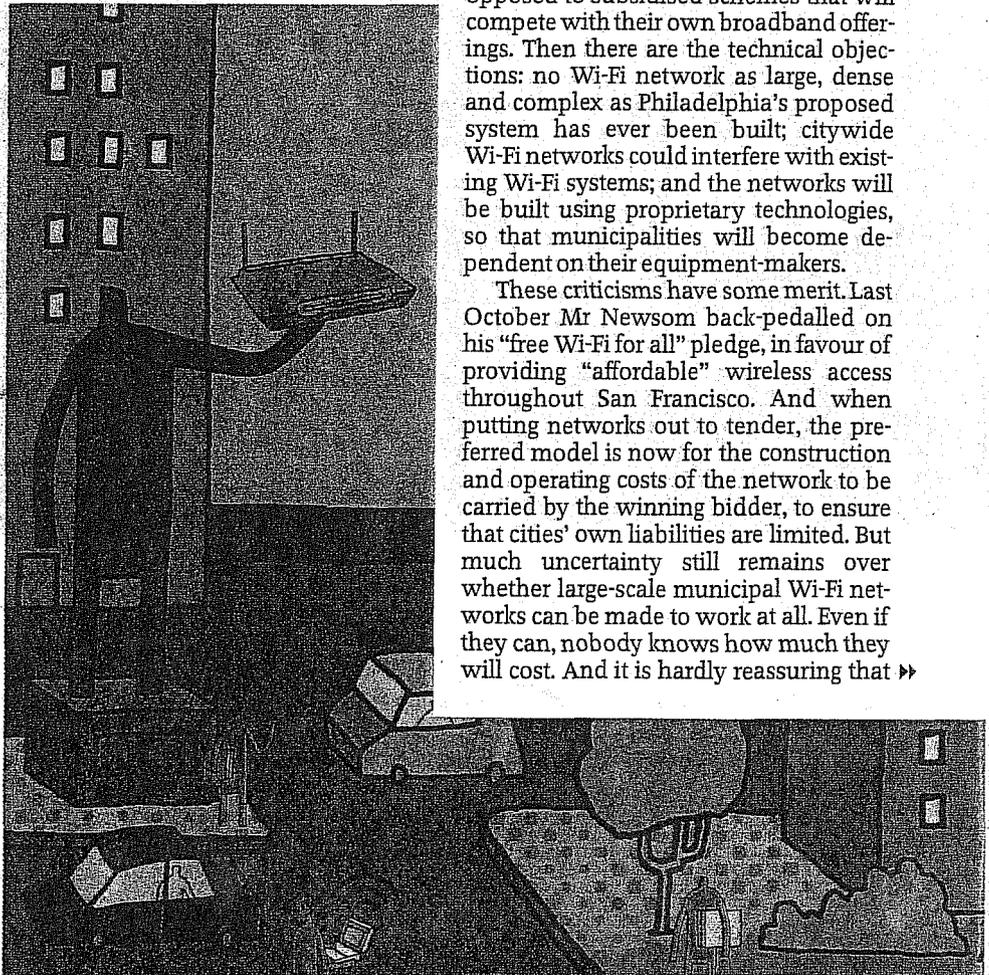
This would extend low-cost broadband access to existing users frustrated by the slow speed and high cost of dial-up internet connections. A survey conducted by the city found that 72% of internet-connected households used dial-up connections, compared with 47% nationally. “We wanted broadband at dial-up rates,” says

vide subsidised or free access to tens of thousands of unconnected residents, sometimes even supplying computers. Only 45% of Philadelphia residents had internet access at home, the city found, which compared poorly with the national figure of 73%. Last October the body established by the city to oversee the project, Wireless Philadelphia, picked EarthLink, a national internet service provider, to build and operate the network, which is expected to cost around \$10m.

Philadelphia’s ambitious scheme prompted many other cities, including San Francisco, Portland and Minneapolis, to follow. So far, nearly 200 municipalities have announced plans for citywide wireless networks, issued bid requests, or built networks, according to Esme Vos, the founder of Muniwireless.com, a website that tracks the subject. Over the next three years nearly \$700m will be spent building such networks in America, she estimates. Some networks will be supported by advertising; many will charge fees of \$15-25 per month. Most will offer some form of free access at certain times of day or to poorer users.

Free (or at least cheap) broadband for every citizen—who could argue with that? Plenty of people, it turns out. Critics worry that cities are underestimating the cost and complexity of building and running their own networks. Incumbent telecoms and cable operators are predictably opposed to subsidised schemes that will compete with their own broadband offerings. Then there are the technical objections: no Wi-Fi network as large, dense and complex as Philadelphia’s proposed system has ever been built; citywide Wi-Fi networks could interfere with existing Wi-Fi systems; and the networks will be built using proprietary technologies, so that municipalities will become dependent on their equipment-makers.

These criticisms have some merit. Last October Mr Newsom back-pedalled on his “free Wi-Fi for all” pledge, in favour of providing “affordable” wireless access throughout San Francisco. And when putting networks out to tender, the preferred model is now for the construction and operating costs of the network to be carried by the winning bidder, to ensure that cities’ own liabilities are limited. But much uncertainty still remains over whether large-scale municipal Wi-Fi networks can be made to work at all. Even if they can, nobody knows how much they will cost. And it is hardly reassuring that ▶



## “Using Wi-Fi at high power levels for citywide coverage could drown out existing networks.”

► rival manufacturers, each promoting different and incompatible technologies, claim not just that their equipment is the best, but that their rivals' will not work at all. When challenged, vendors point to the many smaller networks that are already running. So who is right?

### The view from Tempe

To see municipal wireless networking in action, a good place to start is the city of Tempe, Arizona, a suburb on the outskirts of Phoenix with 160,000 residents spread over 40 square miles. The flat, desert terrain is an ideal environment in which to use wireless networking to boost the availability of broadband. Several years ago the city installed wireless-broadband equipment on two buttes at the opposite ends of town. Rather than paying to lease high-speed digital lines from Qwest, each of which would cost hundreds of dollars per month, police stations and other municipal buildings are linked via the city's own wireless network. Telecoms costs have fallen from \$1.7m a year a decade ago to \$0.5m today. “We're probably not Qwest's favourite customer,” says Dave Heck, Tempe's deputy manager of information technology.

As a result, when the city began considering ways to extend broadband access to more residents—including nearly 60,000 students, staff and faculty members at the main Arizona State University campus in the centre of town—wireless made a lot of sense, says Mr Heck. “We don't have a lot of competition for broadband in Tempe,” he says. “There's just not a lot there.” A local provider, NeoReach, won the contract to build a Wi-Fi “mesh” network to provide broadband throughout Tempe, using equipment made by Strix Systems. NeoReach is paying for the network's construction, and will collect access fees from subscribers; the city's administration, police, fire and emergency services will also pay to use the network, which will cost \$2.3m to build.

Mesh networking allows large areas to be blanketed with wireless coverage quickly and inexpensively. As its name suggests, a mesh network consists of an array of wireless access points, only a few of which are actually connected back to the internet via high-speed links (known as “backhaul” connections). The trick is that all of the access points double as relays, passing packets of data to and from their neighbours. This connects up the mesh, so that users can access the internet at high speed at any of the access points. If the nearest access point does not have a backhaul connection, the packets of data that users send and receive simply make one or more “hops” across the mesh.

As well as being cheap and fast to set up—partly because many of the access points can be attached to utility poles—mesh networks have several other merits. They can provide coverage in areas, such as sprawling suburbs, where fast copper or fibre-optic connections are hard to come by. “When you get out in the residential areas, there's no fibre,” says Chuck Haas of MetroFi, whose company has installed mesh Wi-Fi networks in three of the San Francisco Bay Area's largest suburbs. Mesh networks are reliable, since the failure of one or more access points does not bring down the whole network, and they can also route data around obstacles, such as large buildings, which might otherwise block coverage.

By January NeoReach had installed over 400 access points in Tempe, providing Wi-Fi to subscribers in much of the city, and in outdoor areas in downtown Tempe and on the university campus. With the network's completion this month, NeoReach claims to have built the first example of a citywide Wi-Fi network in America. Proof, surely, that Wi-Fi mesh networks are an excellent way to extend broadband coverage across entire cities?

In fact, it is too soon to say. Wi-Fi was designed for use in small hotspots, not in citywide mesh networks. Using mesh

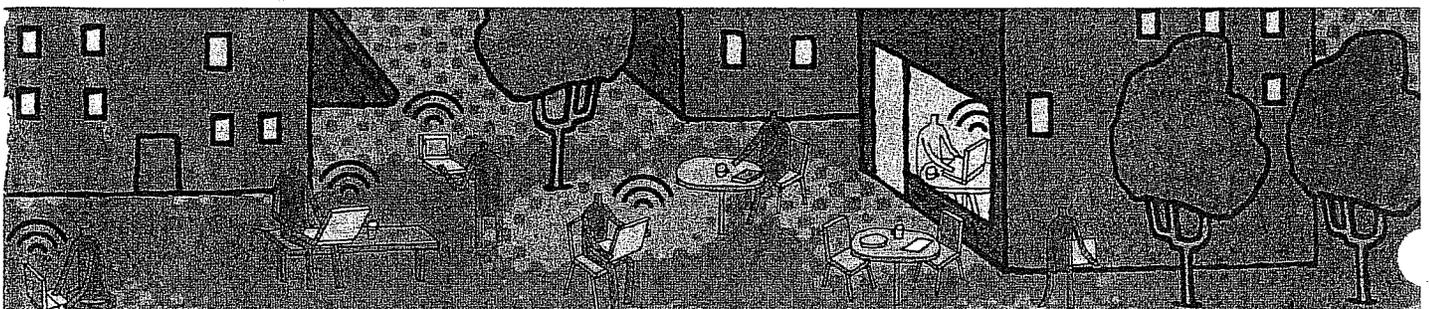
networks to connect up a flat, sprawling, relatively sparsely populated suburb is one thing. But many unknowns remain, given the scale and nature of the networks about to be installed in Philadelphia, San Francisco and several other large American cities—all of which will push Wi-Fi technology to its limits. “We're taking this technology and, through some enhancements, we're trying to apply it for an application it wasn't really designed for,” says Peter Rysavy, an independent wireless consultant. “Consequently, we just do not know how well it's going to work—but we're going to find out.”

### Not so fast

Some mesh network devices, notably those made by Tropos Networks, the market leader, use the same Wi-Fi frequencies both for communication between neighbouring access points, and to connect users to the mesh. Wireless experts fear that the use of Wi-Fi at the very high power levels required for municipal-scale networks, particularly in cluttered cities, could drown out existing outdoor Wi-Fi networks, public and private, and slow or disable indoor networks. An estimate 10m American homes contain Wi-Fi networks; many more are installed in offices, schools, coffee shops and parks. “It is absolutely guaranteed that you're going to end up interfering with anybody else that is using any channels within your coverage area,” says Mr Rysavy.

To make matters worse, Wi-Fi operates in “unlicensed” frequency bands, which are supposed to be available for anyone to use. By interfering with existing Wi-Fi networks, a municipal network is, in effect, appropriating a shared public asset. “There are going to be 3,000 or 10,000 or whatever access points in the city of San Francisco,” says Tim Pozar, a wireless consultant. “Even though this is unlicensed frequency, guess who owns the spectrum? The vendor.”

Ron Sege, the boss of Tropos, insists ►►



## “If city governments cannot even fill potholes, how will they be able to manage running a network?”

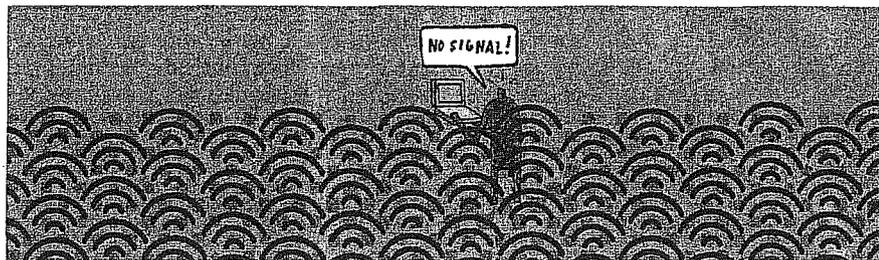
▶ that his firm’s technology does not cause undue interference. After all, he notes, there are millions of access points in use already, with more being added all the time. Tropos nodes installed in a city are no different, he says, from a home user buying an access point and plugging it in. The problem, however, is that off-the-shelf access points operate at just 3-20% of the power output of the mesh nodes made by Tropos and its rivals. Reducing the signal strength of the mesh nodes would reduce interference with existing networks, but the density of nodes would then have to go up, increasing costs.

Interference is not the only potential difficulty with municipal Wi-Fi networks. Another problem, notes Mr Rysavy, is that there is no common standard for Wi-Fi meshing, and thus no compatibility between the five leading vendors’ equipment. So if a city builds a network and the vendor goes bust—as recently happened to Vivato, a pioneer of long-range Wi-Fi gear—keeping the network running could be difficult. Although a standard for Wi-Fi meshing, called 802.11s, is under development, it is not very far along—and cities want to start building now. “Until there’s some standardisation in the mesh protocols, any deployment today is pretty risky,” says Mr Rysavy.

That raises another criticism: that wireless technology is developing very quickly, yet most municipal networks will be based on a Wi-Fi standard that is already three years old. Why not wait for the next-generation standard, 802.11n, which is much faster, or for Wi-Fi’s long-range big brother, a much-hyped technology called WiMax? Waiting a year or two might make it possible to build faster networks over greater areas at lower cost.

In fact, 802.11n is designed to perform best indoors, while WiMax has already been factored into most municipal wireless plans—where it will be used to provide backhaul connections to the mesh. EarthLink, for example, will use Canopy, Motorola’s WiMax-like technology, for this purpose in Philadelphia and in four other cities. And dedicated Canopy links will also, says Ms Neff, be used to connect several hundred large buildings, which will not therefore rely on the Wi-Fi mesh. “Metro Wi-Fi is going to create the base and the excuse for WiMax,” says Tom Hulbosch of Motorola’s Canopy division.

Municipal Wi-Fi must also contend with political interference. A number of reports financed directly or indirectly by



zation, AT&T and Comcast, have criticised municipal networks as risky wastes of taxpayers’ money that will provide unfair competition to private companies. Similarly, there have been complaints that if city governments cannot even fill potholes in roads, how will they be able to manage the far more complex task of running a network? Proponents of municipal networks respond that broadband access is just another utility, and that utilities have been state-run in the past. That is true, but public ownership of electrical utilities was, in fact, as controversial a century ago as municipal Wi-Fi is today.

Philadelphia’s plans were almost derailed when, after much lobbying, legislation was proposed in Pennsylvania that would have given Verizon, the local incumbent, right of first refusal in any municipal telecoms scheme. A bitter argument ensued, and the bill was signed into law only after Verizon agreed to issue a waiver exempting the city of Philadelphia from the provision. Similar bills preventing municipalities from going into competition with telecoms incumbents have been passed in over a dozen states.

One exception is Texas, where a grassroots movement succeeded in scuttling a vote on such a bill, which had been sponsored by the local incumbent, SBC (since renamed AT&T). Michael Dell, the founder of the world’s biggest PC-maker, based in Round Rock, Texas, helped to undermine the bill when he pointed out to state legislators that more broadband might sell more computers, and thus bring more jobs and tax revenues to the state. To avoid such political wrangling, many cities are now taking the approach of awarding contracts to firms that build the networks at their own expense, pay taxes or franchise fees, and operate autonomously, in return for special rights to city-owned facilities such as utility poles, towers, building tops and electricity.

All of this means that Philadelphia, San Francisco, Minneapolis, Portland, Chicago and many other cities are partici-

large Wi-Fi network is harder than it looks, says Mr Haas, who has first-hand experience, not least because, once deployed in the field, mesh Wi-Fi equipment does not always perform as promised. “The radios we put up in 2002 and 2003 and the first half of 2004—hundreds of them—are either back at the vendors or sitting in the warehouse,” he says. Only in the past 18 months has his firm hit upon the right combination of equipment and network design.

### One step at a time

Reassuringly, Philadelphia and other big cities are taking a staged approach to the deployment, which will allow the conflicting claims made by equipment manufacturers to be resolved, one way or another. In Philadelphia, EarthLink will start by building a 15-square-mile test network covering different terrain, demographics and building densities. Building such a test network “is very expensive to do, but it’s never been done,” says Greg Richardson of Civitium, a consultancy that was involved in the bidding in Philadelphia and San Francisco. If EarthLink cannot meet the specifications set by the city and assessed by independent auditors, the network will not be built. “It gives us a chance to see if what we ask for is realistic, or if we need to change some of the parameters,” says Ms Neff. And if existing Wi-Fi networks are disrupted, citizens in the test area will know whom to blame.

Mayor Newsom’s utopian vision of free wireless for all quickly ran up against the snag that all such giveaways require: there’s a price to pay at the end of the day. Even with the decision to charge some users for access, not all cities will find that their plans for citywide Wi-Fi networks turn out as expected. The real measure of municipal wireless networks will not be in places such as Tempe, where they are expected to work, but in bigger cities, where success is far from certain. Whether service providers will be able to meet the required technical standards and still

March 14, 2006 Becky M, Pse  
FYI Kathy

Proud Supporter of The Humane Society of the United States



E Ross Parkerson  
1352 NW Lincoln Ave  
Corvallis OR 97330

Re: Sequoia tree @ 420 NW 15<sup>th</sup> Street

RECEIVED

MAR 15 2006

CITY MANAGERS  
OFFICE

Dear City Council,

This post with the sequoia tree located in the parkway in front of 420 NW 15<sup>th</sup> Street was posted for removal. A copy of the notice is included explaining the reasons for the proposed removal.

As noted on the attached notice the giant sequoia is not a hazard. The issue is the growth of the trunk and its impact on the adjacent sidewalk and street. The tree is impressive and has a considerable impact on the surrounding neighborhood.

The tree is located within the boundary of Jobs Addition Neighborhood Association (JANA) and we, residents and neighbors, are concerned. We have started a fund raising campaign to assist with the improvements to the sidewalk and street curb allowing the sequoia to remain in place.

We ask for your support in saving this tree from removal. Thank you for your attention in this matter.

E. Ross Parkerson  
JANA Co-Chair

# NOTICE OF TREE REMOVAL

**WHAT:** 1 Large Sequoia

**WHERE:** 420 NW 15<sup>th</sup> Street

(The tree is posted for removal)

**WHY:** Due to significant infra-structure damage, a permit for removal has been issued for this tree. Removal will occur as soon as arrangements can be made.

8 months ago the City Forester received a call from the adjacent property owner who wanted to discuss options around sidewalk replacement at the base of the Giant Sequoia in front of her house. The City Forester met on site to evaluate the situation and has recommended removal and replacement.

## **WHY IS THIS TREE BEING REMOVED?**

~~This tree is not a hazard.~~ Giant Sequoia are fast growing trees that need a lot of space. The large buttress swell is typical of the species making an 8 foot park strip a poor place to plant one. This tree is relatively young so it will inevitably grow much larger, however it has already used up it's growing space. This is one reason why they are not a desirable street tree and by Corvallis Municipal Code, prohibited.

## **WHAT IS CONSIDERED WHEN EVALUATING A TREE FOR REMOVAL?**

Our standard procedure in reviewing tree / infra structure conflicts is to evaluate the age, health, structure, species, and location of the tree. Then determine what options are available to minimize impacts to the tree and correct the damage to the infra structure. Compromises can and have been made to accommodate trees and make repairs that were both cost effective and did not jeopardize the functionality of the infra structure.

Over the years, adjustments were made to accommodate the Sequoia, the sidewalk has been ramped the curb and street have been replaced, the water meter has been moved farther from the base of the tree. While it may seem a shame to remove such a healthy tree, the issue still remains that the tree has out grown it's space, the sidewalk needs to be repaired again and that cost is the responsibility of the adjacent property owner. The tree is already growing over, and damaging the recent curb repair which is a cost to all tax payers. Since this tree is not a hazard, the adjacent property owner will also have to bear the cost of tree removal and stump grinding.

This tree is estimated to be around 85 years old, with many years of growth ahead of it. The larger it gets the more it will cost to remove it and repair infra structure damage that will occur as it continues to expand. Removal is the most prudent action in the use of the home owners financial resources.

## **WHAT WILL HAPPEN TO THE WOOD?**

The contractor will dispose of it as they see fit.

If you have questions about the removal of this tree please contact the City Forester at 754-1723

Sequoia Update

From JANA Leadership

3-20-06  
JAN

At noon on March 16 Jerry Rooney, Ross Parkerson, and Lyn Larson met with City Forester Becky Merja and Mike Riddle, an arborist and member of the Civic Beautification/Urban Forestry group (and owner of Trillium Landscaping), to discuss options for possibly saving the giant sequoia growing in front of 420 NW 15<sup>th</sup>. To accommodate the tree's vigorous growth, nine sidewalk panels would have to be replaced and the street side would need to be amended from driveway to driveway to create a "bulb." We discussed the idea of a ramp or some sort of bridge that would reroute the sidewalk. The problem is that the setback for the house is minimal, which would put the sidewalk practically at the front door and would require an easement from the city. We talked about ideas like using pavers, and even rubber sidewalks (those have been used in some cities in California).

The homeowner was given a cost estimate to replace the sidewalk of \$290/panel (Becky thought this was high; Public Works could do it for about \$187/panel). The street side work would run about \$1,000 (done by Public Works). The lowest estimate for taking the tree down was \$2,200. This cost would be borne by the homeowner.

We also talked about a compromise funding for these "amendments" to the tree's location; that is, raising the funds for materials from the greater neighborhood, and asking the city to provide the labor. This would all depend on the city engineering and planning departments with approval of the City Council. Becky and Mike also suggested that any concession to the tree's needs would be short-term; more steps would have to be taken in the future to accommodate the growth of a giant sequoia in such a small area. They questioned whether or not the neighborhood would be willing to provide for the long-term needs of the tree, or would it fall back on the homeowner to do so.

There was a concern about the homeowner's needs. If the tree remains in her front space and it needs to be removed at a later date, it would cost much more.

A "pocket park," we observed, would place the "park" within a few feet of the front of the homeowner's house, thereby possibly compromising her security.

Unfortunately, after thoroughly exploring all her options, including consulting with her immediate neighbors, the homeowner has decided the tree must go. She'll work with Becky to plant something more appropriate for the space.

The tree is a magnificent example of its species and will be a loss to all of us. Trees provide many of the basic needs of human beings and other creatures of the planet.

The sad truth is that whoever planted it probably had no idea of its potential to outgrow its space. It was a seedling in 1920, and the city was a different place then.

Thanks to those JANAnS who offered money to help defray the cost of accommodating the tree, and for the commentary and discussion we had via email. Obviously we care about our city and our neighborhood!

Lyn Larson and Jerry Rooney