



**CORVALLIS
CITY COUNCIL AGENDA**

**February 21, 2012
12:00 pm and 7:00 pm**

**Downtown Fire Station
400 NW Harrison Boulevard**

COUNCIL ACTION

PLEDGE OF ALLEGIANCE

I. ROLL CALL

II. CONSENT AGENDA [direction]

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 – February 6, 2012
 - 2. City Council Work Session – February 4, 2012
 - 3. For Information and Filing (Draft minutes may return if changes are made by the Board or Commission)
 - a. Citizens Advisory Commission on Transit – January 11, 2012
 - b. Downtown Commission – January 11, 2012
 - c. Economic Development Commission – January 9 and February 2, 2012
 - d. Historic Resources Commission – January 10, 2012
 - e. Planning Commission – January 4 and 18, 2012
 - f. Watershed Management Advisory Commission – November 16, 2012
- B. Confirmation of Appointments to Boards, Commissions, and Committees (Capital Improvement Program Commission - Carroll; Committee for Citizen Involvement - Demarest, Kilian, Parnon; Public Art Selection Commission - Laing)
- C. Announcement of Vacancy on Citizens Advisory Commission on Transit (Shimabuku)
- D. Announcement of Appointment to Citizens Advisory Commission on Transit (Wright)
- E. Schedule an Executive Session following the regular noon meeting under ORS 192.660(2)(d) (status of labor negotiations)

III. ITEMS REMOVED FROM CONSENT AGENDA

IV. UNFINISHED BUSINESS

- A. Lease agreement with Consumers Power, Inc., for a communications site on Marys Peak [direction]
- B. City Legislative Committee – February 15, 2012 [direction]

V. MAYOR, COUNCIL, AND STAFF REPORTS

- A. Mayor's Reports
 - 1. Helen Ellis recognition (Immediately after Consent Agenda)
 - 2. Proclamation of Enhancing Community Livability - International Year of Cooperatives – February 2012 (Immediately after Consent Agenda)
- B. Council Reports
- C. Staff Reports [information]
 - 1. City Manager's Report – January 2012
 - 2. Council Request Follow-up Report – February 16, 2012
 - 3. Advisory Question update

VI. VISITORS' PROPOSITIONS – 7:00 pm *(Note that Visitors' Propositions will continue following any scheduled public hearings, if necessary and if any are scheduled)* [citizen input]

VII. PUBLIC HEARINGS – 7:30 pm

- A. A public hearing to consider an appeal of a Historic Resources Commission decision (HPP11-00033 – Johnson Carriage House)

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

- A. Human Services Committee – None.
- B. Administrative Services Committee – February 8, 2012
 - 1. Financial Policies Recommendation [direction]

- C. Urban Services Committee – February 9, 2012
 - 1. Council Policy Review and Recommendation: CP 91-9.02, "Dirt on Streets" [direction]
 - 2. Council Policy Review and Recommendation: CP 91-7.04, "Building Permits" [direction]
 - 3. Occupy Public Right-of-Way Request (NW Second Street and NW Jackson Avenue – Ayers) [direction]
 - 4. Airport Lease Amendments – WKL Investments Hout, LLC; Western Pulp; Plastech; Kattare Internet; T. Gerding Construction [direction]

X. NEW BUSINESS

- A. Highway 20/34 corridor plan presentation by Oregon Department of Transportation (Immediately after Consent Agenda) [information]

XI. ADJOURNMENT

For the hearing impaired, a sign language interpreter can be provided with 48 hours' notice prior to the meeting. Please call 541-766-6901 or the Oregon Communications Relay Service at 7-1-1 to arrange for TTY services.

A LARGE PRINT AGENDA CAN BE AVAILABLE BY CALLING 541-766-6901

A Community That Honors Diversity



CITY OF CORVALLIS
ACTIVITY CALENDAR
FEBRUARY 20 - MARCH 3, 2012

MONDAY, FEBRUARY 20

- ▶ City Holiday - all offices closed
- ▶ OSU/City Collaboration Project Steering Committee - 5:00 pm - Downtown Fire Station, 400 NW Harrison Boulevard

TUESDAY, FEBRUARY 21

- ▶ City Council - 12:00 pm and 7:00 pm - Downtown Fire Station, 400 NW Harrison Boulevard

WEDNESDAY, FEBRUARY 22

- ▶ Human Services Committee - 12:00 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue
- ▶ Administrative Services Committee - 4:00 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue

THURSDAY, FEBRUARY 23

- ▶ Urban Services Committee - 5:00 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue

SATURDAY, FEBRUARY 25

- ▶ Government Comment Corner (Councilor Biff Traber) - 10:00 am - Library Lobby, 645 NW Monroe Avenue

TUESDAY, FEBRUARY 28

- ▶ Commission for Martin Luther King, Jr. - 4:30 pm - City Hall Meeting Room A, 501 SW Madison Avenue

WEDNESDAY, FEBRUARY 29

- ▶ Watershed Management Advisory Commission - 5:00 pm - Madison Avenue Meeting Room, 500 SW Madison Avenue

THURSDAY, MARCH 1

- ▶ Arts and Culture Commission - 5:30 pm - Parks and Recreation Conference Room, 1310 SW Avery Park Drive

FRIDAY, MARCH 2

- ▶ Bicycle and Pedestrian Advisory Commission - 7:00 am - Madison Avenue Meeting Room, 500 SW Madison Avenue

SATURDAY, MARCH 3

- ▶ Government Comment Corner (Mayor Julie Manning) - 10:00 am - Library Lobby, 645 NW Monroe Avenue

**CITY OF CORVALLIS
COUNCIL ACTION MINUTES**

February 6, 2012

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Decisions/Recommendations
Consent Agenda Pages 68-69			
Item Removed from Consent Agenda 1. Consumers Power, Inc., Lease Agreement for Marys Peak Communications Site Page 69		February 21, 2012	
New Business 1. Benton County New and Emerging Tobacco Control Issues Pages 69-70			<ul style="list-style-type: none"> • Directed staff to work with BCHD and BOC on legislation for review by HSC <u>by consensus</u>
Mayor's Report 1. OSU Housing Project Support Letter Page 71	Yes		
Council Reports 1. EDC Discussions (Hervey) 2. Food Summit (Hervey, Raymond) 3. In-fill Development Proposal Review (Brown) 4. OSU Student Housing Projects (Raymond) 5. Dr. Martin Luther King, Jr., Park Project (Raymond) Pages 71-72	Yes Yes Yes Yes Yes		
Visitors' Propositions 1. Marys Peak Communications Site (Eckert) 2. Signs in Parking Strips (Epley) 3. Construction Truck Traffic on NW Harrison Boulevard (Epley) 4. Corvallis Area Move to Amend United States Constitutional Amendment (Epley, Bolger, Fletcher, R. Ozretich, B. Ozretich, Querk) Pages 72-78	Yes Yes Yes		<ul style="list-style-type: none"> • Forwarded advisory question to voters in November 2012 election <u>passed 7-1</u>
Staff Reports 1. Council Request Follow-Up Report – February 2, 2012 2. Prospective Petition Filing of Advisory Question Page 78	Yes		<i>(see Visitors' Propositions)</i>

Agenda Item	Information Only	Held for Further Review	Decisions/Recommendations
Item of ASC Meeting of January 18, 2012 1. Council Policy Review and Recommendation: CP 98-2.10, "Use of E-Mail by Mayor and City Council" Page 79			<ul style="list-style-type: none"> • Amended Policy <u>passed U</u>
New Business 1. Community Alliance for Diversity Contract Termination Page 79	Yes		
Executive Session 1. Labor Negotiations –AFSCME, IAFF, CPOA, CRCCA Page 80	Yes		

Glossary of Terms

AFSCME	American Federation of State, County, and Municipal Employees
ASC	Administrative Services Committee
BCHD	Benton County Health Department
BOC	(Benton County) Board of Commissioners
CPOA	Corvallis Police Officers Association
CRCCA	Corvallis Regional Communications Center Association
EDC	Economic Development Commission
HSC	Human Services Committee
IAFF	International Association of Firefighters
OSU	Oregon State University
U	Unanimous

**CITY OF CORVALLIS
COUNCIL ACTION MINUTES**

February 6, 2012

The regular meeting of the City Council of the City of Corvallis, Oregon, was called to order at 12:00 pm on February 6, 2012, in the Downtown Fire Station, 400 NW Harrison Boulevard, Corvallis, Oregon, with Mayor Manning presiding.

PLEDGE OF ALLEGIANCE

I. ROLL CALL

PRESENT: Mayor Manning, Councilors Hirsch, Hervey, Beilstein, Hogg, Brown, Traber, Brauner, Raymond

ABSENT: Councilor O'Brien (excused)

Mayor Manning directed Councilors' attention to items at their places, including her letter to the Oregon Joint Ways and Means Committee regarding an Oregon State University (OSU) student housing project (Attachment A) and excerpts from United States Supreme Court Justice Stevens' dissenting opinion in the *Citizens United vs. Federal Election Commission* case (Attachment B).

II. CONSENT AGENDA

Councilor Brauner requested removal from the Consent Agenda of item F regarding a lease agreement with Consumers Power, Inc., for a communications site on Marys Peak.

Councilors Brauner and Brown, respectively, moved and seconded to adopt the Consent Agenda as follows:

- A. Reading of Minutes
 - 1. City Council Meeting – January 17, 2012
 - 2. For Information and Filing (Draft minutes may return if changes are made by the Board or Commission)
 - a. Bicycle and Pedestrian Advisory Commission – January 6, 2012
 - b. Commission for Martin Luther King, Jr. – December 13, 2011, and January 4, 2012
 - c. Corvallis-Benton County Public Library Board – January 4, 2012
- B. Confirmation of Appointments to Boards, Commissions, and Committees (Board of Appeals - Fletcher; Committee for Citizen Involvement - Foster; Downtown Commission Parking Committee - Uerlings)
- C. Announcement of Vacancies on Boards, Commissions, and Committees (Citizens Advisory Commission on Civic Beautification and Urban Forestry - Ellis; Parks, Natural Areas, and Recreation Board - Williams)

- D. Announcement of Appointments on Boards and Commissions (Capital Improvement Program Commission - Carroll; Committee for Citizen Involvement - Demarest, Kilian, Parnon; Public Art Selection Commission - Laing)
- E. Schedule a public hearing for February 21, 2012, to consider an appeal of a Historic Resources Commission decision (HPP11-00033 – Johnson Carriage House)
- G. Schedule an Executive Session following the regular noon meeting under ORS 192.660(2)(d) (status of labor negotiations)

The motion passed unanimously.

III. ITEMS REMOVED FROM CONSENT AGENDA

- F. Authorization to enter into and for the City Manager to sign a lease agreement with Consumers Power, Inc., for a communications site on Marys Peak

Councilor Brauner noted that the Council received e-mails from citizens with questions regarding the lease agreement for a communications site on Marys Peak and whether the lease would affect other areas on the Peak.

City Attorney Fewel opined that the lease agreement was appropriate, but he would like more time to review the document and ensure that it would not violate a Federal law or requirement. The lease will return for Council consideration at the next meeting.

X. NEW BUSINESS

- A. Benton County new and emerging tobacco control issues

Benton County Health Promotion Specialist Hartstein conducted a PowerPoint presentation regarding existing and suggested legislation related to tobacco use, youth, and smoke-free workplace requirements. She emphasized the need for more education and enforcement of tobacco laws. She noted that Corvallis is a leader in tobacco use prevention, as demonstrated by legislation from 1997 to date, resulting in tobacco use in Benton County being among the lowest in Oregon. Tobacco-related illness is still the leading cause of death and disability in Benton County. New issues are emerging related to youth access to tobacco products, but they can be addressed through amendments to the current tobacco laws.

Ms. Hartstein explained hookah smoking, which is increasing, especially among youth and girls. Club-style hookah lounges are flourishing in Oregon. Contrary to common belief, hookah smoking is not safer than use of regular tobacco products. The 2011 Oregon Legislature attempted to correct a legal loophole that allowed hookah lounges. Existing lounges were "grandfathered" under the law and were not required to be located on stand-alone properties.

Ms. Hartstein said Benton County does not have a hookah lounge. A new tobacco retail store may open as a hookah lounge with a four-seat maximum capacity, or a "grandfathered"

certified tobacco retail store (hookah lounge) could re-locate to the Corvallis area. She cautioned that Corvallis is a prime location for a lounge because of Oregon State University. She noted that Eugene and other jurisdictions are considering closing their local retail store exemption, resulting in their hookah lounges possibly moving to another community, such as Corvallis. She urged the Council to address this legislation loophole soon, noting that no Benton County businesses would be impacted.

Ms. Hartstein said the City's 1997 tobacco retail license legislation is effective in preventing youth access to tobacco products; however, the legislation could be stronger. Through the 2010-2011 tobacco retail license inspection process, illegal tobacco sales to youth in Benton County were fewer than the county average in Oregon but not as few as the state average in the nation. No illegal sales occurred during the 2011-2012 inspection, but numerous sales occurred during the 2008-2009 inspection. A consistent enforcement tool is needed to reduce tobacco sales to minors. The inspections gather data but do not enforce sales laws.

Ms. Hartstein said a strong tobacco retail license system has four key elements, two of which exist in Corvallis. The City requires retailers to obtain a license and renew it annually and suspends and revokes licenses for violations. The City and County do not prohibit violation of any Federal, State, or local tobacco control law; the City and County only look at sales to minors and vendor-assisted sales. The State restriction on sales of single cigarettes is not enforced at the local level. The City charges \$35 for a license to sell tobacco products; the County charges \$6, which is not enough to cover the costs of regular enforcement. She suggested that the tobacco retail license legislation be strengthened and include the four key elements.

Ms. Hartstein explained electronic cigarettes (also known as e-cigarettes), which are unregulated, can be sold without age restrictions, and are not subject to the smoke-free workplace regulations. She suggested legislation to limit sales of e-cigarettes to adults only and restrict their use indoors.

Ms. Hartstein expressed hope that Benton County and the municipalities within the County can work together to strengthen tobacco-related legislation and make all legislation in the County consistent.

In response to Councilor Beilstein's inquiry, Ms. Hartstein said Tony's Smoke Shop operated as a hookah lounge during 2008. When the 2009 Indoor Clean Air Act became effective, hookah lounges and tobacco retail stores were not allowed to be attached to another business. The Shop ceased operating as a lounge but is "grandfathered" as a lounge and could apply to the State to be certified to operate as a lounge.

Councilor Beilstein asked that the Council instruct staff to work with the Benton County Health Department and Board of Commissioners to develop appropriate legislation for review by Human Services Committee. The Council indicated concurrence.

IV. UNFINISHED BUSINESS – None.

V. MAYOR, COUNCIL, AND STAFF REPORTS

A. Mayor's Reports

Mayor Manning referenced her letter to the Oregon Joint Ways and Means Committee, noting that it relates to the OSU/City Collaboration Project Steering Committee work. Last year OSU was unsuccessful in an attempt to obtain bonding authority from the State Legislature for a student housing project; another attempt will be made during the upcoming Legislative Session. OSU accepted her offer of a letter supporting the project, and OSU representatives will deliver the letter February 7.

Councilor Beilstein commented that former-Councilor Griffiths brought the issue to the attention of members of the Job's Addition and Chintimini Park Neighborhood Associations. Many Ward 5 residents are contacting the Legislature regarding the issue because the neighborhoods, along with others, are greatly impacted by OSU's student enrollment increase. Any effort to provide more on-campus student housing would benefit neighborhoods near OSU's campus.

B. Council Reports

Councilor Hervey reported that he met with the Economic Development Commission Chair and Vice Chair. He noted that he opposed the Commission's recommendation but agreed with much of the action plan. He will accept the Chair's invitation to speak to the Commission this spring.

Councilor Hervey said he attended the food summit at OSU, based upon his personal interest and the Council goal regarding access to healthy food. He was most interested in the Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps. He thanked City Associate Planner Richardson for participating in a panel discussion on Planning for Food Security – The Role of City, County, and Regional Governments. He noted the attendance of a leader in developing legislation to provide for local food security. He reported that 60 percent of the Farm Bill involves funding for nutrition programs. A case was made regarding the economic impact of people receiving SNAP support. Participation in SNAP and similar programs generates jobs for food production and sale, as well as revenues. During 2010, Benton County was eligible for \$21 million in Federal funds for nutrition assistance; the funds were not collected. Students and seniors are considered under-served population groups. A college student receiving work study qualifies for SNAP more easily than otherwise.

Councilor Brown recalled the Council's December 20, 2010, approval of staff reviewing an in-fill development proposal. He requested an update of the review.

Councilor Raymond reported receiving calls regarding the cumulative effect on Corvallis residents of additional student housing projects. She acknowledged that staff was unable to keep up with the code enforcement investigation requests related to the projects. She asked that this issue be considered by the OSU/City Collaboration Project Steering Committee. She added that Charlyn Ellis, who resides near the OSU campus, asked to be considered for membership on a Committee working group.

In response to Councilor Raymond's inquiry, Councilor Hervey suggested that Benton County be contacted regarding whether seniors, many of whom receive services through Meals on Wheels, could benefit from the agencies represented at the recent food summit.

Councilor Raymond reported that the Commission for Martin Luther King, Jr., is working on a project for Dr. Martin Luther King, Jr., Park and will ask residents for assistance.

VI. VISITORS' PROPOSITIONS

David Eckert thanked the Council for re-considering the Marys Peak communications tower matter. He said the issue involves a scenic botanical special interest area (SBSIA) designated by the United States Forest Service (USFS) many years ago. He opined that the SBSIA was established with good intentions but became "lost" among government activity. When the USFS Alsea branch closed, the SBSIA documentation was lost, and communication with other branch offices ceased, leading to the fencing issue when the law was not strictly followed. Various groups are working with the USFS to re-establish the SBSIA and were surprised to learn of the proposed communication tower. He did not know whether including the SBSIA in the lease agreement with Consumers Power, Inc., is a legal issue; however, he believed it was appropriate to notify the agreement parties of the SBSIA overlay and that those parties and the USFS work together to ensure maintenance of the SBSIA. He considered "environmental protection" a broad term, whereas the SBSIA has specific, simple precautions.

In response to Councilor Traber's inquiry, Mr. Eckert said the SBSIA is based upon the concept of unique plant communities. A particular plant may not be endangered. The SBSIA is focused on not introducing invasive weeds and seeds, including transfer via vehicle tires or dogs. Any construction must follow basic procedures to minimize impacts to the SBSIA.

Ed Epley referenced the City's sign and nuisance legislation. Following the sign legislation procedures, he submitted to the City an estimated 100 complaints during the last two years regarding signs in parking strips; however, many of the signs remain. Municipal Code Section 5.03.020, "Posting and Distribution of Handbills," provides examples of handbills. He interpreted from the Code that any item cited in the handbill definition that was placed within the parking strip would be prohibited. Municipal Code Section 5.03.020.060, "Removal of Unlawful Handbills," allows removal of unlawful handbills by any person. He was cited by Police Officers for removing unlawful handbills.

Mr. Epley expressed concern regarding construction truck traffic using NW Harrison Boulevard (Harrison) for a through-traffic route. He noted that Harrison is posted from NW Ninth Street to NW 53rd Street for no through truck traffic in excess of six tons. He said the section of Harrison west of NW 29th Street is heavily used by a truck every few minutes in conjunction with demolition of the Wilson Woods apartments. The truck is removing debris and delivering gravel. He said Police Officers will not cite the truck drivers, even though the drivers know the weight limit; the project contractor also knows the weight limit. He called Public Works Department staff regarding the truck traffic and was told the trucks were damaging the street, but it is scheduled for re-surfacing later this year as part of the Taylor Street Townhomes project.

Mr. Epley encouraged the Council to support the Move to Amend request for a United States Constitutional amendment.

Councilor Raymond asked staff how Police Officers can enforce the weight limit on City streets.

In response to Councilor Brown's inquiry, Mr. Epley said he would like the Council to enforce the truck traffic legislation and assign Parking Enforcement staff the responsibility of enforcing the prohibition of signs in parking strips.

In response to Councilor Hirsch's inquiry, Mr. Epley explained that, under the City's sign legislation, a person could be cited for destroying private property. Under the nuisance legislation, anyone can remove an unlawful sign.

Councilor Hirsch observed that the Municipal Code provisions regarding removing handbills conflict, and the conflict should be resolved.

Councilor Traber requested information regarding options for enforcing weight limits on streets.

Mr. Fewel said the issue of trucks exceeding weight limits on streets is a traffic violation, and the driver is the party to be cited. The truck driver's responsibility cannot be passed to the project contractor.

Councilor Beilstein surmised that the contractor must submit a project plan to the City, explaining, among other details, how construction debris or materials would be transported. If the contractor does not follow the submitted plan, the violation is a code enforcement matter.

In response to Councilor Beilstein's inquiry, Mr. Epley said Municipal Code Section 5.03.020.060 states "Any handbill or advertisement prohibited by this Section may be taken down, moved, or destroyed by anyone." Municipal Code Section 5.03.020 defines "advertisement" as "A public notice or announcement that is not a "Sign" as defined and regulated by the Land Development Code" and defines "handbill" as "Any notice, placard, poster, showbill, dodger, circular, pamphlet, booklet, letter, folder, sheet, sticker, or banner, that is not a "Sign" as defined and regulated by the Land Development Code." Councilor Beilstein noted that a "placard or poster" could be considered a "sign." He thought it was reasonable for Parking Enforcement staff to enforce the sign legislation in parking strips, and he asked that staff investigate the suggestion and that Urban Services Committee review the staff analysis.

Councilor Hogg noted that the construction trucks were affecting City streets and were traveling through neighborhoods, impacting the residents' quality of life.

Mr. Epley said the Taylor Street Townhomes contractor told him that Harrison was the most fuel-efficient route for their drivers to use to move materials.

Ralph Bolger read written testimony regarding the Corvallis Area Move to Amend (CAMA) affiliate of the national organization Move to Amend (Attachment C).

Geoff Fletcher cares about the quality of life in Corvallis. He asked the Council to allow an advisory question on the November ballot regarding the impact of organized money on the local democratic decision-making process. He referenced recent news stories about the impact of large amounts of money on the nation's democratic process. Individuals without lawyers, lobbyists, and vast amounts of money feel their votes do not matter. The recent United States Supreme Court decision in the

Citizens United vs. Federal Election Commission case and multi-national trade treaties give corporations unlimited, anonymous financial powers, along with inalienable real-people rights that put the nation's democratic ideals beyond the reach of average citizens. Foreign corporations can pay to have laws passed that surpass anything Corvallis citizens democratically decide. He opined that Corvallis residents should be given an opportunity to say that they value and deserve a fair democracy and that no group should be able to monopolize citizens' rights and protections.

Rachel Ozretich read portions of Attachment B, excerpts from United States Supreme Court Justice Stevens' dissenting opinion in the *Citizens United vs. Federal Election Commission* case. She noted that the Court's decision vote was five to four.

Bob Ozretich is one of the chief petitioners on an advisory question submitted to the City for the November election. The chief petitioners represent the CAMA organization. Ballot measures denying corporate personhood and money as speech passed in Boulder, Colorado; Missoula, Montana; and Madison, Wisconsin. City Council resolutions in Portland, Oregon; Las Angeles, California; and New York City, New York, were adopted supporting language to amend the United States Constitution as suggested by the national Move to Amend organization. The organization members believe the issues of corporate personhood and money as speech are the basis for the current generation's concern about their future. He referenced three 1971 advisory questions presented to Corvallis voters and subsequent legislation regarding advisory questions for voters. He said the City required that advisory question petitioners "substantially" follow the State's initiative ballot measure process, including collecting voter signatures equal to 15 percent of the votes cast in the last mayoral election. If the advisory question petitioners meet initial procedural requirements and the Council approves the measure for the ballot, the Council has the discretion of charging a "necessary and appropriate fee" to defray election costs. He questioned whether corporate chief petitioners would also be charged to place measures on the ballot. He surmised that most of the costs associated with the advisory question could be avoided if the Council forwarded the advisory question to the ballot with the explanatory statement, including section 2 of the petition.

Councilor Hervey asked whether the CAMA organization was asking that the City Council forward the advisory question to the ballot, noting that the organization would lose some control over wording of the measure components.

Mr. Ozretich repeated that the organization would like the Council to forward the advisory question directly to the ballot with the City's explanatory statement, including section 2 of the petition, which CAMA believes is an essential part of the petition. Section 2 states that the City will convey to elected representatives the language within the section. He said the ballot title would directly address section 2 of the petition; therefore, section 2 must be included on the ballot.

Councilor Traber inquired why CAMA was pursuing a petition, rather than first asking the Council to convey to elected representatives the essence of the advisory question.

Mr. Ozretich responded that amending the United States Constitution would require a lot of time and effort, along with education of the nation's voters. A resolution from the Council would not have as much effect as engaging community voters.

Leo Querk offered an alternative viewpoint to the CAMA petition. He explained that the CAMA petition addresses a major issue from a United States Supreme Court decision involving corporate

personhood and the overwhelming influence of money in American politics. He opined that elected politicians appear to focus their efforts toward the legislative desires of campaign finance donors, which equates to corruption. The CAMA petition addresses that issue and is comprehensive. However, he believes the CAMA petition would not stop the numerous election campaign advertisements on television and radio, some of which could be considered slanderous. A magazine recently estimated that two-thirds of campaign funds are invested in television advertisements, which include slogans and "sound bites" but no information regarding issues. He would prefer a United States Constitutional amendment that is less comprehensive, simpler, and an effective first step toward reducing the influence of money in politics. His amendment would repeal any existing First Amendment freedom of speech protection for election campaign advertisements on television, radio, and large stationary signs (e.g., billboards). He agrees with the CAMA petition proposal to repeal freedom of speech for corporations and any existing idea that money equals free speech. His amendment would also declare a prohibition of the advertisements he mentioned. He noted that ratification of his amendment immediately would mean two-thirds of the funds in political action committees (PACs), Super PACs, 501(c)4 non-profit organizations, and individual campaign funds must be invested elsewhere. Future candidates would not need to raise as much campaign funding, reducing the influence of money in politics.

Councilor Hervey inquired how the CAMA petition section 2 would fit into a ballot initiative and the impacts on the Benton County Elections Office.

Assistant to City Manager/City Recorder Louie said Benton County Records and Elections Manager Morales is preparing a cost estimate, which she will share with the chief petitioners and the Council. An advisory question ballot measure includes a caption, a question, and a summary; each component has a word limit. Inclusion of the CAMA petition section 2 would be dependent upon what the City Attorney's Office provides in terms of the measure components.

Mr. Fewel said Benton County would probably ask the City to request a fee from the chief petitioners to reimburse the County for election costs; however, the City would not be obligated to do so. Ordinance 71-48 allows the City to request election cost reimbursement from advisory question submitters. He believes the Council would have discretion to request a cost reimbursement from the chief petitioners.

Mr. Fewel explained that a ballot measure is comprised of a 10-word caption, a 20-word question, and a 175-word summary. According to Ordinance 71-48, an advisory question is to be processed substantially like an initiative petition, with the Council having some flexibility; and the Council has the discretion of requesting cost reimbursement from the chief petitioners. He explained that his office would, based upon the submitted petition, prepare a ballot measure caption, question, and summary, complying substantially with the State's initiative measure requirements. The chief petitioners could challenge the language via a Circuit Court review. If the Council initiated the ballot measure, the language could also be challenged in Circuit Court.

Mr. Fewel confirmed for Councilor Traber that the Council can forward the advisory question ballot measure to voters without requiring the chief petitioners to collect signatures. He does not know the County's view of that action but believes the County would be required to accept the measure. Because Ordinance 71-48 allows the Council to request election cost reimbursement from petition submitters, he expects that the County will request such action.

Councilor Traber noted that the only procedural step that might involve additional costs was signature verification.

Ms. Louie said she did not know what the additional costs for the advisory question measure might be. The City will have an election in November. Under normal circumstances, the County pays the election costs. Ordinance 71-48 allows the City to request cost reimbursement. She hopes to know the potential costs soon.

Councilor Hirsch asked the CAMA chief petitioners if they asked the Council to submit the ballot measure so they would not need to gather signatures. Mr. Ozretich responded, "no."

Councilor Hirsch expressed support for the advisory question petition and said he would have introduced a similar resolution. He noted extensive community support for the CAMA's objective. He believes signature gathering should occur to get information into the community.

Councilor Traber expressed support for the Council forwarding the advisory question to the voters. He believes the Council should support the CAMA chief petitioners in any way possible.

Councilor Beilstein opined that CAMA was only asking whether the Council would waive asking CAMA to reimburse the County for election costs, which are unknown. He believes the CAMA chief petitioners were speaking to the Council now to inform the Council of their progress through the election process. He recalled that, during 2006, telecommunications corporations paid people to gather signatures on a referendum petition and then paid for advertisements. A citizen PAC raised a small percentage of the funds donated by the corporations. There are no City or State laws to prevent a similar situation, but such laws would be deemed unconstitutional under the United States Supreme Court ruling previously cited. He considers the issue important and believes it should be forwarded to voters. He opined that it would be better to forward the issue to voters, rather than the Council adopting a resolution.

Councilors Beilstein and Traber, respectively, moved and seconded to forward the Corvallis Area Move to Amend United States Constitutional Amendment advisory question to the voters for the November 2012 election and to ask staff to perform the work that would be required of them, whether the measure was an initiative or an advisory question.

Councilor Beilstein noted that the City Attorney would need to write a ballot title, whether the measure is an initiative or an advisory question. Failure of the motion would require CAMA to gather petition signatures, which would be an educational process for citizens. He opined that CAMA could sufficiently educate Corvallis voters without devoting resources to the petition process.

In response to Councilor Hervey's inquiry, Mr. Ozretich stated that, whether CAMA obtains petition signatures or the Council forwards the advisory question directly to voters, CAMA would engage voters in discussions regarding the measure. He acknowledged that it would be easier for CAMA if it did not need to gather petition signatures, so it could focus on campaigning about the measure and educating voters. Not needing to have more than 2,600 signatures validated would eliminate some labor costs for the Benton County Elections Division. He noted that Council candidates are charged \$25 for a half-page listing and must gather 20 valid petition signatures. He opined that the hours of validating signatures would be the source of any costs the County might ask to be

reimbursed. He believes it would be easier for everyone involved if the Council refers the advisory question directly to the ballot, provided that the explanatory statement includes the specific language of section 2 of the CAMA petition.

In response to Councilor Brauner's inquiry, Mr. Fewel explained that, if the Council chose to forward the advisory question directly to voters, the measure would become a Council-initiated measure. Staff, including his office, will develop the ballot title but needs specific direction from the Council. He expressed uncertainty regarding Mr. Ozretich's request that section 2 of the CAMA petition be included in the ballot title, noting that the ballot title must be unbiased.

Deputy City Attorney Brewer explained that Ordinance 71-48 allows the Council to edit a ballot title of an advisory question, even though that would not be allowed for a citizen-based initiative or referendum petition. The editing would occur before signatures could be gathered. Under either scenario discussed, the City Attorney's Office will draft the ballot title.

Councilor Brauner noted that the Council will review the ballot title, whether it is for an advisory question or a citizen-based initiative petition.

Mr. Brewer added that an unbiased explanatory statement must also be prepared, regardless the origin or nature of the petition. The Council would have discretion to amend an advisory question explanatory statement. Ordinance 71-48 is very broad, granting the Council extensive discretion.

Councilor Brauner observed that the Council will be involved in the election process, regardless how the advisory question gets to the ballot. Therefore, he opined that it would be "cleaner" for the Council to place the issue on the ballot.

In response to Councilor Hervey's inquiry, Mr. Brewer said the explanatory statement must be neutral and explain the effects of the measure. The Council will have little discretion to edit the explanatory statement of a Council-based initiative petition.

Councilor Hervey observed that he was being asked to support a grass-roots organization working to protect participatory democracy and reclaim a "level playing field" for local small businesses, honor the actions of a previous City Council in approving Ordinance 71-48, and save funds by not requiring signature verification.

Councilor Hogg said he was uncomfortable voting on a motion for a ballot title that has not been written. He noted that the advisory question would also impact the amounts unions can spend in elections, so the issue should be investigated in greater detail. He also believes it is better for CAMA to gather petition signatures, noting that Council candidates are required to speak with people and get petition signatures to be named on the ballot. He will oppose the motion.

Councilor Raymond expressed support for CAMA and the intent of making political campaign funding clear and placing limits on election spending. She expressed concern that CAMA initially planned to gather petition signatures but now asked the Council to forward the advisory question directly to voters. She noted that election costs are not yet known. She would support the Council sending a supportive letter to legislative representatives. She does not know whether the Council's support of the CAMA petition would achieve CAMA's objectives, as the ballot title must be a neutral statement without implication of support.

Councilor Hervey clarified that, even if CAMA gathers petition signatures, the City Attorney must prepare a ballot title that complies with State and City laws.

In response to Councilor Brown's inquiry, Ms. Louie explained that there would be no need for CAMA to gather signatures if the Council forwards the advisory question directly to the ballot. She encouraged the CAMA chief petitioners to withdraw their petition if the Council forwards the advisory question to voters. The process that substantially complies with an initiative process requires the chief petitioners to submit forms, gather signatures, and have the City Attorney prepare a ballot title for publication. If the Council refers a measure directly to the ballot, staff will pursue the ballot title process, with a Council Standing Committee reviewing the ballot title, advising staff, her office publishing the ballot title, and the chief petitioners or citizens possibly challenging the ballot title.

City Manager Patterson questioned whether the government getting involved in the petition process was considered "grass roots."

Councilor Beilstein noted that, regardless whether the Council or CAMA submits the petition, the Council will have responsibility for reviewing and approving the ballot title. Additionally, the CAMA chief petitioners can challenge the City-prepared ballot title. The Council ultimately decides what goes on a ballot for an advisory question.

The motion passed seven to one, with Councilor Hogg opposed.

V. MAYOR, COUNCIL, AND STAFF REPORTS – Continued

C. Staff Reports

1. Council Request Follow-up Report – February 2, 2012

Mr. Patterson offered to answer any questions regarding the Report.

Councilor Beilstein said the person who asked about stop signs at SW Ninth Street (Ninth) and SW Washington Avenue (Washington) was hoping the City would create an all-way stop, but staff recommended that only one direction of traffic stop. The person agreed that requiring southbound traffic on Ninth to stop would probably help, but vehicles parked along Washington west of Ninth obstruct vision for southbound drivers on Ninth. He asked staff to consider restricting parking near the intersection.

2. Prospective Petition Filing of Advisory Question

This issue was addressed as part of Visitors' Propositions.

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

A. Human Services Committee – None.

B. Administrative Services Committee – January 18, 2012

1. Council Policy Review and Recommendation: CP 98-2.10, "Use of E-Mail by Mayor and City Council"

Councilors Hirsch and Traber, respectively, moved and seconded to amend Council Policy CP 98-2.10, "Use of E-mail by Mayor and City Council," as recommended by the Committee and staff. The motion passed unanimously.

C. Urban Services Committee – None.

VII. PUBLIC HEARINGS – None.

X. NEW BUSINESS – Continued

B. Community Alliance for Diversity contract termination

Mr. Patterson reported that he met with Community Alliance for Diversity (CAD) staff, who indicated that they could no longer provide services under the City's contract. Therefore, CAD requested to terminate the contract.

Councilor Beilstein noted that the Council could formally accept the letter; however, the contract allows CAD to terminate the contract with 30 days' notice. Therefore, no Council action is needed. He served as Council Liaison to CAD during 1999-2000, when it re-organized and received extensive support from OSU, the City, Benton County, and Linn-Benton Community College and had an annual budget of \$16,000; he considered the group very effective. Much of the functions envisioned for CAD were assumed by its partner agencies, making CAD less relevant. Financial support dwindled to only OSU being a financial sponsor. He expects CAD to continue operating. He expressed concern that Corvallis will not have an ombudsperson after the CAD contract terminates, but CAD had only one ombudsperson contact during the past year.

Councilor Raymond, as Council Liaison to CAD, noted that CAD was formed in 1993 and served as a host and catalyst for diversity and inclusion in the community. CAD hosted many events in the community and provided valuable services through the ombudsperson position. She noted some of CAD's recent events and projects. She inquired whether the Police Department and other City agencies provide the services CAD previously provided.

Mr. Patterson responded that the City is in a period of collaboration and can investigate working with OSU's ombudsperson.

Mayor Manning read a statement, based upon changes in Oregon laws regarding executive sessions. The statement indicated that only representatives of the news media, designated staff, and other Council-designated persons were allowed to attend the executive session. News media representatives were directed not to report on any executive session discussions, except to state the general subject of the discussion, as previously announced. No decisions would be made during the executive session. She reminded Council members and staff that the confidential executive session discussions belong to the Council as a body and

should only be disclosed if the Council, as a body, approves disclosure. She suggested that any Council or staff member who may not be able to maintain the Council's confidences should leave the meeting room.

The Council entered executive session at 1:50 pm.

Assistant City Manager Volmert briefed the Council regarding the status of labor negotiations with American Federation of State, County, and Municipal Employees; International Association of Firefighters; Corvallis Police Officers Association; and Corvallis Regional Communications Center Association.

(Councilor Brown left the meeting at 2:15 pm.)

XI. ADJOURNMENT

The meeting was adjourned at 2:25 pm.

APPROVED:

MAYOR

ATTEST:

CITY RECORDER



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

February 6, 2012

Senator Richard Devlin, Co-Chair
Representative Peter Buckley, Co-Chair
Representative Dennis Richardson, Co-Chair
Joint Ways and Means Committee
900 Court Street, NE
Salem, OR 97301

Dear Co-Chairs Devlin, Buckley, and Richardson:

As Mayor of the City of Corvallis, I wholeheartedly support the proposed new student residence hall on the campus of Oregon State University.

Last fall OSU and the City of Corvallis embarked on a multi-year collaborative effort to address the impacts of recent and projected future enrollment growth on the community and the livability of Corvallis. We are jointly and actively pursuing both near- and long-term strategies to address traffic, parking, housing, and other issues that are affecting both the neighborhoods near campus and the community beyond. As part of this effort, there is clear agreement across the spectrum: we need more on-campus housing. Currently, 80 percent of OSU students live off-campus. The result is a rental housing availability of less than one percent, along with the related issues of parking, traffic, and the lack of housing options for non-student renters.

We all deeply appreciate the value that OSU brings to Corvallis and the larger community and state. Enabling OSU to build on-campus housing will help address ongoing and future community concerns without involving any additional investment of public funds.

I urge your approval of OSU's ability to finance a new residence hall on campus over the next biennium.

Sincerely,

Julie Jones Manning
Mayor, City of Corvallis

- cc: Members of the Ways and Means Committee
- Senator Betsy Johnson, Co-Vice Chair
 - Representative Bill Garrard, Co-Vice Chair
 - Representative Nancy Nathanson, Co-Vice Chair
 - Senator Alan C Bates
 - Senator Chris Edwards
 - Senator Fred Girod
 - Senator Rod Monroe
 - Senator David Nelson
 - Senator Chuck Thomsen
 - Senator Joanne Verger
 - Senator Doug Whitsett

- Senator Jackie Winters
- Representative E. Terry Beyer
- Representative Jean Cowan
- Representative Tim Freeman
- Representative Betty Komp
- Representative Mike McLane
- Representative Mary Nolan
- Representative Tobias Read
- Representative Greg Smith
- Representative Kim Thatcher
- Representative Gene Whisnant

0011

Excerpts from Justice Stevens' Dissenting Opinion in the *Citizens United* Decision
(Also dissenting were Justice Ginsburg, Justice Breyer, and Justice Sotomayor, 2010)

“...The conceit that corporations must be treated identically to natural persons in the political sphere is not only inaccurate but also inadequate to justify the Court's disposition of this case....

“...In the context of election to public office, the distinction between corporate and human speakers is significant. Although they make enormous contributions to our society, corporations are not actually members of it. They cannot vote or run for office. Because they may be managed and controlled by nonresidents, their interests may conflict in fundamental respects with the interests of eligible voters. The financial resources, legal structure, and instrumental orientation of corporations raise legitimate concerns about their role in the electoral process. Our lawmakers have a compelling constitutional basis, if not also a democratic duty, to take measures designed to guard against the potentially deleterious effects of corporate spending in local and national races.

“The majority's approach to corporate electioneering marks a dramatic break from our past. Congress has placed special limitations on campaign spending by corporations ever since the passage of the Tillman Act in 1907, ch. 420, 34 Stat. 864. We have unanimously concluded that this “reflects a permissible assessment of the dangers posed by those entities to the electoral process,” *FEC v. National Right to Work Comm.*, 459 U. S. 197, 209 (1982) (NRWC), and have accepted the “legislative judgment that the special characteristics of the corporate structure require particularly careful regulation,” *id.*, at 209–210....

“...The Court's ruling threatens to undermine the integrity of elected institutions across the Nation. The path it has taken to reach its outcome will, I fear, do damage to this institution....

“...Their [*the majority's*] conclusion that the societal interest in avoiding corruption and the appearance of corruption does not provide an adequate justification for regulating corporate expenditures on candidate elections relies on an incorrect description of that interest, along with a failure to acknowledge the relevance of established facts and the considered judgments of state and federal legislatures over many decades.

“In a democratic society, the longstanding consensus on the need to limit corporate campaign spending should outweigh the wooden application of judge-made rules. The majority's rejection of this principle “elevate[s] corporations to a level of deference which has not been seen at least since the days when substantive due process was regularly used to invalidate regulatory legislation thought to unfairly impinge upon established economic interests.” *Bellotti*, 435 U. S., at 817, n. 13 (White, J., dissenting). At bottom, the Court's opinion is thus a rejection of the common sense of the American people, who have recognized a need to prevent corporations from undermining selfgovernment [*sic*] since the founding, and who have fought against the distinctive corrupting potential of corporate electioneering since the days of Theodore Roosevelt. It is a strange time to repudiate that common sense. While American democracy is imperfect, few outside the majority of this Court would have thought its flaws included a dearth of corporate money in politics.”

Good afternoon, Mayor Manning and Counselors.

My name is Ralph (Bart) Bolger. I live
in Corvallis.

I come to you today as a member of the Corvallis Area Move to Amend, an affiliate of the national organization, Move to Amend.¹

We support the passage and ratification of a U.S. constitutional amendment which aims to reverse the effects of the January 2010 Supreme Court decision, Citizens United vs. Federal Election Commission.

In this ruling, the Court held that money spent on election campaigns is a form of speech and that corporations and other artificial entities enjoy first amendment free speech protections. Therefore, certain forms of campaign spending may not be regulated at any level of government.

This has resulted in an increasing flood of campaign advertising which may or may not inform voters of the facts. Monied interests now have the ability to monopolize the microphone, drowning out the voices of common citizens. And let me hasten to add that these monied interests may be corporations, labor unions or even non-profits. To be ethically consistent, you must address all of them.

In addition, the notion of what has been termed "corporate personhood" has been dramatically fortified by the Citizens United decision, thus giving corporations and other groups protections under both the first amendment (free speech) and the 14th amendment equal protection clause. The framers certainly intended these protections be conveyed only to natural persons.

While all of this money in politics certainly has national implications, one might ask just what effect will be felt in Corvallis. Two things come to mind:

First, local independent businesses and small-scale citizen groups do not have sufficient resources to indulge in the high-stakes "pay-to-play" game

¹ www.movetoamend.org

2/6/12

that is taking over our elections. This is a quote from a recent article published by the American Independent Business Alliance: "Small businesses increasingly recognize they lose out when large corporations are permitted to translate their wealth into political power that yields tax loopholes, subsidies and other preferential treatment."²

Second, there is the affect on Corvallis voter participation in elections. One of my colleagues will address this issue in a moment.

So why do we need a constitutional amendment? Very simply, now that the Supreme Court has ruled on money as speech and corporate personhood, any legislative remedy would be ruled unconstitutional. Now, there are several proposed constitutional amendments floating around Congress at the moment, including one introduced by Congressman Kurt Schrader. Some are better than others. Some contain gaping loopholes. Our group is not endorsing any of the current amendments, just the rationale behind them. We are working to build a movement, a truly grassroots effort.

You have in your packets for today's meeting our suggested wording for a petition we intend to circulate once the ballot title is approved. It contains the declarations that money is not speech and the protections afforded by the U.S. Constitution are rights intended for natural persons only.

We have a broad base of support for this movement. It is national, it is local and it is growing very rapidly. People are tired of seeing our democracy corrupted by groups that can afford to buy influence and stream the loudest possible message over our airwaves.

Finally, this is not about party politics. It is about movement, grassroots politics. We do not feel the labels of liberal or conservative apply. Perhaps that is why our numbers are growing so rapidly.

I thank you for your time.

² Website: <http://www.amiba.net/news/2011-media/montana-rejects-cuvfec>

**CITY OF CORVALLIS
COUNCIL WORK SESSION MINUTES**

February 4, 2012

The work session of the City Council of the City of Corvallis, Oregon, was called to order at 8:30 am on February 4, 2012, in the Madison Avenue Meeting Room, 500 SW Madison Avenue, Corvallis, Oregon, with Council President O'Brien presiding.

I. ROLL CALL

PRESENT: Councilors O'Brien, Hogg, Hervey, Brown, Beilstein, Hirsch, Raymond, Traber, Brauner.

ABSENT: Mayor Manning (excused)

II. UNFINISHED BUSINESS

Council President O'Brien turned the meeting over to City Manager Patterson to facilitate. Mr. Patterson provided Councilors with a two-page summary of the ground rules and themes for the meeting (Attachment A) and stated that each Director would provide a handout as they began the presentation (Attachment B).

A. Department Budget Presentations

Interim Public Works Director Steckel presented information regarding the Public Works Department. She summarized data concerning the Department's current-year budget and spoke about some of the issues the non-property tax-funded operations are or will be facing in the near future and the services currently funded by property taxes. Councilors asked follow-up questions regarding the sustainability program and transit services.

Questions requiring follow-up include:

- The cost of the Beaver Bus and who pays.
- The potential demand on the General Fund to continue to fund services currently funded by grants or other sources.

Community Development Director Gibb presented information regarding the Community Development Department's budget. He spoke about the non-property tax-supported operations in Community Development and then focused on Planning and Code Enforcement efforts that are supported by property taxes. Councilors asked follow-up questions concerning the rental housing code program and fees and compliance penalties for code enforcement cases.

Questions requiring follow-up include:

- Information on Land Development Code provisions for the number of people/children/children of the opposite sex per bedroom.
- Whether there could be a neighborhood impact fee.
- How much *de novo* hearings would save.
- A copy of the Planning Division work program.

Library Director Rawles-Heiser presented information regarding the Corvallis-Benton County Public Library. She provided information about the Library Service District funding for extension and main Library services, Monroe Library's progress toward construction of a new facility, the City's role in staffing and providing furnishings, the Library Foundation's efforts to raise funds for the purchase of the Fenner building so the City would own the entire block, and changes in Library services as more and more people move to electronic readers.

Questions requiring follow-up include:

- Whether the City can get more funding from the Benton County for County Libraries.
- The percent of active Library users who live in Corvallis vs. outside of Corvallis.
- Whether there is a different staffing model for the Library that would allow fewer than eight staff on duty at one time.

Finance Director Brewer presented information regarding the Finance Department, including information about Municipal Court, which operates in the General and Parking Funds, and MIS and Financial Services, which operate in internal service funds, with 43 percent and 44 percent, respectively, of their funding from property tax sources. Follow-up questions included discussion of moving data resources to the cloud, charging customers for credit card usage, and MIS staffing ratios. Ms. Brewer also explained the importance of the City's bond rating and what it means that Moody's has placed the City on Negative Outlook.

Questions requiring follow-up include:

- Are there any additional revenue opportunities?

Fire Chief Emery presented information regarding the Fire Department, including information about staffing levels, the 45 volunteers who provide assistance, and how they cannot be used to meet staffing requirements due to flexible schedules around classes; the work load associated with multiple calls; minimum staffing for fire calls that has led to 80 percent of fires being managed with fewer than standard resources; and unfunded potential retirements. Follow-up questions included discussion about bond funding for fire vehicles, the current status of vehicle replacement reserves, and the City's Insurance Service Organization (ISO) rating impact on fire insurance rates.

B. Next Meeting – February 11, 2012

Mr. Patterson explained that the next meeting will continue with the last three departments presenting information and then a discussion of next steps in the budget process.

III. ADJOURNMENT

The work session adjourned at 11:04 am.

APPROVED:

ATTEST:

MAYOR

CITY RECORDER



Focus on the Future

The 2012 Corvallis City Council Budget Work Sessions

This year's meetings will be held on February 4th and 11th.

How the meetings will proceed – No decisions will be made by the Council during these meetings; they are work sessions. At these meetings, Senior Directors will present information from their department, focusing on the future and on issues related to 2012-2013 budgets. At the conclusion of their brief presentation, each Department Director will answer Council's questions. The City Manager will facilitate the day's activities. We encourage the City Council to carry important themes from these meetings forward through the budget process and the work in the next several months. Decisions on budget issues will be deferred to the Budget Commission meetings in April.

As for follow up or clarification from today, I would appreciate if City Council questions or comments be submitted by email to the Finance Director and City Manager by Tuesday, February 7th. If possible, City Staff will respond to the full Council to those emails before the meeting on the 11th.

The Agenda for the second day – The meeting on the 11th will consist of a re-cap of our meeting on February 4th and then completion of any department presentations not covered at the first meeting. The balance of the meeting can be to discuss next steps and discussion about the April Budget Commission meetings and public hearing.

I have included below the considerations City staff will focus on in addition to the 5 overarching core responsibilities for developing the 2012-2013 balanced budget. There will be time on the 11th for your input into our budget building basics.



The City Manager and Senior Directors balanced budget considerations:

1. All budget actions must serve to enhance citizens' level of trust in City government.
2. Business as usual is not an option.
3. We must keep in mind the importance of our City of Corvallis bond rating.
4. We will not grow local government unnecessarily.
5. We will plan for a financially sustainable future.
6. We will incorporate the revised financial policies in to the budget.
7. Any increases in staffing will be associated with an adopted legislative Council action, reduction of staffing in another department, Council adoption of new taxes or fees to support services, or increases in existing fee or tax resources.
8. Any proposal to reduce or eliminate services or financial support to the community should be considered very carefully with the future in mind and the potential impacts to our City.
9. Any proposal to reduce our work force should be considered very carefully, recognizing these decisions will impact employees and their families.
10. Our proposed budget should keep the City of Corvallis competitive and in line with the market place for wages and benefits for employees.

**City of Corvallis
Public Works Department
Presentation to February 2012 City Council Work Session**

Total Public Works FY 11-12 Revenue Budget (all funds) \$32,101,991
 Total Public Works FY 11-12 Operating Expenditure Budget (all funds) \$30,371,830
 (does not include capital projects)
 Total Public Works FY 11-12 Budgeted FTE (all funds) 118.13

Department FY 11-12 Expenditure Budget in the General Fund \$ 1,642,760 5.41%
 Department FY 11-12 Expenditure Budget in all other Funds \$28,729,070 94.59%

Fund	FY 11-12 Budgeted Expenditures	Portion Funded by Property Taxes	FTE	Main Services
General	\$ 1,642,760	\$ 730,510	3.83	Sustainability; street lighting (50%); government and public access programming (PEG)
Street	\$ 4,243,950	\$ -	19.86	Street maintenance; bike facilities; street lighting (50%)
Parking	\$ 171,980	\$ -	1.10	Parking meters; pay stations; residential parking district
Transit	\$ 3,481,890	\$ -	3.68	Bus service; paratransit service; Beaver Bus
Water	\$ 8,930,510	\$ -	33.98	Drinking water treatment and distribution; Corvallis Forest and watershed management
Wastewater	\$ 7,264,080	\$ -	34.39	Wastewater collection and treatment
Storm Water	\$ 1,962,260	\$ -	12.17	Rain water runoff control; urban stream maintenance
Airport	\$ 820,910	\$ -	1.98	Airport operation; industrial park management
Fleet	\$ 818,030	\$ 94,390	2.17	Vehicle and equipment maintenance
Facility	\$ 823,880	\$ 466,286	4.27	Building maintenance
Technology	\$ 211,580	\$ 113,130	0.70	Telephone system maintenance
TOTAL	\$ 30,371,830	\$ 1,404,316	118.13	

General Fund	FY 11-12 Budgeted Expenditures	Portion of Total Program in the General Fund	Dedicated Revenues (other than property tax)	FTE	Main Core Responsibility
Street Lighting	\$ 266,040	50.10%	\$ -	0.155	Safety for community
GIS/Mapping	\$ 75,020	14.81%	\$ -	0.550	Support for infrastructure activities
Engineering	\$ 144,390	7.98%	\$ -	1.350	Support for infrastructure projects
Admin	\$ 89,050	1.84%	\$ -	0.050	
Sustainability	\$ 139,310	100%	\$ 73,590	1.625	Organization and community livability
PEG	\$ 230,390	100%	\$ 230,390	0.100	
Special Projects	\$ 698,560	100%	\$ 698,560	0	Community livability (federal sustainability grant programs)
TOTAL	\$ 1,642,760			3.83	

Significant recent actions to reduce department reliance on property taxes by \$1,036,280:

- FY 09-10** Reduced property tax transfer to Transit Fund
 Returned property tax portion of Transit Fund carryover balance to General Fund
- FY 10-11** Eliminated property tax support to the Transit Fund
 Reduced by 15% the portion of street light program funded by General Fund
 Eliminated 1.5 FTE (Fleet Services Specialist and Administrative Specialist)
 Eliminated radio maintenance program
 Deferred building maintenance projects that were not related to health and safety

Community Development Budget Overview

Budgeted Expenditures By Fund	Adopted 09-10	Adopted 10-11	Adopted 11-12	% Change 10-11 To 11-12
General Fund	1,722,190	1,618,220	1,356,480	-16.17%
Dev Service Fund	1,883,090	2,221,550	2,838,820	27.79%
Com Dev Revolving	3,777,000	4,262,670	4,336,610	1.73%
Street/Utility Funds	171,430	174,580	179,830	2.03%
TOTAL	7,553,710	8,277,020	8,711,740	5.25%
GF Supported FTE (Primarily)	14	13.8	10	-27.5%

Revenue Actual - General Fund

Revenue	FY 09-10 Actual	FY 10-11 Actual	Budgeted FY 11-12
Charges for Services	\$ 77,509	\$ 88,979	\$ 103,020
Intergovernmental/Misc	\$ 21,161	\$ 16,666	\$ 16,500

CD Services Primarily General Fund Supported:

- Current Planning – land use applications, historic review
- Long Range Planning – planning work program
- Code Enforcement – Municipal Code, land use (400 cases)

Budget Trends in General Fund Supported Activities

Activities	Historical Average	FY 11-12	% Difference
Planning Division-Planner Staffing	8.4 FTE (10 yr avg.)	6 FTE	-29%
Planning Contract Services / Projects	\$144,981 (Annually)	\$10,000	-93%
Code Enforcement	1.25 FTE (4 yr Avg.)	1 FTE	-20%

FY 11-12 Reflects Baseline Service Level

- Current Planning – 4 FTE
- Long Range Planning – 1 FTE
- Code Enforcement – 1 FTE

Priorities for the Future

- Current Planning – to meet legal requirements and customer and community expectations
- Code Enforcement – to provide a basic service level for a complaint based system
- Long Range Planning – minimal staffing to respond to Council goals, Planning Work Program priorities

CORVALLIS-BENTON COUNTY PUBLIC LIBRARY
"Bringing People and Information Together"
 January 2012

- County-wide service with 3 branches and bookmobile
- Library Service District funds branches, bookmobile and part of Corvallis Library
- Major role in resident well-being. Typical comment: "I love the library!"
- Contributes to all other city core responsibilities

Service Priorities:

- Books and other library materials
- Youth programs
- Public computing and online services
- Public space and meeting rooms
- Maintain Corvallis Library
- Improve workflow and efficiencies

<p align="center">Budget Reductions Since 09/10</p> <ul style="list-style-type: none"> • .75 regular FTE and 2.5 (equiv) casual cut, plus management reorganization • FTE from 46.65+ casual to 45.39 and almost no casual • \$122,000 less for books and materials • Targeted cuts in most other areas
--

	Operating Budgets	
	09/10	10/11
	\$6,273,370	\$6,384,110
		11/12
		\$6,486,530

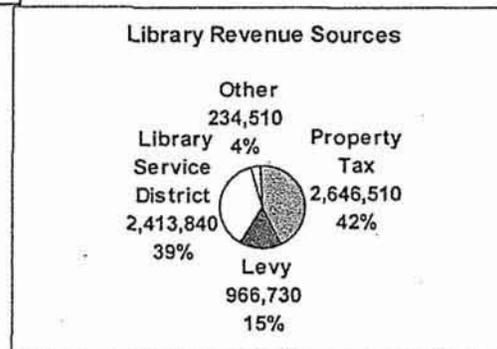
Only budget increases were because of required step or contract wage increases, benefits, and 10/11 required boiler replacement (major energy savings resulted); 10/11 mid-year revisions resulted in net operating budget of \$6,072,000.

Library Hours and Usage			
	02/03	09/10	10/11
Hours	75	69	56
Checkout	1,525,303	1,674,356	1,634,121
Physical Visits	755,278	926,028	842,817
Total Visits	755,278*	1,885,582	1,901,807
*didn't count online visits			

Hours cut 25% since 02/03 and are now "below adequate" per library standards. FY 10/11 hours cuts impacted usage. Tough reduction choice between materials (our primary purpose) and hours.

Upcoming:

- New Monroe Community Library in 2012! Funded by community fundraising and grants. Library Friends and Foundation to provide furnishings; library to provide computers, collection, and staff (existing).
- Library Foundation capital campaign begun to raise funds to help the library "Complete the Block." The city signed an option agreement in 2007 with John Fenner to buy the adjoining property from his estate when the time comes. The Foundation wants to ensure the library does not lose the chance for future expansion on our current site.



CITY OF CORVALLIS FINANCE DEPARTMENT BUDGET

	FY 08-09 Actual	FY 09-10 Actual	FY 10-11 Actual	FY 11-12 Budget
Municipal Court Revenue	\$942,691	\$906,706	\$1,091,027	\$1,261,530
General Fund	565,953	614,534	576,401	677,700
Parking Fund	110,405	105,451	112,030	143,310
Tech & Communications Fund	1,471,197	1,387,855	1,426,463	1,607,720
Admin Services Fund	2,577,413	2,558,781	2,533,091	2,588,650
TOTAL EXPENDITURES	\$4,724,969	\$4,666,621	\$4,647,985	\$5,017,380
FTE	38.25	39.00	38.00	34.75

MUNICIPAL COURT – GENERAL AND PARKING FUNDS (5.0 FTE)

- Adjudicate cases; collect monies from traffic/criminal/parking citations. Major issues:
 - Historical accounts have been turned over to collections; parking collections rates are higher than traffic/criminal citations.
 - The work load volume per FTE remains two times higher than comparable sized cities in Oregon, and is impacted by Police department staffing levels.
 - 1.0 FTE added in FY 09-10 was deleted before filled as part of budget balancing.

MIS – TECHNOLOGY & COMMUNICATIONS FUND (10.0 FTE)

- Manage the City’s many data systems, including fiber, connectivity, office productivity, and department specific database management systems. Major issues:
 - Work is underway to study a City MIS/County IRM joint operation of IT services.
 - Use of information systems continues to expand as tools to plan and manage work more efficiently, and to meet demands to improve communication with the public more quickly; mobile device and social media interactions are also driving new technology adaptations.
 - Data integrity, security, and accessibility are becoming more crucial to meet legal requirements, new privacy laws/requirements, court ordered records retrieval for ediscovery, etc.
 - Around 44% of MIS support comes from charges to property tax funds.
 - 1.0 FTE was eliminated in FY 11-12 as part of budget balancing; servers have been virtualized cutting replacement and operating costs.

FINANCIAL SERVICES – ADMINISTRATIVE SERVICES FUND (19.75 FTE)

- Manage the City’s finances, including daily transactions (A/P, A/R, Payroll, deposits, etc.), financial reporting, budget, investments, and utility billing. Major issues:
 - The financial management system is more than 15 years old; staff plans to acquire an updated software version in late 2012, but the conversion to a windows-oriented/web based software from the current legacy system is expected to be more like a new software roll-out than a simple upgrade. The City’s current vendor will provide like-for-like software upgrades for free; costs for implementation can be paid over a five year period at 0% financing.
 - Financial transaction costs (credit card fees, transaction pricing from vendors, PCI-DSS compliance) are increasing and the monopoly market for credit cards is not likely to reduce costs without federal intervention.
 - GASB pronouncements drive audit requirements and audit costs with some of GASB’s current discussions focusing on issues such as future financial projections and requiring OPEB advanced funding which are likely to increase these costs even more.
 - Around 43% of Financial Services support comes from charges to property tax funds.
 - Deleted 2.25 FTE in FY 11-12 budget balancing.



City of Corvallis Fire Department Budget Presentation Summary

Courage, Honor, Commitment, and Teamwork

	Adopted FY 09/10	Actual FY 09/10	Adopted FY 10/11	Actual FY 10/11	Adopted FY 11/12
Operating Expenditures	\$11,424,260	\$11,040,775	\$10,626,930	\$10,413,153	\$11,384,830
Operating Revenue	\$ 3,258,290	\$ 3,267,609	\$ 3,267,530	\$ 3,408,219	\$ 3,489,490
Expenditures					
Personal Services	\$8,061,380	\$ 7,996,443	\$8,297,920	\$ 8,317,495	\$ 8,760,020
Non-Personal Services	\$ 841,560	\$ 746,181	\$ 842,510	\$ 793,935	\$ 890,520
Internal Service Charges	\$ 889,980	\$ 856,984	\$ 890,190	\$ 862,489	\$ 877,130
9-1-1 Cost Share	\$ 128,530	\$ 128,530	\$ 134,360	\$ 134,360	\$ 137,410
Special Projects	\$1,502,810	\$ 1,312,637	\$ 461,950	\$ 304,874	\$ 719,750
FTE	69	69	69	69	69
Number unfunded	0	0	2	2	1

Divisions: Hazard Abatement
 Transport Ambulance
 Fire and Rescue Operations
 Management Services

Area of service:
 City of Corvallis: 15 sq. mi.
 Rural Fire District: 30 sq. mi.
 Ambulance Service Area: 765 sq. mi.

Adjustments Made to Budgets, Programs, and Plans:

- Pushed out the replacement of the 1991 Grumman Engine \$522,120
- Held additional positions vacant to meet budgetary targets
- Reduce contributions to Vehicle Reserves:
 - 10/11: \$321,000
 - 11/12 (adopted): \$350,000
- Reduce/eliminate supplies, maintenance, and training (hose, EMS disposable supplies, technology, apparatus maintenance, etc.)

Significant Challenges Faced by the Department in Past, Present, and Future Years:

- Secure adequate funding for Vehicle Reserves
- Delay hiring consultant, as recommended in the Strategic Plan: \$60,000
 - Station relocations: Station 2 and Station 3
 - Identified need to increase staffing for Prevention and Training
- Unfunded: Seismic upgrades/ roof/attic space repairs at Station 2 and Station 3: \$300,000
- Delete Station 1 Energy Management System Upgrade: \$17,000
- Delay Station 2 and Station 3 partial roof replacements to FY 15/16: \$26,000
- Operating with additional vacancies contributes to escalating overtime costs
- Unfunded potential retirements
 - 11/12: \$497,770

Mission Statement:

To protect the lives, safety, property, and environment of all persons in the community and surrounding areas we serve; to educate, inform, and enforce life safety with knowledge and fairness; to give the fullest measure of service for the cost.

**CORVALLIS CITIZENS ADVISORY COMMISSION ON TRANSIT
MINUTES
January 11, 2012**

Present

Stephan Friedt, Chair
Susan Hyne, Vice Chair
Robert Monasky
Robert E. Wilson
Kriste York
Mike Beilstein, Council Liaison

Staff

Tim Bates, Public Works
Brie Caffey, Public Works

Visitors

Absent

Ray Shimabuku
Evan Sorce
Brandon Trelstad

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Introductions	X		
II. Approval of December 14, 2011 Minutes			Approved.
III. CACOT/Visitor Comments	N/A		N/A
IV. Old Business			N/A
V. New Business			N/A
VI. Information Sharing	X		
VII. Commission Requests and Reports			N/A
VIII. Pending Items			N/A
IX. Adjournment			Adjourned at 9:21 am

CONTENT OF DISCUSSION

I. Introductions

The meeting was called to order at 8:20 am by Chair Friedt. Introductions were made of Commission members and staff.

II. Approval of Minutes

Commissioner Wilson and Vice Chair Hyne, respectively, moved and seconded to approve the December 14, 2011 minutes. The motion passed unanimously.

III. CACOT/Visitor Comments

None.

IV. Old Business

None.

V. New Business

None.

VI. Information Sharing

Before reviewing the Information Sharing report, Mr. Bates mentioned that several fires have been set recently inside the public restroom at the Downtown Transit Center. Because the floor is concrete, there has been no damage to the building but staff wants to discourage this crime. Mr. Bates said Public Works will be soon be installing video cameras outside of the public restroom along with signs posted near the door, indicating that video surveillance is monitoring the area outside of the door. Hopefully this will curtail the behavior and help police catch the arsonist(s).

Chair Friedt asked staff to see if the restroom door is weatherstripped to help to cut down on heating costs. Mr. Bates said he would investigate.

Mr. Bates reviewed the Information Sharing Report. Comments in addition to the report included:

Mr. Bates said the City secured one partner for the entire amount of the '08-'09 Business Energy Tax Credit (BETC) transit project. For the '09-'10 project, one individual took \$50,000 worth, leaving CTS eighteen months to secure partners for the rest of that project, a total of \$540,000 in credits. Mr. Bates confirmed that Jim Mitchell and Lisa Namba still plan on doing an informational presentation about the Transit Operations Fee (TOF) to a number of area service clubs and organizations, and will discuss BETC as well in the hopes of securing additional partners for the '09-'10 project. Mr. Bates said 21% of the CTS budget is BETC funding and BETC is important in maintaining a positive cash flow for CTS.

Mrs. Caffey reported that while ridership in December was down, it was to be expected given past trends and the City's high proportion of OSU students leaving town for the holiday break. She noted that December's "low" ridership is still larger than any month in all of FY 09-10 or 08-09. Mr. Bates noted that December's ridership is very close in number to the ridership number of October 2011; October is generally considered to be a high ridership month because OSU students are back in school.

Mr. Bates noted that in last month's meeting, Vice Chair Hyne requested information on second year ridership statistics for fareless systems. He reported those statistics were not

available from the webinar he attended and the transit systems he spoke with had not set an increase goal for the second year of fareless operations.

Commissioner Monasky asked what percent of the December ridership is OSU riders. Mrs. Caffey responded that staff can only estimate based on past ridership data. She said determining which riders were associated with OSU was previously determined by counting those individuals who displayed OSU identification cards. Vice Chair Hyne suggested that staff consider using previous VIS data for OSU stops and compare it to new VIS data for those same stops. Chair Friedt noted that the increase in OSU student enrollment and increases in transit ridership correlate well enough to infer that OSU ridership has increased over the past few years.

Mr. Bates reported that the Interim Public Works Director is close to finalizing the 2012 TOF rate and will present the change to City Council at the January 17th meeting. Chair Friedt said that given the TOF is based on the average cost of regular grade gasoline in the previous calendar year and that gas costs were high in 2011, the Commission should prepare for some public backlash from individuals who originally opposed the TOF or from persons on a fixed income. Vice Chair Hyne said it is important for Commissioners to convey to folks that only a small percentage of the TOF is dedicated to fareless service. Chair Friedt mentioned that if the City had not implemented the fee, we would not have the transit system we have today because transit would have most likely lost some of the general funding that the fee replaced.

Mr. Bates reported that staff visited the Rogue Valley Transit District (RVTD) to learn about their recent experience procuring a new VIS. He said RVTD's strongest suggestion to staff was to find out the company's response time and method prior to signing a contract. Mr. Bates said based on RVTD's experience, CTS should not be surprised if the implementation process is a slow one. He reported that RVTD began their process in April, 2010 and is still working to obtain accurate data from their system. Mr. Bates said CTS's next step is to write a Request For Proposal.

VII. Commission Requests and Reports

None.

VIII. Pending Items

None.

IX. Adjournment

Commissioner Wilson and Vice Chair Hyne, respectively, moved and seconded that the meeting be adjourned. The motion passed unanimously.

The meeting was adjourned at 9:21 a.m.

NEXT MEETING: February 8, 2012, 8:20 am, Madison Avenue Meeting Room



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

Approved as submitted, February 8, 2012
CITY OF CORVALLIS
DOWNTOWN COMMISSION MINUTES
Madison Avenue Meeting Room
January 11, 2012

Attendance

Kirk Bailey, Chair
 Heidi Henry, Vice Chair
 Kavinda Arthenayake
 BA Beierle
 Steve Hutchison
 Dee Mooney
 Steve Uerlings
 Steven Weiler
 Liz White

Staff

Ken Gibb, Community Development Director
 Sarah Johnson, Associate Planner
 Jim Mitchell, Public Works
 Lisa Namba, Public Works
 Terry Nix, Recorder

Visitors

Brad Upton
 Lisa Schwint

SUMMARY OF DISCUSSION

	Agenda Item	Summary of Recommendations/Actions
I.	Call to Order	
II.	Approval of November 9, 2011, Meeting Minutes	Approved as presented.
III.	Public Comment	Information only.
IV.	Visit Corvallis – Presentation by David Gilbert, Executive Director	Held to a future meeting.
V.	Discussion with Downtown Commission and Parking Committee – Commission and Committee directives, goals, and work program collaboration (Attachments B, C, D)	Information only.
VI.	Updates	Information only.
VII.	Other Business	Information only.
VIII.	Adjournment - 6:58 p.m.	The next regular meeting will be held February 8, 2012, 5:30 p.m., Downtown Fire Station Meeting Room.

CONTENT OF DISCUSSION

I. CALL TO ORDER

Chair Kirk Bailey called the regular meeting of the Corvallis Downtown Commission to order at 5:30 p.m.

II. APPROVAL OF MEETING MINUTES

November 9, 2011

MOTION: Commissioner Beierle moved to approve the November 9 minutes as presented. Commissioner Uerlings seconded the motion and it **passed** unanimously.

III. PUBLIC COMMENT: There was no public comment.

IV. VISIT CORVALLIS – PRESENTATION BY DAVID GILBERT, EXECUTIVE DIRECTOR

Director Gibb advised that Mr. Gilbert had to postpone his presentation due to an unexpected family matter; the presentation will be rescheduled for a future meeting.

V. DISCUSSION WITH DOWNTOWN COMMISSION AND PARKING COMMITTEE – COMMISSION AND COMMITTEE DIRECTIVES, GOALS, AND WORK PROGRAM COLLABORATION

Associate Planner Sarah Johnson drew attention to the staff memorandum in packets, Subject: Downtown Commission and Parking Committee Responsibilities for Parking-related Issues Downtown, and the attached organizational information and operational guidelines as defined by the Downtown Commission Ad-Hoc Committee. She noted that Parking Committee members are present this evening; this is in response to a request from the Commission for periodic joint meetings with that group.

Parking Committee Chair Brad Upton said that Rachael Schwint and Steve Uerlings were recently appointed to the Parking Committee. The Committee had previously consisted of himself and Liz White; he is glad to have the new members on board. He reviewed past activities of the Parking Committee, the biggest of which resulted in a change in free customer parking in the downtown core from unlimited time to a three-hour time limit. That effort involved a lengthy public process and input from the Police Department. He asked if Commissioners had received any feedback since that change. Commissioner Hutchins said that he heard some rumblings the first month or so but that has died down. Commissioner Weiler said that he noticed many cars were ticketed the day after New Year's Day even though there were a lot of empty spaces throughout downtown; he thought that seemed harsh. Commissioner Mooney said that, as a retailer, she finds the new rules to be helpful, especially on OSU football days. Commissioner Henry said the rules have worked well for her customers and helped to solve issues with a car repair

business' overflow parking. Commissioner White recalled that the decision included a one-year review process which is overdue; Lisa Namba agreed to look into that.

Commissioner White said the Parking Committee has also addressed requests to change parking meters from 2-hour to 10-hour meters, discussed the possibility of electric charging stations (some business owners are opposed to having that restriction on spaces due to low usage), and looked at private parking lots that might become available to the public (no acceptable price agreement could be reached with any of the lot owners).

Commissioner Arthenayake referred to a letter to the editor which discussed the problem of employees parking in the customer parking spaces. Director Gibb said that is a common problem in downtown areas and it is one reason for the new three-hour limit. Commissioner White added that employees are not allowed to park in the three-hour spaces, although some may do so anyway. Director Gibb said there will be a bigger discussion in the coming months about parking districts in the OSU area. Part of the challenge will be to take a comprehensive approach which does not push parking problems to adjacent areas.

Commissioner Weiler said the new rules are good for businesses and customers but they are tough on employees who also need a parking solution. Mr. Upton said he thinks there is parking available for employees, but it comes down to distance and convenience. Director Gibb said the parking plan priority is clear that the most convenient parking is for customers. Commissioner Mooney asked if there is an ongoing process to look at underutilized spaces. Mr. Upton said the Committee has done some informal spot checks but there have not been the resources to update the parking survey.

Chair Bailey said one hot issue that the Commission has been discussing is that of OSU relative to the downtown and what the Commission might do with regard to making a recommendation to the OSU/City collaboration project. The Commission has discussed ways to get OSU activities into the downtown area, and had a presentation from ASOSU representatives about the idea of having murals in the downtown. Commissioner Henry said the Commission is working on a project to identify how alleys are used and whether that is their highest and best use. Mr. Upton said he also serves on the Bicycle and Pedestrian Advisory Commission which is scheduled to hear a presentation on the alley project. Commissioner White said the Commission has talked about ways to encourage student residence in the downtown. Commissioner Beierle said that residents have expressed concern about the lack of downtown parking; a solution is needed in order to be able to encourage downtown residential.

In discussion about meter rates, Lisa Namba said the City did a rate adjustment survey a few years ago in which it found that Corvallis' meter rates were comparable to similar cities. Commissioner Weiler asked if there is any capacity to raise meter rates to generate revenue, and then perhaps combine that with the fee-in-lieu of program to get closer to a parking structure. In response to an inquiry from the Chair, Director Gibb said he thinks that is something that will be discussed as part of the OSU/City collaboration project.

Planner Johnson said the Commission went through a process to develop a three-year work program which includes long-term, medium-term, and short term accomplishments. The first priority under long-term strategies is to conduct a parking utilization study and downtown parking study. This was identified as a work plan strategy based on testimony regarding quality and safety of residential parking, and testimony that the one space per residential unit requirement may be too low for reality but is still seen as a potential hardship for developers. The action tasks include directing the Parking Committee to initiate a utilization study, and to compare those findings to the current study to determine a course of action for the full downtown parking study. Director Gibb said the idea is not necessarily to hire a consultant and spend a lot of money upfront but to take an incremental approach with a more affordable first step. Mr. Upton said it would be important to look at data for different days, times, and even seasons. He said the timeframe identified in the work plan seems reasonable. He suggested that the Parking Committee talk about this and report back.

Director Gibb drew attention to the roles and responsibilities laid out for the Downtown Commission, Parking Committee, and staff; he invited any observations on how that is working. No issues came forward. Mr. Upton said it would be useful for the Parking Committee to receive the Downtown Commission's meeting minutes.

Commissioner Beierle said it is important to be proactive about accommodating parking for the planned museum project and the hotel project. Mr. Upton agreed; it is important to look at those two projects not in isolation but together. Mr. Weiler shared information about an idea he heard in which the hotel group would provide an easement to the City to build underground parking. Chair Bailey said it might make sense to explore that concept and perhaps have a template ready when an opportunity arises. He noted that the costs associated with an underground parking structure are substantial even without the land cost.

VI. UPDATES

Staff

Director Gibb recalled that the Downtown Commission previously recommended that the Wayfinding project be included in the Capital Improvement Program (CIP). The project is included in the CIP; however, the Street Fund has a nearly \$1 million shortfall so the matching dollars slotted for that project will be pushed back. Commissioner Beierle said that she checked the Preserve America website; that organization does fund wayfinding projects but there is no opportunity for that funding at this time.

Director Gibb said the City/OSU collaborative project is expected to kick off in February with the formation of a steering committee and work groups related to transportation/parking, neighborhood planning, and neighborhood livability. The City Council has approved an Intergovernmental Agreement with OSU to share costs for the project and is waiting to hear back from OSU. Chair Bailey said there is a tremendous amount of community interest in this issue. Discussion followed regarding situations

throughout the community where students are living in crowded or unsafe situations. In response to inquiry, Director Gibb said he can't speak to OSU's legal liabilities but the City is embarking on collaborative effort with OSU to deal with those issues and others. Commissioner Weiler spoke about potential opportunities if OSU would work with developers to provide housing that is desired by the university in exchange for a master lease agreement that would help the developer get financing. Chair Bailey said a variation of that might be for OSU to maintain an approved housing list. Commissioner Uerlings noted that there would be liability issues associated with an approved housing list. Director Gibb said the collaboration project, among many things, should look at development areas and incentives.

Planner Johnson said she has been assigned to work with the Downtown Corvallis Association (DCA) on an effort to reintroduce an Economic Improvement District.

Alley Improvements Committee

Commissioner Henry said the committee did not meet last month due to the holidays. Planner Johnson said David Livingston brought forward the idea of the Madison Avenue Task Force allowing the Downtown Commission to use that organization as a filter through which to gain grant funding for an alley study; however, the MATF Board felt it was too much of a departure from their mission and declined to participate. The committee and staff are looking for another 501(c)3 that would be willing to partner in that way, the reason being that there are funds available to nonprofit organizations are that not available to municipalities. Brief discussion followed.

Parking Committee Liaison

Commissioner White said she has nothing further to report at this time.

Other Commissioners

Commissioner Arthenayake initiated discussion about ways in which to get information about the work of the Downtown Commission out to downtown business owners. Commissioner Hutchison agreed to ask Joan Wessel to include the Downtown Commission meeting dates in the DCA's weekly newsletter. Planner Johnson distributed the December 14, 2011, DCA meeting minutes.

VII. OTHER BUSINESS: None.

VIII. ADJOURNMENT

The meeting was adjourned at 6:58 p.m.

The next meeting of the Downtown Commission will be held on February 8, 2012, 5:30 p.m., at the Downtown Fire Station Meeting Room.



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

**CITY OF CORVALLIS
 MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION
 Madison Building Meeting Room
 January 9, 2012**

Attendance

Elizabeth French, Chair
 Larry Mullins
 Jay Dixon
 Skip Rung
 Pat Lampton
 Nick Fowler
 Rick Spinrad
 Ann Malosh
 Sam Angelos
 Dan Brown, Council Liaison

Staff

Ken Gibb, Community Development Director
 Robin Proebsting, Community Development Intern
 Claire Pate, Recorder

Visitors

Bill Ford, Business Enterprise Center
 Richard Berger, Willamette Assoc. of Realtors
 Deborah Weaver, Willamette Assoc. of Realtors

SUMMARY OF DISCUSSION

	Agenda Item	Summary of Recommendations/Actions
I.	Call to Order	
II.	Review Draft Minutes from October 10, 2011 November 14, 2011	Both approved as drafted
III.	Visitors' Comments	Information only.
IV.	Staff Update	Information only.
V.	Economic Development Strategy – Report from task group	Recommend approval of the ED Strategy draft, and forwarding to City Council for review and consideration
VI.	Other Business	Information only.
VII.	Adjournment 5:08pm	Next meeting, 3:00 p.m., January 30, 2012, Madison Ave Meeting Room

CONTENT OF DISCUSSION

I. CALL TO ORDER

Chair Elizabeth French called the meeting to order.

II. APPROVAL OF MINUTES:

October 10, 2011, and November 14, 2011: Approved as drafted.

III. VISITORS' COMMENTS:

Richard Berger, Government Affairs, and **Deborah Weaver**, Director, Willamette Association of Realtors, addressed the Commission and thanked them for taking their suggested changes to the draft Economic Development Strategy (EDS) into consideration. Mr. Berger handed out a second letter which had comments apropos to the latest draft of the EDS. They asked that the Commission further consider changing the wording for the EDS Big Idea #3 to reflect improvements to the development review process, including affordability, rather than simply maintaining a timely and predictable process. Their letter has suggested language for this change. Ms. Weaver added that since the economy is in hard times, it would be important to stay within the amount of funds that are already on hand. She encouraged them to take on some of the smaller steps that might be achievable to show some success but stay within budget. This could include improvements to the development review process, and would lend credibility to the sign on the City Manager's desk that states "it's no longer business as usual in Corvallis." She also encouraged the City to establish a good working relationship with the real estate community who are often the first line of contact for people considering relocating to the area.

In response to a question relating to what "affordability" means to them, they explained that it related to comparability with the startup costs in other communities, including the costs relating to requirements and timeliness of the development review process. They do not have comparability information on hand to share. Even if it is simply a perception that the process takes longer in Corvallis, and therefore it costs more, it would be appropriate to address that perception through education. Community Development Director Gibb added that the City's development fees tend to be comparable with other jurisdictions. He offered to put together and share the latest "benchmark" information showing the City's review and permit fees in comparison with other jurisdictions.

Julie Manning, Mayor, expressed her appreciation to each of the commissioners for their service, and for the thoughtful, strategic and important work they have accomplished. It addresses one of the City Council's four goals, and the work will have the potential for a long and lasting positive impact on the community. One year ago, when she asked each commissioner to serve, it was with the hope that they would do exactly what they have done. The ongoing hope is that they will continue to provide a unique level of expertise to help craft the thinking on how the City can foster a vibrant and diverse local economy. She has tracked their progress and has read the recommendations. She believes they have done an excellent job in describing the current situation and envisioning the next steps toward strengthening economic development efforts. She supports the recommended priorities including the establishment of an economic development function within the City. She also expressed her appreciation to Benton County for their interest in sharing the financial commitment needed for this initial investment. She anticipates that the investment will grow over time as successes are seen and additional funding mechanisms are

developed. She looks forward to doing all she can to support the Commission's work, and thanked Chair French for her excellent leadership.

IV. STAFF UPDATE:

Business Enterprise Center (BEC) update: Bill Ford briefly reviewed the BEC Activity Summary for November/December, and, in response to questions, offered the following additional information. There were two potential leads from outside the state that had made contact, and two within the state. There have been requests generated by Oregon Prospector but none of them could be matched up with suitable parcels. There is a definite increase in the number of hits. He has had discussions with Peak Internet both about having a fiber optic connection at the Airport Industrial Park (AIP) as well as the potential for their locating at the AIP. Peak Internet is taking it under advisement and they were appreciative of having the information about applying for an Enterprise Zone status.

Update from Ken Gibb, Community Development Director:

- The City Council unanimously approved the update to the AIP Master Plan, and it will move on to the next level which includes asking the County to review their industrial zoning to consider matching it up with the City's proposed uses on site.
- The McFadden annexation went through the Planning Commission review process and was unanimously approved. The City Council has tentatively given its approval but will take formal action at its next meeting. It will go to the voters on May 16, 2012, for approval.
- He handed out a sheet with some Development Project Review data for 2011, highlighting the increased number of commercial permits and the efficiency rate with which the plan reviews were performed.
- The service enhancement efforts are moving ahead. On January 1, 2012, they initiated the one-day plan review service for new homes and having a set time each week for Project Introduction Meetings. July 1, 2012, they go live with the Accela web-based permit tracking.

Discussion ensued that the plan review process appears to be timely, but what seems to happen in this community is that often official decisions get challenged which adds time to a project which is often not under the City's control. Sometimes the extended period of time to get a project through is more cultural than process-driven. Once a decision gets challenged, the process timeline necessarily gets extended. In response to a Commissioner's question about the building permit process, Director Gibb said that one of his staff's targets is to stop the "spin cycle" for getting plans through the approval process and to take whatever proactive steps they can to limit the number of times plans have to come back for review.

V. ECONOMIC DEVELOPMENT STRATEGY – REPORT FROM TASK GROUP

Chair French indicated that the goal for the meeting was to do a final review of the Economic Development Strategy draft document and send it on to City Council for consideration at their noon meeting on Tuesday, January 17, 2012. The task group had met three times to refine the draft, and Commissioner Rung has developed a presentation which can be used at City Council, which he then proceeded to share with the Commission. He led off with the key indicators for how the Corvallis area is performing. Those indicators show that there is an employment shift away from the private sector; there is a dramatic decline in manufacturing; the commercial property tax base is insufficient to support public services; and while OSU is growing, 509J is shrinking in enrolment. The conclusion is that though

Corvallis may be the most innovative city in America, the metrics show that, economically, it is not performing accordingly. The path forward is to actively nurture the innovative small and medium-sized enterprises, especially the OSU research spinouts, and to provide the climate which will encourage them to stay in the area as their businesses grow. One element of the EDS is to establish an adequately-funded economic development office, providing clear City ownership and leadership for the EDS. The presentation then went through the goals, for which some additional metrics were added, and the proposed actions for accomplishing those goals.

The following are comments and suggestions related to the presentation itself, as well as the EDS draft.

- Substitute the terminology of “faster and more predictable” permitting, instead of “faster and easier.”
- Substitute “adequately funded” for “well-funded,” as it relates to the economic development office.
- The overarching metric should be changed from “MSA employment” to “Sector-based MSA employment.”
- Ensure that “gazelle” gets defined, which perhaps could be done through footnoting.
- Big Idea #2 might need some examples for a clearer definition of its intent.
- There is very little mention of developing a manufacturing base, with the emphasis being placed on research-oriented development. There should be some specific language included referencing manufacturing operations to ensure that it is understood it continues to be a part of the mix.
- In item 5 of the Smaller Steps, make the reference to public funding so it will include other sources of funding such as state and county.
- On page 7 of the report, there is a reference to Corvallis as being geographically isolated. It would be more appropriate to say that it is perceived as being geographically isolated.

MOTION: Commissioner Mullens moved to recommend the report to the City Council for its approval and adoption. The motion was seconded by Commissioner Lampton. The motion was amended to include the addition of the word “perceived” to the statement on page 7 of the report so that it reads “perceived to be geographically isolated.”

The motion passed unanimously.

Councilor Dan Brown praised the Commission for their work and thought the process worked well. Chair French encouraged the others to talk to whatever organizations they can about the EDS proposal. Director Gibb said that staff would send out the final version of the PowerPoint presentation that could then be used to introduce the Strategy to various groups.

VI. OTHER BUSINESS

Chair French shared that Commissioner Fowler had just signed a lease for Perpetua to occupy the former Electroglas building at the Airport Industrial Park. She also commended him for having done an excellent job at the Oregon Business Council and asked if he might be able to replicate his presentation for the Commission at a later date.

At the request of Chair French, Commissioner Fowler shared some of his observations after having gone through the process to locate in Corvallis, also incorporating into his comments some of the experiences of other start-ups over the past year. Highlighted comments include:

- He has seen a tremendous amount of success in getting many innovative initiatives started, and has never before seen so many startups in the southern Willamette Valley as is now occurring.
- The bad news is that we are not ready to react to what those startups are going to be facing over the next 12-18 months.
- An Enterprise Zone (EZ) is a tool that can be used, but it is not unique and is a threshold level as far as tools are concerned. All communities seem to have one.
- In order to get the EZ application extended where we would like it to be, one has to demonstrate that one can pay 50% above the prevailing wage in the area. Corvallis is an expensive place, and to a startup this can be very difficult. It is easier to meet that threshold in Albany or in Lebanon.
- Startups in the Traded Sector are very protective of information, and our Enterprise Zone process is a very public process, with hearings at both the City and County level.
- The two-tiered review process at the AIP is slow, though it appears that the County will look at revisions to their code to improve this.
- As soon as a startup gets any type of funding, the Oregon Business Journal picks it up, and within twelve hours the CEO will start getting calls from other jurisdictions wooing them. Standard financial incentives are in the area of \$10,000/job that exists for over two years, in the form of a forgivable loan.
- In some instances, communities will offer a letter granting a conditional permit - with lots of caveats - but thereby taking away some of the uncertainty.
- In his case, he had to sign a long-term lease before having any certainty of being able to get through the permit approval process.
- Corvallis codes and requirements are no more stringent than other jurisdictions, and the staff was professional and helpful. There has been a shift from what the perception was a few years ago that City staff only do enforcement, in that they are now explaining how to avoid delays.
- One step further would be to take uncertainty out of the equation by showing an applicant how to streamline or succeed in the process.
- For a startup, one of the huge costs is engineering associated with development permits. The City could explore if there are any ways to assist with the engineering.
- Ultimately, companies have chosen to stay in Corvallis because of connection to the community – the principles of the company have a desire to stay. Additionally, they do not want to risk losing key employees by moving. Proximity to OSU is another factor, with both the facilities and the intellectual capital being important.
- ONAMI, like OSU, is a key resource and this needs to be advertised as one of our differentiators.

Others commented that though economic inducements are great incentives, it is important to temper it with maintaining our values. Corvallis can do both. It was also noted that Corvallis, at times, gets wrapped around the axle of the notion that we have a great, innovative community when we need to start getting alarmed about the fact that 509J enrolment is decreasing. The one thing that will keep families and companies here is to have a great educational opportunity for their kids. Affordable housing is another issue.

Chair French said that the next step, after City Council reviews the draft, will be to jump in to the funding issues. It was suggested and agreed that the next meeting be moved up to

January 30, 2012. Staff handed out a preliminary draft of an Economic Development Staffing and Budgetary Requirement document for review prior to the meeting, and was asked if additional costing out of the other initiatives might be available. Director Gibb said he would have to work with the task group on this.

The Chair was again commended for her work.

VII. ADJOURNMENT

The meeting was adjourned at 5:05 p.m. The next meeting will be 3:00 p.m., February 2, 2012.



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

**CITY OF CORVALLIS
MINUTES OF THE ECONOMIC DEVELOPMENT COMMISSION
Fire Station Meeting Room
February 2, 2012**

Attending

Elizabeth French, Chair
Jay Dixon
Skip Rung
Nick Fowler
Dan Brown, Council Liaison

Staff

Ken Gibb, Community Development Director
Claire Pate, Recorder

Visitors

Bill Ford, Business Enterprise Center
Takya Kato, BEC

Absent

Rick Spinrad
Sam Angelos
Larry Mullins
Ann Malosh
Pat Lampton

SUMMARY OF DISCUSSION

	Agenda Item	Summary of Recommendations/Actions
I.	Call to Order	
II.	Review Draft Minutes from January 9, 2012	Postponed
III.	Visitors' Comments	Information only.
IV.	Staff Update	Information only.
V.	Economic Development Staffing and Budgetary Requirements	Decision postponed to next meeting
VI.	Other Business	Information only.
VII.	Adjournment 3:48pm	Next meeting, 3:00 p.m., February 13, 2012, Madison Ave Meeting Room

CONTENT OF DISCUSSION

I. CALL TO ORDER

Chair Elizabeth French called the meeting to order. She noted that there was no quorum, so no decisions or approvals could be put to a vote until the next meeting, unless more members showed up.

II. APPROVAL OF MINUTES:

January 9, 2012: Postponed

III. VISITORS' COMMENTS:

Bill Ford, Business Enterprise Center, said that though he supports the draft recommendations, he encouraged the commissioners to consider supporting BEC as a partner in working towards meeting the Economic Development Strategy objectives. Eight of the eleven objectives are work that the BEC already performs. He would love to be a part of the training and the transition, but they cannot continue to provide that support without some funding. Additionally, they are in the middle of completing a computer database project with OSU students which could eventually be an asset to the portal, along with a partnership with a photographer who has done some good work for them in representing the community.

He reviewed BEC's achievements through the past few years. The average City funding of \$39,000/year supported their efforts to provide ten companies each year, though not all of them worked out. He requested that the Commission consider funding them at a level of \$55,000 which would allow the BEC to continue their operations with a design that better fits meeting the objectives to produce eight-to-ten companies a year. Without the funding, their footprint will be small. The City and County need to carefully consider whether they are better off with or without an incubator.

Chair French thanked Mr. Ford for his remarks and for the work that he has done, adding that there would certainly need to be connectivity with the BEC through the transition, as they would not want to lose the intellectual capital that has been built up over the years. She also thanked him for having been the consistent champion for Economic Development in the community through the years.

IV. STAFF UPDATE:

Update from Ken Gibb, Community Development Director:

- A copy of a letter from Mayor Julie Manning to the Director of the US Patent and Trademark Office supporting locating a satellite office in Oregon was distributed.
- The next meeting of the Economic Development Commission will be February 13, 2012. Topics for future meetings could include inviting staff from the Cascades West COG to discuss the Regional Industrial Site Readiness/Wetlands Mitigation efforts. Additionally, Director Gibb could give a report on Community Development's metrics relating to performance as compared with other jurisdictions. These could both be a part of the EDC's March meeting.

V. ECONOMIC DEVELOPMENT STAFFING AND BUDGETARY REQUIREMENTS:

Noting that they still did not have a quorum and therefore would not be able to take action on the staffing and budgetary requirements recommendation, Chair French suggested that Director Gibb summarize and answer any questions about the recommendation.

Mr. Gibb reviewed the contents of the cover memo which was his summary of the task group discussion related to the topic. It notes that as part of the charge of the Commission, they are responsible for recommending funding strategies to support the ongoing Economic Development program. As discussed by the task group, two levels of funding are contemplated. A first phase would consist of having two professional staff people with associated costs estimated to be in the range of \$300,000, which would include \$50,000 for miscellaneous services and supplies. Phase 2 would expand staffing to four and would cost approximately \$500,000 annually. The \$300,000 includes the estimated salary, benefits and overhead costs, along with \$50,000 for supplies, contract services and travel and equipment.

The cover memo also breaks down potential sources of funding for the Phase 1 approach, including the \$20,000 currently available for contract services for marketing the Airport Industrial Park. The funding would also include \$180,000 from the City's General Fund and \$100,000 from Benton County. The cover memo also provides information on past funding for Economic Development efforts as context.

The following are comments and questions/responses relating to the recommendation:

- The Transient Occupancy Tax (TOT) monies are approximately \$1.1 million, and go into the General Fund. The only earmark is that 30% of the TOT revenue goes to support Visit Corvallis (Convention and Visitor Services).
- The City will be looking at a between \$1.5 to \$2.5 million shortfall in the General Fund, which will translate into service reductions. The City Manager will draft his recommended budget and send it to the Budget Commission which will then forward its recommendation to the City Council in the spring.
- \$300,000 in year one might be too skinny, in that some of the programmatic implementation that is part of the "big ideas" might take additional outside expert consultant assistance to put into place. This might take the form of legal reviews and process design work.
- There are some carryover funds in the amount of \$80,000 that might be used for this.
- Benton County has not approved \$100,000 for supporting this effort yet, but it should be a viable number.
- Q: Could we possibly start with just one professional the first year, with some clerical support for that position? R: The task group discussion was that if the intent is to carry out the Strategy, Phase 1 would require one higher level position, such as a manager, and an analyst/data collection/project manager type position.
- One approach would be to take the Strategy as adopted by the City Council and map the tasks onto the potential resources and see what realistically could be done in a year with two positions. We need to honor the Strategy that has now been formally adopted.
- Realistically, it will take time to go through a hiring process, and the City will probably not be paying the two salaries for the entire fiscal year.

- The request from the BEC for \$55,000 was not contemplated at all; it should be considered but is likely not going to be supported. It is important to support the Strategy as adopted by the City Council.
- It will be a tough budget year for the City, but if there is not enough funding for the Economic Development Strategy, it will be difficult to be successful – and it will be important to show successes early on in the process.

The task group will need to meet before the February 13, 2012, EDC meeting to flesh out the position descriptions with specific duties that reflect the Strategy's prioritized activities along with including metrics for those positions. Chair French will be gone during the week and might not be able to attend the task group meeting. Councilor Brown said he supports fleshing out the job responsibilities so the City Council knows exactly what it is they are buying, and he would be willing to put some time into helping with the task group with the work if needed.

VI. OTHER BUSINESS: none

VII. ADJOURNMENT:

The meeting was adjourned at 3:45p.m. The next meeting will be 3:00 p.m., February 13, 2012, at the Madison Avenue Meeting Room.



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

Approved as corrected, February 14, 2012

CITY OF CORVALLIS
HISTORIC RESOURCES COMMISSION MINUTES
JANUARY 10, 2012

Present

Deb Kadas, Chair
 Richard Bryant
 Roger Lizut
 Geoffrey Wathen
 Lori Stephens
 Stanley Nudelman
 Roen Hogg, Council Liaison
 Jim Ridlington, Planning Comm. Liaison

Absent/Excused

Robert "Jim" Morris
 Aaron Collett
 Kevin Perkins

Staff

Bob Richardson, Associate Planner
 Brian Latta, Associate Planner
 David Coulombe, Deputy City Attorney
 Mark Lindgren, Recorder

Guests

Tim Kaye
 Charlyn Ellis
 Bettina Schempf
 Bruce Osen
 Lizanne Thompson
 Kirk Bailey
 Carolyn Ver Linden
 Pat Chappell
 Rob Schneider

SUMMARY OF DISCUSSION

	Agenda Item	Held for Further Review	Recommendations
I.	Visitor Propositions		None.
II	Public Hearings a. Benton Habitat for Humanity (HPP11-00032) b. Johnson Carriage House (HPP11-00033)		a. Motion passed 5-0 to approve the application as conditioned, except with a modification of Condition #4. b. Motion passed 4-1 to deny the application as proposed, with Commissioner Nudelman opposing.
III.	Work Plan Review		Motion passed to approve the work plan as presented.
IV.	Minutes Review- December 13, 2011		Motion passed to accept the Dec. 13, 2011 minutes as presented.
V.	Other Business/Info Sharing		Commissioner Stephens highlighted her research on historic conservation districts.
VI.	Adjournment		Meeting adjourned at 11:05 p.m.

Attachment to the January 10, 2012 minutes:

- A. Johnson Carriage House testimony, submitted by BA Beierle.

CONTENT OF DISCUSSION

Chair Deb Kadas called the Corvallis Historic Resources Commission to order at 7:00 p.m. in the Corvallis Downtown Fire Station Meeting Room, 400 NW Harrison Blvd.

I. VISITOR PROPOSITIONS:

Charlyn Ellis asked about a planned HRC historic survey she'd heard about; she said there was a great deal of concern about development in Corvallis and said she'd heard several citizens suggest that moving the survey forward could help positively address the matter. She asked how to organize community members to participate.

Commissioner Nudelman asked what kind of survey could help address community concern; Ms. Ellis replied that many historic buildings were being replaced by massive, out of scale buildings, with neighborhoods being demolished without there being any record of what is being lost. She said the survey is a tool to record that. Commissioner Stephens said she would be discussing the possibility of historic conservation districts later this evening; however, they are not as involved as a complete survey and so could be simpler to implement. They allow neighborhood associations to form districts and then set guidelines for building in a district, removing homes, etc. She added that the HRC would also be discussing developing a historic preservation plan, which would include a survey. Commissioner Kadas added that the HRC is developing a work plan and will be prioritizing the next few action items. She asked Ms. Ellis to leave contact information.

Lizanne Thompson said that her historic house was badly in need of a new foundation and she needed financial and technical help. Commissioner Kadas suggested she discuss the matter with staff and possibly with several HRC members on an individual basis. Commissioner Nudelman added that he didn't know of any source of financial assistance for that.

II. PUBLIC HEARINGS –A. BENTON HABITAT FOR HUMANITY (HPP11-00032)

A. Opening and Procedures:

Chair Kadas reviewed the public hearing 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 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 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.

The Chair opened the public hearing.

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

1. Conflicts of Interest. Commissioner Lizut declared he'd been involved in a project with Bettina Schempf for about nine months looking at strategic issues, including property dispositions. He said that while he didn't have a conflict of interest per se, in order to avoid any perception of that, he would recuse himself. Commissioner Stephens stated that she'd also worked with Ms. Schempf and Mr. Osen but it wouldn't affect her judgment on the application.
2. Ex Parte Contacts. None declared.
3. Site Visits- Commissioners Nudelman and Stephens declared site visits.
4. Objections on Jurisdictional Grounds. None declared, nor any rebuttals.

C. Staff Overview:

Planner Brian Latta stated that the applicants sought approval to build four new residential units and associated improvements. The proposal is a continuation of existing Planned Development and Historic Preservation Permit approvals. The houses are proposed to be sited at the end of the existing unimproved alley, beyond where it is currently approved. The proposal is to improve the public alley to its terminus; and to remove a historically significant tree and a lean-to shed attached to a garage, both within the alley right of way.

The subject site is on two properties. One, Tax Lot #10300 is vacant and recently went through a lot line adjustment. The other contains a residence and detached garage, to which the lean-to shed is attached. The vacant lot is classified as Nonhistoric, Noncontributing, and the other, Tax Lot #1600 contains a Historic, Noncontributing resource and a detached garage, which is Historic Contributing. All properties are within the Avery-Helm National Register Historic District.

D. Legal Declaration:

City Deputy Attorney David Coulombe stated that the Commission would consider the applicable criteria as outlined in the staff report, and he asked that citizens direct their testimony to the criteria in the staff report or other criteria that they 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.

The failure of the applicant to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the local government to respond to the issue precludes an action for damages in Circuit Court.

E. Applicant's Presentation:

Tim Kaye, Benton Habitat for Humanity board president, Bettina Schempf, BHH Executive Director, and Bruce Osen, project designer, introduced themselves. Mr. Kaye introduced project volunteers, including Kirk Bailey, Matt Little, Ray Tucker, and Lizanne Thompson, and said the group builds homes affordable to working families, usually about two homes each year.

Mr. Kaye said four homes were built nearby in 2002 and 2003. The group bought property from Ms. Thompson in order to access their landlocked parcel. He said the plan sought to make the homes affordable, buildable by volunteers and be an asset to the community. He said affordable housing is rare downtown; the site fits the group's site criteria well, since it is close to transit, city services, the library, City Hall, and schools.

Mr. Osen said the site was vacant with no Contributing Resources; the intent is to be compatible with the historic character of the district, since there is no resource on the site to play off of. There is a wide variety of resources in the district, so the group chose historic characteristics most compatible with the group's means and mission. While no architectural style predominates in the district, there are many bungalows that were built within the period of significance. Even within the bungalow style, there is tremendous variety; they are typically modest houses with simple detailing. Also in the district are stylistically ambiguous buildings with generic and hybrid details, which provide good room for flexibility in new construction choices while still providing compatibility with the district and the immediate surrounding Contributing resources. He said that Chapter 2.9 limits review of compatibility to those parts of structures visible from public areas, excluding alleys. This site cannot be seen except by the public alley and the private railroad property. Despite this, he said the group still intends to build in good faith with the community and comply with the spirit of compatibility with the historic district, as well as compliment and reinforce the character of the neighborhood.

He stated that compatibility with Contributing historic resources requires a subtle level of design. Changes in surface material, additional architectural features and detailing, glass in exterior doors, and more windows are necessary to be more compatible. The character of historic houses in the historic district derives from the ordinary building practices of the time. He said the designer's task is to create a sympathetic relationship with the district, while building new houses with current ordinary materials and practices. Benton Habitat for Humanity is willing to incur some additional costs needed to conform to the historic district, as long as they do not become excessive. Material costs are partially offset by use of volunteer labor and partial ownership of the land. He said walkability was an important component of the district that deserved to be preserved and strengthened; he felt the careful design of the project helped accomplish that goal.

Mr. Osen highlighted two supporting actions for the project. One is to remove the existing lean-to shed from the Historic Contributing garage on 800 ½ SW 6th Street, which blocks the ability to fully use the alley. He said that submitted pictures show that the shed was apparently added on after the garage was built, as evidenced by a number of building details. Removal of the shed would not impact the garage and would return it more closely to the original historic form; he cited 2.9.100.04.b.2.a. The other is to remove a 24" diameter Port Orford Cedar centered within the alley right of way. (A 20" diameter pecan tree is proposed to be saved within a common green area). He said Chapter 2.9.110.03.d.5 states that if a tree precludes construction of necessary public infrastructure and removal is approved by the City Arborist, it may be removed.

Mr. Osen highlighted Chapter 2.9 criteria *a* through *n*. These state that the character of contributing resources must be compatible. He cited the sheer diversity of historic resources in the district and noted that to be compatible, the new buildings must be different. He said the proposal meets the criteria by respecting and responding to the larger scale patterns of district structures, and working towards compatibility with a finer scaled characteristics, including scale and proportion and volume of the buildings and orientation of the buildings on the site. The intermediate scaled patterns include openings of the facades, and how interiors and exteriors connect. Finer scaled patterns include surface texture, detailed trim and siding, and architectural details.

He noted that some elements extend across several criteria. He cited criteria (a), Facades, noting that a typical façade of a historic resources faces public areas, and most all have front porches and windows around living spaces that look out onto the porches, and are laid out using symmetry. The proposed houses don't have a streetscape, they only have a public alley, but the design still tries to emulate that pattern. All the houses have substantial front porches, with windows of living spaces looking out, with overall symmetry in organization of the buildings' designs.

He said the trim details of historic resources in the district typically continue from the main façade around the sides. He said the majority of district historic houses include bumpouts, typically on the sides, visible from the streets, so the proposed design includes that aspect. Regarding Building Materials, Habitat for Humanity is proposing on-site construction of stick-built wood frame houses, with concrete foundations and composition shingle roofs, typical of contributing resources in the district. The siding and trim are proposed to be primarily fiber cement, used with the same profile, size, techniques and appearance of wood. Fiber cement is a more uniform and stable material than affordable wood products available today, which is important in longevity and ease of maintenance of Habitat houses. The proposed siding includes a mix of horizontal flatboard and sidewall shingles.

Mr. Osen stated that windows, because of cost considerations, are proposed to be double-glazed vinyl. He said they will be compatible with surrounding Contributing resources in terms of size, shape, operating action and overall placement on houses. He said the houses shouldn't be mistaken for contributing resources; they are modern houses, and so should be given leeway on materials. Regarding criterion (c), Architectural Details, he noted that even within styles of historic resources in the district, there was a lot of diversity. The design emulates a bungalow style.

Regarding criterion (d), Scale and Proportion, the proposed scale is not very different from the more modest sized historic houses in the district. The group felt two-bedroom houses would best fit the scale of houses in the district and still meet the needs of Habitat's client group. The houses are two story with one-story wings, porches, and add-ons; the two-story plan reduces the size of the footprint on the lot and so allows for some usable yard space, typical of Contributing resources. The one-story porches soften the apparent height of the buildings.

Regarding criterion (e), Height, the houses are proposed to be two-story, with three having 8' floor to ceiling heights on both floors, and the other having a 6' wall and vaulted ceiling to reduce apparent height. Regarding (f), Roof Shape, main roofs are a 6:12 pitch with a ridge running east and west, with gables on east and west ends. Secondary roofs on lower floors are 4:12, which are typical.

Regarding criterion (g), Pattern of Door and Window Openings, most district contributing resources have double hung windows proportioned to be taller than they are wide, with one-over-one panes being fairly common. Some bungalows use casement windows in some situations, and windows are

often grouped together, typically divided by window trim. Bumpouts often have three or more windows in them. Windows in the district are often organized with horizontal trim. Also, many district doors have glass in them. The proposal is for single hung windows, proportioned taller than wide, with casement windows on upper floors, also proportioned taller than wide. Some south facing windows on secondary facades are proposed to be sliders, mostly to accommodate vertically proportioned escape windows that would not be possible with another design. There will be some smaller windows to light stairways, baths and provide security and cross ventilation, typical of district resources. The windows are proposed to have 5.5-inch trim boards on jambs and headers, with a 1.5-inch sill board to emulate an integral sill. All doors have varying proportions of glass.

Regarding (h) Building Orientation, most district houses have their long dimensions running east-west, with entry facades facing public sidewalks; in this case, the new buildings will face the public alley. The Avery-Helm District typically has a wide planting strip between the public sidewalk and the public street. While there is not a public street, the common green space will be used to create the same separation between traffic and the sidewalk, which will run closer to the fronts of the houses.

Regarding (i), Site Development, the original platting of the district was with 50' by 100' plats, with public street right of ways and alleys down the back. Typically, people would split off parts of the lots over time to create infill houses. The proposal seeks to retain a 50' north to south dimension to retain a similar lot pattern. He cited existing very small lots on "C" and "D" Avenues. Regarding criterion (j), Accessory Development and Structures, he said that historic photos show that most of the historic sheds, fences and barns have gone away over time. A six-foot high wood fence is proposed for the western and south boundaries of the property, along with a twelve-foot gate to provide access on the south to the public alley and a four-foot high fence between proposed parking and the southern-most house.

Mr. Osen asked about Condition #4 in the staff plan requiring shed relocation to the east so that they are at least three feet from any property line. He said the site has a planned development overlay that allows the variance from existing rules; Habitat would like, if possible, to have the option, if approved, in the PD hearing, to allow the sheds to be located less than 3' distance from fences.

Regarding criterion (k), Garages, he stated that no garages are proposed. Regarding criterion (l), Chemical or Physical Treatments, none are proposed. Regarding criterion (m), Archeological Resources, none are known at this time, and if any are found, the group would comply with any statutes.

Regarding Differentiation, he said the houses will be stick-built, by volunteers over time; an effort will be made to have the houses look different from each other. The desire is for the houses to be historically compatible as well as a good addition to the district.

Commissioner Wathen thanked the applicants for their thorough presentation as well as taking part in the historic preservation process and trying to meet the spirit of the code. Commissioner Wathen asked about one portion of the site that had previously been designated to be a community garden. Mr. Kaye replied he'd been involved in the original 2002-2003 project, but public access hadn't been available for the community garden and it hasn't been used in that way. Small elements of the garden are included in the design.

Commissioner Bryant asked whether sidewall shingles were also proposed to be composed of fiber cement; Mr. Osen replied that that was the case. Commissioner Bryant asked about the vinyl windows; previous deliberations have not had vinyl windows automatically approved. He noted that there are vinyl windows of widely varying quality and longevity and asked the group's intentions regarding quality. Ms. Schempf replied the group doesn't buy the cheapest materials; they try to balance both original affordability as well as long-term affordability.

Commissioner Stephens asked whether the houses had already had a cost estimate; Ms. Schempf replied that they had. Commissioner Kadas asked whether front doors were wood; Mr. Osen replied they were proposed to be steel. Ms. Kadas asked whether the two three-bedroom attached homes were considered a duplex; Ms. Schempf replied that they were considered zero lot-line homes.

Commissioner Bryant asked about the shed setback; it appeared that the shed wall seemed to be part of the fence line; Mr. Osen replied that that was the case.

F. Complete Staff Report:

Planner Latta said the request was to build four new residential dwelling units. The houses are a continuation of an existing Planned Development. The proposed houses will be located at the end of the existing alley. The proposal is to improve and extend the alley to the full length of the right of way; remove a Historically Significant tree within the right of way and remove a lean-to shed attached to the Historically Contributing garage on the neighboring property to the south.

He displayed the proposed site layout; the four units will be oriented to the alleyway and there will be no street frontage. The two buildings to the south will be attached, as a zero lot-line development. The alley improvement would be extended from the existing alley down to the end of the site. The internal public sidewalk would provide access to all four units. He displayed the applicants' proposed schematic of the site.

The proposal was reviewed against the applicable review criteria. He said that 2.9.90.06 requires proposals to be in compliance with applicable local and state codes and ordinances, including building code, fire code, and other development standards, and the land development code. New construction requires a building permit and permits for construction of vehicle parking and sidewalks. A public improvement by private contract permit will be required prior to extension of the public alley. The applicant has been conditioned to obtain all required permits prior to beginning any construction activities. Compliance with applicable state and local codes and ordinances will be assured through the Building Permit. The site is subject to a Planned Development, requiring a Detailed Plan Development approval. Staff have conditioned the applicant to obtain a Major Modification to the Detailed Development Plan, which must be consistent with the subject HPP application. As conditioned, staff found the proposal was consistent with LDC criteria in 2.9.90.06.

Regarding criteria requiring new construction compatibility with existing resources on the site, 2.9.100.04.(b).1, the staff analysis looked at the proposal as a development site, as part of a Detailed Development Plan. Therefore, existing historic resources on the site, although not historic, are new construction. Staff analysis was that the existing resources on the development site are new construction, and do not contain historic significance or integrity; the existing homes on the site are in good condition and are not prime examples or rare or unusual architectural design or style unique to the district. The proposed houses are similar in design and style to existing resources on the site. The

proposed houses will be new and will not contain historic significance or integrity; given that, the proposed design and style of the proposed houses are compatible with the design and style of the existing designated historic resources on the site.

He stated that the criteria in 2.9.100.04(b).2 requires that the proposed new construction shall either cause the designated resource to more closely approximate the original historic design or style, appearance, or material composition of the resource relative to the period of significance, or be compatible with the historic characteristics of the designated historic resource. Since it is new construction, lacking historic integrity or significance, the proposal needs to be compatible with the historic characteristics of the district and be compatible with existing resources on the site.

Each of the existing houses on the site has a front porch, trim around all windows and doors, and simple architectural features and detailing. The siding on existing houses is fiber cement boards and windows are all one-over-one double hung, casement and sliding vinyl. The four proposed houses are a similar design and style, with a modest scale, two stories in height, with front porches, one-over-one double hung, casement, and side sliding vinyl with 6" trim on all windows and doors. The proposed houses will each have pitched roofs with composition shingles, and fiber cement board siding. As proposed, the new houses are compatible with existing designated historic resources on the development site and the general characteristics of the homes are compatible with those in the district.

Regarding the proposal to remove the lean-to shed from the Historic Contributing garage on Tax Lot #1600, it will bring the Historic Contributing garage more in compliance with its historic configuration and so meets 2.9.100.04(b).2.

Regarding the compatibility criteria in 2.9.100.04(b).3, some of the relevant criteria include Facades and Architectural Details. These state that architectural features such as porches, bay windows and trim details on main façade shall be designed and compliment the primary structure and existing surrounding comparable resources, and conjectural architectural details shall not be applied. The existing designated historic resources on the site have restrained architectural detailing, front porches, and trim around all windows and doors. The four proposed houses compliment these existing houses by providing front porches, 6" trim around all windows and doors and horizontal band boards beneath the second floor windows. The proposal also includes two-foot overhanging eaves with rafter tails, and a combination of horizontal lap siding and shingle siding. Wood eave brackets and ganged windows in sets of two and three separated by trim are all architectural details which may be found on bungalows within the district. Staff found the proposal was compatible based on consideration of Facades and Architectural Details criteria.

Regarding the Building Materials Criterion, which states that the materials shall be reflective of and complimentary to those found on the existing primary designated historic resource and any surrounding comparable resources in the district, the existing resources on the site are constructed with concrete foundations, fiber cement siding and trim, and vinyl windows. Prior to these resources being constructed, the plans were reviewed and approved by the Historic Preservation Advisory Board (HPAB) and the Community Development Director. The proposed building materials do not replicate historic materials used on historic contributing resources in the district, but were deemed to be compatible with materials on other resources in the district through the HPAB process. The proposed new construction houses will be built with concrete foundations, fiber cement siding and trim, vinyl windows and steel doors; these match the materials determined to be historically compatible for

Nonhistoric, Noncontributing resources in this part of the Avery-Helm District. The fiber cement, vinyl and steel materials are not historic materials that would be found on historic contributing single-family residences in the district. However, they are reflective of and complimentary to the historic materials on nearby Historic Contributing resources. In addition to the houses, the proposal is for concrete to pave the public alley and use of concrete, pervious concrete, or pervious asphalt to provide vehicle parking and extend the internal sidewalk throughout the site. Given the analysis in the staff report, staff found the proposal to be compatible based on consideration of the Building Materials criterion.

Regarding the Site Development criterion, which states that to the extent practicable, given other applicable development standards, the new proposed construction shall maintain existing site development patterns. The site is part of an approved Detailed Development Plan; the approved Planned Development was for four existing houses built along the alley, a public park and a remnant parcel (part of the site under consideration). The Planned Development has set a development pattern for the vacant land along the alley; the proposed development is simply a continuation of that pattern. Prior to issuance of any construction permits, the proposal will be subject to a Major Modification to the Planned Development. The HRC decision will be contingent upon approval of the Major Modification. Without that approval through the Planning Commission process, this project could not be constructed if approved by the HRC. Based on the constraints of the site plan as proposed, a number of variations of land development code standards would be required; these are outlined in the staff report. The HRC does not have the ability to vary land development code standards; that authority lies with the Planning Commission and the City Council. Through the Major Modification process, those variation requests would be made and approved. Given that, staff found the proposal to be compatible based on the criterion.

The Accessory Development Structures criterion requires that accessory development structures associated with new construction activities shall be visually compatible with the design and style of the existing resource. The proposal is for accessory development of structures including wood fencing, gates, an entryway arbor with seating and four small sheds, consistent with development on the site and the district. He related that the application notes that small sheds were a common feature of historic homes and often no longer exist today due to a relatively short life expectancy and the temporary nature of these structures. The sheds are proposed to be located behind the proposed houses and are compatible with the existing development and surrounding district resources. He said staff were comfortable with the applicants' proposal to modify Condition #4, with some language that modifies the condition, which could be supplied during deliberation.

He said that given the analysis in the presentation and further analysis in the staff report, staff found the proposal was compatible based on the compatibility criteria in 2.9.100.04.(b).3.

Regarding removal of the historically significant tree, the relevant criteria are in 2.9.110.03(d).5, which states that if a Historically Significant tree is located within the area of public infrastructure and there are no design alternatives that can be made, and the City Engineer and City Arborist concur, then the tree may be removed. Staff contacted the City Engineer and City Arborist and received their approval to remove the tree. The tree is located in the middle of the alley right of way, and there are no design alternatives because of existing development on either side to allow shifting the alignment of the alley. Staff found the criteria in 2.9.110.03(d) was met.

Planner Latta stated that staff found that the request to construct four new dwelling units and associated improvements, removing the lean-to shed from the existing garage and removing the Historically Significant tree was consistent with the review criteria in Chapter 2.9 and compatible

with the existing historic resources on the site and with other resources throughout the district, and staff recommended that the HRC approve the permit as described, modified and conditioned in the staff report.

Commissioner Wathen asked about changing Condition #4, regarding setbacks to the property; he asked how that would not be covered under Condition #2. Planner Latta replied that other variations to the land development code standards will also have to be met; including this detail in Condition #4 helps the application meet land development code standards. Commissioner Wathen said the applicants would specifically be seeking a variance on this, so a change to language in Condition #4 didn't seem to be necessary; Planner Latta replied that staff felt that modified language was necessary, since Condition was related to obtaining building permits, etc; whereas this detail relates to exactly how a land development code standard is not being met. Commissioner Kadas added that Condition #4 relates to the site plan, as well.

G. Public Testimony in favor of the application:

Lizanne Thompson said she'd owned part of the site property; the planned public garden there hadn't happened; as a result, that area has often been used by transients, leading to crime. Building the houses should reduce the number of transients. She stated her support for the project.

Kirk Bailey said he was a neighbor and supporter of the project. He concurred with Mr. Osen's citations of the criteria. He said the project balances differentiation with existing resources and compatibility and is an excellent solution for a challenging site. He said it is the kind of building and neighbors he would like to see in his neighborhood. Having people maintaining their houses and respecting the neighborhood will help preserve the historic district and make it thrive in the future.

H. Public Testimony in opposition of the application:

Carolyn Ver Linden noted that both Habitat for Humanity and the historic district were both worthy. She stated that she was responsible for establishing the district and that the project eroded the spirit and intent of the district. She said the spatial aspects of the project undermined the district, since the project shoehorns houses into a site that is too small for them; two units must have an adjoining wall in order to get enough units to make it financially feasible. The division of the space is not consistent with what is there already. The proposed materials do not correspond with the historic district. She cited removal of a historic tree and shed. She said the proposed density would affect her as a neighbor.

I. Neutral testimony:

Patrick Chappell said he had concerns; he owns 730 SW 5th, across from the proposed parking lot. He approved of the development and urban density and the design of the homes. He expressed concern about a number of cars that would be right behind his fence and asked if there was any way for a buffer to abate noise. He noted that the Port Orford Tree was the tallest tree in the area and was sad at its loss. Commissioner Kadas suggested he may want to consider planting vegetation along his fence, since there was probably no room to plant along the alleyway. She said she lived on an alleyway and there tended to be fairly little traffic.

J. Additional Questions for Staff:

Commissioner Kadas asked about the PD overlay process; Planner Latta said it would next go to the Planning Commission. Planner Latta related that during planning for the community garden there years ago, it was assumed that 6th Street ran through the west of the development site. However that turned out not to be true; the 6th Street right of way ends at B Street. The staff analysis at the time was that the community garden was an interim use and would be replaced by additional development when 6th was extended; however, we now know that 6th will not be extended unless the railroad is generous enough to give right of way, which would be unusual. So, as one of the conditions of approval, when the applicants go through to modify the community garden to a development, that would be through a Major Modification process. Once the HRC rules on this, the applicant will submit an application for a Planned Development Major Modification to the Planning Commission.

Commissioner Kadas noted there was testimony regarding lot sizes and asked if lot sizes were part of the required variances; Planner Latta replied that all lots in the Avery-Helm Third Division Block 12 were 50' by 100'; however, this portion of the development site is unplatted land with no underlying lot lines. The LDC allows multiple houses to be placed on a single lot; at the time of the application meeting, the applicant was not sure whether they would subdivide the land to create multiple lots or keep it as one; his sense is that they were leaning towards four lots. He said the lot pattern he had seen met the minimum lot sizes under the code. One portion is zoned RS-9 (Medium Density) and another is RS-12 (Medium-High Density); the site's minimum density would be three units and the maximum would be five. All the lots will be split zoned and they will likely contain enough area for each lot within each zone. It is a complex proposed lot pattern but meets the minimum for both zones. Commissioner Kadas said it seemed as though only two units on the site would not meet the minimum density for either RD9 nor RS-12; Planner Latta replied that that was so; the minimum is three dwelling units.

Commissioner Kadas asked if there was any way to assure that only residents could use the private parking; Planner Latta replied that parking would be located on private property and it can be signed as the applicants wish, and meets minimum parking requirements.

Commissioner Bryant said he understood it to be a privately constructed publicly owned alley; Planner Latta replied it is all public alley, established with the Avery plat. It is only half constructed now; alleys, like streets, are constructed with development by the property owners. The applicants would privately construct the second half to City standards by a contractor approved by Public Works. Commissioner Bryant pointed out that once the alley is built, houses facing on 5th Street, #742, #730 and #720 would then have vehicle access from the alley to build their accessory dwelling units in their back yards; Planner Latta replied that it was correct that it could be used by abutting property owners.

Commissioner Stephens asked what would happen if the HRC decided for some reason that the land should stay vacant, if that would represent takings; Attorney Coulombe replied that he couldn't respond as to whether it would be takings, but reasonable expectations would then conclude that no development was available, and this application has already demonstrated that there has been significant development.

K. Rebuttal by Applicant: None.

L. Sur-rebuttal: None.

M. Additional time for applicant to submit final argument:

The applicant waived the right to submit additional testimony and there was not a request for a continuance or to hold the record open.

N. Close the public hearing:

MOTION: Commissioner Wathen moved to close the public hearing; Commissioner Stephens seconded the motion and it passed unanimously.

O. Discussion and Action by the Commission:

Commissioner Nudelman said he'd first had concern about too much being put on the site, but he changed his mind after a site visit, and felt it would benefit the district. Commissioner Stephens felt it was a sympathetic design and development; she praised the site plan. She said it was difficult to have a space between a shed and a fence and that it made sense to have a shed on the lot line. She said most Habitat buildings have vinyl windows and steel doors and it distinguishes them from historic homes.

Commissioner Wathen said the code excludes alleys; there are no public areas that these will practically be visible from and the applicants could have argued against having to be in the historic preservation process and he praised their not doing so. Commissioner Bryant said it was a good infill project and the design was nice. Commissioner Wathen said regarding building materials, these materials have been considered to be permissible by the HPAB for previous development, and applicants chose to use these materials, though they wouldn't have chosen to use them on a Contributing resource. Commissioner Kadas concluded that she was hearing that short of Materials, all other criteria are met.

MOTION:

Commissioner Nudelman moved to approved the project as proposed in the staff report; he also moved to accept the first three staff Conditions of Approval and asked for separate discussion of the fourth. Commissioner Stephens seconded.

Planner Latta read his draft language for a modified fourth Condition of Approval: "Shed Relocation: The three sheds located along the western property line shall be located to the east such that they are at least three feet from any property line, unless modified through the Planned Development Modification process." Commissioner Wathen moved to accept the modified Condition of Approval #4 as read by Planner Latta; Commissioner Nudelman seconded it.

Commissioner Kadas noted that she had to vote in order to have a quorum. The motion to amend passed unanimously; the main motion passed unanimously.

Commissioner Kadas said the design did a great job of having similar yet different buildings, and passersby will appreciate them, in contrast to large boxes without windows.

P. Appeal Period:

Chair Kadas stated that any participant not satisfied with this decision may appeal to the City Council within 12 days of the date that the Notice of Disposition is signed.

II. PUBLIC HEARINGS –B. JOHNSON CARRIAGE HOUSE (HPP11-00033)

A. Opening and Procedures:

Roger Lizut rejoined the commission. Chair Kadas reviewed the public hearing 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 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 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.

The Chair opened the public hearing.

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

1. Conflicts of Interest. None declared.
2. Ex Parte Contacts. None declared.
3. Site Visits- Declared by Commissioners Nudelman, Bryant, and Stephens. No declarations were rebutted.
4. Objections on Jurisdictional Grounds. None declared.

C. Staff Overview:

Planner Richardson stated that recently arrived written testimony from B.A. Beierle (Attachment A) had been distributed this evening; Chair Kadas gave commissioners several minutes to read it.

Planner Richardson said the house was located at 612 SW 2nd Street, and is a Contributing resource in within the Avery-Helm National Register Historic District. He said the applicant sought to replace the existing manufactured wood siding with fiber cement siding, wood trim with new wood trim, and two non-original exterior doors with painted metal doors. The applicant also requests to install new front steps to comply with building code standards (this is ordinarily a Director-level HPP activity, but has been bundled together as a single request in this case).

D. Legal Declaration:

City Deputy Attorney David Coulombe stated that the Commission would consider the applicable criteria as outlined in the staff report, and he asked that citizens direct their testimony to the criteria in the staff report or other criteria that they 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.

The failure of the applicant to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the local government to respond to the issue precludes an action for damages in Circuit Court.

E. Applicant's Presentation:

Rob Schneider stated he was one of the owners of the property. He said staff had done a great job with the staff report and documenting what had happened. He related he'd met with Ms. Beierle at the site to review the situation; he noted that she was listed as the person who'd lodged the complaint, though she'd said that she hadn't. He related that during the site visit, she'd expressed support for what the owners were doing, but her written testimony doesn't appear to reflect that. He said the original intent was a like-for-like replacement. The existing siding was a plywood-based lap siding, which local builders say was common in the 1970's but is no longer used, since it doesn't work well; therefore, replacing it like-for-like was not an option. Instead, the owners chose the typical, currently used lap siding.

Commissioner Stephens asked why the applicants installed the new siding over the existing plywood siding. Mr. Schneider replied that owners discussed the matter with the contractor, and felt the building did not have a high degree of structural integrity. While some lower sections of plywood had failed, there were other sections that were still fairly strong, and since plywood is a good anti-shear material, they decided to leave it in place. Commissioner Stephens asked if there had been a porch railing; Mr. Schneider replied that there was, but they had gotten a stop-work notice while the railing was still off, so that hadn't been finished. They would be happy to put it back on if required to do so under HRC criteria.

Commissioner Stephens asked if the existing doors were wood; Mr. Schneider replied that they were probably wood doors. They were replaced by new painted metal doors with the same window configuration and number (nine) of lites as the old ones. He related that he and his partners typically work on non-historic homes, where permits are not needed to simply replace a door; they've recently learned a lot about historic homes.

Commissioner Wathen said the application stated that there were three layers of siding, with the original siding still underneath the lap plywood siding. He said that in several places in the application, applicants stated they didn't know what the original siding was; however, if the original siding was still there, it warranted pulling the plywood siding off to find out what the original siding was; that would also allow matching the original reveal more closely. Mr. Schneider replied the applicants were trying to use a simple like-for-like approach with the plywood siding. They assumed that the original siding had failed because it had been sided over. Commissioner Wathen commented

that a better like-for-like approach would have been trying to more closely match the original siding style, even using a composite material. He said the 2.9.90.b.2 code states that “In general, proposed alteration or new construction shall either cause the designated historic resource to more closely approximate the original historic design, style, appearance, or material composition of the resource relative to the applicable period of significance..”. He said that this concern was part of Ms. Beierle’s written testimony. He said that the “or” in that code section means that if an applicant presents a proposal as more closely representing the original style, though not more closely matching the original material, it would give the commission more traction in the code to allow the proposal.

Mr. Schneider replied that it was the owners’ first time working with a historic home, and said in retrospect, they would have worked more closely with staff to look at like-for-like alternatives. At the time, they were working with challenging project time constraints. Commissioner Wathen noted that in cases where applicants seek after-the-fact approvals, the commission is instructed to deliberate as though the work had not yet occurred.

Commissioner Kadas asked about a “before” photo in Attachment C-3 that shows a window that faces the front façade of the bumpout that subsequently disappeared in “after” photo Attachment D-1. Mr. Schneider replied that siding was placed over the window; it was a non-functioning plywood window at that point. The garage had just previously been used for bicycle storage for the house next door and the intent was to prevent passersby from casing the bikes there. Commissioner Kadas asked whether the owners had known that the house was in a historic district when they purchased the property; Mr. Schneider replied that they had. Commissioner Kadas said that in that case, they were aware that there were regulations for historic properties, and that their reading of “like-for-like” was different than that of the commission. Typically, “like-for-like” usually means that the material is exactly the same, and usually applies to historic structures that have original materials. You always try to rehabilitate the original material first, and only in cases where that is beyond repair, then you put back new materials. When homes have been altered, you can use “like-for-like” when it is exactly the same, but if it is not, then it is a golden opportunity to go more with what was originally there. The commission looks favorably upon trying to go back to more exactly what was historic, even being somewhat lenient on materials; however, the commission doesn’t look favorably on the opposite. In this case, this neither does “like-for-like” nor goes back to more closely to the original.

Mr. Schneider pointed out that the owners hadn’t installed the existing vinyl windows but had fixed all the existing wood windows. Commissioner Kadas asked if it was a residence; Mr. Schneider replied that it was now a rental. Commissioner Kadas noted the new porch flooring boards orientation appeared to have changed; she said that a number of incremental changes like this add up to significant changes. Mr. Schneider replied that only the orientation had changed; the 2” by 6” materials remained the same as previous porch floor materials.

Commissioner Wathen asked what the applicant was willing to do to get the house closer to its original historic state. Mr. Schneider replied that he and the other owners had purchased and then restored three adjacent dilapidated historic houses to better condition and related that police had thanked them for improving the properties. He related that during her site visit, Ms. Beierle had pointed out a number of historically incompatible elements that had been introduced many years before in other houses nearby and suggested how he could research how to choose a historically compatible screen door. He said he welcomed being told what to do, since choosing a historically compatible screen door was beyond his interest or skill level.

Commissioner Stephens said that by putting siding over siding, it makes the siding very flat relative to the trim and makes it look more like a tract home. Normally the trim stands out more on a historic home. She related that during her site visit, she'd noticed that some of the siding hadn't seemed very well attached and was coming away from the siding underneath, possibly due to the number of layers of previous siding. That would be a concern to a homeowner; generally, siding is removed before it is replaced, especially on a historic home.

Commissioner Bryant said it sounded as though the building had previously been a carriage house that had been later converted into a residential structure and that the applicant was seeking to remodel into something better than it has been recently. The building was built over 100 years ago with little regard for earthquake or wind resistance. He said he had concerns for the owners, as investors, that they may simply be adding layers of junk onto a building that lacks structural stability, from a code standpoint. He added that one normally doesn't put siding over siding. Commissioner Kadas clarified that Commissioner Bryant's observation was simply sharing information from an architectural standpoint and didn't reflect criteria in the commission's decision making.

Mr. Schneider replied that he was sure that the house was not up to code, like a number of other Corvallis homes, and others in the historic district. He said that the owners had purchased the homes to either side of the Carriage House, which were in good shape, but this building had been boarded up, with transients living and building fires inside it, but he had felt that it could be saved. He related that the original intent by a previous owner was to tear all three buildings down in order to create parking for the Elements Building.

Commissioner Kadas said that applications where the work has already been done are the most challenging for the commission, since applicants have already invested a lot of money in trying to improve a property. Mr. Schneider said the owners would've preferred to simply get a hearing on a like-for-like application; Commissioner Kadas replied that a hearing is not necessary for a like-for-like application; you can get that information at a city counter and they will tell you that. Mr. Schneider replied that that is not a hearing; the owners would've preferred a discussion on like-for-like, as opposed to a ruling, with no other direction to go. The owners feel strongly that they had gone the like-for-like route, since there is no plywood siding available, but plywood is still a wood-glue composite material. Commissioner Kadas said that when there is not a good option, you come before the commission. Commissioner Kadas said it sounded as if he would like to see a clearer definition listed for like-for-like; Mr. Schneider added that there should also be other options. He added that the definition includes "similar in nature", not "exact"; there is wiggle room in that. He said it has been easy to work with Planner Richardson and the investors were trying to do the right thing.

Commissioner Wathen highlighted Attachment A-19 in his email exchange with Planner Richardson, in which Mr. Schneider stated that old trim was removed and new trim replaced; however, Attachment D-13 states that contemporary trim was added on over the original trim; there seems to be a conflict of information. After Mr. Schneider described the sequence of events, Commissioner Wathen summarized that it sounded like the trim added on in the 1970's was replaced with materials of a similar wood material, dimensions and design; Mr. Schneider said that was so. He added that the structure of the wood windows was reasonably intact and that they tried to save them.

Commissioner Wathen commented that the commission does not normally distinguish between different woods unless it is cogent to the specifics of the install. Commissioner Stephens said it appeared that the new Hardieplank siding appeared to be textured; Mr. Schneider said that was so. Commissioner Stephens said the commission preferred smooth siding on historic houses, since normally grain is not seen on historic houses.

F. Complete Staff Report:

Commissioner Wathen noted that embedded comments were present in photos in the electronic version of the staff report that were not part of the printed version in the packet. Planner Richardson said those comments were placed by the person from Development Services who took the photos as part of the violation case.

Planner Richardson said that the application is part of a violation case for work that was done without a permit; the applicant has worked with staff over a couple years to resolve many aspects of the violation. Resolving the other outstanding issues that were part of that violation case are part of this application. The proposal is to put new siding on top of existing siding, to replace existing trim with new trim, and to put new steps on the front porch. The steps were considered to qualify for Director-level approval; and staff felt it satisfied the criterion and can be approved; but it is for the Commission to make that decision.

Regarding the trim, based on the applicant's statements, the new trim is a like-for-like replacement and so staff felt that that is exempt from review, though the HRC may make different findings.

Regarding general review criteria, 2.9.100.04.(b).1, the house was constructed in 1901 and is a Contributing resource. The statement of significance states that the original siding was horizontal board siding. The applicant states that new siding was added on over the original siding and siding added on in 1970's. The criterion states that alterations or new construction shall be compatible with the design or style of the existing resource; the proposed siding is horizontal siding, compatible with the horizontal 1970's siding and the horizontal design corresponds with the original siding. The proposed siding does not match the original or existing siding but is similar in design and style and so staff felt it is consistent with 2.9.100.04.(b).1.

Regarding the criterion of the historic integrity of the resource, much is still in place; it still has the basic form, it is still in the same setting. However, while the changes to the siding and the windows have eroded the historic integrity, the condition of the resource appears to be decent. Staff felt that changes to the doors and siding do not erode the historic integrity of the resource any more than the change that has already occurred; it is a neutral change. It doesn't appear the doors that were replaced or the siding were original.

Regarding the criterion in 2.9.100.04(b).2, alterations or new construction should either cause a resource to more closely approximate the original design or style, or material composition of the resource relative to the applicable period of significance, or shall be compatible with the historic character of the designated resource based on the historic design or style, appearance or material composition of the resource. In this case, it's clear that the proposed siding don't cause the resource to more closely approximate the original; therefore, it must be compatible based on historic design, style, appearance or material composition. The existing material of the siding was a manufactured material; the proposal material is a manufactured fiber cement material; comparing them, staff found the new siding is compatible with the material composition, along with the design and style, in terms of the horizontal orientation, common throughout the district and adjacent structures.

Regarding the doors, the existing doors were not original, and replacing them with new steel doors with the same lite pattern and size was considered to be compatible with the existing characteristics of the designated historic resource, not necessarily the original. It is not certain what was there originally.

Regarding the compatibility review criteria, the proposed horizontal siding has a 6” reveal, is a fiber cement material, which is different from what the applicant stated was the 1970’s siding, with an 8” reveal. Staff felt design of the siding and the 6” reveal was sufficiently compatible with the 1970’s siding with a more variable reveal; the new siding would have a more uniform appearance.

Regarding Building Materials, staff evaluated the proposal in terms of the existing materials, the siding placed on the building in the 1970’s, which is a manufactured plywood material. Comparing the two, staff found the fiber cement was a reflective material and complimentary to the existing material and so satisfied the review criterion for Building Materials. The proposed changes don’t affect the Roof Height, Shape, Pattern of Window or Door Openings, Building Orientation, Site Development, or the other review criteria, and so they were not found to apply.

Staff found the proposal, as more thoroughly outlined in the staff report, did satisfy applicable review criteria, was historically compatible and recommended approval with conditions.

Commissioner Lizut summarized that the proposal was to add a third layer of siding; he asked whether there was any precedence to going back to the original siding. Planner Richardson replied he could not recall a similar example. Attorney Coulombe suggested looking at the review criteria regarding more closely approximating the original, or looking at compatibility.

Commissioner Wathen asked for more discussion on compatibility of materials; plywood as a material came into existence around 1905, but fiber cement didn’t begin to be used until the 1970’s at the earliest, so one could argue that plywood was contemporary to the resource, but fiber cement is not. While both are manufactured materials, allowing an addition of a material out of period of the house would seem to degrade the historic resource. Planner Richardson said that if the material is not found to be compatible, then that is degrading the historic integrity of the resource. He said the second layer of manufactured plywood siding doesn’t seem to be any more compatible than the fiber cement siding.

Commissioner Kadas asked if the definition for “like-for-like” was being used interchangeably with “in-kind repair or replacement”; Planner Richardson replied that it was. Commissioner Kadas read from the code: “In-kind repair or replacement is repair or replacement of existing materials or features that match the old in design, color, texture, materials, dimensions, shape and other visual qualities”. She said in her mind, the proposal was not like-for-like, based on that definition. She related that there was a somewhat similar previous case, where the commission denied the application.

Commissioner Kadas asked about the railing and the stop-work order; Planner Richardson replied that staff would direct putting back a wood railing as an in-kind repair or the railing could come back before the HRC.

G. Public Testimony in favor of the application: None.

H. Public Testimony in opposition of the application:

Carolyn Ver Linden stated that the owners had shown blatant disrespect to the building and the historic district. The vinyl windows had been put in illegally by a previous owner, without any review process; this has happened over and over. She said the building was a carriage house and stables and was inextricably linked to the Johnson House. She said the Johnsons had many important historic connections within Corvallis and therefore that satisfies 2.9.100.04(b)1 for historic significance.

She cited 2.9.100.04.(a), and (b)2.a; which requires that changes should cause a designated historic resource to more closely approximate the original historic design or style, appearance, or material composition of the resource relative to the period of significance; the City's testimony has ignored this, since the 1970's were not part of the period of significance for the house. She said 2.9.100.04.3(b) states that building materials shall be reflective of and complimentary to those on the primary designated historic resource, if in existence (which it is), and proposed in part to remain, and any existing surrounding comparable designated historic resources (the house to the north). She said any modifications should be taken back to the original. She said death by a thousand cuts was just as pernicious a way of undermining preservation of historic resources as wholesale destruction. She said approving these changes makes a mockery of the spirit, intent and letter of the ordinance. She said the changes to the siding, doors and steps are not necessary, do not comply with the code and should be denied.

I. Neutral testimony: None.

J. Additional Questions for Staff: None.

K. Rebuttal by Applicant:

L. Sur-rebuttal: None.

M. Additional time for applicant to submit final argument:

The applicant waived the right to submit additional testimony and there was not a request for a continuance or to hold the record open.

N. Close the public hearing:

MOTION: Commissioner Wathen moved to close the public hearing; Commissioner Lizut seconded the motion and it passed unanimously.

O. Discussion and Action by the Commission:

Commissioner Nudelman noted the applicant took a building in very bad shape and made an improvement, but it probably doesn't meet the criteria. It's not clear what to do. There is no mechanism to stop this before it happened.

Commissioner Wathen cited an application that came up a year ago, where work was stopped and the applicant came back with a much better proposal, with the commission giving a lot of input on what it wanted to see. Commissioner Nudelman noted that the application that Commissioner Wathen referred to was only for windows. Commissioner Wathen said the applicant has done both a service and a disservice.

Commissioner Lizut asked if there was a window of time that the applicant was now constrained to; Attorney Coulombe replied that the City generally gives adequate time for someone in this kind of circumstance to remedy the problem. He added that if the commission denied an application that needed extensive work, and the applicant refused to do the work, then the City Attorney's office would bring an application for injunctive relief in Circuit Court. That court would balance equities (looking at the cost already put in for the change versus the cost of meeting what the City was requiring by code); staff would help provide technical background.

Commissioner Bryant stated that staff came to the right conclusion but failed technically in allowing putting new siding over the historic siding without doing thorough analysis of what is there. While the Carriage House is not a great example of historic architecture, it should still be preserved. He suggested looking at the downtown carriage house that was moved, restored and put to a different use at the County fairground. He said Mr. Schneider did a service by bringing the building back from the brink but a disservice in simply putting new material over old.

Commissioner Stephens commented that part of what appears to be original siding is still there, where the garage was attached to it (dropped siding and shiplap). She noted that in many cases, the original siding is still in really good shape, needing only minor repair, and new siding was put over it misguidedly. Commissioner Wathen noted that he lives in a 1941 house with original plywood siding with a 2' reveal.

Commissioner Kadas commented that she would not be voting, since there were five voting members present, but if ever there was a case for not approving something it would be this application. She respectfully disagreed with staff. It is difficult with the applicant sitting here, having done the work, but this is a perfect opportunity to rehabilitate, since the code specifically requires that the change "...shall cause the resource to more closely approximate the original...". We know in this case what the original is, since the original siding is there to be seen. If nothing had been done yet, the commission would ask him to more closely replicate what was there or make it compatible; in this case, we do know what is there. It doesn't meet the general criteria. Regarding the like-for-like siding replacement, the material is not an in-kind replacement. The definition reads that the repair should be considered by the owner prior to the replacement. At a minimum, the top two layers can be removed and it is quite possible that the original siding may be in good shape, perhaps with some repair; it is hard to say. She said she would not vote, but if she did, she would vote to deny the application, since it doesn't appear to meet the requirement for in-kind repair or replacement. It doesn't meet general criteria 2.9.100.04(b).2. The detail and reveals do not match, nor do the size, materials, dimensions, surface, etc.

Commissioner Wathen said the applicant is cooperative, has stated he wants to do the right thing and has asked to be directed what to do. Commissioner Stephens said the doors, trim, porch steps, railings, and covering up the window must also be considered. Commissioner Wathen said a good start is to see what the condition of the original siding is. Regarding the doors, it is a material issue; to meet the criteria, the doors should be wood, not steel. Regarding the window trim, it could be argued that that it is exempt, since it was replaced as it was; however, if the siding is pulled off to the original siding, then the add-on trim could be pulled off to return it to a more historic state. Commissioner Kadas said the original trim may still be there in good shape. Commissioner Wathen said the window that was covered should be uncovered and put back. If there is a security issue, it could be obscure glass.

Attorney Coulombe cautioned against giving advice and stated that the commissioners should simply identify what criteria are not satisfied in the application, or if approved, what conditions of approval are necessary to satisfy the criteria. Commissioner Wathen said discussion could help the applicant in a future application.

Commissioner Bryant said if the applicant is told to go back to the original siding, if lead paint is found, that would be a serious abatement cost. Commissioner Kadas replied that you can simply successfully paint over it; it is an issue that all property owners in historic districts must wrestle with.

MOTION:

Commissioner Lizut moved to deny the application as proposed; Commissioner Wathen seconded. Motion passed 4-1, with Commissioner Nudelman opposing.

Commissioner Wathen cited covering the window at the back of garage in regard to the Window and Door Openings criterion; the change does not meet code. Regarding the front and rear doors, the original doors were most likely wood and were replaced by steel, a violation of code. The changes in siding material and design cannot be considered as in-kind and it does not bring the structure closer to historical accuracy and does not meet code. Commissioner Kadas cited the in-kind repair or replacement criteria and the general review criteria. She cited Ms. Beierle's testimony regarding the degree of historic significance of the resource, which gives it a bit more historic weight. She summarized that there simply was not enough criteria to rationalize the proposal.

Commissioner Wathen said the commission is doing outreach to try to prevent such cases from occurring in the first place. Mr. Schneider stated that given the amount of money involved, the applicants would be forced to appeal the decision.

P. Appeal Period:

Chair Kadas stated that any participant not satisfied with this decision may appeal to the City Council within 12 days of the date that the Notice of Disposition is signed.

III. WORK PLAN REVIEW:

Planner Richardson said at the last meeting, the group of commissioners found the work plan was something to go forward with, but didn't want to vote, given that some members were not present. Motion passed to approve the work plan. Planner Richardson added the next step was to determine several items to focus on over the next year or so.

IV. MINUTES REVIEW –DECEMBER 13, 2011.

December 13, 2011- Commissioner Lizut moved and Commissioner Bryant seconded to accept the minutes as presented; motion passed unanimously.

V. OTHER BUSINESS/INFORMATION SHARING:

Commissioner Stephens related that she had researched historic conservation districts across the US; Portland has seven of them. There are different types. One Bloomington, Indiana district is only concerned with demolition, moving or new construction; it tries to preserve the character of the neighborhood.

A district may be proposed by the neighborhood association. They set their own rules; different areas require different percentages of agreeing property owners needed to establish a district (generally between 50-70%). Neighbors in a district work with staff to develop their own guidelines; some are short, while others have much more detail. In Corvallis, the HRC would still review demolition, moving and new construction in a district. The districts don't necessarily require a survey before implementing them. Some districts do their own self-governance. Planner Richardson suggested

Commissioner Stephens send him information for him to distribute to commissioners. Commissioner Kadas said the impetus goes back to the first Visitors Proposition, in which there was concern about non-designated historic structures being rapidly torn down and replaced by block apartments.

Commissioner Wathen asked staff about the City Council Liaison leaving before the end of the second hearing, when the applicant stated he would appeal to the Council. He asked whether it was advisable for commissioners to be present during the appeal to the Council. Planner Richardson said it would be best for a Councilor to remain to hear the whole discussion in order to be able to convey the tenor and nuance, but it shouldn't have a major bearing.

Planner Richardson said staff generally writes a staff report to take to the Council; it would outline the reasons why it was denied. Commissioner Kadas noted it would be a *de novo* application and the applicants could change the application that goes to the Council. Planner Richardson said that if the code seems vague, Purpose Statements or Comp Plan language could be referenced. Commissioner Nudelman noted the applicants can cite hardship language with the Council.

Commissioner Bryant asked if really hard discussions can be tabled until the next meeting; Planner Richardson replied that, assuming that there is a 120-day decision timeline, the Commission has the option of postponing deliberation to the future. Commissioner Wathen noted that tabling discussion is not done with the intent of the applicant changing anything; the public hearing closes and then there are deliberations.

Commissioner Nudelman said that with this case in mind, the commission should include public outreach in its work plan to try to prevent this kind of thing from happening again. Commissioner Kadas noted that the applicants admitted they'd known the building was in a historic district; Commissioner Wathen added that the definition of "like for like" in the code was not ambiguous. Commissioner Kadas emphasized that commissioners respectfully disagree with staff when they occasionally differ.

VI. ADJOURNMENT: The meeting was adjourned at 11:05 p.m.

City of Corvallis Historic Resources Commission
Testimony, January 10, 2012
Johnson Carriage House (HPP11-00033)

Issues

- Relationship to primary historic structure
- Historic significance – in addition to architectural significance or visual appearance
- Period of significance in evaluating existing materials
- Replacement materials

Johnson Carriage House, companion structure to the Johnson House

The Johnson Carriage House is fundamentally related to the Johnson House (immediately north of the subject site), consequently the HRC must consider changes to the structure as it relates to elements and criteria defined by the historic residence that the Carriage House served. It is inappropriate to compare this resource to any other in the block or the district at large due to its unique relationship with its principal dwelling, the Johnson House.

Historic Significance

2.9.100.04.b.1 requires HRC review based on more than the architectural considerations. The HRC must also consider **a) the historic significance of the resource when weighing and reaching decisions.** Ella Johnson was the daughter of Cynthia Newton Fiechter Johnson and Archibald Johnson. The Fiechter House, located on the Finley National Wildlife Refuge, is one of the oldest and most significant structures in Benton County, and indeed the Willamette Valley. After the death of John Fiechter, the Johnsons raised thirteen children in the Fiechter House, and following Johnson's death, Cynthia continued to managed the highly successful family farm with her son Marion. Later in her life, Cynthia sold the expansive Fiechter holdings south of Corvallis. She moved to town to live with her daughter, Ella, in the Johnson House with its adjacent Carriage House under your consideration.

(Additional historic information also attached.) The Johnson House and Carriage House are:

- Thematically linked to three of the founding families of Corvallis and Benton County, and
- Inextricably linked to the emancipation of Benton County's women, and the Willamette Valley National Wildlife Refuge Complex.

The Johnson House and Carriage House represents significant themes – or contexts – in the history of Corvallis. Consequently, the resource under consideration merits particularly thoughtful deliberations.

Period of Significance

The 1.6 definition of Historic Integrity includes c. *Sufficient original workmanship and materials remain to show the construction technique and stylistic character of a given Period of Significance.* Manufactured wood siding installed in the 1970s is NOT within the Avery-Helm Period of Significance, circa 1870 – 1949. Consequently, discussion and alteration justification regarding the existing composite siding is meaningless – the existing composite siding was applied **after** the Period of Significance. Additionally, the existing siding is **less than 50 years old**; it has not achieved historic significance in its own right. (See 2.9.100.04.2.5.a. & b. for Alterations or New Construction to Later Additions for more guidance on this matter.) Matching a new change to an inappropriate intervening change undermines the purpose of Chapter 2.9.20.b: *Encourage, effect, and accomplish the protection, enhancement, and perpetuation of historic resources, historic resource improvements, and of historic districts that represent or reflect elements of the city's cultural, social, economic, political, and*

architectural history. Importantly original siding material remains and demonstrates the nature – material, dimensions, and profile – of the original siding. Existence of this original material allows the HRC to review the application with knowledge of actual material, not conjecture regarding unknown materials.

Replacement Materials

2.9.100.04.b.3.b Building Materials is clear: **Building materials shall be reflective of those found on the existing primary Designated Historic Resource.** This criteria is not permissive – materials **must** reflect existing materials. In the Johnson Carriage House siding, evidence of original shiplap siding exists on the interior wall of the shed which is the exterior house wall. For siding and door materials, the Johnson House as the primary resource is the reference. The same issues apply regarding the Period of Significance considerations regarding inappropriately installed non-wood doors. These proposed alterations are not historic materials. Hardi-plank is not wood. Painted steel is not wood. These substitute materials categorically fail to meet 2.9.100.04.b.2. The proposed materials are not compatible with the historic material composition of siding and doors. Failure to meet these criteria is sufficient to deny the application outright.

Previously altered doors, windows, siding etc. are not necessarily original elements. Suggesting that proposed new alterations match previous inappropriate changes and consequently meet this criterion is completely inaccurate. Such erroneous justification results in overall eroding of the historic integrity of the resource under consideration and the district overall.

Please deny the permit application.

Respectfully submitted,

BA Beierle

Johnson House, 620 SW 2nd Street, Additional Narrative

In addition to the Johnson House's architectural significance, this Designated Historic Resource – as one structure of a multi-part set – tells significant aspects of Corvallis and American history including:

- Earliest Euro-American settlement pioneers and patterns;
- Women's history;
- Conservation policy.

Ella (Eleanora) Johnson, a local milliner, and her mother, Cynthia Newton Fiechter Johnson, built this House. As a child, Cynthia Newton immigrated to the Willamette Valley with her parents. In 1850, at age 16, she married John Fiechter, and in 1849 her father, Abiathar Newton supervised construction of their home, the Fiechter House, arguably the oldest extant house in Benton County. Cynthia and John Fiechter lived on their land claim and seven children were born to them. In 1861, Fiechter died in a hunting accident and Cynthia subsequently married Archibald Johnson. John Fiechter's estate was managed by Norris Newton, Cynthia's older brother, because at the time, women did not own or manage property in their own right. Cynthia raised 13 children, seven from her marriage to John Fiechter and six from her Johnson marriage, including Ella.

After the death of Archibald Johnson in 1899, Cynthia and her family continued to live at the family farm, now managed by her eldest son, Marion. In 1906, Cynthia sold the Fiechter-Johnson House and land holdings, and retired to town, a practice prevalent among many early Willamette Valley farm families. Significantly, by this time, Cynthia could now own property and manage her financial affairs in her own right. With her daughter Ella, Cynthia Johnson helped build these properties on SW 2nd Street that represent a significant social change for women and their financial empowerment.

R. S. Hughes and John W. Foster purchased the Fiechter estate and subsequently sold it to prominent Portland entrepreneur Henry Failing, who gave the property to his three daughters. One of the daughters and her husband, Henry Cabell, purchased the other sisters' share of the property and built a hunting lodge on the former Fiechter estate. That lodge and the early Fiechter property became the cornerstone of the William L. Finley National Wildlife Refuge, a unit of the U.S. Fish & Wildlife Service.

As you review changes to this property – and the other nearby Johnson properties – please consider their exceptional historic significance in addition to their architectural style and features. Alterations by this applicant have been made to all three properties without required HRC review.



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

Approved as submitted, February 1, 2012
CITY OF CORVALLIS
PLANNING COMMISSION MINUTES
January 4, 2012

Present

Jennifer Gervais, *Chair*
 Frank Hann, *Vice Chair*
 Tad Abernathy
 James Feldmann
 Tony Howell
 Roger Lizut
 Jim Ridlington
 Jasmin Woodside
 Roen Hogg, *Council Liaison*

Staff

David Coulombe, Deputy City Attorney
 Kevin Young, Planning Division Manager
 Jeff McConnell, Development Engineering Supervisor
 Matt Grassel, Development Review Engineer
 Bob Richardson, Associate Planner
 Brian Latta, Associate Planner
 Terry Nix, Recorder

Excused Absence

Ronald Sessions

SUMMARY OF DISCUSSION

	Agenda Item	Information Only	Held for Further Review	Recommendations
I.	Visitors' Propositions			
II.	Deliberations/Consideration of Applicants' Request to Postpone Decision: Harrison Apartments (PLD11-00004, SUB11-00001)			Continue deliberations to February 1 and grant applicant's request for additional time to revise application; reopen the evidentiary portion of the public hearing for testimony on any part of the application.
III.	Public Hearing: Good Samaritan Regional Medical Center Cancer Center Annex (PLD11-00007)			Approved with modifications.
IV.	Planning Commission Minutes: December 14, 2011			Approved with one revision.
V.	Old Business	X		
VI.	New Business A. Planning Division Update	X		
VII.	Adjournment – 9:46 p.m.			

CONTENT OF DISCUSSION

The Corvallis Planning Commission was called to order by Chair Jennifer Gervais 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. **DELIBERATIONS/CONSIDERATION OF APPLICANTS' REQUEST TO POSTPONE DECISION – Harrison Apartments (PLD11-00004, SUB11-00001)**

Chair Gervais drew attention to the staff memorandum regarding the applicant's request and final written argument. The applicant has requested that the Planning Commission continue deliberations to February 1, 2012, and allow more time for the applicant to revise their application to address concerns expressed at the December 14, 2011, public hearing.

In response to inquiries from the Commission, City Attorney Coulombe said that the Commission could decide to move forward with deliberations tonight or to postpone deliberations to a date certain. If deliberations are postponed, the Commission should also decide whether or not to reopen the evidentiary portion of the public hearing and, if so, whether new testimony will be allowed for the limited purposes of the applicant's revised materials or for the entire application. Planning Division Manager Young said the applicants have granted a 90-day extension to the 120-day rule; sufficient time is built into the process to allow the applicant's revisions to come forward and for planning staff to review and prepare a staff memorandum, as well as for the required public meeting notice and the ability to hold the record open for an additional seven days if that request comes forward.

Commissioner Howell said that, in a Planned Development, new evidence may relate to other issues in terms of balancing; he asked if staff had thoughts about how practical it would be to maintain fair boundaries for all parties. Planning Manager Young said the Planning Commission could endeavor to limit the scope of new testimony but staff is comfortable opening it up to all applicable criteria. In response to an inquiry from the Chair, he said that, if staff was not able to do a complete analysis on the revised application in the time available, the Planning Commission would meet to decide on February 1st whether to allow more time to deliberate with an incomplete staff analysis..

MOTION: Commissioner Hann moved to continue deliberations on the Harrison Apartments land use application and to grant the applicants' request for additional time to revise the application to address concerns expressed at the December 14, 2011, Planning Commission public hearing. Deliberations will be continued to the February 1, 2012, Planning Commission meeting. Commissioner Abernathy seconded the motion and it **passed** unanimously.

MOTION: Commissioner Feldmann moved to reopen the public record on February 1. Commissioner Lizut seconded the motion and it **passed** unanimously with Commissioner Woodside abstaining.

Chair Gervais asked if Commissioners would like to reopen the record for testimony on the applicant's revised materials or the entire application. Commissioner Hann said it appears that the applicant's revised materials will be about the parking issue; the public comments were related to both parking and compatibility issues so he is not in favor of trying to limit the public input. Commissioner Lizut said he thinks that conversation on this important issue needs to continue; his preference is to allow testimony on all applicable criteria. Commissioner Abernathy said he does not want to rehash what has already been discussed; he would prefer to allow new testimony only on new

evidence. Commissioners Feldmann and Ridlington said they would prefer to allow discussion on the entire application. Commissioner Howell agreed with the idea of allowing testimony on the entire application to provide more flexibility for all parties.

MOTION: Commissioner Feldmann moved that the Planning Commission accept testimony on all parts of the application and not limit testimony to new information brought forward by the applicant. Commissioner Lizut seconded the motion and it **passed** unanimously with Commissioner Woodside abstaining.

Commissioner Woodside said she was absent from the December 14 public hearing; she has reviewed the tapes and will read the testimony and be prepared to deliberate on February 1.

Chair Gervais said that Commissioner Session's written testimony has been added to the public record. This issue will be discussed further under New Business.

Staff asked if Commissioners Howell and Feldmann would like to hear staff responses to their questions from the last meeting. Commissioner Howell said he is comfortable postponing staff responses to his questions, some of which may carry over to the applicant's proposed modifications. Commissioner Feldmann said he would prefer to hear verbal responses to his questions at this time.

Staff summarized Commissioner Feldmann's questions, previously submitted, and provided responses as follows:

Clarify the use of the parking lane on the south side of Harrison Boulevard. Could that be used for a left turn lane? Development Review Engineering staff said it may be possible to remove the parking for a turn lane, but to remove parking would require a traffic order and associated process including public outreach and signature by the City Manager. Since parking in this area is already in high demand, removal of on-street parking would likely aggravate the situation. The Transportation Master Plan recommends that access to sites be taken from local streets. A left turn off of Harrison would result in more conflicts and slower traffic on Harrison.

How many parking spaces does the existing/previous use have? Clarify how comparative trips are the same if the existing/previous development had fewer parking spaces? What year is that comparison from? Planner Richardson said that a 1988 application for a childcare facility indicated that there were 124 parking spaces; not all of those spaces were on the subject site of this application and it is not clear if those spaces were built to City standards, so it is hard to know how that would translate based on today's standards. The applicant is able to propose more parking with compact spaces and parking below the building. Public Works Engineering staff added that trip generation rates are based on the square footage of the type of use; there may be more trips than parking spaces if there is revolving use of a space by multiple cars.

Is there bike/pedestrian access along the west side of the project connecting Short Avenue and Harrison Boulevard for those using the bike parking on the west side? Is there room to walk a bike around the building or is that bike parking intended only for access from Harrison? Planner Richardson said that a person could access bike parking spaces on the west side of the proposed building from Harrison Boulevard or Short Avenue. The most direct route would be from Harrison Boulevard but a person coming from Short Avenue could walk their bike down the fire lane to access the bike parking even if the tandem spaces were occupied, although it may be more difficult.

Will the driveway near the southeast corner of Arnold and Harrison remain? Will future uses of that neighboring property use that Harrison entrance? Public Works Engineering staff said that the access to an existing parking lot straddles the property line and the applicant does not own the property to west. To maintain access to that parcel, there is a condition of approval that requires a public access easement for the driveway to remain.

Are the existing trees along Short Avenue proposed for removal? Planner Richardson said the row of mature trees on the north side of Short Avenue are on private property and are proposed to be removed. There is a recommended condition of approval that says two trees on the south side of Short Avenue should be preserved. Trees in the public right-of-way would be expected to be preserved unless the City said otherwise; the Commission could revise Condition #3 to make the protection of those trees even more clear.

Commissioner Howell said the ivy-covered trees on the north side of Short Avenue are given protection in the Land Development Code because of their size, even though they are on private property. He asked that staff bring back information on modifications that might preserve those trees.

II. PUBLIC HEARING – Good Samaritan Regional Medical Center Cancer Center Annex (PLD11-00007)

A. Opening and Procedures:

The Chair welcomed citizens and reviewed the public hearing 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 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 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.

The Chair opened the public hearing.

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

1. Conflicts of Interest: Commissioner Hann said he occasionally works for Good Samaritan Medical Center as a casual employee and his wife is employed by them; this will not

affect his ability to make a fair and impartial decision. Chair Gervais said she is a volunteer with Good Samaritan Medical Center; this will not impact her ability to make a fair and impartial decision in this matter.

2. Ex Parte Contacts: None.
3. Site Visits: Commissioners Abernathy and Howell declared site visits.
4. Objections on Jurisdictional Grounds: None.

C. Staff Overview:

Planner Latta reviewed Comprehensive Plan Map designations, Zoning Map designations, Natural Features Map designations, and Existing Conditions of the subject site and surrounding properties. He said the applicant proposes a Major Modification to the Good Samaritan Regional Medical Center (GSRMC) Campus Master Plan to construct a 17,300 sq. ft. Cancer Center Annex building, a 55-space parking lot, and a 2,305 sq. ft. addition to Medical Office Building (MOB) #1. These changes to the master plan require the following changes to Table 5.1 – Schedule of Projects by Priority: add 7,300 sq. ft. to the Cancer Center addition project; bring Parking Lot #4 from a 2-5 year project to a present-2 year project; add 982 sq. ft. to MOB #1; eliminate the MOB #3 project; reduce the square footage of the West Tower Phase 2 project by 13,960 sq. ft.; and reduce the square footage of the Neville Building by 3,328 sq. ft. Other changes to Table 5.1 include: moving the 2-5 year Hospital Parking Structure project after the 2-5 year Major Surgery Center, Elks/99W Traffic Signal & Highway Turn Lanes, and Same Day Center projects; adding 13,960 sq. ft. to the West Tower (Phase 3) under the 2-5 year project list; and adding 3,328 sq. ft. to the Neville Building under the 2-5 year project list. In conjunction with the Cancer Center Annex building, the applicant requests five variations to the following LDC standards: maximum cut and fill standards (4.14.70.04(d).1); three Pedestrian Oriented Design Standards (4.10.70.03(b).4, 4.10.70.05(b).6(a), 4.10.70.05(b).6(a).2); and the front yard setback standard (GSRMC Master Plan Table 6.1).

Planner Latta distributed and reviewed a memorandum *Re: GSRMC Cancer Annex Condition of Approval*, with a new proposed Condition #13 related to Cancer Center Annex floor area. It was brought to staff's attention this morning that approximately 8,000 sq. ft. of floor area on the second floor was not included in the applicant's analysis or staff's review of the application. The proposed condition of approval would restrict the maximum floor area to 17,300 sq. ft. to be contained within the first floor and service level of the building. The applicant would be allowed to construct the exterior, but no occupancy of the second floor will be allowed without approval of a Major Modification of the Campus Master Plan.

D. Legal Declaration:

Deputy City Attorney Coulombe said the Commission will consider the applicable criteria as outlined in the staff report, and he asked that citizens direct their testimony to the criteria in the staff report or other criteria that they believe 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.

The failure of the applicant to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the local government to respond to the issue precludes an action for damages in Circuit Court.

E. Applicant's Presentation:

Lyle Hutchens, Devco Engineering, said that the application involves modifications to the GSRMC Campus Master Plan Phase 1 projects to increase the allowed Cancer Center expansion from 10,000 sq. ft. to 17,300 sq. ft. and increase MOB #1 from 23,000 sq. ft. to 23,982 sq. ft. The changes as proposed would remain traffic neutral. The offset for the increase in proposed floor area is a corresponding decrease in floor area in the recently completed West Tower and the existing Neville Building. At the Neville Building, the designated space will be abandoned, the existing interior improvements demolished, and fire protection assured. No building permits will be issued for the West Tower or the Neville Building until the Campus Master Plan update is completed.

Mr. Hutchens showed views of the project. The Cancer Center Annex is proposed as 17,300 sq. ft. split-level building with patient services to be provided on the main level. The main level matches the floor elevation of the existing Cancer Center. The service level provides for mechanical and electrical infrastructure, service entrances, ADA parking, and accessible access to the main floor via elevator. A mechanical penthouse is proposed on top of the main floor. The mechanical penthouse and the utility infrastructure service entrances are uninhabitable spaces and are closed from view by architectural and structural building elements which make them appear to be part of the overall structure. The application also requests permission to construct a partial second floor core and shell only space for future completion and occupancy after the master plan update. Another goal for this application is to be able to complete the work begun with the Cascade View MOB. The application proposes to comply with design standards in the existing Campus Master Plan and applicable Land Development Code standards except for where variances are requested. He reviewed each of the requested variances and proposed compensating benefits as detailed in Table 2.2 of the application.

Grading: Due to the need to construct the Cancer Center Annex at approximately the same elevation as the existing Cancer Center for the purposes of transporting at-risk and physically compromised patients, the project proposes to vary from the grading cut/fill maximum standard. The existing topography at the site slopes generally from west to east at an average slope of greater than 8% and an elevation change that exceeds vertical 25'. In order to meet all City off-street parking and access standards as well as accessibility standards mandated by the ADA, the building is to be constructed with a maximum cut/fill of approximately 25' and surface parking lot #4 is to be constructed with a maximum cut of 11' and maximum fill of approximately 4'.

Covered Walkways: The Land Development Code requires covered walkways to extend to the public right-of-way. While a pedestrian connection is proposed between the front entrance of the Cancer Center and NW Elks Drive, it is not proposed to be covered. It is highly unlikely this pedestrian access will be heavily used due to the steep slopes on NW Elks Drive and because patients are not likely to walk to the facility. There is an existing covered drop-off area abutting the existing Cancer Center which is proposed to be connected to a covered walkway to provide access between the two buildings. The compensating benefit for the lack of covering over the NW Elks Drive pedestrian connection is a covered plaza at the southeast entrance to building which is larger than would be required.

Windows: At the south elevation, windows comprise approximately 47 percent of the street facing façade; this does not meet the required minimum of 60 percent. The shortfall is the result of a lack of windows on the service level. Given that the service level space is to be used

for building infrastructure support and partially covered accessible parking, providing windows into uninhabitable spaces would not enhance the aesthetic experience of pedestrians. The compensating benefit proposed is windows on floors above grade level in quantities in excess of what would be required.

Window Opacity: Not all of the ground floor windows are to be provided with the required maximum opacity or allow for views into the rooms. This is based on the fact that the medical services to be provided in this building require a certain level of privacy. The compensating benefit is the ability of GSMRC to provide quality care to its patients while maintaining their right to privacy.

Front Yard Setback: At one point along NW Elks Drive the building is located 16'7" from the right-of-way line, the minimum setback being 20'. The layout was determined by the need to orient the building to the existing Cancer Center, provide adequate building space for all necessary patient care programs, and allow space for a healing garden to be constructed between the two buildings. The compensating benefit is that the building in this area is limited to a single story and the apparent massing is less than it would be with a two-story building.

Mr. Hutchens showed a table from the application with respect to parking; with the inclusion of parking lot #4, the required parking minimums are met or exceeded campus wide. He reviewed Table 2.1 from the application which demonstrates how the proposal complies with applicable Pedestrian Oriented Design Standards (PODS) except where variances are requested. He showed a trip generation summary which demonstrates a net zero change in trips generated.

Mr. Hutchens said the Commission might ask why the applicant does not wait until the full Campus Master Plan update to request these changes. The answer is that the need for Cancer Center infusion services has increased system-wide making this project a priority, and that a donor came forward with a significant contribution with the direction to get the project moving. Because the Oregon Department of Transportation (ODOT) is part of the approval process for a full master plan update, this modification process was chosen to keep the decision on this project at local level in order to get the project moving. With regard to the full master plan update, the applicant has initiated a traffic impact study (TIS) and the proposed scope of work for the TIS has been submitted to staff and ODOT for review. Another question the Commission might have is why the applicant doesn't use vacant space in the West Tower for this purpose. The answer is that the West Tower is not proximate to the Cancer Center and would be inefficient from a staff and patient care perspective.

Mr. Hutchens said the applicant is in agreement with staff's recommended conditions of approval with one exception. He asked that proposed Condition 13 be revised to state "The Cancer Center Annex building is approved for a maximum floor area of 17,300 sq. ft. of *habitable space*...."

Commissioner Howell said that Condition 3 specifies a Significant Vegetation Management Plan shall delineate a minimum of 25 percent of the PPSV-4 vegetation area to be placed in common space; the applicant has indicated 94 percent of the area will be able to be protected. He asked if the applicant would feel safe if the condition had an amount higher than the 25 percent. Mr. Hutchens said the 94 percent figure was cited because the majority of the PPSV-4 area is considerably north of the construction site and the majority of that area will be preserved with no development proposed.

In response to an inquiry from Commissioner Howell, Mr. Hutchens pointed out proposed retaining wall work throughout the project area. In response to further inquiries from Commissioner Howell, Mr. Hutchens pointed out the location of the accessible parking spaces and covered bicycle parking. Commissioner Howell asked if the covered bicycle parking would be apparent to someone coming into the parking lot. Mr. Hutchens said probably not without some signage; it is expected to be used primarily by staff of the facility. Commissioner Howell asked if there is any uncovered bicycle parking. Mr. Hutchens said he would anticipate that there would be a few uncovered spaces above.

In response to further inquiries from Commissioner Howell, Mr. Hutchens further reviewed the proposed circulation and access as detailed in the application.

In response to inquiries from Chair Gervais, Mr. Hutchens said the demolition process at the Neville building to ensure it is not occupiable would need to occur for the next iteration of development. He would suggest a condition of approval that no building permits will be issued for the Neville building or the West Tower until such time that we go through a land use approval process for the Campus Master Plan update.

F. Staff Report:

Planner Latta again reviewed the request to construct a 17,300 sq. ft. Cancer Center Annex building, a 55-space parking lot, and a 2,305 sq. ft. addition to MOB #1; the applicant requests five variations to Land Development Code standards. Mr. Latta reviewed existing and proposed Attachment F of the campus master plan. He cited the Planned Development Compatibility Criteria and reviewed each of the five requested variations, the proposed compensating benefits, and the staff analysis for each as detailed in the written staff report.

Regarding variation to LDC Section 4.14.80.04(d) – Individual Lot Grading, the compensating benefits include consistency with the Campus Master Plan, and the ability to protect the accessibility, health, safety and welfare of the patients being moved between the Cancer Center Annex and the existing Cancer Center building. Given the language in the Campus Master Plan which states that any maximum cut and fill standards are waived, the ability to provide better service to patients, and consistency with Comprehensive Plan policies, staff recommend approval of the variation.

Regarding variation to LDC Section 4.10.70.03(b).4 – Covered Walkways, the compensating benefits include a covered pedestrian plaza at the south entrance of the building. The plaza would provide more covered area for pedestrians than would a covered walkway from the south entrance to the public sidewalk. Because of the midblock location and the use of the building, staff did not anticipate high volumes of pedestrian travel to the buildings. Given the amenity and the analysis in the staff report, staff recommend the Planning Commission grant this variation.

Regarding variation to LDC Section 4.10.70.05(b).6.(a) – Ground Floor Windows and Doors, a portion of the ground floor service level did not meet the requirement and the applicant proposes as a compensating benefit of window coverage for the second and third floor (above the service level) on the south façade of more than 60 percent. Given that the two floors would have percentages well above what is required and based on the analysis in the staff report, staff recommend approval of the variance.

Regarding variation to LDC Section 4.10.70.05(b).6(a).2 – Window Type, the applicant’s compensating benefits include that the windows proposed to exceed the opacity standard are for rooms where medical procedures and services will be provided. The greater opacity gives patients privacy while allowing people inside of the building to see out. Staff recommend approval of the variance.

Regarding variation to Table 6.1 of the Campus Master Plan – Minimum Front Yard Setback, the applicant proposes to construct within 16’7” adjacent to NW Elks Drive. The reduced setback allows the applicant to provide healing gardens level with the existing Cancer Center and proposed Annex which is an efficient use of land. Limiting the height of the Annex to 17’ is a design consideration proposed by the applicant to reduce the overall scale of the building. Given that the nearest building is more than 100 feet away and is separated by NW Elks Drive, staff feel this will not introduce compatibility conflicts with existing or proposed development. Staff recommend approval of the variance.

Planner Latta reviewed the remaining Compatibility Criteria and other applicable Planned Development Criteria, as detailed in the staff report, and said staff find the criteria are met. Staff recommend that the Planning Commission approve the request.

- G. Public Testimony in favor of the application: None.
- H. Public Testimony in opposition to the applicant's request: None.
- I. Neutral testimony: None.

The Chair reminded people that speaking neutrally removes rebuttal rights.

Questions of Staff:

In response to a question from Commissioner Abernathy, staff said that MOB #3 was conceptually approved; with this approval the parking lot replaces that building and eliminates MOB #3 from the Campus Master Plan.

Commissioner Howell asked if staff has any concern about the applicant’s requested change to Condition #13. Engineering Supervisor McConnell said he would suggest using the phrase *occupiable space* as opposed to *habitable space*.

Commissioner Howell said the condition of approval says the applicant shall provide a Significant Vegetation Management Plan which delineates a minimum 25 percent of the PPSV-4 vegetation area to be placed in common areas; the applicant indicates that it can meet 94 percent. This seems an opportunity to solidify compensation for what is in the plan already. He asked for staff input. Planner Latta said the applicant’s 94 percent figure is based on this current proposal and doesn’t include impacts of future phases. He would hesitate to stipulate a strong number that could potentially conflict with the applicant’s conceptual approvals.

Commissioner Howell asked for staff input regarding a condition related to signage to the covered bicycle parking. Planner Latta said he thinks that would be appropriate; staff will prepare a draft condition for consideration.

In response to inquiries from Commissioner Hann, Planner Latta said that construction of intersection improvements with the realignment of NW Elks Drive was scheduled for 2012; that is behind schedule. The 2009 approval is close to being maxed out in the amount of allowed vehicle trips campus-wide which required shuffling of square footage with this application.

Commissioner Hann recalled that the West Tower had greater than allowed cut and fill; he asked if there were any problems with that implementation, and staff said no.

J. Rebuttal by Applicant: None.

K. Sur-rebuttal: None.

L. Additional time for applicant to submit final argument:

The applicant waived the additional time to submit written argument.

M. Close the public hearing:

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

N. Discussion and Action by the Commission:

MOTION: Commissioner Howell, moved to approve the proposed Major Planned Development Modification (PLD11-00007) with conditions, as described on Attachments A and K of the December 23, 2011 Staff report, with the addition of staff-proposed Condition 13 in their memo of January 4, 2012, with the modified wording of "The Cancer Center Annex building is approved for a maximum floor area of 17,300 sq. ft. *of occupiable space...*". The motion is based upon the staff recommendation to the Planning Commission. Commissioner Hann seconded the motion.

Chair Gervais asked if occupancy includes storage. Planner Latta said Development Services has allowed storage of construction materials but not hospital equipment.

In response to a request from Commissioner Howell, staff provided the following additional proposed conditions of approval:

Condition 14: The applicant shall not allow occupancy of the proposed 13,960 sq. ft. area of the West Tower Phase 2 and shall restrict occupancy of the proposed 3,320 sq ft. of the Neville Building until occupancy of these areas is approved through a future Detailed Development Plan.

Condition 15: Directional signs in compliance with Sign Code requirements shall be provided at the point of access into the southeast parking lot identifying the location of covered bicycle parking on the site. Additionally, the applicant shall provide four additional uncovered bike spaces at the proposed bike parking location on the first floor level.

MOTION TO AMEND: Commissioner Howell moved to amend the motion to include Condition #14 as written by staff. Commissioner Woodside seconded the motion and it **passed** unanimously.

MOTION TO AMEND: Commissioner Howell moved to amend the motion to include Condition #15 as written by staff. Commissioner Woodside seconded the motion.

Commissioner Feldmann said that signage may not be necessary if the covered bike parking is to be used primarily by staff. Commissioner Howell said that the Code requires pedestrian access be as direct as possible. Although the spaces may primarily be used by employees, they should also be accessible to customers, i.e., people coming in to support patients, and signage would help them to find the covered bike parking.

The motion to amend **passed** unanimously.

The amended main motion **passed** unanimously.

O. ⁸ Appeal Period:

The Chair explained that the decision will be effective 12 days from when the Notice of Disposition is signed, unless an appeal is filed with the City Recorder.

III. PLANNING COMMISSION MINUTES:

A. December 14, 2011:

Commissioner Feldmann requested a minor wording modification on Page 21, the second to last paragraph, the last sentence.

MOTION: Commissioner Howell moved to approve the minutes as revised. Commissioner Abernathy seconded the motion and it **passed** unanimously.

IV. OLD BUSINESS:

Commissioner Hann referred to previous discussions about the need for City standards regarding variability in facades to address the number of townhouses being built with the same repetitive appearance. He asked how the Planning Commission could encourage the City Council to have that occur. Planning Manager Young said a package of Land Development Code tweaks will be coming forward and that might an opportunity to make a recommendation. In response to further inquiry from Commissioner Hann, Planning Manager Young said that, if the feeling is that staff is interpreting the Code in a certain way and the Planning Commission feels a different interpretation is correct, that could be expressed to the City Council; however, if the issue is that the Code standards are not satisfactorily addressing the issue, that would require a Code change process. Commissioner Hann stated that he thinks the homogenization of our neighborhoods is an important issue.

V. NEW BUSINESS:

A. Planning Division Update:

Planning Division Manager Kevin Young reported that the City Council has preliminarily decided to place the McFadden annexation on the May ballot. He advised that the Planning Division is advertising to hire an assistant or associate planner to fill space vacated by Senior Planner Kelly Potter; he hopes to have that position filled by late February.

Planner Manager Young referred to e-mail correspondence from Commissioner Sessions regarding the Harrison Apartments. He believes there is a desire on the part of the Commission to talk about how a Commissioner might best express an opinion about a land use application if they are unable to attend a public hearing, and how the Planning Commission might treat that input. Chair Gervais added that there is a concern that Commissioners responding to an e-mail could inadvertently result in a quorum situation which goes against public meeting law. City Attorney Coulombe said that there is no vote by proxy; therefore, a Commissioner who cannot attend a public hearing can give their point of view and individual Planning Commissioners can give that input whatever weight they think it deserves. He shared information about a case in Lane County in which decision makers engaged in e-mail and written correspondence which did not satisfy the quorum requirement, but a judge nevertheless found their actions were intended to push a vote in a direction outside of public process. He suggested that it is not a good idea to engage in conversations that are deliberative in nature outside of the public meeting. Chair Gervais suggested that, in the future, Commissioners e-mail any correspondence to staff who can then distribute it as part of the record. Brief discussion followed.

VI. ADJOURNMENT: The meeting was adjourned at 9:46 p.m.



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

Approved as corrected, February 15, 2012
CITY OF CORVALLIS
PLANNING COMMISSION MINUTES
January 18, 2012

Present

Frank Hann, *Vice Chair*
 James Feldmann
 Tad Abernathy
 Jim Ridlington
 Tony Howell
 Ronald Sessions
 Roger Lizut
 Jasmin Woodside

Staff

David Coulombe, Deputy City Attorney
 Kevin Young, Planning Division Manager
 Greg Gescher, Public Works Engineering
 Supervisor
 Ted Reese, Development Review Engineer
 Aaron Manley, Public Works Engineer
 Jackie Rochefort, Park Planner
 Brian Latta, Associate Planner
 Bob Richardson, Associate Planner
 Claire Pate, Recorder

Excused Absence

Jennifer Gervais, *Chair*
 Biff Traber, *Council Liaison*

SUMMARY OF DISCUSSION

	Agenda Item	Information Only	Held for Review	Recommendations
I.	Visitors' Propositions			
II.	Capital Improvement Program for FY 2013-FY 2017			Recommend adoption
III.	Public Hearing - OSU Major Replat, Sectors B & C (SUB11-00002)			Approved, with revisions
IV.	Public Hearing - OSU Major Replat, Sectors C & D (SUB11-00003)			Approved.
V.	Old Business			None
VI.	New Business A. Planning Division Update			For information only
VII.	Adjournment – 9:16p.m.			

Attachments to the January 18, 2012 minutes:

- A. OSU Major Replat, Sectors B & C, staff presentation by Bob Richardson.
- B. OSU's Proposed Development Related Concern, submitted by Eric Adams.
- C. Written testimony, submitted by Gary Angelo, President College Hill Neighborhood Association.
- D. OSU Major Replat, Sectors C & D, staff presentation by Bob Richardson.

CONTENT OF DISCUSSION

The Corvallis Planning Commission was called to order by Vice Chair Frank Hann at 7:00 p.m. in the Downtown Fire Station Meeting Room, 400 NW Harrison Boulevard. Introductions were made.

- I. **VISITOR'S PROPOSITIONS:** There were no propositions brought forward.
- II. **PUBLIC REVIEW OF CORVALLIS CAPITAL IMPROVEMENT PROGRAM (CIP) FOR FY 2013-FY 2017:**

- A. **Opening and Procedures:**

Chair Hann said that the order of proceedings would be a staff overview, with Public Works presenting as the applicant. Public comment would then be taken. Deputy City Attorney Coulombe added that this was not a land use decision, but was more along the lines of a legislative hearing. After taking public comment, the Commissioners would then deliberate and make a determination as whether they concur with staff's conclusion of consistency with the criteria, and the associated recommendations; and forward these determinations back to the Capital Improvement Program Commission and the City Council.

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

- 1. Conflicts of Interest
- 2. Ex Parte Contacts – Commissioner Woodside declared that she was part of a South Corvallis mailing list on which there had been discussion about the shared use paths for that area, but it would not impact her ability to make a fair and impartial decision.
- 3. Site Visits – none
- 4. Objections on Jurisdictional Grounds - none

- C. **Staff Report**

Associate Planner Latta said that he would incorporate the staff report into the staff overview and then turn the session over to Public Works to present the application. Each year the Planning Commission is asked to evaluate the proposed Capital Improvement Program (CIP) for consistency with the Corvallis Comprehensive Plan (CCP), facilities master plans, and other applicable land use policies and standards. The staff report focuses on the new projects added to the program as well as changes to projects already in the program. In addition to reviewing the projects for consistency with the policies and plans, staff also evaluated each project with regard to meeting at least one of four

criteria: 1) it is required by State and/or Federal agencies; 2) it impacts public safety; 3) it continues maintenance of central services; or 4) it contributes to the City's economic growth. Staff find that all projects meet at least one of these criteria. In general, staff found that the proposed changes to the CIP are consistent with the CCP and applicable facility master plans, area plans and land use policies and standards. Planning staff made three recommendations to the proposed projects:

- Morris Avenue Bridge - design of the bridge shall be in compliance with the floodplain regulations in the LDC Chapter 4.5 since it crosses over a drainageway.
- Municipal Buildings Rehabilitation – prior to enclosing the second floor patio of the library an application needs to be submitted for a Planned Development Modification and for a Historic Preservation permit.
- Taylor Plant Facility projects – since the facility is partially located within the Willamette River Greenway (WRG), there might be a requirement to obtain a WRG permit.

Given the proposed recommendations and analyses in the staff report, staff find that the proposed changes are consistent with the applicable City policies and have included a recommendation on page 21 of the staff report for Planning Commission consideration.

D. Applicant Presentation:

Aaron Manley, Public Works, explained that the CIP is a five-year plan updated each year. The “out-year” elements of it are subject to change in either scope or timing, and each year new projects get added. This review is for projects that have been added, or projects that have had a change in scope. Jackie Rochefort, Parks and Recreation, joined Mr. Manley in presenting the projects under review, as fully described in the document “Draft Proposed FY 2013-2017 CIP 2013 Update.” Greg Gescher, Public Works, also assisted with responses to questions raised by the Commissioners. The projects are listed below, with further elaboration and responses to questions noted for items where appropriate.

City Hall Block:

- There is a scope change in FY 14-15 to add Municipal Court seismic improvements, window and roof replacement; and masonry restoration for City Hall.
- The City has had to revisit some of the assumptions about the City Hall block due to decisions made by the County, and is now investigating feasibility of a possible purchase of the Municipal Court building. For this reason, these improvements are necessary.

Municipal Buildings Rehabilitation:

- There is a scope change in FY 15-16 to enclose the Library 2nd floor patio.

Acquisition of Land: Neighborhood Park Placeholder:

- Add the purchase of property for a neighborhood park project in FY 14-15, per the Parks and Recreation Master Plan which will be updated this year.

Park Development – New: Neighborhood Park Placeholder:

- Scope changes as outlined in FY14-15 and FY15-16.

Park Facility Renovation:

- In the process of evaluating the budget, a decision was made to postpone by one year any project that was funded either wholly or in part through the Park and Recreation Fund, or general funds. In FY 12-13, projects funded by other means will be accomplished.

- The City does get revenue from use of Pioneer Park for softball as well as for parking during OSU games.

Existing Park Improvements:

- Several changes to the timing and scope of park improvements, including Avery Rose Garden and Tunison Park covered play area.

Special Use Facilities: Community Gym:

- Design and construct a Community Recreation Center in FY15-16 and FY16-17. The City now relies on the 509J School District for indoor facilities, but the City always receives requests to construct a recreation facility of its own. The intent will be to not duplicate facilities but to either combine or expand where necessary.

Trails/Bike Paths: Trail Surface Improvement Placeholder:

- Includes a scope change and a modification to the timing of existing projects, as outlined in the CIP document.

Marys River – Crystal Lake Drive Shared Use Path:

- Budgets \$80,000 for a feasibility assessment in FY 12-13.

Morris Avenue Bridge:

- Design and construct a bridge replacement in a Highly Protected Riparian Corridor.

Pedestrian Crossings:

- The grant referred to in the CIP document was not received for constructing actuated, flashing pedestrian crossing signals, so the project was moved out to FY15-16.
- The 9th Street crossing just south of Spruce will still be put in and is currently being designed.
- There are no statistics on how successful these crossings are but there has been a lot of positive feedback from users.

Safe Routes to School:

- \$343,950 in an ODOT grant is included for FY 12-13 for improvements including bulb-outs, sidewalk construction, ADA ramps and speed feedback signs for Garfield, Lincoln, Hoover and Jefferson schools, as outlined in the CIP draft.

Tunison-Avery Shared Use Path:

- A feasibility assessment has been added to the budget, similarly as for the Marys River-Crystal Lake Drive Shared Use Path project. This was added during the CIP hearings due to significant public support.
- There are similar issues as for the Marys River-Crystal Lake Drive path, relating to alignment, land acquisition easements and environmental issues.
- Staff will be looking for grant opportunities to fund this project as well as the other shared-use path.
- Commissioner Howell expressed his appreciation for planning ahead for these paths. He hoped this would become a trend, wherein precise conceptual trails are identified and can therefore be applied as new development occurs in those areas. There were some missed opportunities for routing shared use paths as part of land use applications that were recently considered, because a more definitive plan was not in place.

Avery Park Sanitary Lift Station:

- This project is in an “out-year” to replace aging pumps and add emergency power to the facility.

Wastewater Reclamation Plant Motor Control Center Replacement:

- This facility is inside the 100-year floodplain and will need to be elevated.

Rock Creek Filter Addition:

- This project will add a third filter to the facility in an “out-year.”

Taylor Plant Facility Projects:

- The new project is to construct a high-service pump and do some meter replacement in an “out- year.”

Over the five-year period covered by the draft CIP, anticipated expenditures are \$60.6 million on 59 projects. In FY12-13, \$7 million will be spent.

In response to a question from Commissioner Feldmann, Mr. Manley said that the amount of money spent fluctuates from year-to-year. Additionally, just because a project is included in the CIP there is no guarantee that it will be constructed as it is dependent on getting funding.

E. Public Comment:

Brad Upton, Chair of the Bicycle-Pedestrian Advisory Commission (BPAC), said he had not intended to testify but wanted to point out that three of the projects presented were projects on which BPAC has heard a lot of testimony. Two are on their “top-ten” list, including the Marys River to Crystal Lake multi-use path and the pedestrian crossings. The Tunison to Avery multi-use path has also been discussed and they agree that there is a high need for it. They had not received a lot of testimony relating to it until the meeting they held right after ranking the projects. At that next meeting, 15-20 people came to speak on its behalf.

F. Deliberations:

Commissioner Ridlington reminded the Commissioners that a lot of time of many other people has already gone into the process and that all of the projects have been well filtered and worked through.

Commissioner Howell reiterated his concern for a proactive approach to planning trails and shared use paths, and asked staff if there has been discussion about how to get this accomplished. Planning Division Manager Young said that staff is aware of the issue, most recently as they have looked at the placement of trails in natural resource areas and how to balance competing interests in providing access to those areas while minimizing impacts. One effort that will address this issue will be the update to the Park & Recreation Master Plan. Commissioner Howell agreed that this will be a good effort, but that work will also have to be done to look at multi-use paths in areas that are property-constrained so that easements can be appropriately obtained with new development. Mr. Young said that providing too much specificity in regards to path alignments can be problematic at times because property acquisition can be a delicate dance. There might be a concern with getting locked into a specific alignment in that it could put the City at a disadvantage. Ms. Rochefort added that at the level of the Parks and Recreation Master Plan they can only show an exact alignment on public

property. They cannot assume that a private property owner will be giving them an easement for specific pieces of property. For this reason, they show conceptual trails and multi-use path locations. This leads back to the larger conversation about whether trails should follow resources, rail lines, or sidewalks, etc. and that is the conversation they will be having as part of the update process. Commissioner Howell opined that if it is not laid out with some specificity even across private property, then it will be disjointed. They ought to at least look at what alignments might be feasible, as part of the master planning process. Mr. Young added that part of the confusion with the Conser and McFadden applications was that the Rails-with-Trails path was not actually a trail included in the Parks and Recreation Master Plan. It is something that the City and County are interested in pursuing but the specificity is not there because it has not as yet been incorporated into the plans. With the update, this ought to be more specifically addressed. Mr. Latta added that the Planning Commission also has the ability to propose projects each year for the CIP as they might identify a need.

Commissioner Hann asked if private property owners get notified if as part of a master plan update their property is identified as a feasible location for a path. Ms. Rochefort said that the public gets notice, but they do not send out individual notifications. She will bring that suggestion back to the stakeholder group when it gets formed. Mr. Young said that the Planning Commission will be a part of the master plan review process though that review comes later in the process. Ms. Rochefort added that Planning staff will be part of the stakeholder committee, and that they certainly would be happy to invite a representative of the Planning Commission to take part.

Commissioner Hann suggested that with the “Safe Routes to School” program, it would be good to have as much consistency as possible. There are a lot of different signs used for the various approaches to schools.

Commissioner Woodside added her support for pedestrian crossings. She likes using them, especially the crossings on Circle Boulevard.

MOTION: Commissioner Howell **moved** that the Planning Commission concur with the staff report conclusions for consistency with criteria and associated recommendations, and forwards these determinations of consistency and recommendations for the FY2013-17 CIP to the CIP Commission and to City Council. Commissioner Feldmann **seconded** the motion, which **passed** unanimously.

III. PUBLIC HEARING – OSU Major Replat, Sectors B & C (SUB11-00002)

A. Opening and Procedures:

The Chair welcomed citizens and reviewed the public hearing procedures. Staff will present an overview (Attachment A) 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 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 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. Requests for allowing the record to remain open should be included within a person's testimony.

The Chair opened the public hearing.

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

1. Conflicts of Interest - none
5. Ex Parte Contacts – none
6. Site Visits – by Commissioners Howell, Feldmann, and Ridlington
7. Objections on Jurisdictional Grounds - none

C. Staff Overview:

Associate Planner Richardson said the project under review is Oregon State University (OSU) Sectors 'B' & 'C' Major Replat. The applicant, OSU, is proposing to consolidate 91 platted and unplatted parcels into 5 lots. If this application is approved, the applicant will also record an alley vacation and vacation of two walks which were approved by the City Council at its last meeting. The subject site is within Sectors 'B' and 'C' of the OSU campus, east of 35th Street, south of NW Arnold Way and Monroe Avenues, and west of NW 21st Street. There are no natural hazards or natural features on this site. There are two zones within the area that is proposed to be replatted: the OSU zone, with a Comprehensive Plan designation of Public Institutional; and one block that is zoned RS-20, with a Comprehensive Plan designation of High Density.

D. Legal Declaration:

Deputy City Attorney Coulombe said the Commission will consider the applicable criteria as outlined in the staff report, and he asked that citizens direct their testimony to the criteria in the staff report or other criteria that they believe 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.

The failure of the applicant to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the local government to respond to the issue precludes an action for damages in Circuit Court.

E. Applicant's Presentation:

Eric Adams, Plannext Consulting, presented the application on behalf of the applicant. He was accompanied by David Dodson, interim OSU Campus Planning Manager. The Replat application involves 91 currently platted lots, the majority being within the OSU zone. The

Orchard Court Apartment site, at the corner of SW 35th Street and Jackson, is zoned RS-20 but is owned by OSU. Most of the surrounding uses are residential in nature, particularly to the north. There is some commercial along NW Monroe that abuts the site between NW 27th Street and Park Terrace, a private street within OSU campus.

The result of the Replat would be the creation of five parcels which would be consistent with the platting standards from the Land Development Code. Within this area, there are some public utility easements that were reserved by the City when the extensions of NW 26th, 25th, and 23rd Streets were vacated some time ago. Those existing easements will be released by the City and replaced with a typical fifteen-foot wide utility easement so that the City can continue to access and maintain any utilities within that area. As discussed in the application, there are certain areas along the perimeter of the proposed Replat where they will be granting some additional utility easements to facilitate private utilities. They will also be granting some additional right-of-way in a couple of spots where needed. Given the fact that they are dealing with locations already developed, some of those easements and/or dedications will conflict with existing buildings. They have worked with the City and with the private utility companies to allow for existing buildings to remain, with the understanding that with redevelopment the alignments will be adjusted.

As mentioned by staff, the requested alley vacation was approved by City Council. That, in conjunction with this overall effort, is part of OSU's desire to clean up older lot lines so that as the outlier areas develop in the future OSU will not have to worry about buildings crossing property lines, which would be a violation the Building Code.

Commissioner Howell asked if the campus part of 30th Street was OSU property. Mr. Dodson said that 30th Street south of Orchard to Western is all within OSU property; however, the Campus Master Plan identifies those streets that are part of the base transportation model that was done for OSU. All of those major streets, whether private or public, are required to remain open. A recent example of how this was handled was with the INTO OSU International Living Center wherein it was necessary to vacate 17th Street, which was also part of the base transportation model. OSU had to do a transportation analysis to ensure that closure would not impact the transportation system and intersection functionality. Through this process, the community's interests are protected.

Commissioner Howell then referred to the residential portion of the Replat which included tax lots 1100 and 1500, and asked for more information relating to the size and configuration of those two tax lots. It was pointed out that the majority of the Orchard Courts Apartments were on one tax lot in a "C" shape around the very small second tax lot. Commissioner Howell said that if the property had been divided into small lots for each of the existing buildings, then a compatibility review would not have been done for the potential of building a large building at the time it was zoned RS-20. Since it is one big lot already, a compatibility review at this time will not be an issue. He asked if the OSU Master Plan contained any regulations which would require a transitional zone between taller residential buildings where they abut residential neighborhoods. Mr. Dodson said that they do have a transitional zone in the areas where OSU abuts residential neighborhoods in the north end of campus as well as on the east and south sides of campus. He could not recall if a transitional zone had been placed over the Orchard Court Apartment lot, since the concern was more for the institutional buildings on campus impacting neighboring residential areas. The intent for the transitional zone in the code was to

protect against one-story buildings abutting five-story buildings. The Orchard Court Apartments block is surrounded by streets so he was not certain if the height issue came into play in this case.

Mr. Adams explained that OSU had drafted an additional Development Related Concern 'D' (Attachment B) in response to comments received from the College Hill Neighborhood Association. The proposed language related to OSU's desire to address concerns related to traffic in their neighborhood. The intent is to express a willingness to participate in improvements to Orchard Avenue if at some time there is an opportunity to do so with future development along that roadway. Mr. Dodson further explained that this Replat does not preclude the ability in the future to reconsider the right-of-way and designation of Orchard Avenue. There is concern about the amount of traffic that currently gets carried between NW Arnold Way and NW 30th Street on Jackson Avenue. In the future, there might be an opportunity to reroute some of that traffic south on NW 27th Street to Orchard instead. With the parking that is currently allowed on Orchard, it can be difficult for two cars to pass each other, whereas NW Jackson is more easily travelled.

Commissioner Feldmann asked if there were any plans to acquire the pieces of private property that are pocketed within the OSU property. Mr. Dodson said that there is an on-going program looking at property acquisition where it makes sense. OSU has had interest in the property north of Orchard for some time. When new property is acquired, they will come forward with a request to consolidate those lots if necessary.

Commissioner Woodside asked if there was a project coming up that is driving the application at this time. Mr. Dodson said that the only one planned at this time is the building in the area of 23rd and Monroe, serving as the Black Cultural Center. OSU is looking at selling or relocating the building that is there and replacing it with a new building to serve multiple cultural centers.

Commissioner Feldmann asked if there were any plans for completion of the sidewalk along the south side of Orchard Avenue between 30th & 35th Streets. Mr. Dodson said that there were no immediate plans, but that they could look into that since they are doing a lot of accessibility work on campus.

F. Staff Report:

Planner Richardson briefly walked through the applicable review criteria, of which there are four sets: the Purposes of Chapter 2.4; Article III Development Standards relating to OSU and RS-20 zones; Article IV Development Standards in Chapters 4.0 and 4.4; and Compatibility Criteria.

In terms of the Purposes of the Major Replat, consolidating the many lots into five larger lots allows OSU to construct buildings that are of sufficient size and appropriate design for the programmatic needs of OSU. This is consistent with Purpose A. It allows the potential for more dense residential development on campus which is consistent with Purpose D. It also allows OSU to encourage energy efficiency with their construction through consolidated and larger buildings. This application is consistent with the Purposes.

The underlying zones are RS-20 and OSU. No development is proposed at this time, so the standards in Article III do not apply.

The next set of review criteria are those in Article IV. The Land Development standards criteria do not have minimum and maximum lot sizes for RS-20 or OSU zones therefore consolidating lots will facilitate development of outright permitted uses in those lots. The size, width, shape and orientation of the proposed lots is appropriate for the locations, which is consistent with the review criteria in LDC Section 4.4.20.03. Through lots are not being created. As much as practicable, lot lines are right-angled to the street. No grading is proposed, and the MADA provisions do not apply to development in the OSU zone. In the RS-20 zone, there are no inventoried natural features.

In terms of improvements required with development, the applicant is proposing to dedicate right-of-way along NW 35th Street, NW Monroe Avenue, NW Arnold Way, and NW Jackson Avenue. In terms of utilities and franchise utilities, the site can be served sufficiently.

Staff has a revised Condition of Approval 4 to substitute for that which is in the Staff Report. It reads: "*Dedication of Public Right-of-Way, NW 35th Street - Concurrent with the final plat, additional right-of-way shall be dedicated along NW 35th Street in order to achieve the minimum half street standard width of 35-ft from the original right-of-way centerline. Where existing buildings would conflict with the right-of-way dedication, a public access easement may be granted. The easement language shall allow the existing building to remain until that building is redeveloped, at which time the portion of the building within the easement shall be removed from the easement. In addition, an environmental assessment for all land to be dedicated shall be completed in accordance with LDC Section 4.0.100.g.*" This corrects the street name and also includes language to allow for an easement to be granted that would permit existing buildings to remain in a public right-of-way until development occurs. There is at least one example where the consolidation of the proposed lots would result in portions of existing buildings being within the right-of-way. With future development of those buildings or sites, that issue would be corrected.

Finally, in terms of Compatibility Criteria that apply to non-residential subdivisions, since there is no development as part of the application there will not be any compatibility impacts with this proposal. However, the stage is set for development of permitted outright uses that would be constructed to the standards of the underlying zone. Constructing to those standards is considered to be compatible based on the criteria that apply.

In conclusion, staff recommend approval as conditioned in the January 6, 2012, Staff Report and with the inclusion of the revised Condition of Approval 4 language.

Commissioner Feldmann said that along 35th Street the sidewalk is level with the street which allows for cars to park on the sidewalk, and on Orchard Street there is no sidewalk. He asked staff if it would be appropriate to ask for those improvements. Mr. Richardson said that at the time physical development occurs it would be appropriate to ask for those improvements, if they were proportional to the development being constructed. Simply moving the lot lines would not be considered roughly proportional to the requirement to have those fixes made to the sidewalks. Other options would be to initiate a Capital Improvement Project, and certainly one could call the Police Department if a car is parking on a sidewalk as this would be an enforcement issue. OSU could also voluntarily come forward and make the improvements to the sidewalks.

In response to a question from Commissioner Hann, Development Review Engineer Reese said that OSU's drafted language for a Development Related Concern D had already been reviewed by staff and was acceptable.

G. Public Testimony in favor of the application:

Gary Angelo, President of the College Hill Neighborhood Association, read from his written testimony which he submitted for the record (Attachment C). He had had discussions with City staff and OSU and supported the arrangement of having Development-Related Concern 'D' drafted and added as part of the agreement to protect the neighborhood's interests. With this in place, the College Hill Neighborhood Association supports the proposed Major Replat of Sectors B and C. Development-Related Concern 'D' commits OSU to evaluating additional right-of-way dedications up to the collector street standard with future development along Orchard Avenue.

H. Public Testimony in opposition to the applicant's request: none

I. Neutral testimony: none

The Chair reminded people that speaking neutrally removes rebuttal rights.

J. Additional questions of staff:

Commissioner Howell said that though it is not relevant to the Major Replat application, the question about RS-20 zone standards and how they relate to OSU for the family-housing block still remains. It appears that the Land Development Code defines "abutting" so that streets do not count. He asked if there was anything in the OSU zone standards that would trump this. Planner Richardson said that he was not aware of anything, except, as noted by the applicant, there is a primary and secondary transition area that applies. The primary transition area limits building heights to 35 feet, and secondary transition areas limits building heights to 60 feet. The RS-20 height limitation is 60 feet or five stories, whichever is less. If a transition zone had a stricter height limit than the RS-20 zone the more restrictive would apply. The transition zones, both primary and secondary, do go around the Orchard Court block, as well as along Orchard Avenue.

Commissioner Hann said that the last time they had considered a Major Replat application was with the INTO OSU International Living Center on Western, and at that time there was going to be a net loss of parking to the public, and there were provisions to have some spaces set aside. It was not clear whether there would be any parking spaces lost with this proposal, and he asked if parking spaces could be recaptured in the future as proposals come forward for any redevelopment on this site. Mr. Reese said that with the last Major Replat, the requirement for replacement of the parking that was lost from the vacation of 17th Street was actually tied to the ordinance. There were 27 spaces set aside for public parking in a parking lot on the corner of SW 17th and 'A' Avenue. With the current Major Replat application, there is no vacation and no loss of parking.

Commissioner Woodside asked what types of improvements would trigger requiring the right-of-way improvements. Mr. Richardson said that certainly they could be required with new buildings. Mr. Reese added that in the Transportation Master Plan there is language stating that improvements shall be made along a site's frontage when development occurs. If a property

owner is making a physical change that will increase the demand on the system, they will be required to do improvements along the frontage, for both public and private streets. The Transportation Master Plan has a diagram showing OSU'S private streets.

J. Rebuttal by Applicant:

K. Sur-rebuttal:

L. Additional time for applicant to submit final argument:

The applicant waived the additional time to submit a written argument.

M. Close the public hearing:

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

MOTION: Commissioner Howell **moved** to approve the OSU Major Replat application for Campus Sectors B and C (SUB11-00002), as conditioned in the January 6, 2012, Staff Report to the Planning Commission, with the revised language proposed by staff for Condition of Approval 4, as well as the proposed Development-Related Concern 'D' submitted by OSU and edited by staff. This motion is based on findings in support of the application presented in the January 6, 2012, Staff Report to the Commission, and findings in support of the application made by the Commission during deliberations on the request. Commissioner Feldmann **seconded** the motion and it **passed** unanimously.

IV. PUBLIC HEARING – OSU Major Replat, Sectors C & D (SUB11-00003)

A. Opening and Procedures:

The Chair welcomed citizens and reviewed the public hearing procedures. Staff will present an overview (Attachment D) 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 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 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. Requests for allowing the record to remain open should be included within a person's testimony.

The Chair opened the public hearing.

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

1. Conflicts of Interest - none
8. Ex Parte Contacts – none
9. Site Visits – by Commissioner Howell
10. Objections on Jurisdictional Grounds - none

C. Staff Overview:

Associate Planner Richardson said that the application is for a Major Replat within OSU Sectors 'C' & 'D.' The applicant proposes to consolidate 212 platted and unplatted parcels into six lots. The City Council approved a request to vacate a portion of a public alley located between NW Monroe and NW Madison Avenue, which will be recorded if the Major Replat application is approved. The site is bordered by multiple streets including SW Washington Way, SW 15th Street, SW Jefferson, SW Madison, SW Monroe and SW 11th Street. The site does include one area of Highly-Protected Significant Vegetation near SW Monroe Avenue. The site is zoned primarily OSU which implements the Public Institutional Comprehensive Plan designation. There is also a segment that is zoned RS-12 which is located right in the middle of the Madison Avenue thoroughfare. That zoning will go away as it will be dedicated to the City as a public street.

D. Legal Declaration:

Deputy City Attorney Coulombe said the Commission will consider the applicable criteria as outlined in the staff report, and he asked that citizens direct their testimony to the criteria in the staff report or other criteria that they believe 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.

The failure of the applicant to raise constitutional or other issues relating to proposed conditions of approval with sufficient specificity to allow the local government to respond to the issue precludes an action for damages in Circuit Court.

E. Applicant's Presentation:

Eric Adams, Plannext Consulting, and David Dodson, Interim Campus Planning Manager, presented on behalf of the application. Mr. Adams said that the surrounding areas around the Major Replat area in OSU Sectors 'C' and 'D' are primarily residential on the eastern boundary and a portion of the southeast. There are some industrial and campus uses along the southern boundary, and some churches in the northeast corner transitioning to some commercial along SW Monroe Avenue. The Major Replat involves 212 lots on approximately 37 acres, and will create six new parcels that are consistent with the platting standards of the Land Development Code. As noted by staff, there is a small area of Highly-Protected Significant Vegetation within the northeast corner of the Replat area, but the OSU zone standards do not allow any encroachment into natural features so they will continue to be protected.

With the Replat, there are areas where existing utility easements put in place over old, vacated streets will be released and replaced by typical 15-foot wide utility easements to maintain access for those lines that remain within the old right-of-ways. The vacation approved by City Council was for an alleyway just west of 9th Street between SW Monroe and SW Madison Avenues. Only properties owned by OSU gained access from this alley.

In response to a question from Commissioner Woodside, Mr. Dodson said that OSU's policy on natural features essentially complies with the requirements in the Land Development Code. They have done one Vegetation Management Plan associated with one stand of Highly-Protected Significant Vegetation, and plan to do others. These delineated areas do sometimes pose challenges in that there are locations of utilities, roadways and sidewalks that are essentially within the delineated lines and necessary improvements cannot be made. They are continuing to work through this issue.

Mr. Dodson added that future plans for new construction in this area include only one project on the books at this time. It is for a new residence hall which is pending funding through the Legislature in February. It is tentatively planned to be a four- or five-story building located roughly at SW 13th & SW Washington Way.

In response to a question from Commissioner Hann, Mr. Dodson said that, typically, 75% of the on-campus housing accommodates members of the freshman class. There have been recent conversations about whether OSU could broaden the scope of housing to be more appropriate for upper classmen as well. This might include residential halls that are constructed in more of a suite-style with kitchens, with the option of having a meal plan. As part of the joint City and OSU collaboration efforts, OSU will be taking a closer look at housing options on campus. Of the approximate 24,000 students physically attending OSU, about 4,800 students are housed on campus.

F. Staff Report:

Planner Richardson said that the applicable review criteria are similar to those described in the last presentation, in that there are four sets: the purposes of Chapter 2.4; Article III Development Standards relating to OSU and RS-20 zones; Article IV Development Standards in Chapters 4.0 and 4.4; and Compatibility Criteria.

In terms of the Purposes of Chapter 2.4 relating to Sub-Divisions and Major Replats, the proposed Replat would consolidate over 200 lots into six larger lots, giving OSU the ability to construct buildings to the underlying zone standards. This is consistent with the Purposes, which direct that replats be of a size and configuration to allow for buildings of sufficient size and design.

The proposal is also consistent with the Article III standards for the OSU zones, since no physical development is proposed with this project. All future development would be required to comply with the OSU zone's Development Standards. Of the Article IV standards, the most pertinent ones are those in LDC Chapters 4.0 and 4.4. The proposed Replat results in lots that meet the requirements in terms of right angle to streets, lot configuration, etc. The OSU zone does not have a minimum or maximum lot size, so the proposed larger lots are consistent with what is anticipated in that area. The applicant proposes to dedicate right-of-way along NW 15th Street, SW Jefferson Avenue, SW Washington Avenue, SW Madison Avenue, and SW 11th

Street. In addition to these right-of-way dedications, staff's analysis has found that the proposed lots can be served with public utilities as well as franchise utilities. Vehicle and pedestrian circulation aspects will continue to be preserved as part of the OSU zone.

In terms of the Compatibility Criteria, any new development would have to meet all of the underlying standards of the OSU zone. By doing so, development is expected to be compatible with surrounding uses. This Replat does not affect the ability for new development to be compatible.

Staff recommend approval of the proposal as conditioned in the Staff Report.

- G. Public Testimony in favor of the application: none
- H. Public Testimony in opposition to the applicant's request: none
- I. Neutral testimony: none

The Chair reminded people that speaking neutrally removes rebuttal rights.

- J. Additional questions of staff:

In response to a question from Commissioner Sessions, Planner Richardson said that within a segment of Madison Avenue there is a small area zoned RS-12. OSU owns that section of street and is proposing to dedicate it to the City at which time the zoning will go away.

- J. Rebuttal by Applicant:

- K. Sur-rebuttal:

- L. Additional time for applicant to submit final argument:

The applicant waived the additional time to submit a written argument.

- M. Close the public hearing:

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

MOTION: Commissioner Howell **moved** to approve the OSU Major Replat application (SUB11-00003), as conditioned in the January 6, 2012, Staff Report to the Planning Commission. This motion is based on findings in support of the application made by the Commission during deliberations on the request. Commissioner Sessions **seconded** the motion and it passed unanimously.

V. OLD BUSINESS:

- A. Planning Division Manager Young said that staff had received the applicant's revisions on the Harrison Apartments project and are currently working on an addendum to the staff report, which will be provided for the re-opened public hearing to be held February 1, 2012.

- B. Commissioner Howell suggested that the through-lot regulations and how to apply them to lots with larger buildings that face both streets should be on the list for “code tweak” discussions. Mr. Young said he would check to make sure it was on the list.
- C. In response to a question about the required dedicated OSU public parking spots, as part of the INTO building project, Mr. Reese said he would check into whether those spots are visibly marked as being for the public.

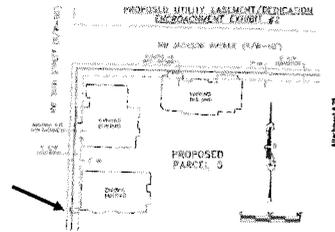
VI. **NEW BUSINESS:** None

VI. **ADJOURNMENT:** The meeting was adjourned at 9:16p.m.

Revised Condition of Approval 4

- Dedication of Public Right-of-Way, NW 35th Street - Concurrent with the final plat, additional right-of-way shall be dedicated along NW 35th Street in order to achieve the minimum half street standard width of 35-ft from the original right-of-way centerline. Where existing buildings would conflict with the right-of-way dedication, a public access easement may be granted. The easement language shall allow the existing building to remain until that building is redeveloped, at which time the portion of the building within the easement shall be removed from the easement. In addition, an environmental assessment for all land to be dedicated shall be completed in accordance with LDC Section 4.0.100.g.

Example of Building in ROW



OSU's Proposed Development Related Concern

OSU Major Replat, Sectors B & C
(SUB11-0002)

- D. Future Modifications to Orchard Avenue - Oregon State University has demonstrated compliance with the applicable standards related to the subject Major Subdivision Replat. However, in response to comments conveyed to OSU by the College Hill West Neighborhood Association, OSU imposes this development related concern on itself. OSU commits to evaluating additional right-of-way dedications up to the collector street standard with future development along Orchard Avenue.

COLLEGE HILL NEIGHBORHOOD ASSOCIATION

Gary Angelo, President (753-5789); Mike Middleton, Vice President (738-0827);
Cindy Paden, Secretary (752-8247); Mark Giordono, Treasurer, (753-4479)

To: City of Corvallis Planning Commission
From: Gary Angelo, CHNA President
143 NW 28th Street
Corvallis, OR 97330
Date: January 18, 2012
Re: Proposed OSU Major Replat – Sectors B and C

Dear Planning Commission Members:

BY OSU
paw
The College Hill Neighborhood Association supports the proposed Major Replat of Sectors B and C with the addition of the expressed Development-Related Concern imposed on itself. The Development-Related Concern commits OSU to evaluating additional right-of-way dedications up to the collector street standard with future development along Orchard Avenue. CHNA has a vested interest in this concern as we are dealing with a long-standing issue of having NW Jackson Avenue being used as a de facto collector street for over ten years, as measured by the City in documented traffic volume tests dating back to 1999. The Neighborhood Parking and Traffic Task Force set up during the 2004 OSU Campus Master Plan process, recommended by the Planning Commission at that time, and approved as a condition of approval for that CMP by the City Council was intended to address this issue. However, the Task Force has not as yet completed its mission, due to personnel changes soon after the Task Force was initiated. The OSU/City Collaboration effort will hopefully complete the process begun by the Task Force. CHNA supports the additional Development-Related Concern as a means to at least highlight the need to address this outstanding traffic problem and to help to prevent the elimination of potential remedies caused by possible development along Orchard Avenue.

With regards,



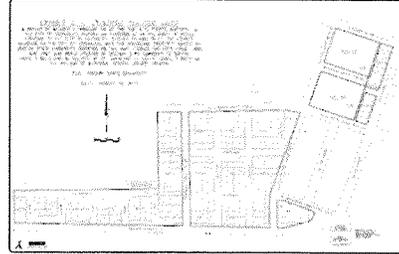
Gary Angelo
CHNA President

OSU Major Replat, Sectors C and D SUB11-00003

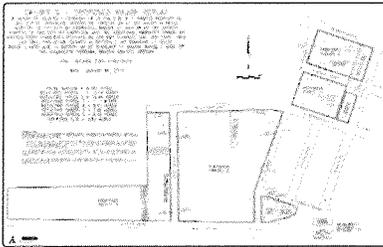
Staff Presentation to the
Planning Commission

Bob Richardson, Associate Planner
January 18, 2012

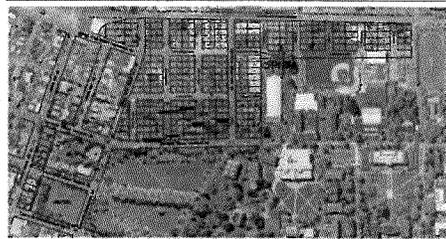
Existing Lots



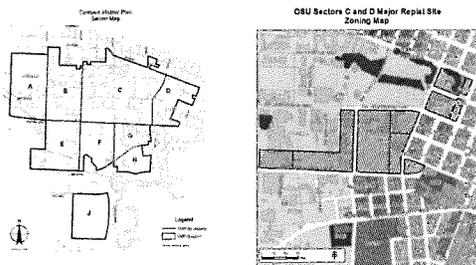
Proposed Replat



Existing Conditions



Site and Zoning



Review Criteria

- Purposes of Chapter 2.4 – Subdivisions and Major Replats
- Article III Development Standards
 - OSU and RS-20 Zones
- Article IV Development Standards
 - Chapter 4.0 - Improvements Required with Development
 - Chapter 4.4 – Land Division Standards
- Compatibility Criteria

**WATERSHED MANAGEMENT ADVISORY COMMISSION
MINUTES
November 16, 2011
DRAFT**

Present

Matt Fehrenbacher, Chair
Jacque Schreck, Vice-Chair
Charlie Bruce
Sheryl Stuart
David Zahler
Racquel Rancier

Staff

Amber Reese, Public Works
Tom Penpraze, Public Works
Mike Hinton, Public Works
Jon Boyd, Public Works
Mark Miller, Trout Mountain Forestry

Absent

Richard Hervey, City Council Liaison, excused
Creed Eckert

Visitors

Jim Fairchild
Frank Davis

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Call Meeting to Order/ Introductions	X		
II. Review of Agenda	X		
III. Review of October 19, 2011 Minutes			Approved
IV. Staff Reports	X		
V. Visitor Comments	X		
VI. Old Business • “Know Your Forest and Help Us Care for It!”	X		
VII. New Business • None	n/a		
VIII. Commission Requests and Reports	n/a		
IX. Adjourn			

CONTENT OF DISCUSSION

I. Call Meeting to Order/ Introductions

Chair Fehrenbacher called the meeting to order and those present introduced themselves.

II. Review of Agenda

No changes were made.

III. Review of Minutes

Commissioner Schreck moved to approve the October 19 minutes. Commissioner Zahler seconded the motion and the minutes were passed unanimously.

IV. Staff Reports

Ms. Reese reported the following:

- The Corvallis Forest portion of the City's website has been updated.
- Phase one of the peacock larkspur project has been completed. Phase two will begin in the near future, but approval from Benton County is needed.

Mr. Miller reported the following:

- He has received bids from three contractors for the riparian restoration project and selected Nick Domes Timber Services to do the work, which begins as soon as the week of November 21, depending on weather.
- This year's thinning harvest will begin in late December with the first logs to ship in January. B&G Logging will be performing the harvest.

V. Visitor Propositions

Visitor Jim Fairchild expressed his disappointment that the information he submitted for the September WMAC meeting was not included in that meeting, but rather the October meeting packet. He also expressed concern with using proprietary wording in the reports and other documents from Trout Mountain Forestry, stating that using more generic terminology would be more appropriate.

VI. Old Business

"Know Your Forest and Help Us Care for It!"

The Commission discussed plans for the upcoming meeting.

VII. New Business

None.

VIII. Commission Requests and Reports

None.

IX. Adjourn

The meeting was adjourned at 7:06p.m.

THE DECEMBER 21st MEETING HAS BEEN CANCELED.

NEXT MEETING: January 18, 2012, 5:30 p.m., Tunison Community Meeting Room

MEMORANDUM

To: City Council Members
From: Julie Jones Manning, Mayor 
Date: February 16, 2012
Subject: Confirmation of Appointments to Advisory Boards, Commissions, and Committees

As you know, at our last regular meeting I appointed the following persons to the advisory boards, commissions, and committees indicated for the terms of office stated:

Capital Improvement Program Commission

Scott Carroll
Term expires June 30, 2014

Committee for Citizen Involvement

Joan Demarest
Term expires June 30, 2014

Alex Kilian
Term expires June 30, 2014

Selena Parnon
Term expires June 30, 2013

Public Art Selection Commission

William (Bill) Laing
Term expires June 30, 2012

I ask that you confirm these appointments at our next Council meeting, February 21, 2012.

MEMORANDUM

To: City Council Members

From: Julie Jones Manning, Mayor

Date: February 9, 2012

Subject: Vacancy on Citizens Advisory Commission on Transit



Ray Shimabuku has resigned from the Citizens Advisory Commission on Transit due to work obligations. Ray's term on the Commission expires June 30, 2012.

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

1012

MEMORANDUM

To: City Council Members
From: Julie Jones Manning, Mayor 
Date: February 14, 2012
Subject: Appointment to Citizens Advisory Commission on Transit

I am appointing the following person to the Citizens Advisory Commission on Transit for the term of office shown:

Terry Wright
Term expires June 30, 2012

Terry previously served on the Commission and would like to become involved again. She frequently uses public transit.

I will ask for confirmation of this appointment at our next Council meeting, March 5, 2012.



CORVALLIS CITY ATTORNEY
456 SW Monroe, #101
Corvallis, OR 97333
Telephone: (541) 766-6906
Fax: (541) 752-7532

CITY ATTORNEY'S OFFICE
MEMORANDUM

TO: Kathy Louie, City Managers Office

FROM: Jim Brewer, Deputy City Attorney 

DATE: February 16, 2012

SUBJECT: City Council Request for information about legal requirements in proposed Marys Peak communication's lease.

The Council has requested additional information about whether it is necessary to require additional language in Marys Peak communication site leases to address the Forest Service Marys Peak Scenic Botanical Special Interest Area (SBSIA) overlay.

Public Works Staff and the City Attorney's Office have reviewed the lease language and feel no changes are required. Lease section 4d *Conformance with Laws* requires the lessee to comply with all applicable municipal, state, and federal laws and regulations affecting the site. This general language in the lease provides the flexibility should a new overlay, agreement, or other regulation be imposed at the site. In addition, lease section 7a *Right to Construct* requires the lessee to obtain approval from the Forest Service, Benton County, and the City prior to constructing structural improvements.

MEMORANDUM

TO: Mayor and City Council

FROM: Mary Steckel, Interim Public Works Director 

DATE: January 13, 2012

SUBJECT: Marys Peak Communication Site Lease Agreement

ISSUE

City Council authorization is required for the City Manager to execute a lease agreement (Attachment A) with Consumers Power to occupy a telecommunications site on city-owned property on Marys Peak.

BACKGROUND

The City of Corvallis owns a parcel of property off the West Point Spur Road on Marys Peak. For more than 30 years, sections of the property have been leased out to different telecommunications companies. There are currently five commercial tenants and one non-profit entity occupying the property. Each tenant pays an annual rent based on the square footage of the ground leased and on the number of radio and microwave frequencies being broadcast at the site.

DISCUSSION

The site Consumers Power seeks to lease occupies 20,297 square feet and includes a building and antenna structure. The site is currently leased to Peak Telecommunications. Peak has submitted a letter requesting termination of its existing lease effective upon Consumers Power obtaining a lease for the site.

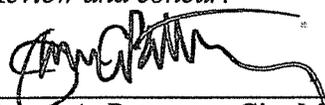
Consumers Power already leases a much smaller and less improved site from the City on Marys Peak and has been a good tenant. Consumers Power plans to leave their current site in a couple years once they transition all their communications equipment to the new leased area.

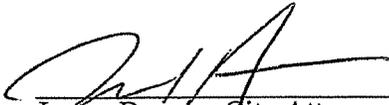
The new ten-year renewable lease agreement with an effective date of March 1, 2012 is consistent with other Council-approved Marys Peak leases except that the initial term of the lease is ten years rather than five. The ten-year term was incorporated at the request of Consumers Power to ensure they can lease the site long enough to recoup planned capital investments at the site. The minimum annual rent is \$11,366.32 that is adjusted annually according to the number of microwaves/radio frequencies in use and increased based on the Consumer Price Index.

RECOMMENDATION

The City Council grant authority to the City Manager to sign a public property lease agreement with Consumers Power for a communications site on Marys Peak.

Review and concur:


James A. Patterson, City Manager


James Brewer, City Attorney

Attachments:
Attachment A - Consumers Power Lease Agreement

LEASE AGREEMENT

THIS LEASE, made this March 1, 2012, is by and between the City of Corvallis, an Oregon municipal corporation, hereinafter referred to as the Lessor, and Consumers Power Inc., an Oregon corporation hereinafter referred to as the Lessee.

1. PREMISES. Lessor, in consideration of the terms, covenants, and agreements contained herein, does hereby lease to the Lessee the following described real property located on the west ridge of Marys Peak:

A tract of land in the south 1/2 of the southwest 1/4 of Section 20, Township 12 South, Range 7 West of the Willamette Meridian, Benton County, Oregon. Beginning at a 3-inch aluminum cap at the corners to Sections 19, 20, 29, and 30, Township 12 South, Range 7 West of the Willamette Meridian, Benton County Oregon; thence North 66 55'39" East, 992.77 feet to the True Point of Beginning; thence North 01 34'45" East, 145.00 feet; thence South 89 20'44" East, 140.00 feet; thence South 01 34'45" West, 145.00 feet; thence North 89 20'44" West, 140.00 feet to the True Point of Beginning, containing 20,297 square feet.

Lessee takes the described land in its present condition without any duty or obligation by Lessor to perform any act or do anything to make the described land usable or suitable for the Lessee's operations.

2. TERM. Lessee shall have the right to possession, use, and enjoyment of the leased property for a period beginning March 1, 2012 and ending February 28, 2022, subject to the terms and conditions of this lease agreement. The term of this lease may be extended for two additional five-year period, provided Lessee notifies Lessor in writing at least sixty (60) days prior to the expiration date of this lease. Any extension shall be at the full prime rental rate then in effect.

3. RENT.

(a) Rental Rate. Lessee shall pay (1) or (2) as annual rent for each year of this agreement, whichever is greater:

- (1) The sum of \$0.56 per square foot of land leased; \$184.10 per radio frequency; and \$368.08 per microwave beam path; or
- (2) A \$2,209.13 minimum.

(b) Sublease Rent. In addition to Lessee's rent, Lessee agrees to pay annual rent for each of its sublessees, if any, based on the charges as listed in 3.a.1 or 2, whichever is greater.

(c) Payment Terms. The first rental payment shall be paid on March 1, 2012 and continuing on the first day of May for each year thereafter during the term of this lease. Rental payments are to be made payable to the City of Corvallis and are to be delivered in person or mailed to Lessor at the address given in Section 19 of this lease.

(d) Adjustment. At Lessor's option, the rental rate may be adjusted annually using the Consumer Price Index West-A, utilizing the previous January 1 through December 31 average.

(e) Arrearage. Any installment of rent accruing under the provisions of this lease that shall not be paid when due shall bear interest at the rate of ten (10) percent per annum from the date when the same was payable by the terms hereof, until the same shall be paid by Lessee.

(f) Collection of Less than Annual Rent. No payment by Lessee or receipt by Lessor of an amount less than the annual rent herein stipulated shall be deemed to be other than on account of the stipulated rent, nor shall any endorsement on any check or any letter accompanying such payment of rent be deemed an accord and satisfaction, but Lessor may accept such payment without prejudice to Lessor's rights to collect the balance of the rent due.

4. USE OF THE PROPERTY.

(a) Structures Owned by Lessor. The Lessor owns no structures at the site.

(b) Permitted Use. The property shall be used for establishing and operating an electronic-communications facility. The property shall not be used for any other purpose without the written consent of Lessor. Lessor's consent shall not be unreasonably withheld but may be conditioned on the Lessee's compliance with reasonable restrictions and requirements for the protection of the property and the protection of the public.

At the time of this lease, the leased premises accommodates stations on the following frequency:

FREQUENCY	STATION TYPE	
6875-6900 MHz	306 ⁰	Microwave
6875-6900 MHz	33 ⁰	Microwave
7025-7050 MHz	33 ⁰	Microwave
6950-6975 MHz	33 ⁰	Microwave
7050-7075 MHz	33 ⁰	Microwave
6925-6950 MHz	306 ⁰	Microwave
7000-7025 MHz	306 ⁰	Microwave
6950-6975 MHz	306 ⁰	Microwave
7000-7025 MHz	306 ⁰	Microwave
7100-7125 MHz	30 ⁰	Microwave
6720-6730 MHz	30 ⁰	Microwave
6975-7000 MHz	30 ⁰	Microwave

It is hereby understood and agreed that should the Lessee or any of its sublessees wish to alter the level of its present operation, Lessee must notify Lessor in writing, prior to such alteration. Lessor shall review the request for approval within 30 days of receipt. Lessee agrees to furnish to Lessor, within thirty (30) days of the date of this lease, a copy of the license granted to Lessee by the Federal Communications Commission.

(d) Conformance with Laws. Lessee shall conform to all applicable laws and regulations, municipal, state, and federal, affecting the premises and the use thereof.

(e) Nuisance. Lessee shall not use or permit the use or occupancy of the property for any

illegal purpose, 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.

(f) 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 Corvallis Municipal Code, Title 4 Sanitation as amended, except upon prior written notification to Lessor 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.

(g) Roads. Lessee shall be entitled to reasonable use for its purposes of the roads now existing and serving the leased property. Such access roadway is located and constructed upon and across the south half of the Southwest 1/4 of Section 20, Township 12 South, Range 7 of the West Willamette Meridian, Benton County, Oregon. Lessor may locate and relocate roads as desirable so long as reasonable and adjacent access is provided to Lessee. Lessee shall have the right, but not the duty, to, at all times, repair and maintain the existing roadway as described above. Lessee shall pay the entire cost of maintaining any portion of said roadway which is used solely by Lessee.

(h) Underground Utilities. As a condition of entering into this lease, Lessee shall submit to Lessor as-built drawings of any and all new underground utilities to be placed upon the premises, and installation of said utilities shall only take place with prior approval of Lessor.

5. COMPLIANCE WITH APPLICABLE COMMUNICATION LAWS. Lessee shall install, operate, and maintain its equipment in accordance with applicable rules and regulations of the Federal Communications Commission and any other applicable enforcement agencies.

6. COMPATIBILITY WITH OTHER USES. It is Lessor's intent to minimize the number of structures occupying its Marys Peak property while maximizing the use of the property to meet the demand for communication facilities. To that end, the parties agree as follows:

(a) Adjacent Property. Lessor may grant or lease to others the right to use unoccupied real property on the west ridge of Marys Peak for communication purposes if that simultaneous use by others does not interfere with Lessee's use of the premises.

(b) Subletting Lessee's Leased Property.

(1) Lessee shall sublease the leased premises and/or facilities to non-profit organizations under terms and conditions approved by Lessor if that simultaneous use by others does not interfere with Lessee's use of the premises.

(2) Lessee shall sublease the leased premises and/or facilities to other organizations under reasonable terms and conditions negotiated between the Lessee and sublessee if that simultaneous use by others does not interfere with Lessee's use of the premises.

7. ALTERATIONS AND IMPROVEMENTS.

(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. Any new construction or improvements shall be approved prior to construction by local representatives of the United States Forest Service, Benton County Planning Department, and the City of Corvallis. All sanitary facilities shall be constructed in such a manner as complies with all applicable codes and regulations. Lessee shall cooperate with the United States Forest Service, Benton County Planning Department, and the City of Corvallis in painting buildings and equipment on the described land in such a manner that the buildings and equipment will blend with the landscape. Improvements shall be maintained in a reasonable and satisfactory condition. Lessee shall ensure improvements do not cause interference with other existing (at the time improvements are made) communication sites on the Lessor's property on Marys Peak. If interference is observed as a result of improvements, the Lessee will remove the source of the interference.

(b) Alterations to Property Owned by the Lessor. Written approval from the Lessor is required to remove or make alternations to property owned by the Lessor as listed in Section 4(a).

(c) Ownership of Improvements. Title to all buildings and improvements constructed by Lessee during the term of this lease or a prior lease shall be in Lessee's name and may be removed by the Lessee at will. Lessee shall have the right to enter the premises during the sixty-day period following termination of this lease to remove any of its property, including buildings or other improvements, on the leased premises. If, after sixty days after termination of the lease, any of said property remains on the premises, Lessor may retain the property, or, at its option, remove the property at the Lessee's expense.

8. ENTRY ON PROPERTY.

(a) Right to Inspect. Lessor 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. Lessor retains the right to enter the leased premises at any reasonable time or times to repair or modify Lessor's utilities located upon the property or to conduct repairs or other work on the property.

9. ASSIGNMENT AND SUBLETTING. Lessee shall not assign this lease or sublet any portion of the leased property without the prior written consent of the Lessor; but Lessor shall not unreasonably withhold its consent provided that the rent for sublessee is paid as provided in Section 3 of this lease and sublease agrees, in writing to comply with all other terms and conditions of this lease.

10. LIENS. 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. If Lessee applies for and is granted an exemption from real property taxes by a taxing agency, resulting in a refund to Lessor, Lessor agrees to remit said refund to Lessee.

12. INSURANCE.

(a) Coverage Requirements. The Lessee shall purchase and maintain general liability insurance that provides at a minimum premises and operations coverage. The limit of liability shall be no less than the amounts specified in the Oregon Tort Claims Act, ORS 30.260 to 30.300 as presently constituted or hereafter amended. In addition, if the insurance policy contains an annual aggregate limit, the aggregate shall not be less than \$1,000,000. 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 Lessor a certificate of insurance complying with the requirements of this section. A current certificate shall be maintained at all times during the term of this lease. The certificate shall provide that the insurance company give written notice to Lessor at least 15 days prior to cancellation or any material change in the policy(ies). Failure to maintain any insurance coverage required by this lease shall be cause to initiate termination proceedings of this lease by Lessor.

13. HOLD HARMLESS.

(a) General. 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 Lessor 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 Lessor 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, religion, religious observance, citizenship status, gender identity or expression, color, sex, marital status, familial status, citizenship status, national origin, age, mental or physical disability, sexual orientation, or source or level of income in the use of the premises.

15. WAIVER OF BREACH. A waiver by Lessor 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.

16. DEFAULT.

(a) Declaration of Default. Except as otherwise provided in this lease, the Lessor shall have the right to declare this lease terminated and to re-enter the property and take possession upon either of the following events:

(1) Rent and Other Payments. If Lessee fails to pay any rent due under this lease for a period of 60 days after that rent is due; or

(2) Other Obligations. If any other default is made in this lease and is not corrected after 60 days written notice to the Lessee. Where the default is of such nature that it cannot reasonably be remedied within the 60-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.

17. TERMINATION.

(a) Termination Upon 60 Day's Default. In the event of any other default under Section 16 of this lease, the lease may be terminated at the option of Lessor upon 60 days written notification to the Lessee.

(b) Surrender Upon Termination. Upon termination or the expiration of the term of the lease, the Lessee shall quit and surrender the property to Lessor 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.

(c) 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 Lessor may cause the waste products and facilities to be removed and properly disposed of, and further agrees to pay the cost thereof with interest at the legal rate from the date of expenditure.

(d) 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 at the full prime rental rate then in effect.

18. 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.

19. 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 48 hours after deposited in the United States mail, with proper postage affixed, directed to the following address:

Lessor:

City of Corvallis
Public Works Department Attn: Administrative Division
Post Office Box 1083
Corvallis, Oregon 97339

Lessee:

Consumers Power Inc.
PO Box 1180
Philomath, OR 97370

20. SUCCESSORS IN INTEREST. All of the terms, covenants and conditions contained herein shall continue and bind all successors in interest of Lessee.

21. HEADINGS. The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provision of this lease agreement.

IN WITNESS WHEREOF, the parties hereto have executed this lease the date and year first written above.

CITY OF CORVALLIS, OREGON

CONSUMERS POWER INC.

By: _____
Title: City Manager
Date:

By: _____
Title:
Date:

Attest:

Kathy Louie, City Recorder

Approved as to form:

James Brewer, City Attorney

*** MEMORANDUM ***

FEBRUARY 15, 2012

TO: MAYOR AND CITY COUNCIL
FROM: JAMES A. PATTERSON, CITY MANAGER
SUBJECT: FEBRUARY 15, 2012, CITY LEGISLATIVE COMMITTEE WORKING NOTES



1. Call to Order

Meeting was called to order by Mayor Manning at 7:30 am, with Councilors Brown and O'Brien in attendance; Councilor Hervey was absent. Also present were Community Development Director Gibb, Interim Public Works Director Steckel, and Planning Division Manager Young.

2. Transportation Planning Rule

Staff briefed the Committee regarding HB 4090 and the status of changes to the State's Transportation Planning Rule, which the City supported and was involved with over the past year.

3. Other

Mayor Manning reviewed League of Oregon Cities' positions on various bills and the relevant feedback from City Staff.

The Committee discussed seven pieces of legislation and approved a recommendation to the City Council as follows:

Support:

HB 4037 – Requires on-line travel companies to pay the lodging tax based upon the sales price of a room, rather than their group purchase price.

SB 1560 – Protects 9-1-1 monies.

HB 4028 – Issues lottery-backed bonds for water and sewer and community college projects.

HB 4025 – Corrects problems associated with 2011 legislation related to municipal court fines.

HB 4093 – Creates eight new enterprise zones statewide, expands applicability, and creates additional opportunities to create e-commerce zones.

Oppose:

HB 4144 – Relates to public contracting and would increase complexity and ultimately costs associated with procurement.

HB 4090 – Alters cities' authority to plan for orderly, efficient urban services within the Urban Growth Boundary and undermines Corvallis' voter annexation and extension of service Charter provisions.

The Committee noted that the legislative session is moving quickly and that a hearing on HB 4037 was scheduled for this afternoon. It was acknowledged that Mayor Manning would contact Representative Gelser to indicate her personal support for the Bill and that the Legislative Committee was recommending that the City Council support the legislation.

Following discussion, it was moved, seconded, and unanimously approved to *"recommend City Council support House Bills 4037, 4028, 4025, and 4093 and Senate Bill 1560 and oppose House Bills 4144 and 4090 and communicate Corvallis' position to Senator Morse, Representative Gelser, and the League of Oregon Cities."*

4. Next Meeting(s)

The Committee discussed future meetings, but no meetings were scheduled.

5. Adjournment

The meeting adjourned at 8:10 am.

Louie, Kathy

From: Julie Manning
Sent: Monday, February 13, 2012 1:19 PM
To: Chris Fick
Cc: Mike McCauley; Angela Carey; Louie, Kathy; Patterson, Jim; Gibb, Ken
Subject: Re: Wednesday Legislative Committee

Thanks very much, Chris. We will add these to the agenda. Also, is there any update on the municipal fines bill?

On Mon, Feb 13, 2012 at 11:03 AM, Chris Fick <cfick@orcities.org> wrote:

Hi Mayor Manning –

The transient lodging tax bill has been amended into HB 4037. Legislative council determined that the bill was a revenue bill and therefore needed to start in the House. A hearing will be held on this bill at 1 pm on Wednesday in front of the House Revenue Committee. A letter from the city in support of the bill would be helpful, as would a personal letter or call to Rep. Gelsler, who sits on the Revenue Committee.

Another bill that the League is supportive of that's not mentioned below is HB 4093. This bill would: create eight new enterprise zones; enlarge the size of zones from 10 to 15 miles; double the number of e-commerce zones to 20; and potentially extend the additional exemption from property taxes from two to three years. The city of Corvallis has an urban enterprise zone, but not an e-commerce zone. If you have an interest in creating one or of using any of the other provisions of the bill you should consider weighing in with Rep. Gelsler about this bill. This bill is also pending before the House Revenue Committee. A hearing was held on the bill last week.

Let me know if you have any questions or need any additional information about these two bills. Thanks for your interest in helping us. We appreciate it!

Chris Fick, Intergovernmental Relations Associate

cfick@orcities.org

(503) 540-6585 direct | (443) 564-3402 cell

~~SB1519 - HB4037
HB4093
SB1560
HB4028A
HB4098 4090
HB4144~~

From: Mike McCauley
Sent: Monday, February 13, 2012 9:07 AM
To: Julie Manning
Subject: RE: Wednesday Legislative Committee

Louie, Kathy

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Sent: Monday, February 13, 2012 1:19 PM
To: Chris Fick
Cc: Mike McCauley; Angela Carey; Louie, Kathy; Patterson, Jim; Gibb, Ken
Subject: Re: Wednesday Legislative Committee

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Chris Fick, Intergovernmental Relations Associate

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(503) 540-6585 direct | (443) 564-3402 cell

~~SB1519 - HB4037
HB4093
SB1560,
HB4028A
HB4098
HB4144~~

From: Mike McCauley
Sent: Monday, February 13, 2012 9:07 AM
To: Julie Manning
Subject: RE: Wednesday Legislative Committee

Good Morning,

In addition to the transient lodging tax bill currently SB1519 (which is changing to a House Bill – I believe Chris Fick will be contacting you with additional information), the following are bills that we are concentrating on:

- Supporting SB 1560 protects 911 funds
- Supporting HB 4028 providing funding for the Special Public Works Fund
- Opposing HB 4098 which would require providing urban infrastructure outside city limits inside UGB
- Opposing HB 4144 public contracting bill which would add greater complexity, cost, and potential challenges to the award of public contracts

The link to last week's Bulletin with more detail on the bills and links to the actual bills is:

<http://www.orcities.org/LinkClick.aspx?link=Publications%2fNewsletters%2fBulletin%2fBulletin02-10-12.pdf&tabid=6465&mid=15380&language=en-US>

Let me know if you would like further information on these or other bills.

Mike

From: Julie Manning
Sent: Monday, February 13, 2012 8:34 AM
To: Mike McCauley
Subject: Wednesday Legislative Committee

Hi Mike,

Our city' Legislative Committee is scheduled to meet this Wednesday at 7:30 a.m. Are there bills related to the LOC priorities that would be helpful for us to discuss at that meeting and perhaps send communication to our local legislators? We have been following the progress of the municipal fines fix, but that is the main one I'm aware of at this time. I will also look at your weekly update today for additional ideas.

Thank you.

HB 4037

Zimbra

mayor@peak.org

± Font size -

League needs you to contact the Senate Finance and Revenue Committee ASAP

From : Angela Carey <acarey@orcities.org>

Thu, Feb 02, 2012 11:22 AM

Subject : League needs you to contact the Senate Finance and Revenue Committee ASAP

2 attachments

To : Angela Carey <acarey@orcities.org>

Cc : Mike McCauley <mmccauley@orcities.org>, Craig Honeyman <choneyman@orcities.org>, Chris Fick <cfick@orcities.org>, steffeni mendozagray <steffeni.mendozagray@portlandoregon.gov>, andy smith <andy.smith@portlandoregon.gov>, pfernandez@cityofsalem.net

Good Morning,

The League needs you to contact the members of the Senate Finance and Revenue Committee **today** and ask them to support SB 1519, which would require online travel companies to pay the full local transient lodging tax on the rooms they sell. This bill is up for a public hearing and possible work session Friday at 8:00 a.m. so time is of the essence.

The bill would explicitly require online travel companies to pay the state and local transient lodging tax on the sale price of the rooms they sell, rather than the discounted price at which they purchase the rooms. For example, if Expedia or Travelocity purchase a block of rooms from a hotel for \$100 apiece, but then sell a room to someone for \$130, the online travel company pays the tax on the \$100 "buy" price, not on the \$130 "sell" price. As a result, cities and the state are losing out on potential transient lodging tax revenues.

Please see attached for more information on the bill and the contact information for the members of the Senate and Finance Revenue Committee.

For additional information please contact Chris Fick, Intergovernmental Relations Associate at cfick@orcities.org.

Sincerely,

Angela



Angela Carey, Intergovernmental Relations Research Associate

acarev@orcities.org

(503) 588-6550 | (503) 540-6590 direct | (503) 399-4863 fax

1201 Court St. NE, Suite 200 | Salem, Oregon 97301

www.orcities.org

Helping Cities Succeed



TLTax legislative alert _2_.pdf

26 KB



Contact Informaiton for Senate Finance and Revenue Committee.xls

26 KB



LEGISLATIVE ALERT

DATE: February 2, 2012

TO: All cities

ISSUE: SB 1519 – Increases Transient Lodging Tax Revenues

HOMETOWN ACTION:

Please contact senators on the Senate Finance and Revenue Committee today and ask them to support SB 1519, which would require online travel companies to pay the full local transient lodging tax on the rooms they sell.

MESSAGE TO LEGISLATORS:

- Tourists place large demands on city infrastructure, public safety services and other municipal services.
- The failure of online travel companies to pay their fair share of the transient lodging tax results in cities not being properly compensated for these expenses.
- Cities throughout Oregon are struggling with revenue shortfalls that are resulting in major cuts.
- Attracting tourism will depend on our ability to provide the amenities and safe environment that visitors expect.
- This bill will help us ensure that visitors to Oregon will enjoy their stay and want to return, while leveling the playing field for local lodgers.

BACKGROUND:

The bill would explicitly require online travel companies to pay the state and local transient lodging tax on the sale price of the rooms they sell, rather than the discounted price at which they purchase the rooms. For example, if Expedia or Travelocity purchase a block of rooms from a hotel for \$100 apiece, but then sell a room to someone for \$130, the online travel company pays the tax on the \$100 “buy” price, not on the \$130 “sell” price. As a result, cities and the state are losing out on potential transient lodging tax revenues.

TELL YOUR CITY’S STORY:

Explain to Legislators how your city has struggled to cover tourism-related expenses with the current transient lodging tax revenues, and how revenues are prudently spent maintaining the services and infrastructure that visitors expect.

Senate Bill 1519

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Rules and Executive Appointments)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Defines "transient lodging tax collector" as transient lodging provider or transient lodging intermediary. Requires transient lodging tax collector to compute transient lodging tax on retail consideration rendered for occupancy of transient lodging.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to transient lodging taxes; creating new provisions; amending ORS 320.300, 320.305, 320.310,
3 320.315, 320.320, 320.325, 320.330, 320.345, 320.347 and 320.350; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 320.300 is amended to read:

6 320.300. As used in ORS 320.300 to 320.350:

7 (1) "Collection reimbursement charge" means the amount a transient lodging [*provider*] **tax**
8 **collector** may retain as reimbursement for the costs incurred by the [*provider*] **transient lodging**
9 **tax collector** in collecting and reporting a transient lodging tax and in maintaining transient lodg-
10 ing tax records.

11 (2) "Conference center" means a facility that:

12 (a) Is owned or partially owned by a unit of local government, a governmental agency or a
13 nonprofit organization; and

14 (b) Meets the current membership criteria of the International Association of Conference Cen-
15 ters.

16 (3) "Convention center" means a new or improved facility that:

17 (a) Is capable of attracting and accommodating conventions and trade shows from international,
18 national and regional markets requiring exhibition space, ballroom space, meeting rooms and any
19 other associated space, including [*but not limited to*] **without limitation** banquet facilities, loading
20 areas and lobby and registration areas;

21 (b) Has a total meeting room and ballroom space between one-third and one-half of the total size
22 of the center's exhibition space;

23 (c) Generates a majority of its business income from tourists;

24 (d) Has a room-block relationship with the local lodging industry; and

25 (e) Is owned by a unit of local government, a governmental agency or a nonprofit organization.

26 (4) "Local transient lodging tax" means a tax imposed by a unit of local government on the sale,
27 service or furnishing of transient lodging.

28 (5) "State transient lodging tax" means the tax imposed under ORS 320.305.

29 (6) "Tourism" means economic activity resulting from tourists.

NOTE: Matter in boldfaced type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in boldfaced type.

1 (7) "Tourism promotion" means any of the following activities:

2 (a) Advertising, publicizing or distributing information for the purpose of attracting and wel-
3 coming tourists;

4 (b) Conducting strategic planning and research necessary to stimulate future tourism develop-
5 ment;

6 (c) Operating tourism promotion agencies; and

7 (d) Marketing special events and festivals designed to attract tourists.

8 (8) "Tourism promotion agency" includes:

9 (a) An incorporated nonprofit organization or governmental unit that is responsible for the
10 tourism promotion of a destination on a year-round basis.

11 (b) A nonprofit entity that manages tourism-related economic development plans, programs and
12 projects.

13 (c) A regional or statewide association that represents entities that rely on tourism-related
14 business for more than 50 percent of their total income.

15 (9) "Tourism-related facility" means:

16 (a) [Means] A conference center, convention center or visitor information center; and

17 (b) [Means] Other improved real property that has a useful life of 10 or more years and has a
18 substantial purpose of supporting tourism or accommodating tourist activities.

19 (10) "Tourist" means a person who, for business, pleasure, recreation or participation in events
20 related to the arts, heritage or culture, travels from the community in which that person is a resi-
21 dent to a different community that is separate, distinct from and unrelated to the person's commu-
22 nity of residence, and that trip:

23 (a) Requires the person to travel more than 50 miles from the community of residence; or

24 (b) Includes an overnight stay.

25 (11) "Transient lodging" means:

26 (a) Hotel, motel and inn dwelling units that are used for temporary overnight human occupancy;

27 (b) Spaces used for parking recreational vehicles or erecting tents during periods of human oc-
28 cupancy; or

29 (c) Houses, cabins, condominiums, apartment units or other dwelling units, or portions of any
30 of these dwelling units, that are used for temporary human occupancy.

31 (12) "Transient lodging intermediary" means a person other than a transient lodging
32 provider that facilitates the retail sale of transient lodging and charges for occupancy of the
33 transient lodging.

34 (13) "Transient lodging provider" means a person that furnishes transient lodging.

35 (14) "Transient lodging tax collector" means a transient lodging provider or a transient
36 lodging intermediary.

37 [(12)] (15) "Unit of local government" has the meaning given that term in ORS 190.003.

38 [(13)] (16) "Visitor information center" means a building, or a portion of a building, the main
39 purpose of which is to distribute or disseminate information to tourists.

40 **SECTION 2.** ORS 320.305 is amended to read:

41 320.305. (1)(a) A tax of one percent is imposed on [any] consideration rendered for the sale,
42 service or furnishing of transient lodging.

43 (b) The tax must be computed on the amount of consideration rendered at retail by a
44 person for occupancy of the transient lodging.

45 (c) The tax shall be collected by the transient lodging tax collector that receives the

1 **consideration rendered for occupancy of the transient lodging.**

2 (d) The tax imposed by this subsection *[shall be]* is in addition to and not in lieu of any local
3 transient lodging tax. *[The tax shall be collected by the transient lodging provider.]*

4 (2) The transient lodging *[provider shall]* **tax collector** may withhold a **collection reimburse-**
5 **ment charge** of five percent of the amount *[the provider collects]* **collected** under subsection (1) of
6 this section *[for the purpose of reimbursing the provider for the cost of tax collection, record keeping*
7 *and reporting]*.

8 **SECTION 3.** ORS 320.310 is amended to read:

9 320.310. Every transient lodging *[provider]* **tax collector** responsible for collecting the tax im-
10 posed by ORS 320.305 shall keep records, render statements and comply with rules adopted by the
11 Department of Revenue with respect to the tax. The records and statements required by this section
12 must be sufficient to show whether there is a tax liability under ORS 320.305.

13 **SECTION 4.** ORS 320.315 is amended to read:

14 320.315. (1) Every transient lodging *[provider]* **tax collector** is responsible for collecting the tax
15 imposed under ORS 320.305 and shall file a return with the Department of Revenue, on or before the
16 last day of the month following the end of each calendar quarter, reporting the amount of tax due
17 during the quarter. The department shall prescribe the form of the return required by this section.
18 The rules of the department shall require that returns be made under penalties for false swearing.

19 (2) When a return is required under subsection (1) of this section, the transient lodging
20 *[provider]* **tax collector** required to make the return shall remit the tax due to the department at
21 the time fixed for filing the return.

22 **SECTION 5.** ORS 320.320 is amended to read:

23 320.320. If the amount paid by the transient lodging *[provider]* **tax collector** to the Department
24 of Revenue under ORS 320.315 exceeds the amount of tax payable, the department shall refund the
25 amount of the excess with interest thereon at the rate established under ORS 305.220 for each month
26 or fraction of a month from the date of payment of the excess until the date of the refund. A refund
27 may not be made to a transient lodging *[provider who]* **tax collector** that fails to claim the refund
28 within two years after the due date for filing the return to which the claim for refund relates.

29 **SECTION 6.** ORS 320.325 is amended to read:

30 320.325. (1) Every transient lodging *[provider]* **tax collector** required to collect the tax imposed
31 by ORS 320.305 *[shall be]* is deemed to hold the amount collected in trust for the State of Oregon
32 and for payment to the Department of Revenue in the manner and at the time provided by ORS
33 320.315.

34 (2) At any time the transient lodging *[provider]* **tax collector** required to collect the tax fails
35 to remit any amount deemed to be held in trust for the State of Oregon, the department may enforce
36 collection by the issuance of a distraint warrant for the collection of the delinquent amount and all
37 penalties, interest and collection charges accrued *[thereon]* **on the delinquent amount**. The warrant
38 shall be issued, docketed and proceeded upon in the same manner and shall have the same force and
39 effect as *[is prescribed with respect to]* warrants for the collection of delinquent income taxes.

40 **SECTION 7.** ORS 320.330 is amended to read:

41 320.330. Unless the context requires otherwise, the provisions of ORS chapters 305, 314 and 316
42 *[as to]* **governing** the audit and examination of reports and returns, confidentiality of reports and
43 returns, determination of deficiencies, assessments, claims for refunds, penalties, interest, jeopardy
44 assessments, warrants, conferences and appeals to the Oregon Tax Court, and **related** procedures
45 *[relating thereto]*, apply to ORS 320.305 to 320.340*[the same]* as if the **state transient lodging tax**

1 were a tax imposed upon or measured by net income. *[All such]* The provisions apply to the taxpayer
 2 liable for the tax and to the transient lodging *[provider]* **tax collector** required to collect the tax.
 3 *[As to]* Any amount collected and required to be remitted to the Department of Revenue, *the tax*
 4 *shall be* is considered a tax upon the transient lodging *[provider]* **tax collector** required to collect
 5 the tax and *[that provider shall be]* **the transient lodging tax collector** is considered a taxpayer.

6 **SECTION 8.** ORS 320.350 is amended to read:

7 320.350. (1) A unit of local government that did not impose a local transient lodging tax on July
 8 1, 2003, may not impose a local transient lodging tax on or after July 2, 2003, unless the imposition
 9 of the local transient lodging tax was approved on or before July 1, 2003.

10 (2) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
 11 not increase the rate of the local transient lodging tax on or after July 2, 2003, to a rate that is
 12 greater than the rate in effect on July 1, 2003, unless the increase was approved on or before July
 13 1, 2003.

14 (3) A unit of local government that imposed a local transient lodging tax on July 1, 2003, may
 15 not decrease the percentage of total local transient lodging tax revenues that are actually expended
 16 to fund tourism promotion or tourism-related facilities on or after July 2, 2003. A unit of local gov-
 17 ernment that agreed, on or before July 1, 2003, to increase the percentage of total local transient
 18 lodging tax revenues that are to be expended to fund tourism promotion or tourism-related facilities,
 19 must increase the percentage as agreed.

20 (4) Notwithstanding subsections (1) and (2) of this section, a unit of local government that is fin-
 21 nancing debt with local transient lodging tax revenues on November 26, 2003, must continue to fin-
 22 nance the debt until the retirement of the debt, including any refinancing of that debt. If the tax is
 23 not otherwise permitted under subsection (1) or (2) of this section, at the time of the debt retirement:

24 (a) The local transient lodging tax revenue that financed the debt shall be used as provided in
 25 subsection (5) of this section; or

26 (b) The unit of local government shall thereafter eliminate the new tax or increase in tax oth-
 27 erwise described in subsection (1) or (2) of this section.

28 (5) Subsections (1) and (2) of this section do not apply to a new or increased local transient
 29 lodging tax if all of the net revenue from the new or increased tax, following reductions attributed
 30 to collection reimbursement charges, is used consistently with subsection (6) of this section to:

31 (a) Fund tourism promotion or tourism-related facilities;

32 (b) Fund city or county services; or

33 (c) Finance or refinance the debt of tourism-related facilities and pay reasonable administrative
 34 costs incurred in financing or refinancing that debt, provided that:

35 (A) The net revenue may be used for administrative costs only if the unit of local government
 36 provides a collection reimbursement charge; and

37 (B) Upon retirement of the debt, the unit of local government reduces the tax by the amount
 38 by which the tax was increased to finance or refinance the debt.

39 (6) At least 70 percent of net revenue from a new or increased local transient lodging tax shall
 40 be used for the purposes described in subsection (5)(a) or (c) of this section. No more than 30 percent
 41 of net revenue from a new or increased local transient lodging tax may be used for the purpose
 42 described in subsection (5)(b) of this section.

43 **(7) A tax imposed under this section:**

44 (a) **Must be computed on the amount of consideration rendered at retail by a person for**
 45 **occupancy of transient lodging; and**

1 (b) Shall be collected by the transient lodging tax collector that receives the consider-
 2 ation rendered for occupancy of the transient lodging.

3 **SECTION 9.** ORS 320.345 is amended to read:

4 320.345. (1) On or after January 1, 2001, a unit of local government that imposed a local tran-
 5 sient lodging tax on December 31, 2000, and allowed a transient lodging [*provider*] tax collector to
 6 retain a collection reimbursement charge on that tax, may not decrease the [*percentage of local*
 7 *transient lodging taxes that is used to fund*] rate of the collection reimbursement [*charges*] charge.

8 (2) A unit of local government that imposes a new local transient lodging tax on or after Janu-
 9 ary 1, 2001, shall allow a transient lodging [*provider*] tax collector to retain a collection re-
 10 imbursement charge of at least five percent of all collected local transient lodging tax revenues.
 11 [*The percentage of the collection reimbursement charge may be increased by*] The unit of local gov-
 12 ernment may increase the rate of the collection reimbursement charge.

13 (3) A unit of local government that increases a local transient lodging tax on or after January
 14 1, 2001, shall allow a transient lodging [*provider*] tax collector to retain a collection reimbursement
 15 charge of at least five percent of all collected local transient lodging tax revenues[. *The collection*
 16 *reimbursement charge shall apply to all collected local transient lodging tax revenues*], including re-
 17 venues that would have been collected without the increase. [*The percentage of the collection re-*
 18 *imbursement charge may be increased by*] The unit of local government may increase the rate of
 19 the collection reimbursement charge.

20 (4) A unit of local government may not offset the loss of local transient lodging tax revenues
 21 caused by collection reimbursement charges [*required by*] allowable under this section by:

22 (a) Increasing the rate of the local transient lodging tax;

23 (b) Decreasing the percentage of total local transient lodging tax revenues used to fund tourism
 24 promotion or tourism-related facilities; or

25 (c) Increasing or imposing a new fee solely on transient lodging [*providers*] tax collectors or
 26 tourism promotion agencies that are funded by the local transient lodging tax.

27 **SECTION 10.** ORS 320.347 is amended to read:

28 320.347. (1) Except as provided in this section, a unit of local government that imposes a tax on
 29 the rental of privately owned camping or recreational vehicle spaces shall, regardless of a schedule
 30 imposed by the unit of local government for remitting tax receipts, allow a transient lodging [*pro-*
 31 *vider*] tax collector to hold the tax collected until the amount of money held [*by the provider*] equals
 32 or exceeds \$100.

33 (2) Once the amount held by a transient lodging [*provider*] tax collector equals or exceeds \$100,
 34 or by December 31 of each year if the \$100 threshold is not met, the [*provider*] transient lodging
 35 tax collector shall remit the tax collected at the next following reporting period established by the
 36 unit of local government for payment of the tax.

37 (3) A unit of local government may not assess any penalty or interest against a transient lodging
 38 [*provider*] tax collector that withholds payments pursuant to this section.

39 **SECTION 11.** The amendments to ORS 320.300, 320.305, 320.310, 320.315, 320.320, 320.325,
 40 320.330, 320.345, 320.347 and 320.350 by sections 1 to 10 of this 2012 Act apply to transient
 41 lodging occupied on or after the effective date of this 2012 Act.

42 **SECTION 12.** This 2012 Act takes effect on the 91st day after the date on which the 2012
 43 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.

House Bill 4093

Sponsored by Representative HANNA; Representatives WAND, WHISNANT, Senator ATKINSON (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Increases number of enterprise zones that may be designated and maximum area of enterprise zone.

Increases number of enterprise zones that may be designated for electronic commerce.

Increases additional tax years during which qualified property in enterprise zone may be exempt from taxation.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to extension of enterprise zones; creating new provisions; amending ORS 285C.080,
3 285C.090, 285C.095, 285C.160 and 285C.175; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 285C.080 is amended to read:

6 285C.080. (1) As provided in ORS 285C.065 and 285C.075, the Director of the Oregon Business
7 Development Department may approve the designation of:

8 (a) Up to [17] **20** areas as rural enterprise zones; and

9 (b) Up to [10] **15** areas as urban or rural enterprise zones.

10 (2) Areas designated as enterprise zones under this section [*shall be*] **are** in addition to the 30
11 areas designated or redesignated as enterprise zones by order of the Governor under ORS 284.160
12 (1987 Replacement Part) before October 3, 1989, areas redesignated under ORS 285C.250, areas des-
13 igned under ORS 285C.085 and areas designated under ORS 285C.306.

14 **SECTION 2.** ORS 285C.090 is amended to read:

15 285C.090. (1) A proposed enterprise zone must be located in a local area in which:

16 (a) Fifty percent or more of the households have incomes below 80 percent of the median income
17 of this state, as defined by the most recent federal decennial census;

18 (b) The unemployment rate is at least 2.0 percentage points greater than the comparable unem-
19 ployment rate for this entire state, as defined by the most recently available data published or offi-
20 cially provided and verified by the United States Government, the Employment Department [*of this*
21 *state*], the Portland State University Population Research Center or special studies conducted under
22 a contract with a regional academic institution; or

23 (c) The Oregon Business Development Department determines on a case-by-case basis using ev-
24 idence provided by the cities, counties or ports applying for designation of the proposed enterprise
25 zone that there exists a level of economic hardship at least as severe as that described in paragraph
26 (a) or (b) of this subsection. The evidence [*shall*] **must** be based on the most recently available data
27 from official sources and may include[, *but is not limited to,*] a contemporary decline of the popu-
28 lation in the proposed enterprise zone, the percentage of persons in the proposed enterprise zone
29 below the poverty level relative to the percentage of the entire population of this state below the

NOTE: Matter in boldfaced type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in boldfaced type.

1 poverty level or the unemployment rate for the county or counties in which the proposed enterprise
2 zone is located.

3 (2) An enterprise zone *[must]* **may** consist of a total area of not more than *[12]* 15 square miles
4 in size. The area of the zone *[shall]* **must** be calculated by excluding that portion of the zone that
5 lies below the ordinary high water mark of a navigable body of water.

6 (3) Except as provided in subsection (4) of this section:

7 (a) An enterprise zone must have *[12]* 15 miles or less as the greatest distance between any two
8 points within the zone; and

9 (b) Unconnected areas of an enterprise zone may not be more than five miles apart.

10 (4) Unconnected areas of a rural enterprise zone may not be more than 15 miles apart when an
11 unconnected area is entirely within a sparsely populated county, and the zone:

12 (a) Must have 20 miles or less as the greatest distance between any two points within the zone,
13 if only a portion of the zone is contained within a sparsely populated county; or

14 (b) Must have 25 miles or less as the greatest distance between any two points within the zone,
15 if the zone is entirely contained within a sparsely populated county.

16 (5) This section does not apply to the designation or redesignation of a reservation enterprise
17 zone or a reservation partnership zone.

18 **SECTION 3.** ORS 285C.095 is amended to read:

19 285C.095. (1) A sponsor of an existing enterprise zone may seek to have the zone designated for
20 electronic commerce under this section.

21 (2) The sponsor *[shall]* **must** file an application to have the zone designated for electronic
22 commerce with the Oregon Business Development Department. The application *[shall]* **must** be in
23 the form and contain the information that the department by rule may require.

24 (3) The application *[shall]* **must** be accompanied by a copy of a resolution, adopted by the gov-
25 erning body of the sponsor, requesting that the zone be designated for electronic commerce.

26 (4) The department shall review applications for electronic commerce designation and *[shall]*
27 **may** approve no more than *[10]* 20 zones for electronic commerce designation.

28 (5) The sponsor may by resolution revoke an electronic commerce designation made under this
29 section. If an election is revoked, the sponsor may not subsequently seek reinstatement of electronic
30 commerce designation.

31 **SECTION 4.** ORS 285C.175 is amended to read:

32 285C.175. (1) Property of an authorized business firm is exempt from ad valorem property taxa-
33 tion if:

34 (a) The property is qualified property under ORS 285C.180;

35 (b) The firm meets the qualifications under ORS 285C.200; and

36 (c) The firm has entered into a first-source hiring agreement under ORS 285C.215.

37 (2)(a) The exemption allowed under this section applies to the first tax year for which, as of
38 January 1 preceding the tax year, the qualified property is in service. The exemption shall continue
39 for the next two succeeding tax years if the property continues to be owned or leased by the busi-
40 ness firm and located in the enterprise zone.

41 (b) The property may be exempt from property taxation under this section for up to *[two]* **three**
42 additional tax years consecutively following the tax years described in paragraph (a) of this sub-
43 section, if authorized by the written agreement entered into by the firm and the sponsor under ORS
44 285C.160.

45 (c) If qualified property of a qualified business firm is sold or leased to an eligible business firm

1 in the enterprise zone during the period the property is exempt under this section, the purchasing
2 or leasing firm is eligible to continue the exemption of the selling or leasing firm for the balance
3 of the exemption period, but only if any effects on employment within the zone that result from the
4 sale or lease do not constitute substantial curtailment under ORS 285C.210.

5 (3)(a) The exemption allowed under this section shall be 100 percent of the assessed value of the
6 qualified property in each of the tax years for which the exemption is available.

7 (b) Notwithstanding paragraph (a) of this subsection:

8 (A) If the qualified property is an addition to or modification of an existing building or structure,
9 the exemption shall be measured by the increase in value, if any, attributable to the addition or
10 modification.

11 (B) If the qualified property is an item of reconditioned, refurbished, retrofitted or upgraded real
12 property machinery or equipment, the exemption shall be measured by the increase in the value of
13 the item that is attributable to the reconditioning, refurbishment, retrofitting or upgrade.

14 (4)(a) An exemption may not be granted under this section for qualified property assessed for
15 property tax purposes in the county in which the property is located on or before the effective date
16 of the:

17 (A) Designation of the zone; or

18 (B) Approval of a boundary change for the zone if the property is located in an area added to
19 the zone.

20 (b) An exemption may not be granted for qualified property constructed, added, modified or in-
21 stalled in the zone or in the process of construction, addition, modification or installation in the
22 zone on or before the effective date of the:

23 (A) Designation of the zone; or

24 (B) Approval of a boundary change for the zone if the property is located in an area added to
25 the zone.

26 (c) An exemption may not be granted for any qualified property that was in service within the
27 zone for more than 12 months by January 1 of the first assessment year for which an exemption
28 claim is made.

29 (d) An exemption may not be granted for any qualified property unless the property is in use
30 or occupancy before July 1 of the year immediately following the year during which the completion
31 of the construction, addition, modification or installation occurred.

32 (e) Except as provided in ORS 285C.245, an exemption may not be granted for qualified property
33 constructed, added, modified or installed after termination of an enterprise zone.

34 (5) Property is not required to have been exempt under ORS 285C.170 in order to be exempt
35 under this section.

36 (6) The county assessor shall notify the business firm in writing whenever property is denied
37 an exemption under this section. The denial of exemption may be appealed to the Oregon Tax Court
38 under ORS 305.404 to 305.560.

39 (7) For each tax year that the property is exempt from taxation, the assessor shall:

40 (a) Enter on the assessment roll, as a notation, the assessed value of the property as if it were
41 not exempt under this section.

42 (b) Enter on the assessment roll, as a notation, the amount of additional taxes that would be
43 due if the property were not exempt.

44 (c) Indicate on the assessment roll that the property is exempt and is subject to potential addi-
45 tional taxes as provided in ORS 285C.240, by adding the notation "enterprise zone exemption (po-

1 tential additional tax).”

2 **SECTION 5.** ORS 285C.160 is amended to read:

3 285C.160. (1) An eligible business firm seeking authorization under ORS 285C.140 and the spon-
 4 sor of the enterprise zone in which the firm intends to invest may enter into a written agreement
 5 to extend the period during which the qualified property is exempt from taxation under ORS
 6 285C.175 if the firm complies with the terms of the agreement.

7 (2) The period for which the qualified property is to continue to be exempt must be set forth in
 8 the agreement and may not exceed *[two]* **three** additional tax years.

9 (3) In order for an agreement under this section to extend the period of exemption, the agree-
 10 ment must be executed on or before the date on which the firm is authorized, and:

11 (a) If the enterprise zone is a rural enterprise zone or an urban enterprise zone located inside
 12 a metropolitan statistical area of fewer than 400,000 residents, the agreement must require that the
 13 firm meet both of the following:

14 (A) Annually compensate all new employees hired by the firm at an average rate of not less than
 15 150 percent of the county average annual wage for each assessment year during the tax exemption
 16 period, as determined at the time of authorization.

17 (B) Any additional requirement that the sponsor may reasonably request.

18 (b) If the enterprise zone is an urban enterprise zone located inside a metropolitan statistical
 19 area of 400,000 residents or more, the agreement must require that the firm meet any additional
 20 requirement the sponsor may reasonably require.

21 (4) If a firm enters into an agreement under this section that includes a compensation require-
 22 ment under subsection (3)(a)(A) of this section and the firm subsequently submits one or more
 23 statements of continued intent under ORS 285C.165, notwithstanding the terms of the agreement
 24 made under this section, for each statement of continued intent submitted, the county average an-
 25 nual wage under subsection (3)(a)(A) of this section shall be adjusted to a level that is current with
 26 the statement.

27 **SECTION 6.** The amendments to ORS 285C.160 and 285C.175 by sections 4 and 5 of this
 28 2012 Act apply to property granted exemption under ORS 285C.175 before, on or after the
 29 effective date of this 2012 Act.

30 **SECTION 7.** This 2012 Act takes effect on the 91st day after the date on which the 2012
 31 regular session of the Seventy-sixth Legislative Assembly adjourns sine die.

32

Senate Bill 1560

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Senate Interim Committee on Veterans' and Military Affairs for Senator Alan Olsen)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Requires moneys in Emergency Communications Account, including Enhanced 9-1-1 Subaccount, to be used for purposes of 9-1-1 emergency communications unless statutory exception is made during state of fiscal emergency. Defines "fiscal emergency."
Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to 9-1-1 emergency communications; creating new provisions; amending ORS 403.235; and
3 declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 403.235 is amended to read:

6 403.235. (1) The Emergency Communications Account is established separate and distinct from
7 the General Fund in the State Treasury. All moneys received by the Department of Revenue pursu-
8 ant to ORS 403.200 to 403.230 and interest thereon must be paid to the State Treasurer to be held
9 in a suspense account established under ORS 293.445. After payment of refunds, the balance of the
10 moneys received must be paid into the State Treasury and credited to the Emergency Communi-
11 cations Account. All moneys in the account are continuously appropriated to the Office of Emer-
12 gency Management and must be used for the purposes described in ORS 403.240.

13 (2) The Enhanced 9-1-1 Subaccount is established as a subaccount of the Emergency Communi-
14 cations Account. Thirty-five percent of the amount in the Emergency Communications Account on
15 the date of distribution must be credited to the Enhanced 9-1-1 Subaccount. All moneys in the [*ac-*
16 *count*] subaccount are continuously appropriated to the Office of Emergency Management and must
17 be used for the purposes described in ORS 403.240 (3), (4) and (5).

18 (3) **Moneys in the Emergency Communications Account, including the Enhanced 9-1-1**
19 **Subaccount, may be used only for the purposes described in ORS 403.240 unless this section**
20 **and ORS 403.240 are modified or eliminated by amendment or repeal during a state of fiscal**
21 **emergency.**

22 (4) **As used in this section, "fiscal emergency" means a projected deficit for the**
23 **biennium, as most recently projected by the Oregon Department of Administrative Services**
24 **under ORS 291.261 (1), of at least 12 percent below the amounts estimated to be received for**
25 **the biennium, as estimated after adjournment sine die of the odd-numbered year regular**
26 **session of the Legislative Assembly pursuant to ORS 291.349 (1).**

27 **SECTION 2.** The amendments to ORS 403.235 by section 1 of this 2012 Act apply to mon-
28 eys deposited in the Emergency Communications Account on or after the effective date of
29 this 2012 Act.

NOTE: Matter in boldfaced type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in boldfaced type.

1 **SECTION 3.** This 2012 Act being necessary for the immediate preservation of the public
2 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect
3 on its passage.

4

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by prior reference
Vote:	7 - 0 - 1
Yeas:	Nathanson, Read, Sheehan, Smith J., Weidner, Bentz, Hunt
Nays:	0
Exc.:	Lindsay
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/2, 2/9

WHAT THE MEASURE DOES: Authorizes additional lottery bond authority to for the following purposes: \$10 million to finance grants and loans for transportation projects under the *ConnectOregon* IV program; \$10 million to finance water and sewer infrastructure projects; and \$ 10 million to finance community college capital construction. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Lottery revenue forecast and bonding capacity
- Impact of *ConnectOregon* projects statewide
- Challenges in providing and upgrading local water and sewer infrastructure
- Rising enrollment at state's community colleges
- Workforce development programs

EFFECT OF COMMITTEE AMENDMENT: Designates measure as the "Transportation and Economic Development Act of 2012." Deletes amendments to ORS 285B.551. Makes specific allocations to 17 community colleges for specified projects. Requires a progress report be submitted to the Legislative Assembly by the Department of Community Colleges and Workforce Development on status of funded projects. Deletes a section allocating \$20 million to the Oregon Growth account.

BACKGROUND: House Bill 4028-A, also known as the Transportation and Economic Development Act of 2012, authorizes the issuance of \$30 million in lottery-backed bonds for *ConnectOregon* IV, the Special Public Works Fund, and community college workforce construction.

The Legislative Assembly created the *ConnectOregon* program in 2005 to provide funding in the form of grants and loans for non-highway transportation projects, including aviation, marine, passenger and freight rail and public transportation projects. The initial program provided \$100 million in lottery-backed bonds, which provided funding for 38 projects; it was followed by an additional \$100 million in 2007 (30 projects) and 2009 (40 projects). The Legislative Assembly approved \$40 million for *ConnectOregon* IV in 2011; to date, the Department of Transportation has received 70 applications for a total of \$84 million. House Bill 4028-A authorizes an additional \$10 million in lottery bonds to be awarded to qualified applicants for *ConnectOregon* IV projects.

The Special Public Works Fund, administered by the Oregon Business Development Department's Infrastructure Finance Authority, provides funds in the form of grants and loans for publicly owned facilities that support economic and community development. The funds can be used for planning, design, purchasing, improving and constructing facilities, replacing publicly-owned essential facilities, and emergency projects. House Bill 4028-A allocates \$10 million in lottery bond proceeds to the Special Public Works Fund to finance low-interest loans to local governments for water and sewer infrastructure projects. House Bill 4028-A also provides \$10 million in lottery bond proceeds to the Oregon Community Colleges and Workforce Development Department to finance one capital project related to workforce development at each of the state's 17 community colleges.

2/10/2012 12:42:00 PM

This summary has not been adopted or officially endorsed by action of the committee.

House Bill 4090

Sponsored by Representatives SHEEHAN, WAND (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Authorizes owner of real property that is located within urban growth boundary and, due to certain impediments, not provided with sanitary sewer or water services to cause public or private provider of sanitary sewer and water services to connect service facilities and serve property if owner pays all costs to connect and deliver service.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to urban services; creating new provisions; amending ORS 195.060, 195.065 and 221.034; and
3 declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** Section 2 of this 2012 Act and ORS 195.060 are added to and made a part of
6 ORS 195.065 to 195.085.

7 **SECTION 2.** (1) If a service provider cannot provide sanitary sewer or water services to
8 a lawfully established unit of land located entirely within an urban growth boundary and
9 within the service area of the service provider, as identified in the applicable urban services
10 agreement, the owner of the lawfully established unit of land may cause another service
11 provider to connect the established unit of land to the facilities of the other provider. For
12 purposes of this section, a service provider cannot provide service to the lawfully established
13 unit of land if the service provider:

14 (a) Is unwilling or unable to provide sanitary sewer or water services to the lawfully es-
15 tablished unit of land; or

16 (b) Is willing to provide the services but cannot provide the services due to a legal or
17 topographic impediment or due to a lack of capacity or infrastructure.

18 (2) If the lawfully established unit of land is not within a service area identified in the
19 applicable urban services agreement, the owner may select and cause a service provider to
20 provide the services if the provider has adequate capacity to provide the services and main-
21 tain adequate service levels in the provider's service area.

22 (3) A service provider may charge to the owner all costs incurred to connect the lawfully
23 established unit of land to the service facilities and to deliver the sanitary sewer or water
24 services pursuant to this section.

25 (4) If the owner is unable to make arrangements with a service provider through direct
26 negotiations, the owner may petition the county and the county shall initiate:

27 (a) The process described in ORS 195.065 for review and modification of the urban ser-
28 vices agreement solely for the purpose of addressing the service needs of the owner's law-
29 fully established unit of land; or

30 (b) A substantially similar, but abbreviated, process established by ordinance of the

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted.
New sections are in boldfaced type.

1 county for that purpose.

2 (5) Notwithstanding contrary provisions of an annexation plan described in ORS 195.205,
 3 a city or district that provides services pursuant to this section may require the owner to
 4 waive remonstrance or agree to annexation.

5 **SECTION 3.** ORS 195.060 is amended to read:

6 195.060. As used in ORS 195.020, 195.065 to 195.085 and 197.005, unless the context requires
 7 otherwise:

8 (1) "District" has the meaning given that term in ORS 198.010. In addition, the term includes a
 9 county service district organized under ORS chapter 451.

10 (2) "Lawfully established unit of land" has the meaning given that term in ORS 92.010.

11 (3) "Provider" or "service provider" means units of local government, as defined in ORS
 12 190.003, and districts that provide an urban service to an area within an urban growth
 13 boundary that has a population greater than 2,500 persons.

14 [(2)] (4) "Urban growth boundary" means an acknowledged urban growth boundary contained in
 15 a city or county comprehensive plan or an acknowledged urban growth boundary that has been
 16 adopted by a metropolitan service district council under ORS 268.390 (3).

17 [(3)] (5) "Urban service" [*has the meaning given that term in ORS 195.065.*] means:

- 18 (a) Sanitary sewers;
- 19 (b) Water;
- 20 (c) Fire protection;
- 21 (d) Parks;
- 22 (e) Open space;
- 23 (f) Recreation; or
- 24 (g) Streets, roads and mass transit.

25 **SECTION 4.** ORS 195.065 is amended to read:

26 195.065. (1) Under ORS 190.003 to 190.130, units of local government and special districts that
 27 provide an urban service to an area within an urban growth boundary that has a population greater
 28 than 2,500 persons, and that are identified as appropriate parties by a cooperative agreement under
 29 ORS 195.020, shall enter into urban service agreements that:

30 (a) Specify whether the urban service will be provided in the future by a city, county, district,
 31 authority or a combination of one or more cities, counties, districts or authorities.

32 (b) Set forth the functional role of each service provider in the future provision of the urban
 33 service.

34 (c) Determine the future service area for each provider of the urban service.

35 (d) Assign responsibilities for:

- 36 (A) Planning and coordinating provision of the urban service with other urban services;
- 37 (B) Planning, constructing and maintaining service facilities; and
- 38 (C) Managing and administering provision of services to urban users.

39 (e) Define the terms of necessary transitions in provision of urban services, ownership of facili-
 40 ties, annexation of service [*territory*] area, transfer of moneys or project responsibility for projects
 41 proposed on a plan of the city or district prepared pursuant to ORS 223.309 and merger of service
 42 providers or other measures for enhancing the cost efficiency of providing urban services.

43 (f) Establish a process for review and modification of the urban service agreement.

44 (2)(a) Each county shall have responsibility for convening representatives of all cities and spe-
 45 cial districts that provide or declare an interest in providing an urban service inside an urban

1 growth boundary within the county, for the purpose of negotiating an urban service agreement. A
 2 county may establish two or more subareas inside an urban growth boundary for the purpose of such
 3 agreements. If an urban service is to be provided within the boundaries of a Metropolitan Service
 4 District, a county shall notify the Metropolitan Service District in advance of the time for cities and
 5 special districts to meet for the purpose of negotiating an urban service agreement, and the Metro-
 6 politan Service District shall exercise its review, advisory and coordination functions under ORS
 7 195.025.

8 (b) When negotiating for an urban service agreement, a county shall consult with recognized
 9 community planning organizations within the area affected by the urban service agreement.

10 (3) Decisions on a local government structure to be used to deliver an urban service under ORS
 11 195.070 are not land use decisions under ORS 197.015.

12 [(4) For purposes of ORS 195.020, 195.070, 195.075, 197.005 and this section, "urban services"
 13 means:]

14 [(a) Sanitary sewers;]

15 [(b) Water;]

16 [(c) Fire protection;]

17 [(d) Parks;]

18 [(e) Open space;]

19 [(f) Recreation; and]

20 [(g) Streets, roads and mass transit.]

21 [(5)] (4) Whether the requirement of subsection (1) of this section is met by a single urban ser-
 22 vice agreement among multiple providers of a service, by a series of agreements with individual
 23 providers or by a combination of multiprovider and single-provider agreements shall be a matter of
 24 local discretion.

25 **SECTION 5.** ORS 221.034 is amended to read:

26 221.034. (1) As used in this section:

27 (a) "Neighboring city" means a city that has any part of its territory situated within three miles
 28 of the area proposed to be incorporated.

29 (b) "Rural unincorporated community" means a settlement with a boundary identified in an ac-
 30 knowledged comprehensive plan of a county and that:

31 (A) Is made up primarily of lands subject to an exception to statewide planning goals related to
 32 agricultural lands or forestlands;

33 (B) Either was identified in the acknowledged comprehensive plan of a county as a "rural com-
 34 munity," "service center," "rural center," "resort community" or similar term before October 28,
 35 1994, or is listed in the Department of Land Conservation and Development's "Survey of Oregon
 36 Unincorporated Communities" (January 30, 1997);

37 (C) Lies outside the urban growth boundary of a city or a metropolitan service district; and

38 (D) Is not incorporated as a city.

39 (c) "Urban reserve" has the meaning given that term in ORS 195.137.

40 (d) "Urban services" has the meaning given that term in ORS [195.065] **195.060**.

41 (2) When any of the area proposed to be incorporated as a city lies within an urbanized area,
 42 but outside the urban growth boundary of a city or a metropolitan service district:

43 (a) The area proposed to be incorporated must also be located entirely within a designated rural
 44 unincorporated community and contiguous lands subject to an exception to statewide planning goals
 45 related to agricultural lands or forestlands.

1 (b) The petition required by ORS 221.031 must be accompanied by an affidavit, signed by a chief
 2 petitioner, stating that:

3 (A) Ten percent of the electors registered within the area proposed for incorporation favor the
 4 incorporation; and

5 (B) The chief petitioners have engaged the neighboring cities in discussions concerning the ef-
 6 fects of the proposed incorporation, including discussions specifically relating to how those cities
 7 and the proposed city will allow for expansion of urban growth boundaries and, where applicable,
 8 for creation or expansion of urban reserves.

9 (c) The economic feasibility statement required by ORS 221.035 must:

10 (A) Indicate that the proposed city must plan for and provide urban services in a cost-effective
 11 manner at the minimum level adequate to meet current needs and projected growth;

12 (B) Contain a proposed permanent rate limit for operating taxes to provide revenues for urban
 13 services; and

14 (C) Indicate that the proposed city must plan for residential development at or above the same
 15 urban density planned for an existing city, within the county, that has a similar geographic area
 16 within the existing city's urban growth boundary or, for a proposed city within three miles of
 17 Metro's boundary, a minimum urban residential density in accordance with a statewide planning
 18 goal and rules pertaining to needed housing for cities within Metro's urban growth boundary.

19 (d) If the proposed city will be required to complete a public facility plan and a transportation
 20 systems plan, the proposed city must demonstrate the ability to provide urban services to meet
 21 current needs and projected growth. The proposed city may meet this requirement, in whole or in
 22 part, by establishing an agreement in principle with a city or a district, as defined in ORS 195.060,
 23 to provide the urban services.

24 (3) If the governing body of a neighboring city determines that the proposed incorporation ad-
 25 versely affects that city, the governing body may ask the county court with which the petition for
 26 incorporation was filed to reject the petition and terminate the incorporation proceedings. The ob-
 27 jections by the city to the incorporation shall be heard and considered by the county court at a
 28 public hearing held under ORS 221.040.

29 (4) If, at the hearing held under ORS 221.040, the county court finds that any of the require-
 30 ments of subsection (2) of this section are not met or that the proposed incorporation will adversely
 31 affect a neighboring city, the county court shall provide by order for the termination of the incor-
 32 poration proceedings. The order shall contain the findings of the county court relating to the pro-
 33 posed incorporation and the reasons for terminating the incorporation proceedings.

34 (5) In the manner provided in ORS 197.830 to 197.845, the Land Use Board of Appeals shall re-
 35 view, upon the petition of a party to the incorporation proceedings, the order of the county court
 36 under subsection (4) of this section.

37 **SECTION 6. This 2012 Act being necessary for the immediate preservation of the public**
 38 **peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect**
 39 **on its passage.**

House Bill 4144

Sponsored by Representative NOLAN (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Requires contracting agency, in determining lowest bid for procurement, to make certain additions and deductions based on health and retirement benefits paid for workers who are residents of this state, based on fuel consumption and carbon generation and based on personal income taxes paid by employing workers who are residents of this state.

Becomes operative January 1, 2013.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to calculations required in determining the lowest bid for certain public contracts; and
3 declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** Section 2 of this 2012 Act is added to and made a part of ORS chapter 279A.

6 **SECTION 2.** (1) To the extent that a contracting agency awards a contract for a pro-
7 curement on the basis of the lowest bid for the procurement, the contracting agency shall
8 incorporate in the determination of the lowest bid the following calculations:

9 (a) A deduction, from the cost of goods manufactured within this state that are included
10 as part of the bid for the procurement, of an amount equal to the pro rata portion of the cost
11 of the goods that is attributable to health and retirement benefits the bidder pays for work-
12 ers who are residents of this state as a direct consequence of performing the work under the
13 public contract that results from the procurement. A contracting agency may require, as
14 part of a bid, records and data that are necessary to determine the pro rata cost described
15 in this paragraph.

16 (b) An addition, to the cost of goods manufactured outside this state that are included
17 as part of the bid for the procurement, of an imputed amount that reflects the cost of fossil
18 fuel consumption and carbon generation involved in delivering the goods to the point of de-
19 livery within this state that is necessary to perform the work required for the procurement.
20 The imputed cost must increase in proportion to the distance from which the bidder expects
21 to ship the goods to the point of delivery within this state.

22 (2) If a contracting agency conducts a procurement under ORS 279B.085, the contracting
23 agency, in determining the lowest bid for the procurement, shall deduct from the bid amount
24 an imputed value that reflects the amount of personal income taxes that workers who are
25 residents of this state will pay to this state as a direct consequence of the workers' em-
26 ployment in connection with the public contract that results from the procurement.

27 (3) The Attorney General shall adopt rules to set the basis for the imputed costs and
28 values described in subsections (1) and (2) of this section. In adopting rules under this sub-
29 section, the Attorney General shall consult with the Director of the Oregon Department of

NOTE: Matter in boldfaced type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in boldfaced type.

1 Administrative Services, the Director of Transportation, the Legislative Fiscal Officer, the
2 Director of the Department of Revenue, representatives of county and city governments,
3 representatives of school boards and other knowledgeable persons.

4 SECTION 3. Section 2 of this 2012 Act applies to a public contract that a contracting
5 agency first advertises or otherwise solicits on or after the operative date specified in section
6 4 of this 2012 Act or, if the contracting agency does not advertise or solicit the public con-
7 tract, to a public contract that the contracting agency enters into on or after the operative
8 date specified in section 4 of this 2012 Act.

9 SECTION 4. (1) Section 2 of this 2012 Act becomes operative January 1, 2013.

10 (2) The Attorney General may take any action before the operative date specified in
11 subsection (1) of this section that is necessary to enable the Attorney General to exercise,
12 on and after the operative date specified in subsection (1) of this section, all of the duties,
13 functions and powers conferred on the Attorney General by section 2 of this 2012 Act.

14 SECTION 5. This 2012 Act being necessary for the immediate preservation of the public
15 peace, health and safety, an emergency is declared to exist, and this 2012 Act takes effect
16 on its passage.

17

Louie, Kathy

To: Boldizsar, Gary
Subject: RE: Wednesday Legislative Committee

From: Boldizsar, Gary
Sent: Monday, February 13, 2012 2:40 PM
To: Manning, Julie
Cc: Louie, Kathy
Subject: RE: Wednesday Legislative Committee

Senate Bill 1560 requires moneys in the Emergency Communications Account, including the Enhanced 9-1-1 Subaccount, to be used for purposes of 9-1-1 emergency communications unless statutory exception is made during a state of fiscal emergency. The Corvallis Regional Communications Center normally receives over \$500,000 per year in telephone tax revenue from the state. This is equal to about 25% of the total yearly Emergency 9-1-1 Fund budget. In past years, during some of the State's budget shortfall periods, the State Legislature has failed to disperse some of these funds causing budgetary shortfalls for the local Public Safety Answering Points (9-1-1 Centers). This bill would restrict this activity in the future by setting certain criteria that must prevail before any telephone tax funds can be skimmed off and redirected. Staff recommends Council support this bill.

Gary D. Boldizsar, Chief
Corvallis Police Department
(541) 766-6925

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Louie, Kathy

From: Brewer, Nancy
Sent: Tuesday, February 14, 2012 9:24 AM
To: Louie, Kathy
Subject: Bills to be followed

You asked about several bills in the current legislative session. My comments:

HB 4144 -- Oppose. This bill could be supported as a "buy local" measure, but the requirements it would place on procurements are extremely unreasonable and will either increase the costs of each procurement or eliminate a number of bidders from each process because they either don't have/can't get/don't want to release to public record the data required (i.e., retiree benefits provided by the vendor paid to Oregon residents, transportation costs (including fuel) to get an item to the buyer, state income taxes paid by employees of the vendor who live in Oregon as a result of working on the public contract).

HB 4028 -- Support. Issues lottery backed bonds for water/sewer projects and community college capital improvements.

HB 4037 -- Support. Corrects a number of sections of code to tie to the IRS code as of 12/31/2011 instead of 2010.

SB 1560 -- Support. This bill would keep 9-1-1 monies, including interest earned by the State on 9-1-1- taxes the State holds prior to distribution, for 9-1-1 services and not sweep balances to the State's General Fund.

HB 4025 -- Support. This bill corrects many of the problems associated with HB 2712 from the 2011 legislative session that are associated with Municipal Court fines.

Mullens, Carrie

From: Steckel, Mary
Sent: Tuesday, February 14, 2012 4:44 PM
To: Louie, Kathy; Mullens, Carrie
Subject: Wednesday Legislative Committee

Public Works recommends opposing HB 4090 with the following comments:

The City has policies and ordinances that require development to pay for the infrastructure to serve their property and it must be sized to accommodate buildout conditions as outlined in our City Comprehensive Plan and in our individual utility master plans. For example, properties in the northern end of our UGB are approximately 2 miles from the nearest water distribution facilities (pipelines). Our master plan calls for a 30 inch pipeline to be extended to this area to accommodate buildout water demand. If a property owner were to "force" the City to provide these services, it would cost the property owner over \$1M.

Funding to construct the improvements, along with the maintenance and operation, is not considered in the county regulations and if the City is responsible for these costs it places an unfunded burden on the City's resources. Having city services in an unincorporated area removes the incentive to annex and eliminates the funding for the (tax based) services provided. A good example of this is the Corvallis Municipal Airport and Industrial Park. Although having the city services provides an incentive to business (lower cost due to lower property taxes), it makes it highly unlikely that the property will be annexed into the City unless the City proposes it (as the land owner) and the community votes for it. If it was owned by someone other than the City, there would be no incentive to ever propose annexation.

As the LOC noted, it also creates issues for the planned development of the infrastructure and actual design and construction since our LDC would not apply outside the city limits. That would likely impact our ability to get SDC revenues (and get property owners to comply with the requirement to build appropriately sized facilities (see example above)) for extensions outside the city limits.

Finally, Tom Penpraze, Utilities Division Manager, has been working with the LOC committee on water issues on this bill and has expressed to them our concerns.

Mary



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Corvallis, OR 97339-1083
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FAX: (541) 766-6780

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

PROCLAMATION

Enhancing Community Livability International Year of Cooperatives

February 16, 2012

- WHEREAS, Our community's well-being is enhanced by the efforts of citizens, every day, in a variety of ways; and
- WHEREAS, The community wishes to celebrate and honor the efforts of our neighbors in Enhancing Community Livability; and
- WHEREAS, First Alternative Natural Foods Co-Op offers an excellent example of a locally owned business that fosters a healthier community through its sustainable business practices, member and community engagement, and support of local farmers and growers; and
- WHEREAS, First Alternative was founded in 1970 by 100 concerned residents who wanted to adopt healthier lifestyles and who also wanted a source of high-quality, nutritious foods at the lowest possible prices, and
- WHEREAS, The Co-Op now operates two Corvallis stores and serves more than 7,000 owners as well as the general community, and has been named the Best Grocery Store in Corvallis and received the Governor's Sustainability Award; and
- WHEREAS, The Co-Op provides direct and in-kind support to many local charities and also advocates for larger causes, including food safety and testing regulations and fair trade practices; and
- WHEREAS, First Alternative is one of more than 29,000 cooperatives operating in the United States that collectively generate 2 million jobs and annual sales of more than \$652 billion. Globally, cooperatives are a major economic force, employing 100 million people, and are governed by more than 1 billion members; and
- WHEREAS, Cooperatives are responsible partners with private enterprise and government to alleviate many of the most pressing social issues of our time; and
- WHEREAS, The United Nations General Assembly has proclaimed 2012 as the International Year of Cooperatives, with a theme of "Cooperative Enterprises Build a Better World."
- NOW, THEREFORE, I, Julie Jones Manning, Mayor of the City of Corvallis, do hereby proclaim **the year 2012** as **International Year of Cooperatives** in the City and encourage people throughout Corvallis to celebrate the contribution of cooperatives to social and economic development and to recognize and support the cooperative organizations in our community.

Julie Jones Manning, Mayor

Date

A Community That Honors Diversity

RECEIVED

FEB 16 2012

To: Corvallis City Council
From: Dan Brown, ward 4

CITY MANAGERS
OFFICE

February 16, 2012

Subject: City Council Motion on Advisory Question -- February 6, 2012

I have to admit I was confused by the seemingly impromptu motion concerning the Move to Amend proposal at the last City Council meeting, but I voted for it. Upon reflection, I expect that I will not continue to support this motion in future Council decisions.

During my five years on the City Council, I have always championed democratic principles. Like many other Americans, it is my personal opinion that corporate money has far too much influence in political elections. I am aware of the corrupting power of money and regret the series of U.S. Supreme Court decisions which have exacerbated the problem. For several months, I have been following Move to Amend and I support their ideals. I would personally be involved in a citizen initiative.

The motion before the Corvallis City Council involved more than a simple "yes" or "no" on a principle or a grass-roots movement. In terms of implementation, it suggested answers to a number of the usual questions: Who? What? Where? How? When? (In contrast, other questions were not answered: Why? How much? With what effect?)

- In my opinion, City government exists to provide necessary services which are not provided by governments at other levels and cannot be provided by the citizens themselves. Obvious examples include: water, sewer, police, fire protection. In contrast, taking this issue to the voters is something that citizens can do themselves, and State law provides an affordable process. Ultimately it is a national issue.

- In my opinion, the City Council has a fiduciary responsibility to the local citizens and taxpayers to manage the City budget very carefully. For several years, the City of Corvallis has been spending more than it receives in revenue. Next year we will likely have to cut the City budget by \$2 million or more. Through the budget process, most current City services will be reduced to some degree and City employees will be laid off.

When the City has no idle money to spend, discretionary expenditures must be considered very carefully. In this case, the money (\$10K to \$30K), that the City spends on a referendum will impact the rest of City government. Out-of-pocket costs, and the substantial amount of attorney and staff time required to support it, will mean that other necessary City services will have to be cut or deferred.

Since the Advisory Question process is not free, the City must carefully compare benefits and costs. Any potential benefit from an Advisory Question passed Corvallis would require more important action at the national level, and in this case, I believe the odds against national action caused by what happens in Corvallis to be overwhelmingly small. Considering the City's mission and financial situation, the costs to City government outweigh the benefits to Corvallis constituents.

- In my opinion, the City Council already determined their priorities during 2011-12 for expenditures and staff efforts by selecting four Council goals. Despite any potential merits of the referendum proposal, it does not fall under any of our top priorities. The Council will choose a new set of goals in about a year, and at that time, the referendum can be considered; if it makes the final list, the Council should proceed.

- In my opinion, because the adopted motion places the process in the hands of City staff, it may not even give the Move to Amend folks what they asked for from the City Council. For those who support the underlying principles, I believe the best way to move this issue forward is to support citizens in following the initiative process.



City Manager Monthly February 2012

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Common Sense should rule the day – A message from Jim Patterson

The FY 2012-2013 budget planning process is in full swing after a January orientation meeting with the Budget Commission and two work sessions with the City Council this month. Several key themes for this New Year are emerging and at the top of the list is exercising common sense.

American Heritage dictionary defines common sense as “sound and prudent judgment based on a simple perception of the situation or facts.” The Wikipedia Merriam Webster on-line definition suggests that common sense equates to “the knowledge and experience which most people allegedly have, or which the person using the term believes they do or should have.”

The community has identified a number of areas in serving people that need to be evaluated and common sense be exercised. One example, in our work with Oregon State University, is taking a look at City codes and doing for our neighborhoods what makes sense to ensure livability and resident well being for all. Our collaborative effort with OSU on these important issues dealing with expanding student enrollment and the impacts of higher enrollment on the City as a whole makes this effort being led by Mayor Julie Manning and OSU President Ed Ray very important.

Like other Oregon municipalities, Corvallis is facing important financial decisions regarding resident well being, infrastructure, public safety, livability and economic vitality. Each and every one of these decision points will require sound and prudent judgment. In creating a balanced budget, City staff will consider the following:

1. All budget actions must serve to enhance citizens' level of trust in City government.
2. Business as usual is not an option.
3. We must keep in mind the importance of our City of Corvallis bond rating.
4. We will not grow local government unnecessarily.
5. We will plan for a financially sustainable future.
6. We will incorporate the revised financial policies into the budget.
7. Any increase in staffing will be associated with an adopted legislative Council action, reduction of staffing in another department, Council adoption of new taxes or fees to support services, or increases in existing fees or taxes.
8. Any proposal to reduce or eliminate services or financial support to the community should be considered very carefully with the future in mind and the potential impacts to our City.
9. Any proposal to reduce our work force should be considered very carefully, recognizing these decisions will impact employees and their families.
10. Our proposed budget should keep the City of Corvallis competitive and in line with the market place for wages and benefits.

As a part of this process, our teams of experienced, talented, and professional public servants are committed to getting our expenses in line with our financial resources and presenting a balanced budget to the Budget Commission in April 2012. Common sense will rule the day!



CITY MANAGER'S REPORT

FEBRUARY 16, 2012

2012-01

REPORTING PERIOD: JANUARY 2012

I. ORGANIZATIONAL HIGHLIGHTS

- The City Council adopted a Parks and Recreation Department cost recovery model, resource allocation philosophy, and specific financial policy recommendations regarding Department programs, services, and facilities.
- The City Council adopted the Economic Development Commission's strategy for 2012.
- The community experienced a heavy rainstorm of several days' duration. The Emergency Command Center was activated, and the City Manager declared an emergency within the City Limits January 19.
- The community celebrated Dr. Martin Luther King, Jr.'s legacy with festivities and performances at the Majestic Theatre.

II. MAYOR'S DIARY

I have engaged in the following activities, in addition to meeting and corresponding with constituents and presiding at the twice-monthly City Council meetings and meetings with Council leadership:

Speaking Engagements

- Martin Luther King, Jr. Celebration Event
- Corvallis Independent Business Alliance
- Rotary Club of Greater Corvallis (presented the "State of the City" address)

Special Meetings

- Attended a Town Hall meeting and meeting with local leaders and Senator Merkley
- Met with Steve Clark of Oregon State University (OSU) to discuss upcoming meeting of the City-OSU Collaboration Steering Committee
- Met with Skip Newberry, President of the Software Association of Oregon (SAO), to discuss several projects related to Corvallis-based software companies

- Met with Mark Van Patton to discuss economic development and the Willamette Innovators Network (WIN)
- Met with Councilor Hervey to discuss the recent Food Summit and the Council's goal concerning access to and availability of locally produced food
- Attended memorial service for Mario Pastega
- Attended a meeting to receive an update on the Benton County Historical Museum project
- Attended the annual meeting of the Corvallis Sustainability Coalition
- Met with Benton County Commissioner Jay Dixon and AmeriCorps VISTA worker Jessica Stallings to discuss an upcoming public forum to provide an update on the Ten-Year Plan to End Homelessness in Benton County
- Chaired monthly steering committee meeting of Benton County's Ten-Year Plan to End Homelessness

Appointments

- Commission for Martin Luther King, Jr.
- Parks, Recreation and Natural Areas Board
- Watershed Management Advisory Commission

III. FIRE

A. Department Highlights

Operational

Response Activity - January 2012	City	Non-City	Total
Fires	6	1	7
Overpressure/Rupture	0	0	0
Requests for Ambulance	311	90	401
Rescue (Quick Response Team)	171	21	192
Hazardous Condition	12	2	14
Service Requests	27	6	33
Good Intent	29	34	63
False Calls	35	2	37
Other	0	0	0
TOTAL RESPONSES OVERALL	591	156	747

- Along with personnel from other City and Benton County departments, Fire Department managers staffed the joint Emergency Operations Center during the January flooding event.
- Fire Marshal Prechel is preparing for the adoption of the 2010 Fire Code.
- Training Division Chief Hunt met with Public Works Department staff regarding drainage at the new drill tower site and discussed the chemicals

that will likely be used at the site. Public Works staff is checking whether the chemicals are compatible with the combined sewer overflow (CSO) system. Water runoff will be handled by a combination of CSO and retention ponds.

- A screening of *After The Fire* is planned for 7:00 pm February 22 or 23 at LaSells-Stewart Center. Admission is free. (Specific information about the date will be relayed as it becomes available.) This is the story of the January 2000 arson fire at Seton Hall University and its aftermath.

IV. LIBRARY

A. Department Highlights

- During January, 56,493 patrons visited the Corvallis Library – an average of 2,353 per open day. Another 65,752 patrons accessed Library services from via computers. System-wide, 137,333 items were checked out, including 25,937 held items picked up.
- System-wide, 96 programs were held during January, with 2,741 attendees of all ages.
- The hanging light fixtures in the Belluschi wing were outfitted with energy-saving compact fluorescent light (CLF) bulbs. These single bulbs replace the old combination of one 300-watt bulb and four 13-watt CFLs in each fixture. The new bulbs are rated to last 10,000 hours, compared to the 2,800 hours for the old bulbs.
- Due to low circulation and poor condition, the Library discontinued the audio cassette collection this month. The Library will continue to purchase audiobooks on CD, Playaways, and downloadable materials. Cassettes that are still in fairly good condition will be sold at the Friends Big Sale in February.
- Another eBook clinic was held and well attended. Library users learned more about our Lib2Go program and how to successfully use their devices to download audio books.
- Roof leaks during the January rain storm caused some water damage to materials on the second floor of the Corvallis Main Branch Library. Wet books were removed from the shelves and moved to Technical Services Division to dry. Some materials could not be saved and will be replaced. Power outages shut down the Alsea Branch Library during the storm. The Marys River flooded near the Philomath Branch Library but did not cause any problems for the Library.
- Youth Services Manager Kiefer presented Literacy and Culture at Your Local Library as part of the workshop *Cultural Awareness when Working with Families* sponsored by Parent Enhancement Program, Strengthening Rural Families, and Linn-Benton Community College (LBCC).

B. Other

- The Friends of the Library Board approved the 2012 Needs List submitted by staff. It includes support for ongoing programs, such as Summer Reading, as well as special one-time purchases, like furniture for the new Monroe Branch Library.

V. PARKS AND RECREATION

A. Department Highlights

Administration/Planning

- Council adopted Cost Recovery Model and Methodology.
- Worked on consolidating L:drive directory and placing Departmental forms on Sharepoint.
- Began public process for Parks and Recreation Master Plan update through various focus groups and public meetings.

Aquatic Center

- Tenth Annual Polar Bear Swim Fundraiser was a fantastic hit, with over \$1,000 raised, in part for the Family Assistance Scholarship.
- Participation Statistics –
 - 568 children participated in Swimming and Water Safety Lessons.
 - 1,178 seniors and adults participated in Fitness and Therapy Classes.
 - More than 1,200 people participated in 22 pool and room rentals.

Parks and Natural Areas

- Completed the request for proposals process and bid award for a Farm Services Agreement at Bald Hill Natural Area.
- Six Oregon Parks and Recreation Districts were interviewed as part of our contractor's analysis of the feasibility of a Corvallis Parks and Recreation District. Staff is examining the results.
- The Marys River boardwalk was heavily impacted during Marys River flood events. Staff is considering options and funding for re-building.
- Conducted a tour of key parks facilities for contractors assembling the Parks and Recreation Master Plan update.
- Draft park operating impacts were completed for a potential new park in Corvallis.

Recreation

- Exploring the feasibility of a Parks and Recreation Department gift card.
- Staff participated in strength weakness opportunity and threat analysis as part of the Master Plan process.

- Staff continues to monitor the Family Assistance program. The trend has been an increase in applications and utilization over last year.
- The Spring Activity Guide will be available the week of February 26.
- Will apply for grant funding from The Benton County Foundation.
- Staff continues to work on the Community Garden Master Plan, with a draft expected in March.

Senior Center

- Seventeen volunteers lead Senior Center trips and outdoor programs; they offer approximately 60 programs per year with two volunteers working each trip. In January, volunteers are honored with an annual recognition.
- During January the Senior Center registered 234 people for programs; 144 registered for fitness classes and programs. The fitness classes are offered in addition to the many LBCC fitness classes also held at the Senior Center. Ninety people registered for other lifelong learning programs.
- The Bald Hill walking group attracts 13 seniors every week to walk in this beautiful area; the walks are led by two volunteer OSU students.

VI. POLICE

A. Department Highlights

- Officers investigated 2,148 incidents this month. Following are the highlights:
- Detectives arrested three men in connection with a residential burglary. The victim was out of the country and discovered her credit card was being used in Corvallis. She had a friend check her residence; the friend found the residence had been burglarized. The victim was able to get the information from the credit card company of the locations where the card was used. Detectives obtained surveillance videos of the suspects using the card from several locations and identified the suspects. A 29-year-old man and a 21-year-old man were charged with Theft, Identity Theft, and Fraudulent Use of a Credit Card. A 29-year-old man was charged with Fraudulent use of a Credit Card. While being arrested, the man was in possession of methamphetamine and burglar tools and was charged with those crimes as well. The investigation is continuing.
 - K9 Xar and Officer Harvey responded to a trespass in progress at a local business. A nude man was seen in the back room of the business. Officer Harvey entered the backroom, and the man was not visible. Officer Harvey called out to the suspect, who did not respond. Officer Harvey then announced he had a police dog and that the suspect needed to come out; again, the suspect did not respond. Officer Harvey commanded Xar to bark and once he did, the suspect announced his presence and was found hiding

behind the walk-in cooler. The suspect was charged with Criminal Trespass II.

- K9 Roxy alerted to a vehicle that contained 4.99 grams of methamphetamine, digital scales, packaging material, \$900 cash, and glass methamphetamine pipes. Also inside the vehicle were several stolen items. Roxy's alert helped solve two cases for Burglary, Unauthorized Entry Motor Vehicle, and Theft.
- A man was arrested after he broke into an occupied residence and was heard by the homeowners. The suspect left the house with jewelry and medication he had stolen and was quickly captured as he attempted to run from the area. The suspect was charged with Burglary, Criminal Mischief, and Theft.
- A 19-year-old college student caused a disturbance and refused to leave a fraternity. When he did eventually leave, he went outside and damaged cars by punching them. He ran from the area when officers arrived and was eventually tackled. The suspect was charged with Criminal Mischief, Harassment, Disorderly Conduct, Interfering with a Police Officer, Trespass, Probation Violation, and Minor in Possession.
- Day shift officers responded to a fire burning inside an apartment. The fire was quickly extinguished by Fire Department personnel and determined to be suspicious in nature. The tenant and another occupant were identified as suspects. A Police detective completed a search warrant for the residence; the warrant was served by day shift officers. Investigation is continuing.

9-1-1 Center Calls for Service

- The Corvallis Regional Communications Center dispatched 3,356 calls for police, fire, and medical assistance this month as follows:

POLICE		FIRE AND MEDICAL	
Corvallis Police	2,148	Corvallis Fire/Ambulance	561
Benton County Sheriff	459	Other Fire/Medical	54
Philomath Police	134		
TOTAL	2,741	TOTAL	615

B. Other

- Street Crimes Detectives Duncan and Shimanek attended Taser Re-Certification training in Salem, Oregon.
- January 13 was Detective Stauder's last day in the Investigations Division. She is now in the Community Services Division as a patrol officer.
- Officer Molina returned to patrol after a temporary detective assignment.
- Recruit Officer Lawrence rotated to day shift and successfully completed the shadow phase of his training. He is now a probationary solo-status officer.

- Sergeant Goodwin attended the OSU Greek Transition Summit, presenting to about 40 OSU Greek leaders. Topics of discussion included being a good neighbor, second response notices, minor in possession, and chronic nuisance properties.
- Sergeant Zessin and Officer Hurley attended a three-day Homicide Death Investigators Training in Tigard, Oregon.
- Officer Kantola spoke about drug and alcohol use at a Corvallis High School health class.
- Officer Hinckley spoke at a Crescent Valley High School government class.
- Officers and detectives responded to flooding emergencies, first in North Corvallis and later on SE Third Street as a result of a severe winter rain storm.
- Sergeant Goodwin attended the Law Enforcement Torch Run Kickoff Conference and received the Department's Honor Roll Award for 2011. The Department was credited with raising more than \$26,000 for Special Olympics last year.
- Records staff processed 965 police reports, entered 408 traffic citations, and performed 139 background checks. Staff generated 95 incident reports, 15 percent of the total reports taken during this reporting period.

VII. PUBLIC WORKS

A. Department Highlights

Administration Division

- Held the initial stakeholder meeting to gather input on the reduction of single-use plastic bags in the community.
- Compiled documentation related to Public Works Department activities during the January 18-21 storm event, as required by Federal Emergency Management Agency (FEMA).

Engineering Division

- Design is in progress for the Fire Department Facilities Relocation, Corvallis-to-Albany Trail, 2012-2013 Sanitary Sewer Rehabilitation, 2012-2013 Street Reconstruction/Local, Advanced Transportation Management System (which will coordinate Downtown traffic signals based upon demand), Dunawi Creek Fish Barrier, Ninth Street Pedestrian Crossing, Sidewalk In-Fill, NW 36th Street/NW Grant Avenue Water Pump Station, and Taylor Water Treatment Plant Improvements.
- Construction is underway for the North Hills First Level Reservoir Improvements (February completion).

Transportation Division

- The Geospatial Information System workgroup responded to an Emergency Command Center request for site inventory and damage assessment mapping support related to the flood event. With short notice, more than 100 individual event location maps covering Benton County were produced overnight Friday, January 20th.
- Despite flooded streets, which caused some run cancellations, Corvallis Transit System (CTS) saw its second highest ridership ever, with 103,182 rides provided during January. That is only 1,161 fewer rides than CTS's historical record high, set in October 2011.
- The product supplier for truncated domes on ADA ramps initiated replacement of more than 150 dome panels that have faded from the original bright yellow. This is a warranty issue and will be completed within the next month.
- Street crews provided support to Utilities Division staff during the recent flood event to monitor flood impacts and protect public safety. This work came directly after the first snow event in Corvallis this season, which also required extended Transportation Division staff hours for sanding and plowing operations.
- Transportation Division and Utilities Division staff partnered on a grant application to the Environmental Protection Agency to fund a "Green Streets" planning initiative. The grant proposes to identify and rate several city streets as to their potential to be converted to "Green Streets" and effectively increase both the rate of alternative transportation trips and water quality.

Utilities Division

- Utilities Division staff led Department efforts to respond to localized stream flooding and collections system capacity concerns associated with the significant rainfall in January. Three shifts were implemented to provide support for the Department Operations Center and respond to citizen concerns.
- Coordinated two public tours of the City of Albany's Total Maximum Daily Load project, Talking Waters, to provide an opportunity for citizens to ask questions and gain hands-on knowledge of how the man-made wetland functions.

B. Other

- Traffic Order 12-02 was signed by the City Manager, allowing staff to remove "No Parking 1am-6am" signs from NW 21 Street between NW Tyler and NW Taylor Avenues and the south side of NW Polk and NW Taylor Avenues from NW 21st to NW 23rd Streets.

VIII. CITY MANAGER'S OFFICE

A. Department Highlights

- Received one Notice of Tort Claim; information is available for review in the Assistant to City Manager/City Recorder's office.
- The Commission for Martin Luther King, Jr., held the annual celebration of Dr. King's life and legacy on January 11 at the Majestic Theatre. A video of the program is available on the City's Web site.
- Prepared an election timeline for an advisory question and met with the Corvallis Area Move to Amend group and Deputy City Attorney Brewer.
- Met with departments to discuss options for providing customer service at City Hall.
- The Ballot Title for the McFadden Industrial Annexation was published timely, and no petition for review was filed with Benton County Circuit Court by the January 31 deadline.
- Co-hosted Employer Partnership for Diversity training on Gender Communications in the Workplace.
- Began Healthcare Primer process with employee units.
- Met with Corvallis Police Officers Association in mediation.

IX. COMMUNITY DEVELOPMENT

A. Department Highlights

- Development Services Division staff processed 18 residential and 33 non-residential plan reviews for proposed construction projects and conducted 1194 construction inspections during January.
- Created 63 new Code Enforcement cases as a result of citizen complaints received.
- Of the 183 plumbing, mechanical, and electrical permits issued during January, 62 (or 34 percent) were issued online.
- Development Services Division staff attended code update courses. On March 1, the 2003 ANSI A117 standards become effective statewide for accessibility.
- Planning Division staff issued nine land use decisions during January, including approval of two street vacations and two replats on the OSU campus, and a decision to place the McFadden Industrial Annexation proposal on the May 2012 ballot.
- On January 4, the Planning Commission responded to a request from the applicants for the Harrison Apartments application and voted to continue deliberations February 1, thereby allowing time for the applicants to revise their proposal in response to public testimony. The Planning Commission

also decided to re-open the public hearing on the application on February 1 to allow testimony on all aspects of the application.

- Housing Division staff received 52 Rental Housing Program-related contacts during January outlining 76 separate issues, with 27 issues related to habitability and 49 of a non-habitability nature. Fifteen of the habitability issues reported are or may be subject to the Rental Housing Code, so Housing staff is working with complainants to achieve resolution or move to enforcement.
- The United States Department of Housing and Urban Development (HUD) issued its final approval of Housing Division's Fiscal Year 2010-2011 Consolidated Annual Performance Evaluation Report (CAPER) in January. The CAPER is prepared each September to inform HUD and local interests about the City's achievements and challenges utilizing its Federal Community Development Block Grant and HOME Investment Partnerships Program funding during the prior year.
- One loan utilizing \$8,740 in funding from the City's Saving Energy Loan Fund (SELF) (residential energy efficiency loan program) was approved and closed during January. This brings the total number of SELF loans closed during Fiscal Year 2011-2012 to 12 and the total funds loaned to \$108,892. No more loans will be made this fiscal year, but the revenue stream being generated by loan repayments will be used to fund additional loans in future years.
- The OSU/City Collaboration Project Steering Committee was named, and a kick-off meeting was planned for February.
- During January, the City Council approved the Economic Development Commission's (EDC) Strategy. The next step is for the EDC to make recommendations on the Fiscal Year 2012-2013 City budget.

X. FINANCE

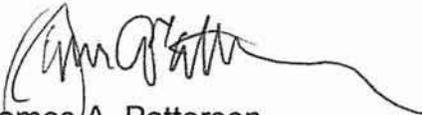
A. Department Highlights

- Budget Office staff prepared an orientation session for the Budget Commission related to the Fiscal Year 2012-2013 Budget.
- Payroll staff issued W2's and Accounts Payable staff issued 1099 forms for reporting to State and Federal government.
- Finance and Human Resources Division jointly held the first post-transition Deferred Compensation Committee meeting, including debriefing ICMA-RC regarding what did and did not work.
- Utility Billing staff is continuing work with vendors to implement an Integrated Voice Response System effective March 1, 2012.
- Treasury staff is finalizing work for the Wells Fargo bank conversion effective March 1, 2012.

- Municipal Court staff implemented State-mandated changes in Court assessments as of January 1, 2012.

XI. MISCELLANEOUS

- Attached is the City Attorney's Office Report to the City Council for January.



James A. Patterson
City Manager



CORVALLIS CITY ATTORNEY
456 SW Monroe, #101
Corvallis, OR 97333
Telephone: (541) 766-6906
Fax: (541) 752-7532

**CITY ATTORNEY'S OFFICE
REPORT TO CITY COUNCIL: HIGHLIGHTS**

January 2012

The following are highlights of the City Attorney's Office activities during January 2012:

1. Attendance at CPOA Mediation.
2. Preparation and filing of Memorandum in Opposition to new appeal filed by Ian McElroy in the Oregon Supreme Court (*State ex rel. McElroy v. Corvallis Municipal Court*: Peremptory Writ of Mandamus case).
3. Assistance to Fire Department regarding HIPAA issue.
4. Work regarding Contempt of Court in *Corvallis v. Crescent Valley Company* (code violations).
5. Preparation of Declaration of Emergency/Disaster documents during flooding of portions of the City.
6. Assistance with/attendance at AFSCME Labor Negotiations.
7. Assistance to City Manager's Office regarding Advisory Questions.

Ongoing/Future Matters:

1. Representation of the City before the Oregon Supreme Court in *State ex rel. McElroy v. Corvallis Municipal Court* (Peremptory Writ of Mandamus case); before the Oregon Court of Appeals in *State ex rel. McElroy v. CMC* (formerly *v. Gardner*) and *McElroy v. Corvallis* – appeal of mandamus and declaratory judgment actions; before the Land Use Board of Appeals in *Safe Equities LLC v. City* (The Regent LUBA Appeal); before the Benton County Circuit Court in *Corvallis v. Crescent Valley Company* (contempt of court - code violations); and before the Oregon Supreme Court in *State ex rel. McElroy v. Judicial Officer* - peremptory mandamus appeal of Benton County Circuit Court's dismissal of ORCP 71 motion.
2. Enforcement actions re: code violations (building, rental housing, land development code).
3. Continued work on public records requests.
4. Continued assistance on internal investigations, employee grievances and other employment matters.
5. Assistance in preparing findings for land use decisions.
6. Continued assistance to staff and Council regarding City Manager transition.

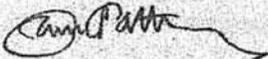
COUNCIL REQUESTS

FOLLOW-UP REPORT

FEBRUARY 16, 2012

1. Removal of Parking Spaces – SW Washington Avenue west of SW Ninth Street (Beilstein)

Staff investigated the situation along SW Washington Avenue just west of the intersection with SW Ninth Street. There is a parking restriction currently marked as yellow curb for 10 feet west of the crosswalk. The standard is 20 feet; since there is no record that this restriction was reduced through the use of a traffic order, staff will mark the curb for 20 feet when weather allows. The additional 10 feet of parking restriction will enlarge the vision triangle at this location.



James A. Patterson
City Manager

**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
Land Development Code In-fill Development Provisions Update	Brown	02-06-12	03-13-12	Gibb		12-20-2010 Visitors' Propositions presentation
Police Enforcement Options – Weight Limits on Streets Reconciliation – Handbill Removal vs. Tampering with Private Property; Enforcement Options	Raymond Hirsch, Traber	02-06-12	03-13-12	Boldizsar		
Parking Enforcement Staff Enforcing Removal of Signs from Parking Strips	Beilstein	02-06-12	03-13-12	Boldizsar		
Removal of Parking Spaces – SW Washington Avenue west of SW Ninth Street	Beilstein	02-06-12	03-13-12	Steckel	CCR 02-16-12	
Advance Notice Requirements for Building Development Projects	Beilstein	02-15-12	03-13-12	Gibb		

*** MEMORANDUM ***

FEBRUARY 15, 2012

TO: MAYOR AND CITY COUNCIL
FROM: KATHY LOUIE, ASSISTANT TO CITY MANAGER/CITY RECORDER
SUBJECT: ADVISORY QUESTION UPDATE



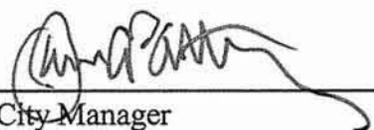
The Chief Petitioners filed a Withdrawal of the Prospective Petition relating to an advisory question to support a Constitutional amendment regarding corporate personhood on February 14, 2012. This Withdrawal **discontinues** the initiative process, and a copy of the Withdrawal is attached.

The election process to carry out your decision to forward the advisory question will continue. It is anticipated that the Administrative Services Committee will consider the Ballot Title, prepared by the City Attorney's Office, on April 4 with Council approval on April 16. Publication of the Ballot Title will occur shortly after.

James Morales, Benton County Clerk, estimated that putting an advisory question on the November ballot would cost approximately \$2,000. His email is attached, and I have invited him to attend this meeting.

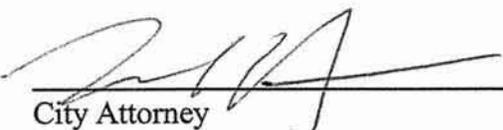
This is for information only; no action is required.

Review and Concur:



City Manager

Review and Concur:



City Attorney

Attachment

Withdrawal of Initiative **or** Referendum **Petition**

SEL 375

rev 1/12:ORS 250.029

The chief petitioners of an initiative or referendum petition may withdraw the petition prior to the submission of the petition for signature verification. All chief petitioners must sign the same withdrawal form.

Type of Petition

Statewide

County, City or District of

Corvallis

Petition Information

Petition Title caption of ballot title or title of act

Date Prospective Petition Filed

2/1/12

ADVISORY QUESTION TO SUPPORT CONSTITUTIONAL AMENDMENT.

Petition ID if applicable

Election ID if applicable

Withdrawal Reason

To the Secretary of State of Oregon/County Elections Official/City Recorder,
I/we submit this notice of withdrawal for the petition named above. My/our reason for withdrawal is: optional

<u>Robert J. Ozretich</u> Chief Petitioner Name print	<u>Robert J. Ozretich</u> Signature	<u>2/14/12</u> Date Signed
<u>GEOFFREY C. FLETCHER</u> Chief Petitioner Name print	<u>G. Fletcher</u> Signature	<u>14 FEB. '12</u> Date Signed
<u>RALPH B. BOLGER JR</u> Chief Petitioner Name print	<u>Ralph Bolger</u> Signature	<u>2/14/12</u> Date Signed

For Office Use Only

Initials



Receipt Number

Louie, Kathy

Subject: RE: City Advisory Question

From: MORALES James V
Sent: Tuesday, February 14, 2012 8:14 AM
To: Louie, Kathy
Cc: CRONEY Vance M; VANBUREN Jill; City Attorney Brewer
Subject: RE: City Advisory Question

Good Morning and Happy Valentine's Day,

Yes, \$2,000 is a good estimate for the cost of an advisory question submitted to Corvallis voters in the 2012 General Election. If the City Council opts to seek the submission fee for reimbursing Benton County for election costs incurred, I recommend setting the fee at this amount.

Thank you,
James Morales
Benton County Clerk

From: MORALES James V
Sent: Monday, February 13, 2012 3:26 PM
To: Louie, Kathy
Cc: CRONEY Vance M; VANBUREN Jill
Subject: RE: City Advisory Question

Kathy,

I want to make sure we are getting this straight, **the estimated cost is based specifically on a Presidential General Election** where the county usually deals with a large number of contests.

Here's something else that's important to remember and generally holds true when based on the same number of eligible voters. The smaller the number of contests submitted to voters within a district, the higher the cost per contest/measure/race.

Thanks,
James

From: MORALES James V
Sent: Monday, February 13, 2012 2:52 PM
To: Louie, Kathy
Cc: VANBUREN Jill
Subject: RE: City Advisory Question

Hi Kathy,

I looked up our election costs from the 2008 General Presidential Election to help estimate the costs this year. The total cost for the 2008 election was \$105,805.

The apportioned election costs, utilizing the state formula required at that time, indicates City of Corvallis election costs would have been \$22,867. Benton County paid the city's portion of the election expense in 2008.

The difference between the formula utilized in 2008 versus the formula that is required by the state in 2012 is, in addition to voter registration, each contest submitted to the voters will increase the apportioned cost to the district based on the overall number of contests submitted and the voter registration in each district.

In closing, my estimate for 2012 is that each contest added to the general election by the City of Corvallis would result in an apportioned election cost increase of approximately two thousand dollars plus or minus a few hundred.

I hope this helps you and the City Council in your discussions, please, let me know if I can be of further assistance.

Have a great day,
James

**ADMINISTRATIVE SERVICES COMMITTEE
SCHEDULED ITEMS**

February 16, 2012

MEETING DATE	AGENDA ITEM
February 22	<ul style="list-style-type: none"> • Single-Use Plastic Bag Reduction
March 7	<ul style="list-style-type: none"> • Second Quarter Operating Report • Visit Corvallis Second Quarter Report • Municipal Code Review: Chapter 7.04, "Alarm Control"
March 21	<ul style="list-style-type: none"> • Ambulance Rate Review • Economic Improvement District Reauthorization • Single-Use Plastic Bag Reduction Update
April 4	<ul style="list-style-type: none"> • Advisory Question Ballot Title
April 18	
May 9	
May 23	<ul style="list-style-type: none"> • Visit Corvallis Third Quarter Report • Single-Use Plastic Bag Reduction Recommendation
June 6	<ul style="list-style-type: none"> • Third Quarter Operating Report • Allied Waste Services Annual Report • 2013-2014 City Council Team Building and Goal Setting Facilitator Process
June 20	<ul style="list-style-type: none"> • Advisory Question Explanatory Statement
July 4	No meeting
July 18	<ul style="list-style-type: none"> • Council Policy Review and Recommendation: <ul style="list-style-type: none"> • CP 97-10.01-10.08, "Financial Policies" • Land Use Application Fees Review
August 8	
August 22	
September 5	<ul style="list-style-type: none"> • Visit Corvallis Fourth Quarter Report
September 19	
October 3	<ul style="list-style-type: none"> • Council Policy Reviews and Recommendations: <ul style="list-style-type: none"> • CP 91-3.01, "Appointment of the Acting City Manager" • CP 08-1.11, "Identity Theft Prevention and Red Flag Alerts" • Fourth Quarter Operating Report
October 17	<ul style="list-style-type: none"> • Utility Rate Annual Review
November 7	
November 21	

MEETING DATE	AGENDA ITEM
December 5	<ul style="list-style-type: none"> • Visit Corvallis First Quarter Report • Council Policy Review and Recommendation: <ul style="list-style-type: none"> • CP 96-6.03, "Economic Development Policies" • Comprehensive Annual Financial Report • First Quarter Operating Report
December 19	

ASC PENDING ITEMS

- | | |
|--|---|
| <ul style="list-style-type: none"> • Council Policy Review: CP 96-6.03, "Economic Development" • Economic Development Policy on Tourism • Majestic Theatre Management Loan Extension Review • Municipal Code Review: Chapter 3.08, "Transit Operations Fee" • United States Constitutional Amendment Advisory Question • Utility Rate Structure Review • Voluntary Donations on Electronic Utility Payments | <ul style="list-style-type: none"> Community Development Community Development Parks & Recreation Public Works City Attorney's Office Public Works Finance |
|--|---|

Regular Meeting Date and Location:

Wednesday following Council, 4:00 pm – Madison Avenue Meeting Room

**HUMAN SERVICES COMMITTEE
SCHEDULED ITEMS**

February 16, 2012

MEETING DATE	AGENDA ITEM
February 22	<ul style="list-style-type: none"> • Willamette Water Trail Partnership Memorandum of Understanding • Social Services Semi-Annual Report
March 6	<ul style="list-style-type: none"> • The Arts Center Annual Report • Public Art Selection Commission Annual Report
March 20	
April 3	
April 17	<ul style="list-style-type: none"> • Community Gardens Master Plan
May 8	<ul style="list-style-type: none"> • Liquor License Annual Renewals • Majestic Theatre Annual Report
May 22	
June 5	<ul style="list-style-type: none"> • Boards and Commissions Sunset Reviews: <ul style="list-style-type: none"> • Housing and Community Development Commission • Public Art Selection Commission • Social Services Allocations – Fiscal Year 2012-2013
June 19	
July 3	<ul style="list-style-type: none"> • Corvallis Farmers' Market Annual Report
July 17	
August 7	
August 21	<ul style="list-style-type: none"> • Social Services Semi-Annual Report
September 4	
September 18	<ul style="list-style-type: none"> • Rental Housing Program Annual Report
October 2	<ul style="list-style-type: none"> • Council Policy Reviews and Recommendations: <ul style="list-style-type: none"> • CP 91-1.02, "Liquor License Approval Procedures" • CP 95-1.07, "Policy Regarding the City Flag"
October 16	<ul style="list-style-type: none"> • Council Policy Reviews and Recommendations: <ul style="list-style-type: none"> • CP 91-4.03, "Senior Citizens' Center Operational Policies" • CP 92-4.04, "Park Utility Donations"
November 6	<ul style="list-style-type: none"> • Council Policy Review and Recommendation: <ul style="list-style-type: none"> • CP 92-4.06, "Library Displays, Exhibits, and Bulletin Boards"
November 20	
December 4	<ul style="list-style-type: none"> • 2012-2013 Social Services Allocation Process and Calendar • Cost Recovery Review

MEETING DATE	AGENDA ITEM
December 18	• Communications Plan Annual Report

HSC PENDING ITEMS

- Council Policy Review:
 - CP 00-6.05, "Social Service Funding Policy" Community Development
- Indoor Furniture Placed Outdoors Community Development
- Municipal Code Review: Chapter 5.01, "City Park Regulations" Parks & Recreation
(Alcoholic Beverages in Parks)
- Municipal Code Review: Chapter 5.03, "Offenses" (tobacco) and Police
Chapter 8.10, "Tobacco Retail Licenses"
- Municipal Code Review: Chapter 9.02, "Rental Housing Code" Community Development

Regular Meeting Date and Location:

Tuesday following Council, 12:00 pm – Madison Avenue Meeting Room

**URBAN SERVICES COMMITTEE
SCHEDULED ITEMS**

February 16, 2012

MEETING DATE	AGENDA ITEM
February 23	<ul style="list-style-type: none"> • McFadden Industrial Annexation Explanatory Statement and Display Ad • Systems Development Charge Annual Review
March 8	
March 22	
April 5	<ul style="list-style-type: none"> • Council Policy Review and Recommendation: <ul style="list-style-type: none"> • CP 10-1.12, "Community Sustainability"
April 19	
May 10	
May 24	<ul style="list-style-type: none"> • Council Policy Review and Recommendation: <ul style="list-style-type: none"> • CP 95-7.12 Integrated Vegetation Pest Management (IVPM) Program
June 7	<ul style="list-style-type: none"> • Boards and Commissions Sunset Reviews: <ul style="list-style-type: none"> • Downtown Commission • Watershed Management Advisory Commission
June 21	
July 5	
July 19	
August 9	
August 23	
September 6	
September 20	<ul style="list-style-type: none"> • Municipal Code Review: Chapter 8.13, "Mobile Food Units"
October 4	<ul style="list-style-type: none"> • Council Policy Reviews and Recommendations: <ul style="list-style-type: none"> • CP 91-7.05, "Capital Improvement Program" • CP 91-7.06, "Engineering and Administrative Cost for Assessment Projects"
October 18	<ul style="list-style-type: none"> • Council Policy Review and Recommendation: <ul style="list-style-type: none"> • CP 03-7.16, "Guidelines for Donations of Land and/or Improvements for Parks as an Offset to Systems Development Charges for Parks"
November 8	
November 22	
December 6	
December 20	

USC PENDING ITEMS

- Airport Lease Amendment – WKL Investments Hout, LLC
- Financial Implications of Council Policies/Decisions/Directions

Public Works
Finance

Regular Meeting Date and Location:

Thursday following Council, 5:00 pm – Madison Avenue Meeting Room

UPCOMING MEETINGS OF INTEREST



City of Corvallis

FEBRUARY - JULY 2012
(Updated February 16, 2012)

FEBRUARY 2012

Date	Time	Group	Location	Subject/Note
16	5:00 pm	Housing and Community Dev Cmsn	Madison Avenue Mtg Rm	
16	6:30 pm	Parks, Natural Areas, and Rec Brd	Downtown Fire Station	
18		No Government Comment Corner		
20		City Holiday - all offices closed		
20	5:00 pm	OSU/City Collaboration Project Steering Committee	Downtown Fire Station	
21	12:00 pm	City Council	Downtown Fire Station	
21	7:00 pm	City Council	Downtown Fire Station	
22	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
22	4:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
23	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
23	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Rm	
25	10:00 am	Government Comment Corner	Library Lobby - Biff Traber	
28	4:30 pm	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
29	5:00 pm	Watershed Mgmt Adv Cmsn	Madison Avenue Mtg Rm	

MARCH 2012

Date	Time	Group	Location	Subject/Note
1	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Rm	
2	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm	
3	10:00 am	Government Comment Corner	Library Lobby - Julie Manning	
5	12:00 pm	City Council	Downtown Fire Station	
5	7:00 pm	City Council	Downtown Fire Station	
6	7:00 am	Airport Commission	Madison Avenue Mtg Rm	
6	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
6	5:30 pm	Downtown Parking Committee	Madison Avenue Mtg Rm	
7	12:00 pm	Housing and Community Dev Cmsn	Madison Avenue Mtg Rm	
7	4:00 pm	Administrative 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 Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
8	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
10	10:00 am	Government Comment Corner	Library Lobby - TBD	
12	7:00 pm	Mayor/City Council/City Manager Quarterly Work Session	Madison Avenue Mtg Rm	
13	7:00 pm	Ward 2 Meeting (Hogg)	Depot Suites	City sponsored
14	7:30 am	City Legislative Committee	City Hall Meeting Room A	
14	8:20 am	Citizens Adv Cmsn on Transit	Madison Avenue Mtg Rm	
14	5:30 pm	Downtown Commission	Downtown Fire Station	
15	6:30 pm	Parks, Natural Areas, and Rec Brd	Downtown Fire Station	
17	10:00 am	Government Comment Corner	Library Lobby - Biff Traber	
19	12:00 pm	City Council	Downtown Fire Station	
19	7:00 pm	City Council	Downtown Fire Station	

Date	Time	Group	Location	Subject/Note
20	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
24	12:00 pm	Housing and Community Dev Cmsn	Madison Avenue Mtg Rm	
21	4:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
24	5:30 pm	Watershed Mgmt Adv Cmsn	Madison Avenue Mtg Rm	
21	7:00 pm	Planning Commission	Downtown Fire Station	
22	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
22	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Rm	
24	10:00 am	Government Comment Corner	Library Lobby - Mike Beilstein	
27	4:30 pm	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
28	5:00 pm	Watershed Mgmt Adv Cmsn	Madison Avenue Mtg Rm	
31	10:00 am	Government Comment Corner	Library Lobby - TBD	

APRIL 2012

Date	Time	Group	Location	Subject/Note
2	12:00 pm	City Council	Downtown Fire Station	
2	7:00 pm	City Council	Downtown Fire Station	
3	7:00 am	Airport Commission	Madison Avenue Mtg Rm	
3	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
3	5:30 pm	Downtown Parking Committee	Madison Avenue Mtg Rm	
4	4:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
4	7:00 pm	Planning Commission	Downtown Fire Station	
4	7:30 pm	Library Board	Library Board Room	
5	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
6	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm	
7	10:00 am	Government Comment Corner	Library Lobby - TBD	
10	7:00 pm	Ward 7 Meeting (Raymond)	Scott Zimbrick Memorial Fire Station	City sponsored
11	8:20 am	Citizens Adv Cmsn on Transit	Madison Avenue Mtg Rm	
11	5:30 pm	Downtown Commission	Downtown Fire Station	
12	8:00 am	Citizens Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
14	10:00 am	Government Comment Corner	Library Lobby - TBD	
16	12:00 pm	City Council	Downtown Fire Station	
16	7:00 pm	City Council	Downtown Fire Station	
17	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
18	4:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
18	5:30 pm	Watershed Mgmt Adv Cmsn	Madison Avenue Mtg Rm	
18	7:00 pm	Planning Commission	Downtown Fire Station	
19	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
19	6:30 pm	Parks, Natural Areas, and Rec Brd	Parks and Rec Conf Rm	
19	7:00 pm	Budget Commission	Downtown Fire Station	
21	10:00 am	Government Comment Corner	Library Lobby - Biff Traber	
24	4:00 pm	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
25	5:00 pm	Watershed Mgmt Adv Cmsn	Madison Avenue Mtg Rm	
26	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Rm	
26	7:00 pm	Budget Commission	Downtown Fire Station	public hearing and deliberations
28	10:00 am	Government Comment Corner	Library Lobby - TBD	

MAY 2012

Date	Time	Group	Location	Subject/Note
1	7:00 am	Airport Commission	Madison Avenue Mtg Rm	
1	5:30 pm	Downtown Parking Committee	Madison Avenue Mtg Rm	
1	7:00 pm	Budget Commission	Downtown Fire Station	deliberations, if needed
2	7:00 pm	Planning Commission	Downtown Fire Station	
2	7:30 pm	Library Board	Library Board Room	
4	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm	
5	10:00 am	Government Comment Corner	Library Lobby - TBD	
7	12:00 pm	City Council	Downtown Fire Station	
7	7:00 pm	City Council	Downtown Fire Station	
8	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
9	8:20 am	Citizens Adv Cmsn on Transit	Madison Avenue Mtg Rm	
9	4:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
9	5:30 pm	Downtown Commission	Downtown Fire Station	
10	8:00 am	Citizens Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
10	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
12	10:00 am	Government Comment Corner	Library Lobby - TBD	
16	5:30 pm	Watershed Mgmt Adv Cmsn	Madison Avenue Mtg Rm	
16	7:00 pm	Planning Commission	Downtown Fire Station	
17	6:30 pm	Parks, Natural Areas, and Rec Brd	Downtown Fire Station	
19	10:00 am	Government Comment Corner	Library Lobby - Biff Traber	
21	12:00 pm	City Council	Downtown Fire Station	
21	7:00 pm	City Council	Downtown Fire Station	
22	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
22	4:00 pm	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
23	4:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
24	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
24	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Rm	
26		No Government Comment Corner		
28		City Holiday - all offices closed		
30	5:30 pm	City Council work session	Madison Avenue Mtg Rm	tentative – PC/HRC interviews
31	5:30 pm	City Council work session	Madison Avenue Mtg Rm	tentative – PC/HRC interviews

JUNE 2012

Date	Time	Group	Location	Subject/Note
2	10:00 am	Government Comment Corner	Library Lobby - Julie Manning	
4	12:00 pm	City Council	Downtown Fire Station	
4	7:00 pm	City Council	Downtown Fire Station	
5	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
6	4:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
6	7:00 pm	Planning Commission	Downtown Fire Station	
6	7:30 pm	Library Board	Library Board Room	
7	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
9	10:00 am	Government Comment Corner	Library Lobby - Biff Traber	
13	5:30 pm	Downtown Commission	Downtown Fire Station	
14	8:00 am	Citizens Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Rm	
16	10:00 am	Government Comment Corner	Library Lobby - Mike Beilstein	
18	12:00 pm	City Council	Downtown Fire Station	

Date	Time	Group	Location	Subject/Note
18	7:00 pm	City Council	Downtown Fire Station	
19	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
20	4:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
20	7:00 pm	Planning Commission	Downtown Fire Station	
21	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
21	6:30 pm	Parks, Natural Areas, and Rec Brd	Downtown Fire Station	
23	10:00 am	Government Comment Corner	Library Lobby - TBD	
26	4:00 pm	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
27	5:00 pm	Watershed Mgmt Adv Cmsn	Madison Avenue Mtg Rm	
28	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Rm	
30	10:00 am	Government Comment Corner	Library Lobby - TBD	

JULY 2012

Date	Time	Group	Location	Subject/Note
2	12:00 pm	City Council	Downtown Fire Station	
2	7:00 pm	City Council	Downtown Fire Station	
3	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
4		City holiday - all offices closed		
4		No Administrative Services Cmte		
5	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
7	10:00 am	Government Comment Corner	Library Lobby - TBD	
14	10:00 am	Government Comment Corner	Library Lobby - TBD	
16	12:00 pm	City Council	Downtown Fire Station	
16	7:00 pm	City Council	Downtown Fire Station	
17	12:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
18	4:00 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
19	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
21	10:00 am	Government Comment Corner	Library Lobby - TBD	
24	4:00 pm	Cmsn for Martin Luther King, Jr.	City Hall Meeting Room A	
25	5:00 pm	Watershed Mgmt Adv Cmsn	Madison Avenue Mtg Rm	
28	10:00 am	Government Comment Corner	Library Lobby - Biff Traber	

Bold type – involves the Council ~~Strikeout~~ type – meeting canceled *Italics* type – new meeting

TBD – To be Determined

PC – Planning Commission

HRC – Historic Resources
Commission

Louie, Kathy

Subject: RE: Urban Services Committee - Ayres Decision

-----Original Message-----

From: McFarland
Sent: Tuesday, February 14, 2012 11:34 AM
To: Louie, Kathy
Subject: Urban Services Committee - Ayres Decision

Dear Members of the Corvallis City Council,

I'm writing to say that the decision that the Urban Services Committee made regarding Alan Ayres and the overhangs on his building on 2nd and Jackson is a good and just one. I urge you to uphold it. I am Alan's tenant in the building and therefore have a biased but unique perspective on this issue.

I decided to take on this project and leased this building partly because I like the architecture, the look of the place. Although the overhangs are a small part of this, I always felt they were important, both as weather protection for the building and the nine big cedar framed windows below (which I have to keep clean), and for the unique look they lend to the building.

The city passed Alan's plans on the first go around with a few conditions, things he had to meet. The city said nothing about the overhangs. We proceeded onward with our project, assuming the overhangs were part of it. On the second go around (sometimes it feels like the second round in a boxing match), the city came back and said they had a problem with the overhangs.

As these overhangs were established in our architecture and a player in our overall project by that time, we did not want to lose them. Alan went round and round with the city over these overhangs. That's not my expertise, but Alan cc'ed me on the emails that were going back and forth between him and the various city departments, at least five as I recall. It was an interesting process. Alan would go and do the research and come back and show the city that all the established precedents were for the city to allow these types of overhangs, without special leases and so forth. He found minutes from city council meetings, staff meetings and special committee meetings, all stating that the city chose to let these kinds of things go. Alan found city codes that actually encourage architectural adornments such as these overhangs. Alan looked at Portland, Salem and Eugene, and found that none of these towns have anything in their codes that would prohibit overhangs like the ones in his design. Alan looked at Corvallis and pointed out architectural examples on buildings that were similar to what he was proposing. He pointed out to the city staff that the overhangs on the Renaissance building were approved without special process. It seemed to me that an overwhelming precedent had been set.

I got the feeling that the city had decided to change the way they do things with this case, after they had originally approved it.

This went on for months. We did not want to move forward without this detail. The city would not back down, and in the end Alan had to go back to his engineer and PAY! him to take the overhangs out of the design to satisfy the city and get the project rolling again. We both lost a lot of time and money, this on a project where every penny counts. We're not big developers with deep pockets, but rather a couple of local guys who dream big.

You know, our project is good for Corvallis. It seems tailor made to what the city wants. We're putting every cent we have and then some into an older building to make it sing. This will increase the tax roles, beautify the city and offer another entertainment venue for our populace. Alan and I are local, with a history (especially Alan) of doing great things for our town. Back in the day, we developed Big River Restaurant - people still come up and thank us for sparking the riverfront revival. I feel the city, for whatever reason, was heavy handed and unreasonable in this design approval process, trying to take away what they originally approved even

though all of the established precedents went against their action. The Urban Services Committee saw through this and made the right call. I thank them for that and hope that you all will agree.

Scott McFarland
Corvallis, Oregon 97330

RECEIVED

FEB 15 2012

CITY MANAGERS
OFFICE

February 15, 2012

City Council Members:

I am the applicant doing an adaptive reuse project on a downtown building with roof treatment overhangs extending 4' over the sidewalk for which you will be considering a recommendation from USC. I just want to clarify a couple points for those who don't have time to read all the supporting material:

- 1) USC has already imposed conditions on my application which go beyond the most recently and extensively examined set precedent of the Renaissance building's 4' overhangs. They have decided not to let me overhang the alley even though Renaissance was allowed to (in the same alley), they have required me to indent the overhang around a tree I planted (or Kevin Russell in planning suggested I could move it), and they have required me to maintain a certificate of insurance for the overhang which Renaissance also does not do.

- 2) I am willing to accept these conditions even though it seems a little unfair, but please don't add any further ones. Some staff members for example have suggested that I lease the space. If this were to be the case I would be the only one in Corvallis and in the State of Oregon leasing space for an overhang of 4' or less (Portland has the most restrictive policy in the State and only requires a lease for overhangs that go beyond the 4' allowed in the OSSC) .

Attached are some supporting details of city minutes showing staff, USC and council's determination not to charge a lease for the Renaissance building and why, along with their certificate of liability showing they are only insuring the underground garage space not the overhang. It already seems like I've been pushed aside because I'm not as well connected or my project isn't as big as the Renaissance, please don't make it worse. (Also note that there are several other building in Corvallis with permanent overhangs over the sidewalk which have no lease and didn't even go through this process, both historic and recent. Only the Elements building has a lease because it hangs out 15', clear out over the street, not just the sidewalk)

I apologize if I seem negative here. I do realize you are all volunteers and I appreciate the time you put in for our city. I don't mean to direct my frustrations with the process towards any of you.

Alan Ayres

5. Other Lease Terms

- Staff recommended that the City Attorney's Office be consulted to ensure that the lease addresses all applicable issues, as is the practice with all City leases.

6. Lease Approval

- Staff recommended that the final lease be presented during the February 23rd Committee meeting for final amendments and the March 7th Council meeting for approval consideration.

In response to Councilor Grosch's inquiry, Mr. Rogers explained incremental maintenance costs by presenting an example:

Sewer lines are routinely flushed and checked without interference from a building above the lines. If the line breaks and needs repairs, it may be necessary to access the line from within the building, resulting in additional maintenance costs. Incremental maintenance costs are those costs exceeding normal maintenance costs.

Mr. Rogers emphasized staff's recommendation that the lessee be responsible for the incremental maintenance costs but not the total maintenance costs. Staff rarely removes an existing utility line; typically, a new line is drawn through an existing line. The Renaissance on the Riverfront project will be designed to avoid the unlikely occurrence of incremental maintenance costs being incurred. The lessee would be responsible for any maintenance costs directly associated with the building.

- * In response to Councilor Griffiths' inquiry, Mr. Rogers confirmed that staff recommended no charge for leases for aboveground public right-of-way encroachments. Staff is not aware of Portland's practice for such leases. Staff expects that such encroachments would cause little impact to the City's liability risks. All awnings in the Downtown area are within the public right-of-way but are not addressed by leases and are encouraged, provided they are far enough above the sidewalk to not impact utility maintenance access. Staff
- * recommended that private use of aboveground public rights-of-way not involve leases.

John Foster referenced a proposed public right-of-way lease rate, based upon the Portland lease rate calculation methodology, of approximately \$5,000 per year. He opined that not charging for private use of public rights-of-way equates to a subsidy of a project, which, in the case of Renaissance on the Riverfront, was promoted as a Downtown residential development that would be constructed without public subsidy. He said \$5,000 is .04 percent of the anticipated project building costs.

Mr. Foster expressed concern that a "subsidy" granted to one project must be extended to all projects with similar situations. If it is truly advantageous to the City not to charge for leases of public rights-of-way, as a matter of public policy, then, he believes, there should be no lease charge. He does not believe public right-of-way lease rates should be waived or reduced on a one-time basis because doing so establishes City policy and makes it

Initial Compensation - Aerial

In addition to the subsurface area, the applicant is requesting to occupy aerial ROW with a four foot wide aerial encroachment around three sides of the building. This represents a total of approximately 1,200 square feet of aerial encroachment. The project land use conditions of approval (#14) acknowledge this aerial encroachment and reference the need to preserve space for utility maintenance and Corvallis Disposal service. Discussion with City utility maintenance staff and Corvallis Disposal indicate that 24 feet of vertical clearance is needed to preserve these functions.

Aerial encroachments do not present the same loss of utility opportunity to the City that subsurface encroachments do. There is a potential that franchise utility facilities such as power lines would need to be relocated. If the facility is not eligible for relocation at the utility's cost under the franchise agreements, the applicant would be responsible for franchise utility relocation costs.

The aerial space above that needed for utility maintenance and service provision is of lessor value than the subsurface. Therefore, staff recommend that, in this case at least, establishment of ongoing rent for the aerial encroachment is not necessary.

Compensation Adjustment

The City of Portland lease describes a 5 year adjustment interval where the initial rent is to be increased by the lessor of any percentage increase in the most recently available Consumer Price Index or 40% of the rent paid during the previous 5 year period. The term CPI means the Consumer Price Index for All Urban Consumers (1982-84 = 100), Portland, Oregon for All Items, or a comparable index published by the United States Bureau of Labor Statistics if such CPI be discontinued.

Corvallis City Council Policy 7.13 references the establishment of rent based on appraised market value of the land. A Cost Price Index may be used in conjunction with the appraisal to set inflation adjustments. All future lease agreements will provide for readjustment of the land rental rate every five years so that the Airport and Airport Industrial Park may at all times receive income which is appropriate to the changing value of the land. An example Corvallis Industrial Park Land Lease includes terms to adjust rent annually based upon a January through December U.S. City Average Consumer Price Index and every five years based on 10% of the appraisal market value.

On January 19, 2005, the Urban Services Committee recommended that the initial lease terms be similar to those for leases at the Corvallis Municipal Airport with options for rate adjustments and annual cost-of-living adjustments. Therefore, staff recommend that the rent be adjusted annually based upon the January through December U.S. City Average Consumer Price Index and every five years to reflect changes in the real market value of the land as determined by the Benton County Tax Assessor's office. The real market value of the land is recommended over appraised value as an efficient means to track an analogous value.

**ADMINISTRATIVE SERVICES COMMITTEE
MINUTES
February 8, 2012**

Present

Councilor Joel Hirsch, Chair
Councilor Biff Traber

Staff

Jim Patterson, City Manager
Nancy Brewer, Finance Director
Karen Emery, Parks and Recreation Director
Carla Holzworth, City Manager's Office

Absent

Councilor Mark O'Brien (excused)

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Financial Policies Recommendation			Adopt the updated Financial Polices as presented by staff
II. Other Business	*		

Chair Hirsch called the meeting to order at 4:02 p.m.

CONTENT OF DISCUSSION

I. Financial Policies Recommendation (Attachment)

Ms. Brewer said the draft policy should include all of the Committee's changes and amendments thus far. Significant new language is in bold type and prior strikeouts were removed for readability. A definition for Historic Norming Adjustment (HNA) has been added and a list of what staff considers when assessing likely fund balances was added to 10.02.040A Property Tax Funds Combined. Ms. Brewer also reviewed the recommended language for Parks and recreation Cost Recovery as explained in the staff report.

In response to Councilor Traber's inquiry, Ms. Brewer said staff proposes sharing with both the Parks, Natural Areas, and Recreation Board (PNARB) and Council the status of cost recovery fees meeting targets, but no formal approval, such as a resolution, would be required to set fees. However, if any policy adjustments are needed, staff would come back to Committee and Council for direction.

Ms. Emery agreed with Ms. Brewer's comments and added staff expects to return to Council in a year or two to adjust the cost recovery target. She noted the target will most likely need to be increased.

In response to Councilor Traber's inquiry about direct and indirect costs, Ms. Brewer said she added the word "related" in the phrase *providing related services* to include

instances where a portion of an ancillary cost, such as part of a program coordinator's time, is included.

The Committee unanimously recommends that Council adopt the updated Financial Policies as presented by staff.

II. Other Business

Councilor Traber said he does not like how the Transit Fee is automatically adjusted without Council review. He would prefer that Council have an opportunity to decide whether rates should be changed each year, as it may be more desirable to smooth them over time. Chair Hirsch noted the fee change is index based.

In response to Councilor Traber's request, Mr. Patterson agreed to inquire about the mechanics of amending the ordinance so Council could accept or reject a rate change. The matter will be discussed by the full Council.

The meeting adjourned at 4:20 pm.

The next regular Administrative Services Committee meeting is scheduled for 4:00 pm, Wednesday, February 22, 2012 in the Madison Avenue Meeting Room.

Respectfully submitted,

Joel Hirsch, Chair

MEMORANDUM

January 26, 2012

TO: Administrative Services Committee

FROM: Nancy Brewer, Finance Director *NB*

SUBJECT: Financial Policies Review

I. Issue

To complete the review and update of the City Council's Financial Policies.

II. Discussion

The City Council's Financial Policies are reviewed and updated annually. For the 2011 review, staff proposed a significant number of changes to ensure the Financial Policies were meeting the Council's goal of developing a sustainable budget. This final draft incorporates all of the changes previously discussed and agreed upon as well as incorporating new language for setting Parks & Recreation fees in line with policies recommended by the Adopted Cost Recovery Methodology. Specific changes in this draft include:

- Previously added language is in **bold** typeface. Previously deleted language has been removed. Redline/strike-outs reflect recommended changes to complete this update (Attachment A).
- On Page 3 the bullet points that list factors under consideration when the financial status is reviewed have been added back. This was largely the result of ASC's discussion about the use of HNA in the discussion about all other funds (on page 5) and whether the term HNA should be included. Ultimately, it seemed more transparent to list the factors that are considered by staff in making future year projections. To that end, a definition of HNA has been added to the glossary.
- Beginning on Page 9, the recommended language for Parks & Recreation Cost Recovery has been added, with some proposed changes from the original language (Attachment B), as follows:
 - Recommended language on page 37 of the report under Cost of Services defines Direct and Indirect costs. After consideration, staff proposes modifying the definitions somewhat and including them in the Glossary instead of under Parks & Recreation Fees. This was largely done so that the same definition for both terms would be used for all operations (i.e., not different definitions for utilities). As a result, staff recommends slight modifications in the definitions to ensure they are appropriate for non-Parks & Recreation services.
 - Staff recommends adding a section on Setting Fees (Section C on page 11) that includes some of the language the consultant had included under Rate Review. Specifically, I recommend making it clear that the Parks & Recreation Department Director has the authority to set and modify fees during the course of the year, within the limits identified in the policy language. This is being recommended to give the Director the flexibility to change fees as needed as costs go up or down and to ensure fees do not lag while PNARB/HSC/Council approval is sought.
 - The Rate Review section has been modified to indicate that PNARB will review Cost Recovery Targets annually to ensure they are being met. This review will also give the Parks & Recreation Director the opportunity to share with PNARB/HSC/Council any changes

that were made during the year. However, as a review, it will not include actually setting rates; only a review of actions already taken.

III. Requested Action

Review the final revisions to the City Council's Financial Policies. Modify if necessary. Recommend the City Council adopt updated Financial Policies.

Review & Concur:

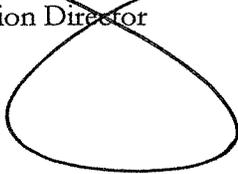


Parks & Recreation Director



City Manager

Attachments:



A – Financial Policies

B – Cost Recovery consultant's recommended policy language.

DRAFT FINANCIAL POLICIES

Adopted November 27, 1989

Last Revised February 21, 2012

CP 10.01 FINANCIAL POLICIES PURPOSE, MISSION, AND GOALS

10.01.010 Purpose

To **underscore** the responsibility of the City of Corvallis to its citizens for the **long-term** care of public funds and wise management of municipal finances while providing adequate funding for the services desired to **achieve a sense of well-being and safety** by the public and maintaining the community's public facilities and infrastructure to **enhance the long-term livability and economic vitality of Corvallis.**

10.01.020 Mission

To provide policy direction from the City Council to the City of Corvallis organization about sustainable financial management to ensure the City continues to **provide desired services to the community** in perpetuity.

10.01.030 Goals

To meet this mission, the goals for financial management include the following:

- A. To protect the policy-making ability of the City Council by ensuring that important policy decisions are not controlled by financial problems or emergencies.
- B. To enhance the policy-making ability of the City Council by providing accurate information on program costs.
- C. To assist sound management of the City by providing accurate and timely information to **the City Council and the public on the City's** financial condition.
- D. To provide sound principles, **reports and analyses** to guide the important decisions of the City Council and of management which have significant fiscal impact.
- E. To set forth operational principles which minimize the cost of government and financial risk, and safeguard the City's assets.
- F. To employ revenue policies which prevent undue or unbalanced reliance on certain revenues, which distribute the costs of municipal services fairly, and which provide adequate funds to operate desired programs.
- G. To provide adequate resources to operate and maintain essential public facilities and the City's infrastructure.
- H. To protect and enhance the City's credit rating and prevent default on any debt issue of the City.
- I. To ensure the legal use of all City funds through a sound system of administrative policies and internal controls.

10.01.040 Background

Municipal financial operations have a wide variety of oversight or standard setting agencies, including multiple departments within both, the State and Federal governments, the Securities and Exchange Commission, and the Governmental Accounting Standards Board. The City of Corvallis manages public funds within all of these oversight agency requirements. These financial management policies, designed to ensure the fiscal stability of the City of Corvallis municipal corporation, provide guidance in financial management when oversight agencies are otherwise silent or to reiterate best practices that may be codified by another entity. The City Council's Financial Policies have been reviewed and updated each year since they were first adopted to ensure the policy direction is current.

10.01.050 Achieving Financial Policy Goals

To achieve and maintain the goals outlined in these policies, the Finance Department will conduct an annual analysis of projected financial condition and key financial indicators. This budget capacity analysis shall be **used to inform the next budget development process**.

It is the focus of this analysis to:

- A. identify the areas where the city is already reasonably strong in terms of protecting its financial condition;
- B. identify existing or emerging problems in revenue sources, management practices, infrastructure conditions, and future funding needs;
- C. forecast expenditures and revenues for the next three to seven years, with consideration given to such external factors as state and federal actions, the municipal bond market, management options being explored and used by other local governments; and
- D. review internal management actions taken during the last budget cycle.

10.01.060 Review & Update

The Financial Policies shall be reviewed by the Finance Director annually in November and updated as appropriate.

CP 10.02 FUND BALANCE POLICIES

10.02.010 Purpose

Fund balance is used to provide stable resources for times when service levels might otherwise be impacted by taxes or fees that temporarily underperform, or to cover one-time unexpected expenditures. Maintaining a positive ending fund balance is a best financial management practice, and is important to maintain the City's credit rating, and to meet state law requirements for no deficit spending.

10.02.020 Background

Budgetary fund balance is a critical component of the City's financial management policies. Large ending fund balance targets may be viewed as reducing resources **that could be used** to provide direct services to citizens; small ending balances may be viewed as leaving the City open to too much risk from emergencies or temporary economic downturns **and may result in downgrades to the City's credit rating that would increase the cost of borrowing. Residents' sense of well-being is enhanced when the City is able to provide a consistent level of service from year-to-year.**

This policy is designed to provide guidance for maintaining an ending fund balance that is adequate to manage risk while maximizing the services provided to citizens.

The budgetary ending fund balance describes the net financial assets of governmental funds; in lay terms it represents the net revenues in excess of expenditures since the fund's inception. Actual fund balances for each fund shall be reported in the Comprehensive Annual Financial Report, issued as of June 30 of each fiscal year. Budgetary fund balances shall be reported in the annual budget, and shall be projected for each operating fund as part of the financial planning process to prepare the budget each year.

10.02.030 Fund Balance Definitions

The Governmental Accounting Standards Board (GASB) has defined fund balance categories for financial reporting to be classified as **defined in the glossary attached to these Financial Policies**.

The City of Corvallis will use the GASB's definitions of Fund Balance for the Comprehensive Annual Financial Report (CAFR) and for all other financial reporting. For all financial planning purposes, the term Budgetary Fund Balance will be used and will include any portion of the fund balance that is available for appropriation. Portions of the fund balance that are not available for appropriation will be identified as a Reserved Balance.

10.02.040 Fund Balance Policy

A. Property Tax Funds Combined – Budgetary Fund Balance for Financial Planning Purposes

1. **The City Council has established the fund balance target for the Property Tax Funds Combined to total three months of payroll expenses.**
2. **The City Manager will review the City's financial status each year and develop a budget process that is designed to meet Oregon Local Budget Law requirements, taking into account the City's projected financial status for the budget year, including:-**
 - a) the current budgetary fund balance;
 - b) cash flow requirements within the fund to support expenditures, including up to three months of payroll costs;
 - c) future capital needs;
 - d) significant revenue and expenditure trends including the HNA;
 - e) susceptibility of the fund's operations to emergency or unanticipated expenditures;
 - f) credit worthiness and capacity to support debt service requirements and covenants;
 - g) legal or regulatory requirements affecting revenues, expenditures, and fund balances;
 - h) reliability of outside revenues; and
 - i) any other factors pertinent to the fund's operations.
2. _____
- a)3. **Should the projected ending fund balance for the budget year be lower than the City Council's target, the following strategy will be implemented:**

~~1~~.a) For times when the fund balance is lower than the target as the result of structural/systemic changes, the fund balance shall be re-built over a period of no more than:

~~a~~.1. five years if the fund balance is less than 50 percent of the target. The balance shall be re-built to achieve an ending fund balance of no less than 10 percent of the target in the first year; 25 percent in the second year; 45 percent in the third year; 70 percent in the fourth year; and 100 percent in the fifth year. This strategy is specifically designed to allow for consideration/development of a new revenue source prior to significant service reductions taking effect should the City Council wish to consider revenue alternatives.

~~b~~.2. three years if the fund balance is between 50 percent and 100 percent of the target. The balance shall be rebuilt to achieve an ending fund balance of no less than 60 percent at the end of the first year; 75 percent at the end of the second year, and 100% at the end of the third year.

~~2~~.b) For times when the fund balance is lower than the target as the result of short-term poor experience (i.e., costs to respond to a natural disaster), the City Manager shall recommend a strategy for re-building the fund balance taking into account the following criteria:

~~a~~.1. the cause of the poor experience;

~~b~~.2. the City's ability to control/change the causing factor;

~~c~~.3. the impact to services to achieve an immediate re-build of fund balance;

~~d~~.4. the likelihood the causing factor will end and revenues/expenditures will return to normal levels within one year; and

~~e~~.5. the likely amount of time required to re-build the fund balance if no additional changes in services/revenues occurred and/or one-year is not a viable time frame for proposed solutions.

~~b~~)4. Should the projected ending fund balance be above the target, the City Manager will make a recommendation to the City Council whether to reserve those monies above the target for:

~~1~~.a) one-time capital expenditures or reserves for future capital expenditures which do not significantly increase ongoing City costs;

~~2~~.b) undesignated assigned or committed balances for future basic operations;

~~3~~.c) other one-time costs; and/or

~~4~~.d) ongoing or new City programs, provided such action is considered in the context of Council approved multi-year projections of revenue and expenditures.

B. Appropriate Budgetary Fund Balance – all other funds

1. Each operating fund shall have a positive budgetary ending fund balance for the budget year under discussion.

2. The Finance Director shall recommend the appropriate ending budgetary fund balance for each fund as part of the budget development process. The Finance Director shall take into account the following factors:
 - a) the current budgetary fund balance;
 - b) cash flow requirements within the fund to support expenditures, including up to three months of payroll costs;
 - c) future capital needs;
 - d) significant revenue and expenditure trends including the HNA;
 - e) relative rate stability from year to year for enterprise funds;
 - f) susceptibility of the fund's operations to emergency or unanticipated expenditures;
 - g) credit worthiness and capacity to support debt service requirements and covenants;
 - h) legal or regulatory requirements affecting revenues, expenditures, and fund balances;
 - i) reliability of outside revenues; and
 - j) any other factors pertinent to that fund's operations.
3. **The minimum fund balance targets for any given non-property tax fund shall be no less than five percent of current revenue.**
4. Ending Budgetary Fund Balance Below Recommended – All Other Funds

If the annual budget is recommended by the Budget Commission and accepted by the City Council to be adopted with a budgetary fund balance below either the minimum or the recommended ending budgetary fund balance in any fund, the budgetary ending fund balance for the then current fiscal year will be re-calculated as soon as the audit work for the prior fiscal year is complete. If at that point, the audited ending fund balance contributes to a budgetary fund balance which is lower than this policy would dictate, staff shall develop a plan for City Council consideration through the Administrative Services Committee that addresses the shortfall.
5. Ending Budgetary Fund Balance Above Recommended

In the event the ending budgetary fund balance is higher than either the minimum or recommended level, the difference may be used to fund the following activities:

 - a) one-time capital expenditures or reserves for future capital expenditures which do not significantly increase ongoing City costs;
 - b) undesignated assigned or committed balances for future basic operations;
 - c) other one-time costs; and/or
 - d) ongoing or new City programs, provided such action is considered in the context of Council approved multi-year projections of revenue and expenditures.

CP 10.03 REVENUE POLICIES

10.03.010 Purpose

These policies provide direction in the management and oversight of existing revenue sources and for the development of new revenue sources.

10.03.020 Background

A significant portion of the City's revenues come from taxes, charges for service and fees. Some of these revenue sources are governed by the Oregon Constitution/Statutes, federal law, or regulations promulgated by a state, federal, or other agency; others are assessed solely through the City's home rule authority. Revenues are critical to the City's financial operations as they provide the resources necessary to provide services at the level the community desires. However, the City Council also recognizes that the majority of the revenue received by the City comes from its own citizens and the ability to pay increasing amounts may make Corvallis less livable, especially for low income residents. Revenue decisions are complex and must take into account a variety of factors. The Revenue Policies are designed to provide guidance to staff and the City Council as new revenue sources or rate increases for existing revenues are considered.

10.03.030 General Revenue Policies

- A. Revenue Diversity and Stability -- The City will strive to maintain a diversified and stable revenue system to shelter the government from short-run fluctuations in any one revenue source and ensure its ability to provide ongoing service. In particular, the City will seek alternatives to the property tax for general government services.
- B. Restricted Revenues -- Restricted revenue shall only be used for the purposes legally permissible and in a fiscally responsible manner. Programs and services funded by restricted revenue will be clearly designated and accounted for as such.
- C. Capital Improvement Funding -- Revenue for capital improvements shall be used to finance only those capital improvements identified in the funding plan (i.e., bond or grant funded projects) that are consistent with the capital improvement program and local government priorities, and where the operating and maintenance costs have been included in operating budget forecasts. Revenue restricted for specific purposes will be expended consistent with those restrictions.
- D. One-time Revenue -- One-time revenue includes fund balances and grants or other sources which have a specific time limit and/or reason for expenditure. One-time revenue will be used for one-time expenses whenever possible; **in some cases one-time revenue may be used for costs the City would have incurred for a program or service, regardless of the receipt of the one-time revenue.** If one-time revenue is considered for ongoing expenditures (such as adding staff) the Budget Commission or City Council will balance the need for the additional ongoing expenditures with the on-going ability to pay prior to approving the program.
- E. Unpredictable Revenue -- Unpredictable revenue, which includes development related revenue such as Systems Development Charges (SDC), Public Improvement by Private Contractor fees, Development Review, Plan Review and Inspection Permit revenues, will be closely monitored through the year. Capital projects to be constructed with SDC monies will not be initiated until SDC revenue is available or another financing alternative is developed.
- F. Revenue Monitoring -- **Revenues will be monitored monthly for performance compared to both the annual budget and the anticipated timing of revenue receipts.** Operations funded partially or wholly from unpredictable revenue will be monitored monthly and mitigating action will be taken if revenues are not received as expected.

- G. Collections -- The City shall manage its revenue collections through a policy that actively pursues collection of all revenues owed to the City.
- H. Charges for Services -- Fees and charges for service are assessed to specific users where the user pays all or a portion of the costs to provide the service. When assessed as a fee, the charge generally grants the payer permission or a license to do a specific activity (i.e., franchise fees authorize use of the public right-of-way; a liquor license fee authorizes the license holder to sell liquor). When assessed as a charge for service, the charge is for a specific service, directly used by the payer (i.e., the admission fee at the swimming pool is only assessed to the person going swimming).
1. Fees and charges other than those identified elsewhere in City Council policy or via Corvallis Municipal Code will use the following criteria to determine the ratio of cost recovery:
 - a) Whether the person paying the fee can avoid it;
 - b) Whether the program supported by the fee is designed to benefit the entire community or only a small segment of the population;
 - c) Whether the fee is set high or low to incentivize something (i.e., change behavior);
 - d) Whether the fee should be earmarked for a specific use or should be treated as a general revenue available for operations;
 - e) Whether there are extenuating circumstances where the Council believes the fee should not cover all of the costs associated with the service; and
 - f) Whether the fee costs less to collect/administer than the revenue it brings in.
 2. Fees and charges are reviewed annually, and are updated via Council action when necessary. A revenue manual listing all such fees and charges of the City shall be maintained by the Finance Department and updated concurrent with the review.
 3. A fee shall be charged for any service that benefits limited interests within the community, except for basic, unavoidable human needs type services provided to persons with limited ability to pay.
 4. Historically, the City Council has provided very limited tax and fee exemptions; rather, the City Council has elected to use General Fund monies to pay the fees/charges for non-profit entities that request exemptions when the cause matches the City's goals.
- I. Systems Development Charges (SDC) – SDC rates are set via resolution and are designed to cover the costs of infrastructure necessary to provide services for future growth. The list of projects eligible for SDC funding shall be updated when facility plans are updated or amended, or when a project not listed in a facility plan is identified and will provide additional capacity to serve growth. The overall SDC program methodology and population service scenario shall be reviewed approximately every ten years.

10.03.040 Property Taxes

The City levies property taxes for operations and for general obligation debt service in compliance with the Oregon Constitution and Oregon Revised Statutes. The City has a

permanent tax rate of \$5.1067 per \$1,000 of assessed value; from time-to-time the City may have a local option property tax levy for a limited period of time. Revenue for a local option levy will be accounted for according to the ballot language for the levy. Revenue from property taxes levied for general obligation debt service shall be for specific series of debt, levied and accounted for in accordance with state legal requirements. Revenue from the City's permanent tax rate will be allocated in accordance with this policy.

- A. Allocation -- Property taxes are allocated to the **General, Parks & Recreation, Fire and Rescue, and Library Funds** according to the Budget Commission and City Council direction through the annual budget process. This sets a projected demand for property taxes in each fund receiving them for the year. **The allocation is generally set so that each of the funds ends the budget year with 25 percent of the ending fund balance in the Combined Property Tax Financial Plan.** The Finance Director shall review this allocation and modify the actual allocation of funds as necessary during the course of each fiscal year to keep all funds in a positive budgetary fund balance position, with the following targeted allocations set as part of the budget process.
1. The Arts Center allocation shall be 0.21% of the total property taxes received from the City's permanent tax rate. This amount shall not be reallocated to other uses without the City Council's approval.
 2. The Osborn Aquatic Center shall be allocated \$270,000 in FY 11-12 from the City's permanent tax rate. This allocation shall grow each year by the rate of growth in the City's assessed value as projected for all property taxes during the budget process, with actual allocations based on the actual property tax revenue growth. This allocation shall be reviewed no later than December 31, 2013.
 3. The Chintimini Senior Center shall be allocated \$25,000 in FY 11-12 from the City's permanent tax rate. This allocation shall grow each year by the rate of growth in the City's assessed value as projected for all property taxes during the budget process, with actual allocations based on the actual property tax revenue growth. This allocation shall be reviewed no later than December 31, 2013.

10.03.050 Utility Fees (Water, Wastewater, Storm Water)

- A. Utility Fee Basis -- Utility user charges for each of the three City utilities will be based on the total cost of providing the service (i.e., set to fully support the total direct, indirect, and capital costs) and are established so that the operating revenues of each utility are at least equal to its operating expenditures, reserves, debt coverage and annual debt service obligations, and planned replacement of the utility's facilities.
- B. Annual Rate Review -- Staff shall conduct an annual comprehensive rate review each fall for the Water, Wastewater and Storm Water funds for Council review. Rate increases will be targeted for implementation in February. Every effort shall be made to index/limit rate increases for the entire utility bill (water, wastewater, and storm water) to the rate of inflation (estimated at 2% to 3%) but not more than 7% in any one year unless federal or state mandate, judgment arising out of litigation, or Council approved policy needs dictate otherwise.
- C. Rate Adoption -- Utility rates will be adopted by ordinance and will be recorded in the Corvallis Municipal Code.
- D. Franchise Fees -- The City's Water, Wastewater, and Storm Water utilities will pay a franchise fee to the City's General Fund to compensate for the use of the public right-of-way. The franchise fee

will be equal to 5% of the utility's gross operating revenue each year, net of interest, intergovernmental monies, miscellaneous water service fees, permit fees, SDCs, and turn-on service fees.

10.03.060 Parks and Recreation Department Fees

- A. Cost Recovery -- Parks and Recreation ~~services~~ programs are funded through a combination of user fees, property taxes, grants, and donations. Fees and charges shall be assessed in an equitable manner in accordance with the following fee and charge assessment schedule. Through a special initiative, services Programs that provide recreational opportunities for populations with the fewest recreational alternatives (youth, limited income, senior adults, and families) ~~will~~ may be more heavily supported by grants, donations, or property taxes than user fees to ensure that the population is well served by Parks & Recreation programs. Percentages shall be considered as guidelines; however, special circumstances, the nature and cost of each program, and persons to be served should be taken into consideration.
- B. Fee Model – the following lists represent all categories of services currently provided or those which may be provided in the future by the Parks & Recreation Department. The model is based upon the degree of benefit to the community (Tier 1 -- mostly a community benefit) or individual (Tier 5 -- mostly an individual benefit) of the service provided, the values of the Corvallis community, and the vision and mission of the Parks & Recreation Department. This model and policy form the basis for setting fees and charges.
1. Revenue positive cost recovery (Tier 5 services are targeted to recover a minimum of 200 percent of direct costs):
 - a) concession/vending
 - b) merchandise for resale
 - c) private/semi-private lesson
 - d) rentals – private/commercial
 - e) long-term leases
 - f) equipment rentals
 - g) trips
 - h) organized parties
 - i) drop-in childcare/babysitting
 - j) leased services – private/commercial
 - k) permitted services
 2. Totally fee supported with no tax investment (tier 4 services are targeted to recover a minimum of 100 percent of direct costs, and some of these services may be appropriate for use of alternative funding sources such as grants, donations, and use of volunteers):
 - a) classes and programs – intermediate/advanced
 - b) leased services – non-profit/governmental agency
 - c) preschool

- d) social clubs
3. Primarily fee supported with little or no tax investment (tier 3 services are targeted to recover a minimum of 90 percent of direct costs, and some of these services may be appropriate for use of alternative funding sources such as grants, donations, and use of volunteers):
 - a) health services, wellness clinics, and therapeutic recreation
 - b) classes and programs – beginning/multi-ability
 - c) tournaments and leagues
 - d) rentals – non-profit/governmental agency
 - e) specialized events/activities
 - f) camps/after school care
 - g) leased services – affiliates
 - h) work study/internship/community service program
 4. partial tax investment with minimal to partial fee support (tier 2 services are targeted to recover a minimum of 45 percent of direct costs, and many of these services may be appropriate for use of alternative funding sources such as grants, donations and use of volunteers):
 - a) life/safety classes
 - b) rentals – affiliates
 - c) supervised park/facility
 - d) community-wide events
 - e) volunteer program
 5. full tax investment with little or no fee support (tier 1 services are targeted to recover zero percent of direct costs, although some of these services may be appropriate for use of alternative funding sources such as grants, donations, and volunteers):
 - a) non-supervised park/facility
 - b) inclusionary services
 - c) support services
1. total fee support (recover a minimum of 95% of direct program costs)
 - a) special instruction classes (all ages)
 - b) recreation trips and outings
 - c) adult sports leagues
 - d) major events which charge admission
 2. partial fee support (recover 50% to 75% of direct program costs)
 - a) outdoor recreation

- b) preschool programs/introduction
- e) child care oriented programs
- d) senior citizen programs

3. minimum fee support (recover 33% to 50% of direct program costs)

- a) youth programs and events
- b) playground programs

B. Osborn Aquatics Center Fees

1. ~~The Osborn Aquatics Center direct costs are funded through fees charged for its usage plus a subsidy from property tax monies received in the Parks & Recreation Fund. The Aquatics Center shall pay its share of the general indirect costs charged to all City departments for centralized administrative functions.~~
2. ~~Fees for annual passes, open swim periods, instructional classes, etc. will be set to meet revenue requirements of the Aquatic Center, less all other revenue including the Parks & Recreation property tax subsidy allocation, rentals and concessions. Where possible fees will be comparable to similar publicly owned facilities in Oregon, taking into account the additional amenities offered at Osborn.~~
3. ~~Rental fees for group usage (i.e., Corvallis Aquatic Team) shall be negotiated at a minimum of a 100% direct cost recovery rate or the rate of inflation based on the CPI-U whichever is greater.~~
4. ~~Prices for concessions operated by the City shall be set at the wholesale price of the item plus at least 100%. Income from contracted concession services shall be determined based on the negotiated agreement between the City and the concessionaire. All monies from concessions will be used for operations at the Aquatics Center.~~

C. Setting Fees – The Parks & Recreation Department Director shall set fees for programs and services in compliance with the targets listed above. Fees shall be adjusted during the course of each year as needed to ensure the cost recovery targets are achieved. The following pricing strategies will be used by the Parks & Recreation Director in setting fees:

1. Market pricing: a fee based on demand for a service or facility or what the target market is willing to pay for a service. One consideration for establishing a market fee is determined by identifying all providers of identical service (i.e., private sector providers, municipalities), and setting the highest fee. Another consideration is setting the fee at the highest level the market will bear.
2. Competitive pricing: a fee based on what similar service providers or close proximity competitors are charging for service. One consideration for establishing a competitive fee is determined by identifying all providers of an identical service (i.e., private sector providers, municipalities), and setting the mid-point or lowest fee.
3. Cost recovery pricing: a fee based on cost recovery goals within market pricing ranges.

D. Fee Rate-Review -- The Park and Recreation Department shall conduct an annual comprehensive review of cost recovery targets in compliance with these policy targets; this review will be forwarded to the Parks, Natural Areas and Recreation Board which will forward their comments to the City Council via the Human Services Committee. rates including Osborn Aquatic Center

rates. The Parks, Natural Areas and Recreation Board shall recommend to the City Council, via the Human Service Committee, any alterations or adjustments necessary in specific fees and/or charges to reflect service demand changes, the ability of users to support the demand, and concerns for other City operations.

D.E. Use of Volunteers -- Through an aggressive volunteer recruitment program, the Parks and Recreation Department shall seek to minimize the amounts subsidy required for full tax investment with little to no partial and minimum-fee support programs (tier 1 services) and partial tax investment with minimal to partial fee support (tier 2 services).

E.F. Alternate Funding Sources -- Solicitation of funds through donations, fund raising events, non-traditional sources, and various other modes shall be encouraged by the Parks, Natural Areas and Recreation Board and other advisory committees. Funds collected for any special purpose shall be earmarked for that purpose.

10.03.070 Ambulance Fees

- A. Policy -- It is the intent of the City to provide responsive, efficient and self-funded emergency medical services as the Benton County designated service provider to the Benton County Ambulance Service Area, including all residents of the City.
- B. Rate Changes -- Staff shall review ambulance rates annually no later than February 28 to ensure the rates reflect changes in the direct costs of service. In reviewing rates, staff will consider the historic and projected costs of service, service demands, changes in fixed and variable costs, market rates, and changes in service requirements or mandates. The City shall notify Benton County of proposed fee increases or decreases at the beginning of the City's formal budget review process.
 - 1. Proposed rate changes will be submitted to the City Council via the Administrative Services Committee for review and recommendation to the full Council no later than April 1 of each year. If no rate change is recommended, staff will note the fact in a Council Report.
 - 2. The Council shall adopt rate adjustments by resolution. Following Council adoption, the new rates will go into effect by July 1 of each fiscal year.
 - 3. Notification will be issued to the public 30 days prior to the July 1 deadline. Customers will be notified of rate changes via advertisements in the local newspaper.
- C. Special Rate Reviews -- If, at any time during the fiscal year, estimated costs of service exceed available revenue, the City Manager may conduct a special rate review. In conducting such reviews the City Manager would follow the above procedures. In this instance, rate adjustments could take place at any time within the fiscal year, with 30 days' public notice.

10.03.110 Grants

- A. Grant Opportunities -- The City shall aggressively pursue grant opportunities; however, before accepting grants, the City will consider the current and future implications of accepting the monies.
- B. Federal Funds -- Federal funds shall be actively sought by the City. The City will use these funds to further the applicable national program goal. Because federal funds are not a guaranteed revenue source and are intended for a specific purpose, they will not be relied upon as an alternative source of capital improvement funds unless the federal grant is specifically for capital projects. Use of federal funds shall support City goals and services.

- C. Grant Review -- In reviewing grants the department director and Finance Director shall evaluate each grant offer and make their recommendation to the City Manager after considering:
1. the amount of the matching funds required;
 2. in-kind services that are to be provided;
 3. length of grant and consequential disposition of service (i.e., is the City obliged to continue the service after the grant has ended?); and,
 4. the related expenditures including administration, record keeping, and auditing expenditures.
- D. Single Audit -- The annual audit by the City's independent auditors will include all required audit procedures for grant compliance as specified in the federal government's Office of Management and Budget OMB Circular A-133.

10.03.120 Gifts, Donations and Bequests

- A. Use of Gifts, Donations & Bequests -- Gifts, donations and/or bequests given to, and accepted by, the City for the use of any of its departments or divisions shall be used solely for the purpose intended by the donor. Unrestricted gifts will be expended on the recommendation of the related advisory board.
- B. Evaluation -- Gifts, donations, and bequests will be evaluated to determine what, if any, obligations are to be placed upon the City. Gifts, donations, and bequests will be considered as "over and above" basic City appropriations unless the gift, donation or bequest is for an already planned and budgeted service or program.

CP 10.04 EXPENDITURE POLICIES

10.04.010 Purpose

To provide direction for developing the annual budget, monitoring the City's financial status throughout the year, and ensuring that the City's monies are expended to provide services to citizens.

10.04.020 Background

The City expends a significant amount of money each year to provide services **that are important** to citizen's **sense of well being and safety and to improve the livability of the community**. The largest portion of expenditures are for the operating costs of the organization. These costs include all of the salaries/wages and related benefits for City staff, along with materials, services and capital outlays necessary to perform the basic functions of the City. Additional costs associated with capital projects (infrastructure **investments**) and debt service are part of the annual budget, based on specific plans for both.

10.04.030 Operating Budget -- Pay-As-You-Go

- A. Pay-As-You-Go -- The City shall attempt to conduct its operations from existing or foreseeable revenue sources. Achieving pay-as-you-go requires the following practices:
1. current direct and indirect costs for operations and maintenance will be controlled and will be funded with current revenues, and
 2. revenue and expenditure forecasts will be prepared annually for all operating funds prior to budget discussions.

- B. Cost Allocation Plan -- The Finance Director shall prepare a full cost allocation plan triennially to provide accurate, complete estimates of indirect service costs. The plan will be updated annually during budget development.
- C. Mandated Costs -- Costs attributable to mandates of other government agencies shall be included in the annual budget.

10.04.040 Budget Balance

The City Manager will prepare a budget for each fund each year where resources on a modified accrual basis either equal or exceed all expenditures in compliance with Oregon Administrative Rule 150-294.352(1)-(B)

- A. Resources available include all revenue anticipated in the budget year, including taxes, fees, charges for service, fines, intergovernmental payments, miscellaneous revenue, transfers, other financing sources, expendable reserves, and beginning fund balances.
- B. Expenditures include all planned expenditures for operations, inter-fund transfers, capital budget, debt service, and contingencies.

10.04.050 Budget Performance Reporting

- A. Quarterly Reports -- The Finance Director shall submit a Quarterly Operating Report (QOR) to the Budget Commission within 45 days of the close of the fiscal quarter. The QOR will be published on the City's web site for public review. The QOR will be reviewed by the Administrative Services Committee and be accepted by the City Council. At a minimum, the QOR will include income statements developed on the modified accrual (budgetary) basis for all operating funds of the City, and may include other information such as the status of the City Council's Values and Goals and departmental performance information.
- B. Performance Indicators -- Where practical, the City shall develop and employ performance indicators that are tied to Council values and goals, as well as management objectives, to be included in the budget. Status of the measures will be reported in each QOR.

10.04.060 Maintenance, Repair & Replacement

- A. Master Plans -- The City shall maintain master plans for all major infrastructure systems. Master plans provide direction about system needs (such as pipe size and reservoir locations) for predicted population build out of the community. Infrastructure master plans are required for Parks, Transportation, Water Plant, Water Distribution system, Wastewater Plant, Wastewater Collection system, Storm Water system, and the Airport. The master plans shall be adopted by the City Council as amendments to the City's Comprehensive Plan.
- B. Master Plan Projects -- Projects identified via an infrastructure master plan will be scheduled based on the priority of the project as identified in the master plan and will be budgeted in the Capital Improvement Program (CIP) when resources are available to implement the project and the project will result in the acquisition of a new or addition to an existing a capital asset; master plan projects that do not result in capital assets shall be included in the operating budget.
- C. Annual Inventory -- The City will conduct an inventory of all capital assets in conjunction with the annual audit. During the inventory, any excess wear and tear will be noted by staff and used to update replacement plans during the following budget preparation cycle.
- D. Equipment Replacement Plans -- Assets which are not part of a major infrastructure system or buildings and land, including vehicles, computers, and specialized equipment required for normal

work (i.e., defibrillators, bullet proof vests), will be tracked by each department with replacement plans made for at least the financial planning period. These schedules will be updated annually in conjunction with the budget process.

- E. Stable Spending plans -- Every effort will be made to develop an equipment replacement schedule that results in a stable annual spending level. If spending levels cannot be stable and would result in a significant dollar amount variance year-over-year, staff will set aside in reserves an amount each year adequate to fully fund the project in the future. **If monies are not set aside in reserves due to financial shortfalls:**
 - 1. reserves will be re-built within three fiscal years to the level required to meet future replacement plans; or
 - 2. staff will develop a plan to borrow monies for critical equipment replacement.
- F. Equipment Replacement Budgeting -- Equipment to be replaced will be budgeted considering:
 - 1. Age of the asset and its manufacturer's recommended useful life;
 - 2. Wear and tear on the asset;
 - 3. Environmental conditions which may shorten or lengthen the useful life of the asset;
 - 4. The cost/benefit to complete routine maintenance and delay replacement;
 - 5. Availability of service and/or parts; and
 - 6. The cost/benefit of early replacement with more efficient and/or less expensive technology.
- G. Facility Maintenance -- The facility maintenance schedule for major maintenance or replacement projects for all City-owned buildings will be updated annually. The primary goal of the plan is to complete maintenance projects prior to system failures that would cause a decrease in service levels to citizens. Criteria for including projects are the same as those identified in 10.04.060.F.
- H. Maintenance Costs from the CIP -- Projects included in the proposed CIP will identify the anticipated operating costs or savings associated with the project. Estimated operating costs from CIP projects will be included in all years of the financial plan for the appropriate fund prior to approval of the CIP by the CIP Commission, Budget Commission or City Council.

10.04.070 Personal Services

- A. Compensation -- The City Council has a separate policy on compensation that provides policy direction and guidelines for labor negotiations and for the City Manager as it relates to compensation for exempt employees.
- B. Compensation Budget -- total projected compensation shall be budgeted in compliance with approved bargaining unit agreements. Compensation for exempt employees shall be budgeted in compliance with the City Manager's recommendation for these positions.
- C. Changes in Full Time Equivalent (FTE) -- Changes in the FTE shall be identified in the summary financial data in the Budget each year. This summary will include data by department, and a list of positions added, deleted, or approved but unbudgeted for the year.
- D. Vacant Positions -- The City shall not carry vacant budgeted positions for more than one fiscal year without the Department Director identifying a strategy for the position.

10.04.080 Transfers

- A. General Fund Transfers -- To the maximum extent feasible and appropriate, General Fund transfers to other funds shall be defined as payments intended for the support of specific programs or services. Amounts not needed to support such specific program or service expenditures shall be transferred back to the General Fund, unless Council directs the transfer to be used for other purposes.
- B. Transfer Reconciliation & Cash Flow -- Transfers for specific programs or projects, or to support special operations, should occur on the basis of cash flow needs of the program or service being supported. A reconciliation of actual transfers against budgeted transfers will be included in the year-end audit process.
- C. Advances -- Where it is necessary to make a one-time advance of General Fund monies to another fund, this action shall occur under the following conditions:
 - 1. The advance is reviewed, prior to the transfer of funds, by the Administrative Service Committee.
 - 2. All excess cash balances in the fund receiving the advance shall be invested for the benefit of the General Fund, if allowed by federal and state law and regulations, as long as the advance is outstanding.
 - 3. Should the borrowing fund accumulate an unexpected unrestricted balance, this excess shall be used first to repay the advance.
 - 4. At the time of closing out the fund, assets net of liabilities of the fund equaling the unpaid portion of the advance revert to the General Fund, if allowed by federal, state or local law.
 - 5. For short-term cash deficits in funds other than the General Fund during the course of the year, short-term loans are preferred to advances, except in cases where the receiving fund is legally precluded from paying interest on loans, or where loan transactions would be too numerous and costly to be cost effective.

10.04.090 Contingency

- A. Contingency Amount -- To meet emergency conditions, the budget shall provide for an appropriated contingency of at least 2% of estimated annual operating revenues. All governmental and enterprise funds shall maintain a contingency. The contingency shall be exclusive of all reserves.
- B. Contingency Use -- Use of the contingency should be infrequent and for unanticipated expenditures such as costs associated with a response to a disaster, or to meet unanticipated increases in service delivery costs. The City Council must authorize expenditure of any contingencies via a resolution.
- C. Contingency in Excess of 2% -- The Finance Director may recommend a contingency in excess of 2% of current revenue in specific funds to address specific needs. When this occurs, the Finance Director will provide the Budget Commission and City Council with information regarding the reasons for the recommendation.
- D. Contingency Below 2% -- Where correction of a fund balance deficit causes the contingency to be budgeted below 2% of operating revenue, a gradual correction of the problem over several years is preferable to a one-time jump in rates, or substantial decreases in other expenditure plans.

CP 10.05 Capital Improvement Program (CIP)

10.05.010 Purpose

To provide direction for the development of the annual CIP and to maintain the City's investment in infrastructure.

10.05.020 Background

The City has a significant investment in the infrastructure necessary for the general public's use. The infrastructure systems – streets, bikeways and sidewalks, water treatment plants and distribution system, wastewater treatment plants and collection system, storm water conveyance system, airport, parks, recreation facilities, open spaces, and municipal facilities – are important to the general well-being of the community. The City maintains and enhances the infrastructure systems by developing long-term plans and securing the funding necessary to implement the plans. The Capital Improvement Program is developed to advise the community of the plans for maintaining the public investment, and to ensure the resources are available to invest when the community requires them.

10.05.030 Capital Improvement Program

- A. Definition of a Capital Project -- A capital project must:
 1. Cost more than \$25,000, and
 2. be a permanent addition to the capital assets of the City, and
 3. purchase land, or
 4. construct a new building, or
 5. remodel or add to an existing building, or
 6. construct/install public infrastructure, or
 7. replace existing infrastructure.
- B. Full Costs Included -- For any project which meets the definition of a capital project, all costs for the project including design, land or right-of-way acquisition, appraisals, construction, construction management, furnishings, and legal or administrative costs will be included in the project budget.
- C. Five-year CIP -- A five-year Capital Improvement Program (CIP) shall be developed and presented annually by staff to the CIP Commission, reviewed by the Planning Commission for compliance with the comprehensive plan, reviewed by the Budget Commission for compliance with long-term financial plans, and approved by the City Council. This plan shall contain all capital improvements from all funds and departments of the City. The first year of the plan shall constitute the next year's capital budget.
- D. Existing Assets -- A high priority shall be placed on repair or replacement of capital assets when such assets have deteriorated to the point of becoming hazardous, incur high maintenance costs, are negatively affecting property values, and/or are no longer functionally serving their intended purposes.
- E. Construction Standards -- Capital improvements constructed in the City shall be designed and built based on published construction standards which shall be periodically updated by the City Engineer. The construction standards will assure projects are built with an acceptable useful life and minimum maintenance costs.

10.05.040 Capital Improvement Maintenance

- A. Maintenance Standards -- Standards of maintenance to adequately protect the City's capital investments shall be developed and periodically updated. The annual budget will be prepared to meet established maintenance schedules.
- B. Operating Budget Impacts -- Future operating budget impacts for new capital facilities will be analyzed and estimates included in all years of the financial plans as part of considering a proposed capital project.

10.05.050 Capital Improvement Financing

- A. Appropriate Funding -- Within the limitation of existing law, various funding sources may be used for capital improvements. When capital projects are proposed, appropriate funding will be identified.
- B. Unspent Funds -- Upon completion of capital projects, the Finance Director shall certify any unspent funds from the project. The most restrictive project revenues shall be used first so that unused funds will have the fewest restrictions on future use. Unspent capital project funds, except bond funds, shall be returned to their original source. If there are unspent funds from a bond issue, those monies will be allocated according to stipulations in the bond indenture. In no case shall projects incur a funding deficit without the express approval of the City Council.
- C. Interest Earnings in the Capital Construction Fund (governmental fund) -- Interest earnings shall be allocated to each project based on the project's proportion of the cash balance in the fund. Projects which have a negative cash balance due to timing of reimbursements of grants or loans will not accrue interest revenue or an interest expense.
 - 1. Interest earnings which are restricted due to the funding source (i.e., grant, bond issue) shall be spent in compliance with those restrictions.
 - 2. Interest earnings not otherwise limited will be considered the most restricted City funds in the project and will be spent first in compliance with Financial Policy 10.05.050.B.
- D. Interest Earnings in the Proprietary Fund Construction Components -- Interest earnings which are restricted due to the funding source (i.e., grant, bond issue) shall be spent in compliance with those restrictions. All non-restricted interest earnings will be accrued to the operating fund and will be available to spend on either operations or future capital projects.

10.06 Debt

10.06.010 Purpose

To proactively manage the City's existing and future debt issues in compliance with state and federal laws to maintain the City's capacity for future debt issues that may be required for infrastructure investment.

10.06.020 Background

The City of Corvallis operates on a pay-as-you go basis for most capital investment, **matching resources with appropriate uses**. Systems Development Charge revenue is used to fund capital investments that are required to increase the capacity of the City's infrastructure. **Operating monies are used to pay for maintenance of existing infrastructure, and as leverage for grant monies to fund projects that may otherwise be unattainable. If necessary for some projects, reserves are built over time, or grants are sought to fund some capital investments. From time-to-time the City plans for a capital improvement**

project or a **significant long-term operating expenditure (such as pension obligations)** which is too expensive to finance with cash reserves or which needs to be completed before reserves can be developed. When this occurs, the City borrows monies. **The City is conservative in its borrowing practices, and strives to maintain low debt-per-capita ratios when compared to similar sized cities.**

10.06.030 Use of Debt Financing

- A. **Long-term Debt** -- The City of Corvallis shall only use long-term debt for capital projects that cannot be financed out of current revenues within the Revenue Policy guidelines for rate increases. Debt financing shall generally be limited to one-time capital improvement projects **or to leverage a future significant cost the City must bear (such as pension obligations)** and only under the following circumstances:
 - 1. when the project's useful life is greater than or equal to the term of the financing;
 - 2. when project revenue or specific resources will be sufficient to service the debt; and,
 - 3. when **analysis demonstrates that the debt will smooth or reduce costs over multiple years or the project is expected to benefit the citizens of Corvallis.**
- B. **Use of Debt Financing** -- Debt financing shall not be considered appropriate for:
 - 1. Current operating and maintenance expenses (except for issuing short-term instruments such as revenue anticipation notes or tax anticipation notes); and
 - 2. Any recurring purpose (except as indicated above).
- C. **Tax/Revenue/Bond Anticipation Notes** -- Tax and revenue anticipation debt will be retired within the fiscal year issued, and bond anticipation notes will be retired no later than six months after the completion of the project.
- D. **Short-term Debt** -- **Debt issued with a final maturity of one year or less from the time of issuance, which is** outstanding at the end of the year, will not exceed 5% of net operating revenues (including tax anticipation notes but excluding bond anticipation notes.)

10.06.040 Limits on Debt Issuance

- A. **Vote to Issue General Obligation Debt** -- General obligation bonds require an affirmative vote prior to issuance. Constitutional limitations require a simple majority of votes for May and November elections; for all other elections, a simple majority of registered voters must vote in the election, and of those voting a simple majority must vote affirmatively.
- B. **Statutory General Obligation Bond Debt Limits** -- Oregon Revised Statutes chapters 287 and 288 limit the outstanding general obligation principal indebtedness of the City other than bonds issued for water, sanitary or storm sewers to 3% of the true cash value of the taxable property within the City.
- C. **Council Imposed Debt Limits** -- The annual general obligation debt service for long-term issues (greater than five years), where the debt service is paid from property tax sources, shall not exceed 15% of the combined operating and capital budgets in the Governmental funds.
- D. **Limited Tax General Obligation Bonds** -- The outstanding principal debt for Limited Tax General Obligation Bonds (LTGO), non-self-supporting leases, and full faith and credit lease purchases, is limited to 1% of the true cash value of the taxable property in the City. Furthermore, annual debt payments shall not exceed 5% of the combined operating and capital budgets in the Governmental Funds.

- E. Revenue Bonds -- Revenue secured debt obligations will be undertaken only after a study of the projected operating, maintenance, debt service and coverage requirements and the impact of these requirements on user rates has been completed. The outcome of the study will be shared with the City Council prior to issuing the debt.

10.06.050 Debt Issuance

- A. Timing of Debt Issuance -- The timing for each debt issue in association with the construction schedule will be carefully considered, using the following criteria:
1. Projected cash flow requirements for the capital project;
 2. Cash reserves on hand to temporarily fund preliminary project expenses;
 3. Spend down schedules identified by the IRS to meet arbitrage limitations; and
 4. Market conditions.
- B. Competitive Sale -- All bonds will be sold at competitive sale unless it is in the City's best interest to sell at a negotiated sale. The City reserves the right to reject any and all bids at a competitive sale and sell the bonds at a negotiated sale if it is in the best interest of the City of Corvallis to do so.
- C. Refunding Bonds -- Refunding or advanced refunding bonds may be authorized by the City Council providing the issuance complies with the rules adopted by the State Treasurer and outlined in Oregon Revised Statutes.
- D. Annual Debt Payment Limits -- To maintain the City's credit rating and expenditure flexibility, the annual debt service payments the City must make on net direct long-term general obligation debt shall not exceed 10% of operating revenue. To achieve this goal, on a per issue basis, the City will structure its debt to pay no less than 33% of the principal on bonds sold during the first half of the repayment term.
- E. Overlapping Debt -- City staff shall endeavor to notify the City Council of the debt issuance plans of the City's overlapping taxing jurisdictions and the possible impact such debt plans may have on the City's debt capacity.
- F. Investment of Bond Proceeds -- Receipt of bond proceeds will be timed to occur in conjunction with construction. However, it is acknowledged that in most cases bond proceeds will not be fully expended as soon as they are received. The City shall invest the proceeds from debt issuance in the legally authorized investment instruments for local governments in Oregon to maximize interest earnings available for the capital project. Prior to choosing an investment instrument, staff will take into consideration projected cash flow of the project and the likelihood that Internal Revenue Service (IRS) spend down targets will be met or exceeded. The investment instrument(s) shall be chosen to maximize interest earnings and minimize any arbitrage penalties which may accrue within the established IRS regulations.

10.06.060 Leasing

Lease purchase financing shall be considered only when the useful life of the item is equal to or greater than the length of the lease, and a lease purchase is the most economical method of purchasing available. If the item may become technologically obsolete or is likely to require major repair during the lease purchase period, then the item should be either purchased with cash or placed on an operating lease.

10.06.070 Rating Agency Relationship

- A. **Reporting** -- The City shall maintain good communication with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.
- B. **Compliance with SEC Rules** -- The City will comply with all aspects of the Securities and Exchange Commission rule 15c2-12 pertaining to secondary market disclosure.

10.06.080 Debt Management Plan

- A. **Debt Management Plan** -- A Debt Management Plan shall be developed and updated prior to the issuance of any additional debt. The Debt Management Plan shall encompass all debt of the City which draws on the same financial resources, including, but not limited to:
 - 1. detail of the sources of funding for all debt;
 - 2. current and future debt capacity analysis;
 - 3. issues to be addressed for sound debt management;
 - 4. a contingency debt plan should any of the funding sources become unavailable in the foreseeable future; and
 - 5. reporting as to the City's compliance with its debt policies.
- B. **Review** -- The Administrative Services Committee shall review the Debt Management Plan prior to the issuance of new debt and any recommendations made therein.

CP 10.07 RISK MANAGEMENT

10.07.010 Purpose

These policies set forth the over-arching guidance for the City's risk management program which is designed to minimize risk of incidents where damage could occur to citizens, employees, or the City's infrastructure or assets. Managing risk is critical to protect the community's assets and the organization's financial position.

10.07.020 Background

The City of Corvallis' basic operations have certain risks associated with them, which could have a significant financial impact if the risks were not managed. Risk Management policies are designed to identify and assess the risks, change factors that can be controlled to reduce risks, ensure that risk is transferred to others when appropriate, and provide insurance to mitigate against losses. **The Risk Management program is comprehensive and addresses risks to City employees through appropriate training, and risks to staff and the general public through proactive maintenance and insurance coverage as well as holding adequate reserves for uninsured losses and programs designed to reduce factors associated with claims.**

10.07.030 Risk Management Report

- A. **Annual Report** -- The City Manager shall annually prepare a Comprehensive Risk Management Report, including but not limited to:
 - 1. a summary of the past year's risk management claims,

2. an identification of current and potential liability risks or activities potentially impacting the City's finances,
3. specific strategies to address the risks identified, and
4. a summary of the past year's safety and violence in the workplace activities/trainings.

10.07.040 Risk Management Program

- A. Program -- The City shall implement and maintain a Risk Management program designed to decrease exposure to risk. At a minimum, the program shall include:
 1. a safety program that emphasizes reducing risks through training and safe work habits,
 2. an annual examination of the City's insurance program to evaluate how much risk the City should assume, and
 3. other risk management activities, including review of all City contracts with respect to indemnification and insurance provisions.

10.07.050 Risk Management Fund

- A. Purpose -- The Risk Management Fund shall be used to provide for insurance coverage, uninsured losses in excess of deductible amounts, safety program expenses, and prudent reserves, contingencies and fund balances.
- B. Catastrophic Reserves -- The targeted balance for unappropriated catastrophic reserves shall be \$500,000 each year. Appropriated catastrophic reserves which are drawn down will be rebuilt the following fiscal year. Unappropriated catastrophic reserves which are drawn down below the recommended target will be re-built at the rate of a minimum of 33% of the deficit balance per year over three years, or sooner if practical.
- C. Unreserved Fund Balance Target -- The unreserved fund balance target for the Risk Management Fund shall be \$40,000. Should the ending fund balance drop below \$40,000 in any fiscal year, it will be re-built the following year. Ending unreserved balances in excess of \$40,000 will be used as a dividend to departments if the catastrophic reserves are fully funded or can be used as funding for additional expenditures in the safety program as directed by the City Manager and appropriated within the following budget year. If the excess is used as a dividend to departments, the funds will be returned to departments based on the prior year's experience.

CP 10.08 INVESTMENTS

10.08.010 Purpose

To minimize risk associated with investing the City's monies and ensure the availability of cash to meet expenditures, while maximizing earnings opportunities and minimizing idle funds. These policies provide direction for managing the City's investments.

10.08.020 Background

The City holds cash balances as part of its operations. The City invests balances in excess of daily needs in a variety of investment instruments as authorized by Oregon Revised Statutes on local government investments and the City's Administrative Policy on Investments. Investing monies has inherent risks; these risks are managed through the application of appropriate risk

assessments and diversification, and following prudent rules for investing governmental funds. These policies establish and provide guidelines for the safe and efficient management of City funds, and the purchase and sale of investment instruments.

10.08.030 Scope

- A. **Application of Policy** -- These investment policies apply to all cash-related assets within the scope of the City's audited financial statements and held directly by the City. Funds held and invested by trustees or fiscal agents are excluded from these policies; however, such funds are subject to regulations established by the State of Oregon.
- B. **Pooled Cash** -- The City of Corvallis will make use of pooled cash to invest under the prudent investor rule. The rule states "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived."

10.08.040 Objectives

- A. The City's investment objectives are **listed below, and can be summarized as primarily concerned with safety, legality and liquidity, with a secondary objective of return:**
 - 1. Preserve capital and protect investment principal,
 - 2. Conform with federal, state and other legal requirements,
 - 3. Maintain sufficient liquidity to meet operating requirements,
 - 4. Diversify to avoid incurring unreasonable risks regarding specific security types or individual financial institutions,
 - 5. Attain a market rate of return throughout budgetary and economic cycles,
 - 6. Invest with the intent to hold until maturity.

10.08.050 Responsibility

- A. **Authority** -- The authority for investing City funds is vested with the City Manager, who, in turn, may designate the Finance Director as Treasurer to manage the day-to-day operations of the City's investment portfolio, place purchase and sell orders with dealers and financial institutions, and prepare reports as required. **The Finance director may choose to use the services of a professional investment advisor if he/she believes that is most beneficial to the organization.**
- B. **Investment Council** -- To assist the City Manager in carrying out this management responsibility for the investment program, the Investment Council has been created. The Investment Council shall be composed of the City Manager, the Finance Director, the City Attorney, and a citizen of the City of proven integrity and business ability. The City Council President, or the Council Vice-President if the Council President is unable to serve, shall serve ex-officio as a voting member.
- C. **Investment Council Charge** -- The Investment Council is responsible for providing advice with respect to the investment decisions, activities, and establishment of written procedures for investment operations. Monitoring of the portfolio shall be performed by the Investment Council at least quarterly and verified by the City's independent auditor at least annually. The Investment Council shall review investment reports, investment strategies, investment holdings, banking relationships, and the legality and probity of investment activities.

- D. Investment Council Meetings -- The Investment Council shall meet quarterly. At each meeting, the Investment Council reviews investment reports submitted by the City Treasurer reflecting investment activity for each of the immediately preceding three months. Acceptance of the report must be unanimous. Should the reports not be accepted, the reports shall be revised accordingly by the City Treasurer and resubmitted to the Investment Council at its next regularly scheduled meeting or sooner if requested.
- E. Investment Maturity Matches Cash Flow -- Recognizing that the City's need for funds is not constant, the City Treasurer should schedule investments in coordination with all funds such that there is as little idle cash as practical, consistent with the projected cash flow budget.
- F. Investment Administrative Policy -- The City Treasurer shall annually update the City's administrative policy for investments, to be reviewed and approved by the Investment Council prior to adoption. Substantive changes in the Investment Administrative Policy shall be submitted to the Oregon Short Term Fund Board for review after City Manager approval.

10.08.060 Investment Instruments/Vehicles

- A. Investment Instruments -- Funds of the City of Corvallis must be limited to those investments allowed by the statutes of the State of Oregon and as identified in the Investment Administrative Policy.
- B. Investment Diversification -- Funds of the City of Corvallis will be invested in accordance with diversification by financial institution, investment type, and maturity as outlined in the Investment Administrative Policy.

10.08.070 Reporting Requirements

- A. Annual Reports -- The City Treasurer shall submit an annual statement certifying compliance with the Investment Administrative Policy to the Investment Council, noting compliance throughout the most recently completed fiscal year. This statement shall be filed by August 1 of each year.
- B. Monthly Reports -- The City Treasurer shall provide the Investment Council with a Monthly Investment Report reviewing the compliance with the Investment Administrative Policy and providing data on investment instruments being held, as well as any narrative necessary for clarification. The Monthly Investment Report shall include summary information about all investments held in the City's portfolio as of the end of the month, and shall be issued and posted on the City's web site within 21 days after the end of the monthly reporting period.

CP 10.09 ACCOUNTING AND FINANCIAL REPORTING

10.09.010 Purpose

To provide Council leadership for the organization by stating the importance of a system of internal controls to be implemented and maintained to meet the goals of providing accurate and timely financial reports to the community and financial markets.

10.09.020 Background

Best practices state that the City Council must lead the organization's commitment to excellence in financial management through the adoption of policies stating clear expectations. The City of Corvallis maintains a financial management system that ensures transactions are appropriately recorded, assets are managed for the benefit of the community, and risk of fraud or

financial loss is identified and **minimized through a set of** internal controls designed to manage the risk. The financial markets and other interested parties rely on the City's annual financial statements to ensure Corvallis bondholders the City's financial condition will allow the City to continue to make all required debt payments **and meet all covenants**.

10.09.030 Internal Controls

- A. Internal Control System -- The City shall establish and maintain a process that is designed to provide reasonable assurance that the City is achieving the following objectives:
1. effective and efficient operations,
 2. reliable and accurate financial information,
 3. compliance with applicable laws and regulations, and
 4. safeguarding assets against unauthorized acquisition, use, or disposition.
- B. Annual Audit -- The City shall hire an independent external auditor to perform an annual audit of the financial statements, including tests of the internal controls. It is the City's objective that the financial statements receive an unqualified opinion, an opinion in which the auditor can state, without reservation, that the financial statements are fairly presented in conformity with Generally Accepted Accounting Principles (GAAP).

10.09.040 Financial System

- A. Purpose of the Financial System -- The financial system shall be used as the means of recording and reporting financial transactions in a way that will assist users in assessing the service efforts, costs and accomplishments of the City.
- B. Financial System Characteristics -- The City's accounting and reporting system shall demonstrate the following characteristics:
1. reliability,
 2. accuracy,
 3. consistency,
 4. timeliness,
 5. efficiency,
 6. responsiveness,
 7. compliance with legal requirements, and
 8. conformance with GAAP.
- C. Funds -- The City shall establish and maintain only those funds that are necessary by law and for sound financial administration. The funds shall be structured in a manner consistent with GAAP, to maximize the City's ability to audit, measure and evaluate financial performance. The fund structure will be reviewed annually and the Finance Director will recommend changes to improve compliance with Council policies, financial planning, resource allocation and service delivery will be made to the City Manager at the beginning of the annual budget process. **Adding, closing, or making significant changes to a fund shall be done by the City Council by adopting a resolution.**

10.09.050 External Financial Reporting

A. Comprehensive Annual Financial Report (CAFR) -- The City shall annually prepare and publish, by December 31st of each year, a CAFR in conformity with generally accepted accounting principles. The CAFR shall include but not be limited to:

1. an explanation of the nature of the reporting entity,
2. the extent of activities conducted by the City,
3. comparison of actual activity to adopted budget,
4. an explanation of the City's fiscal capacity,
5. disclosure of short and long term liabilities of the City,
6. capital assets reporting,
7. cash policies and compliance reporting,
8. accounting policies, controls and management responsibilities, and
9. all other disclosures required by GAAP.

GLOSSARY OF TERMS USED IN FINANCIAL POLICIES

Accrual Basis of Accounting - The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

Appropriation - Legal authorization granted by City Council to make expenditures and incur obligations.

Assessed Value - The value set by the County assessor on real and personal taxable property as a basis for levying taxes.

Assessments - An amount levied against a property for improvements specifically benefiting that property.

Balanced Budget - A budget in which the resources are equal to or greater than the requirements in each/every fund.

Benefits - Employee benefits mandated by state and federal law, union contracts, and/or Council policy. The most common forms of fringe benefits are pension plans, health and life insurance, vacation, sick and holiday leave, deferred compensation, automobile allowances, disability insurance, and educational and incentive pay.

Bonds - A written promise to pay a sum of money (principal or face value) at a future date (maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used to finance long-term capital improvements.

Budget - A plan of financial operation, embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). Upon approval by the City Council, the budget appropriation resolution is the legal basis for expenditures in the budget year.

CAFR (Comprehensive Annual Financial Report) - Prepared at the close of each fiscal year and published no later than December 31 of each year to show the actual audited condition of the City's funds and serves as the official public record of the City's financial status and activities.

Capital Budget - A plan of proposed capital expenditures and the means of financing them. The capital budget is usually enacted as part of the complete annual budget which includes both operating and capital outlays. The capital budget should be based on a capital improvement program.

Capital Improvement Program (CIP) - A plan for capital expenditures to be incurred each year over a fixed period of several future years, setting forth each capital project, identifying the expected beginning and ending date for each project, the amount to be expended in each year, and the method of financing those expenditures.

Capital Outlay - Expenditures for operating equipment drawn from the operating budget. Capital outlay items normally include equipment that will last longer than one year and having an initial cost above \$5,000. Capital outlay does not include capital budget expenditures for construction of infrastructure such as streets, buildings, or bridges.

Contingencies - An appropriation of funds to cover unforeseen events which occur during the budget year. City Council must authorize the use of any contingency appropriations (not to be confused with Reserves).

Cost Allocation - A costing of local government services to identify the full cost of municipal services.

Council Goals - Broad goals established by the City Council at the outset of each two-year term to guide the organization in its activities and focus.

Debt Service - The amount of principal and interest that a local government must pay each year on net,

direct-bonded, long-term debt plus the interest it must pay on direct short-term debt.

Deficit - (1) The excess of an entity's liabilities over its assets (see Fund Balance). (2) The excess of expenditures or expenses over revenues during a single accounting period.

Direct Cost - A cost directly related to producing and/or providing related services. Direct costs consist chiefly of the identifiable expenses such as materials and supplies used to provide a service, and the wages and salaries of personnel working to provide a service, and facility costs. ~~Such direct cost is usually readily identifiable, as opposed to indirect cost that is allocated among the various products or services provided. These expenses would not exist without the program or service.~~

Equipment Replacement Schedule - A schedule of annual purchases to replace major equipment and vehicles that have met or exceeded their useful life to the City.

Expenditure - Total amount incurred if accounts are kept on an accrual basis; total amount paid if accounts are kept on a cash basis.

Financial Audit - A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to:

- Ascertain whether financial statements fairly present financial position and results of operations,
- Test whether transactions have been legally performed,
- Identify areas for possible improvements in accounting practices and procedures,
- Ascertain whether transactions have been recorded accurately and consistently, and
- Ascertain the stewardship of officials responsible for governmental resources.

Financial Condition - The City's ability to pay all costs of doing business and to provide services at the level and quality that are required for the health, safety, and welfare of the community, and that its citizens desire.

Financial Plans - A schedule that provides information about the expected future fiscal stability of City operations. The projections are for the operating funds of the City. Each financial plan, or proforma, includes a discussion about issues that are addressed in the proforma, as well as assumptions made about both revenues and expenditures for each fund.

Financial Policies - Administrative and Council policies established to govern the City's financial operations.

Fixed or Mandated Costs - These include expenditures to which the government is legally committed (such as debt service and pension benefits), as well as expenditures imposed by higher levels of government (such as for wastewater treatment facilities).

Fund - An independent fiscal and accounting entity with a self-balancing set of accounts, recording cash and/or resources together with all related liabilities, obligations, reserves, and equities, which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

Fund Balance - The difference between fund assets and fund liabilities of governmental and similar trust funds. The equivalent terminology within proprietary funds is Retained Earnings. (When the term "Fund Balance" is used in reference to Proprietary Funds, it is normally referring to the estimated budgetary-basis amount available for appropriations for budgeting purposes.) The Governmental Accounting Standards Board (GASB) has defined fund balance segments as follows:

- A. Non-spendable: Amounts inherently non-spendable or that must remain intact according to legal or contractual restrictions.

- B. Restricted: Amounts constrained to specific purposes by externally enforceable legal restrictions, such as those provided by creditors, grantors, higher levels of government, through constitutional provisions, or by enabling legislation.
- C. Committed: Amounts constrained by the City Council via a resolution or ordinance.
- D. Assigned: Amounts the City intends to use for a specific purpose. The authority to assign resources lies with the City's Finance Director.
- E. Unassigned: Amounts that are not categorized into one of the aforementioned classifications; these resources may be used for anything. Only the General Fund should show a positive unassigned fund balance. For other funds, a negative unassigned balance should be reported if more resources are used than are available in the fund.

GAAP- Generally Accepted Accounting Principles.

General Obligation Bonds - When a government pledges its full faith and credit to the repayment of the bonds it issues, then those bonds are general obligation (GO) bonds. Sometimes the term is also used to refer to bonds which are to be repaid from taxes and other general revenues.

Government Funds - These funds subscribe to the modified accrual basis of accounting and include the following types of funds:

- General Fund - The major source of revenue for this fund is taxes. There are no restrictions as to the purposes in which the revenues in this fund can be used
- Special Revenue Funds - The resources received by these funds are limited to a defined use, such as the Street Fund.
- Debt Service Funds - Funds used for paying principal and interest of debt on non-enterprise funds.
- Capital Project Funds - Resources from these funds are used for purchase or construction of long-term fixed assets.
- Permanent Funds - The resources received by these funds are limited to a defined use and only earnings may be spent. The Davidson Fund is the city's only permanent fund.

Grant - A contribution of assets by one entity to another. Grants are generally designated for a specific expenditure.

HNA – the Historic Norming Adjustment is the factor in each fund that results from actual experience that is usually better than projected, either because revenues perform better than expected, and/or expenditure budgets are not fully expended due to unpredictable events such as employee turnover. The HNA is trended over a period of time and projected in future years in the financial plans to give a more likely projection of fund balance than otherwise would be visible.

Indirect Cost - A cost incurred in the production and/or provision of related services that usually cannot be directly associated with any one particular good or service. Indirect costs encompass overhead including administrative costs such as wages of supervisory and administrative personnel, occupancy and maintenance of buildings, and utility costs. These costs would exist without the specific program or service, but rather results from general productive activity. In effect, indirect cost is any cost of production other than direct labor and direct materials cost. Examples include the wages of supervisory and administrative personnel, occupancy and maintenance of buildings, and utility costs.

Investment – Cash balances, securities and real estate purchased and held for the production of income in

the form of interest, dividends, rentals, or base payments.

Liabilities - The sum of all amounts that are owed at the end of the fiscal year, including all accounts payable, accrued liabilities, and debt.

Long-Term Debt - Present obligations that are not payable within a year. Bonds payable, long-term notes payable, and lease obligations are examples of long-term debt.

Master Plan - A comprehensive plan, normally covering a 5-10 year period, developed to guide delivery of specific services, identify future needs and challenges, and identify future infrastructure needs.

Modified Accrual Basis of Accounting - The accrual basis of accounting adapted to the governmental fund type under which revenues are recognized when they become both "measurable" and "available to finance expenditures of the current period." Expenditures are generally recognized when the related fund liability is incurred.

One-Time Revenue - Revenue that cannot reasonably be expected to continue, such as a single-purpose federal grant, an interfund transfer, or use of a reserve. Also referred to as a non-recurring revenue.

Operating Budget - The appropriated budget supporting current operations. Most operations are found in the General, Special Revenue, Permanent, Enterprise, and Internal Service Funds.

Overlapping Debt - The net direct bonded debt of another jurisdiction that is issued against a tax base within part or all of the boundaries of the community.

Pay-As-You-Go Basis - A term used to describe the financial policy of a government which finances all of its capital outlays and/or improvements from current revenues rather than by borrowing.

Personal Services - A category encompassing all salaries, fringe benefits, and miscellaneous costs associated with employee expenditures. Budget law also refers to this category as personnel services.

Proprietary Funds - These funds subscribe to an accrual basis of accounting and include the following types of funds:

- Enterprise Funds - Account for distinct, self-sustaining activities that derive the major portion of their revenue from user fees.
- Internal Service Funds - Account for goods and/or services provided to other funds or departments within the organization. Examples include the Vehicle and Equipment Maintenance and Data Processing Funds.

Reserved Balance - For budgetary purposes, this is the amount of fund balance that is not available for appropriation except for the uses defined for the specific reserve.

Resolutions - A legal document adopted by the City Council that directs a course of action. In relationship to the budget, resolution refers to the document that levies taxes and sets legal appropriation levels.

Restricted Revenue - Legally earmarked for a specific use, as may be required by state law, bond covenants, or grant requirements. For example, many states require that gas tax revenues be used only for street maintenance or street construction.

Revenue - Monies received or anticipated by a local government from either tax or non-tax sources.

System Development Charge (SDC) - A charge levied on new construction to help pay for additional expenses created by growth or to compensate for already existing capacity in key facilities and systems already in place which support the new development.

Transfer - Amounts distributed from one fund to finance activities in another fund. Shown as an expenditure in the originating fund and a revenue in the receiving fund.

Unfunded Liability - A liability that has been incurred during the current or a prior year, that does not have to be paid until a future year, and for which reserves have not been set aside. It is similar to long-term debt in that it represents a legal commitment to pay at some time in the future.

Suggested Revisions to the Current Parks and Recreation Department Fees Policy 10.03.060

Adopted November 27, 1989

Last Revised July 18, 2011

Reviewed December 21, 2011

CP 10.03 REVENUE POLICIES

10.03.060 Parks and Recreation Department Fees

10.03.060.010 Cost Recovery

Parks and Recreation services programs are funded through a combination of user fees, property taxes, grants, and donations. Fees and charges shall be assessed in an equitable manner in accordance with the following fee and charge assessment schedule. **Through a special initiative, services Programs** that provide recreational opportunities for populations with the fewest recreational alternatives (youth, limited income, senior adults, and families) **may** ~~will be~~ more heavily supported by grants, donations, or property taxes than user fees to ensure that the population is well served by Parks & Recreation programs. Percentages shall be considered as guidelines; however, special circumstances, the nature and cost of each program, and persons to be served should be taken into consideration.

The following model represents all categories of services currently provided or those which may be provided in the future by the Department. It is based upon the degree of beneficiary to the community (tier 1 – Mostly Community benefit) or individual (tier 5 – Mostly Individual Benefit), the values of the Corvallis community, and the vision and mission of the Parks and Recreation Department. This model and policy forms the basis for setting fees and charges. See Cost Recovery Model, Resource Allocation Philosophy and Policy document dated December 21, 2011.

a. ~~total fee support (recover a minimum of 95% of direct program costs)~~

- ~~–special instruction classes (all ages)~~
- ~~–recreation trips and outings~~
- ~~–adult sports leagues~~
- ~~–major events which charge admission~~

b. ~~partial fee support (recover 50% to 75% of direct program costs)~~

- ~~–outdoor recreation~~
- ~~–preschool programs/introduction~~
- ~~–child care oriented programs~~
- ~~–senior citizen programs~~

c. ~~minimum fee support (recover 33% to 50% of direct program costs)~~

- ~~–youth programs and events~~
- ~~–playground programs~~

a. revenue positive cost recovery (tier 5 services are targeted to recover a minimum of 200% of direct costs)

- Concession/Vending
- Merchandise for Resale

- Private/Semi-Private Lesson
 - Rentals – Private/Commercial
 - Long Term Leases
 - Equipment Rentals
 - Trips
 - Organized Parties
 - Drop-in Childcare/Babysitting
 - Leased Services – Private/Commercial
 - Permitted Services
- b. totally fee supported with no tax investment (tier 4 services are targeted to recover a minimum of 100% of direct costs, and some of these services may be appropriate for use of alternative funding sources like grants, donations, and volunteers)
- Classes and Programs – Intermediate/Advanced
 - Leased Services – Non-Profit/Inter-governmental Agency
 - Preschool
 - Social Clubs
- c. primarily fee supported with little or no tax investment (tier 3 services are targeted to recover a minimum of 90% of direct costs, and some of these services may be appropriate for use of alternative funding sources like grants, donations, and volunteers)
- Health Services, Wellness Clinics, and Therapeutic Recreation
 - Classes and Programs – Beginning/Multi-Ability
 - Tournaments and Leagues
 - Rentals – Non-Profit/Inter-governmental Agency
 - Specialized Events/Activities
 - Camps/After School Care
 - Leased Services - Affiliates
 - Work Study/Internship/Community Service Program
- d. partial tax investment with minimal to partial fee support (tier 2 services are targeted to recover a minimum of 45% of direct costs, and many of these services may be appropriate for use of alternative funding sources like grants, donations, and volunteers)
- Life/Safety Classes
 - Rentals – Affiliates
 - Supervised Park/Facility
 - Community-wide Events

- Volunteer Program

- e. full tax investment with little or no fee support (tier 1 services are targeted to recover 0% of direct costs, although some of these services may be appropriate for use of alternative funding sources like grants, donations, and volunteers)

- Non-Supervised Park/Facility

- Inclusionary Services

- Support Services

~~10.03.060.020 Osborn Aquatics Center Fees~~

~~The Osborn Aquatics Center direct costs are funded through fees charged for its usage plus a subsidy from property tax monies received in the Parks & Recreation Fund. The Aquatics Center shall pay its share of the general indirect costs charged to all City departments for centralized administrative functions.~~

~~10.03.060.021 Fees for annual passes, open swim periods, instructional classes, etc. will be set to meet revenue requirements of the Aquatic Center, less all other revenue including the Parks & Recreation subsidy, rentals and concessions. Where possible fees will be comparable to similar publicly owned facilities in Oregon, taking into account the additional amenities offered at Osborn.~~

~~10.03.060.022 Rental fees for group usage (i.e., Corvallis Aquatic Team) shall be negotiated at a minimum of a 100% direct cost recovery rate or the rate of inflation based on the CPI-U whichever is greater.~~

~~10.03.060.023 Prices for concessions operated by the City shall be set at the wholesale price of the item plus at least 100%. Income from contracted concession services shall be determined based on the negotiated agreement between the City and the concessionaire. All monies from concessions will be used for operations at the Aquatics Center.~~

10.03.060.020 Cost of Services

The following general definitions will be used to determine the cost of providing all services.

Direct Cost: Includes all the specific, identifiable expenses (fixed and variable) associated with providing a service, program, or facility. These expenses would not exist without the program or service and often increase exponentially.

Indirect Cost: Encompasses overhead (fixed and variable) including the administrative costs of the agency. These costs would exist without any of the specific programs or facilities.

10.03.060.030 Rate Review

The Park and Recreation Department shall conduct an annual comprehensive review of cost recovery targets, ~~rates including Osborn Aquatic Center rates.~~ The Parks, Natural Areas and Recreation Board ~~has recommended shall recommend~~ to the City Council, via the Human Service Committee, **the following pricing strategies to be used by the Department's Director to alter any alterations or adjust any adjustments necessary in-specific fees and/or charges to reflect service demand changes, the ability of users to support the demand, trends or changing market conditions, and concerns for other City operations.**

- **Market pricing:** a fee based on demand for a service or facility or what the target market is willing to pay for a service. One consideration for establishing a market rate fee is determined by identifying all providers of an identical service (i.e. private sector providers, municipalities, etc.), and setting the highest fee. Another consideration is setting the fee at the highest level the market will bear.

- **Competitive pricing:** a fee based on what similar service providers or close proximity competitors are charging for services. One consideration for establishing a competitive fee is determined by identifying all providers of an identical service (i.e. private sector providers, municipalities, etc.), and setting the mid-point or lowest fee.
- **Cost recovery pricing:** a fee based on cost recovery goals within market pricing ranges.

10.03.060.040 Use of Volunteers

Through an aggressive volunteer recruitment program, the Parks and Recreation Department shall seek to minimize the amount subsidy required for full tax investment with little no partial and minimum fee support (tier 1 services) and partial tax investment with minimal to partial fee support (tier 2 services) programs.

10.03.060.050 Alternate Funding Sources

Solicitation of funds through donations, fund raising events, non-traditional sources, and various other modes shall be encouraged by the Parks, Natural Areas and Recreation Board and other advisory committees. Funds collected for any special purpose shall be earmarked for that purpose.

**URBAN SERVICES COMMITTEE
MINUTES
February 9, 2012**

Present

Hal Brauner, Chair
Richard Hervey
Roan Hogg

Visitors

Alan Ayres
Lyle Hutchens, Devco Engineering
Mark O'Brien, Ward 1 City Councilor
Robert Wilson

Staff

Ellen Volmert, Assistant City Manager
Mary Steckel, Interim Public Works
Director
Greg Gescher, City Engineer
Dan Carlson, Development Services
Division Manager
Jeff McConnell, Engineering Supervisor
Rebecca Merja, Urban Forester
Lisa Namba, Transportation Services
Supervisor
Emely Day, City Manager's Office

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Council Policy Review and Recommendation: CP 91-9.02, "Dirt on Streets"			Affirm Policy
II. Council Policy Review and Recommendation: CP 91-7.04, "Building Permits"			Affirm Policy
III. Occupy Public Right-of-Way Request (NW Second Street and NW Jackson Avenue – Ayres)			<ul style="list-style-type: none"> • Deny requested alley overhang and accept request for overhangs over NW Second Street and NW Jackson Avenue, with a notch in the latter overhang for the eastern tree along NW Jackson Avenue, and with liability language for any impacts the overhangs may cause • Direct staff to add to the Public Works Department work program task list developing a policy regarding encroachments into public rights-of-way
IV. Airport Lease Amendments – WKL Investments Hout, LLC; Western Pulp; Plastech; Kattare Internet; T. Gerding Construction			Approve the lease amendments and authorize the City Manager to sign the lease amendments
V. Other Business			

CONTENT OF DISCUSSION

Councilor Brauner called the meeting to order at 5:03 pm.

I. Council Policy Review and Recommendation: CP 91-9.02, "Dirt on Streets" (Attachment)

Development Services Division Manager Carlson explained that the Policy was developed during the 1970s to provide staff with a means of dealing with dirt being left in City streets at construction sites. The Policy requires that dirt be removed from streets by 5:00 pm. Staff did not recommend any Policy amendments.

Based upon a motion moved and seconded by Councilors Hogg and Hervey, respectively, the Committee unanimously recommends that Council affirm Council Policy CP 91-9.02, "Dirt on Streets."

II. Council Policy Review and Recommendation: CP 91-7.04, "Building Permits" (Attachment)

Mr. Carlson explained that the Policy was developed during the 1970s to provide developers some flexibility when public improvements were not yet accepted by the City. The Policy requires developers to create an agreement with 13 or 14 provisions, depending upon the nature of the development. The Policy was extensively amended during its last review and is working well. Staff did not recommend any amendments at this time.

Mr. Carlson confirmed for Councilor Hervey that the Policy was intended to prevent delays to development while detail tasks are completed related to public improvement by private contractor.

Based upon a motion moved and seconded by Councilors Hogg and Hervey, respectively, the Committee unanimously recommends that Council affirm Council Policy CP 91-7.04, "Building Permits."

III. Occupy Public Right-of-Way Request (NW Second Street and NW Jackson Avenue – Ayres) (Attachment)

City Engineer Gescher explained that the City received a construction application requesting a license to encroach into the public right-of-way (ROW) at the southeast corner of NW Second Street (Second) and NW Jackson Avenue (Jackson). He acknowledged that encroachments into public ROWs were not unusual. The City's Land Development Code and State building codes provide specific guidelines regarding pedestrian weather protection in the Downtown area, signage, and private utilities located in the public ROW. During the past few years, the City received requests for somewhat unusual encroachments, such as habitable structures overhanging or under the public ROW (e.g., Renaissance on the Riverfront building [RRB] and former Elements Day Spa [EDS]).

Mr. Gescher reported that Alan Ayres submitted an application for balconies overhanging Second, Jackson, and the alley behind the subject building. The City's guidance regarding similar encroachments is primarily past precedence. Staff will propose developing a Council policy with guidelines to assist staff and developers and provide consistency in applying code rules.

Staff reviewed Mr. Ayres' application in terms of potential public benefits. The ROW encroachment would benefit the private property owner by enabling him to have a larger building area than his building footprint would provide, potentially allowing financial gain. Staff's review sought a proportionate public benefit. ROW encroachment agreements tend to be long-term and obligate the City to administer the agreements.

Mr. Gescher explained staff's concerns regarding Mr. Ayres' application:

- A balcony overhanging the alley.
 - Downtown alleys are typically 14 feet wide, with overhead utilities and underground utilities 10 to 12 feet deep (deeper than normal) to serve building basements.
 - Alleys are very constricted, making utility maintenance and repair very difficult.
 - Staff recommended not approving an encroachment into the alley because it would further restrict alley access to utilities.
- A balcony overhanging Jackson sidewalk.
 - Any overhang would conflict with existing street trees, whose branches are brushing the building because of the narrow sidewalk.
 - An overhang would require trimming at least one tree to create space for the overhang.
 - Staff considered Jackson a poor location for an overhang.
- A balcony overhanging Second.
 - The sidewalk along Second is wider than along Jackson.
 - An overhanging balcony might provide some aesthetic appeal in the area, but no other public benefit.
 - Staff concluded that the proposed balcony would not provide a proportionate public benefit, but this is a values-based decision.
 - Staff recommended that a decision regarding the proposed balcony overhanging Second be deferred until staff can develop a Council policy to establish the values that would support encroachment into the public ROW.

In response to Councilor Hervey's inquiry, Mr. Gescher said staff had not heard from Pacific Power regarding the proposed alley encroachment. Any potential conflict would be addressed when Mr. Ayres applies for a building permit for a balcony overhanging the alley. The developer would be required to pay for any electrical utility re-locations required as a result of the overhang encroachment.

Mr. Gescher confirmed for Councilor Hogg that staff would begin developing the suggested Council policy within the next month.

Councilor Brauner opined that deferring the ROW encroachment decision until a comprehensive policy is developed would prevent the developer from proceeding with his project. He further opined that the request should be reviewed immediately. The Council could approve at least part of the request or deny the entire request now and then proceed to develop a policy. He considered it unreasonable to delay a developer for the time needed to develop and adopt a policy.

Alan Ayres submitted written information to the Committee (Attachment A). He said he constructed several adaptive re-use projects in the Downtown area. He opined that overhangs into public ROWs were not unusual and were dealt with by various means. The Oregon Structural Specialty Code addresses ROW encroachments and permits encroachments above 12 feet with 2:1 slopes extending 12 feet. He said many Oregon cities use that Code. He showed Committee members photographs of Downtown properties with permanent overhangs above sidewalks.

Mr. Ayres asserted that the most-detailed example of past precedence involving overhangs in the public ROW is the RRB. The Committee and Council discussed that project during several meetings each. Before submitting his application, he called Richard Carone, who owns the RRB, and asked if he had a lease for the building overhangs, which involve all sides of the building, including the alley. The overhangs are occupied space, including balconies and indoor living space, on five floors. Mr. Carone said he only had a lease for the underground parking area. Former City planner David Dodson confirmed Mr. Carone's statement. Mr. Ayres said the RRB lease mentions aerial ROW space but states that the RRB owner was not charged for encroachment into the aerial ROW. He noted that the RRB ROW overhangs do not provide public benefit, other than functionality, densification, and appeal.

Mr. Ayres said his written material includes Committee and Council meeting minutes, with several statements that a lease was not needed for the RRB's encroachments into the aerial ROW and that no charge would be assessed. The documents state that the RRB would only be charged for the underground parking area. The minutes are referenced in the lease as decision-guiding documents. He noted from the meeting minutes that the RRB overhangs would not be used by the public and did not involve public utilities or infrastructure. He said aerial ROW space is not typically used, but he would sign an agreement to deconstruct his proposed overhangs to allow access.

Mr. Ayres said he wanted to construct the roof overhangs to provide some weather protection to the sides of his building to prevent rain from seeping into the walls. The overhangs would not increase his potential rental income from the building. He said historic buildings typically have decorative roof cornices.

Mr. Ayres said he planted the street trees along his building in 1995 with City approval, after Urban Forester Merja recommended a tree species that would grow narrowly. The City required that Mr. Ayres remove sidewalk material around the trees and install pavers to allow the tree roots to move. He and Ms. Merja met recently to review the trees' current

condition. He submitted a building proposal without sidewalk overhangs, and it was approved. He showed the Committee a photograph of a steel pole marking the height of the proposed upper overhang, which is at the tree crown. He said Ms. Merja believes the trees have reached their full size. He believes the western tree would not be impacted by his proposed overhang, but the eastern tree might be impacted by the lower overhang. He further believes the tree could be trimmed to accommodate the proposed overhang. He would be willing to indent the overhang railing to accommodate the eastern tree, leaving a one-foot overhang for building protection. The trees are at the curb line, and their trunk centers are five to six feet from the building. The trees lean slightly away from the building.

Mr. Ayres said he submitted his initial plan approximately one year ago and suggested that staff develop a policy to guide decisions regarding ROW encroachments. Staff said policy development would take extensive time. He is ready to proceed with his construction project and opined that deferring approval of his application until a guiding policy is developed would be unfair to him.

In response to Councilor Brauner's inquiry, Mr. Ayres said he reviewed the City's records regarding the RRB ROW encroachments. The extent of meeting discussions indicated that the Council knew its decision would set a precedent. The Council did not object to the RRB four-foot overhangs above the alley. He said the deepest utility (sewer line) is in the center of the alley, and replacing the sewer line would require enough room for a dump truck and an excavator, which would work in the center of the alley. He opined that a four-foot overhang above the alley would be acceptable. He used the Oregon Building Code and the RRB project as his guides in submitting his application.

Councilor Hervey asked Mr. Ayres how his project would be affected if the Council approved some of the overhangs but denied the alley overhang.

Mr. Ayres said such a decision would not be "catastrophic" to his project. His building is one foot from the alley ROW, so he could construct a small overhang without encroaching into the alley ROW. However, he considered such a decision "unfair," considering the decisions made for the RRB project that was thoroughly reviewed. He believes using space above alleys is a way to densify urban space and use it more efficiently. He said he was concerned about the City charging him a lease fee for the overhangs, as he would not gain any economic benefit from the additional space, and he would consider it unfair for him to be charged for the overhangs when other property owners were not charged. The EDS building owner pays a lease for an overhang that extends over the street; Mr. Ayres' overhangs would only extend over the sidewalks.

Mr. Ayres said he checked with other cities regarding policies and charges for public ROW encroachment. Portland, Oregon, has the most restrictive policy. Portland does not charge for four-foot overhangs; larger overhangs require leases. Salem, Oregon, allows skybridges across streets without a lease. Albany, Oregon, requires a license application but no fees. Other Oregon cities do not require leases for four-foot public ROW overhangs.

Councilor Hogg noted that Mr. Ayres wanted to construct an overhang over the alley on the east side of his building, yet local rain storms typically come from the west. Mr. Ayres agreed that potential rain damage to the east side of his building would be less than on the west side; however, he believes his application should be approved, since the RRB application was approved. He explained that his construction permit allowed a leasable shell. The building was constructed in the mid-1940s but is not on a historic register.

Councilor Hervey commented that the staff report described the proposed overhangs as a balcony to provide space for potential financial benefit.

Mr. Ayres said he considered it wasteful to have a non-accessible roof that could be used for deck space or plantings. He is constructing his project to be strong enough to be used as a deck with railings. The deck would also facilitate accessing mechanical equipment for the building.

Mr. Ayres said staff told him that the same review process would be required to install a roof cornice on another building to provide weather protection to the building. He said several recent projects in town have roof cornices or other permanent projections into the public ROW, but the applications were not subject to the review process he is undergoing.

Lyle Hutchens said he is part of the Development Resources and Resolution Committee (DR2) that emerged from the Prosperity That Fits Committee and Economic Vitality Partnership Committee. Mr. Ayres' application was discussed at the DR2's meeting yesterday; however, due to lack of a quorum, the DR2 was unable to develop a recommendation for the City. He said he was speaking now as an interested person but not on behalf of the DR2. He noted the DR2's understanding of the need for future work on a policy or guidelines regarding public ROW encroachments; the DR2 is willing to assist in developing the policy or guidelines.

Mr. Hutchens noted that the Council recently adopted the Economic Development Commission's recommendations and is investigating creating some economic development-related staff positions. He believes the decisions made by the Council, over time, are equally important in terms of promoting economic development in Corvallis. He encouraged the Committee to make a decision this evening and not defer the decision, leaving Mr. Ayres' project unresolved. He opined that the application for overhangs over the sidewalks should be granted. Having been involved with work on the alley sewer lines behind Mr. Ayres' building, he believes structures should not overhang the alley, as they could cause problems during later work on the sewer lines. He acknowledged the concept of precedence in terms of the RRB, but he suggested that maybe the RRB overhangs should not have been authorized.

Mr. Hutchens characterized Mr. Ayres' proposed overhangs as sidewalk cafés 30 feet above the sidewalk with none of the typical sidewalk café disadvantages. He suggested that any cost for the sidewalk overhangs be based upon the sidewalk café license annual renewal fees.

Mr. Hutchens opined that balcony overhangs can add to the ambiance and vibrance of the Downtown area.

In response to Councilor Hervey's inquiry, Mr. Ayres said the RRB overhangs are 24 feet above the ground and higher.

Councilor Brauner stated that he is Council Liaison to the DR2, attended yesterday's meeting, did not participate in discussions, but had access to the information presented to the DR2. If any of that information is not presented today, he will present it.

Interim Public Works Director Steckel explained that staff is responsible for representing the public's interest in public ROWs, which are publicly owned and used for public purposes. Similarly, a private property owner would not be allowed to encroach upon their neighbor's property without permission. Other Downtown area businesses have similar, successful rooftop developments within their buildings' footprint.

Ms. Steckel said the RRB ROW encroachments were a new issue when they were discussed and approved. Staff gained extensive experience from the RRB development, and she doubts the ROW overhangs above the alley would be approved now. Mr. Gescher added that the RRB lease does not charge a fee for the overhead ROW encroachments, but the lease document addresses liability and insurance.

Ms. Steckel continued, saying the RRB agreed to provide underground parking spaces for public use; however, there is no indication at the building where or how the public could access the underground parking. In that case, the public lost its benefit from the underground ROW encroachment, and the property owner gained from the lease.

Ms. Steckel said staff understood that Mr. Ayres' proposed balcony space would be occupied, rather than merely weather protection, creating a situation of private property gaining a benefit and the public not gaining a benefit without compensation.

In response to Councilor Brauner's request, Ms. Merja said she met with Mr. Ayres, who provided viable solutions regarding the street trees alongside his building. She would prefer no objects in the public ROW that compete with the air space trees need. The Downtown area has signage, utilities, and awnings in the above-ground space needed by street trees for growth. Mr. Ayres' proposed solutions might be successful, including indenting one of the sidewalk overhangs. The trees are established and could grow a little more. Trees continue to grow, broaden, and change shape with age.

In response to Councilor Hogg's inquiry, Mr. Carlson said the building is not a designated historic building or in a designated historic district. Therefore, Mr. Ayres' application was not subject to review by the Historic Resources Commission.

Councilor Hervey acknowledged that Mr. Ayres' proposed project would be occupiable space, rather than merely a cornice. He inquired about the timeline from Mr. Ayres' first application submission.

Mr. Carlson responded with the following information:

- November 15, 2010 – Mr. Ayres submitted an application, and staff issued a demolition permit.
- June 6, 2011 – The demolition permit closed, and staff received a permit application for the current project.
- June 29, 2011 – Staff conducted the first round of plan review. The initial plan submission was incomplete, so staff could not conduct a comprehensive plan review. The first set of plans did not include a site plan, which is a key component of the review in terms of the location of projections in relation to the site. Staff sent Mr. Ayres a plan review letter, indicating that a site plan was needed to complete the plan review. The permit could not be issued until the plan review was completed.

Mr. Carlson explained that staff will attempt to follow through and send a letter to an applicant, explaining what is needed to complete the plan review and issue a permit.

Mr. Carlson continued reviewing the time line:

- September/October 2011 – Mr. Ayres inquired about his proposed overhangs. Municipal Code Chapter 3.04, "Public Rights-of-Way," charges the City with regulatory control of the public ROW and requires applicants to seek permission from the City to occupy or encroach into the ROW. Permission is granted via the License to Occupy the Right-of-Way. A sidewalk café permit is the equivalent of a license for sidewalk cafés. During the plan review, staff did not prohibit the encroachment, but it notified the applicant of the need to pursue a License to Occupy the Right-of-Way. Staff advised the applicant that the Council may approve or deny the application.
- October 28, 2011 – Staff offered Mr. Ayres opportunity to revise the project scoping and remove the overhangs, in which case staff would allow the project to proceed through the plan review process until the overhang issue is resolved.

Mr. Carlson provided the Committee with a copy of Municipal Code Chapter 3.04 (Attachment B). He explained that Licenses to Occupy the Right-of-Way are issued through the Development Services Division or the Public Works Department, depending upon the circumstances.

In response to Councilor Hervey's further inquiries, Mr. Carlson said Mr. Ayres did not receive notice of needing to obtain a License to Occupy the Right-of-Way earlier because staff had not determined that need until it reviewed the site plan. Staff then notified Mr. Ayres of the need for a License. Ms. Steckel added that the initial plans did not contain enough information regarding the ROW encroachment for staff to know that a License would be needed.

In response to Councilor Hervey's inquiry, Mr. Carlson said he did not know whether the elevation drawings were submitted with the initial plan, as he did not conduct the plan review. His statements were based upon reports from staff and the plan review letter. A site plan is typically an aerial view showing site corners.

In response to Councilor Brauner's inquiries, Ms. Steckel said staff experienced problems with overhangs at the RRB, especially in the alley. Mr. Gescher said City alleys are typically 14 feet wide. Crews must dig 12 to 14 feet deep seven feet from an older building foundation to repair Downtown area utilities. This often requires bringing in some means of supporting the building foundation.

Ms. Steckel confirmed for Councilor Hervey that Pacific Power must work around obstacles in alleys to service their poles and lines.

Councilor Brauner summarized the case before the Committee and the decision options:

- Defer any decisions.
- Rely upon precedence and exceptions to rules when making a decision.
- Determine that the precedence does not withstand individual exceptions and the application may not meet the test, thereby warranting denial.

Councilor Hogg noted the desire to encourage people to live in the Downtown area. But the Council must evaluate how an application such as Mr. Ayres' would impact public property and nearby property owners. The RRB has public benefit in the form of restaurants and stores, so the precedence of that project does not align with Mr. Ayres' project, which would be for private use.

Councilor Brauner noted that the RRB has private residences and public spaces. EDS provided public space for food service. Mr. Ayres' project would allow for food service.

Councilor Hervey reported that he walked around the subject site and concurred with staff that encroaching on the alley was not appropriate, as the alley is a confined space. The City values trees, and he does not want to encroach on the street trees. However, Mr. Ayres planted the trees to benefit the City. Mr. Ayres offered a plan adjustment to mitigate impact on the trees. Councilor Hervey opined that an overhang over the sidewalk would provide a public benefit in terms of appearance and visual interest. He acknowledged staff's desire to have specific guidelines because the proposed overhang would be occupied by people. He agreed that a policy should be established regarding overhangs in the public ROW. He would support allowing Mr. Ayres to proceed with the overhangs over Second and Jackson, with an indentation to accommodate the eastern street tree and denying the alley overhang.

Councilor Brauner concurred, stating that, until a clear policy is established, each case must be reviewed, even though such action may set precedence. Staff should prepare a policy encompassing all situations of encroachments into public ROWs but not delay Mr. Ayres' project. He opined that, to protect vehicles and people below the overhangs,

the City and Mr. Ayres should have a lease agreement, with Mr. Ayres carrying liability insurance for any potential damage resulting from the overhangs. The City does not have a policy regarding compensation for occupying the public ROW, and this should be addressed in the future policy. The lease agreement should at least address the liability issue. The future policy could address appropriate compensation for occupying the public ROW. He would support a motion denying the alley overhang and accepting the request for overhangs over Second and Jackson with a notch for the eastern tree and liability insurance for any impacts the overhangs may cause.

Based upon a motion moved and seconded by Councilors Hervey and Brauner, respectively, the Committee, by a majority vote, with Councilor Hogg opposing, recommends that Council deny Alan Ayres' requested alley overhang and accept his request for overhangs over NW Second Street and NW Jackson Avenue, with a notch in the latter overhang for the eastern tree along NW Jackson Avenue, and with liability language for any impacts the overhangs may cause.

Councilor Hervey acknowledged staff's desire for a policy and guidelines regarding structures encroaching into the public ROW. He noted that staff has a long list of work tasks based upon recommendations from various community groups. He does not want this policy development to have priority over other work tasks.

Based upon a motion moved and seconded by Councilors Hervey and Hogg, respectively, the Committee unanimously recommends that Council direct staff to add to the Public Works Department work program task list developing a policy regarding encroachments into public rights-of-way.

IV. Airport Lease Amendments – WKL Investments Hout, LLC; Western Pulp; Plastech; Kattare Internet; T. Gerding Construction (Attachment)

Transportation Services Supervisor Namba explained that the City received Federal earmark funding two years ago to re-build a portion of SW Hout Street in the Airport Industrial Park; the work was completed during Fiscal Year 2010-2011. The street was built to urban collector street standards with sidewalks, bicycle lanes, curbs, and gutters. These amenities required more space than had existed under the previous design. Properties along the street have long been typically leased. Staff requested authorization to adjust the leases to reflect the wider street ROW. All but one lessee would have a reduced lease area and rate. While surveying the leased properties, staff discovered that Western Pulp had been using more area than it leased; the street re-building resulted in Western Pulp gaining lease area and being assessed a higher lease rate. All of the lessees agreed to the new lease rates. Staff recommended that the Council authorize the City Manager to sign the lease amendments.

Ms. Steckel added that the Airport Commission reviewed the lease amendments and recommended their approval.

Based upon a motion moved and seconded by Councilors Hervey and Hogg, respectively, the Committee unanimously recommends that Council approve the lease amendments with WKL Investments Hout, LLC; Western Pulp; Plastech; Kattare Internet; and T. Gerding Construction and authorize the City Manager to sign the lease amendments.

V. Other Business

- A. The next regular Urban Services Committee meeting is scheduled for February 23, 2012, at 5:00 pm, in the Madison Avenue Meeting Room.

Councilor Brauner adjourned the meeting at 6:18 pm.

Respectfully submitted,

Hal Brauner, Chair

To: Urban Services Committee

I just want to summarize additional points for my application in response to the staff report:

- 1) There are many downtown building overhangs using aerial right-of-way space over the sidewalks, none of which pay a lease to the city for this use, including recent ones. (The Elements building goes clear out over the street therefore they have a lease)
- 2) In Jan, Feb & March 2005 Public Works Staff, Urban Services and City Council spent significant time (4 committee meetings and 4+ council meetings) discussing this issue around a project (Renaissance Building) that proposed 4' occupied overhangs on all four sides including the alley and determined for such encroachments "Staff recommended that private use of above ground public right-of-ways not involve leases." and "The committee and staff discussed that aboveground public right-of-way space need not be leased" It was clear that all parties involved understood that they were setting a precedence for future projects in this regard.
- 3) If you look only at the Lease that the Renaissance Building got for their under-street parking area it does list the aerial overhang space because that was on the initial application. Some of the city staff has looked at this only instead of referring back to the reference that the lease makes to the city council resolution and it's supporting documentation in which it is clear a lease is not required for the aerial space alone. This is why there is no charge in the lease for the aerial space over the sidewalk. I also have supporting testimony from the building owner of the Renaissance (Rich Carone) and the planner (David Dodson) who attended all these meetings and confirmed that no lease was required for the overhang.
- 4) If I were required to pay to lease the space above the sidewalk I would be the only one in Corvallis and in any other city in Oregon doing so for this type of encroachment. (Portland requires a lease for anything beyond 4'. A few other cities require a license, but no lease.)
- 5) Requiring me to wait for a review of policy is not fair (Staff actually recommended against this in previous emails as it would take too long). This issue has clearly been dealt with before as can be seen in the number of photos and literature presented. I submitted this plan over a year ago and still have no resolution. It is halfway built and I need to enter into a contract to purchase the roof trusses.
- 6) The cornice will be almost completely above the full grown western most street tree on Jackson and no pruning would be required (see photo). If pruning of the eastern tree is not desired where it passes the projection I would be willing to provide a 3' deep x 10' wide indent in the lower projection as discussed on site with the city's Urban Forester.

Alan Ayres



5. Other Lease Terms

- Staff recommended that the City Attorney's Office be consulted to ensure that the lease addresses all applicable issues, as is the practice with all City leases.

6. Lease Approval

- Staff recommended that the final lease be presented during the February 23rd Committee meeting for final amendments and the March 7th Council meeting for approval consideration.

In response to Councilor Grosch's inquiry, Mr. Rogers explained incremental maintenance costs by presenting an example:

Sewer lines are routinely flushed and checked without interference from a building above the lines. If the line breaks and needs repairs, it may be necessary to access the line from within the building, resulting in additional maintenance costs. Incremental maintenance costs are those costs exceeding normal maintenance costs.

Mr. Rogers emphasized staff's recommendation that the lessee be responsible for the incremental maintenance costs but not the total maintenance costs. Staff rarely removes an existing utility line; typically, a new line is drawn through an existing line. The Renaissance on the Riverfront project will be designed to avoid the unlikely occurrence of incremental maintenance costs being incurred. The lessee would be responsible for any maintenance costs directly associated with the building.

In response to Councilor Griffiths' inquiry, Mr. Rogers confirmed that staff recommended no charge for leases for aboveground public right-of-way encroachments. Staff is not aware of Portland's practice for such leases. Staff expects that such encroachments would cause little impact to the City's liability risks. All awnings in the Downtown area are within the public right-of-way but are not addressed by leases and are encouraged, provided they are far enough above the sidewalk to not impact utility maintenance access. Staff recommended that private use of aboveground public rights-of-way not involve leases.

John Foster referenced a proposed public right-of-way lease rate, based upon the Portland lease rate calculation methodology, of approximately \$5,000 per year. He opined that not charging for private use of public rights-of-way equates to a subsidy of a project, which, in the case of Renaissance on the Riverfront, was promoted as a Downtown residential development that would be constructed without public subsidy. He said \$5,000 is .04 percent of the anticipated project building costs.

Mr. Foster expressed concern that a "subsidy" granted to one project must be extended to all projects with similar situations. If it is truly advantageous to the City not to charge for leases of public rights-of-way, as a matter of public policy, then, he believes, there should be no lease charge. He does not believe public right-of-way lease rates should be waived or reduced on a one-time basis because doing so establishes City policy and makes it

regarding increasing demand upon the City's infrastructure system. If a building footprint size is not increased, there may not be an increased demand.

Mr. Nelson confirmed that the issue will be added to the list for consideration during the next SDC policy review. He recalled from the previous review that the Council carefully evaluated the issue of existing homeowner use compared with potential demand upon the City's infrastructure system. Other jurisdictions may address this issue differently.

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

B. Urban Services Committee – February 8, 2005

1. Brooklane Traffic Calming Six-Month Review

Based upon unanimous Committee recommendation, Councilor Gándara moved to make permanent four speed humps installed on SW Brooklane Drive. Councilor Griffiths seconded the motion. The motion passed unanimously.

2. Airport Lease Amendment – AVIA

Councilor Gándara reported that one of the fixed-base operators at Corvallis Municipal Airport would like to expand its facility to provide additional fueling.

Based upon unanimous Committee recommendation, Councilor Gándara moved to approve the proposed amendment to the City's lease with AVIA Aviation Services, Inc., at Corvallis Municipal Airport. Councilor Grosch seconded the motion. The motion passed unanimously.

3. Renaissance on the Riverfront Lease

Councilor Gándara reported that the Renaissance on the Riverfront developers requested to lease underground public right-of-way area for a parking facility as part of their project. The Committee approved basing the local lease upon a Portland, Oregon, lease that calculates lease rates at 25 percent of the assessed land value over a ten-year period. In the case of the subject project, the lease rate would be approximately \$5,600 per year. The Committee and staff discussed that aboveground public right-of-way space need not be leased, as the City requires awnings in such areas.

Councilor Gándara moved to direct staff to proceed with drafting a lease for public right-of-way space for the Renaissance on the Riverfront project, with terms as outlined in Public Works Director Rogers' February 2, 2005, memorandum to Urban Services Committee and in accordance with the Committee's discussions February 8, 2005, including an initial lease rate equal to ten percent of 25 percent of the applicable assessed land value, as determined by the Benton County Assessor. Councilor Grosch seconded the motion.

Initial Compensation - Aerial

In addition to the subsurface area, the applicant is requesting to occupy aerial ROW with a four foot wide aerial encroachment around three sides of the building. This represents a total of approximately 1,200 square feet of aerial encroachment. The project land use conditions of approval (#14) acknowledge this aerial encroachment and reference the need to preserve space for utility maintenance and Corvallis Disposal service. Discussion with City utility maintenance staff and Corvallis Disposal indicate that 24 feet of vertical clearance is needed to preserve these functions.

Aerial encroachments do not present the same loss of utility opportunity to the City that subsurface encroachments do. There is a potential that franchise utility facilities such as power lines would need to be relocated. If the facility is not eligible for relocation at the utility's cost under the franchise agreements, the applicant would be responsible for franchise utility relocation costs.

The aerial space above that needed for utility maintenance and service provision is of lessor value than the subsurface. Therefore, staff recommend that, in this case at least, establishment of ongoing rent for the aerial encroachment is not necessary.

Compensation Adjustment

The City of Portland lease describes a 5 year adjustment interval where the initial rent is to be increased by the lessor of any percentage increase in the most recently available Consumer Price Index or 40% of the rent paid during the previous 5 year period. The term CPI means the Consumer Price Index for All Urban Consumers (1982-84 = 100), Portland, Oregon for All Items, or a comparable index published by the United States Bureau of Labor Statistics if such CPI be discontinued.

Corvallis City Council Policy 7.13 references the establishment of rent based on appraised market value of the land. A Cost Price Index may be used in conjunction with the appraisal to set inflation adjustments. All future lease agreements will provide for readjustment of the land rental rate every five years so that the Airport and Airport Industrial Park may at all times receive income which is appropriate to the changing value of the land. An example Corvallis Industrial Park Land Lease includes terms to adjust rent annually based upon a January through December U.S. City Average Consumer Price Index and every five years based on 10% of the appraisal market value.

On January 19, 2005, the Urban Services Committee recommended that the initial lease terms be similar to those for leases at the Corvallis Municipal Airport with options for rate adjustments and annual cost-of-living adjustments. Therefore, staff recommend that the rent be adjusted annually based upon the January through December U.S. City Average Consumer Price Index and every five years to reflect changes in the real market value of the land as determined by the Benton County Tax Assessor's office. The real market value of the land is recommended over appraised value as an efficient means to track an analogous value.

-----Original Message-----

From: Alan Ayres

Sent: Friday, November 04, 2011 6:25 AM

To: Rich_Carone

Subject: Renaissance overhang

Hi Rich,

I've just got a question for you. Do you remember if the city required you to lease the space that the Renaissance building overhangs the sidewalk. I know you had to do something about the underground parking area, but I'm wonder if they are charging you for the overhang as well.

And if you are paying for this do you know the approximate amount?

I'm working on a project at the other end of town and wondering if it is worth pursuing an overhanging deck.

Thanks, Alan Ayres

Not at the Renaissance (They pay a lease for underground parking under Washington street)

Rich

Alan:

I'll share with you my recollection of how the City treated the lease for use of public lands adjacent to the Renaissance building at 1st and Washington. You are welcome to share this information with Urban Services or other City officials.

The developers of the Renaissance building were interested in extending a private underground parking garage beneath Washington Avenue adjacent to their new project. By doing this, they were able to double the amount of private parking for the project. This required a lease agreement with the City for the underground portion of street right-of-way. When the City researched comparable lease agreements at other jurisdictions, they found that lease rates varied. For example, underground lease space was much less expensive than ground floor lease space. The City used those comparables to craft a lease agreement for the developers of the Renaissance building. The project also included 4-foot building projections into the right-of-way. As I recall, portions of the projections were balconies (unoccupied living space) while other portions included occupied living space. The projections were for the upper floor residential units, and I can't recall if the projections only extended over Washington Avenue or if they also extended in the alley to the west and the public lands to the east. My recollection was that the City did not require the developer to obtain a lease agreement for the occupied and unoccupied living space that extended into the adjacent public lands.

Please call me if you have any further questions.

David Dodson, AICP
OSU Senior Planner
Phone: 541-737-8503

Chapter 3.04**Public Rights-of-way****Sections:**

- 3.04.010** **Definitions.**
- 3.04.020** **Jurisdiction.**
- 3.04.030** **Scope of regulatory control.**
- 3.04.040** **City permission requirement.**
- 3.04.050** **Obligations of the City.**
- 3.04.060** **Severability.**

Section 3.04.010 **Definitions.**

- 1) City - The City of Corvallis, Oregon.
 - 2) Person - Individual, corporation, association, firm, partnership, joint stock company, and similar entities.
 - 3) Public rights-of-way - Include, but are not limited to, streets, roads, highways, bridges, alleys, sidewalks, trails, paths, park strips, public easements on private property, and all other public ways or areas, including subsurface and air space over these areas.
 - 4) Within the City - Territory over which the City now has or acquires jurisdiction for the exercise of its powers.
- (Ord. 98-11, 04/05/1998)

Section 3.04.020 **Jurisdiction.**

- 1) The City of Corvallis has jurisdiction and exercises regulatory control over all public rights-of-way within the City under the authority of the City Charter and State law.

Section 3.04.030 **Scope of regulatory control.**

- 1) The City has jurisdiction and exercises regulatory control over each public right-of-way whether the City has a fee, easement, or other legal interest in the right-of-way. The City has jurisdiction and regulatory control over each right-of-way whether the legal interest in the right-of-way was obtained by grant, dedication, prescription, reservation, condemnation, annexation, foreclosure, or other means.

Section 3.04.040 **City permission requirement.**

- 1) No person may occupy or encroach on a public right-of-way without the permission of the City. The City grants permission to use rights-of-way by franchises, licenses, leases, and permits. Failure by the City to enforce current ordinances regulating the use of public right-of-way will not constitute a waiver of the City's right to do so in the future.

Section 3.04.050 **Obligations of the City.**

- 1) The exercise of jurisdiction and regulatory control over a public right-of-way by the City is not official acceptance of the right-of-way, and does not obligate the City to maintain or repair any part of the right-of-way.

Section 3.04.060 Severability.

1) Invalidity of a section or part of a section of this ordinance shall not affect the validity of the remaining sections or parts of sections.

Memorandum

Date: January 25, 2012
To: Urban Services Committee
From: Ken Gibb, Community Development Director 
Subject: Review of Council Policy 91-9.02, Dirt on Streets

I. ISSUE

Council Policy 91-9.02, Dirt on Streets, is scheduled for review.

II. BACKGROUND

Council Policy 91-9.02 was originally adopted in 1978 to provide more specific direction for City staff when dirt or debris from construction sites is observed in the public right-of-way. Staff regularly use this policy as a tool during the pre-construction process to encourage contractors to take a proactive approach to keeping city right-of-way clean of construction related debris.

III. DISCUSSION

In review of this policy, feedback was solicited from Public Works and Community Development. There are no additional changes that are suggested at this time.

IV. ACTION REQUESTED

Staff recommends that Council Policy 91-9.02 be forwarded to City Council with a recommendation to approve without change.

Review and Concur:


Jim Patterson
City Manager


Mary Steckel
Interim Public Works Director

CITY OF CORVALLIS
COUNCIL POLICY MANUAL

POLICY AREA 9 - RIGHT-OF-WAY MATTERS

CP 91-9.02 **Dirt on Streets**

Adopted March 20, 1978

Affirmed October 7, 1991
Reviewed November 20, 1995
Revised October 18, 1999
Revised October 20, 2003
Revised January 22, 2008

9.02.010 **Purpose**

City ordinances prohibit the deposition of any earth or other debris upon any street or sidewalk and provide a penalty upon conviction for such an offense. This Policy provides more specific direction for City staff.

9.02.020 **Policy**

The responsibility for removal of dirt, mud, gravel, and other debris resulting from construction projects rests with the project contractor and/or property owner. All Public Works and Community Development field personnel are authorized to give verbal notice to appropriate individuals when excess dirt and other debris is noted in public streets, alleys, and sidewalks. It shall be the policy that:

- a. Any dirt or debris deposited upon any street, alley, or sidewalk which creates a potential hazard shall be removed immediately by the project contractor or property owner. City staff may determine that a hazard exists for any situation with the potential to cause harm to the public and/or environmentally sensitive resources. If for any reason the project contractor or property owner cannot immediately accomplish the work or cannot be readily notified, City staff shall cause the hazard to be removed and bill the project contractor or property owner at a rate of 1.50 times the actual cost. Under a hazardous situation the offender may be cited into Municipal Court.

- b. All dirt or debris deposited on a public street, alley, or sidewalk from any construction activity that is not an immediate hazard shall be removed before 5:00 pm of that same day. After appropriate notice, if the clean up is not accomplished by 5:00 pm of the following day, a stop-work order shall be placed upon the project and shall remain until the street, alley, or sidewalk has been cleaned to the satisfaction of the City Manager.

9.02.030 Review and Update

This Right-of-way Matters Policy shall be reviewed every four years in October by the Public Works and Community Development Directors and updated as appropriate.

Memorandum

Date: January 25, 2012
To: Urban Services Committee
From: Ken Gibb, Community Development Director 
Subject: Review of Council Policy 91-7.04, Building Permits

I. ISSUE

Council Policy 91-7.04, Building Permits, is scheduled for review.

II. BACKGROUND

Council Policy 91-7.04 was originally adopted in 1975 to allow issuance of building permits in developments where public improvements have not yet 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 and provides more specific direction for City staff.

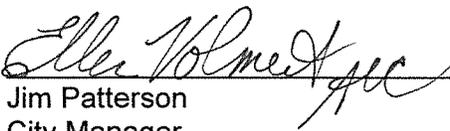
III. DISCUSSION

In review of this policy, feedback was solicited from Public Works and Community Development. There are no additional changes that are suggested at this time.

IV. ACTION REQUESTED

Staff recommends that Council Policy 91-7.04 be forwarded to City Council with a recommendation to approve as written.

Review and Concur:



Jim Patterson
City Manager



Mary Steckel
Interim Public Works Director

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 20, 2006

Revised February 17, 2009

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;
- 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 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 14 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 initial acceptance of public improvements, the Building Official may issue building permits for lots in cases when conditions 1 through 14 below have been met:

Council Policy 91-7.04

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. **
- 3) The developer has provided a performance guarantee for the public improvements meeting the requirements of Land Development Code Section 2.4.40.09.**
- 4) All plans for public improvements have been authorized 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.
- 5) 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 as established by the City Engineer.
- 6) All required off-site improvements have been addressed to the satisfaction of the City Engineer.
- 7) 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.
- 8) 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.**

Council Policy 91-7.04

- 9) 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 Engineer and that the building permits would not authorize connection to the City sewer system unless the sewer lines have been accepted by the City Engineer.
- 10) A written statement from the developer has been submitted stating that no City water will be utilized without the approval of the City.
- 11) 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.
- 12) 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.
- 13) 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.
- 14) 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.**

**Conditions 2, 3, 8, and 14 do not apply to excavation and grading permits.

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.

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.

Council Policy 91-7.04

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
FROM: Mary Steckel, Interim Public Works Director 
DATE: January 19, 2012
SUBJECT: Request for a License to Occupy the Public Right-of-Way (ROW)

I. ISSUE

The owner of the property at 160 NW Jackson Avenue has submitted an application to occupy the public ROW (Attachment A).

II. BACKGROUND

Encroachment into the public ROW is not unusual, especially in the downtown area where buildings are constructed at the property line. Encroachments tend to be small, architectural in nature, not intended to be occupied, and have not been regulated in the past. The Land Development Code (LDC) mandates pedestrian weather protection over sidewalks in some areas which typically results in encroachment into the public ROW.

Certain types of encroachment require formalized agreements with the City. In recent years, two properties have obtained leases allowing occupied building projections to extend into the public ROW: the Renaissance on the Riverfront and Elements Day Spa. The Renaissance lease allows subsurface and aerial encroachments into the public ROW for an underground parking structure in Washington Avenue and balconies over 1st Street, Washington Avenue, and alley ROW. The Elements Day Spa lease is for an aerial encroachment allowing a balcony to be constructed over 2nd Street ROW. Such areas pose an elevated risk to the public due to the potential for accidents arising from their use (e.g. falling objects) which must be mitigated with formalized agreements limiting the City's liability.

The owner of the Jackson Avenue property is planning to construct a second story addition to the single-story building. The request under consideration includes balcony and roof overhangs of 2nd Street, Jackson Avenue, and the alley ROW adjacent to the building. More specifically:

2 nd Street:	Construct a 4-foot roof overhang along the entire frontage of 2 nd Street approximately 39-feet above the public sidewalk.
Jackson Avenue:	Construct a 4-foot roof overhang along a portion of the frontage approximately 39-feet above the public sidewalk as well as a balcony overhang approximately 25-feet above the public sidewalk.
Public Alley	Construct a 4-foot balcony overhang approximately 25-feet above the alley along the entire frontage.

Although the proposed projections will provide weather protection for the building, they do not practically provide pedestrian weather protection due to their height above the sidewalk. In any case, the Development Services Division has determined that weather protection is not required per the LDC in conjunction with this proposal.

There is no clear direction in policy or ordinance about occupied private encroachments into the public ROW.

During discussions surrounding the Renaissance on the Riverfront and Elements Day Spa requests, the City Council established the USC as the appropriate body to take public testimony on this issue. Furthermore, the City Council directed that public notice should include abutting property owners, the general public, the Downtown Corvallis Association, Corvallis Chamber of Commerce, Corvallis Independent Business Alliance, and League of Women Voters. Notice consistent with Council's request has been given for this meeting.

III. DISCUSSION

The owner's request was reviewed with respect to public benefit, as well as impacts to utilities, street trees, and public safety.

Allowing private aerial encroachments over right-of-way is of little benefit to the public except, perhaps, aesthetically for architectural variation. In addition, these encroachments are typically permanent in nature, and even if license or lease agreements include provisions for removal, such actions would be difficult to implement. It is expected that renewal of an aerial license or lease agreement will continue indefinitely until such time as the property re-develops. Granting of such an agreement represents a long-term restriction on the use of public ROW and an administrative burden for the City.

Although utilities exist in the vicinity of the building in Jackson Avenue and 2nd Street, the encroachments proposed by the applicant will not impede the City's ability to maintain them. City utilities are also located in the public alley along the building's eastern face. Staff does not recommend allowing encroachments into public alleys due to space restrictions. Alleys are typically 14-foot wide and often contain utilities of sufficient depth to serve adjacent basements. Even when no overhead encroachments are present, construction in alleys is difficult at best due to the proximity of building foundations to open excavations. When overhead encroachments exist, the ability of the City to use larger pieces of equipment necessary to access deeper utilities may be impeded.

While the sidewalk on 2nd Street is of sufficient width that an overhang of the dimension proposed by the applicant would not impact street trees, the width of the sidewalk on Jackson Avenue is much narrower (see Attachment B). The Urban Forester does not support the encroachment on Jackson Avenue because of the damage that would result to street trees.

The Fire Department and Police Department have not identified any issues associated with the overhangs from a public safety perspective.

Staff proposes the following three options for consideration by the USC:

Option 1: Recommend that the City Council deny the request and require the property owner to design the building modification such that it does not occupy the public ROW.

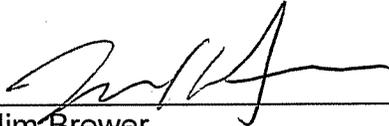
Option 2: Endorse a portion of the request to occupy the public ROW restricted to the overhang on 2nd Street. Consideration of this option would require staff to develop a lease agreement for review and approval by the USC at a subsequent meeting.

Option 3: Defer a decision until such time as a comprehensive policy concerning occupation of the public ROW is established . Due to the increasing number of requests, and to insure consistent and equitable treatment of all such applications, it is staff's intent to develop a City Council policy to provide guidance in the review of such applications. Staff anticipates initiating discussions on such a policy with the USC in March.

IV. RECOMMENDATION

Staff recommends that the USC recommend Option 3 to the City Council.

Review and Concur:



Jim Brewer
City Attorney

1/20/12

Date



Ken Gibb
Community Development Director

1/23/12

Date



James A. Patterson
City Manager

Date

GG/ff

Attachments

X:\Divisions\Engineering\Capital Planning&Projects\Misc. Support Work\LOPROW\Ayers\USC Staff Rpt.wpd

McConnell, Jeff

From: Russell, Kevin
Sent: Thursday, December 01, 2011 8:00 AM
To: McConnell, Jeff
Subject: FW: ROW request
Attachments: plot plan.pdf; A4.1 BUILDING ELEVATIONS.PDF

FYI...I will let Alan know that I have forwarded his application to you and you will start processing it.

kevin

-----Original Message-----

From: Alan Ayres [mailto:ayres@teleport.com]
Sent: Wednesday, November 30, 2011 8:58 PM
To: Russell, Kevin
Subject: ROW request

I am hereby requesting a license or the right to occupy the air space of a public right-of-way with a building roof overhang in the downtown CB core as part of an addition to an existing building @ 160 NW Jackson.

This overhang will extend over the sidewalk 4' beyond the building/property lines. A portion will be at a 25' elevation and the rest at approximately 39' (see building elevations). The main purpose of this overhang is to provide weather protection for the building's siding and windows thereby increasing it's useful life and to enhance it's overall visual appeal. The roof is also built so it can be used as a seasonal deck/balcony for increased function, visual appeal and the ease and safety of rooftop equipment maintenance. This overhang can not occur on private property because the Land Development Codes for this area requires buildings to be built right up to the property lines. At the same time it does encourage roof cornices or overhang treatments which are desirable in improving the pedestrian friendly atmosphere of the downtown as well as the overall look and function of a building. Most of the historic buildings and several modern ones have overhangs that make them far more attractive and interesting than they would be without.

This overhang should not have any negative affects on adjacent properties as it does not extend beyond the area typically occupied by awnings. No utilities currently exist in the space this overhang will occupy and I planted the street trees out beyond this area (as is typical) so they will not interfere with the overhang.

OSSC code chapter 23 allows 4' overhangs above 12' in height. Of course local Land Development Codes can override these adopted building codes. Most towns our size and smaller just rely on the OSSC codes and some go farther. Salem for example allows overhangs to go all the way across the street without a lease. Portland which is the most restrictive in our State allows 4' encroachments without licenses or leases and requires leases for any thing beyond 4' (except awnings and signs). Albany and Eugene don't require leases, but do have the applicant sign an agreement that they will remove the encroachment if the area is subsequently needed by the public, which I would be willing to sign. My building is designed such that the overhangs can be removed without compromising the rest of the structure, unlike the Renaissance building that would have to be totally reconstructed.

Many of the buildings in our downtown have structural roof overhangs/cornices/balconies. I have sent photos of a few, of which none pay a lease to the city to use except for the Elements Day Spa building because it extends beyond the air space that is typically used up

by an awning (A determination from Steve Rogers, former public works director which was also used as City Staff's argument for why the Renaissance building does not pay for their building overhang of 4' on all three sides of public property including the alley as is noted in Urban Services Committee minutes of 2/08/05 and City Council minutes of 2/22/05.) It was also discussed in the minutes of the Urban Services and City Council meeting on these two recent proposals that the city and garbage trucks need 24' at the most of vertical clearance to maintain streets, alleys and buried utilities. None of my overhangs will be lower than 24'. There have also been several other projections built both before and after these two example projects that for some reason were never even subject to this licensing process.

Attached are elevation drawings and a plot plan.

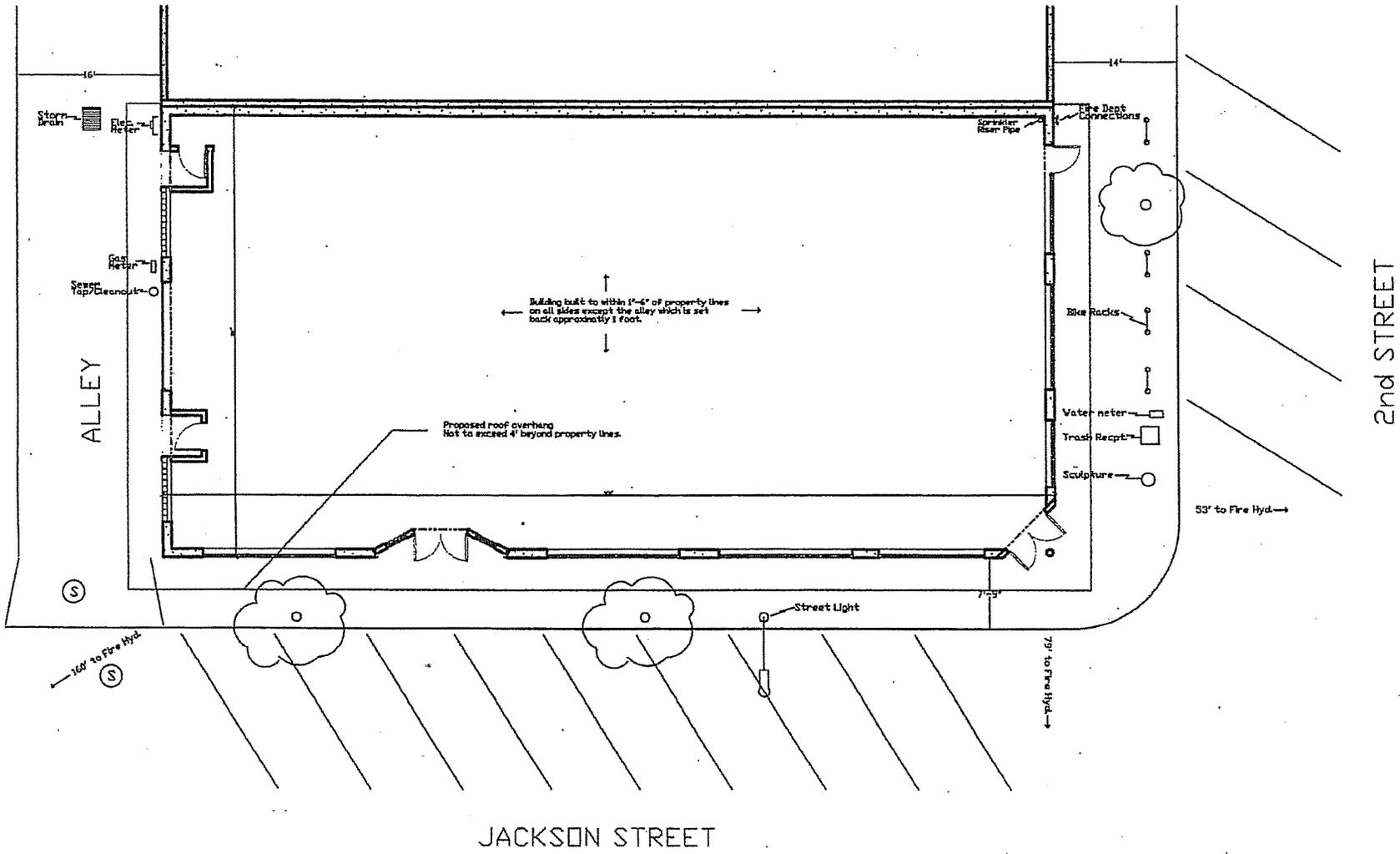
(I will send a second email with photos of a few existing overhangs in our downtown to keep the file sizes reasonable.)

Please feel free to email or call me directly with any questions.

Alan Ayres

541 758-7018

ayres@teleport.com

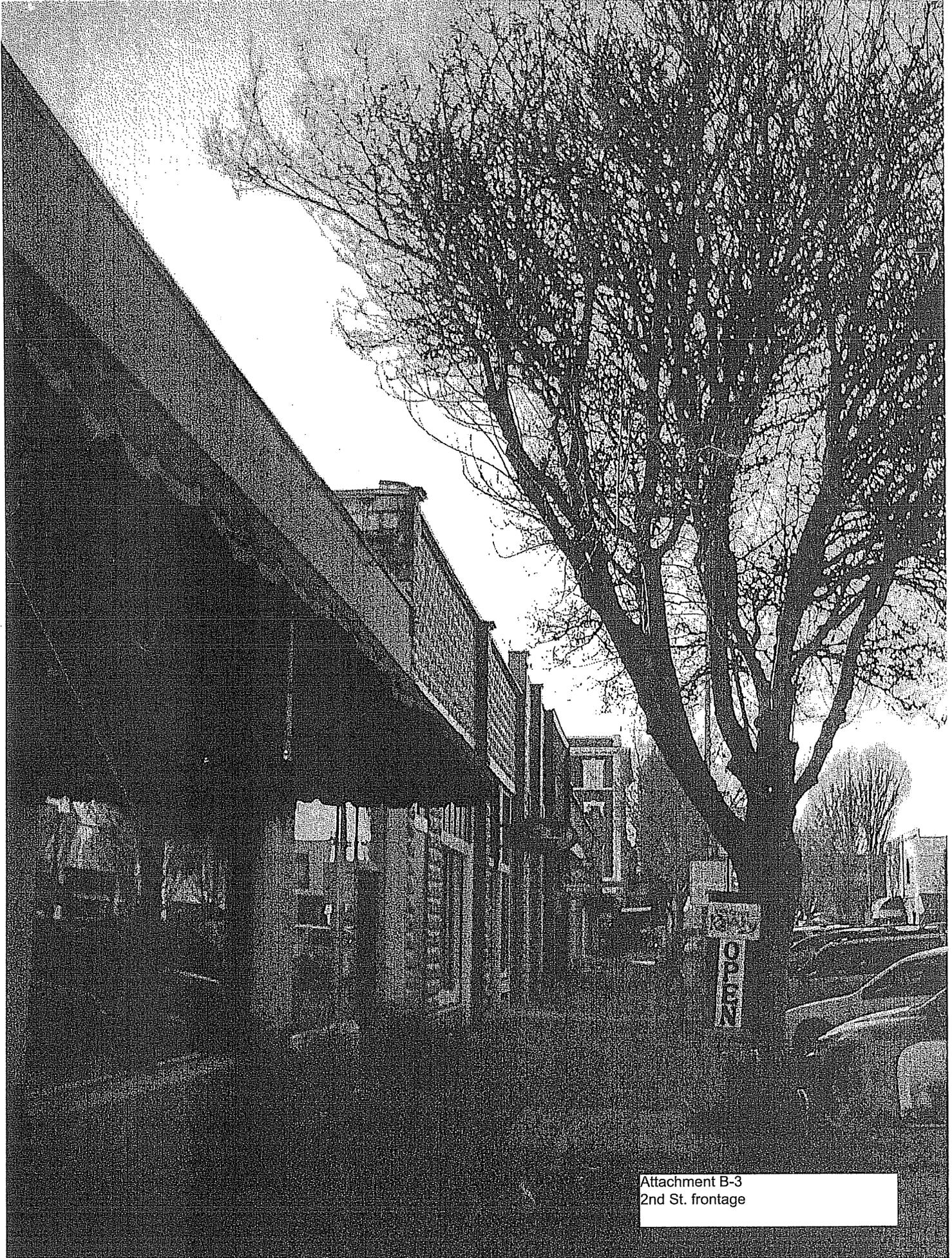




Attachment B-1
Jackson Ave. frontage looking east



Attachment B-2
Jackson Ave. frontage looking west



Attachment B-3
2nd St. frontage

MEMORANDUM

TO: Urban Services Committee

FROM: Mary Steckel, Interim Public Works Director 

DATE: January 19, 2012

SUBJECT: Hout Street Lease Amendments

Issue

Due to the recent Hout Street reconstruction, the legal descriptions of the tracts of land leased by WKL Investments, Western Pulp Products, Plastech Inc., Kattare Internet, LLC., and T. Gerding Construction have been rewritten to adjust the area of the land leases to align with the new right-of-way.

Discussion

The City of Corvallis used funds from a federal earmark to reconstruct SW Hout Street to City standards in 2010-11. As part of this work, a small amount of additional property was required along both sides of Hout Street to accommodate new sidewalks and park strips. The attached amendments will remove the new public right-of-way area from the existing leases of the properties adjacent to SW Hout Street. Additional adjustments have been made to two of the leases, as described below.

In 2010, WKL Investments requested that a 0.95 acre section on the north side of their leased property be removed from their lease since they do not anticipate it to be used by their current or future tenants. This request is compatible with the City's plan to rehabilitate the rail spur at that location and provide access to the loading dock and surrounding area for the general use of industrial park tenants. The attached diagram of the Airport Industrial Park leases east of Hout Street shows the approximate boundary of the revised WKL lease (Tract 1) and the area removed from the old lease (Tract 1A and a sliver at Airport Avenue).

When the new leases were being prepared, several errors in the previous legal descriptions of Western Pulp's tracts were discovered. This amendment will adjust the leases to cover the property actually being used by Western Pulp for buildings and storage. Western Pulp Tracts 15 & 19 are leased at different lease rates and the adjustment has been calculated separately.

The attached diagram of the Airport Industrial Park leases shows the approximate locations of the boundaries of the new lease descriptions and the adjustments in each lease are shown in the table below.

Lessee	Tract	Change in Leased Area in acres	Change in Monthly Lease Amount
WKL	1, 1A	(0.97)	(\$245.93)
Western Pulp	5, 5A, 6, 13	0.6	\$143.75
Western Pulp	15, 19	(0.02)	(\$4.07)
Plastech	n/a	(0.06)	(\$13.90)
Kattare	n/a	(0.04)	(\$17.42)
T. Gerding	n/a	(0.03)	(\$11.24)

The Airport Commission unanimously recommended at their December 6, 2011 meeting that the WKL Investments lease amendment be forwarded to the City Council for approval. At their January 3, 2012 meeting, they unanimously recommended that the lease amendments for Western Pulp, Plastech, Kattare Internet and T. Gerding Construction be forwarded to the City Council for approval.

Recommendation

Staff requests that the Urban Services Committee recommend that the City Council approve these lease amendments and authorize the City Manager to sign them.

Review and concur:



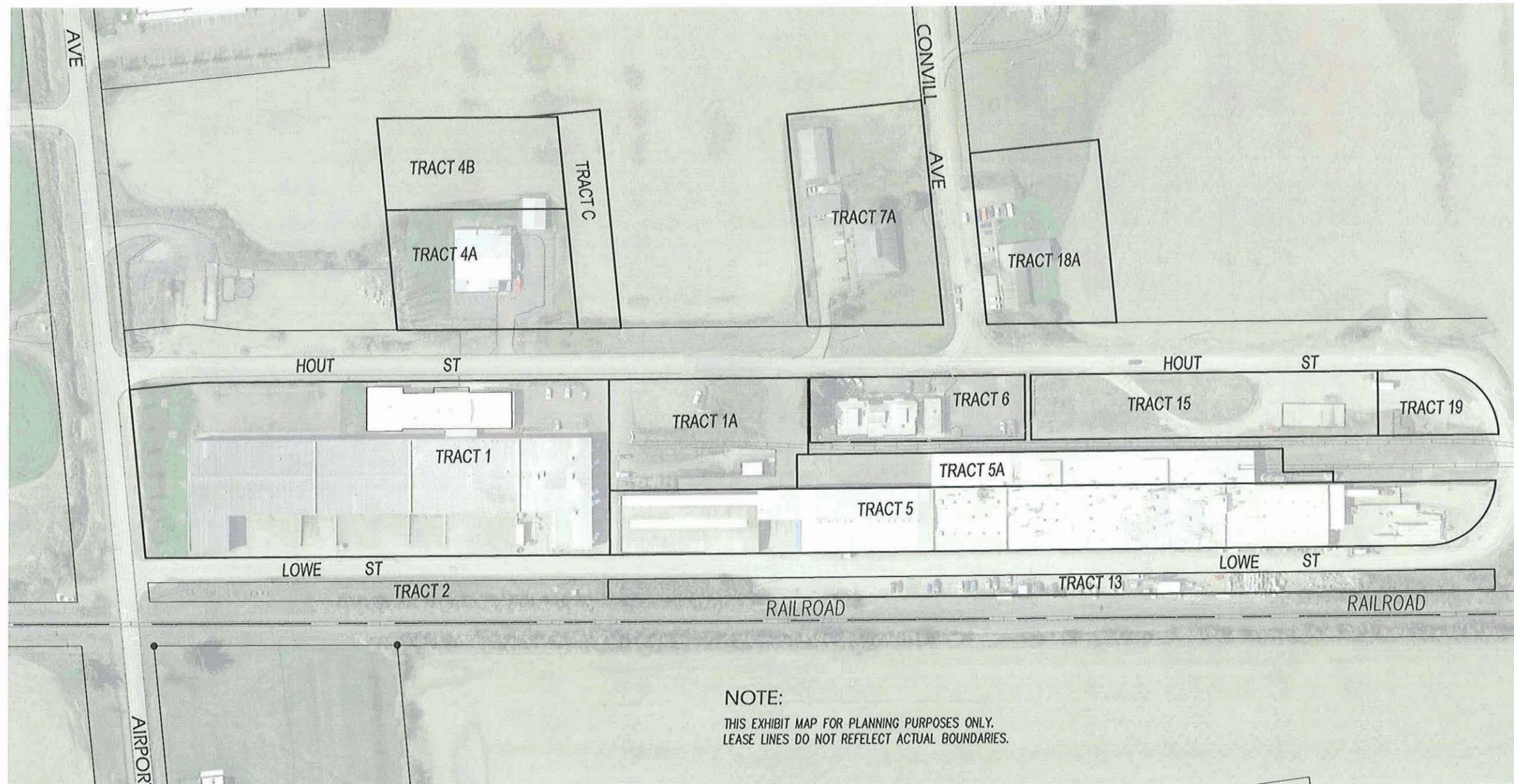
James A. Patterson
City Manager

Attachments: AIP Leases diagram
WKL Investments Hout, LLC, Western Pulp, Plastech, Kattare Internet and T. Gerding Construction lease amendments

AIRPORT INDUSTRIAL PARK LEASES



Scale: 1" = 200'
DATE JANUARY 18, 2012



LEASE AMENDMENT

This lease amendment, dated this _____ day of _____, 2012, is to that lease agreement dated June 2, 1997, and amended June 17, 2002, between the **City of Corvallis**, an Oregon municipal corporation, hereinafter referred to as Lessor, and **WKL Investments Hout, LLC**, hereinafter referred to as Lessee. This amendment shall not change the terms or conditions of the June 2, 1997 lease agreement or the June 17, 2002 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 property described in Exhibits "A" and "B" (attached).

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 June 2, 1997 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 "B", Lessee shall pay the same land rental rate per square foot as described in the Lease Amendment dated June 17, 2002 which was last adjusted to \$0.069/sqft/yr on July 1, 2011. The new monthly lease amount is **\$904.20 per month** due and payable on _____, 2012.

4. ORIGINAL LEASE AGREEMENT

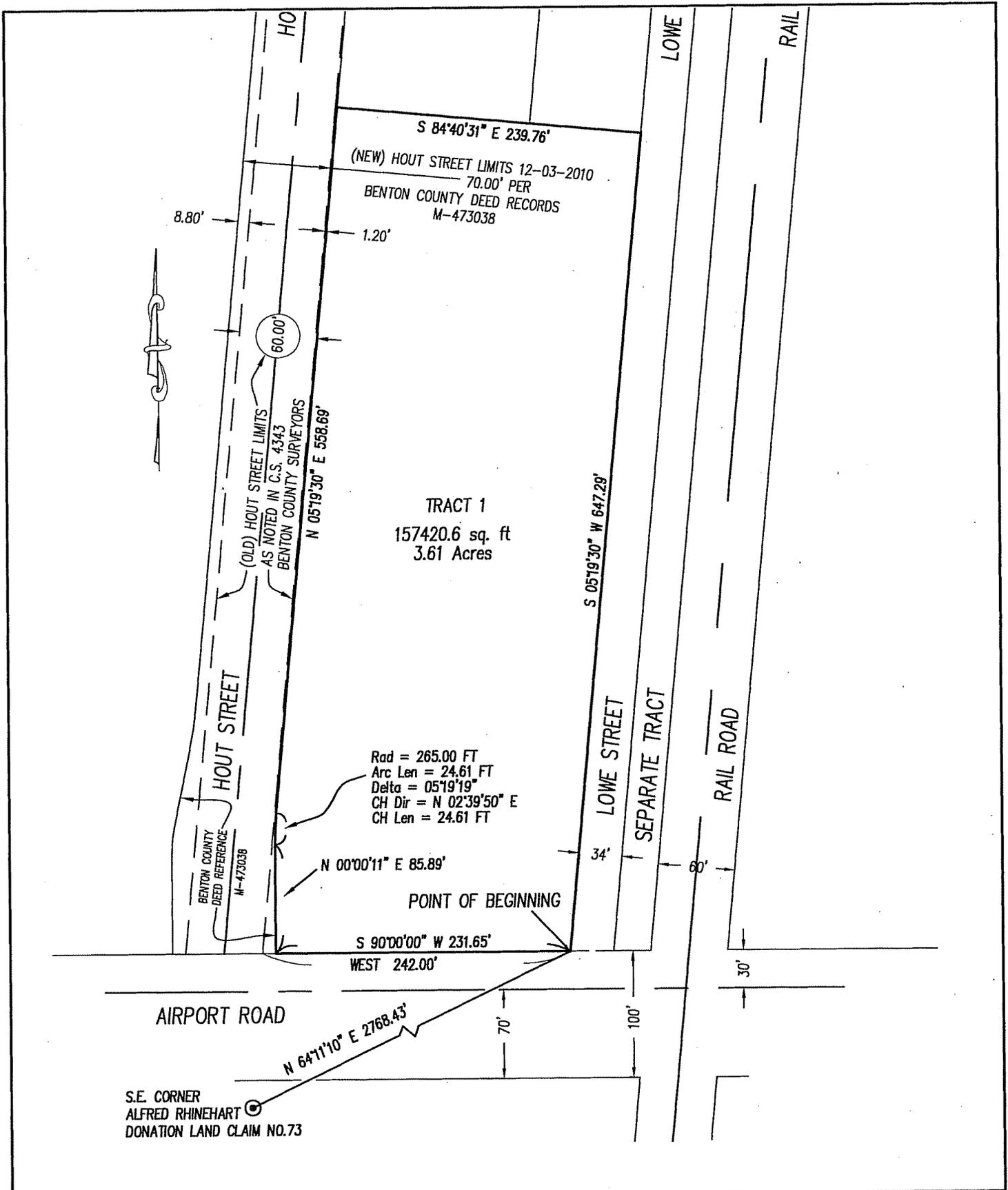
All other terms and conditions of the existing lease between Lessor and Lessee shall remain unchanged.

TRACT 1 EXHIBIT "A"

A tract of land located in the Southeast 1/4 of Section 22, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon. More particularly described as follows.

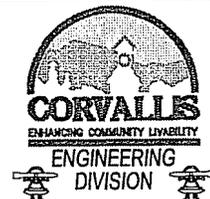
Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence north $64^{\circ}11'10''$ east a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way) to the **True Point of Beginning**, thence West 231.65 feet along the northerly line of said Airport Rd. to a point of intersection with said northerly right of way and the east line of Hout Street (a private street a 70 foot right of way per Benton County Deed M-473038), thence northerly along said east right of way north $0^{\circ}00'11''$ east a distance of 85.89 feet to a point, thence 24.61 feet along a 265.00 foot radius curve to the right with a delta angle of $5^{\circ}19'19''$ (chord bears north $2^{\circ}39'50''$ east a distance of 24.61 feet) to a point, thence north $5^{\circ}19'30''$ east a distance of 558.69 feet to a point, thence south $84^{\circ}40'31''$ east a distance of 239.76 feet to the westerly right of way of said South West Lowe Street, thence south $5^{\circ}19'30''$ east, 647.29 feet to the **True Point of Beginning**.

Said tract contains 157420.6 s.f. or, 3.61 acres, more or less.



DESIGNED
DRAWN CRB
CHECKED
DATE 11-2011
SCALE: 1"=100'

EXHIBIT "B"
AIRPORT INDUSTRIAL PARK
TRACT 1



LEASE AMENDMENT

This lease amendment, dated this _____ day of _____, 2012, is to that lease agreement dated May 1, 1995, between the **City of Corvallis**, an Oregon municipal corporation, hereinafter referred to as Lessor, and **Western Pulp Products Company**, hereinafter referred to as Lessee. This amendment shall not change the terms or conditions of the May 1, 1995 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 lease to Lessee that property described in Tracts 5, 5A, 6, 15 & 19 Exhibits "A" and "B" respectively (attached) and Tract 13 as described in the original lease agreement dated May 1, 1995.

2. INCORPORATION OF TERMS AND CONDITIONS

If this amendment is silent on a term or condition, the lease of these properties described in the Exhibits "A" shall be subject to the terms and conditions of the May 1, 1995 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 above, Lessee shall pay the same land rental rate per square foot as paid for the previously leased property Tracts 5, 5A, 6 and 13 in the Lease Agreement dated May 1, 1995 which was last adjusted to \$0.066/sqft/yr on July 1, 2011. The new monthly lease amount for those tracts is **\$1,099.67 per month** due and payable on _____, 2012.

For the use and possession of the property described above, Lessee shall pay the same land rental rate per square foot as paid for the previously leased property Tracts 15 & 19 in the Lease Amendment dated November 17, 1998 which was adjusted to \$0.061/sqft/yr on July 1, 2011. The new monthly lease amount is **\$290.07 per month** due and payable on _____, 2012.

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 amendment on the date and year first written below:

DATED this ____ day of _____, 2012.

Western Pulp Company

STATE OF OREGON)
) ss.
COUNTY OF BENTON)

Personally appeared the above-named _____, who acknowledged he is the _____ and he accepted the foregoing instrument on behalf of Western Pulp Company Before me this ____ day of _____, 2012.

NOTARY PUBLIC FOR OREGON

My Commission expires _____

ACCEPTED BY:
CITY OF CORVALLIS, OREGON

James A. Patterson, City Manager

STATE OF OREGON)
) ss.
COUNTY OF BENTON)

Personally appeared the above-named JAMES A. PATTERSON, 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 _____, 2012.

NOTARY PUBLIC FOR OREGON

My Commission expires _____

Approved as to form:

City Attorney

TRACT 5 EXHIBIT "A"

A tract of land located in the Southeast 1/4 of Section 22, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon. More particularly described as follows.

Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence north $64^{\circ}11'10''$ east a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way with a half width of 17.00 feet), thence north $5^{\circ}19'30''$ east along said west right of way of Lowe street a distance of 647.29 feet to the **True Point of Beginning**, thence north $84^{\circ}40'31''$ west a distance of 87.75 feet to a point, thence north $5^{\circ}19'30''$ east a distance of 1234.01 feet to a point, thence 141.97 feet along the arc of a 95.00 foot radius non-tangent curve to the right through a delta of $85^{\circ}37'29''$ (chord bears south $37^{\circ}29'11''$ east a distance of 129.12 feet), thence south $5^{\circ}19'30''$ west along the westerly right of way of south west Lowe Street a distance of 1139.29 feet to the **True Point of Beginning**.

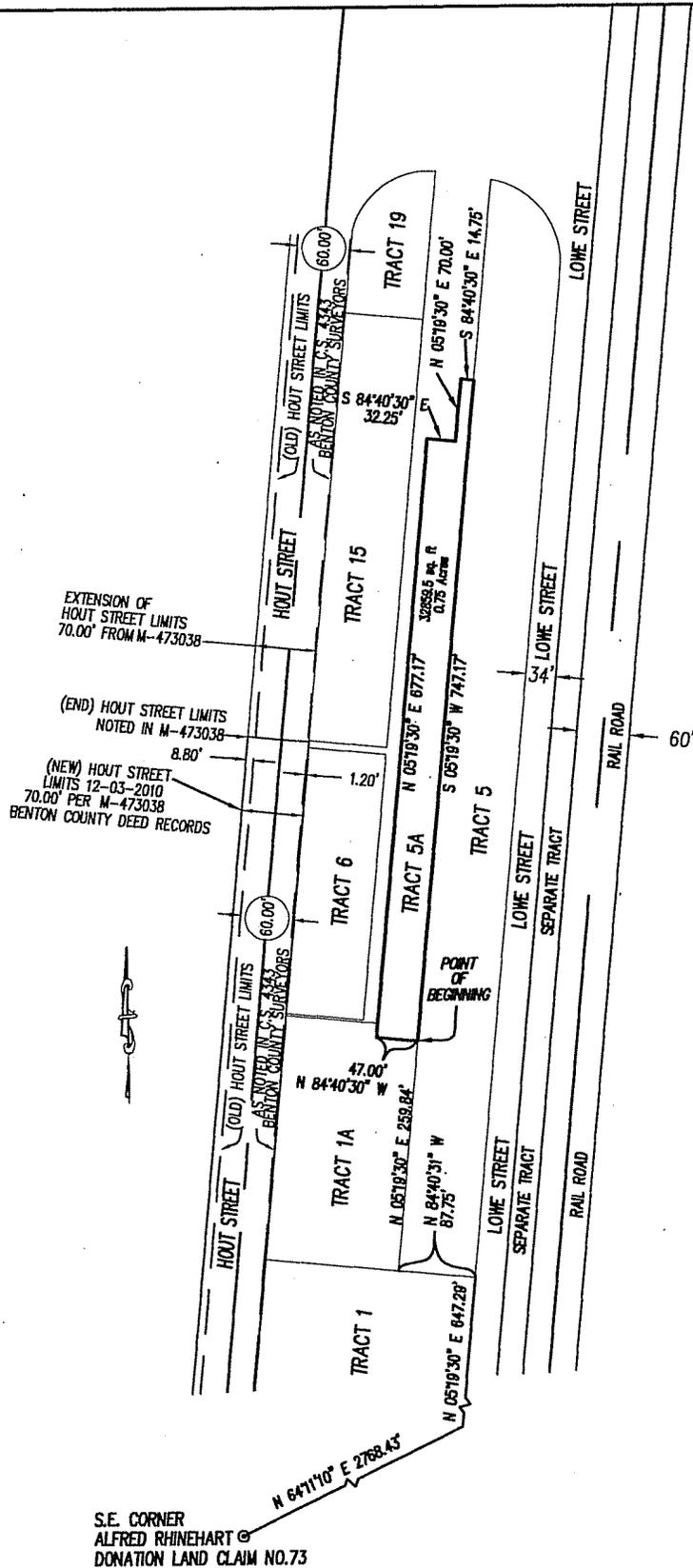
Said tract contains 106372.8 s.f. or, 2.44 acres, more or less.

TRACT 5A EXHIBIT "A"

A tract of land located in the Southeast 1/4 of Section 22, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon. More particularly described as follows.

Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence north $64^{\circ}11'10''$ east a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way with a half width of 17.00 feet), thence north $5^{\circ}19'30''$ east along said west right of way a distance of 647.29 feet, thence north $84^{\circ}40'31''$ west a distance of 87.75 feet to a point, thence north $5^{\circ}19'30''$ east a distance of 259.84 feet to the **True Point of Beginning**, thence north $84^{\circ}40'30''$ west a distance of 47.00 feet to a point, thence north $5^{\circ}19'30''$ east a distance of 677.17 feet to a point, thence south $84^{\circ}40'30''$ east a distance of 32.25 feet to a point, thence north $5^{\circ}19'30''$ east a distance of 70.00 feet to a point, thence south $84^{\circ}40'30''$ east a distance of 14.75 feet to a point, thence south $5^{\circ}19'30''$ west a distance of 747.17 feet to the **True Point of Beginning**.

Said tract contains 32859.5 s.f. or, 0.75 acres, more or less.

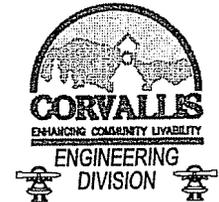


DESIGNED
DRAWN CRB
CHECKED
DATE 11-2011
SCALE: 1"=200'

EXHIBIT "B"

AIRPORT INDUSTRIAL PARK

TRACT 5A

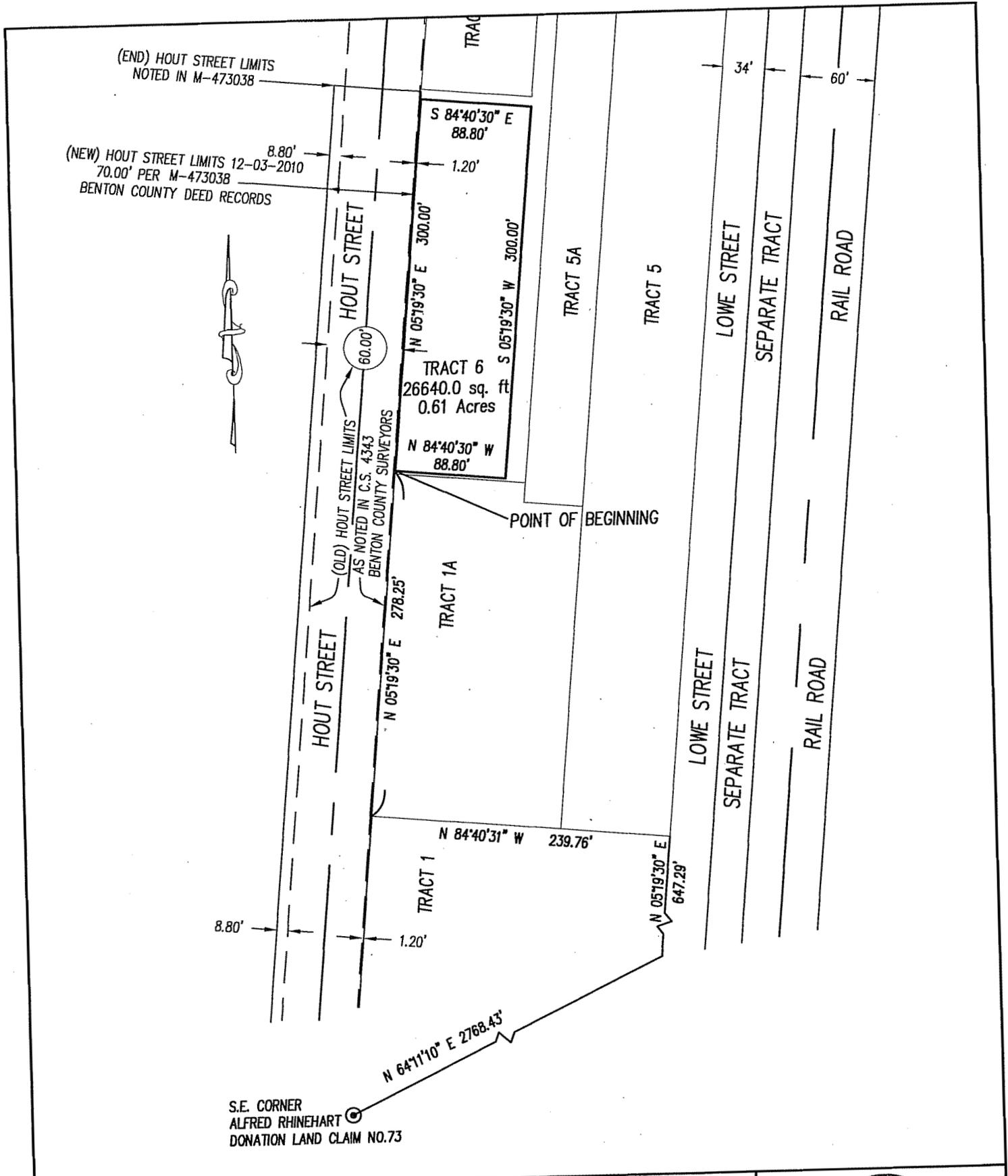


TRACT 6 EXHIBIT "A"

A tract of land located in the Southeast 1/4 of Section 22, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon. More particularly described as follows.

Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence North $64^{\circ}11'10''$ East a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way), thence north $5^{\circ}19'30''$ east along the westerly right of way of south west Lowe street (a 34 foot private right of way with a half width of 17.00 feet) a distance of 647.29 feet to a point in said right of way, thence leaving said right of way north $84^{\circ}40'31''$ west a distance of 239.76 feet to a point in the east line of Hout Street (a private street a 70 foot right of way per Benton County Deed M-473038), thence north $5^{\circ}19'30''$ east along said easterly right of way a distance of 278.25 feet to the **True Point of Beginning**, thence northerly along said east right of way north $5^{\circ}19'30''$ east a distance of 300.00 feet to a point in said right of way, thence leaving said easterly right of way south $84^{\circ}40'31''$ east a distance of 88.80 feet to a point, thence south $5^{\circ}19'30''$ west parallel with said right of way a distance of 300.00 feet to a point, thence north $84^{\circ}40'30''$ west a distance of 88.80 feet to the **True Point of Beginning**.

Said tract contains 26640.0 s.f. or, 0.61 acres, more or less.



DESIGNED

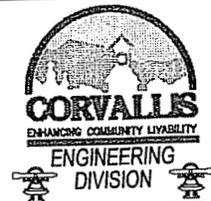
DRAWN CRB

CHECKED

DATE 11-2011

SCALE: 1"=100'

EXHIBIT "B"
AIRPORT INDUSTRIAL PARK
TRACT 6

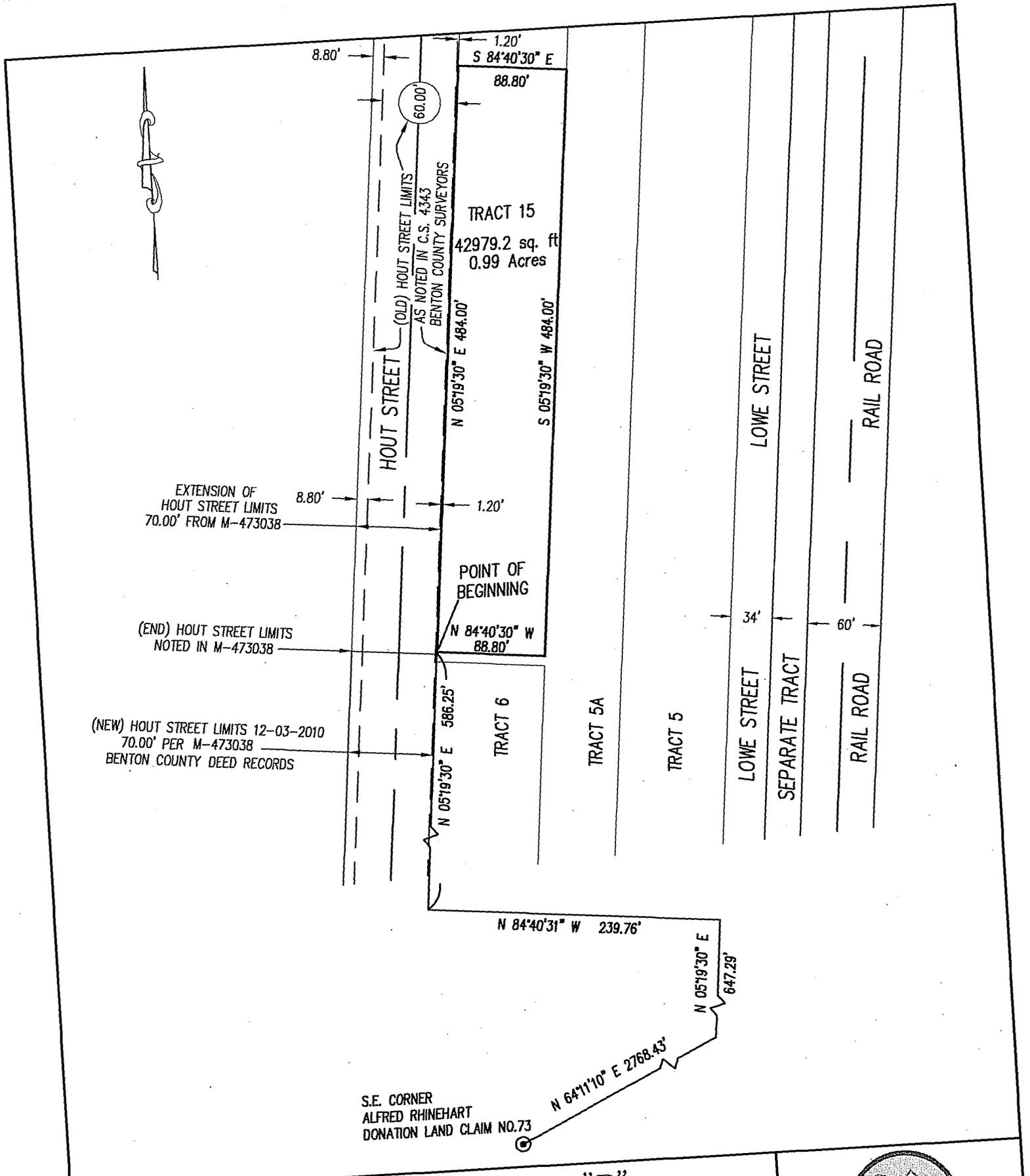


TRACT 15 EXHIBIT "A"

A tract of land located in the Southeast 1/4 of Section 22, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon. More particularly described as follows.

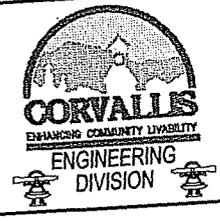
Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence North $64^{\circ}11'10''$ East a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way), thence north $5^{\circ}19'30''$ east along the westerly right of way of south west Lowe street (a 34 foot private right of way with a half width of 17.00 feet) a distance of 647.29 feet to a point in said right of way, thence leaving said right of way north $84^{\circ}40'31''$ west a distance of 239.76 feet to a point in the east line of Hout Street (a private street a 70 foot right of way per Benton County Deed M-473038), thence north $5^{\circ}19'30''$ east a distance of 586.25 feet to the **True Point of Beginning**, thence north $5^{\circ}19'30''$ east a distance of 484.00 feet to a point, thence south $84^{\circ}40'31''$ east a distance of 88.80 feet to a point, thence south $5^{\circ}19'30''$ west a distance of 484.00 feet to a point, thence north $84^{\circ}40'30''$ west a distance of 88.80 feet to the **True Point of Beginning**.

Said tract contains 42979.2 s.f. or, 0.99 acres, more or less.



DESIGNED
DRAWN CRB
CHECKED
DATE 11-2011
SCALE: 1"=100'

EXHIBIT "B"
 AIRPORT INDUSTRIAL PARK
 TRACT 15



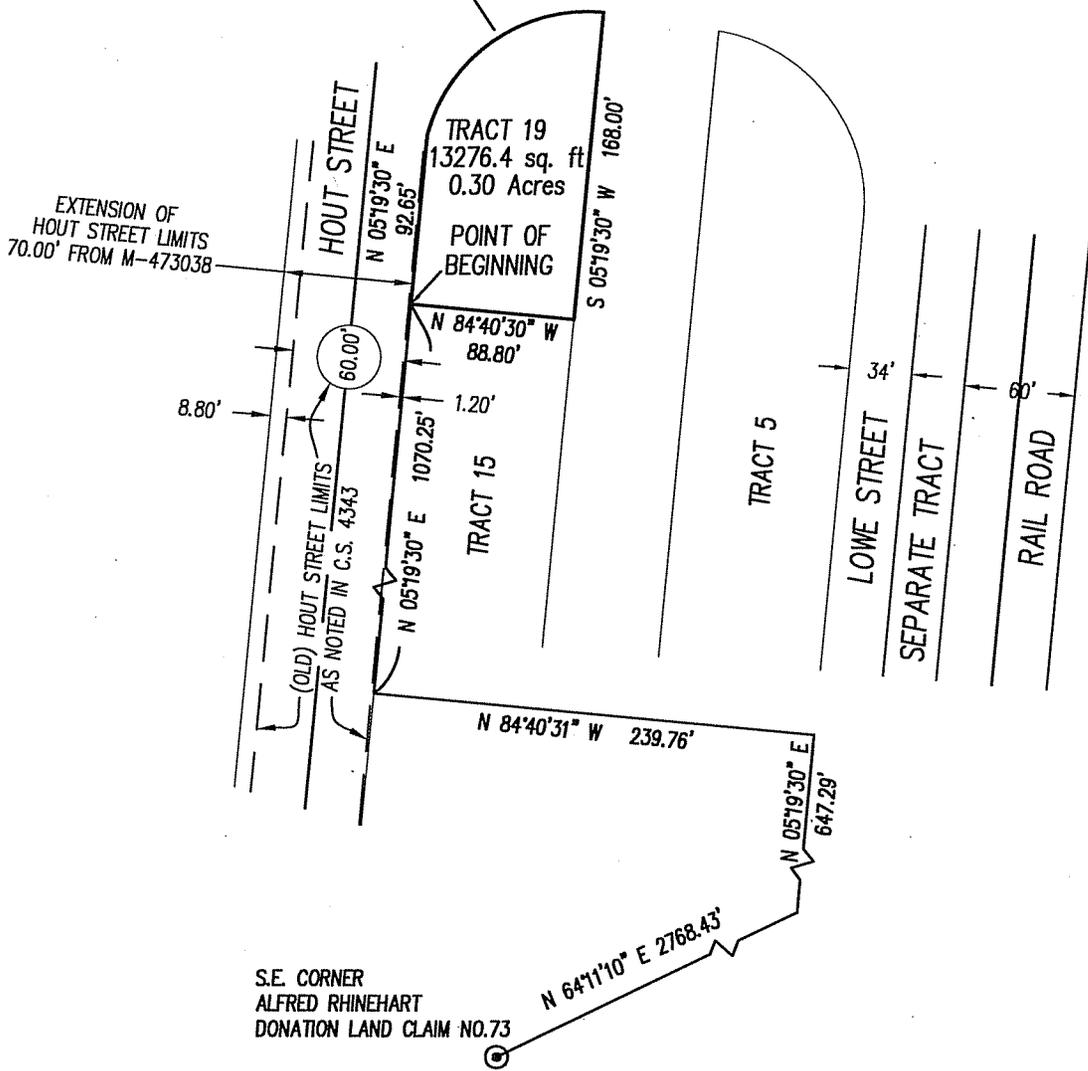
TRACT 19 EXHIBIT "A"

A tract of land located in the Southeast 1/4 of Section 22, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon. More particularly described as follows.

Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence North $64^{\circ}11'10''$ East a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way), thence north $5^{\circ}19'30''$ east along the westerly right of way of south west Lowe street (a 34 foot private right of way with a half width of 17.00 feet) a distance of 647.29 feet to a point in said right of way, thence leaving said right of way north $84^{\circ}40'31''$ west a distance of 239.76 feet to a point in the east line of Hout Street (a private street a 70 foot right of way per Benton County Deed M-473038), thence north $5^{\circ}19'30''$ east a distance of 1070.25 feet to the **True Point of Beginning**, thence north $5^{\circ}19'30''$ east a distance of 92.65 feet to a point, thence 126.66 feet along the arc of a 90.00 foot non-tangent curve to the right through a delta of $80^{\circ}38'00''$ (chord bears north $55^{\circ}00'30''$ east a distance of 116.46 feet to a point, thence south $5^{\circ}19'30''$ west a distance of 168.00 feet to a point, thence north $84^{\circ}40'30''$ west a distance of 88.80 feet to the **True Point of Beginning**.

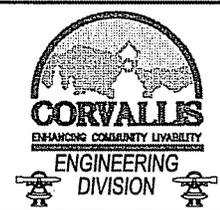
Said tract contains 132.76.4 s.f. or, 0.30 acres, more or less.

Rad = 90.00 FT
 Arc Len = 126.66 FT
 Delta = 80°38'00"
 CH Dir = N 55°00'30" E
 CH Len = 116.46 FT



DESIGNED
DRAWN CRB
CHECKED
DATE 11-2011
SCALE: 1"=100'

EXHIBIT "B"
AIRPORT INDUSTRIAL PARK
TRACT 19



LEASE AMENDMENT

This lease amendment, dated this _____ day of _____, 2012, is to that lease agreement dated February 17, 1993, amendment dated September 1, 1996, amendment dated April 21, 1997, and that amendment dated June 2, 1997 between the **City of Corvallis**, an Oregon municipal corporation, hereinafter referred to as Lessor, and **A.C. Hendrickson Enterprises and assigned to Plastech, Inc.**, hereinafter referred to as Lessee. This amendment shall not change the terms or conditions of the February 17, 1993 lease agreement, as amended, 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 property described in Exhibits "A" and "B" (attached).

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 February 17, 1993 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 Exhibits "A" and "B", Lessee shall pay the same land rental rate per square foot as described in the lease agreement dated February 17, 1993 which was last adjusted to \$0.065/sqft/yr on July 1, 2011. The new monthly lease amount is **\$493.14 per month** due and payable on _____, 2012.

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 amendment on the date and year first written below:

DATED this ____ day of _____, 2012.

STATE OF OREGON)
) ss.
COUNTY OF BENTON)

Plastech, Inc.

Personally appeared the above-named _____, who acknowledged he is the _____ and he accepted the foregoing instrument on behalf of Plastech, Inc. Before me this ____ day of _____, 2012.

NOTARY PUBLIC FOR OREGON
My Commission expires _____

ACCEPTED BY:
CITY OF CORVALLIS, OREGON

James A. Patterson, City Manager

STATE OF OREGON)
) ss.
COUNTY OF BENTON)

Personally appeared the above-named JAMES A. PATTERSON, 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 _____, 2012.

NOTARY PUBLIC FOR OREGON
My Commission expires _____

Approved as to form:

City Attorney

TRACT 4 EXHIBIT "A"

A tract of land located in the Southeast 1/4 of Section 22, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon. More particularly described as follows.

Tract 4A:

Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence North $64^{\circ}11'10''$ East a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way with a half width of 17.00 feet), thence south $90^{\circ}00'00''$ west along said north right of way of Airport Rd. a distance of 312.65 feet to a point in said right of way, thence north $00^{\circ}00'11''$ east along the west line of the tract described in M-473038 of Benton county deed records a distance of 76.45 feet to a point, thence 23.66 feet along the arc of a 118.00 foot clockwise curve to the right with a delta of $11^{\circ}29'15''$ (chord bears north $05^{\circ}44'45''$ east a distance of 23.62 feet) to a point, thence north $11^{\circ}29'26''$ east a distance of 63.56 feet to a point, thence 30.34 feet along the arc of a 282.00 foot radius counterclockwise curve to the left (chord bears north $8^{\circ}24'28''$ east) to a point, thence north $5^{\circ}19'30''$ east a distance of 187.73 feet to the **True Point of Beginning**, thence north $90^{\circ}00'00''$ west a distance of 164.79 feet to a point, thence north $05^{\circ}19'30''$ east a distance of 251.96 feet to a point, thence south $90^{\circ}00'00''$ east 164.79 feet to a point, thence south $5^{\circ}19'30''$ west a distance of 251.96 feet to the **True Point of Beginning**.

Said tract contains 41341.7 s.f. or, 0.95 acres, more or less.

Together with,

Tract 4B:

Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence North $64^{\circ}11'10''$ East a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way with a half width of 17.00 feet), thence south $90^{\circ}00'00''$ west along said north right of way of Airport Rd. a distance of 312.65 feet to a point in said right of way, thence north $00^{\circ}00'11''$ east along the west line of the tract described in M-473038 of Benton county deed records a distance of 76.45 feet to a point, thence 23.66 feet along the arc of a 118.00 foot clockwise curve to the right with a delta of $11^{\circ}29'15''$ (chord bears north $05^{\circ}44'45''$ east a distance of 23.62 feet) to a point, thence north $11^{\circ}29'26''$ east a distance of 63.56 feet to a point, thence 30.34 feet along the arc of a 282.00 foot radius counterclockwise curve to the left (chord bears north $8^{\circ}24'28''$ east) to a point, thence north $5^{\circ}19'30''$ east a distance of 187.73 feet to a point, thence north $90^{\circ}00'00''$ west a distance of 164.79 feet to the

True Point of Beginning, thence north $90^{\circ}00'00''$ west a distance of 126.37 feet, thence north

05°19'30" east a distance of 251.96 feet to a point, thence south 90°00'00" east 126.37 feet to a point, thence south 5°19'30" west a distance of 251.96 feet to the **True Point of Beginning**.

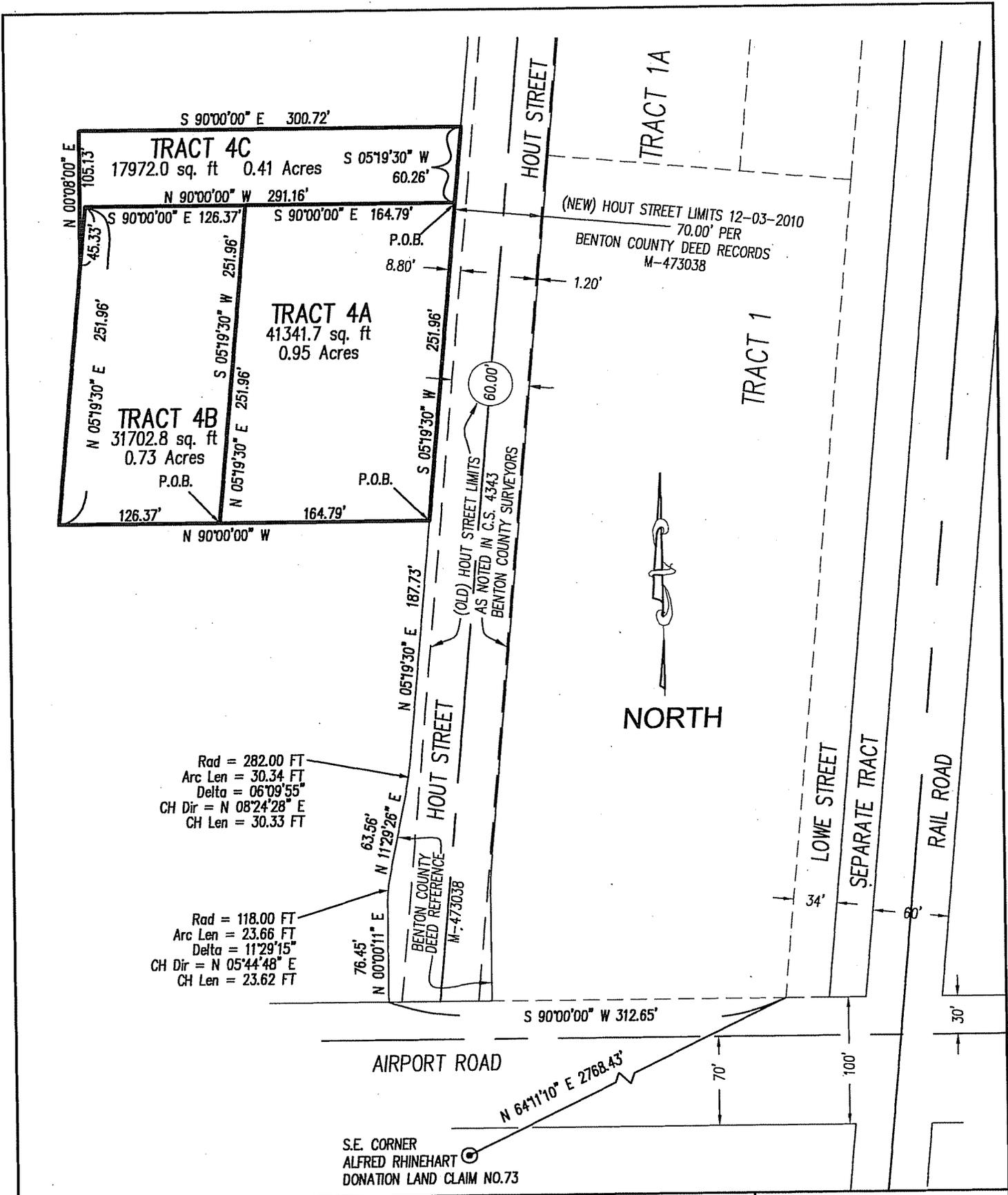
Said tract contains 31702.8 s.f. or, 0.73 acres, more or less

Together with,

Tract 4C:

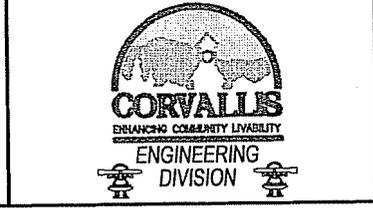
Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence North 64°11'10" East a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way with a half width of 17.00 feet), thence south 90°00'00" west along said north right of way of Airport Rd. a distance of 312.65 feet to a point in said right of way, thence north 00°00'11" east along the west line of the tract described in M-473038 of Benton county deed records a distance of 76.45 feet to a point, thence 23.66 feet along the arc of a 118.00 foot clockwise curve to the right with a delta of 11°29'15" (chord bears north 05°44'45" east a distance of 23.62 feet) to a point, thence north 11°29'26" east a distance of 63.56 feet to a point, thence 30.34 feet along the arc of a 282.00 foot radius counterclockwise curve to the left (chord bears north 8°24'28" east) to a point, thence north 5°19'30" east a distance of 439.69 feet to the **True Point of Beginning**, thence north 90°00'00" west a distance of 291.16 to a point, thence south 05°19'30" east a distance of 45.33 feet to a point, thence north 00°08'00" east 105.13 feet to a point, thence south 90°00'00" east a distance of 300.72 feet to a point, thence south 5°19'30" west a distance of 60.26 feet to the **True Point of Beginning**.

Said tract contains 17972.0 s.f. or, 0.41 acres, more or less



DESIGNED
DRAWN CRB
CHECKED
DATE 12-2011
SCALE: 1"=100'

EXHIBIT "B"
AIRPORT INDUSTRIAL PARK
TRACT 4 A-B-C



LEASE AMENDMENT

This lease amendment, dated this _____ day of _____, 2012, is to that lease agreement dated February 6, 2006, between the **City of Corvallis**, an Oregon municipal corporation, hereinafter referred to as Lessor, and **Kattare Internet, LLC**, hereinafter referred to as Lessee. This amendment shall not change the terms or conditions of the February 6, 2006 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 lease to Lessee that property described in Exhibits "A" and "B" (attached).

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 February 6, 2006 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 Exhibits "A" and "B", Lessee shall pay the same land rental rate per square foot as described in the lease agreement dated February 6, 2006 which was adjusted to \$0.12/sqft/yr on December 1, 2011. The new monthly lease amount is **\$566.28 per month** due and payable on _____, 2012.

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 _____, 2012.

Kattare Internet, LLC.

STATE OF OREGON)
) ss.
COUNTY OF BENTON)

Personally appeared the above-named _____, who acknowledged he is the _____ and he accepted the foregoing instrument on behalf of Kattare Internet, LLC. Before me this ____ day of _____, 2012.

NOTARY PUBLIC FOR OREGON

My Commission expires _____

ACCEPTED BY:
CITY OF CORVALLIS, OREGON

James A. Patterson, City Manager

STATE OF OREGON)
) ss.
COUNTY OF BENTON)

Personally appeared the above-named JAMES A. PATTERSON, 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 _____, 2012.

NOTARY PUBLIC FOR OREGON

My Commission expires _____

Approved as to form:

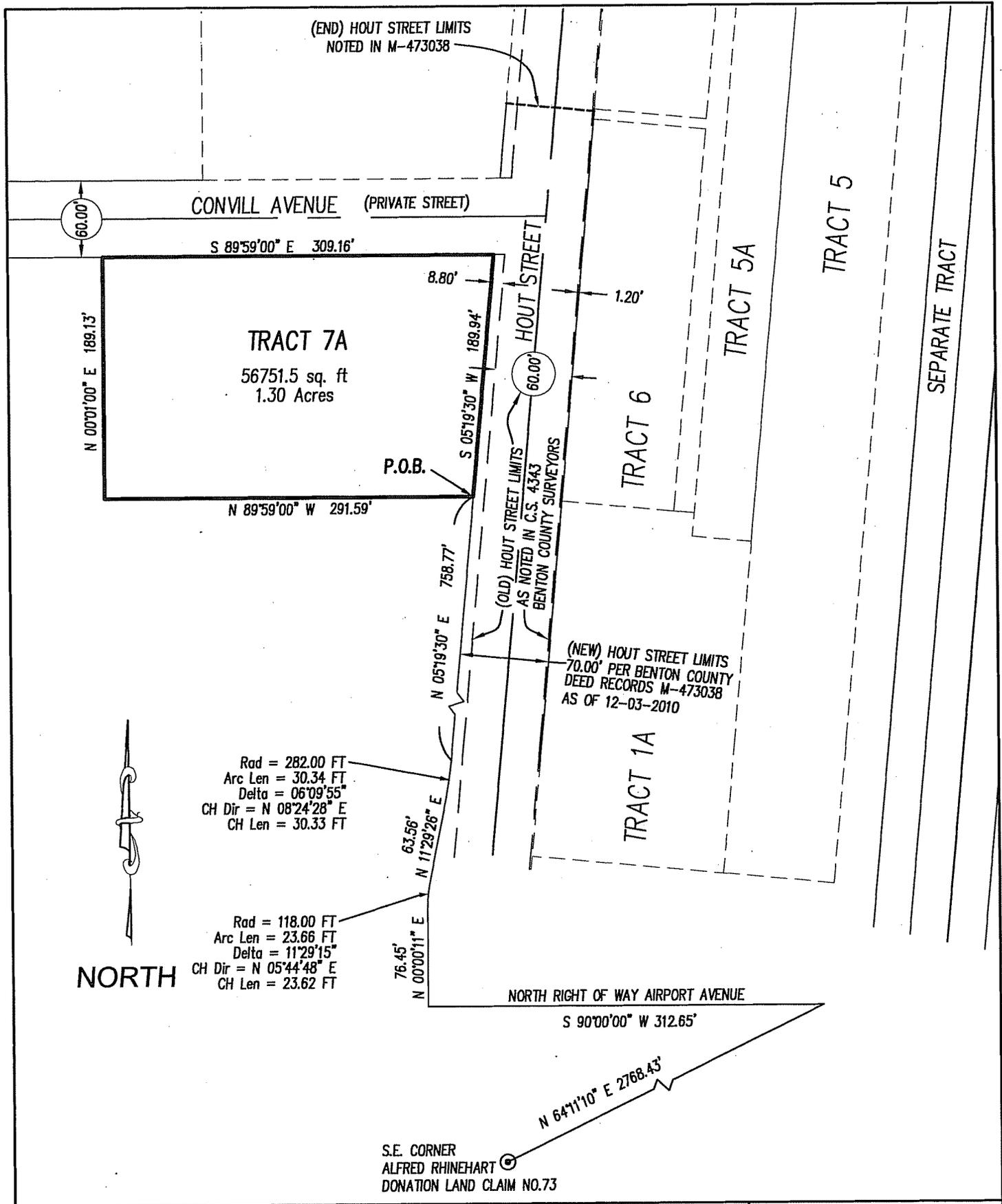
City Attorney

TRACT 7A EXHIBIT "A"

A tract of land located in the Southeast 1/4 of Section 22, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon. More particularly described as follows.

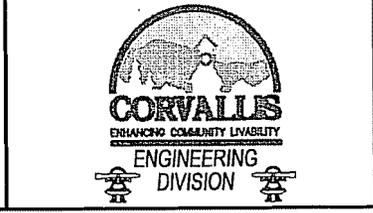
Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence North $64^{\circ}11'10''$ East a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way with a half width of 17.00 feet), thence south $90^{\circ}00'00''$ west along said north right of way of Airport Rd. a distance of 312.65 feet to a point in said right of way, thence north $00^{\circ}00'11''$ east along the west line of the tract described in M-473038 of Benton county deed records a distance of 76.45 feet to a point, thence 23.66 feet along the arc of a 118.00 foot clockwise curve to the right with a delta of $11^{\circ}29'15''$ (chord bears north $05^{\circ}44'45''$ east a distance of 23.62 feet) to a point, thence north $11^{\circ}29'26''$ east a distance of 63.56 feet to a point, thence 30.34 feet along the arc of a 282.00 foot radius counterclockwise curve to the left (chord bears north $8^{\circ}24'28''$ east) to a point, thence north $5^{\circ}19'30''$ east a distance of 758.77 feet to the **True Point of Beginning**, thence north $89^{\circ}59'00''$ west a distance of 291.59 feet, thence leaving said right of way north $00^{\circ}01'00''$ east a distance of 189.13 feet to a point in the south right of way of Convill avenue, thence south $89^{\circ}59'00''$ east 309.16 feet along the north line of Convill avenue, a private street (a 60.00 foot wide right of way with a half width of 30.00 feet) to a point, thence south $5^{\circ}19'30''$ west a distance of 189.94 feet to the **True Point of Beginning**.

Said tract contains 56751.5 s.f. or, 1.30 acres, more or less.



DESIGNED
DRAWN CRB
CHECKED
DATE 12-2011
SCALE: 1"=100'

EXHIBIT "B"
AIRPORT INDUSTRIAL PARK
TRACT 7A



LEASE AMENDMENT

This lease amendment, dated this _____ day of _____, 2012, is to that lease agreement dated August 1, 2010, between the **City of Corvallis**, an Oregon municipal corporation, hereinafter referred to as Lessor, and **T. Gerding Construction Company**, hereinafter referred to as Lessee. This amendment shall not change the terms or conditions of the August 1, 2010 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 lease to Lessee that property described in Exhibits "A" and "B" (attached).

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 August 1, 2010 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 Exhibits "A" and "B", Lessee shall pay the same land rental rate per square foot as described in the lease agreement dated August 1, 2010 which was last adjusted to \$0.091/sq ft/yr on July 1, 2011. The new monthly lease amount is **\$333.63 per month** due and payable on _____, 2012.

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 amendment on the date and year first written below:

DATED this ____ day of _____, 2012.

STATE OF OREGON)
) ss.
COUNTY OF BENTON)

T. Gerding Construction Co.

Personally appeared the above-named _____, who acknowledged he is the _____ and he accepted the foregoing instrument on behalf of T. Gerding Construction Co. Before me this ____ day of _____, 2012.

NOTARY PUBLIC FOR OREGON
My Commission expires _____

ACCEPTED BY:
CITY OF CORVALLIS, OREGON

STATE OF OREGON)
) ss.
COUNTY OF BENTON)

James A. Patterson, City Manager

Personally appeared the above-named JAMES A. PATTERSON, 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 _____, 2012.

NOTARY PUBLIC FOR OREGON
My Commission expires _____

Approved as to form:

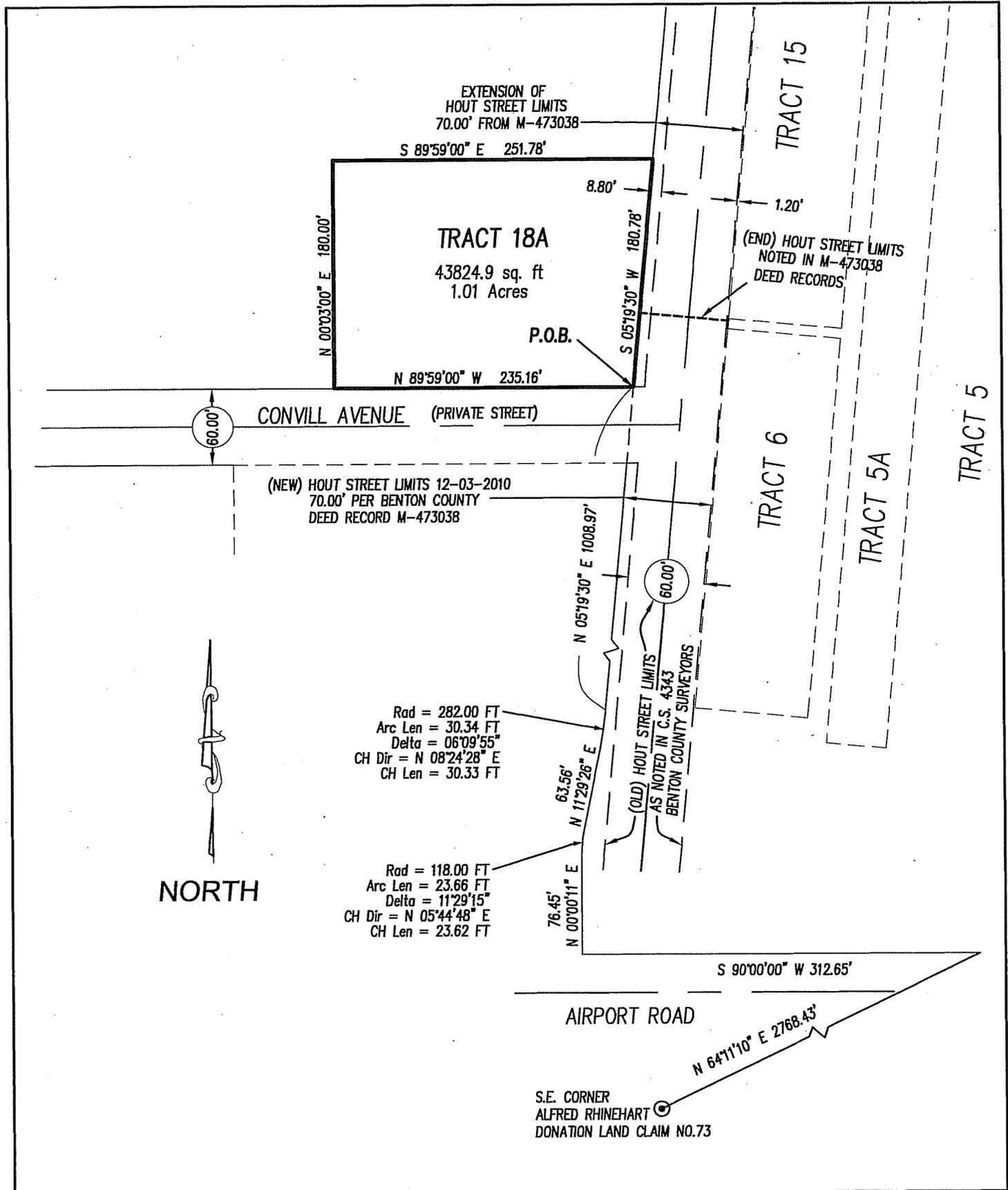
City Attorney

TRACT 18A EXHIBIT "A"

A tract of land located in the Southeast 1/4 of Section 22, Township 12 South, Range 5 West, Willamette Meridian, Benton County, Oregon. More particularly described as follows.

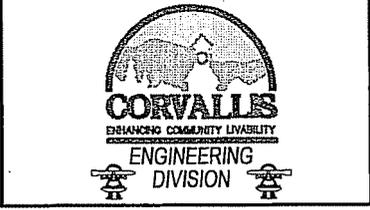
Commencing from the southeast corner of the Alfred Rhinehart Donation Land Claim No. 73, in Township 12 South, Range 5 West, Willamette Meridian, Benton County; thence North $64^{\circ}11'10''$ East a distance of 2768.43 feet to the point of intersection of the northerly right of way of south west Airport Rd., (County road number 25280, a 100 foot right of way with a northerly half width of 30 feet) and the west right of way line of south west Lowe Street (a private Street with a 34' right of way with a half width of 17.00 feet), thence south $90^{\circ}00'00''$ west along said north right of way of Airport Rd. a distance of 312.65 feet to a point in said right of way, thence north $00^{\circ}00'11''$ east along the west line of the tract described in M-473038 of Benton county deed records a distance of 76.45 feet to a point, thence 23.66 feet along the arc of a 118.00 foot clockwise curve to the right with a delta of $11^{\circ}29'15''$ (chord bears north $05^{\circ}44'45''$ east a distance of 23.62 feet) to a point, thence north $11^{\circ}29'26''$ east a distance of 63.56 feet to a point, thence 30.34 feet along the arc of a 282.00 foot radius counterclockwise curve to the left (chord bears north $8^{\circ}24'28''$ east) to a point, thence north $5^{\circ}19'30''$ east a distance of 1008.97 feet to the **True Point of Beginning**, thence north $89^{\circ}59'00''$ west a distance of 235.16 feet along the north line of Convill avenue, a private street (a 60.00 foot wide right of way with a half width of 30.00 feet) to a point, thence leaving said right of way north $00^{\circ}03'00''$ east a distance of 180.00 feet to a point, thence south $89^{\circ}59'00''$ east 251.78 feet to a point, thence south $5^{\circ}19'30''$ west a distance of 180.76 feet to the **True Point of Beginning**.

Said tract contains 43824.9 s.f. or, 1.01 acres, more or less.



DESIGNED
DRAWN CRB
CHECKED
DATE 12-2011
SCALE: 1"=100'

EXHIBIT "B"
AIRPORT INDUSTRIAL PARK
TRACT 18A



MEMORANDUM

TO: Mayor and City Council

DATE: February 10, 2012

FROM: Mary Steckel, Interim Public Works Director 

SUBJECT: US20/OR34 Corridor Plan

The Oregon Department of Transportation (ODOT) has initiated the process to develop an updated corridor plan for US20/OR34 between Newton Creek in Philomath and SW 35th Street in Corvallis. The first step in that process, development of a public outreach strategy, is well underway. The attached draft outreach plan was developed by JLA Public Involvement, a subcontractor to DKS Associates, ODOT's prime consultant, with input from corridor stakeholders, as well as local agency staff.

ODOT's consultant team will make a short presentation of the proposed process to City Council at their February 21, 2012 meeting, gather comments/suggestions, and answer any questions the City Council may have.

US20/OR34 Highway Segment Facility Plan

Public Outreach & Engagement Plan

February 2, 2012

This draft plan represents the recommended public outreach and engagement approach developed by JLA Public Involvement as a subconsultant to DKS Associates. The plan was informed by interviews held with key representatives of a diverse set of neighborhood, business, property owner and interest groups in the corridor, and in consultation with a committee comprised of key staff of each of the partner agencies.

Overview

The Oregon Department of Transportation, Benton County and the cities of Corvallis and Philomath are currently in the process of developing a highway segment facility plan for the Newton Creek (Philomath) to SW 35th Street (Corvallis) segment of US20/OR34. During the early 1990s, ODOT prepared an evaluation of the environmental effects from adding travel lanes on the segment of US20/OR34 between Newton Creek and SW Neer Street (aka the ODOT District 4 access road). The results of this early plan are reflected today in the transportation system plans of the cities and county. While the corridor plan established a solid foundation, the study is outdated and may not reflect current needs, policies and potential solutions on US20/OR34. The current update process will evaluate the solutions previously outlined and determine whether or not they continue to be appropriate. The process will also reassess the needs and values of the community and develop new alternatives and solutions. Funding to construct improvements has not been identified at this time. The evaluation is necessary in order for the cities of Philomath and Corvallis and Benton County to move forward with future planning and economic development initiatives.

Purpose

The purpose of the community outreach effort for the US20/OR34 Highway Segment Plan project is: to proactively engage those interested in and/or impacted by plans for the corridor; to identify their values and issues; and to ensure those issues are addressed in the planning process. The effort will seek participation by residents, businesses, commuters, freight, community leaders and the general public. The core of the outreach effort will focus on providing engagement opportunities in which the project partners can have conversations with stakeholders and the public at large in order to collect meaningful feedback that informs the alternatives analysis/update process. To provide a solid foundation for these conversations, the project team will educate and inform stakeholders about the project, the previous effort, the project process and the alternatives being

explored. The public process should ensure that the project team has considered and evaluated viable alternatives for this project.

The public outreach effort should also be well-documented in a written Public Involvement Summary. This will document who has been engaged in process, the issues and concerns raised by stakeholders and the public, and the different ways that the project engaged stakeholders. Solid documentation is important to lay a strong foundation for any future National Environmental Policy Act (NEPA) effort required for improving the corridor.

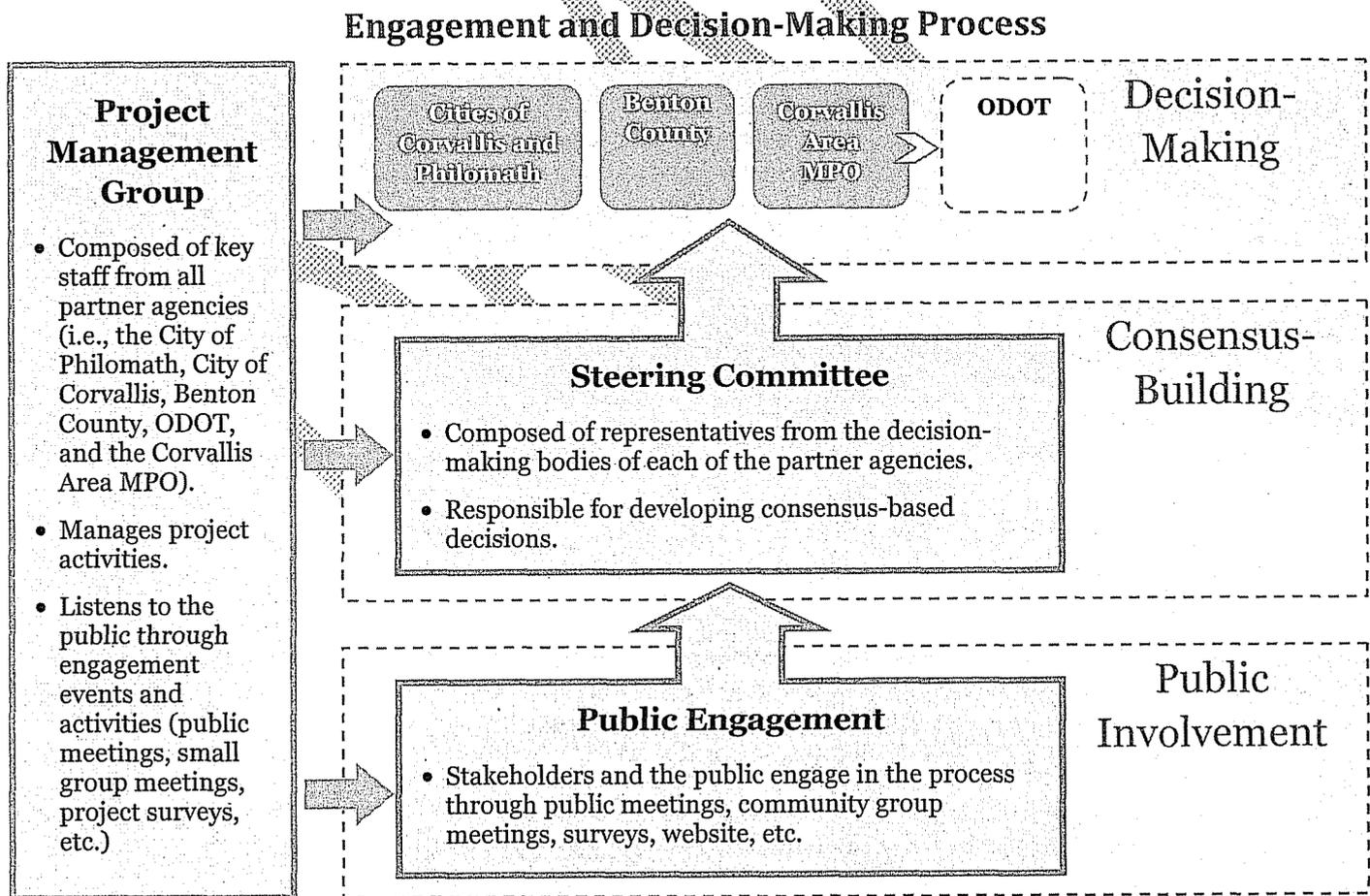
DRAFT

Engagement and Decision-Making Structure

Public engagement will play a key role in the US20/OR34 Highway Segment Facility Plan project. Through various public engagement events and activities, members of the public and key stakeholders will provide comments and feedback on the needs, solution, and alternatives for the project. This feedback will be shared with two main groups: the Steering committee and the Project Management Group (PMG).

The Steering Committee will be composed of representatives from the decision-making bodies of each of the partner agencies. It is responsible for providing policy guidance and for developing consensus-based decisions at major milestones. The PMG will be composed of key staff from all partner agencies, and is responsible for managing project activities.

The decision to approve the US20/OR34 Highway Segment Facility Plan, as recommended by the Steering Committee will be made initially by ODOT management, and by the decision-making bodies of the Cities of Corvallis and Philomath, Benton County, and the Corvallis Area MPO when they incorporate it into their plans. Once these jurisdictions have adopted the plan, the Oregon Transportation Commission will make the final approval.



Public Engagement Tools

The following tasks represent a set of tools for consideration with regard to the public involvement process to be used during the development of the highway segment facility plan.

Project Website:

ODOT would establish a project website at the initiation of the project which would include a project overview, timeline, project library with fact sheets, regular announcements with public meeting dates and materials, and a mechanism for providing comments, such as an online survey.

Meetings with community groups:

Rather than creating an Advisory Committee, this project would engage interested parties by meeting with currently-existing community groups. Some existing organizations to target include the Bicycle Advisory Committees (Benton County and Corvallis), the Corvallis Area Metropolitan Planning Organization, the area Chambers of Commerce, City Councils (Philomath and Corvallis), Benton County Commission, and freight interest organizations.

This strategy provides much needed flexibility to engage with stakeholders on particular issues, such as business access, freight movement, etc., or around particular modes of transportation, such as bike/ped, passenger vehicles and freight. Each interest or user group will have a particular perspective and suggestions, and thus small group meetings are an ideal setting for stakeholders to share their ideas and for the project team to focus on narrow topics. These focused, small group meetings augment the ability to help evaluate, narrow and refine the set of alternatives in this process, and thus play a foundational role in the outreach strategy.

Adjacent property owner and business communication

The project team would work as needed directly with property and business owners in the corridor. This could include: convening small groups of business and property owners at specific locations along the corridor to discuss an issue of common interest; meetings with established community groups (as discussed above); and one-on-one outreach and conversations with individuals to focus on specific needs and concerns. The outreach process may also include special email communications with adjacent property and business owners to ensure they are aware of project developments and to better understand their individual needs.

Public Meetings:

Community open houses or workshops may be held throughout the project to promote awareness among project stakeholders, provide general information about the project, and generate input from the community regarding future build alternatives. A minimum of three public meetings would be held to: 1) inform the community about the project and

generate general awareness; 2) collect input on the various build alternatives; and 3) inform the public about the preferred alternative and gather input before it is finalized.

These meetings would be open to the public. However, in order to ensure participation from key stakeholder interests, the project team could work with local agencies to identify and send special targeted invites to representatives from area neighborhoods, corridor businesses, freight interests, bicycle/pedestrian groups, schools, community service agencies, and others. The project would seek to build a core, diverse group of stakeholders that represent the most important issues and concerns to consider as the project moves forward. Through dialogue at workshops/open houses, these key participants, along with others from the broader community, could provide valuable insight and input to the project team on the project goals and objectives and alternatives to be considered.

Online Surveys/Meetings:

While in-person meetings continue to be important, much of the public today prefers to participate online. Online surveys would present the same information and provide comparable opportunities for comment as the public meetings. Surveys would be linked to the project website and be distributed to project stakeholders through e-mail list-serves (developed via public meetings and through other contacts with project stakeholders) and project mailings/newsletters.

Project Stakeholder Database:

A project stakeholder database would be established and maintained throughout the project. The database would include any interested stakeholders, such as businesses, residents, corridor users/freight, and other community organizations within the project area. The database would be used to distribute project materials such as newsletters, meeting notices and online surveys. The stakeholder database would be updated with contact information gathered through existing agency distribution lists, meeting sign-in sheets, comments received and other contacts with project stakeholders. The database would be organized in such a way as to facilitate communications (email or mail) with specific subsets, such as adjacent business or property owners.

Community Mailings/Newsletters:

A project newsletter would be distributed to area businesses, residents and property owners (established through GIS or mail carrier routes) at the outset of the project in order to create awareness of the project, notify people of the public meeting, and to identify interested parties for the email database. Another newsletter would be distributed to present the draft recommendations before the Steering Committee adopts them. Other targeted mailings may occur, if needed.

Notification of Public Meetings:

In order to reach a broad spectrum of interested stakeholders, including commuters and freight interests, the project team can provide notification of public meetings and other opportunities to weigh-in on the project through a variety of methods, such as:

- project mailings/newsletters
- e-mails to the project stakeholders database
- news releases
- display ads in the local community newspaper
- radio advertisements/public service announcements
- signage along the corridor

Public Information Materials:

Public information materials, such as fact sheets, flyers/posters, and meeting displays would be created as needed. All public information materials distributed to the public would include project contact information (e-mail, web address, etc.) to facilitate public input.

Information Kiosks:

Another method to capture the interest of corridor users is to use visually compelling traveling displays (at least two) at highly trafficked pedestrian areas, such as the Farmer's Market, County Fair, and the Sunset Shopping Center. These kiosks would include pertinent project information, such as a general overview and select renderings of the proposed alternatives. Kiosks would also include QR code links to the project website and/or online surveys.

DRAFT

2/21/12 Jim
Corvallis Business
/cc

The End of Growth – Lecture by Author Richard Heinberg

We all take economic growth for granted – until it falters, as in 2008. But what if the recent economic meltdown was not just an interruption in the story of continuous economic expansion, but the first sign of the end of growth as we know it? Will the convergence of financial instability, the end of cheap oil, and climate change usher in an era of contraction? In other words, do we have to adapt to a “new normal”?

Traditional economic growth is not the best measure of human health and welfare. How might we pursue improvements in education, the arts, health, well-being, freedom, and happiness without depending upon ever-expanding consumption? What does a transition to a new economy look like that doesn't depend on a model of growth based on cheap energy, reckless consumption and financial speculation?

Lecture Details:

Wednesday, February 29th, 7:00 pm

Corvallis High School Auditorium

Admission is Free

For more information, please contact: Courtney Childs 541.766.8229.

About Richard Heinberg: Richard Heinberg is a Senior Fellow of the Post Carbon Institute and is widely regarded as one of the world's foremost Peak Oil educators. He is the author of ten books including: End of Growth (August 2011), The Post Carbon Reader (2010) (editor), Blackout: Coal, Climate, and the Last Energy Crisis (2009), Peak Everything: Waking Up to the Century of Declines (2007), and Powerdown: Options & Actions for a Post-Carbon World (2004).

Facts about the Aid To Uzhhorod-6 Shipment

Corvallis-Uzhhorod Sister Cities Association

- Valued at \$105,000-150,000
- Shipment weighed over 12,200 pounds
- Shipment provided free of charge through Counterpart International (USAID)
- 200 community volunteers involved in donations, sorting, packing, loading
- 17 pallets of supplies filled with 320 boxes and various equipment items
- Filled a 40 foot container
- Budget equaled \$9000 raised from private donations and a contribution from Corvallis-Uzhhorod Sister Cities Association used to purchase packing supplies, 2 ultrasounds
- Students at CVHS, Wilson Elementary and CHS all participated
- Several quilts donated by Mary's River Quilt Guild along with 75 donated used blankets
- 100 pairs of new shoes donated by Footwise (300 pair total sent)
- 100 boxes of clothing
- New dental operatory donated by A-dec in Newberg, Oregon
- Almost new, refurbished mammography unit donated from Hologic in New Jersey
- 12 boxes of school supplies and hygiene supplies
- 6 wheelchairs, 18 walkers, 3 ultrasound machines, 8 exam tables, EKG machine included in shipment
- Recipients included a Rehabilitation Center for Children with Disabilities, an orphanage, a Roma School, a Youth Facility, a home for Orphanage graduates, a Family Practice Clinic, Uzhhorod National Dental School, a Mammography Center, Children's Hospital, and Uzhhorod Polyclinic
- Shipment left Corvallis on August 17, 2011 and arrived at port on the Black Sea on October 6th . It was safely and efficiently distributed to recipients in Uzhhorod on November 18' 2011.

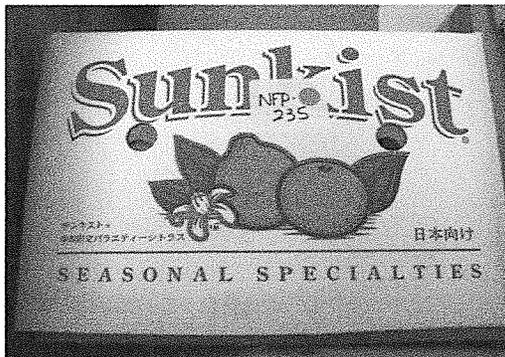
Aid To Uzhhorod 6th Shipment (ATU6) of Humanitarian Aid to Uzhhorod, Ukraine through Corvallis-Uzhhorod Sister Cities Association 2010-2011



CVHS Clothing Drive Committee



Nancy Boom, Jan Baumgartner, Mary Dean Snelling, and Cari Gleason sorting bags of clothing



Sample packing box with ID label and dot



Filled pallets ready for loading onto truck



Bill Paul and Jim Humphreys building boxes for truck



Volunteers gathered with a loaded truck



Rampton barn where most items were stored



40 foot ready container arriving for loading.