CORVALLIS
CITY COUNCIL AGENDA

July 7, 2014
[Executive Session at 5:30 pm]
6:30 pm

Downtown Fire Station
400 NW Harrison Boulevard

[Note: The order of business may be revised at the Mayor's discretion. Due to time constraints, items on the agenda not considered will be continued to the next regularly scheduled Council meeting.]

COUNCIL ACTION

5:30 pm – Executive Session under ORS 192.660(2) (d)(h)(status of labor negotiations)(status of pending litigation or litigation likely to be filed)

I. CALL TO ORDER

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

IV. PROCLAMATION / PRESENTATION / RECOGNITION

A. Proclamation of Independents Week – July 1-7, 2014

B. Sister Cities International Award

C. Climate Showcase Communities Grant

V. VISITORS' PROPOSITIONS – This is an opportunity for visitors to address the City Council on subjects not related to a public hearing before the Council. Each speaker is limited to three minutes unless otherwise granted by the Mayor. Visitors' Propositions will continue following any scheduled public hearings, if necessary.

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

A. Reading of Minutes
   1. City Council Meeting – June 16, 2014
   2. <u>For Information and Filing</u> (Draft minutes may return if changes are made by the Board or Commission)
      a. Arts and Culture Commission – May 21 and June 18, 2014
      b. Bicycle and Pedestrian Advisory Commission – June 6, 2014

c. Citizens Advisory Commission on Civic Beautification and Urban Forestry – June 12, 2014
d. Downtown Commission – June 11, 2014
e. Historic Resources Commission – June 10, 2014
f. Parks, Natural Areas, and Recreation Board – June 19, 2014
g. Public Art Selection Commission – May 21, 2014

B. Confirmation of reappointments to various Advisory Boards, Commissions, and Committees

C. Appointments to Boards, Commissions, and Committees

D. Vacancies on Advisory Commissions

E. Confirmation of an Executive Session for July 7, 2014 at 5:30 pm under ORS 192.660(2)(d)(h)(status of labor negotiations)(status of pending litigation or litigation likely to be filed)

F. Schedule an Executive Session for July 21 following the regular meeting under ORS 192.660(2)(d)(e)(status of labor negotiations)(status of real property transaction)

VII. ITEMS REMOVED FROM CONSENT AGENDA

VIII. UNFINISHED BUSINESS

A. Public Participation Task Force Recommendations [direction]

B. Downtown Hotel/Parking Structure
ACTION: *A resolution authorizing a condominium earnest money agreement* **to be read by the City Attorney** [direction]
ACTION: *A resolution leasing condominium parking spaces* **to be read by the City Attorney** [direction]

C. Package #1 Land Development Code Text Amendments (LDT13-00002 and LDT 13-00003) Deliberations [direction]

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

A. Human Services Committee – June 17, 2014
1. Council Policy Review and Recommendation: 92-5.04, "Hate/Bias Violence" [direction]

B. Urban Services Committee – None.

C. Administrative Services Committee – June 18, 2014
1. Visit Corvallis Third Quarter Report [direction]
2. Downtown Corvallis Association Economic Improvement District Third Quarter Report [direction]
3. Republic Services Annual Report [information]

4. Casco Telecommunications Franchise [direction]
   ACTION: *An ordinance for a non-exclusive telecommunications franchise with Casco fixing terms, conditions, and compensation,* **to be read by the City Attorney** [direction]
5. Third Quarter Operating Report [direction]

D. Other Related Matters
1. *Second reading of an ordinance relating to sunset reviews, amending Corvallis Municipal Code Chapter 1.16, "Boards and Commissions," as amended,* **to be read by the City Attorney** [direction]

2. *A resolution relating to a fire drill tower adopting a statement of official intent to reimburse capital expenditures from the proceeds of a borrowing reasonably expected to be entered into by the City,* **to be read by the City Attorney** [direction]

3. *A resolution relating to a fire drill tower authorizing the execution and delivery of a full faith and credit financing agreement to finance real and personal property of the City and related matters,* **to be read by the City Attorney** [direction]

4. *A resolution authorizing a FY 14-15 supplemental budget for Public Works vehicle purchases,* **to be read by the City Attorney** [direction]

5. *A resolution authorizing acceptance of an Federal Aviation Administration Grant relating to the Airport Improvements Cargo Access,* **to be read by the City Attorney** [direction]

X. MAYOR, COUNCIL, AND STAFF REPORTS

A. Mayor's Reports

B. Council Reports

C. Staff Reports
1. Moody's Report [information]
2. Watershed Meadow Management [information]
3. Economic Development Monthly Business Activity Report – June [information]

XI. NEW BUSINESS

A. AFSCME contract [direction]

XII. PUBLIC HEARINGS – None

XIII. 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

JULY 7 - 19, 2014

MONDAY – JULY 7

City Council Executive Session– 5:30 p.m. – Downtown Fire Station, 400 NW Harrison Boulevard

City Council – 6:30 p.m. – Downtown Fire Station, 400 NW Harrison Boulevard

TUESDAY – JULY 8

Citizens Advisory Commission on Transit – 8:20 a.m. – Madison Avenue Meeting Room, 500 SW Madison Avenue

Human Services Committee – 2:00 p.m. – Madison Avenue Meeting Room, 500 SW Madison Avenue

Urban Services Committee – 5:00 p.m. – Madison Avenue Meeting Room, 500 SW Madison Avenue

WEDNESDAY – JULY 9

Administrative Services Committee – 3:30 p.m. – Madison Avenue Meeting Room, 500 SW Madison Avenue

THURSDAY – JULY 10

Citizens Advisory Commission on Civic Beautification and Urban Forestry – 8:30 a.m. – Parks and Recreation Conference Room, 1310 SW Avery Park Drive

SATURDAY – JULY 12

Government Comment Corner – 10:00 a.m. – Library Lobby, 645 NW Monroe Avenue (Ward 1 Councilor Penny York)

WEDNESDAY – JULY 16

Housing and Community Development Commission – 12:00 p.m. - Madison Avenue Meeting Room, 500 SW Madison Avenue

Pubic Art Selection Commission – 4:00 p.m. – Parks and Recreation Conference Room, 1310 SW Avery Park Drive

Arts and Culture Commission – 5:30 p.m. – Parks and Recreation Conference Room, 1310 SW Avery Park Drive

Planning Commission – 7:00 p.m. – Downtown Fire Station, 400 NW Harrison Boulevard

THURSDAY – JULY 17

Parks, Natural Areas, and Recreation Board – 6:30 p.m. – Downtown Fire Station, 400 NW Harrison Boulevard

SATURDAY – JULY 19

Government Comment Corner – canceled

CORVALLIS
ENHANCING COMMUNITY LIVABILITY

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

INDEPENDENTS WEEK

July 1 – 7, 2014

WHEREAS, Independents Week provides a time to celebrate the independence of the members of the community of Corvallis and the entrepreneurial spirit represented by our core of locally owned independent businesses; and

WHEREAS, The individual decisions every community member makes today affect the future of Corvallis; and

WHEREAS, Corvallis' core of independently owned businesses give back to this community in goods, services, time, and talent; and

WHEREAS, The health of Corvallis' economy depends on our support of businesses owned by our friends and neighbors; and

WHEREAS, Corvallis independent business owners and employees enrich community members' shopping experiences with their knowledge and passion.

NOW, THEREFORE, I, Julie Jones Manning, Mayor of this City of Corvallis, do hereby proclaim the week of **July 1 - 7, 2014,** as **Independents Week** and salute our community members and locally owned independent businesses who are integral to the unique flavor of Corvallis and honor their efforts to make Corvallis the place we want to live and work.

_____
Julie Jones Manning, Mayor

_____
Date

FOR IMMEDIATE RELEASE
June 11, 2014
MEDIA CONTACT
Megha Swamy
mswamy@sister-cities.org
202-347-8637

CORVALLIS-GONDAR SISTER CITIES ASSOCIATION WINS SISTER CITIES INTERNATIONAL'S BEST OVERALL PROGRAM AWARD

WASHINGTON, DC – Corvallis-Gondar Sister Cities Association has won Sister Cities International's 2014 Best Overall Program Award for a city with a population between 25,001 and 50,000. The 2014 Sister Cities International Best Overall Program Award recognizes sister city programs that demonstrated outstanding accomplishments in 2013 in advancing the goals and mission of the sister cities movement.

The mission of the Corvallis-Gondar Sister Cities Association (C-GSCA) is to collaborate with the people of sister city Gondar, Ethiopia to develop sustainable programs and promote cultural awareness, respect, and understanding. C-GSCA's priority includes improving the quality of life for citizens in Gondar has become the focus of all their efforts, in previous years and in 2013.

Specific projects in 2013 included supporting watershed restoration activities and developing/improving locally sustainable drinking water resources, and sanitation facilities. Projects also focused on improving the quality of student learning by promoting sound teaching practices in Gondar schools, through training and professional development, establishing computer access and literacy, and creating a culture of reading, math and science proficiency.

To successfully implement these projects, C-GSCA's working group members collaborated with Oregon State University, elementary and middle public schools, and churches in Corvallis, as well as local NGOs and schools in Gondar.

Sister Cities International's Annual Awards are awarded in several categories including Best Overall, Innovation (Arts & Culture, Economic Development, Energy/Sustainable Development, Humanitarian Assistance, and Youth & Education), Volunteer of the Year, and Youth Leadership. Award winners will be honored at a special ceremony on Saturday, July 2, during Sister Cities International's 58th Annual Conference in San Jose, California.

The Sister Cities International 58th Annual Conference will bring together elected and municipal officials, engaged citizens, diplomats, and business leaders in the exciting capital of Silicon Valley to discuss, "The Power of Digital Diplomacy". Conference sessions will provide attendees with opportunities to learn about strengthening their sister city programs through informative sessions led by experts and industry leaders. For more information on the 2014 Sister Cities International Annual Conference, please visit: www.SisterCitiesConference.org.

# # #

About Sister Cities International

Founded by President Dwight D. Eisenhower in 1956, Sister Cities International serves as the national membership organization for over 500 individual sister cities, counties, and states across the United States with relationships in 2,000 communities in 140 countries. This sister city network unites tens of thousands of citizen diplomats and volunteers who work tirelessly to promote peace and understanding through programs and projects focusing on arts and culture, youth and education, economic and sustainable development, and humanitarian assistance.

Facebook: Sister Cities International; Twitter: @SisterCitiesInt; Website: www.sister-cities.org

Corvallis-Gondar Sister Cities Association
P.O. Box 424
Corvallis, Oregon 97339-0424

Web address: www.sistercities.corvallis.or.us
e-mail address: contact@sistercities.corvallis.or.us

Welcome to the Corvallis-Gondar Sister Cities Association (C-GSCA) and thank you for your interest in our work in Gondar, Ethiopia, our sister city.

Introduction:

The following information is a brief summary of the activities and efforts of the Corvallis-Gondar Sister Cities Association (C-GSCA). Being one of two sister cities in Corvallis, C-GSCA is still in its early formative years, beginning in 2005. *The mission of C-GSCA is to collaborate with the people of Gondar to develop sustainable solutions and promote cultural awareness, respect, and understanding*. To achieve this mission and as a result of the needs presented to us from our sister city in Gondar, Ethiopia, our members join one or both of two work groups: 1) water and 2) children and education. The following pages will highlight the efforts of these two work groups.

Our Sister City Friends and Relationships:

Our relationship with the Mayor of Gondar, Getinet Amare, and other city officials and administrators is a strong and positive one. In addition, we have formal working agreements with two Gondar-based organizations which work to facilitate, monitor, and evaluate our efforts and projects “on the ground in Gondar.” Entering into such formal agreements is having a positive impact on the efficiency of our work tasks in Gondar.

Bridge of Hope (BoH), under the direction of Asaye Asnake, is a Gondar-based local NGO working directly with our Water and Watershed Work Group. BoH has considerable experience in tree seedling production and tree planting within Gondar's watershed as well as implementing water projects such as drilling of wells and distribution of water purification systems all of which are work plan priorities for the C-GSCA Water and Watershed Work Group.

Link Ethiopia (LE), under the direction of Belayneh Shewaye, is a British-based NGO with an office in Gondar. LE's Gondar office has a full staff of educators working with Gondar's Minister of Education, Yigzaw Mckonnen, and the local schools, k-12. C-GSCA's Education Work Group has entered into a formal relationship with LE to assist in a number of high priority work tasks, described below, at Tsadiku Yohannes Elementary School (TY), with a population of 2000 students. In addition, the Education Work Group has also developed an informal relationship with the Gondar College of Teacher Education and the Tsedale Nega Technology College towards efforts related to improving teaching practices and computer literacy.

The following pages will provide the most recent updated summary of the work tasks currently underway by C-GSCA's two work groups. On behalf of C-GSCA, I invite you to address any questions regarding the committed efforts of our members.

Sincerely,
Don Prickel, Ph.D.
Coordinator, Public and Community Information and
Vice-President, C-GSCA Board of Directors

Water and Watershed Work Group:

Projects		Pictures
Bringing Water to Rural Villages of Gondar: Well Drilling & Construction	1) 12 wells drilled: Over the past 4 years, 12 wells have been drilled in surrounding villages of Gondar. C-GSCA works with Gondar officials in determining location of villages where residents lack any degree of clean and drinkable water. Many residents have to walk up to 3 miles daily to retrieve water that is often polluted. 2) Examples of Wells serving specific villages of Gondar city: a) Loza Maryam kebele (Ayzegira area) serving a school of 150 students and a community of 200 families b) Kebele 20 serves a school of 400 students an urban garden established on school premises and serving a surrounding community of 175 families. c) Azezo Haymanot (Genfokuch area) serves school of about 150 students and a community of about 100 families. d) Sabiya Saina (Shembekit area) serves an elementary school, junior and high school of approximaytely 1200 students, a clinic and surrounding community 3) Funding: Funds provided by private donations and C-GSCA's annual Spring/Summer Walk4Water fund-raising event. A special campaign and appreciation extended to the parishioners of Church of Doxology 4) Future Goals: 2-4+ new wells each year in rural villages of Gondar.	

Restroom Project : African Urban Poverty Alleviation Program(AUPAP)	1) From 2010 through 2013, the Bill & Melinda Gates Foundation provided a grant to Sister Cities International (SCI) to address water, sanitation and hygiene issues in Africa. In turn, SCI sub-granted funding to 7 sister cities nationally which were addressing water issues as part of their main mission. C-GSCA was granted $110,000 to construct 5 restroom/shower units in heavy populated village areas. 2) 4 Restroom/showers Units Completed: This project is extremely essential to alleviating disease, and improving sanitation and hygiene among citizens of Gondar, thus reducing poverty in families who suffer from major disease and health-related problems. The project has faced many construction delays, bank transfer difficulties, and "on the ground" coordination problems with local engineers and city officials. 3) Health Clinic: The use of the planned fifth facility was changed from restroom to a health clinic. This decision was due to inability to penetrate the existing rock formations necessary for septic tank depths. C-GSCA members, city officials, and village community councils have developed operating, maintenance, and evaluation procedures to monitor effectiveness of said units. 4) Costs/Funding: Sister Cities International Grant from the Bill and Melinda Gates Foundation. 5) Future Goals: Investigate and assess restroom needs of area local schools.	

Watershed Project (tree planting and agro-forestry development)	1) <u>Watershed Rehabilitation involving Tree Planting:</u> In collaboration with the BofH and the Minister of Agriculture, Over 1.5 million trees have been planted over the past 5 years in the watershed surrounding the Angereb Reservoir, the main source of water to the city of Gondar. Past practices of deforestation have caused rivers and reservoirs to be filled with silt and bacteria-infested waters from open grazing of animals and contaminated run-off. 2) Agro-Forestry Demonstrations: The Sabiya catchment area is intended to be an educational site to demonstrate and encourage conservation and to highlight diversified farming practices while also encouraging tree planting to reduce siltation and soil erosion. 2) Cost/Funding: Funding provided from private donations from Starker Forests, the Henry Family Foundation and Walk4Water fund-raising events. 3) Future Goals: a) Continue approximately 50,000-100,000 tree seedling production annually. b) Extend agro-forestry demonstration project in collaboration with Forestry Department, Oregon State University, Gondar Ministry of Agriculture, and Gondar University.	

Education Work Group:

(Note: At the request of former and current Gondar Mayor,Getinet Amare, and the current Minister of Education, Yigzaw Mckonnen, the main activities of the Education's work group members is to assist administrators and teachers at Tsadiku Yohannes Elementary School's, with 2000 children served daily, to become a "model school" and be a training ground for teachers in the other schools of Gondar.)

Projects		Pictures
Classroom chalk-boards and special needs supplies: **completed in 2009**	1) Chalkboards: As early as 2006 and by 2009, old and unusable chalkboards were replaced with new chalkboards in 40 classrooms. Delivery of styluses for use by blind students and teaching supplies for classroom use were also provided.	
Library and Books	1) Books for Library: Books for the school's Library, Gondar Public Library and other area schools were distributed in 2010 and the following years. By 2012, funds to purchase special reference books (as requested by TY's faculty) were sent. In 2013, additional books and 4 listening centers (books on tape with 5 sets of headphones/station) were donated to the school library. 2) Library Training: Training of school Librarian and some teaching staff at TY have been on-going and coordinated by professors from Gondar College of Teacher Education and staff from Link Ethiopia. 3) Costs/Funding: Funds provided from work group's private donations and annual Ethiopian Dinner and Auction fund-raiser in January of each year. 4) Future Goal: Continue to assess book needs for library and classroom teaching with Link Ethiopia & Ministry of Education.	

Computers Technology	1) Computer Classroom: In 2010, computers were provided by Education work group members and TY teachers remodeled classroom with needed wiring to establish the first computer classroom in an elementary school in Gondar. 18 computers have been provided and annually updated by the Education work group's efforts. Classroom has internet connectivity. 2) Computer Training-: In 2011, Tsedale Nega Technical College, provided computer technology training for 12 teachers at Tsadiku Yohannes, who in turn trained other teachers. 3) IT Instructor: An agreement between C-GSCA and the Ministry of Education was been supported for a part-time IT teacher who maintains the computers and trains teachers and instructs students in the use of computers. 4) Costs/Funding: Computers and training were funded by private donations, and the annual Ethiopian Cultural Dinner and Auction, held each January. 5) Future Goals: Replace all current computers with newer Pentium processing computers	
3-Year Teacher Training Effort	1) Teacher Training: As of 2013, a 3-year plan to train all teachers at TY school in learner-centered teaching strategies and curriculum development under the guidance and supervision of the Gondar College of Teacher Education has been completed. Approximately 60+ teachers received training. 2) Costs/Funding: Funds for staff trainers shared by both C-GSCA and Gondar College of Teacher Education. 3) Future Goals: Continue annual training of teachers.	

Corvallis School Partnership and Community Awareness	1) Corvallis Schools: 3 Corvallis schools (Mt. View Elementary, Linus Pauling Middle School, and Ashbrook Independent School) have been and are currently involved in sister school activities: pen pal exchanges, collecting classroom supplies for TY use, shared cultural study exchanges about Ethiopia, Africa, Corvallis, and Oregon, and classroom manipulatives and games for math and science learning. 2) Costs/Funding: Teachers, school staff, parents from the above schools funded the materials needed for such activities. 3) Future Goals: Continue to add more Corvallis partnership classrooms and schools; increase C-GSCA's Education Work group engagement in working with teachers and conducting classroom demonstrations in the Corvallis schools.	
Parents of Adopted Ethiopian Children	1) Parents Support Group: A support group has been established in Corvallis for families of adopted Ethiopian children. They meet on a regular basis and provide child care support and play a vital role as volunteers for various C-GSCA fund-raising events. 2) Costs/Funding: No cost or expenses 3) Future Goals: 1) study and implement a food (breakfast/lunch) program for children at TY School in Gondar. 2) "Slow Foods Corvallis" has provided funds to C-GSCA, who in turn coordinated a garden project with a non-profit organization, Yenega Tesfa (Hope for the Future) which provides housing for "street children" in Gondar.	

Corvallis Delegations to Gondar	1) <u>Travel Delegation to Gondar:</u> For the last 2 years, a delegation of interested residents and C-GSCA members from Corvallis have traveled to Gondar to work with the training coordinator, the teaching staff, and children at TY School. Among the possible projects have been modeling effective classroom teaching strategies, working with teachers in developing and making classroom learning aids for students, computer training, assisting faculty in curriculum and course design. 2) <u>Costs/Funding:</u> Materials funded by C-GSCA; travel and lodging at expenses of traveler. 3) <u>Future Goals:</u> Increase delegations as an on-going, continuous, annual event; raise funds to bring a delegation here to Corvallis from Gondar.	

WALK FOR WATER ETHIOPIA

Walk for Water Ethiopia is organized by the Corvallis-Gondar Sister Cities Association. All funds raised from this event will go directly toward costs to drill wells for people in Gondar, Ethiopia. You can make a difference tomorrow by walking today. Register online and Walk for Water!
www.ethiopiawater.org

CORVALLISGONDAR
Sister Cities Association

CORVALLIS
ENHANCING COMMUNITY LIVABILITY

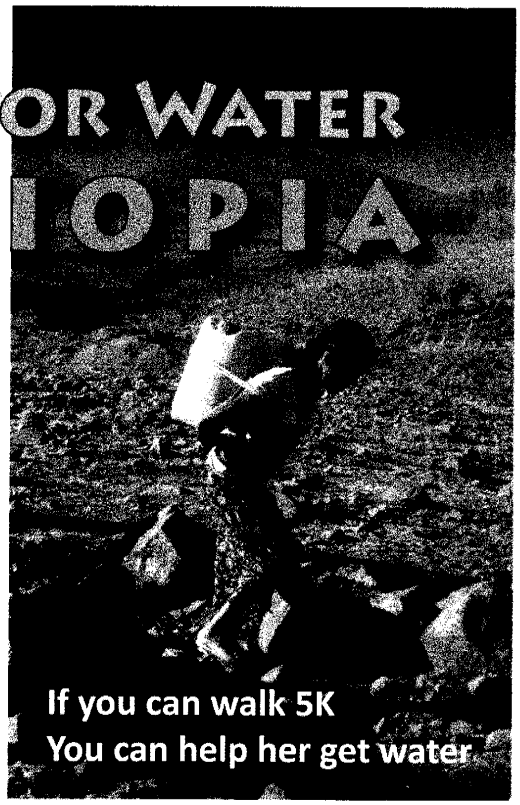
COFFEE AND CULTURE

WALK FOR WATER ETHIOPIA

Benton County Fairgrounds
Corvallis, Oregon
July 12th, 2014

- 8:30am – Register or check-in
- 9:30am – 5K walk begins
- 10:00am to 1:00pm – "Market Village" food, music, and kids area
- Cost: $10 for individual walkers
  $30 for family walkers

To Walk for Water, register online:
www.ethiopiawater.org



RECEIVED

JUN 16 2014

CITY MANAGERS OFFICE
CITY OF CORVALLIS

Minutes of April 17, 2014

Access Benton County

Present: Marlene Massey, Tony Albert, Hugh White, Jim Smith, and Guests, Chelsea Chytka, Senior Center Recreation Coordinator, and Jacqueline Rochefort, MLA, Corvallis Parks and Recreation Department.

ABC Minutes are intended to describe the discussions, decisions, and actions that occur during ABC's bi-monthly meeting. The minutes are to be considered only a draft until they are approved at the following monthly meeting. Persons who receive the draft of the minutes and see inaccuracies or omissions in them are asked to please inform ABC.

A. We asked Jacqueline to join us to discuss the progress so far with the design and funding for Parks Projects for this year. She is the principal designer for the Parks Department. She reported that two grants have been submitted to the State Parks for the immediate improvements of MLK Park (formerly Walnut Park) for better ramps and ADA bucket-type seats. Another improvement hoped for at MLK Park would be rubber walkways. Having large surfaces of rubber are not feasible because of the high cost.

There are not enough funds at this time to begin construction of Ronald Naasko Playground. There is a process for fund-raising for each Park's Project. The Friends of Parks is working on the Ronald Naasko Playground project already.

Jacqueline noted that Ronald and the Parks Department spent much time discussing where he wanted the playground to be sited.

There is some FEMA money given by the Federal Government for qualified projects. This fund might cover 75 percent of a project but 65 thousand dollars must be obtained by the City before such a match can be considered. There also a requirement of the State that a "Greenway Permit" must be obtained and this costs $6,000.

The Chewalla Area where the Mary's River flows into the Willamette is challenging to design due to the importance of Native American history and sacredness of this land. This is an on-going project that requires considerable negotiations and legal requirements as well as money.

The Boardwalk project in in the wetlands (Brooklane Drive S.W.) may be done in the Fall. It is important that cross bracing be done to insure strength and safety. There are 72 acres of wetlands at this site. There will be housing lots to be developed in this area.

Jacqueline emphasized the planning phase of playground design. She likes to have children look through catalogues to see what features might excite them to play on. Also she favors colorful and friendly atmosphere. She will keep us informed as the funding, siting, and planning progress.

B. Chelsea is an Oregon State Grad and has worked at the Senior Center for ten years. She plans the Travel Program (Bus Trips), helps to keep people active and develops activities that are needed by Center participants. Activities include "Zuma Gold" for age 50 and older persons, and a "Felden Creis" Class for exercise.

She shared her school background that prepared her for such an important career. She was in the Gerontology Club at OSU and the Student Association. She took classes in Universal Design for all ages.

Thank you Chelsea for giving us an orientation to the Senior Center!

The next ABC meeting will be Thursday, June 19th from Noon to 1 p.m. at the Chintimini Senior Center, 2601 NW Tyler Avenue, Corvallis. All persons are invited to attend our meetings and to give us ideas for improving accessibility in Benton County.

July 1, 2014

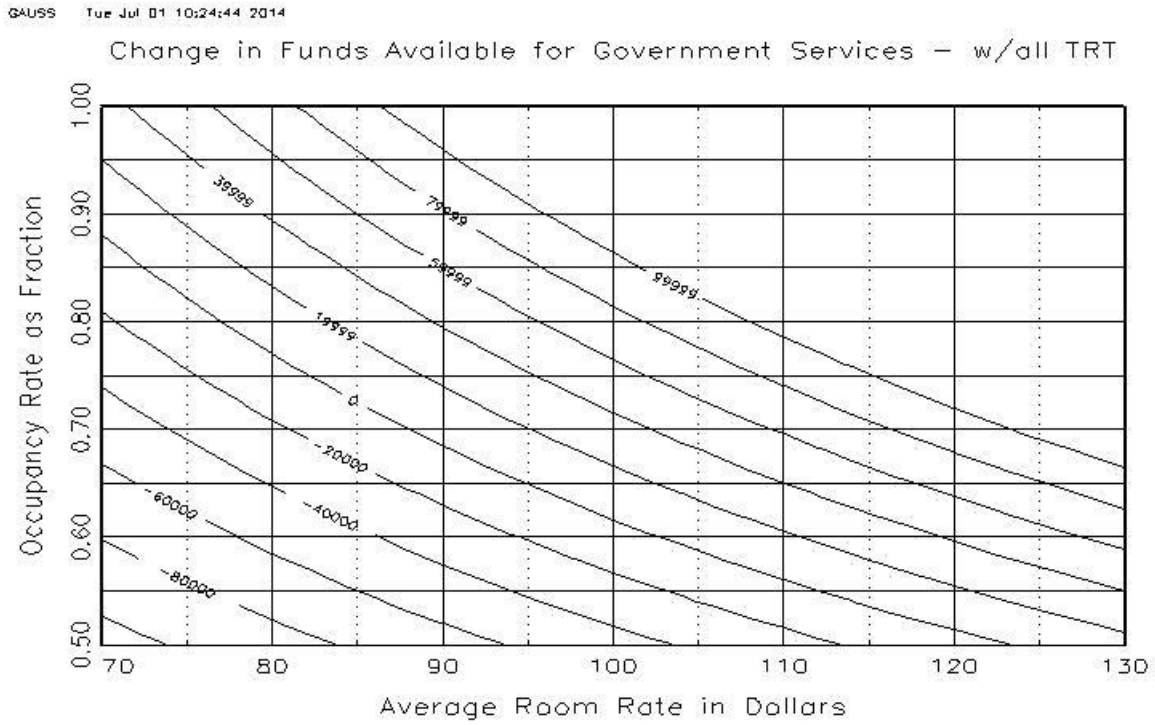
To: Mayor and City Council

From: John H. Detweiler, Citizen of Corvallis

Subj: Downtown Hotel-Parking Garage

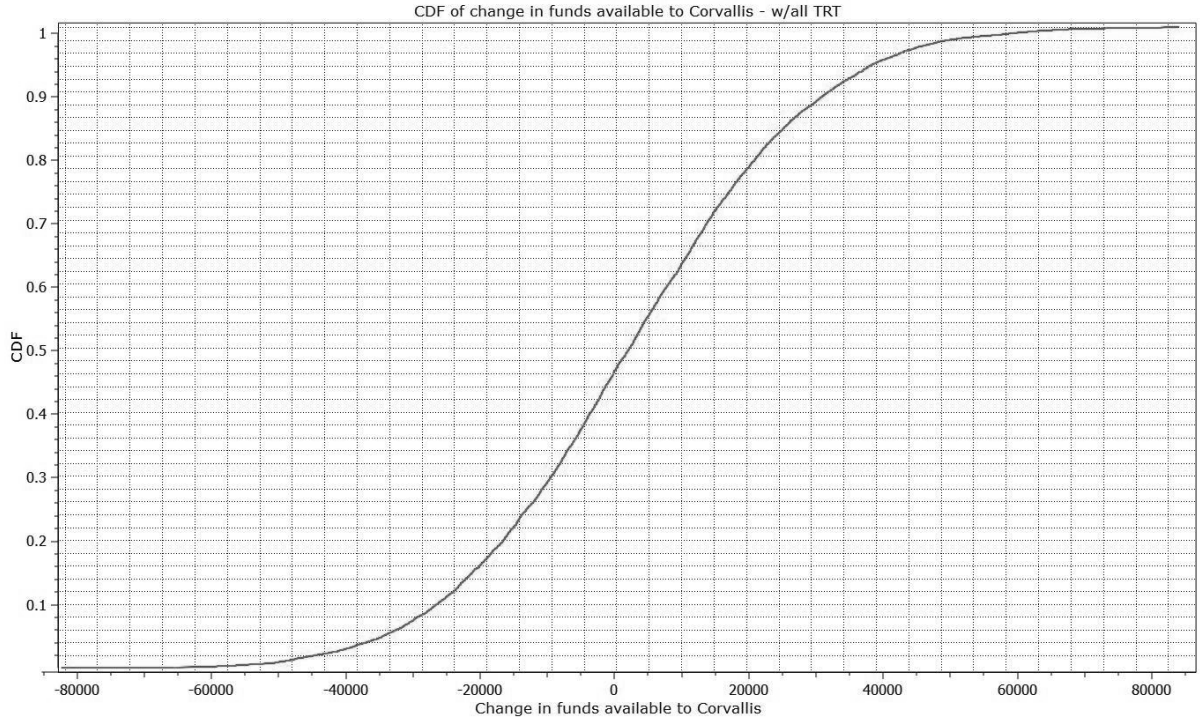
According to the Gazette Times of July 1, 2014, Visit Corvallis pledged its 30% of the TRT to the city to make up the difference between payments to the city from the project and the yearly debt service. I modified the equation that computes the change in the funds available for government services resulting in changes to two of the graphs in my June 30, 2014, memorandum.

The graph showing the change in funds available for government services – assuming all TRT goes to Corvallis and none goes to Visit Corvallis – is shown below.



The zero line moves down and to the left, which is very helpful.

The graph showing the cumulative distribution function of increase/decrease effect – assuming all TRT goes to Corvallis -- is shown below.



The probability of the change to the funds available for government services being positive is 54%. In my opinion, the probability of a positive change in available funds is too low for Corvallis to accept this deal. However, if there were people who are willing to put up enough up-front money – in addition to the TRT going to Visit Corvallis -- to reduce the debt service by $60,000, this would deal would work.

June 30, 2014

TO: Mayor and City Council

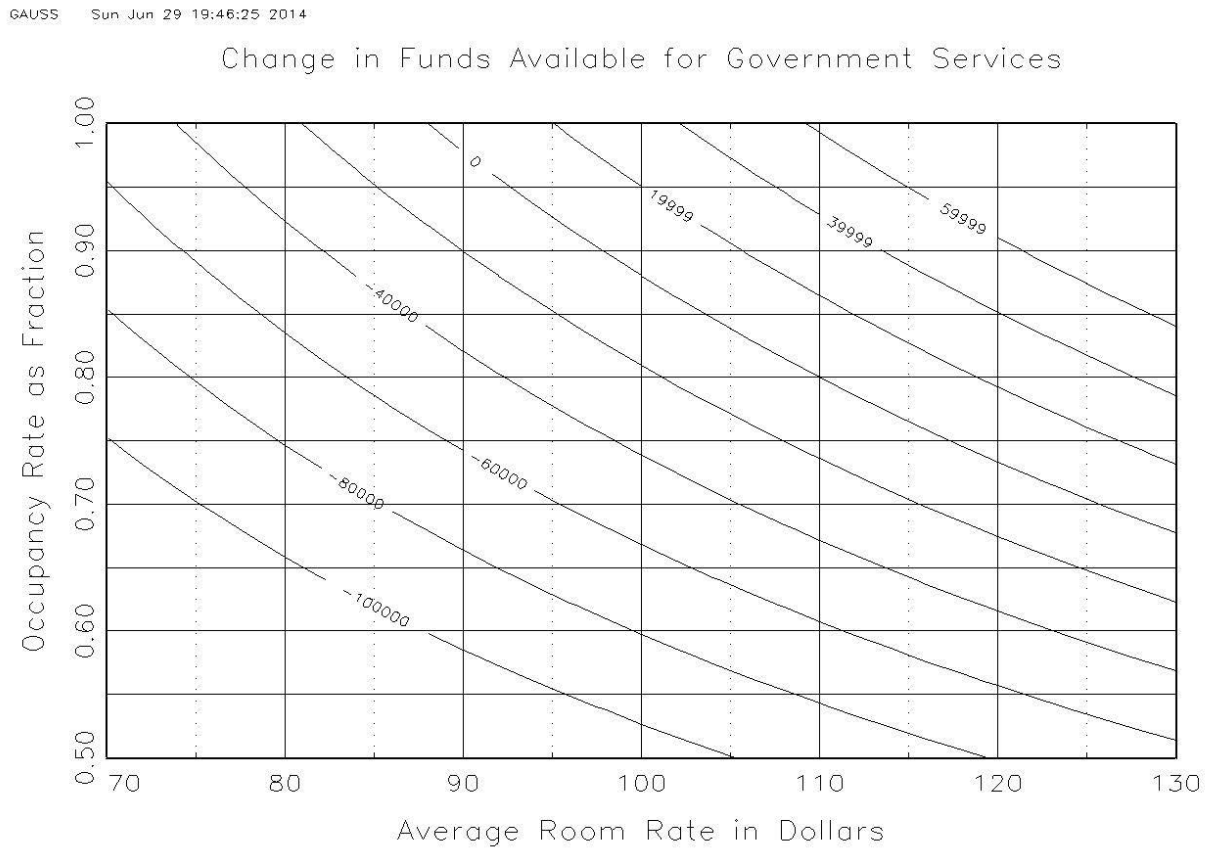
From: John H. Detweiler, Citizen of Corvallis

Subj: Downtown Hotel-Parking Garage

Based upon the documents currently posted on the Corvallis and developer's website, I conclude that this project will result in reduced funds for city services as it is now structured and that the City Council should vote the project down unless it is restructured so that there is no risk to city services.

I base this conclusion on a model I built using the methodology, and property tax numbers, in the Nancy Brewer memorandum dated May 19, 2014, subject Hotel Development Financial Possibilities. I also used data from the Kennedy & Mohn (K&M) Analysis dated May 27, 2011.

The two most important drivers are average room rate and occupancy rate. The websites contain analyses using higher room and occupancy rates that make the project appear less risky. Below is a graph showing the effect on city finances as a function of room and occupancy rates.



Observe the zero line of the "Change in Funds" lines. The points above and to the right of the zero line result in an increase in available funds. The points below and to the left of the zero line result in a decrease in available funds. The K&M analysis tells us to expect an average room rate between $105 and

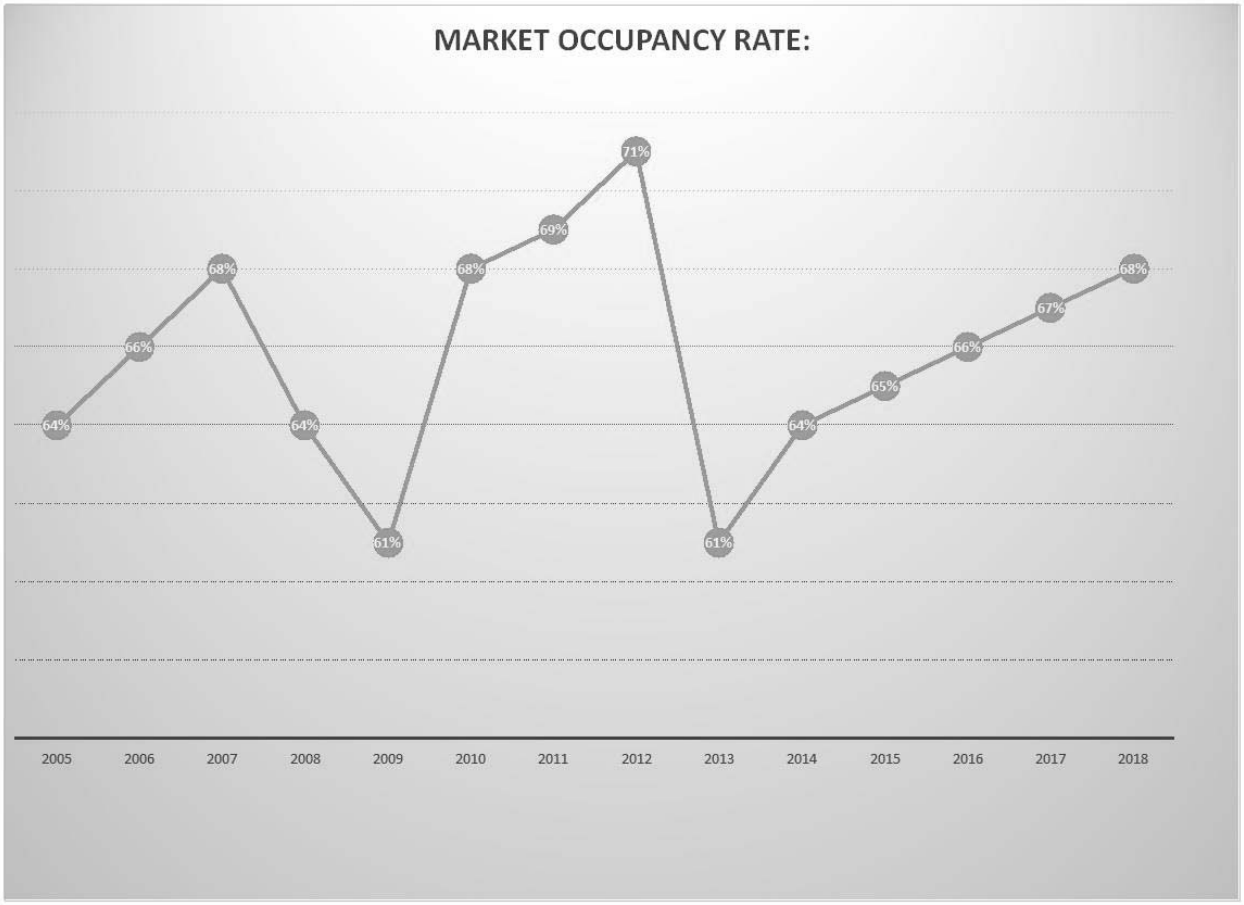
$115 in 2011 dollars and the occupancy rate to stabilize at 70% to 73%. As can be seen in the above graph, those numbers will result in a negative change to funds available for government services.

I, for one, believe that that the K&M expectations are too optimistic. It is not clear how K&M made their forecasts of expected room and occupancy rates. Moreover, I have seen too many forecasts made at different times since 2008 where economic conditions do not improve at the rate the forecaster expected them to improve. Therefore, I thought it best to work with history rather than forecasts.

The room rates for 2005 to 2010 are shown in the graph below.

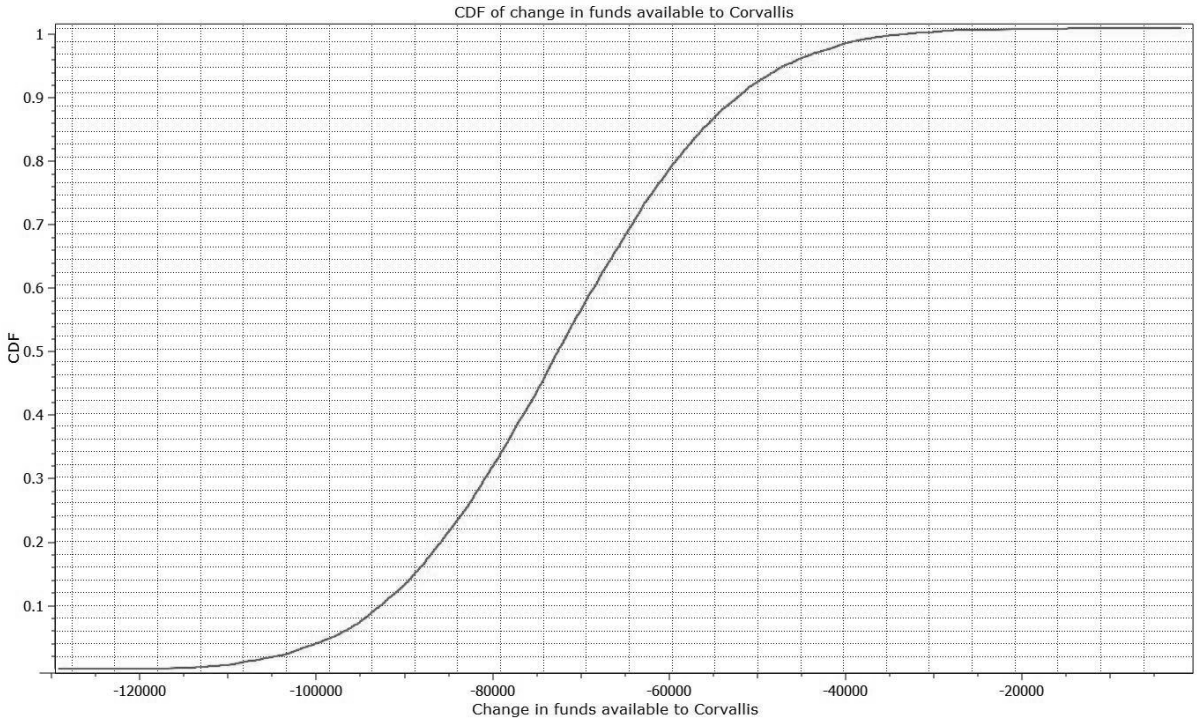
The highest room rate is $102.93.

The occupancy rates from 2005 to 2018 are shown in the graph below. The data from 2005 to 2010 are history and the 2011 and later data are K&M projections. The K&M analysis is three years old and I have not seen historical data for the years 2011 to 2013. Therefore, I do not know if the forecasts actually happened. The drop in 2013 reflects the proposed hotel coming on line January 1, 2013, which obviously did not happen.



The highest historical occupancy rate is 68%.

Using the historical room rates and occupancy rates and assuming that they are bivariate normally distributed, one can run a Monte Carlo simulation and estimate the cumulative distribution function of increase/decrease effect of this project on the funds available for city services. The means for the room rate and occupancy rates are $95.37 and 65.2%, which I think, are more realistic than the K&M expectations. The cumulative distribution function is shown below.



As one can see from the graph, there is virtually zero probability that the change in funds available for city services will be positive.

There was a comment on one of the websites to the effect that a few analysis were done out of the many that could be done. I question that. 3111 analyses were done to create the graph showing the change in funds as a function of room and occupancy rates. 10000 simulations were used to create the CDF graph.

John Hope-Johnstone CTC
[redacted]
Corvallis, OR 97330

6/19/14

Dear City Council,

I would like to support the concept of funding the garage component for the proposed HYATT hotel downtown.

In 2013, I completed a conversion study for Visit Corvallis. One of the questions asked via Survey Monkey to a large number of visitors was what did you like **least** about Corvallis?

One of the most often repeated answers was:

1. It would be nice if there were more accommodations closer (i.e. Within walking distance) to the downtown area.
2. Also, several responses using the follow words: “Need more hotels downtown”

These are exactly the same as the answers we received in an identical study in 2001.

Other responses reflected the frustration about not being able to find accommodation during peak times and having to go to neighboring cities.

We are a City dedicated to preserving our downtown core. The only way to accomplish this is to have residential accommodation downtown (gentrification), and also hotel visitors getting to know our downtown core, our shops and fine restaurants.

A Hyatt hotel will increase the average daily rate for Corvallis and allow other lodging properties to raise their ADR according to their ranking and flag.

I have no doubt that the parking will be repaid and that a Hyatt hotel in Corvallis will attract more visitors as they have one of the most sophisticated marketing programs in the lodging industry.

I say this after over 30 years in the tourism and hospitality industry and having been Director of Marketing and VP of Marketing for three International Hotel Companies.

Thank you for all you do for Corvallis,

Best regards

John

July 2, 2014 (Rec'd from Alan Wells; 7/2/14)

To Mayor and City Council:

We wanted to take this last opportunity to submit our comments concerning the proposal we have put forth. Over the past five weeks we have made every attempt to gather feedback from the community. Multiple public meetings, Website and Facebook interaction, one on one meetings with concerned citizens, etc. We did this because it was the right thing to do and in the end it was very informative. To say the least, everyone has differing opinions on what will work and what won't when it concerns a project like this. However, the vast majority of feedback has been extremely positive. The overwhelming sentiment is that a new, first class hotel and parking facility would be very beneficial to downtown Corvallis and the region generally.

Not all of the feedback has been supportive, however. Some of the most vocal criticism has come from community members who have genuine concerns centering on a deep held belief that a hotel and parking facility is not needed, nor appropriate for the riverfront. What is ironic is that some of the same people who don't support our proposal are the very people who helped form Corvallis' 2020 Vision Statement where a hotel and parking structure are sought after goals. Further many of these same people helped form the Corvallis Riverfront Plan, and put in place the zoning criteria that all projects on the riverfront must adhere to.

Regardless, even though there is some level of disagreement, we have greatly appreciated those who have taken the time to voice their "sincere and public good" opinions on our proposal.

We are also aware that our competition has sent you a letter opposing our project. We've chosen not to specifically address the inaccuracies and falsities in their letter as we feel that a plea from our competition, not to approve our proposal, may be its best endorsement.

A side note…..we have unwavering respect for what you must endure in making nearly every decision you're charged with. We had no idea what kind of public involvement our community demands and the kind of rhetoric and criticism you must surely endure. We commend you all for your dedication.

In our way of thinking your decision must come down to the following questions. While not wanting to oversimplify, based on the conversations and public input we've heard, these were the primary concerns the public seemed to have.

Should the City be involved in a Private enterprise….?

To this we would say….yes…of course. Public support for an economic development project is a tried and true endeavor. This kind of public / private enterprise is hardly new. Countless communities across the country have realized the benefits of doing the kind of project that stimulates economic activity. It takes only a few Google searches to come away with many types of Economic Development projects where a community has entered into agreements with private entities to build a "something" that will enhance the community. Our proposed development is no different except for two very important exceptions. One is in its ability to pay for itself. Most projects of this type are truly grants or subsidies by a community, with no real means of paying back the subsidy. Ours is different as we have a unique tax that comes about only because of the project we intend to build. A second distinction is that the City will own the parking structure once the debt is paid off free of any financial encumbrance and future operating costs. As the hotel is leasing the facility, essentially into perpetuity, operating costs are paid by the hotel, not by the City, and, therefore, the City is not burdened by future operating costs. Should the City be involved….Yes

Is a hotel needed or wanted in downtown Corvallis…..?

To this we would of course say yes. No one we've talked with suggests that a hotel in downtown Corvallis wouldn't be a good idea. Everyone agrees the economic benefits to the downtown area are tremendous. It's partly why no one spoke out against this project when it was going through the land use approval process. It received unanimous approval by the Planning Commission which, as you know, happens rarely. At its core this is an economic development project. The community needs a new hotel in order to host more and larger events. The project is good for OSU, good for downtown business owners and good for the community at large.

Is parking needed in the downtown area….?

To this we would answer yes as well. The best support for the parking component of this project can be derived from looking at what is happening on the north end of the riverfront. At some point in the future, the parking issues in downtown Corvallis will begin to stifle economic viability. It takes only one project to create an untenable parking problem and we are offering a means of addressing what might be a future problem on the south end of the riverfront. Parking is necessary, a necessary evil to some, but nonetheless necessary in order for our downtown and riverfront to survive

and prosper. We are offering to share parking….simple….and while the split between monthly, daily and hourly parking are not be completely known at this point, we have structured the transaction to maximize the number of parking spaces available to the public. We have a $70,000 per year lease payment as an incentive to keep all of the spaces in the garage rented at all times. Small steps are the solution to an ever increasing parking issue in Corvallis. Our project represents one of those steps.

Is the City at risk….?

To this we would say…. some ……. but let's define the risk. The risk isn't that the City will lose $4.2 mil. There is virtually no chance of that event occurring as the City will own the parking structure following its completion. Nor is there risk the City will suffer construction cost overruns, or operational difficulty. These risks remain with our development group. The City's risk is that the TRT revenue, generated by the hotel, combined with our $70,000 per year lease payment, won't be sufficient to offset the bond payment the City is required to make. This is a quantifiable risk and there have been countless attempts by us, City staff and others in the community to quantify this risk. Much of the debate and risk analysis has centered on occupancy. But focusing on hotel room occupancy alone as a gauge of whether or not the proposal is financially viable is somewhat misleading. TRT revenue is a function of both occupancy and room rates. Room rates are adjustable based on market conditions. This stands to reason. If rooms are in high demand, room rates will be higher. Hotel management will be charged with not only obtaining the highest room occupancy but the highest rates possible for a given market condition.

In the end, the fact that supports our proposal more than any other is that the TRT revenue we are projecting for 2017, is actually less than what the Holiday Inn Express and Hilton Garden Inn are collecting today.

We believe our assumptions, and those of City staff are conservative and realistic but even under the most conservative risk analysis, the City will have sufficient TRT revenue, when combined with our lease payment, to make the bond payment. There are also significant financial rewards for the City. The City stands to gain millions of dollars of new TRT revenue over the life of the project and the increase in surrounding property values, as a result of our project being built, will also lead to additional revenue to the City.

City staff has done an excellent job of negotiating this transaction. The City's risk has been minimized while the upside, in the form of TRT revenue and lease payments over and above the City's bond payment, is maintained.

Will this project get built without the City's involvement….?

To this we answer…. NO. One of our partners, spent nearly two years talking to dozens of hotel developers, lenders and consultants about the project prior to entering into a partnership with the current development group. Without exception, the developers and lenders he talked with declined to build or finance the project. Why? Simply because the costs were too high. The riverfront zoning code is restrictive, but this is not a criticism, on the contrary, the riverfront zoning has and will make for good projects in the future, but the added expense of building within this zoning code puts a project like this hotel at a competitive disadvantage. Even a scaled down hotel with fewer rooms, less costly finishes and a smaller parking garage simply cannot work financially without some form of public support. The approved plans called for 109 parking spaces and 121 rooms. This was not economically feasible. This is what led us to the proposal at hand. What is being proposed is a very well thought, contextual project that will have a positive lasting impact on this community.

We have sought to arrive at a balance between public and private participation in this project. We've asked for and received tremendous public input. We think the proposal put forth is an excellent opportunity for the City and reflects that public input.

We look forward to your discussions on Monday. We remain available to answer any questions you have in advance of your meeting.

Thanks again for your efforts…..

The Corvallis Riverfront Hotel, LLC

ENTRANCE VIEW

NORTH ELEVATION AT ENTRANCE

3/32"=1'-0"

EAST ELEVATION VIEW FROM RIVER

3/32"=1'-0"

CITY OF CORVALLIS
COUNCIL ACTION MINUTES
June 16, 2014

SUMMARY OF DISCUSSION

Agenda Item	Info Only	Held for Further Review	Decisions/Recommendations
Executive Session 1. AFSCME update 2. Municipal Judge Contract Page 222	 Yes Yes		
Proclamation/Presentation/Recognition 1. Corvallis Pride Day 2. GHG Inventory Results 3. OSU Black Graduation Day Pages 222-223	 Yes Yes		• Proclaimed
Visitors' Propositions 1. GHG/Climate Action Plan (Lovett, Higbee-Sudyka, Mills, Stevens, Paul) 2. Downtown Hotel/Parking Structure (several citizens) 3. OSU Director of Community Outreach (Stoll) 4. WP/Downtown Hotel/Parking Structure (LWV/Murphy) 5. GHG (Eager) 6. WP (Hatch, Mace) Pages 223-224, 226-228	 Yes Yes Yes Yes Yes Yes		
Public Hearing 1. LDC Text Amendments Package #1 Pages 224-226		Delibs 7/7/14	
Consent Agenda Pages 228-229			
Item Removed from Consent Agenda 1. Announcement of Reappointments to Boards, Commissions, and Committees Pages 229-230			• Approved reappointments <u>passed 8-1</u>
Unfinished Business 1. Downtown Hotel/Parking Structure 2. RPDs 3. Municipal Judge Contract Pages 230-235	 Yes	Delibs 7/7/14	• Suspended implementation until signature verification <u>passed U</u>
HSC Meeting of June 3, 2014 1. Social Services Allocations FY 14-15 2. Sunset Review: CCI 3. Sunset Review: ACC 4. Sunset Review: CBUF 5. CPRR: 97-4.09, "Free Use of P&R Facilities" Page 236			 • Approved allocations <u>passed U</u> • *See Other Related Matters* • *See Other Related Matters* • *See Other Related Matters* • Amended policy <u>passed U</u>

Agenda Item	Info Only	Held for Further Review	Decisions/Recommendations
USC Meeting of June 3, 2014 1. Sunset Review: AC 2. CPRR: 95-7.12, "Integrated Vegetation Pest Management Program" Pages 236-237			• *See Other Related Matters* • Amended policy passed U
ASC Meeting of June 4, 2014 1. Sunset Review: EDC 2. 2014 Land Use Fee Review 3. NPMC Page 237		Yes	• *See Other Related Matters* • RESOLUTION 2014-19 passed U
Other Related Matters 1. Sunset Reviews Ordinance 2. Interfund Loan to CD Revolving Fund Page 237		2nd reading 7-7-14	• Ordinance relating to sunset reviews passed 8-1 • RESOLUTION 2014-20 passed U
Council Reports 1. Georgetown Energy Prize (Hervey) 2. Recognition of Associate Planner Bob Richardson (Hervey) 3. Congratulations to graduates (York) Page 238	Yes Yes Yes		
Staff Reports 1. City Manager's Report 2. CRFR – June 12, 2014 3. ED Monthly Business Activity Report Page 238	Yes Yes Yes		

Glossary of Terms

ACC	Arts and Culture Commission
AFSCME	American Federation of State, County, and Municipal Employees
AC	Airport Commission
ASC	Administrative Services Committee
CBUF	Citizens Advisory Commission on Civic Beautification and Urban Forestry
CCI	Committee for Citizen Involvement
CD	Community Development
CRFR	Council Request Follow-up Report
CPRR	Council Policy Review and Recommendation
ED	Economic Development
EDC	Economic Development Commission
FY	Fiscal Year
GHG	Greenhouse Gas
HSC	Human Services Committee
LDC	Land Development Code
NPMC	Neighborhood Property Maintenance Code
OSU	Oregon State University
P&R	Parks and Recreation
RPDs	Residential Parking Districts
U	Unanimous
USC	Urban Services Committee
WP	Washington Park

CITY OF CORVALLIS
COUNCIL ACTION MINUTES
June 16, 2014

Mayor Manning read a statement based upon Oregon laws regarding executive sessions. 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. Mayor Manning noted that no decisions would be made during the executive session. Council and staff members were reminded that the confidential executive session discussions belonged to the Council as a body and should only be disclosed if the Council, as a body, approved such a disclosure. Council or staff members not able to maintain the Council's confidences were asked to leave the meeting room.

Council entered executive session at 6:00 pm. City Manager Patterson briefed the Council on the status of labor negotiations for the American Federation of State, County, and Municipal Employees.

Council President Hervey provided a summary of the Municipal Court Judge employment agreement.

Mayor Manning recessed the meeting at 6:08 pm.

I. CALL TO ORDER

The regular meeting of the City Council of the City of Corvallis, Oregon was called to order at 6:30 pm on June 16, 2014, in the Downtown Fire Station, 400 NW Harrison Boulevard, Corvallis, Oregon with Mayor Manning presiding.

II. PLEDGE OF ALLEGIANCE

III. ROLL CALL

PRESENT: Mayor Manning; Councilors Beilstein, Brauner, Brown, Hervey, Hirsch, Hogg, Sorte, Traber, York

Mayor Manning directed Councilors' attention to items at their places, including excerpts from the greenhouse gas inventory report included in the meeting packet, a letter of support for the Georgetown University Energy Prize competition (Attachment A), a copy of Resolution 2000-15 relating to participation in the Cities for Climate Protection Campaign (Attachment B), a letter from B.A. Beierle concerning a proposed Downtown Hotel and Parking Structure (Attachment C), and a letter from Tony Howell concerning density rounding (Attachment D).

IV. PROCLAMATION/PRESENTATION/RECOGNITION

A. Proclamation of Corvallis Pride Day

Mayor Manning read the proclamation. Tom Johnston said the sixth annual Pride Festival was scheduled for June 28 in Central Park. The family-friendly event includes an AIDS walk, music, food, beverages, crafts, a photo booth, and more. The festival's theme is "Get Engaged" to show support for same sex marriage and officiates would be in attendance to perform weddings in the Park.

B. Climate Showcase Communities Grant Greenhouse Gas Inventory Results

Sustainability Program Specialist Scott Dybvad gave a PowerPoint presentation and spoke from prepared notes (Attachment E).

In response to Mayor Manning's inquiry, Mr. Dybvad said items such as food and goods are about the same for Corvallis and larger communities like Portland or Multnomah County. He said it is difficult to look at all the criteria used by other communities to understand the differences and it was not a perfect analysis.

Councilor Beilstein expressed concern about metrics in the report. He said he would not have necessarily done anything different; however because the numbers are population based, they would not improve, no matter what residents do. In response to Councilor Beilstein's inquiry, Mr. Dybvad said the report does not account for electricity generated locally by photovoltaics because solar power does not produce greenhouse gasses.

In response to Councilor Traber's inquiry, Mr. Dybvad said Pacific Power's grid-wide emissions profile includes Corvallis' participation in the Blue Sky program, so it was one way to affect the profile.

Councilor Sorte said Pacific Power committed to cease operating its coal power plant and Oregon State University (OSU) was working to reduce its food waste. He expected the numbers to improve over the next ten years due to high usage of the City's fareless transit system.

C. Proclamation of Oregon State University Black Graduation Day – June 13, 2014

Mayor Manning said the OSU Black Graduation proclamation was read at the graduation event.

Mayor Manning noted the letter of support for Corvallis' participation in the Georgetown University Energy Prize competition. She encouraged Councilors to also provide letters of support.

V. VISITORS' PROPOSITIONS

Linda Lovett read from a prepared statement concerning climate change (Attachment F) and noted the resolution that was at Councilors' places (Attachment B). In response to Councilor Traber's inquiry, Mayor Manning suggested assigning the topic to the Urban Services Committee (USC) for discussion and recommendations to Council about potential next steps; Councilors concurred.

Debra Higbee-Sudyka, representing the Sierra Club, read from a prepared statement concerning the greenhouse gas inventory (Attachment G).

Annette Mills read from a prepared statement (Attachment H) concerning climate change.

Marge Stevens said as the City moves toward next steps for lowering greenhouse gas emissions and implementing a climate action plan, several changes to zoning and building codes may be required. When deciding whether to participate in funding for a downtown hotel and parking structure (DHPS) project, she requested Council consider whether to instead extend bond authority to a parking lot or projects like a food processing plant and renewable energy production and conservation. Ms. Stevens also asked Council to begin considering building code and zoning changes, moving toward carbon-neutral new construction.

Kris Paul helped organize a climate summit in January. Over 20 community groups participated, including grass-roots groups, established groups like the Corvallis Sustainability Coalition, and students from the high schools and OSU. Mayor Manning noted that USC will further discuss the topic and their meetings are open to the public.

Dan Whitaker, an investor in the proposed DHPS project, said two question-and-answer meetings were held to respond to concerns raised by the public, a presentation was also given at the Chamber Forum on June 11, and investors also met with individuals to answer questions (Attachment I). Mr. Whitaker said input from those meetings generated changes to the parking structure design, including the use of solar panels, the possible addition of electric cars for guests to drive while in town, use of natural aeration instead of fans, and other strategies to reduce the project's carbon footprint. With Mayor Manning's permission, Mr. Whitaker asked those who supported the project to stand and about 25 or 30 people did so. Councilor Sorte thanked Mr. Whitaker and Mr. Nelson for coordinating the meetings.

Dave Eckert opposed committing City funds to build a parking structure. He cited two other projects in Oregon where the same public/private partnership approach was being used to build Hyatt hotels, and he did not believe the government should be involved in those ventures. Mr. Eckert said parking is needed at night for Corvallis residents who come downtown, but he reasoned the parking structure would be full from hotel guests. In response to Councilor Beilstein's inquiry, Mr. Eckert said he did not know what the public funding was being used for in the other projects. In response to Councilor Hervey's inquiry, Mr. Eckert said he did not have confirmation the Corvallis project was actually a Hyatt-brand hotel, just that he had heard the name being used. Councilor Sorte said the newspaper article he read indicated the government funding in the other two projects related to sharing hotel conference rooms. In response to Councilor Sorte's inquiry, Mr. Eckert said he did not object to the project; he just didn't want tax money to pay for any of it. Councilor Sorte also invited Mr. Eckert's feedback on the four-page document Councilor Sorte posted to the City's website (Attachment J).

Mayor Manning recessed the meeting from 7:25 pm to 7:30 pm.

XII. PUBLIC HEARINGS

Mayor Manning opened the legislative public hearing at 7:30 pm.

A. A public hearing to consider Package #1 Land Development Code (LDC) Text Amendments (LDT13-00002 and LDT 13-00003)

Mayor Manning reviewed the order of proceedings and opened the public hearing.

Declaration of Conflicts of Interest - None.

Staff Overview - Planning Manager Young referenced the staff report included in the meeting packet and provided an overview of the package through a PowerPoint Presentation (Attachment K).

Public Testimony

Laura Lahm Evenson read from prepared testimony (Attachment L). In response to Mayor Manning's inquiry, Community Development Director Gibb said the original communication from the League of Women Voters (LWV) requesting amendment of language in LDC Section 1.1.60, Conflict of Interest, was considered by the Planning Commission, but a recommendation did not move forward. He noted the LWV's original request was included in the meeting packet.

Kirk Bailey, said he was representing himself and he was available to answer questions as a member of the Infill Task Force. He supported the lot size concept being considered by staff as a potential fix to density rounding, as it provides transparency and certainty. Mr. Bailey commended the City/OSU Collaboration's Planning Work Group and the Planning Commission for its work. In response to Councilor Beilstein's inquiry, Mr. Bailey said changing the LDC from density rounding to minimum lot size would require some work, but the end result would be worth the effort. In response to Councilor Sorte's inquiry, Mr. Bailey said the proposed change was not a complete solution, but it was a helpful step. In response to Councilor York's inquiry, Mr. Bailey said he agreed with what the Infill Task Force supported as an interim measure; however since a Measure 56 notice is required, the change could not be implemented now and he did not believe Phase 1 should be delayed to address density rounding. In response to Councilor Brown's inquiry, Mr. Bailey said he believed Mr. Howell's suggestion was the same as what LWV recommended. Councilor Hervey noted Mr. Howell's and Mr. Bailey's backgrounds as Planning Commissioners and members of the Infill Task Force. Mr. Gibb confirmed for Councilor Traber that both Mr. Howell's and the LWV's suggestions required a Measure 56 notice.

Karen Rockwell read from a prepared statement (Attachment M) and requested holding the record open. Councilor Sorte expressed concern that affordable housing could be used as a loophole for permitting intensive development on a small parcel of property. He said Ms. Rockwell's request was reasonable, but he wondered how it could be fulfilled while avoiding potential misuse. Councilor York said Council relies on the Planning Commission to look into the details and she was concerned the request was not first presented to them. Ms. Rockwell said she was under the mistaken assumption the proposals were going to be adopted in a specific neighborhood, but she has since realized the changes would be citywide, so she became more concerned about the details. In response to Councilor York's inquiry, Ms. Rockwell said the confusion stemmed from the recommendations coming from the City/OSU Collaboration Project because it was focused on a district. In response to Councilor York's inquiry about the length of time for holding the record open, Ms. Rockwell said any time that could be extended would be appreciated. Councilor Beilstein said the standard is seven days. Mr. Gibb said because the public hearing was not a quasi-judicial matter, there are options for holding the record open longer.

Sara Robertson, OSU Associate Campus Planner, said the University supports staff's proposed amendments to LDC Chapter 2.9 Historic Preservation Provisions. The proposed changes would make the review processes for improvements and developments easier without impacting the campus' historic integrity.

Jeff Hess supported the simplified approach to address density rounding, but he was frustrated with the amount of time it was taking. He thanked the LWV and the Infill Task Force for their work. In response to Councilor Brown's inquiry, Mr. Hess said the LWV's proposal would satisfy his concerns.

Councilors Sorte and York, respectively, moved and seconded to close the public hearing, and hold the record open until 5:00 pm on June 30, 2014.

In response to Councilor Traber's inquiry, Mr. Gibb said staff could review Benton Habitat for Humanity's testimony, consider whether potential changes would trigger a Measure 56 notice, and provide information at the July 7 Council meeting.

Councilor Sorte noted that while he supports Benton Habitat's request to exempt affordable housing, he does see it as a potential loophole in the future and he supported future discussions on the matter.

Councilor Brauner agreed with Councilor Sorte and he also wanted to know about the Measure 56 notice, as he did not want to delay the package.

The motion passed unanimously.

Mayor Manning closed the public hearing at 8:22 pm.

Mayor Manning announced deliberations would be scheduled for the July 7, 2014 City Council meeting.

Mayor Manning said additional written testimony would be received by staff until 5:00 pm on Monday, June 30, 2014. She also asked Councilors to send additional questions to staff by the same date and time. Mr. Gibb said staff would also provide written responses in the July 7 meeting packet.

In response to Councilor Brown's inquiry, Deputy City Attorney Brewer said Councilors may discuss the topic with constituents because the hearing was legislative, not quasi-judicial.

V. VISITORS' PROPOSITIONS (Continued)

Rachel Carlisle, Corvallis Odd Fellows Hall manager, supported the DHPS project. Ms. Carlisle said the hotel and additional parking will help Corvallis attract larger events and medium-sized conferences downtown. She noted while the hotel could provide lodging for attendees, its meeting rooms could not support a full conference; however, by utilizing the Odd Fellows Hall, the Majestic Theater, and the Whiteside Theater, a 200 to 400 person conference could be accommodated. Ms. Carlisle said it would mean additional business for retail establishments and restaurants in the Downtown core.

Neil Peterson, President of the Benton County Historical Society, referenced the letter he provided in the meeting packet supporting the proposed DHPS project. He said more public parking downtown will be needed when the museum is built on the site adjacent to the hotel property.

Courtney Cloyd spoke from a prepared statement (Attachment N). In response to Councilor Hervey's inquiry, Mr. Cloyd said he did not ask people at the neighborhood meeting if they attended the developer's informational meetings; however, he saw some of them when he attended one of the informational meetings. Mr. Cloyd said he did not consider the developers' responses to be objective. Councilor Hogg said he believed there were many neighbors at the first informational meeting, but the when the neighborhood meeting was held, the second informational meeting had not yet occurred.

Carl Finley read from a prepared statement regarding the DPHS (Attachment O).

Leonard Higgins read from a prepared statement regarding the DPHS (Attachment P).

John Detweiler read from a prepared statement regarding the DPHS (Attachment Q).

Richard Gretz, a former City Councilor and local business owner, supported the proposed DHPS project and the community's involvement in the plan. Referencing his handout (Attachment R), Mr. Gretz discussed how the project fits with specific areas of the City's Comprehensive Plan. Councilor Brown thanked Mr. Gretz for providing the information and for producing the handout.

Cloud Davidson, a Downtown restaurant owner, said there is a lack of parking on weekends and after 5:00 pm. He heard from customers who dined at restaurants in other parts of town because they could not find parking near his restaurant. Mr. Davidson said having vendors who support his services downtown further bolster the economic fabric of Corvallis.

Joan Wessell agreed with the points raised by Ms. Carlisle. She supported the proposed DHPS project and saw it as a boost to the Downtown economy. The hotel would give visitors a place to stay downtown and they would have an easy stroll to enjoy the riverfront, restaurants, and shops. Ms. Wessell said hotel guests would stay an extra night to enjoy other local activities, such as visiting a winery, art gallery, or OSU. Based on her experience as an OSU House Mom, Ms. Wessell said parents often stayed in other communities. In response to Councilor Hogg's inquiry, Ms. Wessell said finding parking in the evening was challenging, but it was also problematic during the day.

Kevin Dwyer, Executive Director of the Corvallis Chamber of Commerce, said the proposed DHPS was a great opportunity at a time when the cost of money is relatively low. He said the decision should not be difficult for the Council and there have been other successful projects under a similar public/private partnership model. Mr. Dwyer said Corvallis was losing visitors and tax dollars to surrounding communities.

John McIlvoy attended the June 11 meeting sponsored by the hotel developers and he appreciated that it was held. Mr. McIlvoy said the developers noted the proposed hotel would have limited meeting space, so it would not serve as a convention center. He said the decision should be data driven and he had not seen much hard data regarding downtown parking problems. He cited a Corvallis downtown market study parking inventory analysis from June 2005 and he asked why bank parking lots were utilized after hours. Mr. McIlvoy asked Council to delay making a decision on the earnest money agreement until a more thorough study could be conducted.

Tom Jensen said if it does not pencil out for the developer, it does not pencil out for the City. He believed the City could instead spend the money to create its own additional parking and he cited the availability of parking in the lot at the south end of SW Second Street. Mr. Jenson said the project was not a good idea, noting that profits would not be realized for 20 years. He asked Council to reject the proposal.

Jeff Hess said the proposed DHPS places future City services at risk. He supported the project on many levels, but he did not support the timing or the process. Mr. Hess believed there may be a viable approach that would involve less risk to the City, but more time was needed to examine the proposal. In response to Councilor Beilstein's inquiry, Mr. Hess said if more time was given for public input, other ideas could be brought forward. Councilor Hervey said the City has very responsible staff that has negotiated in the public's best interests.

Jonathan Stoll, OSU's new Director of Community Outreach, said he looked forward to cultivating partnerships to build a more livable community. Mr. Stoll said September 28 is recognized as Good Neighbor Day and a welcome event for students was planned. The University would distribute materials to educate students about what it means to be a good neighbor. Mr. Stoll said he would like to report back to Council at a later date. Mayor Manning welcomed Mr. Stoll to Corvallis.

Shelly Murphy read from a letter she emailed to the Mayor and Council regarding the DHPS and Washington Park (Attachment S).

Walt Eager read from a prepared statement (Attachment T). Mayor Manning noted USC would take up the greenhouse gas inventory topic at a future meeting.

Audrey Hatch owns a home near Washington Park and she recognized its value now and its future potential. She applauded Linn-Benton Community College (LBCC) for looking to the future, but she expressed concern about the lack of notice and apparent quick action regarding the potential sale of part of Washington Park. She asked about the public process, land use notification, and what alternatives had been considered. Mayor Manning said based on direction at the June 2 Council meeting, the City's Parks, Natural Areas, and Recreation Board would discuss the issue at its June 19 meeting. In response to Councilor Hogg's inquiry, Ms. Hatch said she learned of the possible sale through the newspaper. Councilor York said she did not believe the LBCC Board had taken formal action to make a proposal to the City, noting the Board would meet on June 18. Councilor York added the City could not take action unless the College's governing board authorized the request.

Mariana Mace has lived near Washington Park for 30 years and she had a vested interest in the park as an open space for her neighborhood and the City as a whole. She said it was interesting the City could be proud of a carbon footprint study, but then consider paving over a park. She said Council owed more to Corvallis citizens and to the neighborhood. Ms. Mace said she also heard about the issue in the newspaper.

VI. CONSENT AGENDA

Councilor Beilstein requested the Announcement of Reappointments to Various Advisory Boards, Commissions and Committees be removed from the Consent Agenda (Item B.)

Councilors York and Hirsch, respectively, moved and seconded to adopt the Consent Agenda as follows:

A. Reading of Minutes
   1. City Council Meeting – June 2, 2014
      City Council Work Sessions – May 29, 2014 and June 9, 2014
   2. For Information and Filing (Draft minutes may return if changes are made by the Board or Commission)
      a. Airport Commission – June 3, 2014
      b. Economic Development Commission – May 27, 2014
      c. Housing and Community Development Commission – May 21, 2014
      d. Parks, Natural Areas, and Recreation Board – May 15, 2014
      e. Public Participation Task Force – June 2, 2014

C. Announcement of Vacancies on Various Advisory Boards, Commissions, and Committees

D. Confirmation of an Executive Session for June 16, 2014 at 6:00 pm under ORS 192.660(2)(a)(d)(status of employment)(status of labor negotiations)

E. Schedule an Executive Session for July 7, 2014 following the regular meeting under ORS 192.660(2)(d)(e)(h)(status of labor negotiations)(status of real property transaction)(status of pending litigation or litigation likely to be filed)

The motion passed unanimously.

VII. ITEMS REMOVED FROM CONSENT AGENDA

B. Announcement of Reappointments to Various Advisory Boards, Commissions, and Committees

Councilor Beilstein said his objection to reappointments related to the Economic Development Commission (EDC). While he did not disapprove of the service of anyone who has been appointed to the EDC, he would like to shut down the Commission until their charge could be amended. He said the goal of the EDC should be to reduce resource uses within the community and create greater equity among citizens, and he believed the Commission was moving in the wrong direction by creating jobs and increasing the wealth of certain individuals within the community.

Councilor Hervey said he did not oppose the people recommended for reappointment to the Commission; however in early July, the Administrative Services Committee would address the Council Policy related to economic development and he intended to provide feedback. He said any changes to the EDC's charge should go through the regular process.

Councilor Brown commended the work of EDC members Elizabeth French and Skip Rung and he supported the economic development strategic plan as is. He noted in the future, it was up to the Council to decide on the EDC's mission and its processes, and he did not support the lack of reappointment for Ms. French and Mr. Rung.

Councilor Hogg said the EDC had done excellent work and he agreed with Councilor Brown's comments. Councilor Hogg added disagreement with the EDC's goals should be addressed separately.

Councilor Traber agreed and said the EDC is delivering on what the Council asked them to do and they are getting results.

Councilor York said she supported the EDC, but it was the duty of Councilors to carefully consider recommended appointments before approving them.

Councilors Traber and Hirsch, respectively, moved and seconded to approve Item B of the Consent Agenda.

Councilor Beilstein moved to amend the motion by removing appointments to the EDC so they could be voted upon separately. The motion died for lack of a second.

The motion passed eight to one, with Councilor Beilstein opposing.

Mayor Manning recessed the meeting from 9:37 pm to 9:47 pm.

VIII. UNFINISHED BUSINESS, CONTINUED

C. Downtown Hotel/Parking Structure

Economic Development Manager Nelson read the staff report in the meeting packet, noting the proposal was part of a Downtown redevelopment project, not a parking garage.

In response to Councilor Hogg's inquiry, Mr. Nelson said the Hyatt hotel projects being proposed in Portland and Springfield did not relate to the proposal before the Council. Local developers approached Hyatt as one of many possible brands for the hotel. Mr. Nelson added that the developers proposed the concept to the City before they approached Hyatt, and Hyatt had no involvement in the proposed public/private partnership.

In response to Councilor Beilstein's inquiry, Ms. Brewer estimated the Parking Fund had identified approximately $35,000 to $45,000 as a committed reserve for payment in lieu of parking. The remaining money in the fund was designated for parking operations, maintenance, enforcement, and acquisition of additional parking. Ms. Brewer said about $200,000 from the Parking Fund was budgeted annually in the Capital Improvement Program as opportunity money in case land for parking became available, and that was the proposed source of earnest money.

In response to Councilor Traber's inquiry, Mr. Nelson said, as noted in the staff report, the $3 million to $4 million estimated to be added to the local economy came from a Dean Runyan and Associates analysis and was based on occupancy rates of 60 percent to 80 percent, respectively. That source of money included visitor spending on items such as food, fuel, clothes, and entertainment.

In response to Councilor Hogg's inquiry, Mr. Nelson said staff spoke to the developers about shifting risk away from the City and back to the developers; however in exchange for assuming all downside risk, the developers would want to have all of the upside as

well. If the City were to forego parking lease payments, the developers would guarantee payment of debt service, but in exchange, they would want to receive all of the property's Transient Room Taxes (TRT) for the life of the debt. In response to Councilor Hogg's inquiry, Mr. Nelson said over the life of the loan, the City would lose about $2 million, so it would not be as financially rewarding to shift the risk to the developer. He added that foregoing the TRT would not be a financially responsible decision for the City relative to the amount of risk.

Councilor Beilstein suggested using some of the TRT monies dedicated for tourism to offset any General Fund shortfalls if the projections were not met. Ms. Brewer said State law directs that the ratio of TRT revenue going to tourism-related activities and facilities must stay the same, but there is debate about the meaning of "tourism-related facility." Councilor Beilstein said he would be more inclined to support the proposal if tourism money was available to offset losses.

Councilor Hirsch said he believed Councilor Beilstein's idea was good and creative, but he believed the TRT money would be better spent through Visit Corvallis.

Councilor Hervey said Finance Director Brewer responded to some questions he had submitted, but he requested follow up on a few items. He said he was trying to get to a scenario where the developers did not share the same risk as the City.

QUESTION: My understanding is that once we issue the $4.2 M bond and pay those monies to the developers, we (and our bond holders) own the parking garage. I am assuming that should the hotel go into default, we will be able to pick up operation of the full parking garage at that time. Those to whom the hotel owes money could not interfere with that operation. Is that correct?

ANSWER: Ms. Brewer said the City would own most of the garage. The City would be in condominium agreement with the other owner, the Elements, and with the hotel operator, but that agreement cannot be negotiated until the hotel is built and the space and common elements such as stairwells and the elevator can be defined. If the hotel goes out of business, but their financier continues to pay the parking garage lease payment (i.e., continues to operate the hotel while seeking a replacement) then the City would assume it is still in an operating agreement with the hotel or their financiers. If lease payments ceased, the City would consider the hotel to be in breach of the agreement, and the City would exercise the default remedies that are in that agreement. She added the developers would have their own debt to pay if the hotel were to go under, so they would have a vested interest in finding a replacement hotel operator quickly. Ms. Brewer said she believed staff negotiated language in the purchase and lease agreements and she expected the same discussions and robust risk assessments would be negotiated into the condominium lease agreement to protect the City's interests in that case.

QUESTION: Regarding Attachment A, I don't understand why the basis calculation uses a balloon payment schedule or how that impacts this table. I don't see a bigger debt service payment at year 25? Are the net revenues over the years what pays off the balloon payment? If so and we experience a downturn or two in the 25 years prior to the balloon, are we committing a future council to coming up with a balloon payment at that time? What would this table look like without a balloon payment? Is a balloon payment typical for City issued bonds?

ANSWER: Ms. Brewer said it was a level principal and interest payment. Over time, the interest portion goes down and the principal balloons, but the total payment amount stays constant. She noted the term "balloon" in this case denotes that the principal portion continues to grow. It does not mean there is a sudden large payment toward the end of the loan. Ms. Brewer confirmed this type of arrangement provides payment amount predictability and it was a typical structure for City bonds.

QUESTION: In former Councilor Howell's prefacing comments to the set of questions starting with "Given that we can't afford …," he states that "The use of all hotel property tax revenue for bond payments will mean that, for up to 30 years, the hotel will not be paying its share of City services supported by property taxes." Do you concur?

ANSWER: Ms. Brewer said the proposed project would be a taxable venture, so the City would pay 86% of the property tax bill for the garage, which would be its share of the value, but the City would receive property taxes on the entire hotel. She noted the two are projected to almost offset each other, but the City would come out ahead by about $5,000 or $6,000.

QUESTION: A citizen letter discussed the difficulty in developing on First Street as it related to parking and greenway requirements. Another inquiry related to whether other projects might be suitable for the subject property. Could you update me on the times that the subject property has been on the market in the last 20 years? Our whereas statements state that the subject property has been vacant and underdeveloped for over two decades. Former Councilor Howell suggests that the Benton County Historical Society only made the property available "recently."

ANSWER: Mr. Gibb did not have specific information, but he recalled Realtor signs were on the lot for several years. He said the challenges with development on First Street related to the Riverfront Commission's recommendations from 15 years ago about how the riverfront should be zoned. The LDC contains requirements to build at a three-story minimum, to provide structured parking in that zone, and to have a floor area ratio that gets to an intensive level of development given the finite amount of available land.

QUESTION: It appears the intensive requirements may have gone a little too far. If the proposed downtown hotel/parking structure project was not in the works, would the City be considering making development in that area somewhat easier?

ANSWER: Mr. Gibb said there have been discussions about scaling back standards, and staff did raise the issue when the Riverfront Commission made their recommendations. He said at the time, the Commission felt strongly that the standards were appropriate, but the matter could certainly be revisited.

In response to Councilor Hogg's inquires, Mr. Nelson said neither the Downtown Commission nor the Downtown Parking Committee was included in discussions about parking spaces being based on a set number of hours because the proposal was viewed as a downtown redevelopment project and not a parking project. He noted the parking that would be created exceeded what was required and needed for the hotel. The additional parking downtown would be a bonus, but it was not the reason for the project.

Mr. Nelson said the project was originally brought forward as an economic development project, not as a parking structure. It has been steered toward a parking garage project, but neither the hotel nor the parking garage would occur if the City did not participate.

In response to Councilor Hogg's inquiry about whether there was an opportunity to influence the design of the hotel through conditions the City could place on its participation, Mr. Gibb said there was land use approval for the project, as proposed. Staff's review would be to ensure it was consistent with the land use approval. Mr. Gibb said changing the design could be part of the negotiation process, but if there were significant changes to the design, the project would have to go back through the land use process because of the approval through the Willamette River Greenway.

Deputy City Attorney Brewer read a resolution authorizing a condominium earnest money agreement.

Councilors Hirsch and Traber, respectively, moved and seconded to adopt the resolution.

Councilor Hirsch cited several reasons he supported the project, including that it would be constructed, owned, and operated by local investors who intended to borrow money from local lending institutions. He said the project was estimated to create 150 prevailing wage construction jobs and 50 vendor jobs, as well as 20 full-time and 20 part-time jobs. Additionally it was estimated to bring $3 to $4 million dollars to the local economy due to additional overnight stays. Hotel guests would spend money at local businesses, helping to support the local economy.

Councilor Sorte referred to a four-page summary he prepared and sent to Councilors (Attachment T). He said he was frustrated that he casually walked into the proposal, noting he had stated in the past it seemed too good to be true. He wished he would have placed limits on the deal, such as constraining the City's financial involvement to $2 million. He was most concerned about the opportunity cost and he was concerned about tying up loan capacity for decades on one project. His said his constituents' greatest concern was about the aesthetic impact on the riverfront, followed by the length of time for the bond and the risk to the General Fund.

Councilors Sorte and Brown, respectively, moved and seconded to table deliberations until the July 7, 2014 Council meeting to provide time to develop a proposal that seeks to reduce the length of the City's commitment and reduce risk to the General Fund, and to consider reducing parking requirements to the minimum required for the hotel.

Councilor York said she liked the project initially and appreciated the public's comments. After hearing more about it, the proposal seemed risky to her. She was not comfortable approving it and she did not want to delay voting.

Councilor Hogg agreed with tabling the matter. He agreed with the LWV's concern about the need for more public process, he supported looking into the developer assuming the risk, and he believed the Downtown Commission and the Downtown Parking Committee should review the parking model to determine if they believed it met the needs of downtown businesses. He also expressed concerns about the hotel's design, noting it would likely be the largest structure downtown.

Councilor Brauner said tabling the matter until July 7 would not gain more public participation, but it would provide an opportunity to better answer the public's questions. He believed the project had merit, but the risks should be minimized to the greatest extent possible. He said staff had done a good job, but he did not have a problem with waiting three more weeks. In response to Councilor Brauner's inquiry, Councilor Sorte said his motion to table was intended to provide time for further discussion, not to provide direction.

Councilor Brown said he viewed the project favorably from an economic development standpoint. He saw it as an opportunity to finally have a parking structure and a hotel downtown. However, he said it was important to be conservative with the people's money and he was interested in the worst case scenario, so he requested a more thorough risk analysis.

Councilor Traber said he was also favorably inclined toward the proposal, noting the value of a downtown hotel and additional parking. He also wanted to see more information about risks and the impact of lower occupancy rates.

Councilor Hervey requested a sensitivity analysis of the projected loan with the interest rate one percent lower and with the interest rate one percent higher.

Councilor Beilstein requested a more thorough risk analysis, showing the worst case scenario with a low rate of inflation and low occupancy. He said while he did not believe it would be a net financial gain to the City, he was favorable to the project as he believed it would improve the quality of life and experience of citizens who visit Downtown. However, he agreed with Councilor Sorte's belief the City could negotiate a better deal to further reduce its risk.

The motion to table passed unanimously.

Mayor Manning asked Councilors to provide any additional questions of staff prior to the July 7 Council meeting.

Councilors Sorte and Traber, respectively, moved and seconded to extend the meeting to 11:30 pm. The motion passed unanimously. Councilor Hogg left the meeting at 10:54 pm.

B. Residential Parking Districts

Public Works Director Steckel referred to the staff report, noting that due to signature gathering efforts to place residential parking districts (RPDs) on the ballot, work to implement the program was on hold pending direction from Council.

In response to Councilor Traber's inquiry, Ms. Steckel estimated 40 percent of the $250,000 sign installation budget was for poles and she cautioned against installing the poles without signs. City Manager Patterson said staff was concerned about the perception of moving forward with the RPDs in light of the possible referendum and completing any work on the program would be seen as presumptive.

In response to Councilor Brown's inquiry, Ms. Steckel said if staff knew by July 3 whether adequate signatures were gathered and submitted to the Benton County Elections

Office for verification, implementing RPDs would still fall within the November time frame.

Councilor Brauner agreed with Mr. Patterson's comments. He supported implementing the program at the earliest possible time after it is known whether the referendum will move forward.

Councilors Hervey and Sorte, respectively, moved and seconded to suspend expenditures on RPDs until it is known if the signatures gathered are valid. If the signatures are not sufficient, work to implement the RPDs should resume at the earliest possible date.

Councilor Sorte agreed with Mr. Patterson's recommendation to wait and he cautioned the need for strategies to help alleviate impacts to the neighborhoods, as OSU is moving forward with their planned parking changes.

In response to Councilor Beilstein's inquiry, Ms. Steckel said staff recommended selling permits for current RPDs A, B, and C. If the referendum made it to the ballot and it failed, permits could be exchanged for one of the new districts. If the referendum passes, those who purchased permits could continue parking in the current districts.

Councilor Traber supported the motion, but he expressed concern about the impact of a delayed implementation. Mr. Patterson noted OSU was aware of the situation and the City was doing what it could given the circumstances.

Councilor York said there was time for staff to consider stop-gap measures if implementation was delayed until after the election. In response to Councilor York's inquiry, Councilor Hervey said if the referendum passed, the City could then decide how to move forward.

Councilor Brown noted the financial impact of installing sign posts without signs.

In response to Ms. Steckel's inquiry, Councilor Hervey said his motion was to suspend efforts to implement RPDs until it was known whether sufficient signatures were gathered. If the signatures are not sufficient, work to implement the RPDs would resume immediately and no further instruction from Council would be necessary.

The motion passed unanimously.

A. A possible motion relating to the Municipal Judge contract

Council President Hervey reported Council supported continuing the current Municipal Judge contract without changes. The original contract started in July 2013 when the new judge was hired and it provides for increases in FYs 2014-15 and 2015-16 to bring him up to the salary of his predecessor. The item was for information only.

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

A. Human Services Committee (HSC) – June 3, 2014

1. Social Services Allocations – Fiscal Year 2014-2015

   Councilors York and Beilstein, respectively, moved and seconded to approve FY 2014-15 social services allocations as recommended by United Way of Benton and Lincoln Counties. The motion passed unanimously.

2. Board and Commission Sunset Review: Committee for Citizen Involvement (CCI)

   Councilor York reported due to possible changes to the CCI related to recommendations from the Public Participation Task Force, the HSC recommended authorizing continuance of the CCI until Council takes action.

3. Board and Commission Sunset Review: Arts and Culture Commission

   Councilor York reported HSC supported continuing the Arts and Culture Commission for another four years.

4. Board and Commission Sunset Review: Citizens Advisory Commission on Civic Beautification and Urban Forestry

   Councilor York reported HSC supported continuing the Citizens Advisory Commission on Civic Beautification and Urban Forestry for another four years.

5. Council Policy Review and Recommendation: 97-4.09, "Guidelines for Free Use of Parks and Recreation Facilities"

   Councilors York and Beilstein, respectively, moved and seconded to amend Council Policy 97-4.09, "Guidelines for Free Use of Parks and Recreation Facilities" as recommended by staff. The motion passed unanimously.

B. Urban Services Committee (USC) – June 3, 2014

1. Board and Commission Sunset Review: Airport Commission

   Councilor Hervey reported USC supported continuing the Airport Commission for another four years.

2. Council Policy Review and Recommendation: 95-7.12, "Integrated Vegetation Pest Management (IVPM) Program"

   Councilors Hervey and Brown, respectively, moved and seconded to affirm Council Policy 95-7.12, "Integrated Vegetation Pest Management (IVPM) Program" and review the Policy in May 2016. The motion passed unanimously.

C. Administrative Services Committee (ASC) –June 4, 2014

1. Board and Commission Sunset Review: Economic Development Commission

Councilor Hirsch reported ASC supported continuing the Economic Development Commission for another four years.

2. 2014 Land Use Fee Review

Mr. Brewer read a resolution retaining current land use application fees through June 30, 2015.

Councilors Hirsch and Brauner, respectively, moved and seconded to adopt the resolution.

RESOLUTION 2014-19 passed unanimously.

3. Neighborhood/Property Maintenance Code Program

Councilor Hirsch said ASC agreed to pursue a "bottom up" approach to resolving Code gaps. The item was for information only.

D. Other Related Matters

1. Sunset Reviews

Mr. Brewer read an ordinance relating to sunset reviews, amending Corvallis Municipal Code Chapter 1.16, "Boards and Commissions," as amended.

Councilor Beilstein said unless the EDC could be removed from the ordinance, he would oppose it.

ORDINANCE 2014-06 passed eight to one, with Councilor Beilstein opposing.

Mayor Manning said the ordinance will return to the July 7 Council meeting for a second reading.

2. Mr. Brewer read a resolution transferring appropriations to allow repayment of a FY 2012-13 interfund loan and authorizing a new FY 2013-14 interfund loan.

Councilors Traber and Hirsch, respectively, moved and seconded to adopt the resolution.

RESOLUTION 2014-20 passed unanimously.

X. MAYOR, COUNCIL, AND STAFF REPORTS

A. Mayor's Reports

B. Council Reports

Councilor Hervey offered to send a letter on behalf of Council supporting the Georgetown University Energy Prize; Councilors concurred.

Councilor Hervey thanked Associate Planner Bob Richardson for his many years of service to the City. Mr. Richardson accepted a Planning Manager position with the City of Albany.

Councilor York congratulated college and high school graduates.

C. Staff Reports

1. City Manager's Report – May 2014
2. Council Request Follow-up Report – June 12, 2014
3. Economic Development Monthly Business Activity Report – May 2014

XI. NEW BUSINESS – None.

XIII. ADJOURNMENT

The meeting adjourned at 11:22 pm.

APPROVED:

_____

MAYOR

ATTEST:

_____

CITY RECORDER

CORVALLIS
ENHANCING COMMUNITY LIVABILITY

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Corvallis, OR 97339-1083
(541) 766-6985
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June 16, 2014

RE: Letter of Support for Georgetown University Energy Prize Competition

I am pleased to write this letter in support of the proposal being submitted by Corvallis, Oregon for the Georgetown University Energy Prize Competition.

Corvallis has a long history of involvement and demonstrated success in efforts to conserve energy and become more effective stewards of our finite natural resources. With hundreds of community partners and a comprehensive plan of action, the non-profit Corvallis Sustainability Coalition has mobilized community action in a dozen different areas of focus over the past decade and has received the Governor's Volunteer Service Award in recognition of its efforts. The City of Corvallis is a founding partner of the Coalition, and participates in the teams developed to implement the action plan.

One of these areas of focus is energy conservation. In recent years, the City has received several significant grants to assist with our community education and outreach efforts, including the Environmental Protection Agency's three-year Climate Showcase Communities Grant. The grant supported the formation of Energize Corvallis!, a strategic collection of residential energy efficiency programs implemented collectively by the City, the non-profit Corvallis Environmental Center, Oregon State University's Extension Service, and the Resource Innovation Group. The grant also funded a Community Greenhouse Gas (CHC) Inventory, which identified emissions in the City during the calendar year 2012 and which serves as a baseline measurement from which to devise climate preparedness and other related activities.

For more than a decade, the City of Corvallis and its many partners have demonstrated a commitment to achieving measurable results in the various aspects of sustainability, particularly as it relates to energy conservation. The infrastructure of organizations, volunteers, data and a history of collaboration bodes well for our ability to successfully carry out the goals of the Energy Prize Competition. As a community, we look forward to working with Georgetown University and the competition organizers on this important endeavor.

Sincerely,

Julie Jones Manning

Julie Jones Manning
Mayor

3022

A Community That Honors Diversity

RESOLUTION 2000- 15

A RESOLUTION RELATING TO PARTICIPATION IN THE *CITIES FOR CLIMATE PROTECTION* CAMPAIGN

Minutes of the meeting of April 17, 2000, continued.

A resolution submitted by Councilor Barlow-Pieterick.

WHEREAS, based on scientific evidence that carbon dioxide and other greenhouse gases released into the atmosphere are having a profound effect on the Earth's climate, the United States joined with 160 countries and signed the United Nations Framework Convention on Climate Change which calls on nations to reduce greenhouse gas emissions; and

WHEREAS, energy consumption, specifically the burning of fossil fuels, e.g. coal, oil and gas, accounts for more than 85% of U.S. greenhouse gas emissions; and

WHEREAS, local governments greatly influence their community's energy usage by exercising key powers over land use, transportation, building construction, waste management, and, in many cases, energy supply and management; and

WHEREAS, local government actions taken to reduce greenhouse gas emissions and increase energy efficiency provide multiple local benefits by decreasing air pollution, creating jobs, reducing energy expenditures, and saving money for the City government, its businesses and its citizens; and

WHEREAS, the Cities for Climate Protection Campaign, sponsored by the International Council for Local Environmental Initiatives and the U.S. Environmental Protection Agency, has invited the City of Corvallis to become a partner in the Campaign;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Corvallis, Oregon, pledges to join with jurisdictions from all over the world in the Cities for Climate Protection Campaign and, as a participant in the Cities for Climate Protection Campaign, the City of Corvallis pledges to:

1. Take a leadership role in increasing energy efficiency and reducing greenhouse gas emissions from municipal operations;

2. Develop and implement a local action plan which describes the steps the community will take to reduce both greenhouse gas and air pollution emissions; the plan will include:

- a greenhouse gas emissions analysis and forecast using software provided by Cities for Climate Protection to determine the source and quantity of greenhouse gas emissions within the jurisdiction;

- a carbon dioxide or greenhouse gas emissions reduction target as determined by City staff;

- a strategy for meeting the greenhouse gas reduction target, e.g. an outline of the programs and measures that will be implemented to achieve the target.

Upon motion duly made and seconded, the foregoing resolution was adopted and the Mayor thereupon declared said resolution to be adopted.

MEMORANDUM

TO: City council
FROM: BA Beierle, former Downtown Commissioner
DATE: June 16, 2014
SUBJECT: Downtown Hotel proposal

Background

In March 2012, the Downtown Commission voted to support a hotel proposal on 1st Street. That proposal called for a 5-story (not 7-story) hotel with 130 (not 121) rooms, 130,000 square feet and 113 (not 155) parking spaces, four (4) available for public use. Developers agreed to provide additional required parking of 20 spaces on a lease basis in the south Riverfront parking lot (2nd & B). No variances were sought and the Planning Commission approved the proposal May 2012. Not until June 11, 2014, did any of the current hotel developers attended a Downtown Commission meeting. They did not present the proposal for comment or review or approval.

The current proposal was not approved by your Downtown or Planning Commissions.

In April 2012, the Downtown Commission – with support from the Parking Committee and Public Works – authorized a parking utilization study to update the 2002 study. That study was conducted on April 26 27, 2012. In August 2012, Jim Mitchell, city public works, reported that the study concluded **"No large changes are needed and that the current approach for handling parking is going in the right direction."** Parking demand was well below the 85% threshold for maximum parking need. In response to questions, Mitchell reminded the Downtown Commission, that the City/County Master plan called for a parking structure across from City Hall between 5th & 6th Streets.

In January 2014, the Downtown Commission and Parking Committee discussed impacts of proposed parking districts on downtown and voted to exempt 6th Street from any district program.

There was no discussion regarding a need for a parking structure.

Conclusion

Your Downtown Commission and the Parking Committee have not had the opportunity to vet the proposal before you.

Council failure to seek the advice of the Downtown Commission and the Parking Committee displays disrespect and disregard for those citizen advisory groups you empower to evaluate proposals on your behalf.

Based upon the most recent parking study conducted April, 2012 **downtown does not need a parking structure,** and the hotel proposal approved by the Downtown Commission determined that **additional parking demand created by a downtown hotel at the same location could be satisfied with existing infrastructure.**

June 12, 2014

Mayor and City Council
City of Corvallis
501 SW Madison Avenue
Corvallis, OR 97333

Re: Proposed LDC amendment for density calculations involving fractions

Dear Mayor Manning and City Councilors:

One of the Land Development Code text amendments you will be considering would allow a property owner the option of "rounding down" when the calculation of the property's density would normally require them to "round up," which could result in having to re-develop at a higher density when they are just trying to replace their existing home. This change was proposed by the Neighborhood Planning Work Group (NPWG).

The NPWG, and the Planning Commission during their LDC Amendment hearing, also heard testimony requesting the elimination of "rounding up" when a density calculation results in a fraction greater than 0.5, since the end result is a density higher than the LDC maximum for the zone. The Work Group and the Planning Commission both decided not to make a recommendation regarding "rounding up," because of the complications noted by staff in their Memo to the Planning Commission. However, the Planning Commission indicated an interest in pursuing the matter in the future.

Up-zoning (increasing density above that of the original plat) has occurred throughout the OSU-City Collaboration Study Area, and other older neighborhoods in Corvallis. Many of these neighborhoods have been negatively impact by development of housing that maximizes density, building footprint, and building height. Maintaining compatibility upon re-development is a challenge in these neighborhoods, simply because of the higher density, but it is even less likely when properties can develop at a density greater than the new (up-zoned) maximum due to "rounding up."

The following proposed LDC modification is a simple solution to one of the issues identified by staff, namely that elimination of "rounding up" could result in some small lots, with a calculated density less than 1.0 units, could be considered an unbuildable lot even if the lot was greater than the minimum square footage. This amendment would allow at least one unit on any existing lot that meets the minimum lot size for the zone and housing type. "Existing lot" is an important qualification, in order to avoid subsequent lot divisions which could be proposed to try to exceed the maximum density.

This language was reviewed and supported by the Infill Task Force, in attendance at our meeting on May 29, 2014.

Proposed changes are in bold, with strikeout for deletions and double-underlined for additions:

LDC Section 1.6.30 Definitions

Density Calculation - Density is calculated as either gross density or net density. The minimum density for a site is net density and the maximum density is gross density.

a. Density, Gross – ...

b. Density, Net – ...

c. Fractions - When the **calculated gross or net density results in a number of** ~~**sum of the**~~ dwelling units **that includes** ~~**is**~~ a fraction of a dwelling unit, ~~**and the fraction is equal to or greater than 0.5, an additional dwelling unit shall be required (minimum density) or allowed (maximum density). If the fraction is less than 0.5,**~~ an additional dwelling unit shall not be required **(for minimum density)** or allowed **(for maximum density)**. **Nothing in this section shall preclude the development of at least one dwelling unit on an existing lot meeting the minimum lot size for the zone and residential building type.**

This language also clarifies the meaning of some existing language that Infill Task Force members found ambiguous.

Although I will not be able to attend the hearing on June 16, I believe other members of the Infill Task Force are planning to attend, and can answer any questions you may have.

Thank you for considering this proposal.

Sincerely,

Tony Howell

Corvallis, OR 97333
541-
howellt@

COUNCIL PRESENTATION – June 16, 2014

The Corvallis Community Greenhouse Gas Inventory was completed as part of the City's commitment to Energize Corvallis, which was supported by a three-year Climate Showcase Communities grant awarded in 2011 by the Environmental Protection Agency. As a Climate Showcase Community, Corvallis is in the national spotlight working to gain insight into the community's greenhouse gas impact and to develop and implement residential energy efficiency programs in an effort to become one of the most energy efficient communities in the country.

Greenhouse gases are measured in carbon dioxide equivalent, which expresses the impact of the major greenhouse gases in terms of the amount of carbon dioxide that would create the same amount of warming. For example, methane has a global warming potential 21 times that of carbon dioxide, which means that methane traps 21 times the heat of a similar size mass of carbon dioxide over a one hundred year period.

Greenhouse gas inventories, by their nature, are not perfect estimates. But they are, for the most part, educated assumptions that use widely-accepted approaches and methods to account for and report on greenhouse gas emissions. Emissions sources included in this inventory cover the broad categories of stationary emissions (which for this inventory is only natural gas), electricity, transportation, solid waste, and the emissions associated with household and government consumption of food, goods and services.

Overall, greenhouse gas emissions from the Corvallis community amount to an estimated 1.26 million metric tons of carbon dioxide equivalent. The major categories of emissions for the community are

- Food and Goods (or the things we consume) at 507 thousand metric tons
- The Electricity the community purchases adds up to almost 342 thousand metric tons
- Natural Gas burned in the community for a total of 213 thousand metric tons
- Transportation – the passenger vehicles and service trucks that travel about town, as well as the Corvallis Transit System – contributed 146 thousand metric tons
- Air Travel – the flights members of our community take throughout the year – they amount to over 35 thousand metric tons
- Solid Waste – the emissions associated with the things we throw away – added nearly 12 thousand metric tons
- And finally Wastewater Treatment – for 698 metric tons of CO2e.

When we put it all together, this is our breakdown – Food and Goods comprises 40% of our carbon footprint, Electricity is 27%, Natural Gas is 17%, Transportation is 11.6%, and the others you can see on the screen and in the report. Our community's largest category, Food and Goods, estimates the worldwide emissions associated with the things we consume – the food we eat, the clothes, appliances, automobiles, pencils and toothpaste that we buy. Those emissions, despite our best efforts to buy local, occur outside the community.

When consumption emissions are removed from the equation we get a pie chart that looks like this – electricity takes up almost half the pie chart. This large contribution to our community's footprint may surprise some due to the Pacific Northwest's reputation for having relatively clean electricity from hydropower. While this may be true for the region as a whole, the generation mix of some providers relies more heavily on fossil fuels. Pacific Power, which provided over 91% of the electricity used in the community in 2012, generated 67% of their electricity from coal and 13% from natural gas. This last chart shows that when you look at greenhouse gas emissions per Megawatt Hour of electricity produced, emissions from Pacific Power are 83% higher than the average for the Pacific NW region, and 25% higher than the U.S. average.

The information from this inventory provides perspective and allows us to better understand where our efforts can be most effective. It gives us the opportunity to see where we, as a community, generate greenhouse gases and that will allow us to prioritize and focus any future efforts at reducing those emissions.

This inventory can also serve as a benchmark for future inventories and to track the community's impact. We have many strong community partners who are working on climate issues who can use this inventory as a tool for future planning. Additionally, with subsequent inventories, comparisons over time will show how the community's emissions are changing.

The City's new community greenhouse gas inventory webpage is now live and tomorrow we'll send out a release to the press informing them of the inventory.

Questions?

Consider the climate impact in the organization's decision-making.

Our organization could be for the community what our community strives to be for the country.

As Climatologist James Hansen recently explained, the current rate of increase in global warming is "... equivalent to exploding 400,000 Hiroshima atomic bombs per day, 365 days per year. That's how much extra energy Earth is gaining each day."

Oregon Climate Change Research Institute

Major greenhouse gases – carbon dioxide, methane, nitrous oxide, hydrofluoro- and perfluoro-carbons

Transportation – does not include pass-through trips, other inventory may not have included consumption which would have pushed transportation percentage higher (ours goes to 19.5% when consumption removed), some types of transportation are not included in this inventory (rail and heavy freight that travels on interstate), some transportation is included in consumption component, sometimes air travel is included in transportation.

Good evening.

My name is Linda Lovett and I represent the Corvallis Climate Action Plan Task Force. We are a grassroots group of individual members and representatives from the Sierra Club, 350Corvallis, the Corvallis Sustainability Coalition, and the League of Women Voters who came together with the shared goal of encouraging and assisting the City of Corvallis to develop and implement a Climate Action Plan, to set an emissions reduction target, and to regularly report on progress.

We would first like to commend City staff and the community volunteers who completed the inventory for a well-written, highly accessible report that greatly increases our understanding of our community's greenhouse gas emissions. It is a major accomplishment and an important benchmark.

However, we are concerned about two things:

1. The Recommendations section of the staff report says, "No action is necessary" and
2. The greenhouse gas inventory took 14 years.

Regarding number one, yes, I am being slightly facetious: I know what it means when a staff report says "No action is necessary." However, it does raise the question of what the City plans to do next. Action not only is necessary, the City needs to be a leader in that action. The goal of the EPA grant that funded the inventory was "to assist local and tribal governments in developing plans, conducting demonstrations, and implementing projects that reduce greenhouse gas emissions," as is quite clear from the grant RFP.

This is so important because, according to the latest report from the Intergovernmental Panel on Climate Change, urban infrastructure accounts for over 70% of global energy use. The IPCC's *Cities Summary* urges integrated climate action at the local level, led by local governments along with business and civil society. Local governments guide land use policies; shape development and building codes; invest in transportation systems and infrastructure; work with utilities; and manage parks, urban forests, and natural areas.

I might not press this so strongly were it not for our second concern, which is that this inventory is so overdue. In April 2000, the City Council adopted Resolution 2000-15 committing to participation in the Cities for Climate Protection Campaign. It pledged to complete a greenhouse gas inventory for the jurisdiction and to develop and implement a local climate action plan with emissions reduction targets.

That was 14 years ago. Nine years ago, Mayor Berg signed the US Mayors' Climate Protection Agreement, and Mayor Tomlinson signed it again in 2007. Again the City committed to conduct greenhouse gas inventories, set reduction targets, and create an action plan, as it did the following year when it joined ICLEI-Local Governments for Sustainability. And again, nothing happened.

So, rather than "No action is necessary; this report is for information only," what we would like from the City is an unambiguous commitment to start working on a climate action plan and to set an emissions reduction goal. And we don't mean in 14 years.

That doesn't mean we expect the City to do it all. Ronald Reagan once famously said, "The nine most terrifying words in the English language are: "I'm from the government and I'm here to help." That fear of government intervention in their lives and choices is a key reason many people resist the reality of climate change. However, those of us with the Climate Action Plan Task Force and others present tonight want to say what public officials may find to be the most terrifying words: "We're from the community and we're here to help." What we're asking is that you lead.

June 16, 2014

The Honorable Mayor Julie Manning and
Members of the Corvallis City Council
501 SW Madison Avenue
Corvallis, Oregon 97333

Subject: **Greenhouse Gas Inventory and Next Steps**

Dear Mayor Julie Manning and the Corvallis City Council,

Thank you for the opportunity to address the Council today. I represent the Sierra Club, and we would like to congratulate you for finishing the Greenhouse Gas inventory. This is an important step in the process of working to cut back on greenhouse gases, which are the drivers of climate change. We are proud that Corvallis has now officially taken the 1st step in a more comprehensive 5-Step Program, which include the following:

- ✓ Conduct a baseline inventory of Greenhouse Gas (GHG) emissions;
- ☐ Establish a target to lower GHG emissions;
- ☐ Develop a local Climate Action Plan (CAP) to reduce global warming GHG pollution;
- ☐ Implement the Climate Action Plan; and
- ☐ Measure, verify, and report performance.

While we support and appreciate this first step--of taking an inventory--we would like to encourage you to take the four additional steps.

Thank you for the good work that you are doing, and again, thank you for completing the greenhouse gas inventory.

Respectfully,

Debra Higbee-Sudyka
Sierra Club
1821 SE Ankeny St.
Portland, OR 97214-1521
dwhigbes@
http://oregon.sierraclub.org/

Good evening. My name is Annette Mills, and I'm speaking to you tonight as an individual, representing no one but myself. I am here to ask you to bring the City's Greenhouse Gas Inventory to the forefront of your decision-making process and to take steps to develop and implement a Corvallis Climate Action Plan.

In the past several months, both public opinion and the mainstream media have awakened to the reality that climate change is not a belief, but a fact. The Fifth Assessment Report of the Intergovernmental Panel on Climate Change and the Third National Climate Assessment were both issued this spring. These reports by the world's foremost climate scientists make it clear that climate change is already having an impact on people's lives and, if we fail to take quick and decisive action, we risk extreme and possibly irreversible disruptions to life as we know it.

Tonight's presentation of the Corvallis Greenhouse Gas inventory is a landmark event for our community. Now that we have the data, there are no excuses for legislative inaction. Across the country, hundreds of local communities have adopted climate action plans. The Portland/Multnomah County Climate Action Plan was adopted five years ago in 2009, and there are plenty of other existing plans that can serve as models for a Corvallis Climate Action Plan. All that is stopping us is the will to make this a priority.

The goals that you selected for this biennium all assume that our global life-support system will continue to function as it has throughout our lifetimes. But that is no longer a given, and forecasts indicate that the social and economic matters that concern us will only worsen if we fail to address climate change.

Some of the world's most highly respected economists are telling us that the financial costs of moving toward a fossil fuel-free world are modest when compared to the devastating economic consequences of our failure to act on climate change.

While decisions to address climate change at the national and international levels would greatly accelerate the kind of systemic change that we need, we shouldn't underestimate the importance of the decisions that we make at the local level. The cumulative impact of decisions made in hundreds of thousands of communities across the globe are determinative. What you say and how you vote as leaders of our community are very important, not only to residents of Corvallis, but to the rising tide of communities around the world that are already suffering from the impacts of climate change.

My request to you is two-fold:

First, bring the City's Greenhouse Gas Inventory to the forefront of your decision-making process. Please do not allow this document to sit on a shelf. Instead, please consider every decision you make from the perspective of how that decision will impact our community's carbon footprint. And, second, if you are planning to run for city council this fall, please prioritize the development and implementation of a Corvallis Climate Action Plan as your highest goal.

Thank you.

Annette Mills

Dan Whitaker

Questions and Answers about the Hotel and Parking garage 6/16/14

What are the basics of the transaction with the City?

1. The City commits to purchasing the garage when completed and the Hotel commits to leasing the garage back from the City following the City's purchase.
2. We finish the design of the hotel and garage, obtain financing, and secure building permits and approvals from the City.
3. We build the garage and hotel. We expect to be opening during the Spring of 2016.
4. When the construction of the garage and hotel is completed, we sell the majority of the garage to the City for $4.2 million. That's approximately one half of the cost the City would incur if the City were to build the garage itself.
5. The City borrows $4.2mil to pay for the garage.
6. The hotel leases back the garage and manages it to maximize public usage of the garage when parking spaces aren't needed by the hotel (hotel usage of the garage is mostly at night). We anticipate that on most days more than 100 parking spaces will be available for public use during the day, and approximately 50 spaces will be available in the evening.
7. Hotel room taxes (known as Transient Room Taxes or TRTs), property taxes, and our lease payment to the City generally cover the city's payment on the money it borrowed. Please refer to posted financial projections. In approximately 25 years, the City will own the garage outright but taxes and our lease payments will continue.

The Process vs. the Project!

There has been some talk about the process that this project went through. The process is not something that we, as developers, have control over. Please separate the process from the project when evaluating this project. Also see the question about "Why did we not tell the public about this sooner."

Why do the developers need public support to build this?

The cost of building this hotel and parking structure in downtown Corvallis are cost prohibitive without help from the community (especially a parking structure bigger than required). The cost of building a downtown parking garage, a requirement of the downtown Riverfront Zoning Code, is substantially greater than for a surface parking lot as you typically see with hotels outside of the downtown area. This puts the downtown hotel at a significant economic disadvantage and makes the hotel (without public support) financially unfeasible. The garage has been designed with more parking spaces than needed by the hotel so that the public can also use it. This helps address the need for additional parking downtown. Building a smaller parking lot does not address this issue and doesn't take advantage of a great opportunity to help the community and do the right thing. There is public benefit in having excess parking and in sharing the hotel's parking lot. This is a win-win transaction for everyone.

Is this a "Zero Sum" project?

Is the TRT tax generated by this hotel really "new" TRT revenue or simply existing revenues shifted from other hotels?

We agree that in the first few years there will be some revenue shift but over a short time it will all be "new" revenue. There has been a third party feasibility study done and the conclusion was that there is enough demand in Corvallis for another hotel in this economic class. Generally the absorption period for new hotel rooms added to a market is 12 to 24 months. After this initial period, occupancy rates in Corvallis are expected to rebound to historic levels, generally 65% to 75%. Recall also that no new hotel has been built in Corvallis for over 10 years, this in spite of the community increasing in population overall and OSU's enrollment increasing substantially in that same period.

Transient Room Tax is generated by guests staying in hotel rooms. Nine percent (9%) of the gross revenue generated by a hotel from "guest stays" goes to the City. Of that, seventy percent (70%) goes directly to the City and thirty percent (30%) goes to the Visitors and Conventions Bureau. Our contention, and that of various groups who are involved in scheduling large meetings, conventions and athletic events, is that the more hotel rooms are available in our community, the larger events the community can host. Ask OSU, ask our Visitor's and Conventions Bureau, and they will tell you that Corvallis consistently has to turn away events for lack of hotel rooms in the community. The more "New" events our community hosts, the more "New" room revenue is generated. Further, as we all know, even with the events Corvallis currently hosts, many people either leave Corvallis after the event or stay in surrounding communities like Albany or Eugene. Much of the room tax revenue generated by our hotel will be "New" room tax revenue because our community will host more and larger events, and will keep people who attend these events here in our City, spending the time and money here as opposed to leaving or staying in surrounding areas.

The other hotels will respond to any occupancy drops with increased effort in their sales departments to bring in more business which overall will bring more business to Corvallis.

What are the economics to the community for this hotel?

We have created several scenarios, taking into consideration the effect of many assumptions and variables. The information displayed below is shown in 5-year increments over the next 35 years.

We have assumed the following:

1. The Transient Room Tax (TRT) the hotel pays each year, remains at the current 9% of gross revenue and continues to be split 70% to the City and 30% to the Corvallis Visitor's Bureau.
2. We assume the Hotel pays the City $70,000 per year for the lease of the garage. This as per the current lease document. The lease provides that the lease rate could increase if anticipated parking revenue increases significantly.
3. We've assumed total property tax rates continue at $17.99982 per thousand dollars of Assessed Value and the City receives $5.1067 per thousand of the property tax paid (these are current rates).
4. We've assumed Property Taxes increase 3% per year.

5. The hotel, as currently planned, has 123 rooms (this might change as we go through the permitting and branding process).
6. The inflation rate is assumed at 3% per year.

There are two property tax lines in the tables. One is the income/revenue the city would collect from property taxes paid by the hotel and the other is the payment amount the city would have to pay for property taxes on its portion of the garage. These numbers vary in the tables based upon what is assumed for Fair Market Value of the facility.

Scenario 1 – Normal or Most Likely Scenario: This first chart includes the above assumptions and assumes the Hotel achieves 75% occupancy in the 3 years following construction and remains there for the remainder of the projection (we think this is reasonable, and 75% is consistent with a Feasibility Study we commissioned). It also assumes property taxes are based on an $18 million valuation (which we think is reasonable). Lastly, the analysis assumes the City pays 5% interest on its borrowed money over 25 years.

Hotel Projection in 5-year increments

	2016-'20	2021-'25	2026-'30	2031-'35	2036-'40	2041-'45	2046-'50
City TRT Revenue	$1,296,610	$1,571,789	$1,822,134	$2,112,353	$2,448,796	$2,838,826	$3,290,977
Hotel Lease	350000	350000	350000	350000	350000	350000	350000
Property Tax Income	$292,811	$339,449	$393,514	$456,191	$528,850	$613,082	$710,730
Property Tax Payment	($197,225)	($228,638)	($265,054)	($307,271)	($356,211)	($412,946)	($478,718)
City Revenue Gross	$1,742,196	$2,032,599	$2,300,594	$2,611,273	$2,971,435	$3,388,962	$3,872,989
Mortgage payment	($1,490,002)	($1,490,002)	($1,490,002)	($1,490,002)	($1,490,002)		
City Revenue Net	**$252,195**	**$542,598**	**$810,592**	**$1,121,271**	**$1,481,433**	**$3,388,962**	**$3,872,989**
Revenue to other Gov's							
Prop Tax Others	$834,768	$967,724	$1,121,858	$1,300,541	$1,507,683	$1,747,818	$2,026,200
TRT to others	$555,690	$673,624	$780,915	$905,294	$1,049,484	$1,216,640	$1,410,419
TOTAL	**$1,390,458**	**$1,641,348**	**$1,902,772**	**$2,205,835**	**$2,557,167**	**$2,964,457**	**$3,436,618**
TOTAL	**$1,642,652**	**$2,183,946**	**$2,713,365**	**$3,327,106**	**$4,038,600**	**$6,353,419**	**$7,309,608**

Scenario 2 – Partially Conservative: This second chart assumes the Hotel achieves 75% occupancy in 3 years and stabilizes at that level. It also assumes the property taxes are based on $23 million valuation (City assumption), and the city pays 6% interest on its borrowed money over 25 years (City assumption).

Hotel Projection in 5-year increments

	2016-'20	2021-'25	2026-'30	2031-'35	2036-'40	2041-'45	2046-'50
City TRT Revenue	$1,296,610	$1,571,789	$1,822,134	$2,112,353	$2,448,796	$2,838,826	$3,290,977
Hotel Lease	350000	350000	350000	350000	350000	350000	350000
Property Tax Income	$374,148	$433,740	$502,823	$582,910	$675,753	$783,383	$908,155
Property Tax Payment	($355,006)	($411,549)	($477,098)	($553,087)	($641,179)	($743,303)	($861,692)
City Revenue Gross	$1,665,752	$1,943,980	$2,197,860	$2,492,176	$2,833,369	$3,228,905	$3,687,440
Mortgage payment	($1,642,761)	($1,642,761)	($1,642,761)	($1,642,761)	($1,642,761)		
City Revenue Net	**$22,991**	**$301,219**	**$555,099**	**$849,415**	**$1,190,608**	**$3,228,905**	**$3,687,440**
Revenue to other Gov's							
Prop Tax Others	$963,652	$1,117,137	$1,295,068	$1,501,338	$1,740,463	$2,017,673	$2,339,036
TRT to others	$555,690	$673,624	$780,915	$905,294	$1,049,484	$1,216,640	$1,410,419
TOTAL	**$1,519,342**	**$1,790,761**	**$2,075,982**	**$2,406,632**	**$2,789,947**	**$3,234,313**	**$3,749,455**
TOTAL	**$1,542,333**	**$2,091,980**	**$2,631,081**	**$3,256,047**	**$3,980,554**	**$6,463,218**	**$7,436,895**

Scenario 3 – Most Conservative: This third chart includes assumes Hotel occupancy of 65% in the 3-35 year period. It also assumes the property taxes are based on $18 million valuation, and the city pays 6% interest on its borrowed money over 25 years.

Hotel Projection in 5-year increments

	2016-'20	2021-'25	2026-'30	2031-'35	2036-'40	2041-'45	2046-'50
City TRT Revenue	$1,184,529	$1,362,217	$1,579,183	$1,830,706	$2,122,290	$2,460,315	$2,852,180
Hotel Lease	350000	350000	350000	350000	350000	350000	350000
Property Tax Income	$292,811	$339,449	$393,514	$456,191	$528,850	$613,082	$710,730
Property Tax Payment	($197,225)	($228,638)	($265,054)	($307,271)	($356,211)	($412,946)	($478,718)
City Revenue Gross	$1,630,115	$1,823,027	$2,057,643	$2,329,626	$2,644,929	$3,010,451	$3,434,192
Mortgage payment	($1,642,761)	($1,642,761)	($1,642,761)	($1,642,761)	($1,642,761)		
City Revenue Net	**-$12,646**	**$180,266**	**$414,881**	**$686,865**	**$1,002,168**	**$3,010,451**	**$3,434,192**
Revenue to other Gov's							

Prop Tax Others	$834,768	$967,724	$1,121,858	$1,300,541	$1,507,683	$1,747,818	$2,026,200
TRT to others	$507,655	$583,807	$676,793	$784,588	$909,553	$1,054,421	$1,222,363
TOTAL	**$1,342,423**	**$1,551,532**	**$1,798,650**	**$2,085,129**	**$2,417,236**	**$2,802,239**	**$3,248,563**
TOTAL	**$1,329,776**	**$1,731,798**	**$2,213,532**	**$2,771,993**	**$3,419,403**	**$5,812,690**	**$6,682,755**

We can run hundreds of scenarios; some come out better and some come out worse. All the scenarios except absolute economic collapse are good for the City.

All the scenarios above consider just this hotel. There are many studies and real world examples that indicate that during the first two years of a hotel's "absorption period" the new hotel will likely take some business away from other competing hotels in the same economic class. However, after the initial absorption period, occupancy rates at all hotels in the market area rebound to historical rates We consider the other high-end hotels in town to be well managed and expect any drop in occupancy will be minimal. This means that the addition of a new hotel such as ours in the Corvallis market will actually increase TRT revenue from all hotels. This is because the community, as a whole, can host larger events, meetings, conventions, etc.

Are these Projections verified?

Richard Boyles is an experienced operator of 14 Hotels and knows what is reasonable. He has helped put these numbers together and is an investor in the project. He would not be doing this if he did not think the projections are reasonable.

Current TRT tax collected per room by the two higher-end hotels last year is already higher than what we are projecting 2 years from now.

Hotel 1 – TRT Tax collected per room 2012-2013 = $2,860

Hotel 2 - TRT Tax collected per room 2012-2013 = $3,186

Corvallis Riverfront Hotel 2016 projection = $2,479

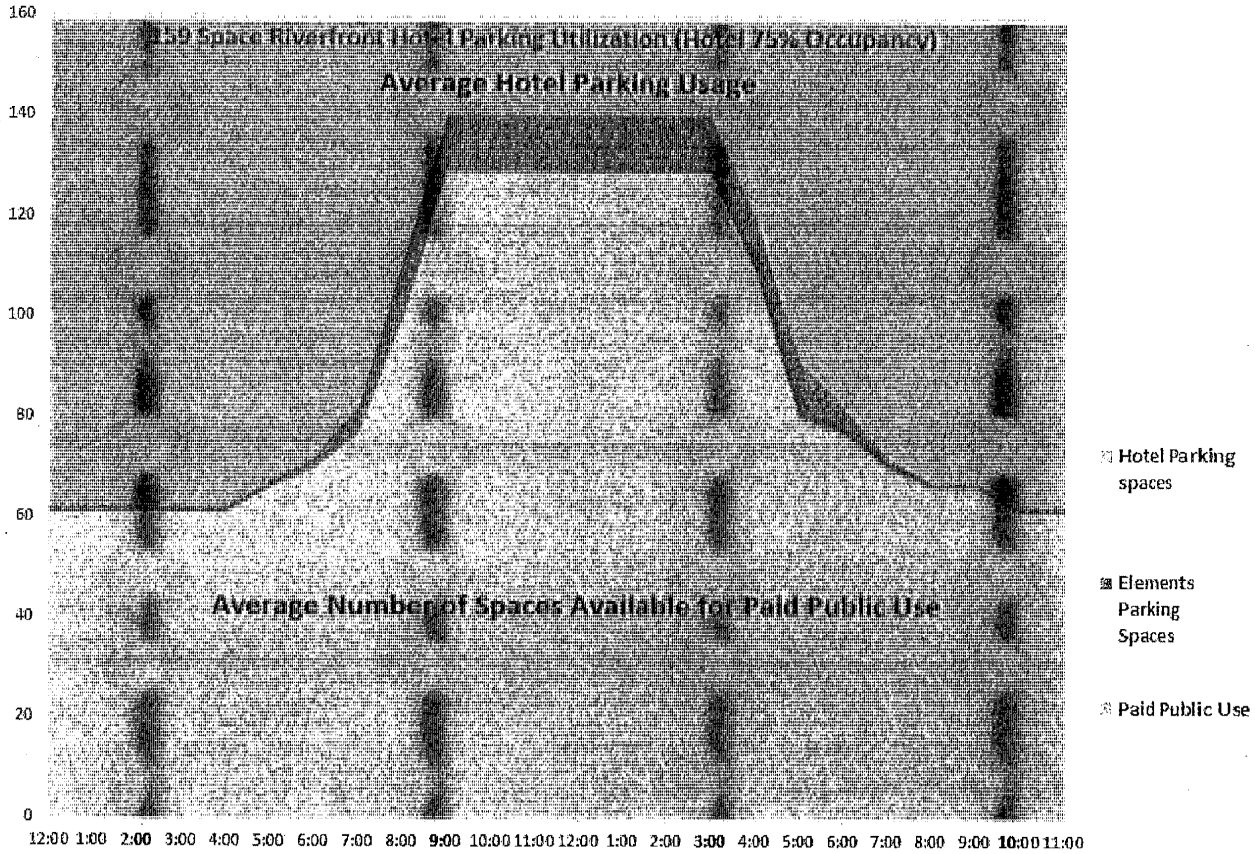
2017 Projection = $2,853

Note: The other hotels will be at $3,218 and $3,585 respectively, in 2017 @ 3% inflation

From these comparisons of other hotels in Corvallis, you can see that the projections are conservative and have upsides to them.

How much parking will be made available to the public?

It is in the hotel's best interest to make as much parking available to the public as possible. We collect information about how many parking spaces will be needed by the hotel each night in order to make the other parking spaces available to the public. What is difficult is to estimate is exactly how many spaces will be available at any given time. Here is our estimate of overall parking availability.



This an overall graph for a typical day; it does not predict any particular day.

Here is a table from a hotel in Eugene. It shows the average occupancy of the hotel over the period of a week, with check-in and check-out times. You can see increased occupancy during the weekdays and less on Friday, Saturday, and Sunday. This indicates that there will be more public parking available on Fridays through Sundays.

Occupancy	45.6%	67.1%	84.6%	84.6%	78.1%	65.2%	62.6%
	Sunday	**Monday**	**Tuesday**	**Wednesday**	**Thursday**	**Friday**	**Saturday**
Check-in							
3p-4p	2.5%	2.5%	2.5%	2.5%	2.5%	5.0%	7.5%
4p-5p	10.0%	25.0%	25.0%	25.0%	25.0%	30.0%	15.0%
5p-6p	25.0%	45.0%	45.0%	45.0%	45.0%	30.0%	20.0%
6p-7p	30.0%	15.0%	15.0%	15.0%	15.0%	25.0%	30.0%
7p-9p	30.0%	10.0%	10.0%	10.0%	10.0%	7.5%	25.0%
9p-12am	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Check-out							
5a-7a	10.0%	15.0%	20.0%	20.0%	20.0%	15.0%	10.0%
7a-8a	10.0%	30.0%	50.0%	50.0%	50.0%	35.0%	10.0%
8a-9a	30.0%	40.0%	20.0%	20.0%	20.0%	40.0%	20.0%
9a-10a	30.0%	10.0%	7.5%	7.5%	7.5%	7.5%	30.0%
10a-12p	20.0%	5.0%	2.5%	2.5%	2.5%	2.5%	30.0%

We assume that during football game weekends and other special weekends the hotel will be full.

What efforts have been made towards engaging with any of the local bicycle shops to offer alternative transportation forms for the guests?

We have been in discussions with the management of Peak Sports regarding establishing a rental program for bicycles for our guests. We are exploring options that could include keeping a small fleet of bikes at our facility for immediate usage and then charging back the cost of the rental through the room. In addition, we would facilitate the offering of higher end bicycle rentals for those who want to take an extended ride or who desire to explore the mountain biking on the trails surrounding Corvallis. These higher end rental activities would likely be a direct transaction between our guests and the staff at Peak Sports.

Has there been any thought given to the promotion of electric cars and other options to reduce the carbon footprint of the hotel facility?

A downtown hotel will naturally reduce the car trips from hotels on 9th street for guests who want to walk around downtown.

We intend to provide charging stations for some electric cars, with the infrastructure to add more charging stations if consumer demand dictates the need. We have had preliminary discussions with Mercedes Benz of Portland about the potential for a leasing program for several of these vehicles, but the terms and conditions for such an arrangement are far from complete. It is unlikely that we will become a rental car provider for our guests, but it is possible that we may facilitate access for a rental car firm.

The ventilation system on floors 2–4 can be naturally aspirated. Creating larger openings in the walls on floors 2–4 allows for natural air flow. No fans, no motors, more parking.

Roof of the parking structure has some open space and could be planted with green vegetation.

Solar Panels – Oregon has a FIT program. We would like to apply, but we can't do that unless we can install them within 12 months of being accepted.

Why did we not tell the public about this sooner?

Last summer we had the idea of doing a hotel/parking garage and making the parking spaces available to the general public when not being used by the hotel. We approached the City staff and asked if there was any interest and they presented it to the City Council during Executive Session. They said, "Yes, look into it."

Making the idea public at that point would not have been constructive; neither we or City staff would have had any answers to the questions we would expect to hear, such as: Who is responsible to build the parking garage? How much would it cost? Who would maintain it? How many parking spaces would be available? We were just beginning to piece together a proposal.

Over the next several months we put together a more complete plan, solicited preliminary cost figures, talked to banks to see if it could be financed, figured out practical ways to manage the parking garage, figured out how to reduce risk to the City, and had our attorney work with the City attorney to draft a set of documents that reflected what was possible. During the process, whenever possible the City shifted the risk to the developer, minimized the City's continued maintenance and support costs, and made a better deal overall for the community. It is unrealistic to think that those kinds of communications should have been happening with public input at every turn. It just would not have been practical. This is what the community hires a City government staff to do. As soon as we had something that we were both comfortable with, it was presented to the City council and they immediately opened it up to the public.

Every City has its staff perform due diligence and prepare documents before presenting a proposal to the City council for review and approval, and when it involves a real-estate transaction they are always first discussed in Executive Session.

Why do we need more parking downtown?

With the recent construction of several new facilities downtown, the need for additional parking is more pronounced. Many articles in the Corvallis Gazette Times in the last several months have pointed this out. Most everyone who has had to drive a car to Saturday Market or wants to go to dinner in the downtown area has experienced the problem.

A downtown hotel and a parking garage were included in the community's Vision 20/20 plan many years ago. There just needed to be an innovative way to make it feasible. The community can be proud of the fact that through this process their City government was able to come up with a way to accomplish the community's long-term plan and do it in a very cost effective way.

Will this garage solve all the parking problems downtown?

No, but it will help significantly. It would be nice if the land was further north, and the hotel was not going to use parking spaces at night, but construction of this garage adds a significant amount of parking to the downtown area. It is more added parking than all of the street parking on both sides of 3rd street from Western all the way to Van Buren, which is only about 130 spaces. This structure will have more

than 150 spaces. While this hotel-garage transaction does not solve the City's parking issues, it is one small step towards that end.

What are the alternatives to this Parking Garage?

For many years the community has talked about a parking garage downtown. The expense, location, land development code, and many other factors have prevented it from happening. Potentially, the community could do a bond measure to raise money, and then purchase land and build a parking garage, but this has always been perceived as way too expensive. If the city were to issue bonds to build a parking garage, the whole cost of repaying the bonds and operating the garage would the responsibility of the city. That would amount to many hundreds of thousands of dollars per year, with almost no revenue to offset it. Parking fees do not even come close to paying for a parking garage.

This project is proposing a scenario in which the majority of the cost is being covered by private developers, and the revenue to pay back the City's portion is being generated by lease payments and Hotel Transient Room Tax (TRT that would not come into the city if apartments, retail shopping, or condos were built; they don't pay Transient Room Taxes, they only pay property taxes).

The timing getting something built on this downtown property and getting it generating tax revenue to the community could be many years away if this project is not built. A parking garage could be even further into the future.

Parking and Economic Development Considerations in Downtown Corvallis

Background

Public entities have become progressively more receptive to joint ventures with or providing incentives to other public agencies and private businesses in an attempt to meet the community's needs during difficult economic and so budgetary times.

After working on a number of these when I represented OSU for OSU projects and advising rural communities as an OSU Extension economist, I have fairly specific ideas about this project. I will continue to avoid general comments about Corvallis economic development efforts while I serve on the council, however when I must decide a specific issue, I will utilize what I know. I am not representing OSU in any way with these comments and I have avoided using the economic models that I would have available if I was representing OSU. This discussion is to help me think about the issues and to provide to my constituents who have offered their ideas to me and asked me for my analysis of the issues. I am only sharing these thoughts to alert those involved that I will raise these issues during deliberations of this or similar proposals.

As an overall view, a new hotel in downtown Corvallis would be great as would additional parking capacity. This project has a high probability of covering the costs and the City may not be at a significant risk. Most of the benefits will be private and not public. The opportunity costs for any community using a significant portion of its borrowing capacity and public goodwill on a single project that does not directly benefit the businesses sectors that hold the greatest potential means the costs have a considerable probability of exceeding the benefits for the deal as it is currently structured.

General Points;

1) When a community makes the decision to create an economic development office as part of the City staff, it should encourage and expect that office to bring projects forward and advocate for those projects. However, most communities cannot and should not afford fulltime staff that have the experience with a number of projects in many places to do the comprehensive analysis necessary when the project moves beyond the conceptual phase and especially when it reaches six figures. The community can utilize consultants like Shiels|Obletz|Johnsen in Portland, Oregon to provide an objective third party analysis and if the project moves forward to assist with negotiation and project management.
2) Most economic development projects may not need to be developed in confidential negotiations and the gains from an open or competitive process in community support can outweigh the lost chances to engage with a segment of developers that require that privacy. If a developer needs to be in and are likely to stay in a community or market they are usually willing to make their proposals publically from the outset. I have suggested this to every community including Corvallis in which I have worked.
3) Take great care in casually endorsing projects. When we first discussed this project, you might remember that I asked and was pleasantly surprised about the developers not seeking more financial support. It sounded too good to be true and was. I was told Corvallis was a special place. Sure it is, yet I know from the numbers that it is not that unique and I could have suggested parameters to use as the project moved forward. If we had set limits on borrowing

capacity or direct support we were willing to provide, it seems unlikely that we would have gone as high as $4.2 million.

4) In many projects of this type, developers use urgency and other folks' money to move projects forward. The alternatives narrow very quickly in this environment. So, it takes great resolve to carefully evaluate development proposals and include the necessary safeguards to protect the public investment in the near and long term - during the probable sale and maybe failure of the development.
5) Public funds should only be used to obtain public goods and services. Most of the benefits from economic development projects are private and the public portion is difficult to determine and is often over estimated.
6) If economic development funds or funding capacity in the form of loans is limited then the funds are usually most effective first in supporting core industries (e.g. in Corvallis education, manufacturing and high value services) especially if they are struggling (manufacturing). Then, look to the industries that have high value added or income multipliers (high value services like health care and engineering) and have potential for growth.

Approach

Often proposals are built to meet multiple needs. Sometimes that can lead to greater efficiencies, almost always it garners additional support as interest groups focus on what they care about and decision makers struggle to bring all the information together to meet each need in an optimum way.

To carefully consider the two most obvious needs that have been discussed for this project – Parking and Economic Development, I have thought about them separately.

I also have a personal concern after spending a great deal of time studying and negotiating with my fellow council and community members to create a beautiful, environmentally sensitive and people friendly riverfront that a hotel of the size proposed with a larger than necessary parking garage on the riverfront may not contribute and could detract from those attributes. This concern has been the greatest concern for the folks calling, knocking on my door, sending emails and catching me on the street.

Parking

Vibrant central cities are critical to communities' economic and cultural health. When I served on the Council previously we strongly supported the downtown with our zoning changes to level the playing field between developments away from and in downtown, in our vision for the future and the City's contribution to the riverfront.

Parking appears to constrain access for our community members as well as visitors to our community center. Improving that access can be a public benefit of this project. However, the parking should be carefully placed. I do not think we have a good sense of the nexus of parking demand. My guess would be a line drawn from the Majestic to Footwise. I am reasonably confident that for $1.2 million we can purchase property closer to the nexus than the proposed development would provide. If we use a high estimate of $10K per space, we can develop the same number of surface spaces for which we can reasonably be assured in the proposed development 159-129=30 for $1.5 to $1.75MM as a capital project and the location will be closer to possible City and County future developments. The average

stay for an overnight visitor in Corvallis is 1.7 nights so over half of the visitors to the motel may be expected to stay two or more nights and the available spaces in the development even during the day let alone during the evening becomes very questionable.

We need more research on how the demand for paid parking compares to free parking and how that might change over time. My sense is that we are at least five and maybe ten years away from significant demand for paid parking that is not close to a driver's destination. If we developed a modest amount of additional surface parking in closer proximity to public agencies and possibly business needs, we could expand that surface parking into a garage when the demand for paid parking was sufficient.

If the majority of the Council is not convinced to go more slowly and study more alternatives, then at least they could reduce the size of the garage to the minimum required to minimize aesthetic impacts on the riverfront and require a buyout of the City's interest after five or ten years when the majority owner(s) have a track record to take to the lenders and finance the garage and require the developers to make-up any short fall in our debt service payments as an offset to the hotel's eventual purchase of the City's interest. Another option would be to loan the developers the funds for ten years at the rate we will pay for the funds plus a small amount for administration and risk. Still another option would be to take an undivided interest in the whole facility with first position in the trust deed.

Economic Development

If the City's resources for economic development are very large then using them to reinforce one of the strongest sectors of our economy might be acceptable – food services benefits the most from overnight visitors even more than accommodations. Food services is currently a very strong business sector.

If using these funds prevents us in the future from supporting a project that improves the diversification of our economy or could boosts one of our struggling sectors that has potential for growth, then we may pay a very high opportunity cost for devoting so much for so long to this development. What is the public's tolerance for us returning to them every couple of years with similar projects?

The term multiplier is usually reserved for economic sectors that drive the economy or initiate a series of respending in an economy. In the service sectors like accommodations and food services, an important part of that multiplier comes from induced effects or household spending of employees or proprietors using the income they receive to make purchases for things like food or health care. The food service sector and the third highest beneficiary of visitor spending retail trade are primarily service sectors and not basic sectors or traded sectors although they have an export component. While those types of business are strong advocates for economic development and they are important to the economy, they tend to be driven sectors more than driving sectors. Most communities focus their incentives on traded or basic sectors. There are going to be lots of visits to Corvallis, as long as OSU stays healthy, yet Benton County has lost over 3,000 manufacturing jobs over the last 12 years.

Using OnTheMap, a third of service sector employees live in Corvallis and it is reasonable to expect a very high level of leakage of their spending to stores in Albany, Lebanon and elsewhere. While Corvallis rents are quite competitive and likely to fall and the vacancy rates for rentals now exceed Albany's, if the service worker has a family and wants to own a home, the probability that Corvallis can close the median home price gap ($260,000 in Corvallis compared to Albany at $177,800) in any meaningful way is unlikely. Corvallis also does not provide as much access to the labor market for services as those

communities closer to I-5. A majority of the benefits from this development may go to Benton County, Linn County and Albany. At least Benton County could reasonably be expected to share in the costs and risk.

While the property this hotel would occupy has been vacant for some time, it is reasonable to expect that it would develop in the next few years though probably not at this level of intensity or value.

It is interesting to consider tax receipts as a public good. Taxes are to offset increased costs and are not meant to be profits. Certainly that is the case for SDC's, which research has shown are usually inadequate to offset costs. It probably is not the case with business property taxes which appear to "subsidize" residential development so a portion of the project property tax revenues can be considered benefits. Again, Benton County is likely to benefit and should share the costs.

The hotel project is likely to create, after an adjustment period, 20+20=40*1.5 (supplier and household spending) =60 jobs. In addition, the visitors are likely through their retail and food service spending and the associated respending to create another 20 jobs for a conservative total of 80. Unfortunately, as already noted the majority of the people who hold those jobs are likely to live away from Corvallis and spend a major portion of their income away from Corvallis.

"Financing does not require the use of existing resources" if our financial capacity to borrow is unlimited or our ability to support other projects is not consider a resource.

If this project is not approved a portion of the benefits may not ever be gained. A portion are very likely to be obtained in the downtown in the not too distant future.

Additionally, if this project is approved as it is currently structured, a portion of the benefits of future opportunities will not be realized because we have locked-up a number of resources in this project.

This could be a very worthwhile project for the developers, other businesses and the City, if we

1) shorten the period of our involvement to maintain our future capacity to engage in projects that support basic sectors and preserve our ability to locate the parking closer to where it is most needed
2) not risk the general fund and shift that risk to the developer with even a small flow of revenue backed by the developer
3) consider a modest contract with a firm that has done a number of these projects
4) minimize the number of parking spaces to minimize the aesthetic effects to the riverfront

Thanks for taking the time to read all these thoughts.

Bruce Sorte

Package # 1
Land Development Code Text Amendments

- LDT13-00002 / LDT13-00003
- Changes recommended by:
  - Neighborhood Planning Workgroup
  - Economic Development Commission
  - Historic Resources Commission
  - Staff (annual fees review)

Change Schedule for Land Use Application Fee Review

Proposal:

Modify LDC Section 1.2.100.02 so that annual review of land use application fees becomes effective on July 1 (fiscal year) instead of current January 1 (calendar year)

Planning Commission Action:

No change

Recommendations from Neighborhood Planning Workgroup (OSU / City Collaboration)

Proposal:

The following items were forwarded by the Planning Commission, without changes:

Item #	Description	Exhibit H – Page #
2-1	Exempt qualifying affordable housing development from 4/5 bedroom parking requirements	Page 16
2-2	Change the definition of "family" to include domestic partnership, and update language regarding residential care facilities.	Page 19
2-3	Add definition of "residential home"	Page 20

Recommendations from Neighborhood Planning Workgroup (OSU / City Collaboration)

Proposal:

The following items were forwarded by the Planning Commission, without changes:

Item #	Description	Exhibit H – Page #
2-6	Increase setback standards for zero lot line, single attached units	Page 24
2-7	Change Density Calculations to disallow "half-street bonus"	Page 27
2-8	Increase the public notice area for Major Lot Development Option applications from 300 to 500 feet	Page 30
2-9	Change Density rounding provisions, allowing rounding down in cases where the calculation results in 0.5 or greater, for the minimum (net) density calculation	Page 27

Recommendations from Neighborhood Planning Workgroup (OSU / City Collaboration)

Proposal:

The following item contains changes proposed by the Planning Commission:

Item #	Description	Exhibit H – Page #
2-5	Revise Property Line Adjustment criteria to not allow "unusable areas"	Page 21

Planning Commission Action:

After considering additional written testimony and Staff modifications, added the following criterion # 5 to LDC Section 2.14.60.b:

"In addition to applicable lot width requirements, any opposing or parallel side property lines shall be separated by a minimum distance of 15 feet. Existing side property lines that do not meet this standard are allowed to be maintained or adjusted, as long as the Property Line Adjustment does not worsen the non-compliant configuration."

Recommendations from Neighborhood Planning Workgroup (OSU / City Collaboration)

Item #	Description	Exhibit H – Page #
2-5	Revise Property Line Adjustment criteria to not allow "unusable areas"	Page 21

Advantages:

• provides clear and measurable standard for ensuring "usability" of yard area

Disadvantages:

•Imposes additional restriction on configuration of property boundaries affected by Property Line Adjustment request

Conclusion:

•Staff finds that proposed additional criterion improves the general welfare of the community by ensuring usable yard areas.

Recommendations from Economic Development Commission

Proposal:

Item #	Description	Exhibit H – Page #
1	Allow Minor Revisions to Approved Planned Developments for Code Compliant Changes to be Considered in Compliance with the Approval	Page 35

Planning Commission Recommendation:

The Planning Commission recommended no change to the proposal.

Recommendations from Economic Development Commission

Proposal:

Item #	Description	Exhibit H - Page #
2	Allow Minor Adjustments/Expansions for Code Compliant Development to be Considered in Compliance with an Approved Detailed Development Plan	Page 37

Planning Commission Action:

After considering testimony and a staff recommendation for additional clarifying language, the Planning Commission recommended approval with the additional language proposed by staff.

Recommendations from Economic Development Commission

Proposal:

Item #	Description	Exhibit H – Page #
3	Allow Code-compliant Development on PD Industrial Properties Where There is no Active Conceptual or Detailed Development Plan, or Less Than 5% Has Been Developed Under the PD	Page 39

Planning Commission Action:

After considering oral and written testimony, the Planning Commission asked staff to provide additional analysis on the proposal. Staff presented information and potential alternatives to respond to concerns. During deliberations the Planning Commission decided not to recommend the proposed changes in Item 3.

Proposed Chapter 2.9 - Historic Preservation LDC Text Amendments

Category of Code Amendment	Exhibit H
1. Alterations to Nonhistoric and Nonhistoric/ Noncontributing Resources • Expands Exempt provisions for new windows not visible from ROW • Exempt alterations within the OSU District is expanded from 200 to 400 sq. ft.	Pages 49 - 56
2. Alterations to Facilitate Compliance with ADA, Building Code, or Safety Requirements • Expands Exempt activities for some ADA-related alterations, primarily within the OSU District • Expands Director-Level HPP to include ADA-related alterations to windows and doors on Nonhistoric/Noncontributing Structures • Expands Exempt and Director-Level HPP provisions for ADA Parking-related activities • Adds certain scupper installations to Director-Level HPP reviews	Pages 56 - 57

Proposed Chapter 2.9 - Historic Preservation LDC Text Amendments

Category of Code Amendment	Exhibit H
3. Minor Alteration Facilitating Contemporary Use • Expands the types of Exempt Accessory Structures and creates separate standards for the OSU District • Expands Exempt Fencing-related activities within the OSU District • Expands the Exempt provisions for: *Uncovered Deck or Patio Additions*; *Pathways*; *Utility Meters, Pipes, and Venting*; *Ground-level and Rooftop Equipment*; and, *Required Ground-level Screening* (within the OSU District) • Adds a new Director-Level HPP *Wireless Telecommunication Facilities* provision limited to the OSU District	Pages 57 - 70
4. Simplification or Clarifications of Code • Minor changes to the Exemption provisions regarding *Painting*, *Heating and Cooling Devices*, *Re-roofing*, and *Skylights* • Director-Level HPP *Skylights* provision would be modified to reflect the proposed changes to the Exempt *Skylight* provision	Pages 70 - 72

Proposed Chapter 2.9 - Historic Preservation LDC Text Amendments

Changes Made Following Initial HRC Review

All of the 2.9 Text Amendments were reviewed and approved by the Planning Commission without modification, except as follows.

<u>OSU - Ground-level Screening & Wireless Telecommunication Facilities</u>

- Following initial HRC review, OSU proposed modifications to Exempt and Director-Level HPP *Required Ground-level Screening* and Director-Level HPP *Wireless Telecommunication Facilities* provisions
- Planning Commission sent the new language to HRC for review
- HRC agreed to modifications to both the Screening and Wireless Facilities provisions. However, the Screening provision was different than the OSU-proposed language
- The Planning Commission approved the HRC recommended language

<u>Director-Level Window Replacement</u>

- Following Planning Commission review, Staff recommends that a portion of the proposed Director-Level HPP *Replacement of Windows* provision amendment retain the current LDC text instead to avoid possible confusion and/or unintended restrictions

Density Discussion

- The Planning Commission recommended several items to address concerns about incompatible infill development, based on recommendations from the Neighborhood Planning Work Group.
- Some of those items are included in Package #1, others are still in development and will be included in Package #2.
- The Planning Commission did recommend a change to density calculations, but did not recommend eliminating the "rounding" provisions.
- However, the Planning Commission did recommend that staff provide some analysis of how density is currently calculated and develop a proposal to address some of the concerns they have heard regarding how our code currently addresses density calculations.

Density - Continued

- Based on this direction, staff have developed some concepts to: 1) simplify the City's density standards, and 2) eliminate or minimize the possibility that resultant densities could exceed the specified density range within any residential zone.
- Testimony from Tony Howell provides one suggestion for revising our density standards to eliminate rounding provisions.
- Staff propose to develop a new approach to density calculation that would establish minimum lot sizes as the determinant of density, to both simplify the code and to minimize or eliminate the possibility that resultant densities could exceed the specified density range within any residential zone.

Density - Continued

- Staff have tested the minimum lot size approach in relation to recent infill developments in the RS-9 zone and found that it would better address concerns about densities that have resulted from current rounding provisions.
- As noted in the materials from the Council's May 5th meeting, we anticipate that a State-mandated Measure 56 notice will need to be sent to all residential property owners in the City, and a future public hearing will need to be scheduled to consider changes that would impact development rights (e.g. elimination of rounding).

Density - Continued

- In conjunction with deliberations on the Package #1 LDC Amendments, staff request direction on:
- Whether to proceed with revisions to our density methodology, and if so, what options to explore?
- If yes, when should these changes be considered?

  3 options:

  1) delay Package #1 and include this item;

  2) begin work on this item, to be considered separately from Packages 1 and 2; or

  3) include this item with Package #2 changes, for which Measure 56 Notice would be required anyway.
- Any Questions?

LWV Corvallis
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541-757-1728 • http://www.lwv.corvallis.or.us

June 16, 2014

To: Mayor Manning and Members of the City Council

From: Ann Brodie and Laura Lahm Evenson, Co-Presidents

Re: Land Development Code Amendments, Package #1

The League of Women Voters of Corvallis supports the adoption of the staff recommended Land Development Code (LDC) amendments – Change in the Fee schedule, and numbers 1 and 2 from the Economic Development Commission. We also support the proposed amendments from the Neighborhood Planning Work Group with one exception. We recommend that you change the definition of **Density Calculation: c. Fractions** in **Section 1.6.30** in exhibit A, page 2. (All of these amendments are found in the June 9, 2014 Staff Report, exhibit A, pages 2 thru 6.) League did not review the amendments proposed by the Historic Resources Commission.

League would like you to consider in this package of LDC Amendments, elimination of the practice of rounding of fractions in the density calculation. This would mean going back to the density calculation definition in the LDC prior to 2006. The current practice has resulted in densities higher than the stated maximums for the zone, and has had unintended consequences especially as infill occurs in established neighborhoods. This is not the clear and objective standard we strive for.

The following wording changes suggested by the Infill Task Force might be considered.

c. Fractions - When the **calculated gross or net density results in a number of** ~~**sum of the**~~ dwelling units **that includes** ~~**is**~~ a fraction of a dwelling unit, ~~**and the fraction is equal to or greater than 0.5, an additional dwelling unit shall be required (minimum density) or allowed (maximum density). If the fraction is less than 0.5,**~~ an additional dwelling unit shall not be required **(for minimum density)** or allowed **(for maximum density)**. **Nothing in this section shall preclude the development of at least one dwelling unit on an existing lot meeting the minimum lot size for the zone and residential building type.**

In addition to our support for the amendments above, on March 17, League recommended that LDC **Section 1.1.60 Conflict of Interest** be amended to reflect the interpretation adopted by this Council last November. Has this amendment already been approved for inclusion in Package #1?

As always, League supports measures to insure effective, impartial, prudent, and lawful or legitimate enforcement of the implementation of the plan.

Thank you for the opportunity to present this testimony.

Benton Habitat for Humanity®

June 16, 2014

Corvallis City Council
501 SW Madison Ave
Corvallis, OR 97333

Re: Proposed Draft Land Development Code Amendment

Dear City Councilors,

Thank you for this opportunity to provide testimony regarding the proposed changes to the Land Development Code (LDC) in LDT13-0003.

The mission of Benton Habitat for Humanity is to bring people together to make decent homes achievable for everyone in our community. Like the Neighborhood Planning Workgroup, Benton Habitat is also concerned about the lack of housing variety and stock, which is producing an array of problems throughout the Corvallis community.

As you are already aware, the housing dilemma not only affects people with low to middle incomes, but is forcing long-time residents out of town, stifling economic development, causing commuter traffic congestion, and threatening support for our schools.

To prepare for our testimony, we sought the input of members of the Neighborhood Planning Workgroup and City of Corvallis staff, and we thank them for their constructive feedback. We understand the goals of the OSU Neighborhood Collaboration, and are hopeful that you will find our proposals to be compatible with those objectives.

This evening, we are formally requesting an amendment to the written definition of Select Affordable Housing Units per the handout you were supplied. Our proposed amendment will

- Clearly identify the particular affordable units that are eligible for this exemption
- Eliminate language that may be misunderstood to mean the wider category of residential units that "qualify" as Affordable Housing
- Clarify that this exemption is applicable to "housing unit(s)" whether or not they are part of a "development"
- Explain that the "combined" income of those residing in a select affordable housing unit must be at or below 60% of median

Benton Habitat would also like to express its concerns with two additional proposed code changes including:

- **Revise Property Line Adjustment criteria to not allow "unusable areas"** (Item 2-5 found in 3/7/2014 Staff Report C.4 pp 21-24 and 4/10/14 Staff Memo).
- **Increase setback standards for zero lot line, single attached units AND modify current definition of "Infill"** (Item 2-6 found in 3/7/2014 Staff report C.5 pp. 24-27).

Both of these proposed code changes could have the unintended consequence of further restricting the ability to build smaller (less than 1,300 sq. ft) single family homes which would be ideal for lower income, starter families, or single level homes for aging in place seniors. We have supplied information that details our concerns and amendments to address them in the packets you were given. In relation to these two proposed changes; Benton Habitat for Humanity would like additional time to fully research the potential impact on affordable housing and present an alternative at a future meeting.

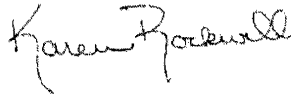
To summarize, this evening we are asking for two things.

- The first is that the City Council amend the written definition of Select Affordable Housing Units per the handout you were supplied.

- The second is that the City Council considers delaying approval for the **Revise Property Line Adjustment criteria to not allow "unusable areas"** and considers delaying approving for the **Increase setback standards for zero lot line, single attached units AND modify current definition of "Infill"** until Benton Habitat has the ability to fully research the possible negative ramifications these two proposed codes could have on affordable housing.

We applaud the workgroup and the City of Corvallis for its efforts to address this housing need. Thank you for allowing us the opportunity to testify, and for your full consideration of our requests.

Sincerely,



Karen Rockwell
Executive Director

Issue:	**Exemption of Affordable Housing Projects from 4/5 Bedroom Parking Requirements** ***(Item 2-1 found in 3/7/2014 Staff Report C.1 pp. 16 – 19)***

Concern: The current definition does not go far enough in defining who would benefit from this exemption. This ambiguous language could result in misunderstandings and misuse. Benton Habitat for Humanity makes the following recommendation:

- Clearly identify the particular affordable units that are eligible for this exemption
- Eliminate language that may be misunderstood to mean the wider category of residential units that "qualify" as Affordable Housing
- Clarify that this exemption is applicable to "housing unit(s)" whether or not they are part of a "development"
- Explain that the "combined" income of those residing in a select affordable housing unit must be at or below 60% of median

Proposal: See changes in **bold** below to text adapted from the proposal presented on page 17 of the 3/7/2012 Staff Report.

See also; ***Select*** *Affordable Housing* ***Units.***

Select Affordable Housing Units – Housing units that are *designed to serve residents through ownership or rental costs that comprise no more than 30 percent of the gross monthly income of a household that has* ***a combined gross income*** *at or below 60% of the Corvallis area median.* ***Select*** *Affordable Housing* ***Units*** *shall demonstrate commitment to providing affordable housing through deed restrictions, restrictive covenants, or other acceptable form of assurance, for a period of not less than 20 years.*

Benefits: The proposed amendment:

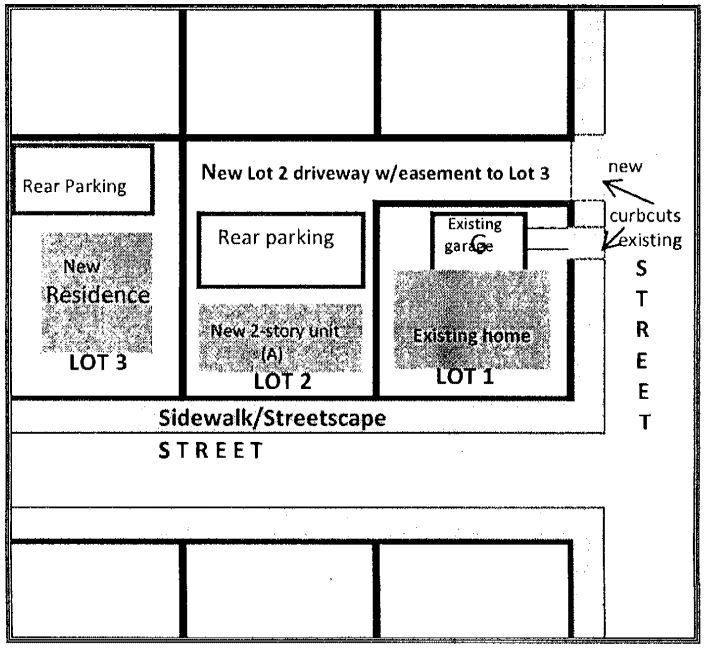
- makes it harder for developers of student housing units to claim this exemption;
- confirms BHfH's eligibility for this exemption since we generally build homes on scattered and infill sites rather than "developments" and
- pinpoints the exempted category of Affordable housing.

Summary: BHFH is requesting the above modification to the written definition of Select Affordable Housing Units.

CONCERN #1: Revise Property Line Adjustment criteria to not allow "unusable areas" *(Item 2-5 found in 3/7/2014 Staff Report C.4 pp 21-24 and 4/10/14 Staff Memo).*

BHfH AMENDMENT/PURPOSE: To remove unintended limitations to property line adjustments so developers are encouraged to replace front-loaded lots with rear driveways and parking. The following example shows one way other communities have been able to promote pedestrian oriented features for neighborhood compatibility.

OPTION FOR REAR LOADED DRIVEWAY CREATED BY A PROPERTY LINE ADJUSTMENT



This unscaled sketch demonstrates a rear 13' wide driveway that minimizes curb cuts, and provides adequate off-street parking.

IMPACT: Allowing rear driveways contributes to City aims for pedestrian friendly development and improves neighborhood compatibility in existing by reducing the number of "garage centric" homes.

PROPOSAL: See changes in **bold** to the language approved by the Planning Commission at their 4/16/2014 meeting.

LDC Section 2.14.60.b:
A Property Line Adjustment shall be approved if the following criteria have been met:
1. The Property Line Adjustment shall not result in creation of an additional unit of land;
2. Any unit of land reduced in size by the Property Line Adjustment shall comply with all applicable zoning regulations;
3. The Property Line Adjustment shall not increase the degree of nonconformity that may exist on the subject lots; ~~and~~
4. The availability of both public and private utilities and required access shall not be adversely affected by a Property Line Adjustment; and
5. In addition to applicable lot width requirements, any opposing or parallel side property lines shall be separated by a minimum distance of 15 feet, **except where the developer demonstrates that a lesser distance is adequate for and will be used for a driveway or alley access connection between a street and rear yard, onsite parking.** Existing side property lines that do not meet this standard are allowed to be maintained or adjusted, as long as the Property Line Adjustment does not worsen the non-compliant configuration.

CONCERN #2: Increase setback standards for zero lot line, single attached units AND modify current definition of "Infill" *(Item 2-6 found in 3/7/2014 Staff report C.5 pp. 24-27).*

***NOTE: Comprehensive Plan Policy 9.2.7* - To facilitate neighborhood-oriented development, the Land Development Code shall include provisions for:**

A. **Reduced setbacks and minimum lot size requirements in residential districts;**
B. **Varied lot dimensions within a neighborhood development; and**
C. **The consideration of an average lot size within a neighborhood development.**

BHfH AMENDMENT/PURPOSE: Increasing the stock of smaller homes that are appropriate to the neighborhood and suitable for retirees, small families, the elderly and disabled, and first-time home buyers.

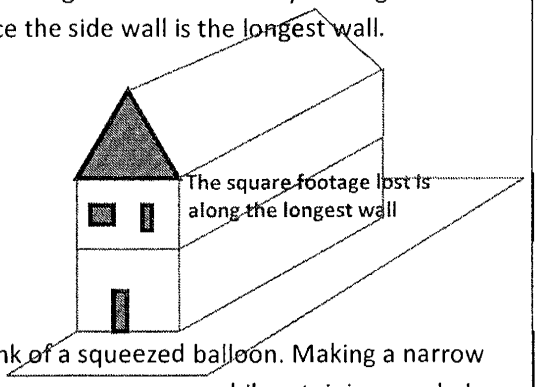
BACKGROUND: Narrow lots created by 2006 LDC changes were intended to provide diverse housing options. Single Attached housing units built on narrow lots have resulted in some three-story homes with front yards full of cars, rather than the pedestrian friendly features envisioned in the 2006 LDC.

CONCERN: Increasing side setbacks from 8-feet to 10-feet on *all* Single Attached lots will not alleviate development of disproportionately large homes, but it may eliminate options for the type of small homes needed in our community.

1. Not all lots are equal. On narrow, deep lots, the longest walls typically run parallel to the side property line. An increase in the side setback has much greater impact on a narrow lot than a lot with wider frontage and shorter sides. (see drawing below)
2. As lots become narrower and housing is forced higher, opportunities for small and single story homes are lost...homes that would be appropriate for retirees, for starter homes, for people with disabilities.

The Long - Skinny

On long, very narrow lots, the impact of increasing the side setback by 2' is significant since the side wall is the longest wall.

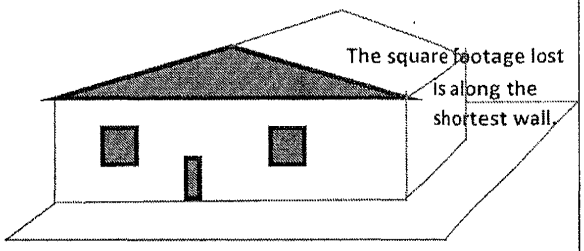


Think of a squeezed balloon. Making a narrow house even narrower while retaining needed living spaces causes one or more of the following.

- Adding a higher level – requires adding stairways
- Pushing the house forward – reduces options for usable porches and other pedestrian friendly features
- Expanding to the rear – minimizes or eliminates rear yard gardens/privacy

The Squarish

With shorter, wider lots, the impact of a 2' increase in the side yard setback is much less because the length of the side wall is less.

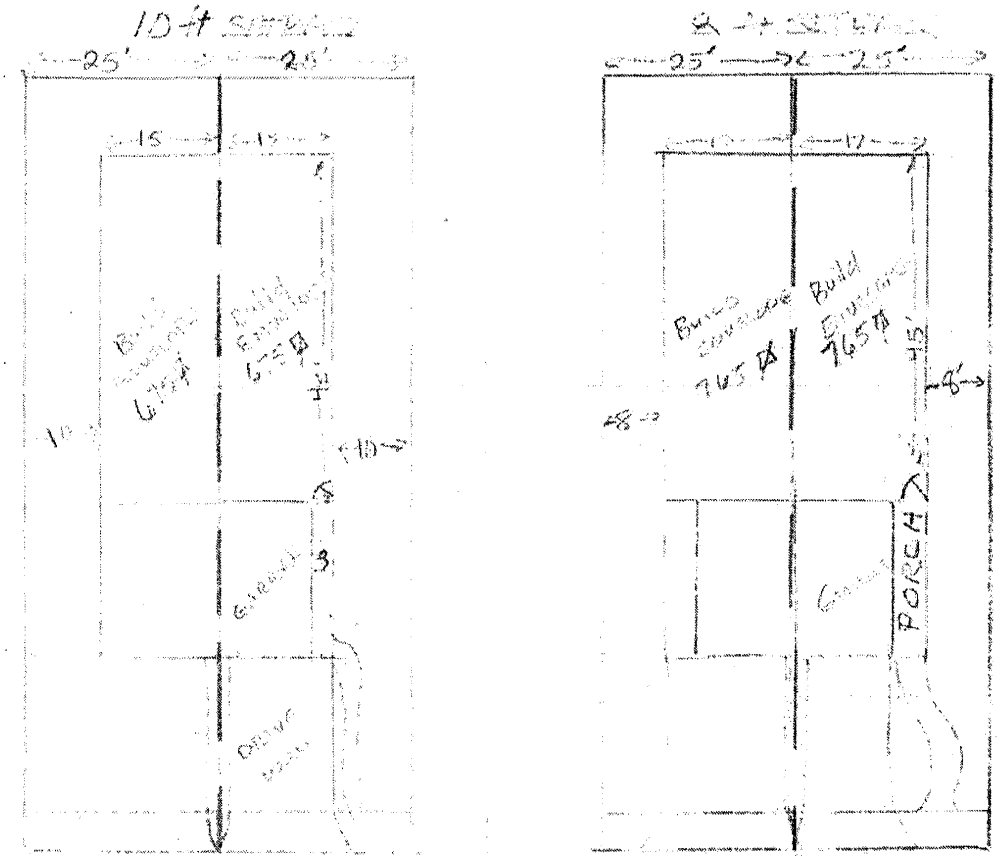


Less living space is lost so fewer alterations are needed to adjust to the minimal loss of square footage.

The sketch below compares 8' and 10' setbacks on a lot that is 25 feet wide by 100 feet deep.

10-FOOT SETBACK: In this scenario, by increasing the setback to 10', 90 square feet are lost (equivalent to losing 1 bedroom). This loss is doubled to a 180 square foot loss if the unit is two stories, the equivalent of losing two (2) bedrooms.

- The maximum interior width is reduced to only 14-feet.
- The dimensional size and proportions make it difficult to create an adequate sized single story home.
- Adding a second floor means adding a stairway which eliminates these lots from development for many retirees and people with disabilities.
- A second floor for walled, private rooms such as bedrooms and baths becomes problematic because they must share the narrow space with a stairwell opening and hallways.



8-FOOT SETBACK: The combination of an additional 90 square feet on each floor with better proportions, significantly improves and expands the potential livability of these lots.

- The maximum interior width is 16-feet.
- The dimensional size and proportions make it possible to create a small but adequate sized single story home without adding a second floor.
- These lots may be developed for homes that suit many retirees and people with disabilities.
- If a stairway is added for second story, there is less effect on the layout of living spaces on both floors.

IMPACT: Conditionally allowing the 8-ft side setback on narrow lots ≤30 ft. wide will encourage smaller, more compatible homes to be built and provides more opportunities for diverse housing options in both established and new neighborhoods.

Below are two examples of the impact of side-yard setbacks on Benton Habitat for Humanity homes.

Example 1: Two Habitat zero-lot line homes were built, each on lots approximately 25' wide. Both are 3-bedroom, 1 ½ bath homes with back yards filled with projects and growing areas.

If an additional two-feet were subtracted along the side of these two-story homes, 324 *square feet* would be eliminated, *the equivalent of four bedrooms.* ***To make up for this loss in width, a 3rd story would have been required. The additional cost of a 3rd floor significantly limits the ability of BHfH to build affordable homes.***

Example 2: Due to the mother's walking disability, the family needed an accessible bedroom and bath on the main floor. Fortunately the lot was wide enough for BHfH to build a 2-story zero lot-line home with a small bedroom and bath on the main floor, next to the kitchen/dining area. A single car garage, just off the kitchen, was also integrated into the "universal design" house plan.

The combination of a narrow lot and a 10-foot side setback would make this type of accessible design impossible for a family sized home on a small lot under 30-feet wide.

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PROPOSAL: See text in BOLD below. Adapted from the proposal presented on pages 24 and 25 of the 3/7/2012 Staff Report.

e. Setbacks

1.	Front yard	10 ft. minimum; 25 ft. maximum Also, unenclosed porches may encroach into front yards, provided that a minimum front yard of 5 ft. is maintained.
2.	Rear yard ~~and Side yards~~	5 ft. minimum. ~~Additionally, the setbacks listed below apply for side yards not being used as the usable yard described above.~~
3.	Side yards	
	Interior attached townhouses exempt from interior side yard setbacks.	
	a) Single Detached	5 ft. minimum each side yard
	b) Single Attached	~~0 ft. one side; 8 ft. minimum on opposite side~~[1] 0 ft. one side; 10 ft. minimum on opposite side[2]
	c) Zero Lot Line Detached	0 ft. one side; 8 ft. minimum on opposite side[1]
	d ~~c~~) Duplex, Triplex and Fourplex	10 ft. minimum each side
	e ~~d~~) Abutting a more restrictive zone	10 ft. minimum
4 3.	Exterior Side Yard and Rear Yard abutting a Street	10 ft. minimum vision clearance areas in accordance with Section 4.1.40.c of Chapter 4.1 - Parking, Loading, and Access Requirements.
	See also "k," and "l," below.	

1. For Detached Zero Lot Line dwelling units, prior to Building Permit approval, the applicant shall submit a recorded easement between the subject property and abutting lot next to the yard having the zero setback. This easement shall be sufficient to guarantee rights for maintenance purposes of structures and yard, but in no case shall it be less than five ft. in width.

2. A side setback reduction to "0 ft. one side; 8 ft. minimum on opposite side" shall be applied where lot width is ≥30 ft. and where, upon City review, the site development and building plans indicate that the finished floor plan is equal to or less than 1,300 square feet.

June 16, 2014

Mayor Manning and City Councilors:

An "All-Neighborhoods Meeting" (The Meeting) was held June 10, 2014 in Corvallis to provide Corvallis residents an opportunity to share their views on two topics that have been discussed in Council Executive Sessions in the last six months, and made public only in the last few weeks. Following is a summary of the key points raised during The Meeting. We ask that you give these questions and concerns your full attention and discussion as the topics appear on the Council meeting agenda.

City Bond Funding for Downtown Hotel Parking Garage

The City would assume significant long-term financial risks by issuing a bond to construct a parking garage for which there is:

- The City is on a credit watch: how would funding this project affect our credit rating?
- Transitory Room Taxes are an unstable funding source. When revenues are not sufficient, from which other Programs would the City extract funds to meet obligations?
- After three years, will projected occupancy rates be all new Corvallis visitors, or *poached* from other area hotels and motels?
    - Occupancy rates of 75% or greater are difficult to maintain long-term.
    - Corvallis is not considered a destination location.
- There is no clear, demand-driven need for more parking in that area of downtown.
- This parking structure would offer very little new parking when it is most needed (evenings).
- A downtown parking garage is not identified as a priority for City economic development investment.
    - An open, competitive process should identify priorities for economic development funding.
    - What other economic development projects will be delayed or foregone if this project is financed?

Sale of Washington Park for Benton Center Expansion and Parking

Many questions must be answered before the City sells the only green space in a large mixed-use neighborhood. It's important that you consider the following:

- Residents of the neighborhoods adjacent to Washington Park have not been notified of the proposed sale, nor have they been given an opportunity to express their opinions of it.
    - Green space in this area can't be replaced, nor can its open, amenity-free qualities.
- It's not clearly evident that Linn-Benton Community College (LBCC) has actively sought alternative solutions to limited parking or expansion needs at the Benton Center.
- Before further considering the sale of Washington Park to LBCC, a committed collaborative dialog between the City, LBCC, Good Samaritan, and other businesses near the Benton Center should fully analyze:
    - Sharing the existing parking lots west and north of the Benton Center
    - Improving Corvallis Transit System services to better meet Benton Center class schedules, e.g.
        - Adjusted arrival/departure times
        - Added routes and/or more frequent service

We realize that the proposed sale of part of Washington Park to LBCC will be considered first by the Parks, Natural Areas, and Recreation Board at its June 19 meeting. These comments and suggestions also will be submitted to the Parks Board.

Thank you for the many hours, and considerable energy, you give to Corvallis and the community.

Courtney Cloyd

Courtney Cloyd

Comments, Corvallis City Council meeting,
June 16, 2014

Carl M. Finley

Corvallis, OR 97330
Finleycm@r
541-

1) There is a need for more parking, but the location of the hotel is peripheral to where public parking is needed. If the city were to build a stand-alone parking garage, it would be more centrally located, perhaps built on an existing city parking lot.

2) Developers are overstating the number of public spaces that will be available. The developer proposal does not break out how many public parking spots would be utilized by staff and the ancillary businesses and their customers. All parking in excess of spots needed for the hotel patrons is labeled for the public. The first block of large public use will be the hotel staff, and the staff and customers of the businesses located at the hotel. Will the hotel include a restaurant that would use parking at night; apparently the parking problem is worse at night, so an additional restaurant would tighten the parking problem. Any businesses wanting to locate will want guaranteed parking.

3) The debt service will be paid by a combination of TRTs and property taxes. The TRTs and property taxes have dedicated purposes; does this project divert taxes from these usages? Perhaps downtown businesses need there own taxing district to accommodate their desires.

4) The developers state that the project should be considered independent of the process. This is incorrect, since the project is dependent on public revenues, and thus the public process is integral to approving these taxes.

5) It can be argued that the proposed hotel, as well as all downtown property owners, have greatly benefited from the public monies that developed the Riverfront Park project in the first place. All riverfront property owners have already received a huge increase in the value of their property when the public voted to subsidize the Riverfront Park project. How much more is the public going to subsidize these property owners?

6) The City is not going to "buy" the garage until it is finished. What if opposition grows, resulting in a public vote on the project? Will the city be tied to a contract by a council vote, eliminating the possibility of a public vote?

7) The developers say that the project is financially ~~viable~~ viable without this public involvement. Have they provided any documentation to support this?

My name is Leonard Higgins. My residence is in Ward 5.

I'm here because it appears that there is a lot of pressure on City Council to approve the $4.2 million City investment in the hotel parking structure. I don't think there has been adequate public process or prudent consideration of alternatives to support a decision in today's meeting.

My primary request to City Council is for at least 10 days of public notice for a dedicated public hearing on this topic (not limited to the 3 minute clock).

If City Council will not provide a dedicated public hearing, I request that the resolutions before Council be amended. I think Council could approve the concept of a public-private partnership but defer decisions on the Earnest Money Agreement and Lease Agreement pending Council consideration of alternative solutions for a City investment in downtown parking and economic development.

Finally, if City Council will not provide a dedicated public hearing and if City Council decides to move forward in this meeting to approve the resolutions, I request that they be amended to eliminate the proposed Municipal Bond issuance, and instead guarantee the Hyatt Hotel TRT revenues directly to the alternative investors or lending institution until the City has contributed (through the TRT revenue stream) $4.2 million (plus interest costs of alternative financing). There is a possibility that the required 30% of TRT dedicated by state law to tourism could also be applied since the stated purpose of the investment is to increase tourism visits to the City.

I have attached for Council a 2012 Moody's credit rating and report on the City of Corvallis. The negative findings and risks described in that report are pertinent to this decision. First, because of the negative findings, and since the proposed Municipal Bond issuance is intended as a taxable rather than a non-taxable issuance to investors, the City interest costs for this issuance (and future City borrowing) may be higher than expected. Second, I believe that more emphasis is needed on the importance of basic City services to economic development. There are unstated costs for city streets and other infrastructure related to this proposal, as well as the possible downturns in TRT revenue that could require higher than expected payments from other City funding sources. These unexpected costs could require cuts in basic City services. Also, the issuance of $4.2 million in Municipal Bonds for this project will make it less likely that the City can invest in other worthwhile projects.

I want to go on record as supporting the developers of this project and commending their commitment to development in the downtown core. However, I think the City Manager, the City Economic Development Manager and the City Attorney were mistaken legally, were out of line with Corvallis community values, and embarked on a flawed strategy when recommending that this deal be negotiated in secret Executive Sessions of the Council.

June 16, 2014

TO: Mayor and City Council

From: John H. Detweiler, Citizen of Corvallis

Subj: Downtown Hotel-Parking Garage

I urge you to postpone consideration of the downtown hotel-parking garage for 90 days giving staff time to analyze the risk to the taxpayer of this deal not working. A measure of that risk should be the probability of this project having a negative effect on the general fund. If that probability is too great, the City Council should not spend public money on this project.

I have reviewed the documents on the city's website and do not see a convincing risk analysis. The fuzziest and most critical number I have seen so far is the hotel occupancy rate. The report from Rick Williams Consulting dated June 6, 2014, references industry data saying that hotel occupancy rates have remained above 60% in seven of the last ten years. However, looking at that data, the highest occupancy rate during this time is 63.2% -- significantly less than the 75% and 80% used in the analyses of the deal. Moreover, I do not see any analysis showing that this hotel would not take business from existing hotels resulting in existing hotels paying reduced Transient Room Tax.

Based upon the documents currently posted on the Corvallis website, it appears to me that this project is too risky for the taxpayer. If the City Council has to vote on the project now, the Council should vote it down.

Richard Gretz
6-16-14 Council Meeting

2020 VISION STATEMENT

Commercial Center

A stable business core in the downtown offers a wide selection of quality goods and services. The business complement includes retail and specialty stores, restaurants and services. The downtown is pedestrian and bicycle friendly, with easy access to mass transit. Shoppers can also find plenty of free parking (including a parking structure) and such attractive amenities as awnings and covered walkways at street level and above. Historic buildings have been preserved, while less distinctive structures have been replaced or remodeled in keeping with Central City's character. Professional offices are also located on the upper floors of many buildings.

COMPREHENSIVE PLAN

8.6 Visitor and Conference Activities
Policies
8.6.1 The City shall encourage adequate support facilities for Corvallis' expanding visitor and conference activities.
8.6.2 City policies shall encourage lodging and conference facilities in close proximity to visitor services and public transportation.

Article 11. Transportation
Policies
11.11.3 The City shall work with the Downtown Parking Commission and shall develop, adopt, and implement a parking plan for the Central City which re-evaluates the distribution of free and metered parking, develops an equitable mechanism for new development to contribute to shared parking in lieu of on-site parking, and may include provisions for multi-level parking structures
11.4 Auto Parking
Policies
11.4.4 Multiple-level parking facilities near major traffic generators should be encouraged where practical.

13.5 Central City
Policies
13.5.2 The City shall help overcome limitations that would otherwise lead to a declining downtown. Opportunities to enhance the downtown include providing additional parking, establishing a sidewalk weather protection program, and leading an effort to produce a long-range plan for the downtown

13.5.2 The City shall help overcome limitations that would otherwise lead to a declining downtown. Opportunities to enhance the downtown include providing additional parking, establishing a sidewalk weather protection program, and leading an effort to produce a long-range plan for the downtown
C. Parking requirements that focus on shared parking and district-wide parking options rather than strict on-site requirements.

1.1 Local Planning Context . The following specific objectives, with minor modifications, have been in the Comprehensive Plan since 1980:
C Encourage flexibility and innovation in development techniques to permit diversity within the community and to slow the increase in development costs.

LWV Corvallis
PO Box 1679, Corvallis, OR 97339-1679
541-757-1728 • http://www.lwv.corvallis.or.us

June 16, 2014

Dear Mayor Manning and Members of the Corvallis City Council:

As we indicated in our comments on June 2nd, the League of Women Voters has concerns about decision-making without following the thoughtful public process we have in place in Corvallis. According to the Corvallis 2020 Vision Statement, "Boards, commissions, and task forces are the primary working groups that evaluate draft, and recommend plans and legislation to the City Council." Moreover, one of your goals for this term is improving public participation, which includes "enhance communication between citizens and the Council" and "utilize the expertise of citizen volunteers in solving community problems."

That being said, it is unbelievable that a vote on the proposed parking garage project is scheduled tonight when, according to information on the City website, the City's finance director has indicated that a better estimate of City cost and revenue is expected to be forthcoming from the Assessor's office. Regardless of pressure to make this decision in a hurry, the Council has an obligation to thoroughly evaluate the risks to City taxpayers of this investment, as it does all capital projects, usually with the assistance of the Budget Commission and the Capital Improvement Program Commission.

Much to our amazement, at the last Council meeting, the community learned that the same executive session process that generated the parking garage proposal has put forth a plan to sell a portion of the City's Washington Park. None of the groups with an interest in this property – the Parks, Natural Areas and Recreation Board, the Historic Resources Commission, the Civic Beautification and Urban Forestry Commission – nor the neighbors have been involved in any way.

League has noted that the old Washington School property, which is now the Benton Center and Washington Park, is listed on our local register of historic places. Moreover, City Resolution 94-13 states: *"Land dedicated for parks will have a restriction as follows: it cannot be sold."* Washington Park is on this list of dedicated parks. If the sale of this park takes place, ALL parks are in jeopardy.

League urges the City Council to use the valuable input provided by its boards, commissions, and task forces when major projects are proposed, reviewed, or evaluated. Please do this before making a decision on the two proposals listed above. Corvallis community members serving on these groups have had a huge role in helping to maintain the quality of life that Corvallis currently provides, and they should continue to do so.

Thank you.

Ann Brodie and Laura Lahm Evenson, Co-Presidents

Walt Eager

ECONOMIC & HEALTH BENEFITS OF ELECTRIC VEHICLES

Conversion to electric vehicles (EVs) provides major economic and public health benefits. The financial advantage for commuters and two-car families, was determined by comparing the Leaf EV with the fossil-fueled Prius (hybrid) and the fossil-fueled Camry (non-hybrid). All are mid-size vehicles.

The 2011 Leaf's EPA rating for highway travel is 92 miles per gallon (gasoline equivalent) and 106 for city travel. Compare this with the 2011 Prius (48 and 51 mpg) and the 2011 Camry (33 and 22 mpg). Those who commute 50 miles round trip each workday in a 2011 Prius, spend about $1,000 per year on gasoline. The Leaf's electricity cost for this same commute is less than $300 when it is charged at home on CPI's hydropower ($0.08 per kilowatt-hour). Each year this Leaf will provide at least a $700 savings over the Prius and $1,150 over the Camry. On Pacific Power's Blue Sky Program it will save $550 and $1,000. These savings will increase as gasoline prices rise. Leaf maintenance cost is also much lower, because electric motors have fewer moving parts than engines (e.g. there is no engine oil to change). Other systems, such as regenerative braking which reduces brake wear, contribute to the Leaf's cost advantage.

There is an even more economic and environmentally-friendly way to charge EVs. If your home has solar access, you can have a 3.2 kilowatt solar electric system installed for an out-of-pocket cost of about $1000 under the Seeds for the Sol Program. See https://sites.google.com/site/sftsv04/ for details. The savings on your power bills will pay back that $1000 in three years. After that you will have cost-free electricity for charging your EV. This will reduce your annual electricity cost for commuting or family travel to zero for daily driving that averages 40 miles or less. As the price of gasoline increases, the annual profit from your EV investment will grow.

The 2011 Leaf has a 5-star, NHTSA safety rating. It is EPA-rated for a 73-mile range. Because 95% of daily travel in the U.S. is 40 miles or less, the Leaf is an ideal second car for nearly all families. It seats five. The 2011 Leaf SL has an excellent backup monitor, navigation system, Bluetooth, telematics, a cabin air filter that removes pollen, keyless entry and many other safety and convenience features. Motors are quieter, so the Leaf's passenger compartment is quieter.

Until quick charging stations are installed along all highways, I recommend that single-car families replace their only fossil-fuel vehicle (FFV) with a Plug-in Hybrid, such as the Volt. This will enable travel to all destinations and still have a positive impact on both personal finance and public health. However, the "electric range" of Plug-in Hybrids is only half that of EVs. That is primarily because Plug-in Hybrids are burdened by the additional weight of their engines during their electricity-powered travel and with the additional weight of their motors during fossil-fuel-powered travel. Maintenance cost is much higher.

Two-car families can avoid this costly compromise by owning a "Composite Hybrid". This is the combination of one EV and one FFV. The EV will be used for substantially more than 95% of a family's daily travel on average. The FFV will be used for the part of a family's travel that is along routes that do not yet have quick charging stations. This is less than 5% of its travel on average. Those who go much more than 50 miles per day can do so with their EV, if they travel along a major highway, which has quick charge stations (e.g. I-5 & 99W). Commuters, who work near a standard charge station, can recharge while at work, because these stations provide up to a 100% recharge in up to 7 hours.

Although most electricity from commercial chargers is still supplied by fossil-fueled power plants, the efficiencies of those plants are more than twice that of FFVs. So EVs, powered by them, emit much less greenhouse gas per mile than do FFVs. Unlike FFVs, the exhaust gases from fossil-fueled plants are localized, enabling removal of much of their health-damaging and climate-changing pollutants. EPA is on track to require major reductions in emissions from these plants. The emissions of many are from tall stacks, located in areas of low population and where winds cause wider dispersal of their emissions.

This contrasts with toxic FFV exhaust which is predominately released in populated areas, the atmospheres of which are constrained by surrounding mountains and frequently capped by temperature-inversions. These conditions maximize the concentrations of toxic gases where we live and breathe. FFVs also emit greenhouse gasses that cause climate-related catastrophes. Both effects are why California has highly incentivized the replacement of FFVs with EVs. See the report, prepared for the California Air Resources Board, which compares the life-cycle emissions of the Leaf with FFVs, including hybrids. It is at: ww.environment.ucla.edu/.../BatteryElectricVehicleLCA2012-rh-ptd.p.... For more on the adverse health effects of automobile exhaust see Appendix, below.

To save more money I recommend low mileage, pre-owned EVs in outstanding condition. The reason: In August 2011 I purchased a 2011 Leaf SL (top trim line) with optional quick charger and splash guards for $35,800 (before $7500 tax credit). Now this vehicle with only 14,000 miles and in outstanding condition is appraised by Edmunds.com at $17,668 for a private party sale (PPS). Appraisals for PPS of a comparably-equipped 2011 Prius and Camry are $18,723 and $17,674. This indicates that the public is not yet aware of the advantages of owning EVs. Because I want a secure, healthy future for my grandchildren, I will do everything possible to create this awareness. One of the ways is to help you find a pre-owned EV in outstanding condition that fits your specific needs. This will be done as a non-profit community service. Contact me at (541) 753-5837.

Walt Eager, Retired Automotive Design & Fleet Operations Engineer
Oregon Registered Professional Engineer

APPENDIX: ADVERSE EFFECTS OF AUTO EXHAUST & MEANS TO ELIMINATE

Abstract: National Institutes of Health Report on Auto Exhaust Effects
http://www.ncbi.nlm.nih.gov/pubmed/14650202 Wei Sheng Yan Jiu. 2003 Sep;32(5):504-7.
The progresses on the latest studies at home and abroad on adverse health effects of automobile exhaust were reviewed in this paper. Particulates and poisonous gases from automobile exhaust were considered to be harmful to respiratory system, immune system and reproductive system. It showed that increased prevalence of respiratory disease (e.g. chronic bronchitis and asthma), and decreased lung function, immunity were associated with automobile exhaust. The carcinogenic potential from the exposure to automobile exhausts needs to be further explored because the carcinogenesis is multifactorial.

http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1241821/
http://www.psr.org/chapters/boston/health-and-environment/air-pollution-and-primary.html
http://oem.bmj.com/content/61/4/350.full
http://www.epa.gov/teach/chem_summ/BENZ_summary.pdf
http://oehha.ca.gov/public_info/facts/fuelstoi.html
http://www.healtheffects.org/
http://www.ehhi.org/reports/exhaust/summary.shtml
http://www.nutramed.com/environment/cars.htm
http://www.nutramed.com/environment/carschemicals.htm
https://www.osha.gov/SLTC/dieselexhaust/
http://journalistsresource.org/studies/environment/pollution-environment/health-effects-costs-air-pollution-research-roundup#
http://www.transport.govt.nz/ourwork/vehicleemissions/
http://www.ehjournal.net/content/6/1/23
http://www.atsdr.cdc.gov/phs/phs.asp?id=37&tid=14
http://www.nrdc.org/health/kids/ocar/chap4.asp
http://www.scientificamerican.com/article/car-exhaust-premature-birth/

As confirmed by the foregoing reports, our health is being degraded by toxic gasses, emitted by our own fossil-fueled vehicles (FFVs). It follows that public health will improve each time an EV replaces an FFV. If your family does not yet own an EV, there is no better time to buy one than now. Then send a copy of this report to family and friends with a note that you have taken this life-saving action and are deriving financial benefits from it. Become active in the Citizens Climate Lobby. It is promoting legislation, requiring that fossil fuel prices be increased -- progressively raised until they include all hidden costs that fossil fuels impose on our health care and national security systems. We now pay for these, independently and excessively. The collected fees will be divided and paid as annual dividends to each household, according to its size. This will compensate for higher fossil fuel prices paid by families that minimize their use and incentivize others to do so. This legislation will motivate replacement of fossil fuels with safe sources of energy. It will provide immense health, security and financial benefits, including new markets for businesses and higher-paying jobs for their employees. Google "Citizens Climate Lobby" for details.

CITY OF CORVALLIS
MINUTES OF THE CORVALLIS ARTS AND CULTURE COMMISSION
MAY 21, 2014

Attendance
Brenda VanDevelder, Chair
Rebecca Badger, Vice Chair
Karyle Butcher
Patricia Daniels
Elizabeth Westland
Wayne Wiegand

Staff
Karen Emery, Parks and Recreation Director
Jacqueline Rochefort, Park Planner

Guests
Steve Duh, Conservation Technix

Absent/Excused
Charles Creighton
Shelley Moon
Joel Hirsch, City Council Liaison

I. CALL TO ORDER. Chair Brenda VanDevelder called the meeting to order at 5:31 p.m.

II. INTRODUCTIONS. ACC members introduced themselves to guest Steve Duh from Conservation Technix. Emery mentioned that Rochefort will be leading the Strategic Plan Process.

III. REVIEW OF APRIL 16, 2014 MINUTES. With corrections in Section V changing the term "Interest" to "Impact" and in Section VIII changing the term "should" to "will," the minutes from April 16, 2014 were approved following motion proposed by Daniels and seconded by Wiegand.

IV. VISITOR PROPOSITIONS. None.

V. UPDATE ON STRATEGIC PLAN. Steve Duh of Conservation Technix provided information regarding his approach to ACC's Strategic Plan goals, distributing copies of a detailed and thorough proposal including a project timeline. The timeline begins May of 2014 and ends November of 2014. The first two months focus on understanding the community and its needs, along with general discovery and learning that will help inform future action.

VanDevelder stressed that this would be an organic process, taking its necessary shape as things develop. Emery asked ACC members to consider what specific two questions could be posed to stakeholders and larger arts organizations regarding ACC's looking for thoughts that might benefit the process. Rochefort added that early participation should be sought as it promotes community ownership. Westland suggested forwarding the questions posed at Fall Festival to Duh to serve as a reference base. Westland posed that seeking general "thoughts" is too broad, and would instead prefer ACC pose directed questions to help provide a framework for respondents' scope.

Emery queried as to whether the ultimate goal was for City Council to adopt the plan or to accept the plan. VanDevelder stated this would be discussed at ACC's meeting in June. It was stressed that continuity should be sought between circulated messages and materials to help keep potential

confusion at a minimum. VanDevelder added that Duh has presented this endeavor as a strategic thinking process, and one that will be usable, time-oriented, and action oriented.

Daniels queried as to whether the charge will be focused on economic impact or rather as a full set of charges. VanDevelder stated that economic impact is an important focus, but not the entire focus. Butcher stated that while pursuing economic impact, additional subordinate conversations will be taking place. Butcher offered thanks to Emery regarding her significant assistance in facilitation with Conservation Technix.

VI. SUBCOMMITTEE REPORTS.

MARKETING AND OUTREACH SUBCOMMITTEE

Daniels spoke about two handouts that were distributed pertaining to the recent Performance Arts Meeting. Daniels requests that a member of ACC attend the upcoming Performance Arts Meeting in the Fall to help facilitate building connections within the community.

VanDevelder mentioned that ACC's Goals document should continue to be updated on a monthly basis. Butcher stated she had recently submitted an updated copy of such to Heather Griesmeyer.

Westland stated that Marcie at Visit Corvallis is continuing to work on a dedicated Arts Calendar, and may be moving toward an artist registry as well. Daniels added that exploring the connections between the arts and the tourism and hospitality industries is in process.

VII. MUNICIPAL CONSTRUCTION PERCENT TO SUPPORT PUBLIC ART. Daniels explained that there can be a difference between “City” and “State” policies, though most cities adopt and implement the State policy. Emery stated the next step would be ACC making a motion to pursue the development of a City policy that describes a policy pertaining to City buildings, including such details as the agreed-upon percentage, whether it applies to rebuilding and remodeling or only to new building, and also whether a minimum construction amount must be in place for the policy to apply. Following a motion from Butcher which was seconded by Daniels, ACC passed the motion unanimously. Westland queried as to whether this motion would be brought to a City Council sub-committee or to City Council. Emery replied that she will confirm.

ACC passed a motion to pursue the development of a City Policy to implement the Comp Plan Policy for funding art in public buildings, as described in the policy 5.4.12.

VanDevelder queried as to which ACC subcommitte would be best suited for such. Butcher answered that Economic Development seemed most applicable.

Daniels mentioned that the language in State materials in broad enough to accommodate in terms of “acquiring art for,” so that bodies like ACC or PASC might be involved in developing a process that best fits each individual location.

VIII. STAFF/COUNCIL LIAISON UPDATES. Emery informed ACC pertaining to her recent meeting with an economic developer from Pacific Power. Pacific Power offered $2,000 toward the

costs of ACC's Strategic Plan, and asked that ACC include Tom Nelson and Amy Jauron with updates as the plan moves forward. Emery will approach the funds originally marked for the Strategic Plan with flexibility.

Wiegand queried as to how this individual came into contact with ACC. Emery stated Tom Nelson referred the ACC's project to this colleague.

IX. NEW BUSINESS. "Thank You" gifts from Mayor Manning were distributed to ACC members. It was noted that this is Daniels' last meeting as well, and she will be shortly en route to Iceland. VanDevelder offered profound thanks for Daniels' work and commitment.

Butcher queried as to what involvement Nelson might have with Duh as things move forward. Emery replied that such will be talked about as things progress.

VanDevelder inquired as to the status of the Sunset Process. Emery stated that a summarized staff report has been written, which will go to Human Services Committee on June 2. Emery is happy to circulate the report to ACC members. It is presently in the City Manager's office for his signature, and Emery expects to have it back in hand roughly Friday. Emery stated the more interesting parts were the conversation about PASC.

VanDevelder added that Mayor Manning has shared two new appointments for ACC. Charles Robinson is being confirmed by City Council and will be able to attend in June. The vacancy created by Daniels' departure will be filled by Cynthia Spencer, though it's believed that confirmation is still needed regarding such. Spencer will likely join ACC in July.

VanDevelder stated that prior to ACC's next meeting, an updated goals document would be distributed and included in the packet of meeting materials.

X. ADJOURNMENT: The meeting was adjourned at 6:33 p.m.

DRAFT

CITY OF CORVALLIS
MINUTES OF THE ARTS AND CULTURE COMMISSION
June 18, 2014

Present
Brenda VanDevelder, Chair
Rebecca Badger, Vice Chair
Elizabeth Westland
Karyle Butcher
Wayne Wiegand
Shelley Moon
Charles Creighton

Absent
Charles Robinson
Patricia Daniels
Joel Hirsch, Council Liaison

Staff
Steve DeGhetto, Assistant Director
Claire Pate, Recorder

Visitor
Irene Zenev, Executive Director; Benton County Historical Society Museum

SUMMARY OF DISCUSSION

	Agenda Item	Summary of Recommendations/Actions
I.	Call to Order/Introductions	
II.	Review of May 15 Meeting Minutes	Approved, as revised
III.	Visitor Comments	
IV.	Election of Officers	Postponed until July meeting
V.	Oregon's Big Think - Badger	
VI.	Marketing and Outreach Sub-Committee Report.	
VII.	Economic Impact Sub-Committee Report	
VIII.	Staff/Council Liaison Report	
IX. & X	Next meeting agenda and Adjournment	Adjournment at pm. The next meeting is scheduled for 5:30pm, July 16, 2014, at the P&R Conference Room

CONTENT OF DISCUSSION

I. CALL TO ORDER.

Chair VanDevelder called the meeting to order at 5:30p.m. She announced that Charles Robinson had been approved as the latest appointee to serve on the Board.

II. APPROVAL OF MAY 15 MEETING MINUTES.

One revision: Page 2 – delete the sub-heading "ECONOMIC IMPACT SUBCOMMITTEE" and move up "MARKETING AND OUTREACH SUBCOMMITTEE" in its place.

MOTION: Commissioner Butcher moved to approve the minutes as revised. Commissioner Westland seconded the motion which passed unanimously.

III. VISITOR COMMENTS.

Irene Zenev, Executive Director for the Benton County Historical Society and Museum (BCHS&M), shared information about the $1 million challenge gift they had received from Peter and Rosalie Johnson. They need to raise a matching amount by February 2015, and to date they have received almost 1/4 the amount needed. The downtown hotel and parking lot under discussion would be a great match for the new museum they hope to build in that area.

There was a brief discussion about how ACC and the BCHS&M could work together to further both missions and gain more visibility. Ms. Zenev also suggested that commissioners might want to check out the website for LaPlaca Cohen (www.laplacacohen.com). They are a strategy, design, and advertising firm that serves the creative and cultural sector, and are a great resource for information that could be of help in ACC's strategic planning process.

IV. ELECTION OF OFFICERS.

VanDevelder said she would be stepping down as Chair but that Vice Chair Badger had agreed to move up into that role. Weigand said he would be willing to serve as Vice Chair. VanDevelder asked for anyone else who might want to serve in either capacity to let her know. Elections will be held at the July meeting.

V. OREGON'S BIG THINK (Badger).

Badger shared information relating to this initiative led by the Cultural Advocacy Coalition, with Governor Kitzhaber's charge to find consensus about priorities for statewide public policies relating to arts and culture. They are not starting with "how do we get more money," but rather how a deeper investment in the cultural sector might advance major goals that the state is trying to accomplish. She suggested viewing the video on YouTube. https://www.youtube.com/watch?v=7hKsNZehHVI

VI. MARKETING AND OUTREACH SUB-COMMITTEE REPORT. (Badger)

Badger stated she had met with outgoing Commissioner Daniels who handed off various files and information relating to the work she was doing on behalf of ACC. Badger, Moon and Westland will continue to meet monthly. There was a discussion about the CAFA promotional flyer and Westland asked staff if they could send a copy of the pdf of the flyer in English and in Spanish.

Badger said she was working on the final report to be sent to BCCC relating to their grant. There was still $25 needing to be spent, which could be used for printing.

VII. ECONOMIC IMPACT SUB- COMMITTEE REPORT.

Butcher reported on activities to date relating to the strategic plan, stating that the sub-committee had met with Steve Duh, but had not had any additional contact from Emery. DeGhetto said that Jackie Rochefort would be the project manager for Parks and Recreation, and it was agreed that the sub-committee should meet with her to ensure all are on the same page. It was also agreed that any input received from local/regional arts and culture groups should go to Butcher who in turn would package the information and send it to Emery. It was also decided to postpone making a decision as to whether to have City Council adopt or accept the strategic plan until the plan had been drafted and could be reviewed by the Commission.

Butcher then reported on progress to date relating to implementation of the Comp Plan Policy for funding art in public buildings. She is awaiting a call from Brian Wagner with the Oregon Arts Commission to glean more information about what is going on in other jurisdictions. Albany does the 1% for Art.

VIII. STAFF/CITY COUNCIL LIAISON/COMMISSIONER REPORTS.

Butcher reported on the good meeting she had with the Albany Arts Commission. They have been around for seven years, and have $5,000 allocated each year for their activities. They also have a fundraiser called “Going to Pot” in which they get pottery donations from local artists and sell them. They are responsible for all the artwork in the Albany City Hall, and are considering a proposal for decorating traffic boxes. Albany’s Park and Recreation director seemed much more of a participant in their activities and discussions than Corvallis staff, and this might be something to bring up. There are times that ACC gets into detailed discussions about technical issues for which staff might already have the answer.

The Albany group seemed quite amenable to meeting with ACC, and it would be nice to have a joint meeting or gathering in the near future. Commissioners could choose to attend or not, depending on their interests. It was agreed that if they were to have a joint meeting – even if just a meet and greet - it would still have to be advertised as a public meeting. Butcher will pursue finding a time that might work for both groups.

Upon questioning, DeGhetto said he did not know the results of the Sunset review and surmised that City Council was still working on committees and possible consolidations as part of their consideration of Public Participation Task Force’s recommendations.

VanDevelder said that there was a new arts organization she had just heard about called the Corvallis Imagination Music and Arts Festival, and they are sponsoring a celebration/fund raiser on August 15-16. All proceeds will go to the Corvallis Public School Foundation to support music and art education. They also are sponsoring an installation of 6-8 pianos around the community, colorfully painted and decorated, and available for anyone to play. There was a brief discussion about asking someone to come to one of the ACC meetings to talk about their work.

Creighton thanked VanDevelder for her work over the past years, and all were glad that she intended to stay on the Commission.

IX. NEXT MEETING: DATE AND AGENDA.

VanDevelder said she and Badger had decided that there was a need for someone to be a “task tracker” since the minutes take a long time to process and be approved and cannot easily be used for that task. Badger agreed to serve in that capacity for the time being and will send out the “task tracker” by email after each meeting.

It was agreed to have meetings in July and August. Various needs/ideas for the upcoming meetings included having a “thank you” celebration for Trish Daniels; a mini retreat to talk about future direction and goals; revisiting the Commission’s charge and mission statement; and holding a joint meeting with Albany Arts Commission to exchange information and ideas.

X. ADJOURNMENT.

The meeting was adjourned at 6:30pm. The next meeting will be held July 16, 2014, 5:30pm in the Parks and Recreation Conference Room.

BICYCLE AND PEDESTRIAN ADVISORY COMMISSION
MINUTES
June 6, 2014
DRAFT

Present
Brad Upton, Chair
Susan Christie
Meghan Karas
Jeanne Holmes
Thomas Bahde
Sayard Schultz
Mike Beilstein, City Council

Absent
Brian Bovee

Staff
Greg Wilson, Public Works
Lisa Scherf, Public Works

Visitors
Kent Daniels
Dave Rabinowitz
Jaimie Phelps
Laura Duncan Allen

SUMMARY OF DISCUSSION

Agenda Item	Information Only	Held for Further Review	Recommendations
I. Call Meeting to Order/Introductions	X		
II. Review of May 2, 2014 Minutes			Approved
III. Visitor Comments	X		
IV. Old Business • None			N/A
V. New Business • Review and Ranking of 2014 - 2015 CIP Submissions • Election of Chair and Vice Chair			BPAC ranked the projects Commissioners Upton and Karas were elected Chair and Vice Chair
VI. Information Sharing • Pilot Bicycle Parking Corral status • No Skate–No Bicycle Boundary Expansion • 9th Street, Circle Boulevard and Highway 99W Subcommittee • Cost of Adding Edge Striping to Philomath Boulevard Path	X		
VII. Commission Requests and Reports			N/A
VIII. Pending Items	N/A		

CONTENT OF DISCUSSION

I. Call Meeting to Order/Introductions

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

II. Review of Minutes

Commissioner Holmes moved to approve the May 2 minutes. Commissioner Karas seconded the motion, and the minutes were approved unanimously.

III. Visitor Comments

Visitor Kent Daniels urged the Commission to let their Councilors know how they feel about two issues: a proposed parking garage located downtown and the sale of Washington Park. He opined that even though the private discussions about these projects may meet the letter of the law, he believes they have been handled unethically. He stated that the discussion to sell the park had included no neighborhood involvement and no notification of the Friends of Parks or the Historic Preservation Board. He asked that the members contact their councilors and relay their concerns over the two topics. Chair Upton said he didn't see a direct link to bicycle or pedestrian issues for the hotel and questioned whether there was one for Washington Park. Mr. Daniels stated that there could possibly be a future bicycle/pedestrian link from the end of 6th Street that would run adjacent to Washington Park north to Buchanan Avenue near the existing multiuse path. The Commission did not take action on Mr. Daniels request.

IV. Old Business

None.

V. New Business

<u>Review and Ranking of 2014 - 2015 CIP Submissions</u>

Chair Upton provided an overview of the process. The Commission selected their highest priority projects through a voting method at the meeting and will rank them in priority order separately. Chair Upton briefly described the seven projects in the currently adopted Capital Improvement Program (CIP), as well as the 23 new bicycle/pedestrian projects that were submitted by residents in April of 2014. The members discussed these projects, along with three CIP submissions they felt were inappropriately placed on the "Streets and Intersections" CIP suggestions list (medians on South 3rd Street, bulbing selected side streets on South 3rd Street, and colored bicycle lanes on South 3rd Street). Specific comments about individual projects were as follows:

- Pedestrian Crossings – Visitor Jaimie Phelps asserted that no one stops at these and that pedestrians don't get an indication that the lights are flashing. Chair Upton explained that this is to ensure that pedestrians wait for vehicles to stop rather than just pressing the button and stepping off the curb.
- Tunison Shared Use Path – Councilor Beilstein believes this should continue to be highly ranked. Chair Upton noted that the Commission has tried in various ways in recent years to improve the connectivity of south Corvallis, and is continuing to do so.
- South 3rd Street Crosswalks – Commissioner Holmes asked what was included in the South Corvallis Area Refinement Plan regarding crossings. Chair Upton explained that it didn't include pedestrian actuated crossing recommendations, but a number of raised medians along South 3rd Street.

- SW Madison Avenue Bike Boulevard – Chair Upton explained the work of the Healthy Streets, Healthy Streams project and opined that the process developed from that project should be used to select locations for these kinds of treatments.
- Lincoln School Flashing Sign – Ms. Phelps opined that people don't realize they are entering a school zone and therefore don't slow down. She believes a flashing sign alerting motorists that they are approaching a school zone would be helpful.

Following the voting, the project list was culled from 33 to eight: Marys River to Crystal Lake Drive Shared Use Path, Pedestrian Crossings, Safe Routes to School, Sidewalk Infill, Tunison Shared Use Path, Circle Boulevard Path Extension (through OSU dairy property), Medians on South 3rd Street, and Side Street Bulbs along South 3rd Street. The Commission members will individually rank these projects and submit them by email to staff for tabulation by order of priority.

Election of Chair and Vice Chair
Chair Upton nominated Commissioner Bahde for Chair; Commissioner Bahde declined. Commissioner Holmes nominated Chair Upton to continue as Chair. Chair Upton nominated Commissioner Karas for Chair. Chair Upton was elected Chair.

Chair Upton nominated Commissioner Karas and Commissioner Christie nominated Commissioner Holmes for Vice-Chair. Commissioner Karas was elected Vice-Chair.

VI. Information Sharing

Pilot Bicycle Parking Corral Status
Mr. Wilson reported that the Public Works Director requested this project go to the Downtown Commission for review before being implemented. In addition to the BPAC review, staff has presented the proposed pilot and procedures documents to the Downtown Parking Committee, which was very positive about the proposal.

No Skate–No Bicycle Boundary Expansion
Several months ago a citizen requested that the BPAC consider expansion of the no skate/no bicycle zone south on 2nd Street past Jefferson Avenue. In response, Commissioners Schultz and Christie conducted on site surveys in the area and both found little to no conflict on the sidewalks. The Commission discussed the issue and decided not to pursue expanding the no skate/no bicycle zone on 2nd Street.

9th Street, Circle Boulevard and Highway 99W Subcommittee
Mr. Wilson reported that he, Robyn Bassett and Lisa Scherf met with Engineering staff regarding the subcommittee's recommendations on Circle Boulevard and 9th Street and Highway 99W. He reported the following responses to their recommendations:

- Green Bicycle Lanes on Circle Boulevard – Public Works will not pursue the installation of green pavement markings for the bicycle lane on the south side of Circle Boulevard between 9th Street and Highway 99W. Due to funding concerns, the department is not initiating any new programs. If this intersection were treated, there are other intersections where requests might be made for similar colored bike lane markings.
- Bicycle Signal on Circle Boulevard at Highway 99W - ODOT will not install a separate bicycle signal at the intersection of Highway 99W and Circle Boulevard because it is still experimental and has not been adopted by the Federal Highway Administration.

- Leading Pedestrian Interval on Circle Blvd at 9th Street and Hwy. 99W – The City's Traffic Engineer, Som Sartnurak, will discuss with ODOT Region 2 Traffic Engineering staff the possibility of setting the signal timing to include leading pedestrian intervals at the intersection of Circle Boulevard with both Highway 99W and 9th Street.
- Circle Boulevard Multiuse Path and Highway 99W Merge Area - City Traffic Engineer Som Sartnurak will also be meeting with ODOT Region 2 staff to discuss marking the merge area where the multi-use path meets Highway 99W. It may be fall before this discussion and the one on the Leading Pedestrian Interval take place.

Chair Upton took exception to the characterization of the installation of a green bicycle lane on Circle Boulevard as the initiation of a program and asked the members if they would support him requesting a meeting with the Public Works Director and/or City Engineer to discuss it. The members expressed support for this and requested that this item be placed on the July 11meeting agenda.

Cost of Adding Edge Striping to Philomath Boulevard Path
In response to a citizen request from a previous meeting, Mr. Wilson reported that a dashed edge line on both sides of the path is estimated to cost $2,500-$3,000 per mile for city crews to install. Chair Upton noted that there is potential value to this and asked if the Commission should discuss it at the next meeting. He raised the question of whether installing the striping here will create a precedent that will need to be duplicated elsewhere in the city. With that in mind the Commission decided that they would like to formulate guidelines about where such striping is installed.

Chair Upton reported that BikePAC of Oregon has paid for and installed three billboards promoting motorcycle safety and the need for motorists to "Look Twice." He also reported that Benton County has agreed to fund the manufacture of magnets advocating motorcycle safety for their vehicles.

The Commission discussed the Public Participation Task Force recommendations, noting again that they are against the idea of combining BPAC with other Commissions into one overall Transportation Advisory Board. Commissioner Bahde noted that not having a dedicated Bicycle and Pedestrian Commission could jeopardize the City's "Bike Friendly" community status.

The members agreed to move the July meeting to July 11 to avoid the July 4th holiday.

VII. Commission Requests and Reports
None.

VIII. Pending Items
None.

The meeting was adjourned at 9:05 a.m.

NEXT MEETING: July 11, 2014, 7:00 a.m., Madison Avenue Meeting Room

DRAFT

CITY OF CORVALLIS
MINUTES OF THE CIVIC BEAUTIFICATION & URBAN FORESTRY ADVISORY COMMISSION
JUNE 12, 2014

Attendance
Matt Sanchez, Chair
Owen Dell, Vice Chair
Angelica Rehkugler
Becky Goslow
Ross Parkerson
Larry Passmore
Joel Hirsch, City Council Liaison

Staff
Jude Geist, Parks Supervisor
John Hinkle, Urban Forester AIC
Mark Lindgren, Recorder

Guests
Jennifer Killian
Chris Walters

Absent/Excused
Tim Brewer
Brian Kreft
Ruby Moon
Norm Brown, OSU Liaison

SUMMARY OF DISCUSSION

	Agenda Item	Summary of Recommendations
III.	Vegetation Presentation	Shrub Purple Barberry, *Berberis thunbergii atropurpurea.*
IV.	Approval of April 10 and May 8, 2014 Meeting Minutes	April 10, 2014 minutes were approved as presented. The May 8, 2014 minutes were approved as corrected.
V.	Visitors' Propositions	Motion passed to recommend approval of the request to remove and replace ornamental plum trees at the property owners' cost. Motion passed to recommend denying the request for the removal of a Sweet Gum tree at 6th and Adams.
VI.	Staff Reports- If Questions	Information only.
VII.	City Council / OSU Liaison Reports	Information only.
VIII.	Fenced Dog Park Horse Chestnut Tree	Motion passed to allow Chair Matt Sanchez on behalf of CBUF to contact the Advocate in response to its article.
IX.	Education Outreach Subcommittee Update/Discussion – Bulb Sales	Information only.
X.	Adjournment	The next meeting will be held July 10, 2014 at 8:30 a.m., at the Avery Park Admin building conference room.

CONTENT OF DISCUSSION

I. CALL TO ORDER

Chair Matt Sanchez called the meeting of the Civic Beautification and Urban Forestry Advisory Commission to order at 8:34 a.m.

II. INTRODUCTIONS.

III. VEGETATION PRESENTATION.

Larry Passmore highlighted the shrub Purple Barberry, *Berberis thunbergii atropurpurea*. He said other barberries come in other colors and may change color in fall; some lose leaves in winter. They do well in dry conditions and are grown widely. Some have prominent thorns and are used as effective barriers. Owen Dell added they provide good bird habitat.

IV. APPROVAL OF APRIL 10, 2014 AND MAY 8, 2014 MEETING MINUTES

Angelica Rehkugler moved to approve the April 10, 2014 minutes as corrected; Ross Parkerson seconded; motion passed.

Regarding the May 8, 2014 minutes, Angelica Rehkugler highlighted page 2, Staff Reports, last paragraph, asking which Betty was referred to; Jude Geist replied that it referred to Betty Griffiths of Friends of Corvallis Parks and Recreation. Rehkugler asked that that be clarified in those minutes. Rehkugler moved to approve the May 8, 2014 minutes as corrected; Parkerson seconded; motion passed.

Rehkugler asked further about page 4 of the May 8, 2014 minutes, regarding a reference to the possibility of CBUF, currently a commission, instead becoming an advisory board. Dell related he'd attended a recent Public Participation Task Force (PTTF) meeting; he explained that the PTTF was proposing that the City clean house and re-structure a number of boards and commission. The PTTF noted that CBUF actually acted more like an advisory committee than a commission.

Geist contrasted CBUF's role with the Planning Commission, which acts in a quasi-judicial capacity. Liaison Hirsch noted that CBUF advises on tree removals, for example, though. Geist stated that in a tree removal, the Forester acts on their own discretion, and if the property owner objects, they can take it to CBUF. While the process has never gone further, Hinkle noted that if requested by a property owner, an appeal could go on to the City Council.

Dell summed up that PTTF's effort was to align names of the groups more closely with their actual roles. Goslow, who served on the PTTF, said PTTF sent three options to the Council for consideration. Rehkugler asked if the change would affect CBUF's activities or how it did business; Geist replied that it would have no effect.

V. VISITORS' PROPOSITIONS.

Jennifer Killian, of Friends of Trees introduced herself. Matt Sanchez related he got information from Friends of Trees a couple years ago. Rehkugler added that former Forester Becky Merja had gathered information from the group as well. Jennifer Killian will bring back more information.

Sanchez highlighted Chris Walters' request to remove ornamental plum trees at 744 4th Street. Commissioners said they had read the report. Rehkugler said they were fragile, short-lived trees, and suggested replacing them soon with more long-lived trees that could deal with high traffic conditions. She noted that there were other spaces nearby on the street that could use a tree.

Hinkle estimated the plum trees were fifteen to twenty years old (they don't tend to live longer than thirty years), and appeared well taken care of. He said the property owners would like to replant with something that doesn't drop fruit on the sidewalk, and were willing to work with the City on which trees to replace them with. It is an awkward situation, since the trees feel as though they are in the front yard. Dell noted fruit trees were illegal in tree strips. Hinkle said adjacent property owners sometimes plant fruit trees in right of way strips, but the City tends not to pursue the issue. Hinkle said the owners would like to remove the trees before fruit falls this season, to avoid tracking fruit into the house onto new carpets.

Hinkle said the owners would prefer a columnar tree, perhaps a hornbeam, and said he was willing to work with them. Passmore said there were a number of hornbeams on Second Street; Hinkle added that they tend to be well-behaved and tough. Ruby Moon noted that the plums' tree forms provided more shade in summer heat than a columnar tree form.

Sanchez said it sounded as though they would be replaced in the next season, noting it was a fruiting tree. Hinkle said that existing criteria didn't really cover the situation, which is why he brought it to the commission. Moon said the trees would likely have to be replaced anyway within five years, so it made sense to recommend its approval.

Rehkugler moved that CBUF recommend approval to replace the trees at the property owners' cost; Dell seconded; motion passed.

Sanchez highlighted the proposed removal of a Sweet Gum tree at Edward Jones. Dell said the tree was in good condition, and should not be removed for now. Hinkle said during sidewalk repair, City staff would get a chance to evaluate its roots; if a big root must be cut, then that could provide clear-cut justification to remove it. Passmore added that different Sweet Gums can act very differently in terms of infrastructure damage. Dell said there was some sidewalk displacement, and Public Works will grind it down; Hinkle confirmed that.

Rehkugler stated the tree, on Adams between 5th and 6th Streets, appeared to be well-behaved. Also, there are few other trees nearby, so it would have a big impact on the

street were it to be removed; it also softens the visual impact of an adjacent power pole. She advocated working with neighbors to plant more trees on the street.

Dell suggested further discussion on proactive tree planting in the community. Hinkle understood that a form letter would be sent to the neighbors and ask that they participate in tree plantings; ideally, trees would be planted on five or six properties on the street, with adjacent owners agreeing to water the trees the first few years.

Passmore said that he and Kent Daniels had worked with neighborhood groups to plant 36 trees over the years. It works best with a designated liaison on the street, and working with neighborhood groups. Geist said the Neighborhood Tree Stewards Manual pamphlet explains the process; funds are available for some maintenance aspects. Dell asked if there was a coordinated tree planting strategy. Parks Planner Jackie Rochefort said the two methodologies of tree planting are relatively new.

Dell asked for a staff presentation on the master plan for planting, saying that some cities have goals for how many trees are planted each year, and where. Rochefort highlighted the Urban Forestry Plan, posted on the web. Rochefort said there was a thorough tree inventory and map of City trees.

Liaison Hirsch advocated creating a folder on the web with orientation materials in .pdf form for CBUF members.

Moon moved to recommend denying the request for the removal of the Sweet Gum tree at 6th and Adams; Rehkugler seconded; motion passed unanimously.

VI. STAFF REPORTS – IF QUESTIONS

Rehkugler asked about Riverbend Park; Hinkle clarified it was at Willamette Landing.

Geist reported there was a second round of interviews of top candidates for the open Urban Forester position to see if one would be a good fit, and the department was close to hiring a candidate, who would start next month.

VII. CITY COUNCIL / OSU LIAISON REPORTS.

Norm Brown related he had no new campus projects to report. Parkerson asked about the 15th Street project; Brown replied that underground utilities were being installed there; the plan was to finish before school starts.

Liaison Joel Hirsch highlighted PTTF proposals being considered by the Council.

In response to a question, Liaison Hirsch explained that the Council felt the proposed hotel with attached parking project was worth consideration, and had scheduled the public hearing needed before the project could move forward. He emphasized the Council had not delayed a hearing, and that it had had no decision to make yet.

Liaison Hirsch stated that the proposal to sell the Washington Park to LBCC, to be replaced by an LBCC parking lot, would involve considering compensating benefits, perhaps other open space, including other ball field capacity. He noted the park lacks parking and was hard to reach; he encouraged commissioners to participate in the public process on the proposal.

Geist noted the ball field system was at capacity currently; the Washington Park field is only used when all other fields were booked. He added funds from the sale could be used to increase capacity of another existing ball field. Rochefort said this review has been done repeatedly over the years; there are options.

Rehkugler asked if LBCC would be required to plant trees in the parking lot; Rochefort said it would be required to follow land use requirements; and since many students have families with small children, it would behoove LBCC to retain some play equipment. Moon said she understood there was a requirement to have a park within a certain distance everywhere in the city; she related that she'd heard neighbors saying they used the big field at the park. Geist said there were different portions of the park; PNARB will consider the proposal at its next meeting.

Parkerson said no one in the neighborhood had heard about the proposal, and were disturbed and alarmed at suddenly losing the open space. Liaison Hirsch said it should be posted at the website. Moon said some neighbors felt the park could have a higher use as a park or open space in the future. Parkerson added it must undergo a lot of review, including the HRC.

Goslow related that developer Dan Whitaker had stated at a meeting that the Council would vote on the hotel/parking project at its Monday night session. Liaison Hirsch replied that there could be a hearing then, but not likely a Council vote. He said that the Council can decide not to go forward with a project in executive session; or it can decide a project is worth further consideration, and then at that point make it public.

VIII. FENCED DOG PARK HORSE CHESTNUT.

Sanchez highlighted the recent Corvallis Advocate article regarding the horse chestnut in the fenced dog park adjacent to the skate park, noting that many elements appeared to be toxic to dogs. He asked for permission to talk to the paper The Corvallis Advocate on behalf of the commission, advocating preserving the tree. He noted that while other trees in the dog park were declining, the horse chestnut appeared to still be in good shape.

Planner Rochefort said 99% of all dogs won't attempt to eat the tree, and that off-leash dogs routinely encounter many different toxic plants. She explained that to be very vigilant, staff posted the tree as being toxic; no dog owner has ever complained about horse chestnuts. Hinkle said they produce nuts in fall, and Geist related that dog owners pick up the nuts at the dog park then. Geist noted that the sign and brochure for the park asks dog owners to monitor their dogs at all times. Sanchez reported that one person had complained about the tree. Liaison Hirsch suggested including written information to

make sure it is clear; adding the information should also be sent to the G-T. Brown suggested getting right of review; Rochefort said that that was common.

Moon asked that the commission's procedure be followed to make a motion, and then allow discussion to shape the motion, if necessary.

Moon moved to allow Chair Matt Sanchez on behalf of CBUF to contact the Advocate in response to its article; Parkerson seconded; motion passed. Passmore noted that there were horse chestnuts were planted widely around Corvallis.

IX. EDUCATION OUTREACH SUB-COMMITTEE UPDATE/DISCUSSION

Moon related she met with Friends of Corvallis Parks and Recreation regarding the bulb sales. She said the proposal is for the Friends to work with CBUF on the bulb sales and charge a small fee to process the sales. Checks for bulb sales will be payable to Friends of Corvallis Parks and Recreation.

She said some neighborhood associations would buy the bulbs; pre-orders should be in by June 30. The bulb sales will also happen at Fall Festival. Geist said the money from sales *could* go into the CBUF endowment, if CBUF desires. He suggested directing bulb sale funds so that it doesn't impact the department's firm expenditure limit. Moon said she is trying to pre-sell bulbs to lower costs, complexity and administration, but will also order extra to have on hand to sell directly at the Fall Festival.

Moon emphasized that a downloadable bulb sales information sheet contains the updated version that includes the critical "Make checks payable to Friends of Parks and Recreation" and that the Friends group was a project partner.

Mark Lindgren suggested changing the bulb sales information sheet *for next year* to list a non-personal consistent email address (such as bulbsales@lovecorvallisparks.org) that could be automatically forwarded to Moon or whoever was spearheading bulb sales in any given year. Geist concurred.

Goslow highlighted the need for additional Beautification Award nominations in some wards (1, 3, 4, 6, 8, and 9); commissioners volunteered to help submit nominations in most of those wards by June 30. Nominations can be dropped off at the front desk of the Parks and Recreation Admin Building or mailed.

Commissioners thanked Ross Parkerson, who was being termed off, for his many years of service. He stated the commission was Corvallis' most interesting and engaging commission, with a big impact on the character of how the community looks and feels. He volunteered to make any needed brochures.

Hinkle reported he was working with Becky Levine on improving photos for the new Heritage Tree brochure.

X. ADJOURNMENT: The meeting was adjourned at 10:20 a.m.

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

DRAFT

CITY OF CORVALLIS
DOWNTOWN COMMISSION MINUTES
Madison Avenue Meeting Room
June 11, 2014

Attendance
Heidi Henry, Chair
Liz White, Vice Chair
Kirk Bailey
Ken Pastega
Brigetta Olson
Elizabeth Foster
Shelley Signs
Mike Wiener

Staff
Ken Gibb, Community Development Director
Sarah Johnson, Associate Planner
Lisa Scherf, Public Works
Claire Pate, Recorder

Visitors
Mark Hauck

Excused
Mary Gallagher
Dee Mooney
Alan Wells
Dan Brown, Council Liaison

SUMMARY OF DISCUSSION

	Agenda Item	Summary of Recommendations/Actions
I.	Call to Order	
II.	Approval of April 9, 2014 Meeting Minutes	Approved as presented.
III.	Appreciation of Service for Outgoing Commission Members Kirk Bailey and Dee Mooney	
IV.	Public Comment	None.
V.	Discussion – Downtown Bicycle Corral Pilot Project – Lisa Scherf	Information only.
VI.	Downtown Hotel and Parking Structure Project Update	Information only.
VII.	Committee Reports and other Commissioner Updates	Information only.
VIII.	Updates	
IX.	Other Business	
IX.	Adjournment	Meeting adjourned at 6:45pm . The next regular meeting will be held on July 9, 2014, at 5:30 p.m., at the Madison Avenue Meeting Room

CONTENT OF DISCUSSION

I. CALL TO ORDER.

Chair Henry called the regular meeting of the Corvallis Downtown Commission to order at 5:33 p.m.

II. APPROVAL OF APRIL 9, 2014 MEETING MINUTES.

Motion: Commissioner Bailey moved and Commissioner Olson seconded to approve the minutes as presented; and the motion passed unanimously.

III. APPRECIATION OF SERVICE FOR KIRK BAILEY AND DEE MOONEY.

Commissioners expressed their appreciation for Commissioner Bailey's long service on the Commission, as well as for Commissioner Mooney's service. Chair Henry also expressed her appreciation for Sarah Johnson's assistance while she served as Chair.

IV. PUBLIC COMMENT.

Mark Hauck said he was at the meeting so that he could help answer any questions that might come up about the proposed downtown hotel and parking structure.

V. DISCUSSION – DOWNTOWN BICYCLE CORRAL PILOT PROJECT (LISA SCHERF).

There was a brief discussion about the danger of people riding bicycles on sidewalks downtown. Ms. Scherf said that in general it is an enforcement issue, but she noted that some of the signage on the sidewalks might need refreshing in places.

Ms. Scherf offered some background relating to the proposal to install on-street bicycle parking corrals in the downtown area as a pilot project, and reviewed the draft policy and procedures she and her staff had written to cover such an installation. She noted the popularity of similar spaces in Portland and in Eugene. Installation of a bike corral could be at the request of a business, individual or local organization and would require the filing of an application and a staff review to ensure it meets all of the guidelines. They have had the documents – the policy/procedures, application, and maintenance agreement – reviewed by both the Bicycle Pedestrian Advisory and Downtown Parking Committees. In terms of maintenance, the intent was for the person, business or organization filing an application to assume responsibility for maintaining the corral. They are still researching what the liability implications might be with signing a maintenance agreement. She emphasized that this was just a pilot project at this point, the results of which would be reviewed in six months.

Commissioner Foster commented that Downtown Corvallis Association's main concern was for the possible loss of parking spaces for this use. Ms. Scherf said that there would be outreach to all of the nearby businesses if that were the case. Commissioner Foster also suggested that a "bike share" program would be a nice addition to the community.

Commissioners were supportive of the program, and had already passed a motion to support it at their previous meeting.

VI. DOWNTOWN HOTEL AND PARKING STRUCTURE PROJECT UPDATE (STAFF).

Community Development Director Gibb handed out copies of some of the information available on the City's web site related to the hotel and parking garage project. He reviewed some of the background, noting that the project was first reviewed by the Downtown Commission in 2012, and it went through a Planning Commission public hearing process for a Conditional Development permit associated with its location in the Willamette River Greenway. At that time, parking was an issue with the project in terms of making it work on such a tight site. The concept then was to look at using the south Riverfront lot for overnight, overflow parking. This was coupled with provisions for drop-off spaces and valet parking on Adams Avenue. The current project, still evolving, is for 129 rooms and 159 total parking spaces within the structure. There will be approximately 4,500 sq.ft. of commercial space on the first floor. The total project cost will be in the area of $23 million, with about $9 million of that for the parking costs. The parking would be built by the developer and 125 spaces would be purchased by the City. These would then be leased back to the developer who would then operate and maintain the parking facility.

The City would finance its share of the project - $4.2 million – through a municipal bond with a 25-year amortization. The interest rate is projected to be in the neighborhood of 5.94%. The agreement would give the City 25,000 hours of public parking access/month. Public use projections indicate there would be an average of 63 spaces available during the day at a minimum. The City's investment would be primarily paid for through Transient Room Taxes (TRT) and the parking lease.

Though the Downtown Commission has had recent discussions about the need for parking, it has mainly focused on the north end of the downtown area. This project has to be viewed primarily as a downtown development project with the opportunity to provide additional public parking to serve both immediate needs of the hotel project, and future needs. This project could be the impetus for future reinvestment in this area of the downtown, including the potential for a Benton County museum. The parking could help meet those needs.

The bottom line is that the City does not have $4.2 million to invest in a parking structure at a different location. There is not an adequate revenue stream from parking rates that would cover the costs of building such a structure. This proposed project would give the City a revenue stream through the lease and the TRT funds to provide some additional parking downtown.

The next steps are for City staff to draft a response to take to City Council, relating to some of the questions and concerns that have been raised; and City Council will be taking it up at its next meeting. Commissioners are certainly invited to attend that meeting to learn more and share their comments and questions.

The following were commissioner questions (Q) and responses from staff and Mr. Hauck (A); and commissioner comments (C).

Q: If the hotel takes on responsibility for running the parking lot, what keeps them from charging, for instance, $20 a space for non-hotel guests?

A: There will be a condominium agreement that will have input into that rate-setting; and also, from an economics standpoint, the hotel would want to maximize the opportunity for revenue by keeping the spaces filled during the day. The parking rates would likely be hourly as opposed to leasing spaces.

Q: How many parking spaces would be available to the public during the day?

A: Generally, hotel occupancy is about 70%. During the day, only about 30% of those people leave their cars in the hotel parking lot. The minimum that would be available during the day – on average – would be 63 spaces. This amount does not include the 27 spaces that the Elements building will be leasing.

Q: Would it be possible for the hotel to guarantee a minimum amount of revenue for the parking, which would allow the City to know they would have the money to be able to pay the bond back?

A: That concept has been under consideration, and remains a point of negotiation.

Q: Is it not true that the purpose of the TRT is to offset the impacts of having additional visitors in town? People have expressed a concern about focusing TRTs on a single project.

A: This is a policy consideration for City Council. Part of the consideration is the spinoff of other activity and development from having a hotel downtown. This benefits the community as a whole.

Q: Will this preclude having a chunk of money for putting in parking on the north side of downtown?

A: This might be able to be a model for a public-private partnership in the future to meet that need. It would be very difficult to find the money up front for such a project to finance such a project, and also difficult to find the piece of land on which one could put that number of spaces. Also, demands change and this project might well lead to more development on this end of town with the need for this parking.

Q: Who are the customers for the spaces?

A: 27 of the spaces are being purchased as a condominium-interest by the Elements Building. The others will be used by the public and by the hotel.

Q: Will this mean you will not need to use the south Riverfront lot as overflow parking?

A: We will likely want to reserve the right to use it for overnight parking, in case the parking lot is full and they have a hotel full of guests. This is still in play.

Q: Where will the hotel employees park?

A: They will be encouraged to park in other places, but it has not been determined as yet.

Q: Will the City be moving some of the free parking spots away from this location in order to encourage use of the parking structure?

A: It's not part of the plan.

The commissioners agreed by consensus that they would not take a position on the project considering they have not had sufficient time to study the information. Director Gibb said he would send the link to the report which will be going to City Council.

VII. COMMITTEE REPORTS AND OTHER COMMISSIONER UPDATES.

- **Nominations for Chair and Vice Chair positions.** Chair Henry reminded commissioners that she would be stepping down as Chair, and Commissioner White had offered to serve in that capacity. She encouraged the commissioners to give some thought to serving as Vice Chair, with the hope that that person would move into the Chair position in the future. Next month's agenda will include nominations and appointment of the new set of officers. She noted that Commissioner White would not be able to attend the October and November meetings, so the Vice Chair would need to be Acting Chair for those months.
- **Downtown Corvallis Association:** Commissioner Foster said that they had been busy talking about aggressive behavior downtown.
- **Parking Committee:** Commissioner White said that they had discussed the bicycle corrals, as indicated by Ms. Scherf. They also talked about the hotel and parking lot projects.
- **Commissioner Bailey:** He has enjoyed being on the Commission, and thanked everyone, including staff, for their support.
- **Commissioner Weiner:** He is closing his business and selling the arts supply business to another artist who will assume his lease. He will be working at the Book Bin.
- **Commissioner Olson:** The Julian will be closing in July/August and the residents will be relocated.

VIII. UPDATES:

- **Community Development Update:** Ms. Johnson said that the Julian Hotel Apartments project went to the Historic Resources Commission last night and received approval. She also made reference to the 9-1-1 calling guide put together by the 9-1-1 Communications Center, which was included in the packet. Commissioner Olson asked if it was available in Spanish, and staff will find out and/or make the suggestion.

  Director Gibb gave an update on the Public Participation Task Force (PPTF) recommendations, and said that the City Council had had a work session in which they were discussed. They will be doing further analysis and consideration before making any decisions. Commissioners expressed their concern about being lumped in with the Economic Development Commission, and the Parking Committee also had concerns with the PPTF recommendations. Staff will put it on the agenda for discussion at the next meeting.

IX. OTHER BUSINESS: none.

X. ADJOURNMENT:

The meeting was adjourned at 6:45pm. The next meeting of the Downtown Commission will be held on July 9, 2014, at 5:30pm; at the Madison Avenue Meeting Room.

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

DRAFT
CITY OF CORVALLIS
HISTORIC RESOURCES COMMISSION MINUTES
JUNE 10, 2014

Present
Geoffrey Wathen, Chair
Lori Stephens, Vice Chair
Charles Robinson
Eric Hand
Tyler Jacobsen
Rosalind Keeney
Kristin Bertilson
Jim Ridlington, Planning Comm. Liaison

Staff
Bob Richardson, Associate Planner
Carl Metz, Associate Planner
Jim Brewer, City Attorney
Mark Lindgren, Recorder

Guests

Absent/Excused
Cathy Kerr
Roen Hogg, Council Liaison

SUMMARY OF DISCUSSION

	Agenda Item	Held for Further Review	Recommendations
I.	Visitor Propositions		None.
II.	Public Hearings A. Julian Hotel (HPP14-00006) B. Full Gospel Assembly Church (HPP14-00008)		A. Motion passed to approve the application as conditioned. B. Motion passed to approve the application as conditioned.
III.	Minutes Review- May 13, 2014		May 13, 2014 minutes approved as presented.
VI.	Other Business/Info Sharing a. HRC Work Plan		The HRC will review its work plan at its July meeting.
V.	Adjournment		Meeting adjourned at 7:32 p.m.

CONTENT OF DISCUSSION

The Chair opened the meeting at 6:30 p.m. at the Downtown Fire Station Meeting room.

I. VISITOR PROPOSITIONS: None.

II. PUBLIC HEARINGS –A. JULIAN HOTEL (HPP14-00006)

A. Opening and Procedures:

The Chair 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. Commissioners Jacobsen, Robinson, Stephens, Keeney, Hand, Bertilson, and Wathen declared site visits. Commissioner Hand related that he walked the site perimeter and observed elements from the application; it was a familiar building. Commissioner Keeney related that she walked around the building. Commissioner Bertilson walked around the building and had previously been inside multiple times. Commissioner Stephens noted that the windows on the north were not original. Commissioner Robinson walked around the building; Commissioner Jacobsen stated he did the same.
4. Objections on Jurisdictional Grounds. No rebuttals or objections were made.

C. Staff Overview:

Planner Richardson stated that the Julian Hotel was located at the southeast corner of SW 2nd Street and NW Monroe Avenue; it is an individually listed resource in both the Local Register of Historic Landmarks and Districts and the National Register of Historic Places. The application includes many elements, some of which are exempt from review but were listed to provide context in the application. Elements requiring review include an awning over the north elevation entrance; replacing the north elevation storefront/door with a door of another style; replacing the north elevation ground floor windows with windows of a different style than the existing windows; and replacing the hollow metal door on the west elevation with a fiberglass door with full glazing.

Exempt activities include repairs to north elevation stairs and handrail; repairs to the west elevation canopy; window repairs; repairs or replacement to the sheet metal cornice; and activities within the

light well that staff determined were interior alterations exempt from review, including alterations to windows, siding, and repair of the skylight.

D. Legal Declaration:

City Attorney Jim Brewer 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:

Jennifer Hoffman, Project Manager, with Carlton Hart Architecture, introduced Stephen McMurtry, Housing Developer with Northwest Housing Alternatives (NHA), and Paul Falsetto, project historic consultant.

Stephen McMurtry, NHA Senior Housing Development Manager, related that in 2012, the non-profit NHA purchased the hotel in order to provide affordable housing and preserve a historic landmark building. The plan is for construction closing in July this year, and at that time to sell the building to Willamette Neighborhood Housing Services, with NHA becoming development consultant during the rehab process. The building was last renovated in 1984; it needs a lot of work, with costs estimated at about $100,000 per unit. All residents must be relocated during the work. The Linn-Benton Housing Authority has been a long-time project partner, and the City of Corvallis has committed $695,000 to the project. He related that SHPO and Restore Oregon supported the project.

Ms. Hoffman concurred with City staff's summary of the project. After the building was placed on the National Register, some historic elements were reconstructed, including the cornice and the west façade storefront, and a historic easement placed on the façade at that time with the Preservation League of Oregon (now Restore Oregon). She related that NHA purchased the building in 2012; the project has already been approved through three other historic review processes. The project is slated to begin in mid-July and residents will be moved out for three months during rehabs, returning in October, with the project finishing in March of 2015.

Mr. Falsetto stated that buildings often must be rehabbed every thirty years, and this was a chance to provide long-term value to the building. He highlighted elements that were exempt from review, including repairs and a handrail for an ADA ramp on the north; the west canopy and storefront will be repaired in kind; exterior walls will be cleaned in a gentle manner and bricks repointed; windows including wood sills will be repaired; the skylight and light well had deteriorated badly and will be rehabilitated in a matching fashion; the roof, parapet, cornice and chimney will get work as needed and the roof completely replaced with in-kind material; guard rails will be installed for safety around the light well; and seismic upgrades, including a new roof diaphragm to support parapet walls, and creating diaphragms on each floor to provide lateral stiffness.

He summed up that there were three proposals under HRC review. The "Hotel Julian" sign on the south facade is proposed to be repainted in kind. On the west (main) façade, facing 2nd Street, the flat-faced hollow-core exit door, which lacks character and security, will be replaced with a solid-core

panel door that better fits the building's character. The north facade will get the most reviewed changes, often undoing changes made in the 1960's, including windows, door, and sidelight. The brick sills under windows were cut down to add the infill windows, and while the brick will not be returned, the redesign will be more in keeping. Archival images of the building were used to determine original sill levels, and windows would be returned to that level, creating solid panels for infill. The north entry will be the new resident entry, and a simple reversible awning was proposed there. He noted that a number of nearby buildings also use awnings to mark entrances.

He said the proposed wood windows were a compatible, simple one-over-one design, and displayed proposed details of the new windows. He said the building had a long history in Corvallis in a key location, and the project would providing a lot of value both outside and inside. The goal is to have a healthy, historically rehabbed, well-occupied building with happy tenants for the next thirty years.

Commissioners Stephens asked if the panel door on the west would be smooth fiberglass; Ms. Hoffman replied it would be smooth, inset-panel, operable and painted; it is an exit door, with a staircase behind it.

Commissioner Jacobsen asked about the previous historic approvals; Ms. Hoffman replied that SHPO approved it for Section 106 and special assessments; Restore Oregon has a facade easement, approved without conditions. Commissioner Hand said it was a great, clear application. He said the furthest right window on the north appeared original, and asked why it would be replaced. Ms. Hoffman said it was replaced in the 1960's; the application discusses the height of the transom window, and the proposed design goes back to the historic design.

Commissioner Hand asked about the lobby, noting that it was not under review; Mr. McMurtry replied that the lobby tile appeared to be original, and the plan was to remove a non-original wall in order to restore the original lobby. A stair was added in 1984 and will be retained. Ms. Hoffman added that the interior window wall, wainscoting and trim will be retained. Commissioner Hand said it appeared from the application that the lobby was deemed to be historic; Ms. Hoffman agreed that it was, and that finishes will be retained.

Commissioner Hand asked whether thought had been given to removing the canopy; Ms. Hoffman replied that it had been discussed, but they must determine where funding was best allocated, though removing it completely would be historically accurate. Commissioner Hand asked if it would be cheaper to remove it rather than repairing the existing canopy that could cause damage in the future. Ms. Hoffman noted the gutter system would be improved. Mr. McMurtry responded that they'd prefer to remove it; however, the City's downtown plan prefers pedestrian rain protection, and the applicants were warned that the review process of removing it could potentially delay the application.

F. Complete Staff Report:

Planner Richardson said the applicant's presentation was detailed and so he wouldn't repeat those details. He stated that staff concluded that the application met review criteria and was historically compatible. Regarding the Facades criterion, while there are no other awnings on the building, there is historical precedence for the style of awning, and staff found it was compatible and met the criterion. Regarding replacing windows and doors, they are proposed to be replaced in the same location, pattern, general scale, and proportion; or more closely approximating the original, and was consistent with Facades criterion. In respect to the Pattern of Windows and Doors criteria, the proposed windows and doors maintain same size and proportion and follow the design of the original north windows, and so were considered to be compatible.

Regarding repainting the south elevation "Julian Hotel" sign, the applicants are returning to the original painting. There is a provision that painting over masonry is not exempt, so that's why it was in front of the commission.

In regards to the Building Materials criterion, the applicant was proposing to use a fiber cement material as a paneling under the north elevation windows and the trim. The west elevation door is proposed to be a fiberglass door that should look just like wood once painted, and so staff found it to be a historically compatible building material and so satisfied the criterion.

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

H. Public Testimony in opposition of the application: None.

I. Neutral testimony: None.

J. Additional Questions for Staff: None.

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:

Chair Wathen closed the public hearing.

O. Discussion and Action by the Commission:

Commission Stephens commented that it was a great application.

MOTION:

Commissioner Stephens moved to approve the request as conditioned in the May 28, 2014 staff report; Commissioner Hand seconded; motion passed unanimously.

P. Appeal Period:

The Chair 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. FULL GOSPEL ASSEMBLY CHURCH (HPP14-00008)

A. Opening and Procedures:

The Chair 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 Stephens stated that she knew applicant Ben Metzger, and served with him on the DCA Design Committee, but that it would not influence her decision.
2. Ex Parte Contacts. None declared.
3. Site Visits. Commissioners Jacobsen, Stephens, Bertilson, Keeney, Hand and Wathen declared site visits. Commissioner Jacobsen related that he walked the perimeter, noting where new lettering would be on the sign, and around the back, in the proposed loading dock area. Commissioner Stephens noted the sign location and saw at the building rear a screen wall that was not in the application, but was in the plan. Commissioner Bertilson walked around the building and noted where the changes were proposed. Commissioner Keeney reported that she walked the building and noticed a lot of other signs. Commissioner Hand also saw the other signs. Commissioner Wathen related he'd made similar observations.
4. Objections on Jurisdictional Grounds. No rebuttals or objections were made.

C. Staff Overview:

Planner Metz stated the application was for painting a new sign over an existing painted sign on the building's west façade; and constructing a stairwell, staircase, and ADA-compliant ramp onto an existing loading dock located at the building's east facade. The building is located at 349 SW 4th Street, and is on the Corvallis Register of Historic Landmarks and Districts.

D. Legal Declaration:

City Attorney Jim Brewer 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:

Ben Metzger said the proposed changes would be minimal. The historic signage will be preserved. The three application components include the painted sign on the main face of the west side, over the entry; a stairwell projecting into the loading dock area; and an ADA ramp in the loading dock area.

Commissioner Stephens asked about a fence shown on the site plan. Mr. Metzger replied that the church started construction of a fence against use of the site by the homeless; but then the church learned of the building's historic protections, and so it is no longer in place, but was still part of the site plan, but is not included in the request. Commissioner Keeney asked if the rest of building was going to be painted; Mr. Metzger confirmed that it was not.

F. Complete Staff Report:

Planner Metz highlighted the review criteria. Regarding the Facades criteria, the Sivetz Coffee sign is considered an architectural feature, and the applicant was proposing painting over the existing sign with the name of the new tenant. The proposal is to be limited to the established sign area, delineated by the protruding bricked-in rectangle. Correspondence from the previous tenant (Sivetz Coffee) stated that the company first occupied the building in 1980. Since the sign is not associated with the historically significant church use, and is roughly contemporary to its listing in 1989, staff found that the sign was not historically significant and the proposed sign complements the primary structure by utilizing established sign area, and so satisfies the Facades review criterion. Regarding Building Materials and Architectural Details, the proposed stairwell and stair and ramp skirting will be constructed of wood with a stucco texture and painted to complement the main building. The stairs and ramp will be a black metal railing similar to other rail materials on the building, and proposed wood and metal materials and stucco and paint finishes are reflective of the building, satisfying the criteria. The applicant proposes to retain the existing brick sign frame, and continue its function by limiting the new signage to its borders, and retention of this detail satisfies the Architectural Details criterion.

Regarding Building Orientation and Site Development, the resource is somewhat altered by the proposed alterations, with the addition of the secondary public accesses to the loading dock area in the alley, introducing a new entry point, not currently a public entrance. However, the Fourth Street entry will remain as the primary entrance, satisfying the criteria.

He stated that staff recommended approval with the Conditions of Approval.

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

H. Public Testimony in opposition of the application: None.

I. Neutral testimony: None.

J. Additional Questions for Staff:

K. Rebuttal by Applicant: None.

L. Sur-rebuttal: None.

M. Additional time for applicant to submit final argument:

There was no request for a continuance or to hold the record open, and applicant waived a seven-day period to submit additional written testimony.

N. Close the public hearing:

The chair closed the public hearing.

O. Discussion and Action by the Commission:

Commissioner Stephens commended the applicants for retaining historic paintings. The work to the rear loading dock didn't seem to be a problem.

Motion:

Commissioner Bertilson moved to approve the application as conditioned in the staff report; Commissioner Stephens seconded. Motion passed unanimously.

III. MINUTES REVIEW:

May 13, 2014-
Commissioner Robinson moved and Commissioner Keeney seconded to approve the May 13, 2014 minutes as presented; motion passed.

IV. OTHER BUSINESS/INFORMATION SHARING.

a). HRC Work Plan.
Planner Richardson said the HRC work plan would have to be brought back to the July meeting. He highlighted the May memo regarding the work plan, and suggested commissioners in the interim look at the items and projects and consider which to remove and which to retain. He highlighted the item for creation of a historic preservation plan; staff are considering the possible scope of a plan, and Planner Metz will be taking that on. Staff will send out the most recent work plan for commission review and feedback on modifying it. Staff will also email out general frameworks of what historic preservation plans could accomplish.

Commissioner Keeney asked staff to send out links to existing historic preservation plans that could be used as models; Planner Richardson highlighted relevant plans from Salem, Oregon; Cottage Grove; Boulder, Colorado; Fredericksburg, Virginia, and one other. Commissioner Keeney requested a list of locally registered properties and their addresses, since her existing list does not have addresses; Planner Richardson replied that that could be provided to provide more usefulness. He added that staffer Jason Yaich was about to add significant new search capabilities to the list at the website. Commissioner Keeney stated that getting the list as soon as possible would be a great aid to completing her citizen survey; Planner Richardson agreed to send it to her quickly.

Planner Richardson said that since this was Chair Wathen's last meeting, the commission must elect a new chair at the next meeting, and suggested commissioners consider whether they would like to serve or whom they deemed good choices for chair or vice chair. Commissioner Jacobsen praised Commissioner Wathen for his long service to the commission.

V. ADJOURNMENT: The meeting was adjourned at 7:32 p.m.

DRAFT
CITY OF CORVALLIS
MINUTES OF THE PARKS, NATURAL AREAS AND RECREATION BOARD
JUNE 19, 2014

Attendance
Betty Griffiths, Chair
Lynda Wolfenbarger, Vice-Chair
Deb Rose
Ralph Alig
Phil Hays
Michael Mayes
Jon Soule
Joel Hirsch, City Council Liaison

Absent/Excused
Marc Vomocil
Tatiana Dierwechter
Kevin Bogotin, 509-J District Liaison

Staff
Karen Emery, Director
Jude Geist, Parks Supervisor
Jackie Rochefort, Park Planner
Mark Lindgren, Recorder

Guests
Dean Codo
Mariana Mace
Rochelle Murphy
Walt Schmidt
Audrey Hatch
Eleanor Griffiths
Dave Henderson
Grant Livingston
Tom Jensen
Kent Knipe
David Eckert
B.A. Beierle

SUMMARY OF DISCUSSION

	Agenda Item	Summary of Recommendations
III.	Approval of May 15, 2014 Meeting Minutes	Approved as corrected.
IV.	Visitors' Propositions	Information only.
V.	Benton Center Expansion Project - LBCC	Motion passed that in the absence of more comprehensive plans and detailed information in regards to the potential sale of part of Washington Park, the board recommended the Council not go forward with a sale at this time.
VI.	Parks System Capital Projects Funded With Possible Sale of Washington Park	Information only.
VII.	Capital Improvement Projects Update	Motion passed to recommend to forward the CIP as shown in the presentation, except with the change of removing the bio-shelter for review and removing Franklin Park play structure, as it is already in the CIP.
VIII.	General Review of Goals	Postponed.
IX.	Staff Reports	Information only.
X.	Council Liaison Report	Information only.
XI.	Board Member Reports	Information only.
XII.	Adjournment	The next regular meeting will be held July 17, 2014 at 6:30 p.m., at the Downtown Fire station meeting room.

CONTENT OF DISCUSSION

I. CALL TO ORDER

Chair Betty Griffiths called the meeting of the Parks, Natural Areas and Recreation Board to order at 6:30 p.m.

II. APPROVAL OF MAY 15, 2014 MEETING MINUTES

Griffiths asked to correct the May 15, 2014 minutes to reflect that there was a vote on modifying "The Goal of a Parks and Recreation District", and the wording was missing, and it was missing from the Goals List. Director Emery replied her understanding was that it had been modified to say "Explore developing a Parks and Recreation Parks District"; Griffiths concurred that the minutes should be changed to reflect that.

Michael Mayes moved to approve the May 15, 2014 minutes as corrected; Philip Hayes seconded the motion and it passed unanimously.

III. INTRODUCTIONS.

IV. VISITORS' PROPOSITIONS.

Dean Codo related he came to the board last month, saying that he no longer used the public parks due to people's behavior with their dogs. He only wanted access to the Harding School grounds near his house and the Crystal Lake Boat Ramp to launch his canoe. He asked what the plan was to provide access to facilities for people with disabilities. He complained about the number of loose dogs at the boat ramp, relating that a wet dog shook off on him at his last visit to the boat ramp.

Griffiths replied the potential plan was to explore getting the Animal Control officer to work flextime, but the board hasn't gotten a response yet. Director Emery added that she forwarded his comments and concern to the Police Chief, since the department was not responsible for enforcement, along with his suggestion to adjust the Animal Control officer's schedule to be available at a time when more people are using the Parks system after work and weekends, not just daytime. She is waiting to hear back. Betty said the board would like to hear the response.

V. BENTON CENTER EXPANSION PROJECT - LBCC.

Dave Henderson, Vice President of Finance and Operations at LBCC, highlighted the distributed diagram of the proposal for Washington Park. Since the LBCC board voted last night to put the bond measure on the ballot, he is now prohibited from commenting on the bond measure in a positive or negative manner. The college respects the role that all the City advisory boards play. The college would like to purchase Washington Park if the City chooses to make it available, but if the Council chooses not to do so, the College would respect that decision.

He displayed a diagram showing the location of existing Benton Center on the site, with the proposed addition just to the north of the existing Center. The proposal is to use the existing Washington Park ball field and the rest of the lower area of the park to add about 300 parking spaces, since one of the greatest concerns is the lack of parking. He related that some students trying to attend classes were not able to park at the school, and had park on streets in surrounding neighborhoods. The existing playground, just south of the Center, would not be touched, due to its importance as an asset. The college projects that it would like a green space between the parking lot and the neighbors to provide a buffer for neighbors. A row of large, historic old trees

along the east side of the Benton Center would remain, though some smaller, twelve year-old trees in the expansion parking lot may need to be removed.

He anticipated also bringing the proposal to the Historic Resources Commission (HRC) since it is a historic building, as well as the Planning Commission. He said the LBCC's existing location was felt to be the best to provide the college's services, and that none of the other considered locations around town met all of its needs.

Michael Mayes asked whether other considerations, plans, and options, such as a parking structure, were considered. Henderson replied that a parking structure was discussed, but they are far more expensive than surface parking, though if the park cannot be purchased, that option must be considered. Other sites, such as H-P and CH2M Hill, were also considered but rejected. Mayes asked what percentage of students used public transportation; Henderson replied the number was substantial, but the college has scheduled a meeting next week to try to use the Loop bus to improve integration of transit to LBCC.

Griffiths asked about the possibility, listed in the G-T article, about building up. Henderson replied that the existing building cannot be built up, although it could be added to, with the addition built up; however, there is a height restriction in the area. A 2-story 20,000 square foot building is planned, with a 10,000 square foot footprint and a sky bridge and plaza between the new building and the old.

Deb Rose asked the rationale regarding the number of parking spaces; Henderson replied that the existing parking lot has around 117-120 parking spaces. He said some of those would be lost with the expansion. The proposal to use the Washington Park was to maximize the number of parking spaces, though the building code only requires six parking spaces per classroom, but since current parking is not adequate, the idea was for eight to ten spaces per classroom. A comprehensive traffic study has not been done, but that will be done before proceeding further.

Ralph Alig asked about anticipated enrollment; Henderson replied that enrollment was projected to be flat over the next year, but OSU was planning enforcement of pre-requisite math classes, and so LBCC anticipated an enrollment increase after that, since OSU does not have capacity to teach those classes.

Griffiths commented that it seemed to be a lot of parking per classroom; she asked if the need for that much parking had been calculated. Henderson replied that there hasn't been a comprehensive traffic study, but if less parking seems called for, then the buffer green space could be larger. He related that after 4 p.m., Samaritan Health Services allows students to park in their lot; also, it is anecdotally known that students park in surrounding neighborhoods. Some students have stated they've withdrawn from classes because they could not find parking.

Deb Rose asked about the proposed size of the buffer. Henderson replied that he did not know the dimension; that size could be discussed, and perhaps some park benches could be added. Rose asked what characteristics were of the H-P and CH2M Hill sites that didn't fit; Henderson replied that those decisions predated him, but he could get that information.

Alig asked what the "dire problem" was referenced by the LBCC president in the G-T article; Henderson replied that he assumed it related to the lack of parking. He said an internal group produced a report; he said he would see if the report could be shared. He related that its main focus was remaining located and expanding at the existing site, and didn't want another site, to avoid duplicating site, facility, and administrative costs. Alig said he'd like to see the report.

Griffiths asked if LBCC had done an appraisal; Henderson replied that it had not, but that the City recently had done so. Director Emery added that the City had an appraisal done in 2012. Griffiths asked if LBCC would be doing an appraisal; Henderson replied that it was up to the City to decide on the park's value, but the college believes it should pay whatever the appraised price was, and was willing to pay for an appraisal, or to use the 2012 appraisal.

Emery explained that there was board discussion and the property was appraised when LBCC expressed interest in purchasing a piece of Washington Park in 2012, but the college did not follow up. Griffiths related that there was board discussion at its October 18, 2012 meeting; she said that there was not a board vote, but the sense was that there was not sentiment in favor of selling the park.

Chair Griffiths sought public testimony.

Mariana Mace related that she's long lived near the park and had previously complained to the board about parking and the deterioration of the Gaylord House. The student population has increased, but once the park is gone, it will never come back, and when the population drops, the green space will be gone. The college could look for an additional satellite space elsewhere that fits most of their needs; this proposal is not a good choice for the city or the neighborhood. The city has a way to go to cut down its carbon footprint, and removing a green space is antithetical to that. The amount of proposed buffer was inadequate, and the idea of benches on a strip looking out onto a large parking lot did not seem peaceful. She said the park served more than just the immediate neighborhood (hundreds use the park to view July 4th fireworks) and helps create an overall sense of community for the whole city. The City should be looking at ways to increase its use. She said that access to the parking lot would probably require that 7th Street be opened up again, noting that the neighborhood had fought for years to get the road not used as a thoroughfare. She asked the rationale for building out 300 parking spaces.

Grant Livingston, an OSU grad student, concurred with many of the previous speaker's comments. He said that once green space is gone, it's gone. The green space was one of the reasons he moved to Corvallis. He expressed concern with the increased storm water runoff. Hayes asked how it was zoned; Griffiths said it was within the 100-year flood plain; it was partially protected. Hayes noted that there were rules about the maximum percentage of parking allowed. Griffiths said Community Development Director Ken Gibbs had stated that past an excess in parking, permeable paving would be needed.

Tom Jenson said the college could site its new building elsewhere. He said ball players often walk to the park; many other parks do not have on-site parking, and many neighborhood parks only have PortaPotties. He noted that while Resolution 94-13 states that park land cannot be sold, that can be overturned by a vote of the Council. Once the green space is gone, it cannot come back.

Kent Knipe related that Greg Hammond, LBCC President, was quoted in today's G-T as saying that the expansion project did not need Washington Park. Knipe stated that the mission statement was to preserve and create parks; however, selling the park does neither. Selling a park is not a revenue source for operational expenses. He said the park was characterized as "underdeveloped", but that just means it needs attention at some point, like other parks.

Dave Eckert sympathized with the board and staff being put in the position of simply being mandated by the Council to consider what to do with the money from the sale. He appreciated being allowed to address the whole picture. He said the Council's actions in this matter have embarrassed him and he believed they'd acted illegally in holding secret sessions between two

public bodies on the sale of land; this should have been public, and the board should have been involved from the beginning, not much later.

He said the City budget calls for identifying and selling underutilized park land; this is just the first park considered underutilized, and others will also be sold as well. He said the site was only "underutilized" because the use of a softball field in a fenced-off marshland was inappropriate. It is the only neighborhood park in the area. He urged the board to not vote to sell this park or any others, and to avoid starting the cycle of selling parks.

The only question the board has been asked by the Council is to consider what to do with the money from the sale of the park. If the board *must* sell the park, he advocated that it should use the money to buy other land in the neighborhood. He noted that the City's CIP for a wastewater treatment plant takes into account a population increased to 80,000; however, at the same time, it's getting rid of neighborhood parks.

Phil Hayes asked if Eckert could document his contention that the Council planned to sell underutilized parks. Eckert replied he could only rely on the approved City budget, which contained "Seek out underutilized City parks" on page 13, noting that the term "underutilized" was undefined.

Audrey Hatch said she was a nearby homeowner; many neighborhood kids use the park. Her concern was that the college's expansion model was outdated, noting that more detail was needed on on-line courses, bus transit, and using the existing space. She said open space had a huge value for the physical and mental health of both LBCC students and the community, and open space was the main reason she moved to Corvallis; once it's gone, it's gone. She'd like to see alternatives discussed regarding additional parking and potential improvements for the park.

B.A. Beierle expressed concern about the lack of adequate public process. She stated it would be more prudent for LBCC to get approvals lined up before went forward on acquisitions. She emphasized that the Benton Center is a designated historic resource, as is the 7-acre athletic field immediately adjacent. Any changes to the athletic fields must come before the HRC. She read from the Oregon Inventory of Historic Properties "Historic Survey Form", relating that "..A seven-acre athletic field was, and still is, located to the northeast of the school. The landscape design was by D.W. Powell, and completed by Professor Peck of Oregon Agricultural College. A portion of this landscaping, which called for a fir tree flanked by junipers, a maple tree and an Oregon grape, can still be seen. She noted that it was early in the process, and the HRC, the Planning Commission and other bodies must still weigh in on the proposal.

Helen Stoop said she purchased property adjacent to Washington Park five years ago, in large part due to its location. She is supportive of education; however, she felt that the colleges were now taking precedence over neighborhoods. Jon Soule asked if she had had parking problems; she replied that she had not. She said when they built their house, they'd had to spend months getting approval for the process, including HRC approval; that is missing in this process.

Walt Schmidt, long-time Corvallis resident, distributed a photo of his first-grade class sitting on the steps of Washington School, now LBCC's Benton Center. He said his own neighborhood park, Cloverland Park, was beautiful and much-used, but had only street parking. He said he was not against education, but once we start selling parks, where do we stop? He objected to setting a precedent of selling parks when the system needs money.

Rochelle Murphy expressed concern that the community only learned of the proposal to sell a portion of Washington Park on May 19. It was unbelievable that the proposal has gone this far

without the input of boards and neighbors. She stated that it is the only green space in the area. The recent Parks and Rec survey of Corvallis residents found that preserving what the system had was one of the highest values of residents. The park is on the Register of Historic places, and she cited Council Resolution 94-13. While both LBCC and the Park system have unmet needs, and the sale of the park may help meet some of those needs, but paving over the park means the loss of a public green space forever. She related that the LBCC President said in the G-T that the expansion proposal could go forward without the park by building up. She asked the board to protect the park and open spaces from development for future generations, by expressing its opposition, and by establishing clear definitions and guidelines for all public parks, natural areas and trails, incorporated into the Land Development Code (LDC). She advocated adoption of an update Resolution 94-13 into the City Charter. If the sale of this park goes forward, all parks are in jeopardy.

Chair Griffiths highlighted distributed several pieces of testimony that were received late. Testimony from Claus Sass and Doris Johnston favored expansion of the Benton Center. Testimony from Kent Daniels, Courtney Cloyd, Jessica Dole, and Louise Marquering was not in favor. She related that School District Liaison Kevin Bogatin's written testimony advocated looking at the whole picture.

She said she'd emailed the board about discussing the pros and cons of developing a recommendation. Although developing a recommendation was not clearly in the agenda, she said it was in the board's purview. Following that is a discussion of what to do with the money if the park was sold.

Soule said it was unclear whether there was specific action needed by the board tonight. Griffiths said she recommended taking action; the board heard from a lot of people and it was the board's mission to make a recommendation. The board made a recommendation in October, 2012.

Director Emery read the City Council's request, "Councilors York and Hirsch respectively moved and seconded to direct the City Manager to make the information about Washington Park, discussed at the May 19, 2014 Council executive session, available to the public, and to ask the Parks, Natural Areas and Recreation Board to review and make recommendations to City Council regarding possible use of capital funds dedicated for Parks and Recreation capital projects that may be available from a possible sale of Washington Park to Linn-Benton Community College". Soule said that the Council language seemed to be bypassing the board on its recommendation on the sale itself. Griffiths agreed, saying the board should exercise its role as an advisory board, especially since it has heard from so many people, and give the Council its opinion on the sale.

Soule said the only time it was appropriate for the board to recommend the sale of one of the assets under its purview is if there is a plan in place for a higher and better use or replacement property. For example, if a piece of property could be traded for another that is a much better use, or if property could be acquired that was immediately adjacent to the one being contemplated being sold. This sale does not meet that criteria.

Mayes said he wasn't part of the previous 2012 discussion on a possible sale. He said it sounded as if it was a done deal, with citizens stating they'd had no input, and that the loss of the park affected them. He acknowledged that budgets get short, and that sometimes one must rob Peter to pay Paul, and he might've agreed to that, *if* he'd had any discussion or input on it. There is an architectural drawing, and funds and time have been spent on this, and he was appalled that the board was only now hearing of it. Griffiths noted that there had been no formal vote of the Council. He said he'd vote against the sale and to find money elsewhere, if need be. He uses

Sunset Park nearby him daily, and assumed Washington Park was a similar joy to its neighbors, who would be flabbergasted to learn of its loss.

Liaison Hirsch asked Emery to read the Council resolution aloud again; she did so. Liaison Hirsch emphasized that the resolution language clearly reflected that it was *not* a done deal. The Council was seeking public input now, and getting public testimony. Mayes said it was a sensitive subject for citizens, saying it was the first he'd gotten to look at it, and hadn't heard any alternatives.

Hays said the way it was packaged to the board, it did sound like a done deal. He said the planning processes for the City and County have sets of goals for the various types of parks. There are supposed to be neighborhood parks within a certain close distance all over the City within a walkable distance; we just acquired a new neighborhood park in a new development. There's no parking for Washington Park, but it is a neighborhood park, and the whole point is that neighbors are intended to walk to it. It cannot be characterized as "underutilized", since it is in the right place for the surrounding neighborhood; if it is taken out, we are violating the public process for the parks management plan, which calls for a public neighborhood park in the area.

He said the proposal doesn't make sense. If we sell Washington Park, we've blown it, because there is not any other open land in the area. He said he'd heard a proposal some fifteen years ago to sell parks to meet a budget shortfall; he said this was short-sighted, since you only get the money once, and once the land is gone, it's gone. As the population grows, the need for the park increases. Selling parks to get funds for other park projects makes no sense. This proposal sets a dangerous precedent and goes against the City's stated goal of having neighborhood parks within neighborhoods, and the sale is shortsighted. The need for the park will still be there, and the money will be spent.

Alig said that based on what he'd heard this evening and what he'd read in the G-T, he could not make a decision; he hadn't heard a convincing reason to sell the park, and had asked for more data from LBCC. There are student population bubbles periodically, but he hadn't heard a coherent big picture analysis of the proposal, including on transportation, and the other considered site alternatives. Washington Park is unique and can't be replaced.

Deb Rose stated that a positive of selling the park is that it could potentially provide funds to put into other parks capital resources or another piece of land or a softball field elsewhere or improvements to another asset. While there were a couple comments regarding the need for more educational opportunities for youth, she concurred with previous board comments that it was hard to evaluate the proposed LBCC expansion plan without additional information, such as alternate sites, and why the alternate sites didn't pan out. She concurred with needing to evaluate transportation and projected student enrollment over time, including the growing impact of on-line classes. While there was a previous resolution, she'd want to freshly evaluate the plan's pros and cons, with more information. She acknowledged the proposal's serious cons, and noted the testimony about the board's mission and goals.

Linda Wolfenbarger said she grew up the area, and was very familiar with it. She noted the Washington Park ball field couldn't be used after dark, but the neighborhood would likely complain about adding lighting and improving the awful parking. However, she disagreed with selling the park, saying that we'd need a fair trade in exchange with something better for the neighborhood than we have now.

Emery said that regarding "underutilization" in terms of the park, the only aspect that staff viewed as underutilized was the softball field itself, not the rest of the park. The park schedules

around thirty days a year; it is the least desirable field for a number of reasons and used for overflow and the Co-ed programs. However, if the field was repurposed, there would be a need for another softball field somewhere in the system.

Soule moved that in the absence of more comprehensive plans and detailed information in regards to the potential sale of part of Washington Park, the board recommended the Council not go forward with a sale at this time. Alig seconded; motion passed unanimously.

VI. PARKS SYSTEM CAPITAL PROJECTS FUNDED WITH POSSIBLE SALE OF WASHINGTON PARK.

Soule moved that in regards to the Council's request for a recommendation in regards to use of revenue from the potential sale of part of Washington Park, the board feels they do not have enough information at this time to feel comfortable in making a recommendation; Mayes seconded.

Rose said the board needed to be clear on what additional information it needed in order to make a recommendation. Soule said the board needed more comprehensive and detailed information on the sale of part of the park, including the Council's recommendation on how the money may be spent. Once it is a done deal, the board may come up with a lot of recommendations for what to do with the money, but we've just recommended the park not be sold in the first place.

Liaison Hirsch said what the board was asking the Council for, was what the Council wanted from the board. The board could take more time on revenue options; should the sale happen, the Council wanted input from the experts on the board. Griffiths said making that motion now seemed contradictory. We don't have information from staff, including the total amount available, or the most pressing needs.

Soule said his motion was to respond to the Council's request. Hays said we don't know the total amount of funds, and what to spend the money on; we're about to discuss a CIP project list that includes a number of worthy projects that should be funded. Soule moved and Mayes seconded to withdraw their motion.

Alig advocated not making a money recommendation at this time. Liaison Hirsch said he didn't know how he was going to vote, but if the sale passes the Council, he asked if the board wanted to know the total amount available and what the possibilities were; the board may decide now or three months from now. Griffiths said we'd want to know the amount of money. She noted the CIP was composed of projects that we already know we having funding for; there are other projects besides CIP projects. The board needs to know what projects staff would recommend based on the amount, and based on the neighborhood. Emery noted that the impact of the loss of the ball field was not part of the CIP at this time.

Hays said we need a planning map that shows where neighborhood parks should be positioned to serve the public, and where they already are. Rose asked for the timeline of getting feedback; Liaison Hirsch said he did not know anything about the timeframe. Soule proposed the Council give the board a month or so; Liaison Hirsch replied the board should take whatever time it needs. Emery said she understood the board wanted an appraisal; Griffiths said a best estimate would do; adding inflation to the previous appraisal would be adequate. Emery recapped that the advisory board wanted staff to bring potential projects to the board, including the impact if the park were to be sold; and the two maps, one showing existing parks and one showing future parks. She said the board had also asked LBCC for its internal staff report and why the other locations hadn't

work out. Alig said the board also needed data on long-term student population and transportation.

VII. CAPITAL IMPROVEMENT PROJECTS UPDATE.

Rochefort highlighted elements of the CIP, including the Mission Statement, and outlining sustainability, the structure of the department, collaboration, community need, etc. The 2013 Parks and Recreation Master Plan Update process included a survey that found community values. City CIP projects generally must have a value of more than $25,000 and a life-span of more than ten years, though the board previously developed additional criteria. A subcommittee reviews submitted projects, and the board recommendations go to the CIP Commission, Budget Commission, Planning Commission and finally the City Council. Funding sources include System Development Charges (SDC's) for expansion, increased need, ADA; the Friends of Parks and Recreation; potential bond measures; and general funds (though the department has decided not to use those funds for the next year). In terms of criteria, the department looks at preserving what it has, by rehabilitating or restoring deteriorated facilities; reducing maintenance costs; what might generate revenue; facilitating partnerships; and safety and ADA issues.

Grants awarded to the department in 2012-2013 include playground equipment at Arnold Park; Tunison Park (already completed); the Marys River boardwalk, scheduled for summer or fall; and the Arts Center Plaza. Significant donations helped build the Rotary Picnic Shelter, the Rose Garden, the Osborn Aquatic Center UV light system, and the Marys River boardwalk.

She highlighted FY12-13 achievements projects including the Shooting Star Trail; the Rose Garden Arbor; the 50 meter pool UV lights; and outdoor lights at the Arts Center Plaza. She stated the list of Fiscal Year 2013-2014 (FY13/14) CIP projects is ambitious in order to take advantage of trends in funding and available grant dollars. delayed projects include the Osborn .

She highlighted current fiscal year 13/14 projects. The scale of the Arnold Park rehabilitation project will be reduced in order to include other features, and is scheduled for late summer. The Owens Farm Homestead projects will be ongoing; the house was cleaned out. The projects chosen to be delayed for the fiscal year include the pool climbing wall; the Walnut Barn improvements; Harding neighborhood park; Shawala Point Master Plan and Greenway permit; and the Willamette Park Community Garden.

Rochefort stated that some funds are always kept in the CIP for land acquisition. There are also Chip Ross land acquisition funds.

She noted that anything listed in the next fiscal year, FY14-15, must have funds available. Citizen proposed CIP projects include Franklin Park play equipment, for FY14/15; provide synthetic turf fields for multisports facility (FY15/16); provide a lighted field (FY15/16); trail extension at Timberhill and Shooting Star area (FY16/17); Marys River Natural Area Boardwalk and pedestrian bridge (FY15/16); rehabilitate Gaylord House (FY 16/17); pave the entrance road into Willamette Park (that will happen with Phase II park development, and is required for greenway development); and improve tennis court surfacing and expand inventory by one (in an out year).

Rochefort said that "pickle ball" was becoming increasingly popular, and through a Friends of Parks and Recreation donation, courts at the school district will be surfaced this summer. There was a proposal for a bio-shelter that would allow year-round food production; it would be a partnership; and the location must be carefully considered (FY17/18); Emery suggested it be removed until she reviewed and discussed the concept at a future board meeting.

In response to a query, Emery said the only current site that would work for lighted fields is Willamette Park; there are conflicts and limitations elsewhere. Rochefort added that a site that would work for a tournament facility would require a substantial land acquisition. The request for synthetic play surface were from a number of sports.

Rochefort highlighted proposals not recommended to be included in the CIP. There was a proposal to remove all Sweet Gum trees from City right of ways; she related the current Urban Forest Management Plan did not recommend doing that, and tree removals are done on a case by case basis. There was a request to complete Rose Garden Improvements (she related that an ADA connection was just added last week). Regarding the proposal to expand the Senior Center and parking; she said it is already in the CIP and the board must discuss that in the future. There was a request to purchase Garfield Park, but it has not been offered for sale to the City yet. Regarding the proposal for construction of a recreational facility and pool in south Corvallis, she said the existing aquatic center serves the community well, there is good bus service to it, and the subcommittee felt the need was met.

Griffiths asked about the Franklin Park playground; Rochefort said it is actually in the CIP for the coming year, FY 14/15; she made a mistake in the spreadsheet listing. Griffiths asked about grants; Rochefort related she and Jude Geist encouraged neighbors to work on smaller grants for the park. Emery added that it was on the list of projects of the Friends of Corvallis Parks and Recreation.

Alig asked about the boardwalk; Rochefort replied FEMA established its value at $258,000, and will give the City 75% of that ($193,000), with the City making up the rest; some funds have already been spent on removing materials. Given the budget, staff have committed to not use tax dollars for the project, and stick to SDC's where eligible and donations. Emery added that that was part of the direction by the board in building the fixed expenditure limit budget in FY14-15.

Rochefort explained that the funding portion of the CIP had not been updated; it is a working document that changes constantly, and will be updated along with the adopted budget. Griffiths asked if the $105,000 in General Funds would not be spent in FY14/15; staff replied that that was correct. Griffiths asked about FY16/17; Emery said a decision has not been made yet. Griffiths asked whether extensive available SDC funds would be expended or saved; Rochefort replied that it will be a project by project decision. Regarding MLK Park, the City would use SDC dollars to match state funds.

Soule moved and Rose seconded to recommend to forward the CIP as shown in the presentation, except with the change of the bio-shelter and Franklin Park play structure coming out, since it is already in the CIP; motion passed unanimously.

Rochefort said there will be an explanation posted at the City website of why proposed projects were, or were not recommended for moving forward.

VIII. GENERAL REVIEW OF GOALS. Postponed.

IX. STAFF REPORTS.

Emery presented gifts from the mayor to board members to recognize their service. She related that she'd just returned from visiting Chicago's Millennium Park, saying that some components were similar to what might work at Shawala Point, with art and gardens.

X. COUNCIL LIAISON REPORT. Postponed.

XI. BOARD MEMBER REPORTS. Postponed.

XII. ADJOURNMENT: The meeting was adjourned at 8:34 p.m.

DRAFT

CITY OF CORVALLIS
MINUTES OF THE PUBLIC ART SELECTION COMMISSION
MAY 21, 2014

Attendance
Hester Coucke
Josh Hackenbruck (until 4:43)
Chi Meredith
Cynthia Spencer
John Arne

Staff
Stephen DeGhetto, Assistant Director

Absent/Excused
Shelley Curtis
Shelley Moon
Joel Hirsch, Council City Liaison

CONTENT OF DISCUSSION

I. CALL TO ORDER: Chi Meredith called the meeting to order at 4:09 p.m.

II. REVIEW OF MINUTES.
Spencer moved and Coucke seconded to approve the March 19, 2014 minutes as presented; motion passed.

III. VISITOR PROPOSITIONS.
None.

IV. ELECTION OF OFFICERS.
Election of Officers has been postponed, awaiting information on possible restructuring via the suggestions made by the Public Participation Task Force.

V. PUBLIC ART SELECTION BROCHURE DEVELOPMENT; ART IMAGE SELECTIONS FROM THE BROCHURE.
PASC's current brochure revision is shaping up nicely. Discussion led to possibly changing the front portion to read "A Guide For Public Art." Minor typos and thoughts on phrasing were discussed. The interior's left-most page should correct "Art FAculty" (to "Art Faculty") and "ont he" (to "on the"). Coucke posed questions regarding phrasing that might be improved. DeGhetto stated that if such is written as present due to policy, such written policy could be changed if necessary. The main concern involved changing the term "artist" throughout materials to "proposal," "art project," "proposal for an art project," or something similar – thus changing the focus from the individual to that of the work itself. The Checklist portion on the bottom interior will be changed to a check-box-style format rather than bullet points. The final bullet point may be omitted or moved elsewhere depending on phrasing as it cannot necessarily be considered a "requirement." Coucke suggested retitling the Checklist portion to something like "Approved Projects will Require..." or something similar, stating such need to meet these requirements during the process. Couke has a number of thoughts regarding phrasing throughout

materials, which she will forward to DeGhetto. In the “Commissioned Art” and “Donated Art” section on the interior in the middle and right-most sections, discussion called for possibly changing the “Meeting 1 through 4” headings to “Meetings 1 through 3.” A comma should possibly be added following the term “proposal” in the section currently marked as “Meeting 3. Under “Donated Art,” parentheses could be considered in the portion currently reading “the artwork or images of the artwork,” to instead be presented as “the artwork (or images of the artwork).” Options for possible phrasing changes regarding the call (specifically, subjects and verbs) were also made by DeGhetto. A final draft will be prepared based on the information above for review at the next upcoming meeting, and in the interim as well.

VI. MISSION STATEMENT FINAL REVIEW.
PASC's prior decision to use Hackenbruck's Mission Statement text as a base stands. Spencer motioned and Coucke seconded for a vote on such, and PASC voted to approve the use of such unanimously.

VII. ADJOURNMENT: Meeting adjourned at 5:10 p.m.

MEMORANDUM

To: City Council Members

From: Julie Jones Manning, Mayor

Date: July 1, 2014

Subject: Confirmation of Reappointments to Advisory Boards, Commissions, and Committees

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At our last regular meeting, I reappointed the following persons to the advisory boards, commissions, and committees indicated for terms of office expiring June 30, 2017:

Airport Commission
Rod Berklund
Douglas Warrick

Arts and Culture Commission
Elizabeth Westland
Wayne E. Wiegand

Bicycle and Pedestrian Advisory Commission
Brian Bovee
Sayard Schultz
Brad Upton

Board of Appeals
Denise Ruttan

Budget Commission
Brandon Neish

Capital Improvement Program Commission
Scott Carroll
Lyle E. Hutchens

Citizens Advisory Commission on Civic Beautification and Urban Forestry
Becki Goslow
Larry Passmore

Citizens Advisory Commission on Transit
John Oliver
Kriste York

Commission for Martin Luther King, Jr.
Jose-Antonio Orosco

Community Police Review Board
Phyllis Lee

Corvallis-Benton County Public Library Board
Steve Stephenson

Downtown Commission
Elizabeth Foster

Downtown Commission Parking Committee
Brad Upton

Economic Development Commission
Elizabeth French
Skip Rung

Enterprise Zone Committee
Bob Devine

Housing and Community Development Commission
Kenny Lowe

Linn-Benton Lop Commission
Stephen Friedt

Parks, Natural Areas, and Recreation Board
Ralph Alig
Phil Hays
Lynda Wolfenbarger

Watershed Management Advisory Commission
David Hibbs
Jacque Schreck
David Zahler

I ask that you confirm these appointments at our next Council meeting, July 7, 2014.

1024

MEMORANDUM

To: City Council Members

From: Julie Jones Manning, Mayor

Date: June 30, 2014

Subject: Appointments to Advisory Boards, Commissions, and Committees

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I am appointing the following person to the advisory boards, commissions, and committees indicated for the terms of office stated:

Airport Commission

Rajeev Pandey
Term expires June 30, 2017

Rajeev is a licensed private pilot who learned to fly at Corvallis Municipal Airport. He has flown throughout the Willamette Valley privately and internationally commercially. He is a member of Oregon State Flying Club, Oregon Pilots Association, and Aircraft Owners and Pilots Association. He believes having an industrial park and airport in close proximity to Corvallis of the size and with the features the City offers provides unique, considerable potential. He would like to contribute to the community by helping the Commission continue providing airport and industrial park stewardship guidance.

Brad Smith
Term expires June 30, 2017

Brad stores an airplane at Corvallis Municipal Airport and has actively used the Airport facilities for the past several years. He works part-time in property acquisition, management, and finance and would like to combine that expertise with his flying interest

Arts and Culture Commission

Cynthia Spencer
Term expires June 30, 2017

Cynthia is The Arts Center's Director and has a long history of involvement with Corvallis arts and festivals, most recently as a member of the City's Public Art Selection Commission and as director of the Corvallis Fall Festival. She was also a member of the committee that proposed that the City Council establish a goal of promoting arts and culture and their importance in our community.

Budget Commission

Mark Kalmar
Term expires June 30, 2017

Mark is the Administrator for Corvallis Radiology and a board member of Leadership Corvallis. He would like to add value to the community via service on the Budget Commission.

Corvallis-Benton County Public Library Board

Rob Welsh
Term expires June 30, 2017

Rob would like to become involved in the community. He believes a strong library is a valuable asset in the community. He spent a lot of time in libraries as a student and depended upon them for information and environment for study and research. He would like to learn about our Library system, provide governing input, and serve the public interest.

Downtown Commission

Joseph Elwood
Term expires June 30, 2017

Joseph is a 2014 graduate of Leadership Corvallis and is eager to volunteer with the City. He is a member of a downtown law firm and will represent Downtown business persons on the Commission.

John Morris
Term expires June 30, 2017

John will represent Downtown and adjacent neighborhood residents on the Commission. He works and lives in the Downtown area and has a vested interest in striving to further enhance the Downtown area. His professional experience includes participating on interdisciplinary design teams for significant, urban commercial building projects; and he has lived in the downtown area of a major, metropolitan city.

Economic Development Commission

Brian Wall
Term expires June 30, 2017

Brian is OSU's Director of Commercialization and Business Development and will represent OSU on the Commission. His office funds the majority of the resources for the Advantage Accelerator, and he is "passionate" to grow economic development efforts in Corvallis/Benton County.

Parks, Natural Areas, and Recreation Board

Anthony Stumbo
Term expires June 30, 2017

Anthony is a long-time Parks and Recreation Department volunteer and uses parks daily. He has served as Vice President and President of The Friends of Finley Refuge, for which he still serves on the Board.

Public Art Selection Commission

Kirsi Peltomaki
Term expires June 30, 2017

Kirsi is a contemporary art historian and a member of OSU's Art faculty, which she would represent on the Commission. She served on an Oregon Arts Commission's Percent for Art selection committee.

Barbara B. Weber
Term expires June 30, 2017

Barbara, a member of the Madison Avenue Task Force since 1974, received her Bachelor of Arts degree from OSU in 1971 and has been involved in art since then.

I will ask for confirmation of this appointment at our next Council meeting, July 21, 2014.

1023

MEMORANDUM

To: City Council Members

From: Julie Jones Manning, Mayor

Date: July 2, 2014

Subject: Vacancies on Advisory Commissions

The following people chose not to be re-appointed to their respective advisory commissions when their terms of office expired on June 30, 2014:

Downtown Commission
Dee Mooney (representing Downtown business persons)

Housing and Community Development Commission
David McCarthy (representing current or past recipients or guardians of current or past recipients of social services for low-income or special-needs persons)

I have contacted potential appointees for these vacancies.

1026

MEMORANDUM
July 1, 2014

TO: City Council

FROM: Julie Jones Manning, Mayor CA for JJM

RE: Public Participation Task Force Recommendations, including Review of Council Policy 91-2.02, "Council Process"

At the June 9 work session to discuss the report from the Public Participation Task Force, there was consensus on two items. Both of these items are coming to you tonight for potential action.

1. *Ask Council Leadership to review the proposed alignment between advisory boards/commissions and council standing committees*:

   Council Leadership reviewed Council Policy 91-2.02, "Council Processes," along with Appendix 5 of the Task Force report. We found that the current policy largely reflects the committee alignments recommended in the report. However, Council Leadership is recommending two minor changes in the policy.

   A. Delete City Legislative Committee from 2.02.032a Associated Boards and Commissions (page 2), as that group reports to the entire Council.

   B. Add Board of Appeals to 2.02.032c Urban Services Committee (page 3).

   A copy of the policy reflecting the proposed amendments is attached. Council Leadership requests that Council revise the policy as recommended.

2. *Ask the Mayor to appoint a small task force to develop a proposed charge for a newly-reconstituted Committee for Citizen Involvement as outlined in the Public Participation Task Force report.*

   Once the Council takes action, I am prepared to contact potential task force members concerning the formation of the Community Involvement and Diversity Advisory Board.

3025

CITY OF CORVALLIS

COUNCIL POLICY MANUAL

POLICY AREA 2 - COUNCIL PROCEDURES

CP 91-2.02 **Council Process**

Adopted	**October 7, 1991**
Revised	November 4, 1996
Revised	March 5, 2001
Revised	October 15, 2003
Revised	December 18, 2006
Revised	November 7, 2011

2.02.010 Purpose

To establish a policy regarding Council's public hearings, rules of order, and standing committees.

2.02.020 Policy - Public Hearings

It is the policy of the City Council to ensure full, complete, and orderly participation at all public hearings and to ensure participation is done in a fair and succinct manner for all concerned.

2.02.021 As each public hearing item is announced, a specific time limit may be established by the Mayor. The Mayor shall determine the number of speakers and allocate the time accordingly. The time limit may vary according to the complexity and/or controversial nature of the hearing matter, but equal time will be provided to both proponents and opponents. The time limit will not include answers to questions or staff reports. Rebuttal time will be allocated if requested.

2.02.022 If, as the public hearing develops, more time is necessary, by majority vote of the Council, the time limit for both sides may be extended.

2.02.023 Should either the original or extended time limit expire and parties have not had an opportunity to speak, the hearing may be continued until the

next regular Council meeting, and the process may be repeated for the continued hearing at that meeting.

2.02.024 Copies of this Council Policy shall be made available to the general public.

2.02.030 Policy - Standing Committees

2.02.031 Formation

There shall be three standing committees:

Administrative Services Committee;
Human Services Committee; and
Urban Services Committee.

2.02.032 Areas of Responsibility

a. Administrative Services Committee

General Areas of Policy Review and Oversight

Cable TV issues
Financial policies
Fiscal impact review
Capital Improvement Program fiscal strategy
Risk management/litigation issues
Personnel/labor relations issues
Council appointee evaluation
Legal administration
Budget strategies
Franchise renewal/rates
Audit services
Associated advisory board recommendations
Utility rates
Intergovernmental agreements
Economic development

Associated Boards and Commissions

City:	Budget Commission
	~~City Legislative Committee~~
	Economic Development Commission
External:	Economic Vitality Partnership
	Oregon Cascades West Council of Governments
	Willamette Criminal Justice Council
	Appropriate Economic Development funded agencies

b. Human Services Committee

General Areas of Policy Review and Oversight

Internet issues
Social services
Park master plan
Law enforcement issues
Open space
Library service issues
Intergovernmental agreements
Recreation service issues
Library master plan
Arts and cultural issues
Housing issues
Associated advisory board recommendations

Associated Boards and Commissions

City:
Arts and Culture Commission
Citizens Advisory Commission on Civic Beautification and Urban Forestry
Committee for Citizen Involvement
Community Police Review Board
Housing and Community Development Commission
Library Board
Commission for Martin Luther King, Jr.
Parks, Natural Areas, and Recreation Board
Public Art Selection Commission

External:
Art Center Board of Directors
Community Alliance For Diversity
Community Policing Forum
Visit Corvallis
Madison Avenue Task Force
Majestic Theatre
United Way of Benton and Lincoln Counties

c. Urban Services Committee

General Areas of Policy Review and Oversight

Annexations
Board of Appeals
Planning Commission recommendations
Watershed issues

Airport development
Structural Code enforcement
Hazardous materials
Water quality
Street construction/maintenance
Fire master plan
Capital Improvement Program
Facility/systems planning
Infrastructure issues
Intergovernmental agreements
Associated advisory board recommendations

Associated Boards and Commissions

City:	Airport Commission Bicycle and Pedestrian Advisory Commission Capital Improvement Program Commission Citizens Advisory Commission on Transit Downtown Commission Historic Resources Commission Planning Commission Storm Water Planning Committee Watershed Management Advisory Commission
External:	Benton County Solid Waste Advisory Board Willamette Neighborhood Housing Services Downtown Corvallis Association Traffic Committee, OSU Transit Committee, Linn-Benton

2.02.040 Review and Update

This Policy shall be reviewed every five years by the City Council and updated as appropriate.

Memorandum

July 2, 2014

TO: Mayor and City Council

FROM: Nancy Brewer, Finance Director NB

SUBJECT: **Follow-up on the Riverfront Hotel Proposal**

I. Issue

To respond to Councilor questions on the proposed public/private partnership (P3) for the Riverfront Hotel.

II. Background

A group of local developers has proposed a P3 with the City to develop a parcel of vacant land on First Street in downtown Corvallis. The City Council has received information on this project in executive and open session, and has received public comments at the last two Council meetings. This memo provides additional information responding to questions raised, and addressing some of the financial risk questions.

III. Discussion

The City Council's Economic Development Policy (CP 96-06.03, Attachment A) guides the City's economic development activities. The policy addresses the type of project currently being considered under the goals section 6.03.030:

> b. Attract private and public capital investment to create, enhance, and maintain local infrastructure;
>
> c. Provide facilities, services, and programs that attract visitors to the Corvallis community.

The policy also addresses the proposed project under the economic development services section:

> 6.03.058 Economic Development Services
>
> The City shall support activities that enhance the Economic Development mission and goals. Examples of such activities include:
>
> a. Increasing the proportion of spending in the local community by residents and visitors;
>
> b. Strengthening the role of Downtown Corvallis as the vital economic, social, and cultural heart of the community;

The Economic Development Policy goes on to state the City may use incentives to achieve economic development goals, and also addresses funding but these two sections do not have specific policy direction on many of the questions the City Council has been asking – specifically, the policy does not address the amount of risk the City should assume, the level or amount of funding for any given project, or what the City should expect to gain in return for its investment.

6.03.059 Incentives

The City may use incentives to achieve Economic Development goals.

6.03.061 Funding Policy

The City of Corvallis shall continue to invest in Council-identified strategic initiatives which produce measurable, strategic outcomes.

As far as staff is aware, these policy issues have not been discussed by the City Council previously, even when drafting the current Economic Development Policy language. In most cases, the more specific levels of funding (e.g., maximum loan on any given project, maximum period for repayment) and risk would be addressed in policy if the City has a designated source of monies to apply to funding private entity development – in other words, these policy questions are most often addressed in urban renewal policies where urban renewal funding (e.g., tax increment financing) provides a dedicated revenue stream to fund improvement projects. Since the City does not have an urban renewal district these policy issues have not been addressed previously.

The City has not entered into similar P3 relationships in the past and the City Council has not developed policies specific to such a relationship. As a result, over the last several meetings Councilors have raised policy questions where there is not a prior decision/history on which to base a response. The following summarizes the broad areas where Council has focused its questions:

A. Competitive Process – several Councilors and citizens have indicated that the City should have done a competitive process to select a developer and get the best deal. This would be the ordinary process IF the City owned the land and/or had a set amount of monies to invest in a development project. In this case, the City does not own the land and therefore cannot pursue a competitive process to develop privately held and controlled property. In addition, in this case, the City does not have a dedicated revenue source to devote to funding development projects. As a result, the City Council is being asked to consider whether the potential rewards for this project (i.e., development of a long-vacant lot on the riverfront that would bring visitors to downtown, potentially spur additional development in this area, and potentially increase TRT revenue to the City) outweigh the potential risks associated with borrowing $4.2 million to fund the City's share.

B. Sideboards – this is the term applied to mechanisms designed to limit risk. A number of sideboards are already in place in either the purchase agreement or the lease agreement, and include provisions such as insurance requirements, breach/default/remedy, and requirements for annual financial statements. Additional sideboards can be considered that would reduce the City's risk of loss, particularly as it would relate to lower transient room tax (TRT) revenue and the potential to need General Fund monies in order to make the debt payment. Staff suggests Council consider the following possible sideboards:

1. **Establish a Debt Service Reserve** – this is not a usual step for a full faith and credit borrowing, but can certainly be accomplished. A debt service reserve serves as a "cushion" to provide the cash to fund a debt service payment in the event the expected revenue source is not available. The reserve can be established at any value the City Council determines; the most common amount is one year's debt service payment. When establishing the reserve the Council would also need to identify how to re-fund the reserve if a draw is made. The City can use any resources legally available that the City Council directs to establish the reserve.

   Alternatives to fund such a reserve, along with the advantages and disadvantages, include:

   a) use bond proceeds to reimburse the City its down payment of $200,000 and then use that money to establish the reserve. This option requires only the City to enact, but

does not fund a full year's debt service payment. It also does not address how to re-fund the reserve if it is drawn upon. The most likely source of additional resources would be future year TRT revenue in excess of the debt service payments.

b) ask Corvallis Tourism to use their share of the new TRT revenue to grow the City's debt reserve over time until the reserve equaled one full year's debt payment. This option shares the burden for creating the reserve with Corvallis Tourism (the other recipient of TRT revenues generated by the hotel), but does not match what Corvallis Tourism has offered.

c) use the letter sent by Corvallis Tourism indicating they would forego TRT payments if the City drew on its entire $200,000 as the basis for developing a formal agreement to that effect (Attachment B). This option means the City bears the burden if the debt reserve is called on and would require Corvallis Tourism to come up with the cash necessary on demand. If Corvallis Tourism monies are needed the City would have to pay the monies back, reducing the City's gains in future periods;

d) ask the developers to fund all or a portion of the City's debt service reserve. This option places more of the coverage for risk on the developers, but the developers have been clear that they cannot make the project go without the monies from the City. In informal conversations they have stated this option would be difficult.

e) use other General Fund monies. Since this borrowing is likely to occur after the City's General Fund Fund Balance Reserve is fully funded, there would be some capacity to complete funding the debt service reserve with the monies that would be available in FY 16-17.

If a debt service reserve is fully funded by the City with one or more of the partners identified above sharing in the creation or using general Fund dollars, those partners/the General Fund could be paid back their front end monies from future TRT when it produces revenues in excess of the annual debt payment. Regardless, if the debt service reserve is funded, when the last debt service payment is made all monies in the reserve would be released to the original funder.

2. **Establish a Ten Year Buy Out Option** – this is a fairly common clause in a P3 agreement where the City could demand that the private party buy out the City at some pre-established amount and point in time (e.g., in the 10th or 15th year). The amount of the buy-out would likely be the balance on the City's debt plus lost lease revenue. This is probably more common in urban renewal districts or where the City has its own funds to make the original loan so that an early pay-back means those monies are available to make subsequent loans for additional development (i.e., a revolving loan fund). Since Corvallis does not have an urban renewal district, there is no revolving loan fund; however an early termination of the agreement could allow the City to pay off its debt sooner and potentially create capacity for other debt issues. An early buy-out can be beneficial to the private party if the enterprise is exceeding expectations, but may also be detrimental to the City if that would mean a loss in rental revenue.

3. **Have the developer/hotel assume all of the risk** – this option has been discussed with the developers, who have also discussed it with their financiers who would have to approve it. The structure the developers are considering would have the City still make the $200,000 non-refundable down payment and purchase the garage, but pay nothing more than the down payment for that acquisition. There would be a lease for operations, but no lease revenue to the City; the hotel would keep all parking revenue until the 31st year. The hotel would pay the required 9% TRT to the City, but for the next 30 years the City would immediately pay 70% of that TRT back to the hotel to pay their debt on the $4 million for the parking garage. At the end of the 30 years, the TRT revenue would be retained by the

City. By way of example, if the developer's payment on the $4 million was $200,000 annually, and 70% of the TRT was $100,000, the developers would have to come up with the additional $100,000 (the downside risk). Alternatively, if 70% of the TRT was $300,000, the developers would gain $100,000 (the "upside risk" or loss of TRT revenue to the City). The City would have no downside risk, but would also have no opportunity to gain additional revenue for City operations. The scenarios at E. below further summarize the risk of loss and/or gain for the City.

C. Debt Capacity – this term refers to the ability for a payer (the City) to make debt payments. The City currently has several Full Faith and Credit (FFC) obligations outstanding, though only one is fully paid by the General Fund:

- Pension Obligation Bonds (POB) annual payments are assessed to each fund based on that fund's prior year payments to the Oregon PERS system. The General Fund supports 71% of the debt payment scheduled for FY 14-15, with payments on the bonds less than the payments to PERS would have been without the bonds.
- Refunding bonds for water and wastewater utilities, but all debt is being paid by the Water and Wastewater funds respectively.
- Bank loan from 2010 that is fully paid by the General Fund, with the proceeds used to complete the seismic upgrade and other improvements at City Hall.

Later on the agenda at this July 7 meeting the City Council will be asked to authorize issuing $4.5 million in FFC bonds to complete the Fire Drill Tower replacement along with roof replacements at the Library and Municipal Court buildings. The $4.2 million anticipated debt issuance for this hotel development project is expected to occur in 2016. With all of these issues, staff's analysis is that the City's debt capacity will not be exceeded and all of the City Council's financial policies on debt issuance will be met.

D. Parking Availability – there have been a number of questions about the availability of parking for general public use. The lease agreement (page 2) ensures public parking will be available for over 20,000 hours per month. This is a relatively low number when compared with the now 155 parking spaces (111,600 hours per month); however, this figure is a guarantee of a minimum availability only, and not the maximum likely to be available. If the hotel achieves 75% occupancy, the public availability should be in the range of 47,000 to 84,000 hours each month.

E. Cash flow Alternatives – there was considerable discussion about the financial projections and whether they were too optimistic or too pessimistic. Staff was able to obtain the analysis EcoNorthwest did for the City of Springfield on a similar P3 proposal they are currently considering. This report confirmed many of the financial assumptions staff had made for transient room tax revenue projections, though there were two significant differences:

- Staff's most likely scenario from the last financial projection assumed 2% annual growth in room rates; EcoNorthwest states that 3% is an accurate projection; and
- Staff's most likely scenario had a three-year phase-in period (starting at 50%) before stabilization at 75% occupancy; EcoNorthwest reports a four-year phase-in period (starting at 55%) and stabilization at 71.2% occupancy.

Staff has updated the City's "most likely" scenario with these changes. The first five years are identified below; the 35-year projections are included as Attachment C. The higher ratio of first year phase-in results in better performance during that year, but the extended phase-in period makes the balance of the four years slightly less positive. However, even with the two negative net revenue years, the overall project produces a positive $150,118 to the City in the first five years (about $40,000 less than the first "most likely" projection).

Finance Department's Revised Most Likely Scenario

	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21
REVENUE:					
Hyatt - Room Tax Payments	$ 270,362	$ 303,789	$ 338,978	$ 381,376	$ 392,817
Parking Lease Revenue	70,000	70,000	70,000	70,000	70,000
Increm. Revenue Sharing	0	0	0	0	0
Total Revenue (not incl ptaxes)	$340,362	$373,789	$408,978	$451,376	$462,817
EXPENDITURES:					
Tourism portion of TRT (30%)	$ (81,109)	$ (91,137)	$ (101,693)	$ (114,413)	$ (117,845)
Debt Service	(112,478)	(324,206)	(322,511)	(325,306)	(322,471)
Total Expenses (not incl ptaxes)	($193,587)	($415,343)	($424,204)	($439,719)	($440,316)
NET Revenue (Exp) to City (not incl ptaxes)	$146,775	($41,554)	($15,227)	$11,657	$22,501
Property Taxes:					
Increased Revenue to City:	55,152	56,807	58,511	60,266	62,074
Estimated Payment due from City on taxable property:	(50,262)	(51,770)	(53,323)	(54,922)	(56,570)
Potential Net Incremental Revenue (cost) to City:	4,891	5,037	5,188	5,344	5,504
Net revenue (cost) to the City Including P. Tax	$151,666	($36,517)	($10,038)	$17,001	$28,005

Staff has built several alternative analyses which are summarized in the next table and are included as attachment C to this report. All of the alternatives produce a positive cash flow to the City over the 35 years. The least optimistic scenario does not produce positive results until the bonds are paid off. The Revised Most Likely Scenario, using the updates from EcoNorthwest's report as identified above, produces a positive cash flow (meaning the revenue to the City from the TRT is more than the costs to pay Tourism the 30% of TRT required plus the debt service) for each five year increment for the 35 years projected.

The analysis for the last option, where the hotel assumes all risk for the borrowing, is more challenging. Staff has used the Revised Most Likely Scenario data to project TRT revenue to the City in the last five years, once the developers have retired the debt and the City would keep the 70% of the TRT. This alternative assumes the $70,000 annual lease revenues would begin in the 31st year.

Data points:

- 129 rooms, $116 average per night in FY 16-17. TRT rate is 9% to Corvallis; 1% to the State not accounted for here.
- Lease revenue is $70,000 annually; City shares parking revenue in excess of $150,000 annually beginning in year 11 (FY 27-28).
- 155 parking spaces; parking rates are set at $2.00 per day (25¢ per hour for 8 hours) in 2016.
- For tax purposes, the total project is assumed to have a real market value of $18 million and an assessed value of $10.8 million.
- The parking garage share of the total cost is $7.2 million, with an estimated assessed value of $5.6 million. The City's ownership share would be 82.6% so taxes would be due on $4.6 million of assessed value.
- Using the analysis done by ECONorthwest for Springfield on a similar deal, staff has slightly revised the most likely scenario by modifying the phase in period to four years (up from 3), modifying the stabilization occupancy rate (down to 71.2% from 75%) and modifying the growth in the average room rate (up from 2% to 3%).
- Data for the scenario below where the developers assume all risk uses Staff's Revised Most Likely Projections.

Scenario Comparison

	Most Optimistic	Least Optimistic	Staff's Original Most Likely Projection	Staff's Revised Most Likely Projection	Hotel assumes all Risk *
Stabilization Occupancy Rate	80%	50%	75%	71%	n/a
Phase in period	3 years (50/65/80)	2 years (40/50)	3 years (50/65/75)	4 years (55/60/65/71)	n/a
Growth in Average Room Rate	3%	2%	2%	3%	n/a
Parking rate increase	3%	1%	2%	2%	
Debt Interest Rate	4.93%	6.93%	5.93%	5.93%	n/a
Annual debt payment (25 years)	295,670	359,015	324,200	324,200	n/a
First Five Year Projections					
TRT rev	$1,864,421	$1,229,912	$1,745,570	$1,687,321	$1,687,321
Payments for Tourism	(559,326)	(368,973)	(523,671)	(506,196)	(506,196)
Payments to Hotel	0	0	0	0	(1,181,125)
Lease revenue	350,000	350,000	350,000	350,000	0
Debt service	(1,282,602)	(1,579,332)	(1,406,972)	(1,406,972)	0
Net TRT + Lease Revenue less Debt and Tourism Payments	372,493	(368,394)	164,927	225,944	0
Property Tax Revenue to the City	292,811	292,811	292,811	292,811	292,811
Property tax expenditures for the City	(266,846)	(266,846)	(266,846)	(266,846)	(266,846)
Property tax revenue less expenditures	25,965	25,965	25,965	25,965	25,965
Net Financial Impact first Five years	398,458	(472,623)	190,892	150,118	25,965
Thirty Five Year Summary					
Net Estimated Financial Impact	$12,190,035	$2,201,357	$7,336,641	$9,380,999	$3,794,025

* The net financial impact is the sum of TRT revenues kept by the City beginning in FY 46-47, five years of lease revenue, plus the net property tax revenue for the entire 35 year deal.

IV. Requested Action

Review this information, ask questions for clarification if necessary, and deliberate.

Staff recommends the best course of action to mitigate the City's risk is to establish the debt service reserve that would serve as a cushion if the hotel Transient Room Taxes not perform as expected or better.

Review and Concur:

City Manager

CITY OF CORVALLIS

COUNCIL POLICY MANUAL

POLICY AREA 6 - COMMUNITY DEVELOPMENT

CP 96-6.03 Economic Development Policies

Adopted	**July 19, 1989**
Amended	June 4, 1990
Affirmed	October 7, 1991
Revised	April 17, 1995
Revised	December 16, 1996
Reviewed	November 5, 2001
Revised	November 18, 2002
Revised	May 5, 2003 (funding section only)
Revised	December 17, 2007
Revised	December 15, 2008
Revised	December 21, 2009
Revised	December 6, 2010

6.03.010 Purpose

To establish comprehensive policies directing the Economic Development function of the City of Corvallis and to support the creation of long-term Economic Development strategies for the Corvallis community.

6.03.020 Mission

To preserve and enhance community livability, and thus improve the quality of citizens' lives, through active City participation in Economic Development actions which address: economic stability; moderate economic growth; and economic, social, and environmental sustainability.

6.03.030 Goals

Success in achieving focused goals concerning the creation of new economic activity will enhance the economic vitality of the local

community. The council should provide prioritized support to activities and programs which:

a. Provide for a diverse local economy through programs which start, develop, retain, and expand enterprises which will, in turn, increase the supply of family-wage jobs and expand the property tax base;

b. Attract private and public capital investment to create, enhance, and maintain local infrastructure;

c. Provide facilities, services, and programs that attract visitors to the Corvallis community.

Note: The Economic Development Commission may identify other goals to recommend to the City Council for inclusion in the Policy.

6.03.040 Definitions

The following definitions are supplied here to provide a common basis of understanding when discussing Economic Development policy.

a. Economic Development. The addition of economic activity; new activity may replace what has been lost;

b. Goal. A statement of intention expressing community values intended to provide a guide for action by the community;

c. Policy. A decision-making guideline for actions to be taken in achieving goals and the community's vision;

d. Infrastructure. Structures that support an economy such as roads, water, sewers, buildings, power grids, and telecommunications;

e. Visitor. A person who visits for reasons of friendship, business, duty, travel, or the like;

f. Economic Sustainability. A dynamic concerning specification of a set of actions to be taken by present persons that will not diminish the prospects of future persons to enjoy levels of consumption, wealth, utility, or welfare comparable to those enjoyed by present persons;

g. Economic Stability. A preferable state owing to an absence of excessive fluctuations in the local economy as measured against state and national benchmarks;

h. Economic Indicators. A set of measured statistics about the economy allowing analysis of economic performance and predictions of future performance;

i. Baselines. Beginning points of reference used as a basis of comparison for subsequent measurements of economic data;

j. Benchmarking. The process used by organizations to evaluate various aspects of their processes in relation to best practices within their own sector.

k. Plan. An officially adopted document used to focus long range planning efforts.

l. Family-Wage Job. A job paying a wage sufficient to support a family in Benton County.

6.03.050 Policy

The following policies are intended to assist and direct the City Council in making decisions designed to fulfill both mission and goals as stated in Sections 96-6.03.20 and 96-6.03.30.

6.03.051 City Council Leadership

The City Council in its leadership position, sets an example by adopting an active role in furthering Economic Development and by attempting to make resources available to enhance this effort.

6.03.052 Infrastructure

The City shall plan for and invest in public infrastructure that serves the needs of current and prospective employers.

6.03.053 Land Resources

The City shall designate sufficient amounts and appropriate locations of commercial and industrial land through the land use planning process.

6.03.054 Public Partners

The City shall maximize the effectiveness of Economic Development resources through partnerships with local and regional government agencies and not-for-profit groups. The City shall also seek cooperation with local educational institutions in areas such as technology transfers.

6.03.055 Economic Development Commission

An Economic Development Commission shall be appointed and shall advise the City Council on all matters pertaining to Economic Development.

6.03.056 Measurement

The City shall develop and refine methods using benchmarks, baselines, and measurable indicators by which the success of the Economic Development program in achieving community economic goals will be measured and reported.

6.03.057 Regulatory System

The City shall consider the impact on existing and prospective businesses and citizens of Corvallis in developing and implementing policies, regulations, and programs, such as fees, land use standards, and environmental requirements. The City shall take an active role in monitoring and evaluating the impacts of Federal and State requirements on local business and take action as appropriate.

6.03.058 Economic Development Services

The City shall support activities that enhance the Economic Development mission and goals. Examples of such activities include:

a. Increasing the proportion of spending in the local community by residents and visitors;

b. Strengthening the role of Downtown Corvallis as the vital economic, social, and cultural heart of the community;

c. Providing facilities and services that support business start-ups;

d. Providing local companies with business-critical information that will assist in achieving success;

e. Recruiting companies from outside the local area within targeted industry sectors;

f. Providing technical and financial assistance to support the retention and expansion of existing businesses;

6.03.059 Incentives

The City may use incentives to achieve Economic Development goals.

6.03.060 Sustainability

The City recognizes that sustainability includes environmental, social, and economic factors and acknowledges that economic strength is required to finance the community's social and environmental programs. This Policy directly addresses economic sustainability.

6.03.061 Funding Policy

The City of Corvallis shall continue to invest in Council-identified strategic initiatives which produce measurable, strategic outcomes.

6.03.070 Supporting Documents

The Corvallis community has developed guidance documents providing direction for Economic Development as noted below. These documents are cited herein to provide guidance on the intent of Council as regards Economic Development.

a. Corvallis Vision 2020

b. Corvallis Comprehensive Plan

c. Prosperity That Fits Plan

6.03.080 Review and Update

These policies shall be reviewed every two years upon adoption or sooner, by Council request, in the event of significant change in the general economic well being of the community. Goals and policies may be amended or suspended by the City Council at any time after following existing procedural rules for public notice and participation.

Attachment B

VISIT CORVALLIS

June 19, 2014

Mayor and City Council
City of Corvallis
501 SW Madison Ave.
Corvallis OR 97330

Dear Mayor Manning and City of Corvallis Councilors:

Visit Corvallis has been designated as the official destination marketing organization for the City of Corvallis. Our mission is to strengthen Corvallis & Benton County economies by marketing both as a desirable destination for meetings, conventions, corporate and leisure travel through collaboration and partnerships resulting in increased occupancy tax and revenue. Therefore we recognize the importance of having quality properties to serve an ever increasing conference and overnight stay demand. We are very much in favor of the development of the proposed downtown hotel and parking structure. We also recognize that the City Council would express reluctance to jeopardize the City's general fund in any way.

To that end the Visit Corvallis Board of Directors passed a motion at this morning's Board of Director's Meeting that reads as follows: "Visit Corvallis agrees to underwrite any shortfall in the City's ability to cover debt service, after exhausting their proposed $200,000 debt service reserve funded by the parking fund, up to the amount of Visit Corvallis portion of the transient occupancy tax generated by the proposed downtown hotel project, and further stipulates that it will be repaid with future available City transient room tax generated from this project."

The Visit Corvallis Board of Director's recognizes the potential benefit for downtown Corvallis as a result of this project and have taken this action to ensure its success. We are firmly committed to our partnership with the City and see this as a way to collaborate to bring about greater prosperity for our community.

Sincerely,
Mary Pat Parker
Mary Pat Parker
Executive Director

Tom Johns
Tom Johns
President, Visit Corvallis Board of Directors

420 NW 2nd Street | Corvallis, OR 97330
541-757-1544 | 800-334-8118 | 541-753-2664 fax
www.VisitCorvallis.com

City of Corvallis - Hotel/Parking Structure Proposal - Multi-year Proforma - Five Year Increments

Original Most Likely Scenario -- Five Year Increments

ASSUMPTIONS:

Number of Hotel Rooms:	129	Interest rate on debt:	5.93%	Number of Parking Spaces:	155
FY 16-17 - average room rate:	$116	AV annual growth:	3.00%	Avg daily parking rate (2016):	$2
Annual room rate inflation:	2%	Prop Tax Payment Growth:	3.00%	Avg annual parking increase:	2%
Phase in rate:	50/65/75%				

	FY 16-21	FY 22-26	FY 27-31	FY 32-36	FY 37-41	FY 42-46	FY 47-51	Total 35 Years
REVENUE:								
Hyatt - Room Tax Payments	$1,745,571	$2,118,292	$2,338,766	$2,582,186	$2,850,942	$3,147,671	$3,475,283	$18,258,710
Parking Lease Revenue	350,000	350,000	350,000	350,000	350,000	350,000	350,000	2,450,000
Increm. Revenue Sharing	0	0	0	0	0	0	5,062	5,062
Total Revenue (not incl ptaxes)	2,095,571	2,468,292	2,688,766	2,932,186	3,200,942	3,497,671	3,830,345	20,713,772
EXPENDITURES:								
Tourist TRT portion (30%)	(523,671)	(635,488)	(701,630)	(774,656)	(855,283)	(944,301)	(1,042,585)	(5,477,613)
Debt Service	(1,406,972)	(1,615,309)	(1,618,296)	(1,614,585)	(1,615,162)	(324,891)	0	(8,195,215)
Total Expenses (not incl ptaxes)	(1,930,643)	(2,250,797)	(2,319,926)	(2,389,241)	(2,470,445)	(1,269,192)	(1,042,585)	(13,672,828)
NET Revenue (Exp) to City (not incl ptaxes)	164,927	217,495	368,840	542,945	730,498	2,228,478	2,787,760	7,040,944
Property Tax Impacts:								
Increased AV Revenue to City:	292,811	339,449	393,514	456,191	528,850	613,082	710,730	3,334,627
Payment due from City on taxable property:	(266,846)	(309,348)	(358,619)	(415,738)	(481,954)	(558,717)	(647,706)	(3,038,930)
Potential Net Ptax impact to City:	25,965	30,100	34,895	40,453	46,896	54,365	63,024	295,697
Potential Net Revenue (cost) to City:	$190,892	$247,596	$403,735	$583,398	$777,393	$2,282,843	$2,850,784	$7,336,641

City of Corvallis - Hotel/Parking Structure Proposal - Multi-year Proforma - Five Year Increments

Revised Most Likely Scenario -- Five Year Increments

ASSUMPTIONS:

Number of Hotel Rooms:	129	Interest rate on debt:	5.93%	Number of Parking Spaces:	155
FY 16-17 - average room rate:	$116	AV annual growth:	3.00%	Avg daily parking rate (2016):	$2
Annual room rate inflation:	3%	Prop Tax Payment Growth:	3.00%	Avg annual parking increase:	2%
Phase in rate:	55/60/65/71%				

	FY 16-21	FY 22-26	FY 27-31	FY 32-36	FY 37-41	FY 42-46	FY 47-51	Total 35 Years
REVENUE:								
Hyatt - Room Tax Payments	$1,687,321	$2,148,085	$2,490,219	$2,886,846	$3,346,646	$3,879,680	$4,497,612	$20,936,408
Parking Lease Revenue	350,000	350,000	350,000	350,000	350,000	350,000	350,000	2,450,000
Increm. Revenue Sharing	0	0	0	10,624	31,245	54,012	79,149	175,031
Total Revenue (not incl ptaxes)	2,037,321	2,498,085	2,840,219	3,247,470	3,727,891	4,283,692	4,926,761	23,561,439
EXPENDITURES:								
Tourist TRT portion (30%)	(506,196)	(644,425)	(747,066)	(866,054)	(1,003,994)	(1,163,904)	(1,349,284)	(6,280,922)
Debt Service	(1,406,972)	(1,615,309)	(1,618,296)	(1,614,585)	(1,615,162)	(324,891)	0	(8,195,215)
Total Expenses (not incl ptaxes)	(1,913,168)	(2,259,734)	(2,365,362)	(2,480,639)	(2,619,156)	(1,488,795)	(1,349,284)	(14,476,137)
NET Revenue (Exp) to City (not incl ptaxes)	124,153	238,350	474,857	766,832	1,108,735	2,794,897	3,577,478	9,085,302
Property Tax Impacts:								
Increased AV Revenue to City:	292,811	339,449	393,514	456,191	528,850	613,082	710,730	3,334,627
Payment due from City on taxable property:	(266,846)	(309,348)	(358,619)	(415,738)	(481,954)	(558,717)	(647,706)	(3,038,930)
Potential Net Ptax impact to City:	25,965	30,100	34,895	40,453	46,896	54,365	63,024	295,697
Potential Net Revenue (cost) to City:	$150,118	$268,451	$509,752	$807,284	$1,155,631	$2,849,262	$3,640,501	$9,380,999

City of Corvallis - Hotel/Parking Structure Proposal - Multi-year Proforma - Five Year Increments

Most Optimistic Scenario -- Five Year Increments

ASSUMPTIONS:

Number of Hotel Rooms:	129	Interest rate on debt:	4.93%	Number of Parking Spaces:	155
FY 16-17 - average room rate:	$116	AV annual growth:	3.00%	Avg daily parking rate (2016):	$2
Annual room rate inflation:	3%	Prop Tax Payment Growth:	3.00%	Avg annual parking increase:	3%
Phase in rate:	50/65/80%				

	FY 16-21	FY 22-26	FY 27-31	FY 32-36	FY 37-41	FY 42-46	FY 47-51	Total 35 Years
REVENUE:								
Hyatt - Room Tax Payments	1,864,421	2,420,377	2,805,880	3,252,784	3,770,869	4,371,470	5,067,732	23,553,533
Parking Lease Revenue	350,000	350,000	350,000	350,000	350,000	350,000	350,000	2,450,000
Increm. Revenue Sharing	0	0	14,332	46,479	83,746	126,948	177,032	448,537
Total Revenue (not incl ptaxes)	2,214,421	2,770,377	3,170,213	3,649,263	4,204,614	4,848,418	5,594,764	26,452,070
EXPENDITURES:								
Tourist TRT portion (30%)	(559,326)	(726,113)	(841,764)	(975,835)	(1,131,261)	(1,311,441)	(1,520,320)	(7,066,060)
Debt Service	(1,282,602)	(1,478,350)	(1,478,350)	(1,478,350)	(1,478,350)	(295,670)	0	(7,491,672)
Total Expenses (not incl ptaxes)	(1,841,928)	(2,204,463)	(2,320,114)	(2,454,185)	(2,609,611)	(1,607,111)	(1,520,320)	(14,557,732)
NET Revenue (Exp) to City (not incl ptaxes)	372,493	565,914	850,099	1,195,078	1,595,004	3,241,307	4,074,444	11,894,338
Property Tax Impacts:								
Increased AV Revenue to City:	292,811	339,449	393,514	456,191	528,850	613,082	710,730	3,334,627
Payment due from City on taxable property:	(266,846)	(309,348)	(358,619)	(415,738)	(481,954)	(558,717)	(647,706)	(3,038,930)
Potential Net Ptax impact to City:	25,965	30,100	34,895	40,453	46,896	54,365	63,024	295,697
Potential Net Revenue (cost) to City:	398,458	596,014	884,993	1,235,531	1,641,899	3,295,672	4,137,468	12,190,035

City of Corvallis - Hotel/Parking Structure Proposal - Multi-year Proforma - Five Year Increments

Least Optimistic Scenario -- Five Year Increments

ASSUMPTIONS:

Number of Hotel Rooms:	129	Interest rate on debt:	6.93%	Number of Parking Spaces:	155
FY 16-17 - average room rate:	$116	AV annual growth:	3.00%	Avg daily parking rate (2016):	$2
Annual room rate inflation:	2%	Prop Tax Payment Growth:	3.00%	Avg annual parking increase:	1%
Phase in rate:	40/50%				

	FY 16-21	FY 22-26	FY 27-31	FY 32-36	FY 37-41	FY 42-46	FY 47-51	Total 35 Years
REVENUE:								
Hyatt - Room Tax Payments	1,229,912	1,412,195	1,559,177	1,721,457	1,900,628	2,098,447	2,316,855	12,238,671
Parking Lease Revenue	350,000	350,000	350,000	350,000	350,000	350,000	350,000	2,450,000
Increm. Revenue Sharing	0	0	0	0	0	250	6,987	7,237
Total Revenue (not incl ptaxes)	1,579,912	1,762,195	1,909,177	2,071,457	2,250,628	2,448,697	2,673,843	14,695,908
EXPENDITURES:								
Tourist TRT portion (30%)	(368,973)	(423,658)	(467,753)	(516,437)	(570,188)	(629,534)	(695,057)	(3,671,601)
Debt Service	(1,579,332)	(1,795,075)	(1,795,075)	(1,795,075)	(1,795,075)	(359,015)	0	(9,118,647)
Total Expenses (not incl ptaxes)	(1,948,305)	(2,218,733)	(2,262,828)	(2,311,512)	(2,365,263)	(988,549)	(695,057)	(12,790,248)
NET Revenue (Exp) to City (not incl ptaxes)	(368,394)	(456,539)	(353,651)	(240,055)	(114,635)	1,460,148	1,978,786	1,905,660
Property Tax Impacts:								
Increased AV Revenue to City:	292,811	339,449	393,514	456,191	528,850	613,082	710,730	3,334,627
Payment due from City on taxable property:	(266,846)	(309,348)	(358,619)	(415,738)	(481,954)	(558,717)	(647,706)	(3,038,930)
Potential Net Ptax impact to City:	25,965	30,100	34,895	40,453	46,896	54,365	63,024	295,697
Potential Net Revenue (cost) to City:	(342,429)	(426,438)	(318,756)	(199,602)	(67,740)	1,514,513	2,041,810	2,201,357

Memorandum

CORVALLIS
ENHANCING COMMUNITY LIVABILITY

To: Mayor and City Council
From: Tom Nelson, Economic Development Manager
Date: July 7, 2014
RE: Downtown Hotel and Parking Garage Property Negotiation

Background

In fall of 2013, local developers approached the City proposing a public-private partnership for the development of a hotel and parking garage in downtown Corvallis. Due to the need to build a parking structure to accommodate a downtown hotel, the project cannot compete with hotel developments on Greenfield sites that have surface parking. Therefore, the developers asked that the City purchase a condominium share of the parking garage that would also accommodate public parking. The City Council met in Executive Session three times to discuss this property negotiation, and each time directed staff to continue working on the deal. At its May 19, 2014 regular City Council meeting, staff was directed to bring the necessary documents and legislation to the June 2, 2014, City Council meeting to be considered for approval. The Council, subsequently, postponed consideration of the project to allow for public comment.

Discussion

The City is being asked to enter into a property purchase of a condominium share of a parking garage estimated to cost $7.2 million to construct, with the City's share being $4.2 million for an approximate 86% of the structure. The City is also being asked to lease the structure back to the hotel for operations and maintenance of the structure for $70,000 per year. The lease agreement includes an opportunity to receive an additional 25% of the revenues over and above $150,000 per year beginning in year eleven for the life of the lease.

Additional Future Action

Should this project move forward, the developer will request right of way encroachment approval for possible balcony overhangs, a proposed awning, and a dedicated loading zone on SW Adams Street. The Council has an existing policy for use of the right of way by balconies and awnings. This policy applies to these components of the design, as they would be required for any similar project. Once final designs for the loading zone are complete, we also have processes for licenses to occupy the right of way or to rent a portion of the right of way for private use. No action is needed on these items at this time, but we did want to make the

council aware that, by existing policy, these items will be coming forward in the future, should this project move forward.

Council Policy

The City Council, in its commitment to develop sustainable budgets, has directed staff to investigate and bring forward new revenue sources. Staff projects that this downtown redevelopment project will provide General Fund revenue in future years. The City Council's Economic Development Policy provides for a diverse local economy, attraction of public and private capital investment, and provides for facilities, services and programs that attract visitors. It also calls for the council to adopt an active role in furthering economic development, make resources available to enhance that effort, and invest in public infrastructure that serves the needs of current and prospective employers, as well as supporting the goal of increasing visitor spending and strengthening Downtown Corvallis. The policy further directs that the City may use incentives to achieve economic goals. Staff believes this project addresses those policies.

Parking

The project being proposed is primarily a downtown redevelopment project which will result in the redevelopment of a long-time vacant and dormant property with a $23 million asset. However, it will also benefit the downtown by providing parking that currently does not exist, and likely would be unaffordable for the City to construct without this partnership. The south waterfront area will eventually develop, especially with this development moving forward. This is an opportunity to be proactive in addressing current and future parking needs. Should the City attempt to build its own structure, assuming land was available, it is estimated that would cost at least $5 million for a similar stand alone structure ($30,000/space), and that it would cost the City $45,000/year to operate and maintain. Parking revenue would not be sufficient to pay for a project like this, and the city has no other revenue to pay for it. This project creates a repayment source, and removes the City from the responsibility of operation and maintenance.

Risk Mitigation

Staff has investigated the elements of this proposed deal, and projects that revenue from the additional transient room tax, property tax to the City, and lease revenue will more than pay the debt service for this project over the life of the loan. Staff proposes that a "Debt Service Reserve" of $200,000 be set-up from the loan proceeds to cover any shortfall if initial revenues are not sufficient to cover debt service, and that this contribution be considered a loan to the project, and be repaid with future transient room tax revenue. In addition, staff has received agreement from Visit Corvallis to cover any shortfall beyond the "Debt Service Reserve" which further mitigates any financial risk. The Visit Corvallis agreement would loan their portion of the Transient Room Tax (TRT) generated by this project to the city to cover debt service, with the understanding that it would be repaid in future years when TRT collections are projected to be in surplus.

Staff Proposal

Staff believes that the benefits of entering into these property agreements far outweigh any risk to the City over the life of the loan. These benefits include:

- A vacant property that has been dormant and unutilized for over two decades will be developed with a $23 million investment, increasing assessed value and subsequent local tax collection.
- An estimated $525,000 in System Development Charges and permits will be paid to the City during construction.
- An estimated $180,000 will be collected in taxes per year by overlapping jurisdictions.
- An estimated $100,000 will be collected in transient room taxes per year for Tourism.
- An estimated $3 – 4 million per year will be added to the local economy due to additional overnight stays.
- The project will be constructed, owned, and operated by local investors.
- The project is estimated to create 150 construction and 50 vendor jobs.
- The project is estimated to create 20 full-time and 20 part-time hotel jobs.
- The project will add much needed upscale hotel rooms which will allow for more and larger conferences, keeping hotel stays in Corvallis.
- The project will add much needed parking capacity to downtown.
- The City does not need to purchase property or construct, operate, and maintain a parking structure.
- The project compliments other downtown development and will accelerate additional downtown investment as did the City's riverfront project, increasing downtown business activity.
- Financing costs for capital projects are currently at historically low levels.
- Financing does not require the use of existing resources.
- Once the debt is repaid, it is estimated that more than $300,000 per year will be gained for the general fund.

If the project is not approved, none of these benefits will be achieved, and the site will remain vacant, leaving a major gap in the riverfront development plan.

Staff Recommendation

A resolution for an Earnest Money agreement to purchase the property and a resolution for a lease agreement are being offered for Council approval. Based on the findings listed above and in the resolutions, staff recommends adoption of both resolutions.

AC Review and Concur:

James A. Patterson
City Manager

RESOLUTION 2014 - _____

A RESOLUTION DIRECTING THE CORVALLIS CITY MANAGER TO ENTER INTO AN EARNEST MONEY AGREEMENT FOR $4.2 MILLION TO PURCHASE A CONDOMINIUM SHARE OF A PARKING GARAGE TO BE BUILT ON SW FIRST STREET AND SW WASHINGTON AVENUE IN CORVALLIS, OREGON.

Minutes of the _____, Corvallis City Council meeting, continued.

A resolution submitted by Councilor _____.

WHEREAS, a parcel of property on SW First Street in Corvallis, which has been vacant and undeveloped for over two decades has been purchased by local developers who plan to build a hotel at this location; and

WHEREAS, the hotel developers have proposed a public / private partnership to develop a parking garage associated with the hotel; and

WHEREAS, in their commitment to develop sustainable budgets, the City Council has directed staff to investigate and bring forward new revenue sources; and

WHEREAS, the proposed downtown redevelopment project will provide General Fund revenue in future years, assisting the City with meeting the commitment to develop sustainable budgets; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) is to (a) provide a diverse local economy, (b) attract private and public capital investment, and (c) provide facilities, services and programs that attract visitors to the Corvallis community; and

WHEREAS, this project provides for a diverse local economy, attracts private capital investment, and provides facilities that will attract visitors; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) (6.03.51) calls for the City Council to set an example by adopting an active role in furthering Economic Development, and making resources available to enhance this effort, and (6.03.052) invest in public infrastructure that serves the needs of current and prospective employers; and

WHEREAS, this project depends on the leadership of the City Council in furthering Economic Development, and providing resources to enhance this effort, and invests in public infrastructure that will serve the needs of current and prospective employers; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) (6.03.058) directs that the City will support activities to enhance Economic Development mission and goals by (a) increasing the proportion of spending by residents and visitors, and (b) strengthening the role of Downtown Corvallis as the vital economic, social and cultural heart of the community; and

WHEREAS, this project will increase visitor spending, and strengthen Downtown Corvallis; and

WHEREAS, the City Council's Economic Development Policy (96-06.03 (6.03.059) directs that the City may use incentives to achieve Economic Development goals; and

WHEREAS, this project provides incentives for development that would not happen but for this action; and

WHEREAS, the proposed garage will offer additional parking spaces available for public use; and

WHEREAS, the City has found that additional parking is needed in downtown Corvallis currently and in the future; and

WHEREAS, the transient room tax, property tax and lease revenues generated by this project should provide debt coverage for this project over the life of the loan; and

WHEREAS, Visit Corvallis, in their letter dated June 19, 2014 offered and agreed to underwrite the City's debt service payment for this project with new transient room tax revenues generated by this project, should there be a projected shortfall in the project's debt service reserve to be repaid with future transient room tax collections; and

WHEREAS, the City finds that there are additional economic development advantages as a result of this project including more transient room tax to support tourism, more property taxes for overlapping jurisdictions, more spending in local businesses by visitors, and more spending for overnight stays in Corvallis; and

WHEREAS, based upon the above findings, the City Council finds that it furthers the public interest for the City to purchase the condominium parking spaces for $4,200,000;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS resolves to direct the Corvallis City Manager to enter into an earnest money agreement to purchase a condominium share of a parking garage to be built at SW First Street and SW Washington Avenue in Corvallis, Oregon.

_____

Councilor

Upon motion duly made and seconded, the foregoing resolution was adopted, and the Mayor thereupon declared said resolution to be adopted.

RESOLUTION 2014 -_____

A RESOLUTION DIRECTING THE CORVALLIS CITY MANAGER TO ENTER INTO A LEASE AGREEMENT FOR A PARKING GARAGE TO BE BUILT ON SW FIRST STREET AND SW WASHINGTON AVENUE IN CORVALLIS, OREGON.

Minutes of the _____, Corvallis City Council meeting, continued.

A resolution submitted by Councilor _____.

WHEREAS, the City Council, through adoption of Resolution 2014-____ has authorized and directed the City Manager to negotiate and sign an earnest money purchase agreement for the City to acquire a condominium interest in the parking garage attached to a hotel to be built at the corner of Southwest First Street and Southwest Washington Avenue; and

WHEREAS, in their commitment to develop sustainable budgets, the City Council has directed staff to investigate and bring forward new revenue sources; and

WHEREAS, the proposed downtown redevelopment project will provide General Fund revenue in future years, assisting the City with meeting the commitment to develop sustainable budgets; and

WHEREAS, the hotel operator has agreed to operate, maintain, and manage the parking garage on behalf of the City and will pay the City an annual amount to lease the City's parking garage; and

WHEREAS, the estimated cost for the City to operate a parking facility would be $45,000 per year; and

WHEREAS, efficient use of parking spaces requires a sophisticated system to operate and manage a parking facility; and

WHEREAS, the needs of the public are met by the facility guaranteeing at least 20,000 hours of available public parking each month; and

WHEREAS, the City is unable to operate and manage a parking facility as efficiently as a private tenant could, and

WHEREAS, the downtown hotel requires priority for parking spaces for its tenants; and

WHEREAS, the value of the condominium interest, including economic development benefit to the City will exceed $4.2 million in the first few years; and

WHEREAS, based upon the above findings, the City Council finds that it furthers the public interest for the City to lease the condominium parking spaces to the hotel developers; and

WHEREAS, the proposed garage will offer additional parking spaces available for public use; and

WHEREAS, the City has found that additional parking is needed in downtown Corvallis; and

WHEREAS, the transient room tax, property tax, and lease revenues generated by this project will provide the debt coverage for this project over the life of the loan; and

WHEREAS, the City finds that there are additional economic development advantages as a result of this project; and

WHEREAS, based upon the above findings, the City Council finds that it furthers the public interest for the City to lease the condominium parking spaces to the hotel developers;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS resolves to direct the Corvallis City Manager to enter into a lease agreement for a parking garage to be built at SW First Street and SW Washington Avenue in Corvallis, Oregon.

_____

Councilor

Upon motion duly made and seconded, the foregoing resolution was adopted, and the Mayor thereupon declared said resolution to be adopted.

MEMORANDUM

To:	**Mayor and City Council**
From:	**Ken Gibb, Community Development Director**
Date:	**July 2, 2014**
Subject:	**Public Notice Issue for Package #1 Land Development Code Amendments (LDT13-00002, LDT13-00003)**

Issue

Recently, the concern has been raised that specific notice of the June 16, 2014, City Council Public Hearing was not provided to interested parties who spoke or submitted written testimony to the Planning Commission regarding the Package #1 Land Development Code (LDC) Amendments. A review of LDC notice requirements for this type of legislative decision process reveals that there is no requirement for specific notice to interested parties in these circumstances (LDC Section 2.0.40 – Legislative Hearings). Additionally, State law regarding legislative land use decisions does not contain a requirement for notice to interested parties in these circumstances. However, State public meetings law does include a provision that would suggest that such notice is advisable. Staff review of past practice for providing public notice for these types of legislative decisions indicates a mixed record. In one recent case, specific notice was mailed to interested parties, in another case, such notice was not provided.

Discussion

Although it is not perfectly clear that individual notice is required in these circumstances, providing notice to individuals who have shown a clear interest in the issues discussed in a legislative hearing promotes public involvement, consistent with goals articulated in the Comprehensive Plan and other City documents and policies. In this case, in addition to the notice that was published in the local newspaper for both the Planning Commission and City Council Public Hearings, "Measure 56" notices were mailed to all property owners on record in the City. Staff also note that through the City's on-line subscription service, persons interested in land use applications or City Council agenda items, such as the case in question, may be easily informed of upcoming agenda items.

Given this notice question, the City Council may decide to provide individual notice to all persons who testified, in writing or in person, to the Planning Commission. The subject application, a legislative change to the Land Development Code, is not subject to the State's 120-Day Rule, and so a delay in deliberations to allow for additional comment would not be a problem in that regard. If the Council decides to instruct staff to provide individual notice to these interested parties, staff propose the following approach:

1. Prepare individual notices to be mailed or emailed to interested parties on July 8, 2014.
2. Allow submittal of additional written testimony for one additional week, through July 15, 2014. (In consultation with the City Attorney's Office it was determined that it would not be necessary to re-open the public hearing.) Any additional written testimony would be accepted, not limited to the interested parties on record for the Planning Commission's decision.
3. Additional testimony would be forwarded to the City Council in packet materials for the July 21, City Council meeting.
4. The City Council would deliberate on the code amendments at the July 21, 2014, meeting, with adoption of formal findings to follow at a subsequent City Council meeting.

Recommendation/Requested Action

Given the considerations outlined above, staff recommend that the City Council postpone deliberations until July 21, 2014, allowing Community Development staff to provide notice to the interested parties who participated in the Planning Commission's decision regarding the code amendments.

Recommended Motion

> **I move to delay City Council deliberations on the Package #1 Land Development Code Amendments to July 21, 2014, to allow notice to be provided to all interested parties who participated in the Planning Commission's public hearing regarding the code amendments.**

Review and Concur:

Jim Brewer, Deputy City Attorney

Review and Concur:

AIC

Jim Patterson, Corvallis City Manager

MEMORANDUM

To:	**Mayor and City Council**
From:	**Ken Gibb, Community Development Director**
Date:	**July 2, 2014**
Subject:	**Staff Follow-Up – Questions Regarding Package #1 Land Development Code Amendments**

At the City Council's June 16, 2014, Public Hearing regarding the Package #1 Land Development Code (LDC) Amendments (LDT13-00002, LDT13-00003), the Council asked staff to provide additional analysis regarding Tony Howell's proposal for density rounding, as well as additional information on staff's proposed approach to density calculation issues. The City Council also asked staff to review the testimony submitted by Benton Habitat for Humanity, and to provide some analysis of the changes proposed in that testimony. This memorandum addresses both questions.

Density

The language proposed by Tony Howell to eliminate the practice of "rounding up" in density calculations, is as follows:

LDC Section 1.6.30 Definitions

Density Calculation - Density is calculated as either gross density or net density. The minimum density for a site is net density and the maximum density is gross density.

> **a. Density, Gross** – ...
>
> **b. Density, Net** – ...
>
> **c. Fractions** - When the **calculated gross or net density results in a number of** ~~**sum of the**~~ dwelling units **that includes** ~~**is**~~ a fraction of a dwelling unit, ~~**and the fraction is equal to or greater than 0.5, an additional dwelling unit shall be required (minimum density) or allowed (maximum density). If the fraction is less than 0.5,**~~ an additional dwelling unit shall not be required **(for minimum density)** or allowed **(for maximum density)**. **Nothing in this section shall preclude the development of at least one dwelling unit on an existing lot meeting the minimum lot size for the zone and residential building type.**

Staff have concerns with the proposal to eliminate the practice of rounding without identifying how this language would impact the broader community. On May 5, 2014, Community Development staff discussed with the City Council options for moving forward with changes to Land Development Code language regarding density calculations **(See Exhibit I)**. The current Land Development Code direction for calculating density (along with discussion of the advantages and disadvantages of eliminating rounding) is discussed in some detail in the April

10, 2014, Memorandum to the Planning Commission that is included in **Exhibit I**. Although the advantage of adopting the language proposed above would be to ensure that there would be no circumstance in which the density achieved by development would exceed the density range specified within an applicable residential zone, one disadvantage is that it would result in "de facto" minimum lot sizes that would have a negative effect on housing affordability by requiring more land area per dwelling unit for "greenfield" development, as well as for infill development. ("greenfield development" in this context is the development of new housing on undeveloped sites, which is not located in a largely urbanized context) This issue is explained in more detail below. Staff believe that with some adjustments, a new system for addressing density can be put in place that will both ensure that new development does not exceed established density ranges, and that will allow for the efficient and economical use of land in the context of "greenfield" development. This proposal is also explained below.

The language proposed by Tony Howell would have the effect of rounding down to the nearest whole number when calculating minimum and maximum densities. It would also ensure that there would be no circumstance in which the density achieved by development would exceed the density range specified within the applicable residential zone. The following examples help to illustrate these concepts:

Table A:

6,000 sq. ft. lot in RS-5 (Low Density) Zone	6,000 sq. ft. lot in RS-9 (Medium Density) Zone
Minimum Lot Size for Single Family Detached Home (per LDC) = 6,000 sq. ft.	Minimum Lot Size for Single Family Detached Home (per LDC) = 3,500 sq. ft.
Allowed Density Range = 3 – 6 Dwelling Units/Acre	Allowed Density Range = 6 – 12 Dwelling Units/Acre
Maximum Allowed Density = 0.83 DUs/Acre (One Acre = 43,560 sq. ft., 43,560/6 = 7,260)	Maximum Allowed Density = 1.65 DUs/Acre (One acre = 43,560 sq. ft., 43,560/12 = 3,630)
Implication: Could not create a new lot smaller than 7,260 sq. ft. in this zone, because the fractional result would be less than 1. Therefore, could not create a 6,000 sq. ft. lot in this zone.	Implication: Could not create a lot smaller than 3,630 sq. ft. in this zone, because the fractional result would be less than 1. Therefore, a 6,000 sq. ft. lot could be created, but only one dwelling unit would be allowed on the lot.
Minimum lot size is in conflict with density range. (6,000 sq. ft. vs. 7,260 sq. ft.)	Minimum lot size is slightly in conflict with the density range. (3,500 sq. ft. vs. 3,630 sq. ft.)

The solution offered by Tony Howell would address concerns regarding existing lots in the City that are smaller than would be allowed if density rounding were eliminated. The draft language would allow at least one dwelling unit on an existing smaller lot, if it meets the minimum lot size for the zone and residential building type. However, this exception already exists in the LDC. Existing LDC language regarding "Legal Nonconforming Lots of Record" (LDC 1.4.50.05) allows development of a single dwelling unit on any such lot:

1.4.50.05 - Nonconforming Lots of Record

A lot of record may not meet the lot size requirements of the zone in which it is located. Such a lot may be occupied by a Use permitted in the zone. If, however, the lot is smaller than the size required in its zone, Residential Use shall be limited to one dwelling unit or to the number of dwelling units consistent with density requirements of the zone.

One implication to the elimination of rounding would be that lots that would otherwise be smaller than maximum density standards would allow could no longer be created. This may address concerns in the context of infill development, but in "greenfield" development scenarios, where development is proposed in an area that is currently undeveloped, lots sizes could not be reduced below certain minimum sizes (as determined by the applicable maximum density) even if land dedicated to new streets, open space areas, or other necessary public infrastructure would mean that the overall density of the new development would be within the specified density range. Unless varied through an LDO or Planned Development process, smaller lots could not be created, which would likely increase the cost of new housing in the community because of higher land costs per unit. The right hand column of the following table illustrates the "de facto" minimum lot sizes that would result from the elimination of rounding. In contrast, the second column provides minimum lot size requirements per zone from the LDC.

Table B:

Residential Zones	LDC Minimum Lot Size Standards (in square feet)	Density Range Allowed Within the Zone	"De Facto" Minimum Lot Size if Density Rounding Were Eliminated (in sq. ft.)
RS-3.5	8,000	2 - 6	7,260
RS-5	6,000 (one unit)	3 - 6	7,260
	4,000 (mult. units)	3 - 6	7,260
RS-6	3,500 (one unit)	4 - 6	7,260
	2,500 (mult. units)	4 - 6	7,260
RS-9/RS-9(U)	3,500 (one unit)	6 - 12	3,630
	2,500 (mult. units)	6 - 12	3,630
RS-12/RS-12(U)	2,200/ any DU	12 – 20	2,178
RS-20	No. minimum size	➢ 20	none

As you can see from Table B, in some zones, for some building types, minimum lot size standards and allowed density are somewhat consistent (8,000 vs. 7,260 in RS-3.5). In other zones, and for other building types, there can be a significant difference between the allowed minimum lot size and allowed density (2,500 vs. 7,260 for a multiple unit in RS-6). A quick look at lots created within the relatively-recent Grand Oaks and Coles Crossing subdivisions within the RS-6 Zone reveals that a number of the created lots would fall below the "de facto" minimum lot size of 7,260 sq. ft. that would be established if density rounding were eliminated, meaning that such developments could not be approved in the future without approval of a variation to LDC requirements. Community Development staff found that, based on County Tax Assessor's data and a query using the City's Geographic Information System, approximately

21% of the existing lots in the City within Low Density Residential Zones (RS-3.5, RS-5, and RS-6) were smaller than the 7,260 sq. ft. "de facto" minimum lot size.

Staff understand the concerns that have been expressed regarding development that exceeds the specified density range in a zone, but note that if applied without further analysis, eliminating the practice of density rounding would have significant implications regarding the efficient use of land and the affordability of new housing in the community. The April 10, 2014, Memorandum to the Planning Commission that is included within **Exhibit I** notes a number of Comprehensive Plan Policies that support infill development and the efficient use of land. These policies have informed our current Land Development Code, but they must be balanced with other policies that place on emphasis on the compatibility of new development.
It is also important to note that the conflict between minimum lot size standards and allowed densities has been a source of confusion for residents and members of the development community for many years. These concerns present an opportunity to make significant improvements in how the Land Development Code addresses density requirements.

To address these concerns, staff propose a refinement to the proposal to eliminate the practice of rounding. Rather than continuing with a density methodology that is dependent upon complicated calculations, and which is consequently not very "user friendly," staff propose moving to a modified minimum lot size standard as the determinant of allowed densities within the City. A minimum lot size standard offers the advantage of simplicity and clarity, so that it would be easier for all parties to anticipate development potential within the community. To ensure that development is not allowed in a way that would exceed planned densities, minimum lot sizes would be established based on the "de facto" minimum lot sizes in the right-hand column of Table B above. However, to allow for "greenfield" development that would allow for a variety of lot sizes (and resultant land costs) and to account for land area that is dedicated or set aside for infrastructure needs, natural resource or natural hazard protections, and/or open space needs, staff propose allowing the creation of lots smaller than the minimum lot sizes that would be otherwise required, through only the subdivision or major replat process, provided that the overall density of the development (including land area dedicated or set aside for other uses) would be within the allowed density range. As a point of comparison, subdivisions and major replats create four or more lots and land partitions and minor replats create three or fewer lots. As proposed, lots created through the land partition or minor replat process would be required to meet the regular minimum lot size standards. Generally, greenfield development utilizes the subdivision process, while infill redevelops individual lots or utilizes the partition or minor replat process to split lots. Additionally, there would be little incentive to utilize the subdivision process for infill development, because the overall density of the subdivision would have to be within the permitted density range. Since it is generally agreed that "infill development," rather than "greenfield" development, has been the source of recent compatibility concerns in the community, this proposal would ensure that infill development would not exceed allowed densities, but would allow "greenfield" development (such as Grand Oaks) to continue to use land efficiently in the creation of new neighborhoods, while not allowing the overall density of "Greenfield" development to exceed the established density range.

As previously discussed with the Council, a "Measure 56" Notice would be required prior to consideration of the proposed LDC Amendment regarding the City's density methodology. For that reason, it is not recommended that this item be incorporated into the Package #1 LDC Amendments that are currently under consideration. The options, as discussed in the April 29, 2014, Memorandum to the Mayor and City Council **(Exhibit I)**, include the following:

1. ***Instruct staff to develop a new approach to density calculations, to be included in the Package #1 LDC Amendments, which will be considered by the City Council at an upcoming public hearing (yet to be scheduled).***

Pro: *Would provide the most expeditious path to adoption of a new approach to density calculations.*

Con: *Would delay the adoption of the other items in Package #1. Staff cannot say precisely how long it would take to develop a new density methodology, but it would likely take at least an additional month, and perhaps longer. It is likely that incorporation of a new density methodology into the LDC would require state-required Measure 56 notices to be mailed to all owners of residential property in the City prior to the public hearing on this item (20 days prior to the hearing). The Measure 56 notices that were mailed regarding the Planning Commission's consideration of the Package #1 Code Amendments were sent to every property owner in the City and cost approximately $14,000.*

If the new density methodology proves to be controversial, time spent revising and refining this proposal, and potential appeals, could significantly delay adoption of the other measures in Package #1. Conversely, appeal of the other items in Package #1 could delay implementation of a new density methodology.

2. ***Instruct staff to develop a new approach to density calculations as a "stand-alone" Land Development Code Amendment item, to be considered and adopted on a separate schedule from other code amendment packages.***

Pro: *Would not complicate the adoption of other code amendment items. Work could begin soon on this item.*

Con: *Without a specific timeline, it would be complicated to schedule and consider this item outside the schedules for Packages #1 and #2. A separate Measure 56 notice would likely be required, which would add to City costs for this approach (estimated to be in the range of $10,000).*

3. ***Instruct staff to develop a new approach to density calculations to be considered concurrently with the Package #2 LDC Amendments, which are tentatively anticipated to be considered beginning in September of 2014. A separate land use case number,***

staff report, and process could be used to consider the revised density provisions separate from, but concurrent with, the Package #2 code amendments.

Pro: *Would allow timely development and consideration of new density standards, but would be separated from the Package #2 items such that Package #2 would not be vulnerable on appeal if the density standards were appealed, or vice versa. Would allow for cost savings, because one "Measure 56" notice could be sent regarding Package #2 and density items. Concurrent timelines would allow the development of a new density approach and design standards to be coordinated and informed by one another.*

Con: *Would delay consideration of new density provisions until September of 2014.*

4. Instruct the Technical Advisory Team to develop a new approach to density calculations as part of their work on Package #2.

Pro: *Would allow for advisory team involvement in the development of a new approach for density calculations.*

Con: *Technical Advisory Team members were not expecting to be tasked with this complex topic. Adding this item to their work program could result in significant delays and may require a longer commitment than TAT members initially signed on for.*

Adding this item into the Package #2 code amendments could result in delayed implementation of the other items, particularly if one or the other is appealed. However, the TAT could work on this item separately, in a separate, but concurrent package to reduce the likelihood of delay by appeal.

Staff request that the City Council consider the above information and provide direction regarding how to proceed.

Staff Response to Testimony from Benton Habitat for Humanity

Staff have reviewed the testimony received from Benton Habitat for Humanity on June 16, 2014, as requested by the City Council. However, staff note that on June 30, 2014, BHFH submitted revised testimony regarding the Package #1 Code Amendments, which modifies and clarifies some of the issues identified in the June 16, 2014, testimony. Staff assume that the more-recent testimony represents BHFH's current concerns and recommendations regarding the code amendments, and analysis is provided below of the issues raised in the June 30, 2014, testimony. Staff note that the concern identified in the June 16, 2014, testimony regarding the change to Property Line Adjustment criteria to disallow "unusable areas" to be created was not brought forth in the June 30, 2014, testimony.

Exemption of Affordable Housing Projects from 4/5 Bedroom Parking Requirements

In their June 16th testimony, BHFH expressed concern that the current language is unclear or would create confusion or unintended consequences regarding what type of housing could qualify for a parking reduction under "Qualified Affordable Housing Development". They suggested amending the title and language to "Select Affordable Housing Units", and recommended that a clarification be made that the threshold for housing affordability be tied to the combined household income. They were also concerned that the term "development" in the definition made it unclear that the exemption would apply to individual units constructed, rather than a larger development project comprised of more than one unit.

On June 30, 2014, BHFH submitted additional testimony regarding this issue, which again recommended some of the same title and language changes to the definition, but which made some changes to the recommended definition to exempt housing units that are intended to serve residents who have a household income at or below 80% of the Corvallis area median, for owner-occupied or rental units. The BHFH-recommended language is as follows:

> *Select Affordable Housing Units – Housing units that are designed to serve residents with a household income at or below 80% of the Corvallis area median, through ownership or rental costs, defined as rent or mortgage plus utilities, that comprise no more than 30 percent of the monthly income of a household that has an income at or below 80% of the Corvallis area median. Select Affordable Housing Units shall demonstrate commitment to providing affordable housing through restrictions established by the City of Corvallis or the State of Oregon, guaranteeing affordability of the housing for a period of not less than 20 years.*

Staff do not have any significant concerns with the proposal to change the definition from Qualified Affordable Housing Development to Select Affordable Housing Units, particularly with the change from "Qualified" to "Select", but do note that "development" as defined in Chapter 1.6, is a term that staff would apply to any material change to a structure or property, and would therefore not differentiate between an individual unit and a larger development project based on that language.

Staff do have concerns about the proposal to exempt projects for owner-occupied or rental properties that meet an 80% of area median metric, rather than the 60% standard recommended. Staff note that the 80% metric seems to be relatively relaxed, particularly for renter-occupied housing, and that qualification for federal, state, or City affordable housing programs would require projects to provide housing for those at or below 60% of the area median.

In addition to the submitted testimony, Housing Division staff have had conversations with staff from Willamette Neighborhood Housing Services (WNHS) regarding the proposed code language and the testimony submitted by BHFH. Two concerns were identified in that conversation:

1. It is important to differentiate between affordable rental housing and affordable owner-occupied housing in Corvallis. One suggested metric would be to establish a threshold of 80% or below the Corvallis median income for owner-occupied housing, adjusted by family size; and a threshold of 60% or below the Corvallis median income for renter-occupied housing, adjusted by family size.

2. It will be important to ensure that the City of Corvallis or State of Oregon is a party to any deed restriction making a commitment to the provision of affordable housing over time.

If the City Council decides to postpone deliberations on the Package #1 Code Amendments and to re-open the record, these issues can be discussed in more detail prior to City Council deliberations.

In summary, staff have reviewed BHFH's June 16th and June 30th testimony, as well as additional public input, and generally agree that some additional language may clarify the intent of the exemption and the projects that may be eligible. The City Council may choose to maintain the originally-recommended language, amend the definition to include all or part of the BHFH recommendations, or amend the definition to address the issues raised above. Based on the above staff discussion regarding the Corvallis area median metric, and the use of the term "development", staff would recommend maintaining all or part of the language currently proposed in the staff report.

Proposal: Maintain existing reduced setback standards for affordable smaller attached units developed on narrow lots.

Benton Habitat for Humanity provided a recommendation that the City Council consider maintaining the existing 8 foot side yard setback for attached units on narrow lots that are intended to provide affordable housing options. Their testimony includes graphics and scenarios showing the impact of a potential increase of 2 feet of setback area along the side face of a dwelling unit. The testimony also argues that the proposed increased setback would restrict the ability to construct small, single family, affordable homes on narrow lots.

The BHFH recommendation is to provide an exception that allows single family attached units on lots less than or equal to 30 ft. in width to provide 8 ft. side yard setbacks when the development is proposed to meet eligibility requirements for the "Select Affordable Housing Unit" definition (also proposed in the BHFH recommendation) and the total square footage of each unit is less than or equal to 1,300 sq. ft.

Staff note that the proposal to increase the side yard setback for attached units is a result of the Neighborhood Planning Work Group's desire to respond to concerns regarding development of such units in neighborhoods where the narrower setbacks create an increased impact in terms of the scale and mass of the attached units. It is also noted that narrow lots (minimum 25 ft.) have presented some difficulties for code compliance with regard to green area, utility infrastructure, and location of driveways and street trees. Staff have reviewed the graphics submitted by Benton Habitat and agree that the 10-foot side-yard setback does significantly impact habitable building area within dwellings on 25-foot wide lots, leaving just 14 feet of habitable area within the structure, and even less when necessary stairway widths are factored in. However, staff also note that there is no requirement that lots be created with 25-foot widths – 25 feet is simply the minimum lot width allowed in many zones. However, wider lots would be expected to create higher housing costs per unit.

In conclusion, the proposal to allow a reduced side yard setback, as proposed by BHFH, could be implemented if the City Council decides it is warranted.

Exhibit:

I. **April 29, 2014, Memorandum from the Community Development Director to the Mayor and City Council regarding the Planning Commission's Density Calculation Recommendation.**

Review and Concur:

Jim Patterson, Corvallis City Manager

MEMORANDUM

To:	**Mayor and City Council**
From:	**Ken Gibb, Community Development Director**
Date:	**April 29, 2014**
Subject:	**Planning Commission's Density Calculation Recommendation in Conjunction with the Package #1 Land Development Code Amendments**

The Planning Commission held a public hearing on March 19, 2014, to receive testimony and consider a package of Land Development Code (LDC) Amendments that were initiated by the City Council on October 7, 2013. The record was held open that evening and the Planning Commission returned to deliberate on the package of code amendments (aka "Package #1) on April 16, 2014. The Package #1 code amendments contain the following four sets of recommendations:

1. Recommended change to the timing of the annual land use fee review called for in the Land Development Code (Section 1.2.100.02);
2. Recommended LDC Amendments from the Corvallis/OSU Collaboration Work Groups, which are supported by the Steering Committee and City Council;
3. Recommended LDC Amendments to facilitate code-compliant alterations within approved Planned Developments and for certain areas subject to Planned Development Overlay Zones; and
4. Recommended changes to LDC Chapter 2.9 to facilitate certain types of historic reviews.

The Planning Commission deliberated on April 16, 2014, and prepared a recommendation for the City Council's consideration. A public hearing will be scheduled soon (perhaps June 16th) for the City Council to consider Package #1, but before that can occur, direction is needed regarding one of the items of discussion. The Planning Commission's recommendations regarding Package #1 will not require an additional mailing of "Measure 56" notices, because none of the changes proposed would further limit or prohibit uses permitted within a zoning district beyond what was initially included in the Package #1 proposal. Measure 56 was passed by statewide ballot in 1998. The measure requires cities and counties to provide affected property owners with notice if a proposed change in a land use regulation would serve to limit or prohibit previously allowed uses.

One item that was discussed as part of Package #1 was the Neighborhood Planning Work Group's recommendation regarding rounding in density calculations. Testimony was received that suggested that the practice of rounding in calculating density should be eliminated, other testimony supported the current methodology for calculating density. Although the Planning Commission ultimately did not recommend that rounding be eliminated, the Commission made a recommendation that the calculation of density and resultant impacts based on the provisions in the Land Development Code should be studied and a comprehensive approach to

density be developed to provide better clarity and certainty to all parties in regards to allowed residential densities. (see **Exhibit I** regarding density calculations, which is an excerpt from staff responses to Planning Commission questions) The Planning Commission and staff discussed the possibility of asking the Technical Advisory Team (TAT) that is working on the Package #2 code amendments to take up the issue of density and to develop a recommended approach as part of their work. Based upon the nature of this change, and the potential impact to property owners, it is likely that a "Measure 56" notice would be required to be sent to all property owners that might be negatively affected by the change. "Measure 56" notices would need to be mailed at least 20 days prior to the first public hearing to consider such a change to the density provisions in the LDC.

Upon further reflection, and with consultation with the Project Manager for the Package #2 code amendments, staff believe that tasking the TAT with this additional work item may not be the best approach, given the aggressive schedule and ambitious agenda already assigned to the TAT. Tasking the TAT with developing a solution to the complex density calculation question poses the danger that the group could be significantly occupied with this additional item, and might not accomplish the many other key elements of Package #2, which includes design standards to address the compatibility of infill development within existing neighborhoods. For these reasons, staff suggest that staff be charged with the development of a new approach to density calculations, which can be considered through the public adoption process (and refined or revised as deemed appropriate). Based on public testimony, and concerns expressed by decision makers, the goal will be to develop an approach to regulate residential density in a manner that is less complex, and more transparent, than the current system. As the concept is developed, staff would hold a work session with the Planning Commission to solicit feedback on the new approach, prior to beginning the adoption process. (Among the approaches that would be considered would be to move to a minimum-lot-size-only standard, as is done in many other cities in Oregon.) If the City Council concurs with the Planning Commission's recommendation to develop a new approach to density calculations, staff offer the following options for moving forward with the Planning Commission's recommendation regarding density calculation, and ask for Council direction as to how to proceed with this item:

1. **Instruct staff to develop a new approach to density calculations, to be included in the Package #1 LDC Amendments, which will be considered by the City Council at an upcoming public hearing (yet to be scheduled).**

Pro: Would provide the most expeditious path to adoption of a new approach to density calculations.

Con: Would delay the adoption of the other items in Package #1. Staff cannot say precisely how long it would take to develop a new density methodology, but it would likely take at least an additional month, and perhaps longer. It is likely that incorporation of a new density methodology into the LDC would require state-required Measure 56 notices to be mailed to all owners of residential property in the City prior to the public hearing on this item (20 days prior to the hearing). The Measure 56 notices that were mailed

regarding the Planning Commission's consideration of the Package #1 Code Amendments were sent to every property owner in the City and cost approximately $14,000.

If the new density methodology proves to be controversial, time spent revising and refining this proposal, and potential appeals, could significantly delay adoption of the other measures in Package #1. Conversely, appeal of the other items in Package #1 could delay implementation of a new density methodology.

2. **Instruct staff to develop a new approach to density calculations as a "stand-alone" Land Development Code Amendment item, to be considered and adopted on a separate schedule from other code amendment packages.**

Pro: Would not complicate the adoption of other code amendment items. Work could begin soon on this item.

Con: Without a specific timeline, it would be complicated to schedule and consider this item outside the schedules for Packages #1 and #2. A separate Measure 56 notice would likely be required, which would add to City costs for this approach, as discussed above.

3. **Instruct staff to develop a new approach to density calculations to be considered concurrently with the Package #2 LDC Amendments (as described on page 2 of this memo), which are tentatively anticipated to be considered beginning in September of 2014. A separate land use case number, staff report, and process could be used to consider the revised density provisions separate from, but concurrent with, the Package #2 code amendments.**

Pro: Would allow timely development and consideration of new density standards, but would be separated from the Package #2 items such that Package #2 would not be vulnerable on appeal if the density standards were appealed, or vice versa. Would allow for cost savings, because one "Measure 56" notice could be sent regarding Package #2 and density items. Concurrent timelines would allow the development of a new density approach and design standards to be coordinated and informed by one another.

Con: Would delay consideration of new density provisions until September of 2014.

4. **Instruct the Technical Advisory Team to develop a new approach to density calculations as part of their work on Package #2.**

Pro: Would allow for advisory team involvement in the development of a new approach for density calculations.

Con: Technical Advisory Team members were not expecting to be tasked with this complex topic. Adding this item to their work program could result in significant delays and may require a longer commitment than TAT members initially signed on for.

Adding this item into the Package #2 code amendments could result in delayed implementation of the other items, particularly if one or the other is appealed. However, the TAT could work on this item separately, in a separate, but concurrent package to reduce the likelihood of delay by appeal.

Recommendation

Given the considerations outlined above, staff recommend Option 3, to instruct staff to develop a new approach to density calculations to be considered by the Planning Commission and City Council concurrently with the Package #2 LDC Amendments.

Exhibit I:

I. Excerpt from April 10, 2014, Memorandum from Staff responding to Questions Asked by Planning Commissioners

Review and Concur:

Jim Patterson, Corvallis City Manager

CORVALLIS
ENHANCING COMMUNITY LIVABILITY

MEMORANDUM

DATE: April 10, 2014

TO: Planning Commission

FROM: Planning Division Staff

SUBJECT: Staff Reponses to Planning Commission Questions Regarding Land Development Code Text Amendments (LDT13-00002 and LDT13-00003)

During the March 19, 2014, Planning Commission public hearing for the Land Development Code text amendment applications noted above, the Planning Commission provided several questions for Staff to respond to.

This memorandum provides additional clarification for the proposed code amendments and addresses questions raised by the Planning Commission at the March 19, 2014, public hearing.

1. **Density Calculations** (Daniels, Sessions)

   The March 7, 2014, Staff Report to the Planning Commission includes Attachment B, which contains a September 30, 2013, Staff Memorandum to the Mayor and City Council, from Community Development Director Ken Gibb. The memorandum discusses Item 2-9, which provides final direction from the Neighborhood Planning Workgroup, on amending the rounding provisions of the Land Development Code definition for "Density Calculation". Initial discussions at the Neighborhood Planning Workgroup meetings included consideration of a request to fully eliminate the rounding provisions altogether. However, the final recommendation from the Neighborhood Planning Workgroup, as approved by City Council for inclusion in Package #1, did not consider a full elimination of the rounding provisions, but rather, focused specifically on the rounding provisions relative to minimum density for development occurring in older, established neighborhoods.

EXHIBIT 1 PAGE 1

The final Neighborhood Planning Workgroup recommendation was to eliminate the requirement to round up when calculating minimum density, and instead, to provide an option, that when calculating minimum density, results of 0.5 or greater may be rounded down for development occurring in areas Annexed prior to January 1, 1950. That is the proposal presented by Staff as part of this text amendment package.

In testimony presented to the Neighborhood Planning Workgroup, to the City Council, and as part of the March 19, 2014, Planning Commission public hearing, concerns were raised about the rounding provisions relative to maximum density and how the current LDC allowance could result in development patterns that exceed the established Comprehensive Plan and Land Development Code specified density maximums. While the Work Group recommended code amendments do not include consideration of changes to rounding provisions for maximum density, Staff are providing additional discussion below, to aid in the Planning Commission's deliberations.

Staff note that public testimony received concerning the topic of rounding maximum density includes important community concerns that both support (see Jeff Hess and Melanie Place testimony, April 2, 2014, Written Testimony packet), and identify concerns with (see Carolyn Miller testimony, April 2, 2014, Written Testimony packet), changes to the Density Calculation methodology. These important community concerns are reflected in various Comprehensive Plan policies, as noted below:

3.2.1
The desired land use pattern within the Corvallis Urban Growth Boundary will emphasize:

A. Preservation of significant open space and natural features;
B. Efficient use of land;
C. Efficient use of energy and other resources;
D. Compact Urban Form;
E. Efficient provision of transportation and other public services; and
F. Neighborhoods with a mix of uses, diversity of housing types, pedestrian scale, a defined center, and shared public areas.

9.3.5
Residential developments shall conform to the density ranges specified by the Comprehensive Plan and be of housing types permitted by the applicable zoning district.

4.5.1
The City shall encourage the use of density transfers as a means of preventing the development of significant resource sites and potentially hazardous locations, to mitigate the potential negative effects of hillside development, and/or to maximize the availability of open space.

4.5.3

In reviewing density transfers, the City shall minimize compatibility conflicts between the area within a site that is to receive the increased density and the current or future off-site development that may abut the density receiving area. Mechanisms to permit density transfer shall:

A. Provide special development standards for the area receiving the transferred density; and
B. Limit the change in permitted building type, in the area receiving the transferred density, to building types permitted in the next more intensive residential district.

9.5.j
Housing affordability may be enhanced through the implementation of legislative or programmatic tools focused on the development and continued availability of affordable units. Such tools include, but are not limited to: inclusionary housing programs; systems development charge offset programs; Bancroft bonding for infrastructure development; facilitation of, or incentives for, accessory dwelling unit development; minimum lot and/or building size restrictions; reduced development requirements (e.g., on-site parking reductions); density bonuses; a property tax exemption program; creation of a community land trust; loan programs for the creation of new affordable housing; and other forms of direct assistance to developers of affordable housing.

9.5.15
The City shall evaluate increasing the minimum density in low density residential districts.

9.6.3
The City shall amend the Land Development Code to encourage the following in the Downtown Residential Neighborhood:

A. Building to the higher end of the allowed density range through intensive site utilization;
B. Reduction of on-site parking requirements; and
C. Maintenance of historic character.

11.7.7
The City should seek appropriate opportunities for increasing residential density and providing industrial and commercial development along existing and proposed transit routes.

12.2.3
The City shall require all future subdivisions, planned developments, and other major developments, plus commercial and industrial development, be designed to reduce demands for artificial heating, cooling, and lighting by considering topography, microclimates, vegetation, and site and structure orientation which maximizes southern exposure. The City shall develop incentive programs for those developments that demonstrate sound energy conservation design and/or construction, such as density incentives or similar programs.

12.2.7
The City shall encourage the development of high density uses that are significantly less dependent on automobile transportation.

14.3.1
Infill and redevelopment within urban areas shall be preferable to annexations.

These Comprehensive Plan policies illustrate a variety of goals for the City's land development management system, including promoting compact development to make more efficient use of land and other resources, ensuring development is consistent with planned densities, maintaining compatibility between existing and new development, and maintaining neighborhood character. However, Comprehensive Plan Policies are not directly considered as applicable decision criteria for most land use decisions. Instead, the Land Development Code was developed to implement the Comprehensive Plan, and to balance the varied and sometimes conflicting goals within the Comprehensive Plan. Whether the existing LDC strikes an appropriate balance between the different goals evident from this brief analysis of Comprehensive Plan Policies is an arguable question. It is ultimately the City Council's decision, informed by a recommendation from the Planning Commission, regarding appropriate changes to the LDC to ensure consistency with the Comprehensive Plan and the community's vision for its future.

Attachment A is a copy of a January 30, 2013, memorandum to the Mayor and City Council, from Community Development Director Ken Gibb, which discusses what staff were able to determine regarding the legislative history of the rounding provisions for Density Calculations. Essentially, it is believed that inclusion of this provision formalized the current practice at the time for determining minimum and maximum densities when calculations yielded fractional results. It should be noted that rounding decimals in this manner is the standard practice that staff use for making determinations of applicable code requirements in other areas of code interpretation where calculations are required, such as in determining minimum and maximum parking requirements.

It should also be noted that, whenever rounding up occurs for fractions of 0.5 or above, as required per section c (fractions) of the definition of "Density Calculation" in Chapter 1.6 of the LDC, the result will exceed the maximum density of the zone. This is because the fractional result represents the actual maximum density, per the density range allowed within the zone. Here is an example:

For a lot that is 5,663 sq. ft. in size in the RS-9 Zone, the maximum allowed density can be determined as follows

- Maximum density allowed in the RS-9 Zone is 12 dwelling units/acre
- 5,663 sq. ft. = 0.13 acre
- 0.13 X 12 = 1.56 dwellings permitted (rounded up to 2)

1.56 dwelling units represents the highest density allowed at 12 units/acre, for the example lot mentioned above. However, the definition of "Density Calculations, c. Fractions" within Chapter 1.6 of the LDC states, "When the sum of the dwelling units is a fraction of a dwelling unit, and the fraction is equal to or greater than 0.5, an additional dwelling unit shall be required (minimum density)

or allowed (maximum density)...." Based on this language in the LDC, staff do not see that there is discretion in how these calculations should be conducted.

On an individual lot basis, rounding up can result in a density figure for the lot which is in excess of the density allowed in a zone. However, when calculating densities for a larger development, such as a subdivision, the rounding factor is much less significant (see **Attachments B and C** for illustrations of density calculations for individual lots and city blocks based on existing LDC provisions). Another factor is that minimum lot size requirements within a zone are sometimes a limiting factor for calculating density, and sometimes not.

Staff note the following options relative to the proposed amendments to the rounding provisions of the Density Calculation definition:

1. <u>Maintain existing Density Calculation rounding provisions that allow an additional dwelling unit when the calculation is equal to 0.5 or more of a dwelling unit</u>
   - Discussion: The current provision will allow one additional dwelling unit for any given development scenario, of a development site of any size, where the calculation is equal to or greater than 0.5. The compatibility impacts of one additional unit are much more pronounced on a small development site within an existing neighborhood or subdivision, as compared to a large, multiple acre development site, that is distant from established neighborhoods. The pronounced effect on older established neighborhoods may be further exacerbated where the existing density is closer to the minimum density than the maximum density, and redevelopment occurs at, or exceeds maximum density due to the rounding provision.

     Refer to **Attachments B and C** for an example of how density rounding can impact development at the site and block level, based on existing density. As noted in Attachments B and C, the current rounding provisions may allow maximum density to be exceeded on an individual development site within a residential block, while the overall density of the block remains below the maximum density. Continued redevelopment of this block, using the rounding provisions, could result in a development pattern that exceeds maximum density, if all property owners take advantage of the rounding provisions (RS-9 example). It should be noted that these results are somewhat dependent on the specific circumstances of this particular block and so are not universally applicable throughout the RS-9 zone. The RS-12 block study shows that, under the current rules, even the most intensive redevelopment possible of this particular block would result in development within the RS-12 density range of 12 – 20 units / acre.

- Analysis: Maintaining the existing rounding provisions encourages redevelopment within existing neighborhoods by providing an incentive for property owners to intensify development on their properties. However, as noted above, the rounding provision associated with maximum density allows the maximum density of the Zone to be exceeded at the development site level, in some instances, which conflicts with Comprehensive Plan policy 9.3.5. It is recommended that if this option is chosen, a footnote be included in the density provisions for each residential zone to explain how the density range may be exceeded in some instances, so that the public is informed of this possibility.

2. Adopt Neighborhood Planning Workgroup recommendations, as presented by Staff in the March 7, 2014, Staff Report to Planning Commission

- Discussion: Refer to the March 7, 2014, Staff Report to Planning Commission, for a Staff analysis of the pros and cons of adopting these changes.

3. Maintain the Neighborhood Planning Work Group's recommendation, as proposed in the March 7, 2014 Staff Report, but include an additional requirement that states that in no case shall the number of units developed on any development site exceed the maximum density permitted by the underlying Zone and Comprehensive Plan designation.

- Discussion: Addition of a footnote that prohibits exceeding the maximum density, regardless of how the density calculation methodology is constructed, would ensure that development at any scale falls within the minimum and maximum density of the subject Zone.
- Analysis: This would not conflict with the recommendation of the Neighborhood Planning Workgroup, and would be consistent with Comprehensive Plan policy 9.3.5. However, this provision would effectively put in place a new minimum lot size standard for all residential zones with a specified maximum density, which could have significant implications on a community-wide basis. For example, the minimum lot size for the RS-6 zone would effectively increase from 3,500 sq. ft. for single detached and 2,500 sq. ft. for multiple units on one lot to 7,260 sq. ft. per unit. Although existing developed single dwelling properties within that zone on lots smaller than 7,260 sq. ft. could be redeveloped because they would be considered legal nonconforming lots of record, existing multiple units on a single lot less than 7,260 sq. ft. in size would only be able to reconstruct a single unit under the nonconformities provisions. Additionally, new development in the RS-6 Zone would

require a minimum lot size of 7,260 sq. ft. for a single dwelling unit, thereby forcing a greater consumption of land, a less compact development pattern, and higher land costs per dwelling unit.

4. Amend Staff's March 7, 2014, recommendation, to remove rounding provision that allows maximum density calculations meeting or exceeding 0.5 units to be rounded up for one additional unit
   - Discussion: The results of this option would be similar to those described under Option 3 above.
   - Analysis: This provides an additional change to the rounding provisions, not included in the Neighborhood Planning Workgroup's recommendation. This change would ensure that the rounding provisions comply with Comprehensive Plan policy 9.3.5.

The last two options go beyond what was recommended by the Neighborhood Planning Workgroup, and widen the scope of the discussion by considering how the proposed change impacts community goals related to infill development, compact urban form, energy and transportation use, and overall residential density throughout the community. However, each of these last two options also eliminates the rounding provision for the calculation of density, so that Comprehensive Plan Policy 9.3.5 is satisfied. This provides a more predictable outcome for neighbors who are expecting density to fall within the ranges prescribed by the underlying Zone. However, as explained above, simply eliminating the provision that allows rounding up a density calculation could have significant community-wide consequences, and therefore the last two options are not recommended at this time. A more comprehensive review of the topic of residential density, and revisions to the applicable provisions in the LDC may be warranted, and could be included in the Package # 2 code amendments project discussed below.

The Neighborhood Planning Workgroup's efforts have resulted in an additional set of proposed Land Development Code amendments ("Package #2"), which are anticipated to be presented to decision makers later this year. The additional proposed amendments are discussed in Attachment B to the March 7, 2014, Staff Report to the Planning Commission, and include a list of Residential design and development standards, intended to address compatibility issues associated with redevelopment in existing, established neighborhoods. A Residential Design Standards Technical Assistance Team ("TAT") has been formed to begin to evaluate potential Residential Design Standards that will become part of Package # 2. Initial research includes a deeper look at how existing standards such as density and lot area requirements can have an effect on neighborhood character.

Conclusion: Options 2, 3, and 4 maintain the Neighborhood Planning Workgroup's recommendation related to the rounding provisions, while some options go beyond that, and address concerns about the maximum density

rounding provisions raised in the public testimony. Additional proposed amendments in this Package # 1, as well as forthcoming recommendations as part of Package # 2 are intended to further address neighborhood compatibility concerns associated with redevelopment and infill development in existing neighborhoods.

MEMORANDUM

DATE: **January 30, 2013**

TO: **Mayor and City Council**

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

RE: **Council Request – rounding of density calculations & moratorium information**

BACKGOUND:

Council requested follow-up information related to testimony received at the January 22, 2013 City Council meeting from Mr. Jeff Hess that addressed how residential densities are calculated. Mr. Hess also requested that the City Council hold a public hearing on a proposal to institute a development moratorium.

DISCUSSION:

In his written communication, Mr. Hess stated that:

"In 2008 the Corvallis city council amended the local Land Development Code (LDC) in such a way that the maximum development density allowed in each zone district was doubled while the stated maximum density remained the same. It's believed this amendment was a mistake passed without council appreciating the impact of what they were voting for. Because the amendment introduced rounding in the definition of "Density Calculation", the maximum density now changes with the number of units built. For example, a duplex in RS-9 now has a maximum allowed density of 16 units/acre while a single unit has a maximum allowed density of 24 units/acre. Meanwhile the LDC continues to state the pre-2008 maximum of 12 units/acre"

Actually, rounding related to density calculations was adopted into the LDC **prior** to 2008. The 2008 LDC amendments addressed rounding related to other LDC calculations. Staff notes that part of the 2008 LDC amendment package was dropped because of a LUBA appeal and therefore the rounding methodology was not expanded beyond the previously legislated density calculations.

There were two previous LDC changes that addressed density calculations, both of which became effective in the 2006 LDC Update package implementation. First, as part of the 2000 LDC Update Phase 1, the methodology to calculate gross density for a Minor Land Partition site was changed to include in their acreage calculation 50 percent of the area of any street rights-of-way that front the subject site (for the distance the streets front the subject site). Also, a definition of net density was developed to "net" out that portion(s) of a development site that was precluded from development, e.g. natural features protection areas or conservation areas.

Secondly, as part of the 2004 LDC Phase III Update (also included in the 2006 LDC Update implementation package but worked on in the early 2000s), the following provision was added to the density calculation language:

When the sum of the dwelling units is a fraction of a dwelling unit, and the fraction is equal to or greater than 0.5, an additional dwelling unit shall be required (minimum density) or allowed (maximum density). If the fraction is less than 0.5, an additional dwelling unit shall not be required or allowed.

We haven't been able to fully review the extensive background material (thousands of pages) related to both of these projects but based on the review to date and in talking with former staff members who worked on this project, these changes officially ratified past practice, i.e. using the mathematical approach of rounding to the nearest whole number and/or addressed the City's long stated policies of encouraging compact and efficient use of land and providing more affordable housing opportunities.

The 2004 rounding approach as it applies to density calculations does not "double density" on a wholesale basis. In certain circumstances, the rounding approach would allow two dwelling units where one would otherwise be allowed. However, for calculations of density with a maximum allowed density that is more than two units, the difference between a result reached by rounding vs. a result reached by allowing the nearest whole number would never be more than one unit. In approximately half of these instances (i.e. where the result contains a fraction less than ½ unit) the result of the density calculation with rounding would be the same as the nearest whole number method because in both instances staff would round down to the nearest whole number. Because of this, the effect of "rounding" is most acute for small infill properties, where the difference between one and two dwelling units has the most impact. The Neighborhood Planning Work Group is currently exploring a number of potential measures that would address the compatibility of small infill development, in addition to the change in parking requirements for four- and five-bedroom dwelling units that has already been put in place.

The provisions in the 2000 and 2004 LDC Phases I and III Update packages (implemented in 2006) were conducted through an extensive and open public process that directly involved many community members, Planning Commissioners and City Councilors as project work group members. The work product was subject to public workshops and hearings, with several opportunities for public input. The density calculation changes were publicly available although they didn't get as much attention as other portions of very large packages. There may be perspectives that view the results of these changes as having unintended consequences a decade later, but the changes were intentional, i.e. not an oversight, and designed as a mechanism to assist decision makers and the public in determining density standards and to implement Comprehensive Plan policies.

The Avery Addition Neighborhood Association has submitted a list of proposals to the Collaboration Corvallis' Neighborhood Planning Work Group. This list includes a proposal to change the LDC to not allow rounding as it pertains to density calculations.

The Neighborhood Planning Work Group is currently looking at the concept of neighborhood oriented design standards which in part respond to some of the other suggestions from the Avery Addition group and other members of the public. Staff notes that the Work Group will review the rounding issue during the month of February.

Mr. Hess also requested that the City Council place a 120 day moratorium on development. Attached is memorandum from the City Attorney's Office related to moratoria. This memorandum was distributed in early 2012 in response to questions about the legal aspects of a local government declaring a moratorium.

MEMORANDUM

DATE: **September 10, 2013**

TO: **Mayor and City Council**

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

RE: **Council Request – rounding of density calculations**

Councilor Hogg requested that staff provide background regarding the density rounding provision in the Land Development Code and possible options.

Attached is a copy of the information related to this topic that was provided to the City Council in the February 4, 2013 meeting packet. As noted in that memorandum, the Neighborhood Planning Work Group was scheduled to take up a series of proposals from the Avery Addition Neighborhood in February. This included a proposal to eliminate "rounding up" for density calculation purposes.

The Work Group proposed a series of recommendations to address concerns raised by the Avery Addition Neighborhood as well as other community members. In addition to the rounding question, these proposals addressed:

- Increasing parking requirements for 4/5 bedroom units (enacted in late 2012)
- Recommending LDC changes to define unusable areas in Lot Line Adjustment proposals
- Recommending additional setbacks for single attached units
- Recommending that the option to include 50% of the street right-of-way for density calculations be eliminated
- Recommending increasing public notice requirements for Major Lot Development Option requests
- Recommending that neighborhood design standards be developed in order to enhance the compatibility of infill projects. Components of the standards could include maximum floor area ratios, setbacks that are based on existing development patterns, several standards related to roof articulation, horizontal building offsets, building differentiation of projects with multiple buildings, enhanced pedestrian features, window coverage and other design elements. Additional standards related to off-street parking design are also recommended.

Regarding rounding for density calculation purposes, the Work Group recommended that property owners have the option to round down in order to meet minimum density requirements, e.g., if the minimum was 1.5 units the owner could choose to round down to 1 unit. The Work Group did not recommend that the current rounding provision be eliminated from the LDC.

EXHIBIT I-15

The Neighborhood Planning Work Group recommendations were approved by the Collaboration Steering Committee in and forwarded to the City of Corvallis for action.

Next steps regarding the LDC related Collaboration Project recommendations will be a prioritization of items for the next round of Code updates. This is scheduled for the October 7 City Council meeting. Staff will be recommending that several of the items identified above be included in the next LDC update package including the rounding recommendation. Through the public process and subsequent deliberations, the Planning Commission and City Council will have the opportunity to accept, reject or change the various Collaboration recommendations prior to taking final action on the LDC amendment package.

Review and Concur:

Jim Patterson, City Manager

EXHIBIT I-16

MEMORANDUM

DATE: **December 29, 2013**

TO: **Mayor and City Council**

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

RE: **Follow-up Information**

As part of Visitor Proposition testimony at the December 16, 2013 Council meeting related to density rounding and maximum density values in residential zones, Mr. Jeff Hess stated that the issue is not being addressed by Staff or the City Council and that he did not know how to bring his issue forward any further.

Staff notes the following:

- As described in a September 30, 2013 memorandum to the City Council and as the discussed at the October 7, 2013 Council meeting, Collaboration Corvallis recommendations (from the Neighborhood Planning Workgroup) included a series of proposals that will impact infill project density.

- These include increasing parking requirements for 4/5 bedroom non-single family residential projects (in place for more than a year) and several recommendations that will be considered by the LDC Package # 1.

- Package # 1 includes:

  - revising lot line adjustment criteria to not allow adding "unusable" areas in order to meet minimum lot sizes

  - increasing setback requirements for single attached units

  - changing density calculations for replats and minor land partitions to not count 50% of the abutting rights-or-way

  - increasing public notice areas for certain land use applications

  - changing minimum density standards for infill development

  In large part these recommendations were a response to testimony from Mr. Hess and the Avery Addition Neighborhood Association (AANA). In addition, another recommendation related to public noticing of demolition applications has been approved by the Collaboration Steering Committee and will be considered for implementation by the City in the upcoming months. Finally, the Collaboration recommendation related to neighborhood design standards will be developed in 2014 for Planning Commission and City Council consideration as LDC Package #2. It will address several concerns raised by the AANA to the Neighborhood Planning Work Group.

EXHIBIT I-17

- As described in Attachment 2 of the September 30 memorandum referenced above, the Neighborhood Planning Work Group considered testimony from Mr. Hess that proposed eliminating the LDC's density rounding provision entirely. The Work Group ultimately recommended that project developers be allowed to round down density calculations in order to meet minimum density requirements but didn't propose eliminating the rounding option for maximum density calculations. As directed by the City Council, this recommendation will be incorporated into LDC Package #1 that will be considered by the Planning Commission in early 2014 and forwarded to the City Council for a final decision.

- There will be an opportunity for the public to participate in the eventual outcome of this recommendation. As I noted in response to the Council following Visitor Proposition comments made by Mr. Hess at the October 21, 2013 meeting, citizens could propose a different approach regarding maximum density calculations through the public hearing process for LDC Package #1.

Review and Concur:

12/31/2013

Jim Patterson, City Manager

EXHIBIT I-18

Excerpt From 10/24 E-Mail to the Mayor and City Council

During Mr. Hess's comments regarding rounding provisions in the LDC, Councilor Sorte inquired about the Collaboration recommendations related to density rounding. As I indicated at the meeting, there was a recommendation regarding this matter but that it did not fully match up with the Avery Addition's proposal. Below is the excerpt from Attachment 2 of the staff report to the Council (October 7 meeting) that describes the Collaboration recommendation.

The Work Group recommends that the City of Corvallis amend the Corvallis Land Development Code to allow the redevelopment of residential infill properties at densities that are otherwise below minimum required density.

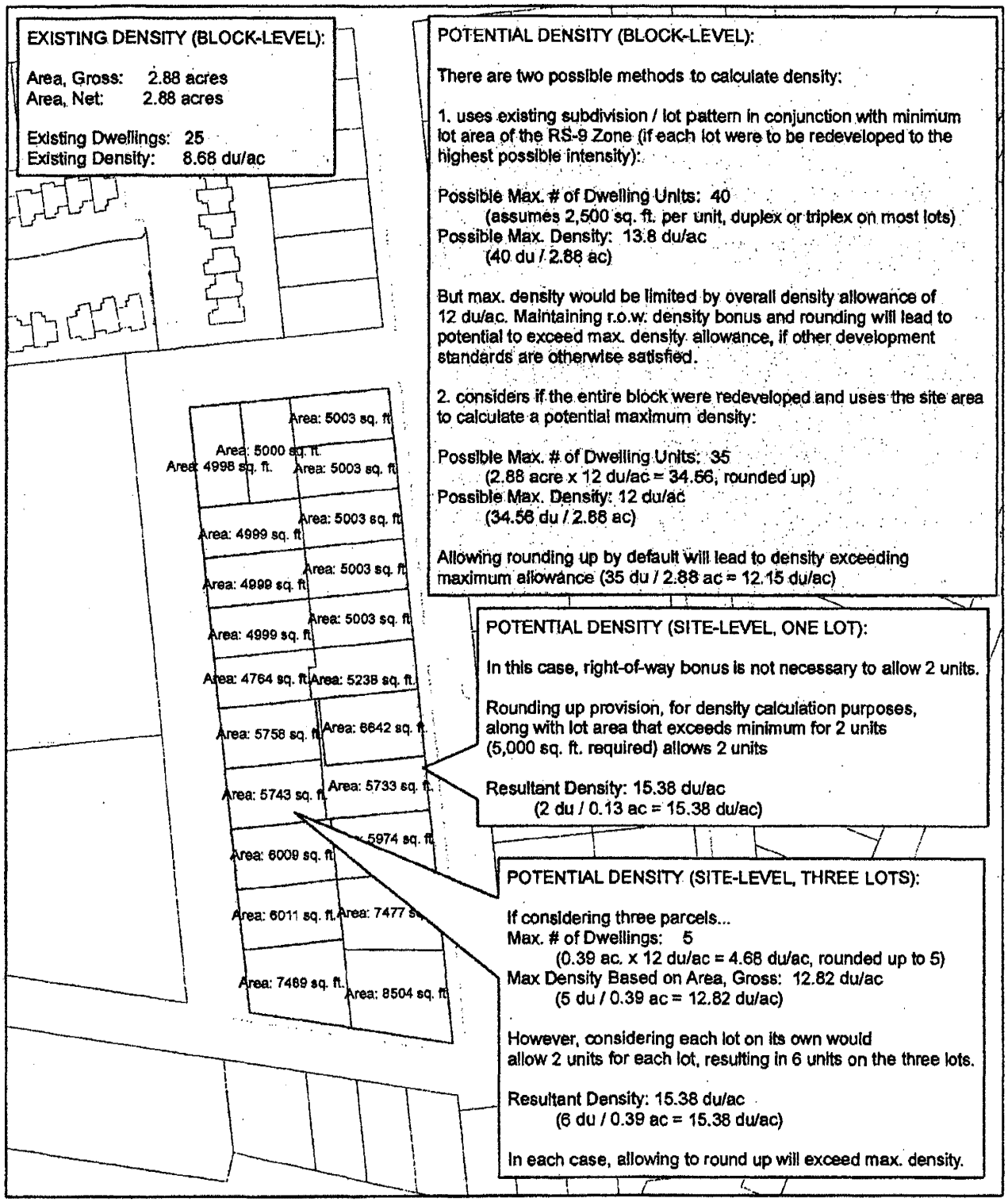
Basis for Recommendation

The Work Group discussed the existing provisions in the Corvallis Land Development Code that permit "rounding up" to the next whole number when the density calculation for a property results in a fraction of 0.5 or greater. For example, if the calculated maximum density for a given parcel of land was 1.5 units, the owner could build up to two units. A request to eliminate this provision was presented to the Work Group through public testimony.

While a recommendation to that affect was not adopted, the Work Group also discussed the merits of facilitating redevelopment of infill properties at densities that may be closer to the original development patterns, particularly in older historic neighborhoods surrounding the Oregon State University campus. Rather than addressing scenarios related to maximum density, the subject recommendation would not require density intensification. For example, if the calculated minimum required density was 1.5, the owner could choose to "round down" to 1 unit. This option is intended to help foster the preservation of original development patterns, particularly in historic neighborhoods.

Density Analysis (RS-9 Sample)

Density Range: 6 - 12 dwellings per acre



EXISTING DENSITY (BLOCK-LEVEL):

Area, Gross: 2.88 acres
Area, Net: 2.88 acres

Existing Dwellings: 25
Existing Density: 8.68 du/ac

POTENTIAL DENSITY (BLOCK-LEVEL):

There are two possible methods to calculate density:

1. uses existing subdivision / lot pattern in conjunction with minimum lot area of the RS-9 Zone (if each lot were to be redeveloped to the highest possible intensity):

Possible Max. # of Dwelling Units: 40
(assumes 2,500 sq. ft. per unit, duplex or triplex on most lots)
Possible Max. Density: 13.8 du/ac
(40 du / 2.88 ac)

But max. density would be limited by overall density allowance of 12 du/ac. Maintaining r.o.w. density bonus and rounding will lead to potential to exceed max. density allowance, if other development standards are otherwise satisfied.

2. considers if the entire block were redeveloped and uses the site area to calculate a potential maximum density:

Possible Max. # of Dwelling Units: 35
(2.88 acre x 12 du/ac = 34.56, rounded up)
Possible Max. Density: 12 du/ac
(34.56 du / 2.88 ac)

Allowing rounding up by default will lead to density exceeding maximum allowance (35 du / 2.88 ac = 12.15 du/ac)

POTENTIAL DENSITY (SITE-LEVEL, ONE LOT):

In this case, right-of-way bonus is not necessary to allow 2 units.

Rounding up provision, for density calculation purposes, along with lot area that exceeds minimum for 2 units (5,000 sq. ft. required) allows 2 units

Resultant Density: 15.38 du/ac
(2 du / 0.13 ac = 15.38 du/ac)

POTENTIAL DENSITY (SITE-LEVEL, THREE LOTS):

If considering three parcels...
Max. # of Dwellings: 5
(0.39 ac. x 12 du/ac = 4.68 du/ac, rounded up to 5)
Max Density Based on Area, Gross: 12.82 du/ac
(5 du / 0.39 ac = 12.82 du/ac)

However, considering each lot on its own would allow 2 units for each lot, resulting in 6 units on the three lots.

Resultant Density: 15.38 du/ac
(6 du / 0.39 ac = 15.38 du/ac)

In each case, allowing to round up will exceed max. density.

0 70 140 210 Feet

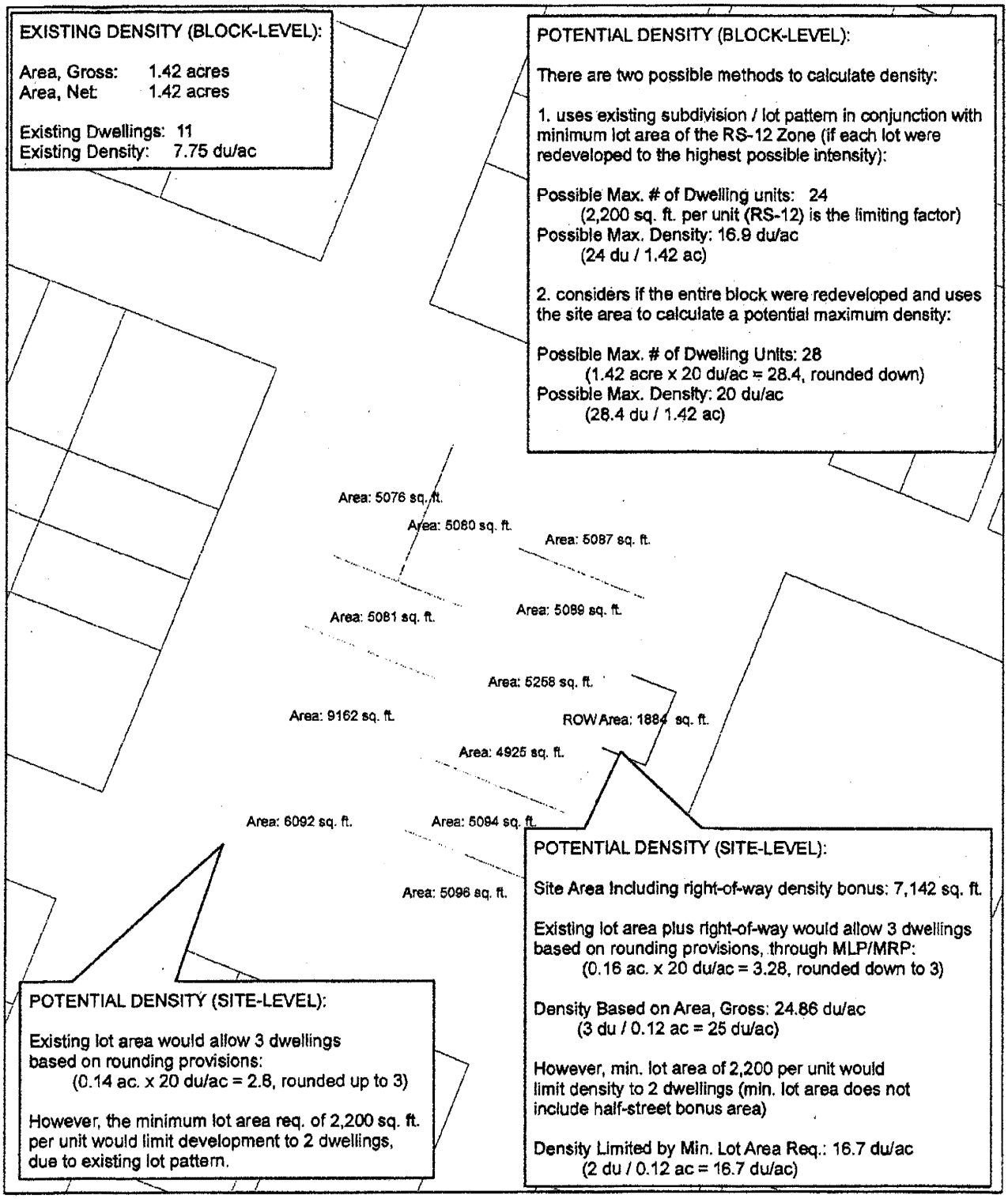
Corvallis Planning Division
501 SW Madison Ave
Corvallis, OR 97333
541.766.6908
Planning@CorvallisOregon.gov

ATTACHMENT B

EXHIBIT 1 PAGE 16

Density Analysis (RS-12 Sample)

Density Range: 12 - 20 dwellings per acre



Corvallis Planning Division
501 SW Madison Ave
Corvallis, OR 97333
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Planning@CorvallisOregon.gov

ATTACHMENT C

Package # 1 Code Amendments (LDT13-00002 /LDT13-00003)
April 10, 2014, Staff Memorandum to Planning Commission
Page 1 of 1

EXHIBIT 1 PAGE 17

MEMORANDUM

To:	Mayor and City Council
From:	Ken Gibb, Community Development Director KG
Date:	July 2, 2014
Subject:	Written Testimony Regarding the Package #1 Land Development Code Amendments (LDT13-00002 / LDT13-00003)

At the June 16, 2014, Public Hearing regarding the Package #1 Land Development Code Amendments, the City Council voted to hold the record open to allow additional testimony to be submitted until 5 pm on June 30, 2014. Attached to this memorandum is the written testimony submitted after the June 16, 2014, public hearing, but prior to 5 pm on June 30, 2014.

Benton Habitat for Humanity®

RECEIVED
JUN 30 2014
Community Development
Planning Division

June 30, 2014

Corvallis City Council
501 SW Madison Ave
Corvallis, OR 97333

Re: Proposed Draft Land Development Code Amendment

Dear City Councilors,

Thank you for extending the opportunity to review the proposed changes to the Land Development Code (LDC) in LDT13-0003.

Benton Habitat for Humanity is formally requesting an amendment to the written definition of Select Affordable Housing Units (see page two) and a modification to the proposed changes to the side yard setbacks (see page three).

As currently written, both of these proposed code changes could have the unintended consequence of further restricting the ability to build smaller (less than 1,300 sq. ft) single family homes which would be ideal for lower income, starter families, or single level homes for aging in place seniors. We have supplied information that details our concerns and amendments to address them in the packets you were given.

Benton Habitat wants to thank the Corvallis Infill Task Force for providing feedback on our original proposal and helping us to further improve it, but due to the testimony deadline they have not had an opportunity to review the final attached proposal.

We sincerely appreciated the workgroup and the City of Corvallis for its efforts to address the housing need in our community. Thank you for your full consideration of our requests.

Sincerely,

Karen Rockwell

Karen Rockwell
Executive Director

Issue:	**Exemption of Affordable Housing Projects from 4/5 Bedroom Parking Requirements** ***(Item 2-1 found in 3/7/2014 Staff Report C.1 pp. 16 – 19)***

Concern: The current definition does not go far enough in defining who would benefit from this exemption. This ambiguous language could result in misunderstandings and misuse. Benton Habitat for Humanity makes the following recommendation:

- Clearly identify the particular affordable units that are eligible for this exemption
- Eliminate language that may be misunderstood to mean the wider category of residential units that "qualify" as Affordable Housing
- Clarify that this exemption is applicable to "housing unit(s)" whether or not they are part of a "development"
- Explain that the "combined" income of those residing in a select affordable housing unit must be at or below 80% of median

Proposal: See also; Select Affordable Housing Units.

Select Affordable Housing Units – Housing units that are designed to serve residents with a household income at or below 80% of the Corvallis area median, through ownership or rental costs, defined as rent or mortgage plus utilities, that comprise no more than 30 percent of the monthly income of a household that has an income at or below 80% of the Corvallis area median. Select Affordable Housing Units shall demonstrate commitment to providing affordable housing through restrictions established by the City of Corvallis or the State of Oregon, guaranteeing affordability of the housing for a period of not less than 20 years.

Benefits: The proposed amendment:

- makes it harder for developers of student housing units to claim this exemption;
- confirms BHfH's eligibility for this exemption since we generally build homes on scattered and infill sites rather than "developments" and
- pinpoints the exempted category of Affordable housing.

Summary: BHFH is requesting the above modification to the written definition of Select Affordable Housing Units.

Proposal:	**Maintain existing reduced setback standards for affordable smaller attached units developed on narrow lots.**

PURPOSE: Increase the stock of affordable smaller homes that are appropriate to the neighborhood and suitable for retirees, small families, the elderly and disabled, and first-time home buyers.

BACKGROUND: Narrow lots created by 2006 LDC changes were intended to provide diverse housing options. Single Attached housing units built on narrow lots have resulted in some three-story homes with front yards full of cars, rather than the pedestrian friendly features envisioned in the 2006 LDC.

CONCERN: Although increasing side setbacks from 8-feet to 10-feet on all Single Attached lots will help alleviate community concerns about the development of disproportionately large homes, it also potentially hurts the development of affordable smaller homes on narrow lots.

IMPLEMENTATION: See text in BOLD below. Adapted from the proposal presented on pages 24 and 25 of the 3/7/2014 Staff Report.

e. Setbacks

1.	Front yard	10 ft. minimum; 25 ft. maximum Also, unenclosed porches may encroach into front yards, provided that a minimum front yard of 5 ft. is maintained.
2.	Rear yard ~~and Side yards~~	5 ft. minimum. ~~Additionally, the setbacks listed below apply for side yards not being used as the usable yard described above.~~
3.	Side yards	
	Interior attached townhouses exempt from interior side yard setbacks.	
	a) Single Detached	5 ft. minimum each side yard
	b) Single Attached	~~0 ft. one side; 8 ft. minimum on opposite side~~[1] 0 ft. one side; 10 ft. minimum on opposite side[2]
	c) Zero Lot Line Detached	0 ft. one side; 8 ft. minimum on opposite side[1]
	d ~~c~~) Duplex, Triplex and Fourplex	10 ft. minimum each side
	e ~~d~~) Abutting a more restrictive zone	10 ft. minimum
4 3.	Exterior Side Yard and Rear Yard abutting a Street	10 ft. minimum vision clearance areas in accordance with Section 4.1.40.c of Chapter 4.1 - Parking, Loading, and Access Requirements.
	See also "k," and "l," below.	

1. For Detached Zero Lot Line dwelling units, prior to Building Permit approval, the applicant shall submit a recorded easement between the subject property and abutting lot next to the yard having the zero setback. This easement shall be sufficient to guarantee rights for maintenance purposes of structures and yard, but in no case shall it be less than five ft. in width.

2. A side setback reduction to "0 ft. one side; 8 ft. minimum on opposite side" shall be applied for dwelling units meeting the Select Affordable Housing Unit definition when the lot width is ?30 ft. and the floor plan (including any garage space), totals ?1,300 sq. ft.

RECEIVED

JUN 30 2015

Community Development
Planning Division

WILLAMETTE
Association of REALTORS®

June 30, 2014

To: Corvallis City Council

From: Sue Long, 2014 President
Willamette Association of REALTORS®

Holly Sears, Government Affairs
willamettevalleygad@gmail.com
503-931-0876

Re: Proposed Text Amendments to the Land Development Code, Package #1

On behalf of the Willamette Association of REALTORS®, thank you for the opportunity to comment regarding the proposed text amendments to the Land Development Code. We appreciate the Council's decision at its June 16 meeting to hold the record open in order to allow further comments to be submitted. With that in mind, our Association would like to address two overarching concerns:

First, although several of the amendments proposed appear minor on their own, they do have the cumulative affect of having a substantial impact on the overriding and predominant issue of housing availability and affordability in Corvallis. Whether people want to buy or rent, there is simply nothing affordable to be found. Many of the changes proposed have the impact of decreasing density and further contributing to the lack of affordable housing. An evaluation should be done, and is encouraged, to determine how the proposed amendments impact housing affordability in Corvallis. It is our understanding that the City's Housing Study may soon be released. The results of this study should be incorporated into the Council's deliberation of the proposed changes to the Land Development Code, particularly how these amendments impact the future of affordable housing in Corvallis.

Second, very little time was afforded to the public to digest the amendments between the time the package was posted on the City's website and deliberation by the Planning Commission and the City Council. It is unreasonable to assume that the average citizen would have the ability to commit enough time over the course of just a few short days to review the 475-page document posted a mere four days before the June 16 City Council meeting. More time should be given to the public to review and determine the impact of such substantial and lengthy proposals. We request that the Council consider a longer public notice period for future matters that involve a great amount of in-depth understanding and analysis, such as the Land Development Code.

Thank you for the consideration of our comments.

#######

Willamette Association of REALTORS®
541-924-9267 Phone 541-924-9268 Fax Email: realtors@waor.org

(Representing Members in Benton and Linn Counties)

From the desk of
Kathryn J. Phillips
P.O. Box 1465 Corvallis, OR 97339
Ph/Fax (541) 758-4247

6-3-2014

RE: TA LDT 13-00002
LDT 13-00003

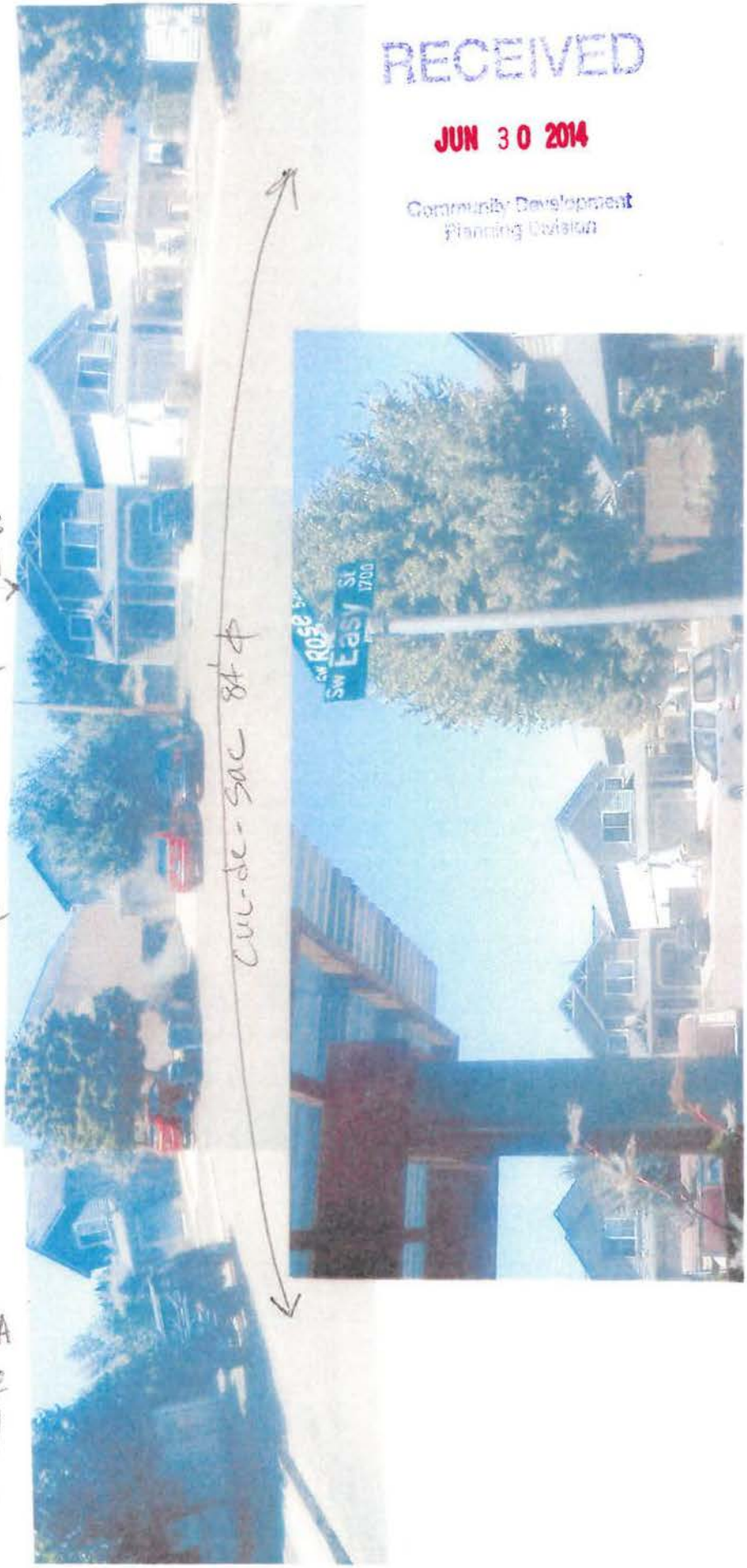
RECEIVED
JUN 30 2014
Community Development
Planning Division

This is a request City Council DO NOT ADOPT *TA that eliminates the owner's gifted "half-street bonus", as recent over-builds of apartments will diminish "large house on small lot" development, and, adoptions will stop beautiful in-fill residential developments as my 8-lot Rosewest provide to renters wanting to become homeowners.

Drive this cozy 8-home housing project that transitioned between big apartment buildings (RS-20) and an existing neighborhood RS-6 with new SFD homes close to shopping & transportation.

Please do not adopt TA and hinder affordable housing projects by hometown builders

K.J. Phillips



HUMAN SERVICES COMMITTEE
MINUTES
June 17, 2014

Present
Councilor Penny York, Chair
Councilor Mike Beilstein
Councilor Bruce Sorte

Staff
Jim Patterson, City Manager
Jon Sassaman, Police Chief
Jim Brewer, Deputy City Attorney
Carrie Mullens, City Manager's Office

Visitors
Carl Price
Don Davidson

SUMMARY OF DISCUSSION

	Agenda Item	Information Only	Held for Further Review	Recommendations
I.	Visitors' Propositions • Open carry of weapons (Price, Davidson)	Yes		
II.	Council Policy Review and Recommendation: 92-5.04, "Hate/Bias Violence"			Amend Council Policy 92-5.04, "Hate/Bias Violence" as recommended by staff, amended
III.	Other Business • Pending agenda items	Yes		

Chair York called the meeting to order at 2:00 pm.

CONTENT OF DISCUSSION

I. Visitors' Propositions

Carl Price testified about the Second Amendment to the United States Constitution – right to bear arms (Amendment II). He noted that during a recent Government Comment Corner, Councilor Traber opined that Amendment II was not an individual right or pre-existing right. Mr. Price reported that the US Supreme Court ruled in *District of Columbia v. Heller* that Amendment II protects the individual right to possess a firearm unconnected with service in a militia and to use that firearm for a traditionally lawful purpose such as self-defense within the home. Additionally, the Court ruled in the same case that Amendment II is not dependent on the Constitution for its existence and it shall not be infringed upon.

The *Heller* case was decided after the Oregon open carry law was adopted. The Oregon law has not yet been challenged in court and the consensus is that it will be overturned. Typically, Oregon cities drop these types of cases and settle out

of court. This reaction is a financial burden to cities. He inquired where the money would come from to defend an open carry case.

Mr. Price opined that the Corvallis Police Department does a good job; however, Officers are being asked to stop citizens carrying weapons to determine whether they are obeying Oregon law. Legally, the Officer must have a reasonable suspicion that a crime has been committed to make that determination. Without reasonable suspicion, issues arise similar to the former case against Officer Dodge. The lawsuit involving Office Dodge was settled last year. If the City had not settled the case, Officer Dodge would have been at personal financial risk because the judge ruled that Officer Dodge was personally responsible for the stop and that he had committed assault by frisking the citizen after making an illegal stop.

Corvallis does not have a violence problem. According to FBI data, in 2012, Corvallis had one murder and many forcible rapes. Statistically, countries that ban firearms experience an increase in rapes. The Corvallis murder was the only murder in Benton County in 2012. Corvallis is one of the safest communities in Oregon.

Corvallis has law abiding citizens exercising their constitutional rights. Someone called the Police Department because they disagreed with another person who was exercising their civil rights in a lawful manner. This is no different or less offensive than someone complaining over someone else praying over their picnic lunch or observing two people of the same gender kissing. Mr. Price said he is astounded that Council is addressing an issue that infringes on citizens' civil rights.

Councilor Beilstein said Oregon law precludes local ordinances on weapons except in a narrow range of application. He inquired about the narrow range.

Mr. Price said the law currently allows a City to prohibit an unlicensed individual from openly carrying loaded weapons. Officers cannot provide a reasonable suspicion that a crime has been committed by observing someone openly carry a weapon. An Officer can always ask a person questions, but they cannot detain the person without reasonable suspicion.

Councilor Beilstein opined that if a citizen observes someone carrying a gun and it scares them, no matter how unreasonable it may seem to others, it is appropriate for an Officer to question the person carrying the gun. The City may not be able to do that legally.

Chair York reminded the audience that this topic is on the Committee's agenda for July 8. She said audience members are welcome to provide testimony about

any topic within the Committee's jurisdiction; however, she prefers not to hold a dialogue until all interested parties are present.

Don Davidson said he does not understand the open carry issue. As a military retiree, he was trained that every weapon is loaded. Trying to differentiate between a loaded and unloaded weapon is futile. This seems like an issue of gun control and infringing on citizens' civil rights. Over the past few years there have been an increasing number of incidents of murders with guns, knives, and other weapons. The news only reports about the guns. Recently in California, three people were killed with a knife and three people were killed with a gun. The reports only spoke about the gun. The end point of gun control is to ban and confiscate guns. If people are concerned about taking innocent lives, abortion should be banned. Council should consider the following:

- In World War II, why did the Japanese choose not to invade the West Coast of the United States?
- Why did the shooter in Colorado pick that specific theater?
- Can a weapon do harm by itself?

II. Council Policy Review and Recommendation: 92-5.04, "Hate/Bias Violence"

Chief Sassaman reviewed the staff report. He noted that the two-year Policy review occurred in December 2013. At that time, this Committee questioned Policy statements related to the Community Alliance for Diversity (CAD) and directed staff to reconnect with CAD to seek their continued involvement as an information and referral source, as well as a vehicle for reporting biased-based complaints. The Committee also directed staff to contact the Commission for Martin Luther King, Jr., Casa Latinos Unidos de Benton County, and the National Association for the Advancement of Colored People. Staff also communicated with the OSU Lesbian Gay Bisextual Transgender Queer outreach and services coordinator. All of the organizations except for CAD expressed an interest in advising the Department on diversity and training materials, and potentially helping to train the Department in the future. CAD declined involvement due to a lack of resources.

Chief Sassaman said the staff report includes information about the Community Police Review Board and Community Policing Forum. The report speaks to the Department's Professional Standards Unit and their training related to internal affairs investigations. The Department has two staff (of only three in Oregon) who have completed advanced and facilitator training at the Museum of Tolerance in Los Angeles. They train other State law enforcement agencies and all Corvallis Police Department staff in "Tools for Tolerance – Perspectives in Profiling."

Chief Sassaman said Policy amendments include removing all language referencing CAD, adding language directing staff to establish ongoing working

relationships with community organizations to advise the Police Department on diversity issues and training, and reformatting language for Council Policy consistency.

Councilor Beilstein said it is unfortunate that CAD can no longer participate. Taking the initiative to connect with other groups is a positive step and reaffirms that the City does not approve of or tolerate hate or bias.

Chair York stated appreciation for staff reaching out to the various groups. She said it makes sense that more than one organization is involved since each interest group has their own perspective.

Chief Sassaman said the Department works hard to demonstrate transparency and respond to community issues while utilizing the right values, ethics, and decision making.

Chair York agreed, and added that as a woman, she sometimes sees issues differently than others or that others do not see. Everyone has friends of other minorities who see things that are not quite so obvious to others. When people work together, their common interests and values are emphasized. Hearing from people with different perspectives enriches diversity.

The Committee unanimously recommends Council amend Council Policy 92-5.04, "Hate/Bias Violence" as recommended.

Following the meeting, staff discovered that an acronym was incorrectly used in the draft amended Policy. Section 5.04.042 should read:

> *The Corvallis Police Department will work with community organizations representing Corvallis' diversity (e.g., National Association for the Advancement of Colored People, Commission for Martin Luther King. Jr., and Casa Latinos Unidos de Benton County) to advise the Department on diversity issues, including diversity training of Department staff.*

III. Other Business

Chair York reviewed the pending Committee agenda items (Attachment 1).

Councilor Sorte requested information about how other communities are responding to the open carry issue in relation to Amendment II and fear. He said he prefers the "soft touch" of the Hate/Bias Violence Policy and how it is being utilized. He noted that he would not allow anyone to carry a weapon in his home.

Councilor Beilstein inquired about the discussion to relocate the Senior Center. He said he assumed this had been discussed with the Parks, Natural Areas, and Recreation Board.

Mr. Patterson said the Senior Center agenda item is a check-in from staff and request for next step direction.

In regards to the Senior Center relocation, Councilor Sorte requested demographic information and facts. He does not support relocating the Senior Center a great distance away. He said the Center humanizes the area and he worries about what will happen in that neighborhood if the Center moves.

Mr. Patterson added that Parks and Recreation Director Emery will have additional information related to trust funds for potential expansion and/or upgrades to the Center.

The next Human Services Committee meeting is scheduled for 2:00 pm on Tuesday, July 8 in the Madison Avenue Meeting Room.

The meeting adjourned at 2:35 pm.

Respectfully submitted,

Penny York, Chair

Attachment 1

HUMAN SERVICES COMMITTEE
SCHEDULED ITEMS

June 12, 2014

MEETING DATE	AGENDA ITEM
June 17	• Council Policy Review and Recommendation: • 92-5.04, "Hate/Bias Violence"
July 8	• Corvallis Farmers' Market Annual Report • Parks and Recreation Draft Master Plan Recommendation to Relocate Senior Center • Open Carry of Weapons in Parks
July 22	•
August 5	•
August 19	• Social Services Semi-Annual Report
September 2	•
September 16	• Rental Housing Program Annual Report
October 7	• Council Policy Reviews and Recommendations: • 93-4.11, "Public Library Policy for Selecting and Discarding Materials"
October 21	•
November 4	• Council Policy Review and Recommendation: • 95-4.08, "Code of Conduct on Library Premises"
November 18	•

December 2	• 2015-2016 Social Services Priorities and Calendar
	• Council Policy Reviews and Recommendations:
	  • 91-1.03, "Naming of Public Facilities and Lands"
	  • 91-4.01, "Guidelines for Selling in Parks"

December 16	•

HSC PENDING ITEMS

- Council Policy Review and Recommendation:
  - 99-4.14, "Use of City Hall Plaza and Kiosk" — CMO
- Municipal Code Review: Chapter 5.01, "City Park Regulations" (Alcoholic Beverages in Parks) — Parks & Recreation
- Municipal Code Review: Chapter 9.02, "Rental Housing Code" — Community Development
- OSU/City Collaboration Project Recommendations (Action Items 4-1, 4-3, 4-4, 5-1) — Community Development

Regular Meeting Date and Location:
Tuesday of Council week, 2:00 pm – Madison Avenue Meeting Room

Memorandum
Corvallis Police Department
May 30, 2014

To: Human Services Committee
From: Jonathan M. Sassaman, Chief of Police
Subject: Policy Review / Council Policy 92 -5.04 Hate/Bias Violence

ISSUE:

The Police Department is responsible for the biennial review of Council Policy 92 – 5.04 Hate/Bias Violence. Council action is required.

DISCUSSION:

The purpose of the Hate/Bias Violence policy is to denounce hate, bias and violent activity in Corvallis; to encourage and preserve a harmonious and respectful community environment; and to work toward tolerance of diversity with the goal of equal rights for all citizens regardless of age, citizenship, color, familial status, gender identity or expression, marital status, mental disability, national origin, physical disability, race, religion, religious observance, sex, sexual orientation, and source or level of income.

The policy directs staff to: 1). Investigate hate and bias crime incidents within the framework of existing criminal law and, 2). Establish and fund an ongoing training program for Corvallis Police Officers regarding hate and bias crime investigation and cultural diversity sensitivity.

This policy also enables Council to affirm its philosophy regarding hate, bias and discrimination activity in Corvallis and to biennually review its implementation.

Staff presented a biennial update on December 3, 2013. The current Council Policy references the City having a contract with Community Alliance for Diversity (CAD) who would liaise between the community and City regarding complaints and provide information and referral. CAD terminated the contract with the City in February 2012, as such staff recommended removal of CAD language in the Council Policy.

HSC directed staff to contact CAD to seek their continued involvement as an information and referral source, as well as a vehicle for reporting biased based complaints to the Police Department. Staff were also directed to contact the Martin Luther King Commission, CASA Latinos Unidos de Benton County and the NAACP and report back to the committee.
Staff met and/or communicated electronically with CAD, MLK Commission, CASA, and the NAACP and the Oregon State University LGBTQ outreach and services coordinator. CAD declined involvement due to a lack of personnel and resources to be effective (see attachments 1 & 2). The

MLK Commission, CASA and the NAACP and the LGBTQ community accepted the invitation to review diversity training materials including advising the Department on matters related to diversity, inclusion and bias.

All "Hate Crime" offenses reported to the Police Department are investigated under the "Intimidation" statutes of Oregon. All staff have been trained to investigate such offenses and coordinate the investigation and prosecution with the Benton County District Attorney's Office. As appropriate, staff may also consult with the Federal Bureau of Investigation.

In 2005 and 2006 the City Council, the Corvallis Police Officers Association, Police management, the City Attorney's Office and HSC researched other city review boards, and implemented the Corvallis Citizen Review Board where unresolved complaints including biased based complaints may be taken by complainants for review. Biased based complaints involving department personnel may be submitted via any means to the Corvallis Police Department for investigation. This includes complaints received at City Hall, the City Attorney's Office, CAD, the Community Policing Forum, the newspaper or any other source (e.g. NAACP, CASA, MLK, LGBTQ). The Corvallis Police Review Board has been in existence since 2006, meets quarterly and consists of Mayor appointed and City Council approved members. The Review Board meets quarterly and is provided an update on all complaints received at the police department, including the nature of the complaint and the findings. The Review Board is additionally provided information about commendations for officer performance. Any modification to the existing Corvallis Citizen Review Board increasing authority and/or expanding its charge to review complaints in a manner that could subject union members to discipline is a mandatory subject of collective bargaining with the Corvallis Police Officers Association. Oregon Labor law subjects both parties to binding arbitration, if an agreement about the specific terms of mandatory bargaining subjects is not reached.

The Corvallis Police Department Professional Standards Unit, led by an exempt lieutenant and reporting directly to the Chief of Police, is responsible for: policies and procedures, training, and internal affairs (IA) investigations. The lieutenant is professionally trained in conducting IA investigations and complies with National Accreditation standards and the Police Officers Bill of Rights, consistent with the State of Oregon and labor contract requirements.

The lieutenant is one of two department staff (and only three in the State of Oregon) who have completed advanced and facilitator training at the Museum of Tolerance in Los Angeles. The courses, "Tools for Tolerance – Perspectives in Profiling, have subsequently been provided by these employees to all Corvallis Police Department staff and to other law enforcement agencies throughout the State of Oregon.

The Police Department supports the Community Policing Forum made up of citizens and a Mayor appointed councilor. The Community Policing Forum:

- Uses a collaborative process for community policing,
- Includes members who represent and interact with a cross section of the community,

- Is a joint problem solving group of citizens and police personnel,
- Exchanges ideas and information to build and maintain a communication link between the community and the police department,
- Is a sounding board for the Chief and Management for policy direction,
- Assists in educating the public about community policing,
- Brings forth and discuss community concerns about law enforcement and criminal justice in Corvallis, and
- Serves as an advocate in support of the department's efforts in promoting a philosophy of continuous quality improvement and customer service.

The Community Policing Forum initiated and assisted the police department in becoming a nationally accredited agency through the Commission on Accreditation for Law Enforcement Agencies in 1995, including instituting "stop data" collection and supporting the creation of the Citizen Review Board. These efforts all contribute to a department focus on professional, intelligent, anti-bias, transparent policing.

The Police Department mandates annual training on bias-based profiling, including cultural diversity, inclusion, communication skills and hate crimes. Additionally legal aspects which impact our diverse community such as field contacts, traffic stops, search and seizure, forfeiture, interview techniques, discrimination and community support are addressed.

RECOMMENDATION:

Staff recommends the Council amend the policy including the removal of language referencing the Community Alliance for Diversity and including language directing the Police Department to establish ongoing working relationships with community organizations to advise the Police Department on diversity issues and diversity training.

Staff further recommends on behalf of the City Manager's Office, Council amend the identified formatting changes to the Council Policy for consistency purposes.

Attachment:

1. E-mail communication with CAD Co-Chair Laureen Urey
2. Memorandum from CAD canceling contract with the City of Corvallis.
3. Minutes from December 3, 2013 Human Services Committee
4. Council Policy 92 – 5.04 Hate/Bias Violence

Review and concur:

James A. Patterson, City Manager

Review and concur:

Jim Brewer, City Attorney

Sassaman, Jon

1

From: Laureen Hodges Urey [dlurey@yahoo.com]
Sent: Saturday, January 11, 2014 8:57 AM
To: Sassaman, Jon
Cc: Kathy Thompson; Tom Johnston
Subject: Letter terminating contract with City.doc
Attachments: Letter terminating contract with City.doc; ATT00001.txt

Chief Sassaman-

I'm sorry if you didn't receive the following update. I thought that I had sent it, but may have overlooked it in my travels. Please disregard if you have already received it. Thanks for your patience. Laureen

Chief Sassaman-

The Community Alliance for Diversity(CAD) Executive Board met on 12/16/2013 to consider your request for CAD involvement on CP 92-5.04. At this time we are unable to fulfill an advisory/advocacy role for this policy. We are currently experiencing a lack of personnel and resources and would not be able to carry out the role effectively. I have attached a copy of the termination contract sent in 2012 for further explanation. If you have any other concerns or questions, please feel free to contact me. Thank you again for your interest.

Sincerely,

Laureen Urey
CAD Co-Chair

408 SW Monroe St
P.O. Box M210E
Corvallis, OR 97339

2

Community Alliance for Diversity

January 14, 2014

501 S.W. Madison Avenue
P.O. Box 1083
Corvallis, OR 97339-1083

Dear Mr. Patterson:

On January 10th, 2012 I, and the rest of the Executive Committee for the Community Alliance for Diversity, met with you to discuss the service contract our organization has with the City. Per that discussion I am providing you with this letter of termination that you requested as well as some history that will help you and the City Council better understand our need to terminate what has been referred to as the Ombuds contract with the City.

In June, 1993, seven organizations came together to form the Community Alliance for Diversity. Those organizations were the City of Corvallis, Benton County, Oregon State University, Linn-Benton Community College, 509J School District, the Corvallis Downtown Association and the Corvallis Chamber of Commerce. In July of that year one representative from each of these organizations was appointed to the Steering Committee of CAD. This committee was charged with designing, developing and overseeing an action plan to coordinate and promote existing and new activities and events that supported diversity. All resources for carrying out this responsibility (human and material) were provided by these organizations and 5 objectives were developed for the organization;

- Develop a principle for the Community
- Encourage community dialogue about diversity
- Develop a diversity event for the community
- Create a resource directory and community calendar for events; serve as clearing house for community organizations
- Formalize structure of the Community Alliance for Diversity

By the time the City and CAD agreed to enter into a contract to provide referral and presentation services for the City, the Community Alliance for Diversity had a healthy income of ~$45,000 and had hired an Executive Director. It is my understanding that the services outlined in the contract would be part of the additional duties of the Executive Director who was already being paid for services from the generous support of those seven founding organizations as well as other funding sources. The City agreed to pay a stipend in support of that contract. Again, this amount was offered in support of an already existing, fully funded position and merely added to the duties of that position. Also, these funds were offered in addition to funds already provided by the City to support the organization's objectives that the City helped develop.

Today, we no longer get funding from those seven organizations in support of those objectives, with one exception. Larry Roper, from OSU, has continued to provide our organization with some funding in the hope that CAD would be able to continue the work it began over 15 years ago. While we greatly appreciate Dr. Roper's continued support, it can, in no way, match the funding CAD had seen when it was a healthy organization.

Due to the lack of financial support from most of the founding organizations our effort to continue to support the contract with the City has taken up most of the income and effort of our organization and the contract is negatively impacting CAD's fulfillment of its mission and activities. Because of this we can no longer support this contract. As Chair of the Community Alliance for Diversity I am, officially, giving the City 30 days notice of our intent to end this contract.

I wish you and the City all the best and offer hope that, should the Community Alliance for Diversity become a viable, fully supported organization, we can revisit support for this contract.

Sincerely,

Tom Johnston
Chair – Community Alliance for Diversity

input. The retailers are more concerned about licensure chang
already treat e-cigarettes like tobacco products (behind counters, not selling to minors) and desire marketing equity and consistency throughout the County.

The Committee unanimously recommends Council amend Corvallis Municipal Code Chapter 5.03, "Offenses," by means of an ordinance read by the City Attorney.

III. Council Policy Review and Recommendation: 92-5.04, "Hate/Bias Violence"

Chief Sassaman reviewed the staff report. The goal of the policy is for equal rights for all citizens. It denounces hate/bias violence activity and directs staff to investigate hate/bias crimes and provide ongoing training for Corvallis Police Officers. The report includes a list of the trainings for the last two years. The policy references a contract with Community Alliance for Diversity (CAD) to act as a liaison between the community and the City regarding complaints and referrals. In 2012, the contract was terminated at CAD's request. Chief Sassaman was not able to make contact with CAD; however, Chair Sorte told him that CAD exists in a less structured environment.

Chair Sorte explained that CAD is a stand-alone group that no longer has support. He would prefer to amend the policy to continue working with CAD in an advisory role. He will discuss this further with CAD.

Councilor Beilstein confirmed that CAD requested to be released from the contract. CAD is not a strong organization. Its core group of four includes Benton County Health, elected officials, and a Council Liaison appointed by Mayor Manning (currently Chair Sorte). He opined that there is no relationship between this policy and CAD and that removing CAD language from the policy is appropriate. The contract between the City and CAD reestablished an ombudsman that had previously been located in the Police Department and, for a period of time, the City Manager's Office. Councilor Beilstein expressed concern about the current lack of an ombudsman position and function. He does not believe including CAD in this policy is a good way to fulfill that role.

Chief Sassaman said the policy takes a strong position against hate/bias and provides a good mechanism for enforcement.

Councilor York noted that everyone has bias and said it is sometimes difficult to understand how bias behaviors impact others. She expressed concern that no one is reviewing the impact of bias. She requested information about the Officer training curriculum how that training is evaluated.

Chief Sassaman said the City has a partnership with Benton County for diversity training. He attends specific diversity training that includes law enforcement representatives world-wide. The Department works with OSU and the Multicultural Center on local demographic issues and they provide training to one another. Internally, the Department reviews all laws related to anti-discrimination. The Department is one of a limited number of agencies that collects stop data. The data is reviewed and measured against other jurisdictions every five years. The Citizens Review Board was established to investigate and respond to biased-based complaints against law enforcement.

Chair Sorte expressed concern about how the City would respond to a bias complaint without a third party group to investigate. He suggested that most of the policy language could be deleted and CAD and the Commission for Martin Luther King, Jr. (MLK Commission) could act in an advisory role to address complaints. The Police Department no longer supports a full-time ombudsman position; however, it is an important position to have. In the meantime, involving CAD and MLK Commission formally acknowledges the City's recognition that there needs to be another perspective.

Councilor York agreed with the concept of including another group, but not until training and development parameters are initiated.

Chief Sassaman explained that the Department's role is as an investigative body. CAD does not have that authority.

Mr. Patterson added that including the MLK Commission may require changing their mission and/or charge. Empowering a group of people to serve in an advisory role includes the expectation that those involved want that responsibility. Serving in an advisory role will require dedicated participation by all members, training, and time commitments. He suggested Chief Sassaman conduct outreach, meet with the MLK Commission, CAD, and the NAACP and report back to this Committee.

Councilor York said, several months ago this Committee directed the MLK Commission to revisit their mission and report back. According to their minutes it does not appear they will report for several more months. She expressed concern that they would be given additional responsibilities when they have not yet responded to a directive by this Committee.

Councilor York announced that the Public Participation Task Force is discussing the creation of a Human Relations Board that would include issues related to diversity, inclusion, bias, and outreach. This Board may be able to provide an advisory role for bias-related complaints.

Chair Sorte said the MLK Commission has been working on the January celebration. They are also planning a retreat to work on the mission.

After further discussion, Chief Sassaman agreed that there is no hurry to amend the policy. He will schedule time to meet with various groups and report back to this Committee in a few months. In the meantime, complaints will be investigated as usual.

Mr. Patterson noted that two cases of potential bias have been reported to him. The cases were reported to Chief Sassaman and investigated. He added that Chief Sassaman and his Department understand the importance of these types of complaints and address them appropriately.

Councilor Beilstein suggested Chief Sassaman also meet with CASA. He said meeting with external groups will provide information about what type of advisory role the organizations can offer and what issues are currently relevant in the community.

CITY OF CORVALLIS

COUNCIL POLICY MANUAL

POLICY AREA 5 - COMMUNITY SAFETY

CP 92-5.04 **Hate/Bias Violence**

Adopted	**December 7, 1992**
Affirmed	1993/1994
Affirmed	October 16, 1995
Revised	October 6, 1997
Affirmed	December 7, 1998
Revised	October 18, 1999
Affirmed	April 16, 2001
Revised	November 3, 2003
Revised	October 17, 2005
Revised	December 3, 2007
Affirmed	November 2, 2009
Affirmed	December 19, 2011

5.04.010 Purpose

To establish a policy regarding hate/bias violence in the City of Corvallis.

5.04.020 Policy

~~a.~~

5.04.021 Verbal threats and insults based on the recipient's age, citizenship status, color, familial status, gender identity or expression, marital status, mental disability, national origin, physical disability, race, religion, religious observance, sex, sexual orientation, and source or level of income are not acceptable in the City of Corvallis.

~~b.~~

5.04.022 All physical violence or threatening behavior, including, but not limited to, the intent to cause inconvenience, annoyance, or alarm, or recklessly creating a risk thereof based upon the recipient's age, citizenship status, color, familial status, gender identity or expression, marital status, mental

disability, national origin, physical disability, race, religion, religious observance, sex, sexual orientation, and source or level of income is not acceptable in the City of Corvallis.

~~c.~~

5.04.023 Property damage or the threat of property damage based on the recipient's age, citizenship status, color, familial status, gender identity or expression, marital status, mental disability, national origin, physical disability, race, religion, religious observance, sex, sexual orientation, and source or level of income is not acceptable in the City of Corvallis.

5.04.030 Goals of the Hate/Bias Violence Policy

~~a.~~

5.04.031 That ~~the~~ Corvallis City staff and elected Officials encourage, pursue, and preserve an environment that is harmonious, respectful, and fair in its treatment of all Corvallis residents, regardless of age, citizenship status, color, familial status, gender identity or expression, marital status, mental disability, national origin, physical disability, race, religion, religious observance, sex, sexual orientation, and source or level of income.

~~b.~~

5.04.032 That the City of Corvallis work toward tolerance of diversity in our pluralistic society with the goal of equal rights for all Corvallis residents, regardless of age, citizenship status, color, familial status, gender identity or expression, marital status, mental disability, national origin, physical disability, race, religion, religious observance, sex, sexual orientation, and source or level of income.

5.04.040 Actions to Implement the Hate/Bias Violence Policy and Goals

~~a.~~

5.04.041 This ~~p~~**P**olicy directs City ~~S~~**s**taff to investigate incidents of hate/bias violence within the framework of existing criminal law. ~~Additionally, through the contract with the Community Alliance for Diversity (CAD), CAD shall act as a liaison to receive and refer complaints; provide information and referral for assistance from City Departments, neighborhood groups, community programs, and other resources; provide presentations that include: information about available assistance from City Departments, neighborhood groups, community programs, and other resources; receive housing and employment complaints; and receive discrimination complaints regarding City employees.~~

~~b.~~

5.04.042 **The Corvallis Police Department will work with community organizations representing Corvallis' diversity (e.g. National Association for the Advancement of Colored People [NAACP], Commission for Martin Luther King, Jr., Court Appointed Special Advocates [CASA], and Latinos Unidos de Benton County) to advise the Department on diversity issues, including diversity training of Department staff.**

5.04.043 An ongoing training program for all Corvallis Police Officers involved in patrol and investigation of hate/bias violence shall be established and funded.

~~c.~~

5.04.044 The goals of this officer training are to:

~~1)~~

a. Enhance sensitivity to cultural diversity and individual differences.

~~2)~~

b. Recognize that hate and bias ~~is~~ **are** not acceptable in Corvallis.

3)

c. Document sufficient facts for prosecution.

5.04.050 Review and Update

~~This Community Safety Policy shall be reviewed every two years in October by the City Council and updated as appropriate.~~
The Police Chief will prepare the Council Policy review every two years for Council approval.

ADMINISTRATIVE SERVICES COMMITTEE
MINUTES
June 18, 2014

Present
Councilor Joel Hirsch, Chair (3:35 pm)
Councilor Biff Traber
Councilor Hal Brauner

Staff
Ken Gibb, Community Development Director
Nancy Brewer, Finance Director
Kris De Jong, Administrative Division Manager
Tom Nelson, Economic Development Manager
Janet Chenard, Budget and Financial Planning Manager
Adam Steele, Franchise Utility Specialist
Marci Laurent, Management Assistant
Carrie Mullens, City Manager's Office

Visitors
Mary Pat Parker, Visit Corvallis Executive Director
Joan Wessell, Downtown Corvallis Association Executive Director
Julie Jackson, Republic Services Municipal Manager
Ron Tacchini, Republic Services Operations Manager

SUMMARY OF DISCUSSION

	Agenda Item	Information Only	Held for Further Review	Recommendations
I.	Visit Corvallis Third Quarter Report			Accept the Visit Corvallis third quarter report for FY 2013-14.
II.	Downtown Corvallis Association Economic Improvement District Third Quarter Report			Accept the Downtown Corvallis Association Economic Improvement District third quarter report for FY 2013-14.
III.	Republic Services Annual Report	Yes		
IV.	Casco Telecommunications Franchise			Approve a non-exclusive telecommunications franchise with Casco **by means of an ordinance read by the City Attorney**.
V.	Third Quarter Operating Report			Accept the third quarter Operating Report for FY 2013-14.
VI.	Other Business	Yes		

Councilor Brauner called the meeting to order at 3:33 pm.

CONTENT OF DISCUSSION

I. Visit Corvallis (VC) Third Quarter Report

Mr. Gibb referred to the staff report and information submitted by VC. The City's Finance Department found VC financial statements to be in compliance with their agreement. Staff recommends acceptance of the report.

Ms. Parker announced that VC has partnered with an outfitter and applied for Travel Oregon grant funds to offer and promote float trips on the Willamette. She noted that no other company is offering this type of service. A decision about the grant is expected later this summer. Regardless of grant funding, the program will have a "soft" roll-out this year with increased advertising and promotion before next year. VC will offer special packages, involve the Oregon Craft Beer Association, and add float trips to Albany. In the fall, winery tours and other outdoor recreation activities will be offered through the same outfitter.

Ms. Parker noted that Senate Bill 815, related to agri-tourism, failed during the last legislative session. The bill provided affordable insurance for small farms that want to include other activities. Since the bill failed, she has attended work sessions with farmers, destination market organizations, and trial lawyers to redraft the language for potential passage.

Other Visit Corvallis highlights:

- The Special Events Committee provided additional funds this year for the Red, White, and Blue Festival and Fall Festival due to the da Vinci Days Festival cancellation.
- A program to tie event funding with room nights is being developed. The new program is scheduled to begin Fiscal Year 2015-16.
- The VC Group Tour coordinator resigned and will be replaced in July.
- Travel Oregon works with a private company that hosts "Feast Portland" every year. This four-day event celebrates Oregon bounty and is touted as providing attention to the Willamette Valley, although it is very Portland-centric. The Willamette Visitors Association Board (WVAB) is hosting a booth at the event that will feature chefs from each of the Willamette Valley areas. The food tasting booth will partner with Willamette Valley Wineries.
- Travel Oregon is providing WVAB six national media personnel who will participate on a bicycle ride on the Willamette Valley Scenic Bikeway and dine at Gathering Together Farms in Philomath.
- A travel writer is meeting with VC this week.

Ms. Parker and City staff members responded to questions:

- *Connecting room occupancy to events will be a criterion of the grant application. A template has been developed that can be used for participant registration to collect lodging information. The vendor will also be responsible to gather this type of information for non-registration events.*
- *Event funding is 4% of the total VC budget. This amount increases based on Transient Occupancy Tax (TOT) received.*
- *Updated TOT information was not available when the report was completed. Both occupancy and average daily rates were higher in December 2013 compared to December 2012. It is expected that occupancy and average daily rates became soft after December.*

Chair Hirsch announced that Portland developed an ordinance to capture TOTs from Airbnb lodging. The ordinance also provides a way to ensure that lodgings offered through Airbnb are operating within the code. Chair Hirsch opined that Council may want to consider a similar ordinance since the City relies on TOT for economic

development funding. Ms. Parker added that Airbnb is opening their headquarters in Portland in August. She volunteered to conduct research about potential revenue.

Mr. Gibb noted that there are issues related to the Land Development Code (LDC). The LDC accommodates traditional bed and breakfast lodging, but not short-term rentals in residential zones.

Chair Hirsch explained that Airbnb is an online "couch surfing" lodging service. Ms. Parker added that Airbnb's are not registered or regulated.

Chair Hirsch and Councilor Traber requested Ms. Parker attempt to project local Airbnb volume during her research. Mr. Gibb said, from a land use standpoint, information about vacation rentals by owners should be addressed in conjunction with City revenue consideration. Councilor Brauner said the research should focus on lodging that is not subject to current, local TOTs.

The Committee unanimously recommended Council accept the Visit Corvallis third quarter report for Fiscal Year 2013-2014.

II. Downtown Corvallis Association (DCA) Economic Improvement District (EID) Third Quarter Report

Mr. Gibb referred to the staff report and report submitted by DCA. Staff recommend Council acceptance.

Ms. Wessell read from written testimony related to DCA activities to help keep the downtown core healthy, vibrant, and thriving (Attachment 1). Highlights included:

- A Vitality Task Force (VTF) was formed to discuss and respond to recent illegal, menacing, and threatening behavior in the downtown area. VTF is dedicated to address concerns of DCA membership; keep downtown safe for shoppers, visitors, residents, and prospective business recruits; retain commercial property values for future development; and help the economy thrive. DCA invited representatives from the Homeless Coalition, Police Department, Community Policing Forum, Community Outreach, and the 9-1-1 Center to inform members about available services. Following the Police Department's Tactical Action Plan 9, DCA members noticed a significant drop in undesirable behavior downtown. DCA supports additional funding for the Police Department.
- The impact of the annual cost of an empty storefront:

Lost sales	$293,988
Lost rent	$17,640
Lost loan demand to local banks	$77,613
Lost business profits/owner compensation	$29,105
Lost employee payroll	$19,109
TOTAL/year	**$437,455**

- She has been working with a new recruit who desires to open his fourth location in downtown Corvallis. The recruit said he received excellent customer service from

Becky Peterson and Shannen Chapman in Development Services. He also noted that he has never received the level of help or services similar to what DCA provided.

- The DCA is finalizing the Red, White, and Blue Festival planning. She thanked VC for their support and sponsorship and announced that DCA has two new Board members.

Councilor Traber said Mayor Manning invited him to a meeting with the VTF as the Council Liaison to the Homeless Coalition. During the meeting, Mayor Manning reminded the group that funding for additional Police Officers was part of the approved levy. Councilor Traber said he and the Mayor volunteered to speak at other DCA meetings. It was suggested that the information brought forward from VTF be shared with the Human Services Committee since many of the issues and suggested solutions were related to aggressive and organized panhandling and busking.

Councilor Brauner said he was pleased to hear that a potential new business owner complimented DCA and City staff for their customer services.

The Committee unanimously recommended Council accept the Downtown Corvallis Association Economic Improvement District third quarter report for Fiscal Year 2013-2014.

III. Republic Services (RS) Annual Report

Mr. Steele said RS is required to provide an annual report per their franchise agreement with the City. Their report is reviewed by Pubic Works and Finance staff. Of note, RS has converted 15 collection trucks to compressed natural gas (CNG). The conversion results in quieter running trucks, reduced operating expenses, and fewer greenhouse gas emissions. They plan to convert three more trucks this year.

Councilor Brauner said the reduced noise levels were noticed and appreciated. He looks forward to the future when City buses will utilize CNG.

In response to Councilor Traber's inquiry about the decrease in curbside organics collection, Ms. Jackson said RS is not clear on the reason behind the decrease. She said it could be related to weather or leaves dropping later in the year. The number of RS organic collection customers has not decreased.

The Committee discussed the popularity of home composting and agreed that some RS customers may be more comfortable composting their own materials. Councilor Traber noted that household food waste is a very small percentage of total organics collection.

In response to Councilor Brauner's comments about putting bins out when full, Ms. Jackson said RS encourages customers to put the bins out for collection when it is most convenient, not only when full. She said RS has worked very hard on customer service. All missed collections are tracked locally, state-wide, and nationally. The driver is notified and sent back for pickup the next day. A representative from RS calls the customer to make sure the return pickup occurred.

Ms. Jackson reported that RS recently developed a "call blast" system that allows them to notify all customers or a group of customers about collection changes or delays. She

said the system works well when road construction, inclement weather, or other issues limit RS's ability to collect. Other items RS is working on include text blasting and an account management app.

Councilor Traber said it would be nice for RS to include more detailed recycling information. He noted that this was a frequent comment in the customer survey.

The Committee discussed how the contract is developed and renewed. Chair Hirsch noted that some people have commented that the process was not open to other companies. Ms. Jackson said it is common in the northwest to have a rolling contract. In other parts of the country, proposals are requested every time a contract is up for renewal. She added that it is a costly and timely process to submit proposals frequently. (Councilor Brauner left the meeting at 4:15 pm.)

Mr. Steele clarified that the current 10-year contract with RS was amended in 2013. Typically, there is a one-year negotiation period prior to contract approval. Staff seeks direction from Council throughout the process. A full process that includes requests for proposals takes approximately two years. Councilor Traber suggested a pre-bid request to identify competitors before asking RS to go through a complete process. Mr. Steele agreed that determining qualified bidders was appropriate. (Councilor Brauner returned at 4:18 pm.) Ms. De Jong said this could be accomplished by seeking initial interest, similar to what the transit program does for contract renewal. Mr. Steele added that citizens have continued to request more and more services over the years. When the current contract is nearing term, citizens will once again be asked what services they desire.

Ms. Jackson said one of the next projects for RS is removal of construction and demolition (C&D) materials going into the landfill. The public area at the landfill will be upgraded and include a mini-sorting facility where all C&D loads will be sorted. Anything recyclable, such as metal, wood, and sheetrock will be removed.

Ms. Jackson referred to the recent *Corvallis Gazette-Times* article about dumpster diving. She said RS discourages dumpster diving, not only because it is illegal locally and state-wide, it is very dangerous. RS is working with the newspaper to develop an article about why dumpster diving is an issue for RS and to suggest alternatives.

This report submitted for information only.

IV. <u>Casco Telecommunications Franchise</u>

Mr. Steele reported that Casco is the parent company of Peak Internet. Casco requested a non-exclusive telecommunications franchise to occupy the public right-of-way. Compensation to the City equals 7% of gross revenues. The draft agreement is attached to the staff report. Mr. Steele explained that the agreement references and is subject to the conditions of Telecommunications Ordinance 99-26; a 24-page document outlining regulations, criteria, and requirements for compensation, insurance, performance surety, and indemnification.

In response to Councilor Traber's inquiry, Mr. Steele said he was not made aware of Casco's plans. He assumes they are installing fiber optics that can be leased to Peak

and/or other companies. Casco investing into infrastructure may lead to opportunities for other telecommunication services. He clarified that Casco pays the 7% franchise fee on their gross revenue. If another telecommunications provider leases from Casco, they are allowed to deduct the 7% franchise fee they pay Casco from their gross revenue used to calculate the 7% owed to the City.

In response to Chair Hirsch's inquiry, Mr. Steele said the City Attorney's Office reviews Ordinance 99-26 every time a telecommunications franchise contract is drafted and/or renewed.

The Committee unanimously recommends Council approve a non-exclusive telecommunications franchise with Casco.

V. Third Quarter Operating Report

Ms. Chenard reviewed the staff report and newly formatted quarterly report (QOR). She said all funds were on target for the third quarter, ending March 2014. Revenues were about 75% of budget and expenditures were approximately 65% of the amended budget. Of note, the General Fund is as expected; however, staff is closely watching property tax revenues. The Development Services Fund balance is expected to have additional capacity that will be available should an intrafund loan be needed at year-end for the Community Development Revolving Fund.

Ms. Chenard inquired whether the report met the Committee's expectations and if the links to the requested Income Statements and Treasury Report were useful.

Councilor Brauner found the new report format to be helpful and useful. The provided information was adequate for his needs, and he did not link to additional information. He noted that if he had concerns about any of the comments in the QOR he would have used the links to research the issue further. Councilor Brauner inquired about how results are trending for the fourth quarter.

Ms. Chenard said staff is carefully monitoring property taxes, other revenues, and expenditures. The outlook is inline with fourth quarter estimates per the Revised Budget presented in the Proposed Budget document. New information related to Hewlett-Packard and Comcast property tax appeals is not available and Benton County does not anticipate any additional information for the next 6 to 12 months.

Councilor Traber said he enjoyed reading the quarterly report and reviewing the tables and charts. Ms. Chenard encouraged the Committee to try some of the links and provide feedback to staff. She noted that the Treasury Report is a new report linked to the QOR and under the Committee's purview with the Investment Council sunset.

Councilor Traber referred to staff comments about the Street Fund and declining highway tax revenues. He said this Committee previously mentioned scheduling discussions about infrastructure, specifically streets. A recent editorial in the *Oregonian* mentioned Eugene's process to deal with a large and growing street maintenance backlog. Instead of a transportation utility fee, a citizen panel was formed and the voters were asked to approve a limited, property tax-based bond for street projects. In 2012, the bond was renewed by the voters.

The Committee unanimously recommended Council accept the third quarter Operating Report for Fiscal Year 2013-2014.

VI. Other Business

The next Administrative Services Committee meeting is scheduled for 3:30 pm on Wednesday, July 9 in the Madison Avenue Meeting Room.

The meeting adjourned at 4:39 pm.

Respectfully submitted,

Joel Hirsch, Chair

Report to Administrative Services Committee – June 18, 2014

1. Good Afternoon!

2. Since submitting my recent Quarterly report, the Downtown Corvallis Association has continued to keep our energies focused on activities to keep Downtown Corvallis and Downtown businesses healthy, vibrant, and thriving.

3. For the past 3 months, the DCA has devoted entire Board & Membership meetings to discuss illegal, menacing, and threatening behavior in Downtown and as a result of those meetings and Membership requests for action on these issues, the DCA formed a Vitality Task Force.

4. The DCA's Vitality Task Force, is comprised of 4 active, dedicated DCA Board members who are dedicated to helping address concerns of the DCA Membership; to keep Downtown Corvallis a safe environment for shoppers, visitors, residents, and prospective business recruits; help retain the value for Downtown commercial properties, and future Downtown development; and to help Downtown economy thrive. The Task Force has met with a variety of business organizations, city and county officials, law enforcement and the Homeless Coalition in an effort to explore partnership opportunities, identify differences, research resources available, and solidify potential collaborations.

5. We have invited representatives from the Homeless Coalition, the Corvallis Police Department, Corvallis Policing Forum, Community Outreach, and 911 Department to inform DCA Members about the services they offer. In addition to Members learning more about those organizations, the gatherings have also provided an opportunity for DCA Members to share their concerns.

6. The DCA is pleased with effectiveness of the recent Tactical Action Plan 9 authored by Captain Dave Henslee. After implementing the plan, with heavy Force concentration, there was a significant drop in undesirable behavior. We realize that funding is not currently available for the Department to continue with the same saturation as during the original 5 week implementation period, but in an effort to provide for a safe community with protection from harm from others, I encourage the City to increase much-needed funding to our Police Department.

7. I recently came across figures representing the cost of an empty storefront and those number reminded me of why the DCA continues

focus on keeping Downtown commercial spaces filled with strong, complementary businesses:
a small Downtown building setting empty for one year in a town's commercial district will have the following impact on the community: $293,988 in lost sales, $17,640 in lost rent, $77,613 in lost loan demand to local banks, $29,105 in lost business profits and owner compensation, $19,109 in lost employee payroll. The DCA's successful recruitment efforts help keep those "would be lost" figures circulating in the local economy and keeping "would be lost" taxes flowing to the City. I am currently working to recruit a desirable business to a soon to be vacated space…after giving the recruit a successful tour of his new potential location, the recruit, building owner, and I paid a visit to the City's Development Services Department to inquire about various City fees…We received excellent service, assistance and answers to our questions from Becky Peterson and Shannen Chapman. The recruit was extremely concerned (and discouraged) when he heard that he may have to pay a $10,000 "in lieu of" parking fee. The day following, Shannen searched City records and both called and emailed me with a message that the property is located within the Parking Assessment District and that there would be no need to pay the $10,000 fee. I immediately called the potential recruit to give him the good news and he couldn't contain his delight! He told me that in all of the businesses he has opened, that he has never received the help and service that he has received from the DCA! I was pleased to hear that unsolicited compliment!

8. The DCA has nearly completed plans for presentation of the 20th annual Independence Day: Red White & Blue Riverfront Festival on July 3rd & 4th. I'd like to invite each of you to bring your families and join us on the riverfront for 1 ½ days of toe-tapping/danceable music, taste-tempting foods, a kid's on-stage magical show, fun children's activities, crafts, refreshing local brews & wines, a 5K fun-run, the All American Fabulous, Fantastic, Anyone Can Join, Fourth of July Parade, and grand finale Jaycees Fireworks display, and as a reminder of the bands that will be performing, I'd like to leave you with two of these beautiful Red White & Blue Riverfront Festival poster! Isn't it a beaut??

9. To give others a chance to report, I'll quit here, but I thank you for your attention. Do you have any questions?

MEMORANDUM

DATE: June 18, 2014
TO: Administrative Services Committee
FROM: Ken Gibb, Community Development Director
SUBJECT: Third Quarter FY 13-14 Visit Corvallis Program Review

I. Issue

Review and acceptance of Visit Corvallis' third quarter report for FY 13-14.

II. Background

Visit Corvallis funding total for FY 13-14 is $388,350. This represents the dedicated 30% of the Transient Occupancy Tax (TOT) received by the City in calendar year 2012. The agency received $97,086 in the third quarter. The City's contract with Visit Corvallis requires the agency to submit quarterly reports on its activities.

Attached is the third quarter report submitted by Visit Corvallis (Attachment A). Following submittal of the quarterly report, final occupancy numbers for December were received, and Ms. Parker reports that both occupancy and average daily rate were up in December this year over last. Financial statements (Attachment B) submitted by Visit Corvallis were reviewed by Finance Office staff and found to be in compliance with their agreement. A copy of the Finance staff review is attached (Attachment C).

Visit Corvallis has been provided with a copy of this report and invited to attend and address the Committee.

IV. Action Requested

That the Administrative Services Committee consider this report and recommend City Council approve acceptance of the third quarter report.

REVIEW AND CONCUR:

Nancy Brewer, Finance Director

REVIEW AND CONCUR:

James A. Patterson, City Manager

VISIT CORVALLIS

Quarterly Community Report - January, February, March 2014

Executive Director's Report

Occupancy was down in both January (-3.1) and February (-1.4), however average daily rate was up in both months. Some of this may be a result of unusually cold temperatures and some snow events we experienced in those months. March reports are not yet in.

Third Quarter Highlights

In January we began work on the new Visitor Guide for this year. We added four new pages to it this year to showcase agri-tourism and expanded our meetings section to include a quick venue guide. The new visitors guide is now available.

The Board awarded more dollars to the Red, White & Blue Festival, the Rhapsody in the Vineyards events and to Corvallis Fall Festival due to the suspension of da Vinci Days this year. I have also been serving on the steering committee for da Vinci Days.

In March we began a Seven Wonders Campaign for Corvallis and Benton County. Travel Oregon, our state tourism agency, identified the Seven Wonders of Oregon and not one of them is in the Willamette Valley. Their campaign also launched in March and will run through June of this year. Our campaign will last through October of this year. We began with an "anthem" overview commercial and each month we will focus on a new "wonder." April features Marys Peak.

We have brought on an intern from OSU to help with social media efforts, namely Instagram and Vine.

We are working on a matching grant with Travel Oregon to help bring a new tourism related product offering to our area. The idea is to work with an already identified outfitter to offer kayaking tours on the Willamette River and biking tours in and around Corvallis and Benton County.

Work has begun on our draft marketing plan for next year.

Lastly I attended a Rural Tourism Studio in Polk County to see how the program works. I would very much like to bring Travel Oregon to Benton County to do the same program. Travel Oregon only does one community per year, so this may take a while but I think it would be hugely beneficial for our area.

Visitors Information Report

During the months of January, February and March, 2014, we greeted 628 walk-in visitors requesting information on Corvallis, the Willamette Valley and the rest of the state. We distributed 1,175 visitor guides, and 800 Corvallis/Benton County maps to the lodging properties in Corvallis.

Lead requests for our visitor guide that were received through VisitCorvallis.com, OregonWineCountry.org, and leads received in response to advertisement by both organizations totaled 13,880. Relocation packet requests received through VisitCorvallis.com totaled 25 for the Quarter.

Eight hundred and eighty Table Tents promoting Corvallis and Benton County events during the months of January, February, March and April were distributed to local restaurants and various businesses throughout Corvallis.

Social and Digital Media Report

VisitCorvallis.com had 56,624 visitors between January and March, 40,875 of which were unique visitors, up 51% from last year. We had 130,789 page views in the second quarter, up 13% from last year, and the average visitor viewed about 2.3 pages per visit, down 25% from last year. Our bounce rate (visits in which the person left the site after viewing a single page) is down 28% from last year.

Our top five traffic referrals this quarter were visitors from Facebook's mobile site, Facebook.com, CorvallisOregon.gov, CorvallisOregon.Tumblr.com (our Tumblr blog), and OregonState.edu. Our most popular pages, not including our home page, were the Culinary Week landing page, our calendar of events, our Things to Do page, the Culinary Week menus blog post, and our "Coming Up This Month" landing page.

We sent 16,181 outclicks to our members and area businesses this quarter, with the top five receivers of traffic being Aqua, Luc, Del Alma, 101 at Big River and Cloud & Kelly's.

Our Facebook Page's post reach, or the amount of users who see each post, continues to average around 7,000 per day, with spikes over 20,000 per day for paid campaigns. Our engagement remains robust, especially on promoted posts, and impressions (people who have seen an individual post) are averaging 2,400 per post, with spikes to 6,000 for viral posts.

Our Twitter accounts sent 248 clicks back to our site and other brand awareness media. Pinterest generated 260 impressions, and bit.ly reports about 1,000 click-throughs on links shared using their url shortener (we have shared fewer bit.ly links this quarter, relying more on HootSuite's baked-in URL shortener, Ow.ly). We've had 7,785 views of our YouTube videos this quarter, tripled from last quarter. Google+ and Foursquare activity remain negligible, and as of yet, there are no analytics available for Instagram.

Visit Corvallis

Quarterly Community Report - January, February, March 2014

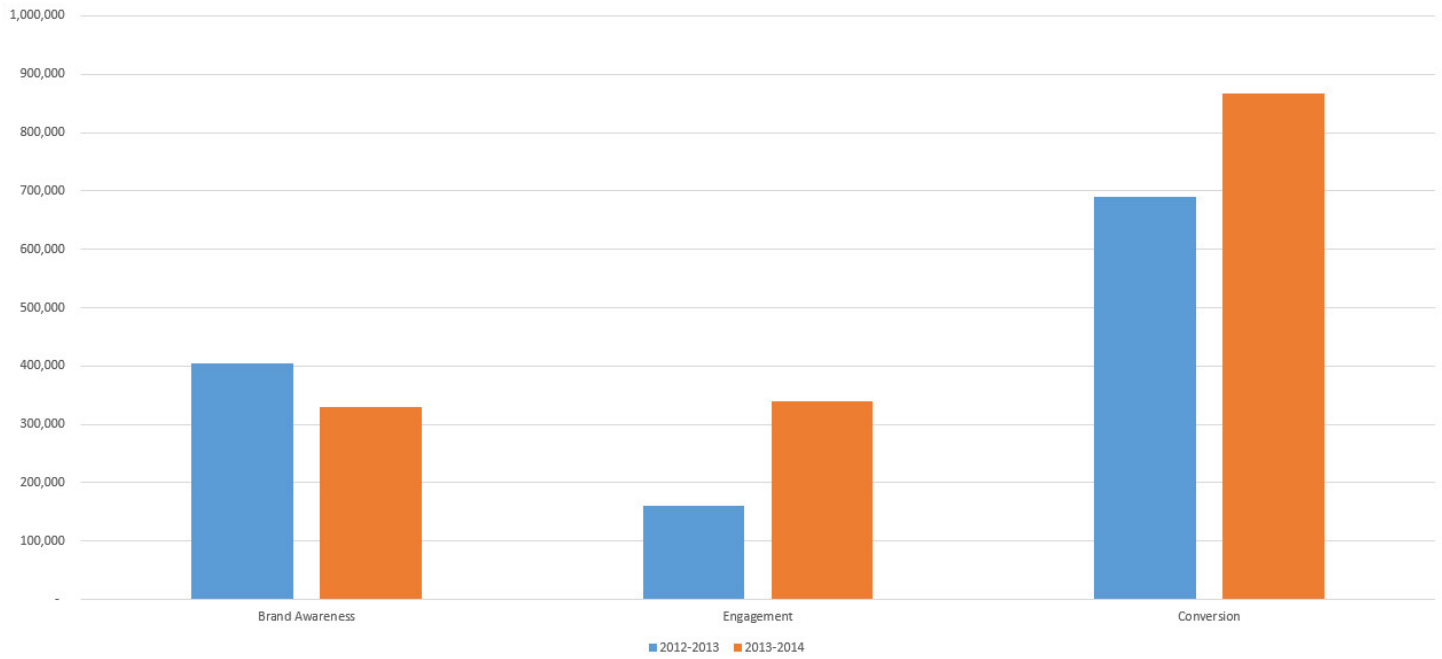
Find below the chart tracking our Brand Awareness, Engagement and Conversion numbers for January, February and March of 2014, as compared to January, February and March of 2013.

In January 2014, we achieved 136,161 Brand Awareness actions (compared to 117,429 in 2013), 127,821 Engagement actions (compared to 50,555 in 2013) and 305,847 Conversion actions (compared to 205,008 in 2013.)

In February 2014, we achieved 151,175 Brand Awareness actions (compared to 127,252 in 2013), 147,878 Engagement actions (compared to 54,561 in 2013) and 338,614 Conversion actions (compared to 242,568 in 2013.)

In March 2014, we achieved 141,598 Brand Awareness actions (same in 2013), 70,784 Engagement actions (compared to 54,561 in 2013) and 222,843 Conversion actions (compared to 242,568 in 2013.)

To view the rata data for this graph, visit http://bit.ly/P3XQgV.



VISIT
CORVALLIS

Third Quarter Report

(January through March, 2014)

ATTACHMENT B 1

Visit Corvallis

Balance Sheet

As of March 31, 2014

	Mar 31, 14
ASSETS	
Current Assets	
Checking/Savings	
Checking - OSUFCU	78,663.23
Money Market-OSUFCU	20,496.14
Paypal Checking	463.45
Savings - OSUFCU	5.00
Total Checking/Savings	99,627.82
Accounts Receivable	
Accounts Receivable	1,309.40
Total Accounts Receivable	1,309.40
Other Current Assets	
Petty Cash	40.00
Total Other Current Assets	40.00
Total Current Assets	100,977.22
Fixed Assets	
Accumulated Depreciation	-1,997.98
Office Equipment & Furniture	12,147.30
Total Fixed Assets	10,149.32
Other Assets	
Rent Deposit	1,700.00
Total Other Assets	1,700.00
TOTAL ASSETS	**112,826.54**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
OSU Fed Visa	439.63
Total Credit Cards	439.63
Other Current Liabilities	
Corvallis Book Sales	20.00
Payroll Liabilities	-35.00
Payroll liabilities - Other	5,234.21
Payroll tax liabilities	5,848.68
Total Other Current Liabilities	11,067.89
Total Current Liabilities	11,507.52
Total Liabilities	11,507.52
Equity	
Net Assets	112,731.18
Net Income	-11,412.16
Total Equity	101,319.02
TOTAL LIABILITIES & EQUITY	**112,826.54**

ATTACHMENT B 2

Visit Corvallis

Profit & Loss

January through March 2014

	Jan - Mar 14
Ordinary Income/Expense	
Income	
City of Corvallis	97,086.00
Interest Income	5.05
Membership	225.00
Refund	1,571.10
Relocation Packets	18.00
Total Income	98,905.15
Expense	
Administration	18,588.16
Conferences/Education	923.00
Marketing/Advertising	10,191.65
Marketing/Community Relations	745.70
Marketing/Contract Services	1,300.00
Marketing/Dues	870.00
Marketing/Entertainment	55.00
Marketing/Internet	1,032.83
Marketing/Postage-Shipping	4,629.12
Marketing/Printing	358.40
Marketing/Promotions	-344.95
Marketing/Sales Trips	4,623.42
Marketing/Telephone	141.36
Marketing/Visitor Services	1,725.00
Payroll Expenses	34.80
Personnel	51,385.15
Total Expense	96,258.64
Net Ordinary Income	2,646.51
Net Income	**2,646.51**

ATTACHMENT B 3

Visit Corvallis

Profit & Loss Prev Year Comparison

January through March 2014

	Jan - Mar 14	Jan - Mar 13	$ Change	% Change
Ordinary Income/Expense				
Income				
City of Corvallis	97,086.00	92,820.00	4,266.00	4.6%
Interest Income	5.05	7.24	-2.19	-30.3%
Membership	225.00	175.00	50.00	28.6%
Refund	1,571.10	0.00	1,571.10	100.0%
Relocation Packets	18.00	14.05	3.95	28.1%
Souvenir Income	0.00	7.01	-7.01	-100.0%
Total Income	98,905.15	93,023.30	5,881.85	6.3%
Expense				
Administration	18,588.16	22,066.38	-3,478.22	-15.8%
Conferences/Education	923.00	455.00	468.00	102.9%
Marketing/Advertising	10,191.65	7,966.73	2,224.92	27.9%
Marketing/Branding	0.00	69.00	-69.00	-100.0%
Marketing/Community Relations	745.70	0.00	745.70	100.0%
Marketing/Contract Services	1,300.00	1,100.00	200.00	18.2%
Marketing/Dues	870.00	350.00	520.00	148.6%
Marketing/Entertainment	55.00	31.63	23.37	73.9%
Marketing/Internet	1,032.83	1,150.50	-117.67	-10.2%
Marketing/Postage-Shipping	4,629.12	3,201.41	1,427.71	44.6%
Marketing/Printing	358.40	112.50	245.90	218.6%
Marketing/Promotions	-344.95	265.53	-610.48	-229.9%
Marketing/Sales Trips	4,623.42	1,208.97	3,414.45	282.4%
Marketing/Telephone	141.36	136.06	5.30	3.9%
Marketing/Tours	0.00	26.00	-26.00	-100.0%
Marketing/Visitor Services	1,725.00	295.00	1,430.00	484.8%
Payroll Expenses	34.80	26.10	8.70	33.3%
Personnel	51,385.15	36,459.72	14,925.43	40.9%
Total Expense	96,258.64	74,920.53	21,338.11	28.5%
Net Ordinary Income	2,646.51	18,102.77	-15,456.26	-85.4%
Net Income	**2,646.51**	**18,102.77**	**-15,456.26**	**-85.4%**

ATTACHMENT B 4

Finance Department
500 SW Madison Avenue
Corvallis, OR 97333
541-766-6990
541-754-1729

MEMORANDUM

April 16, 2014

TO: Ken Gibb, Community Development

FROM: Jeanna Yeager, Accountant

SUBJECT: Visit Corvallis Financial Report – Third Quarter, FY 13/14

This review consists of inquiries and analytical procedures and is very limited in its nature. The financial statements have not been reviewed by a Certified Public Accountant and are the representation of the management of Visit Corvallis. Visit Corvallis uses the accrual method of accounting.

During the third quarter of fiscal year 2013/2014, Visit Corvallis reported revenues of $98,905 and expenditures of $96,259, resulting in net income of $2,646. Visit Corvallis maintains a strong cash position, with current assets totaling $100,977 and current liabilities of only $11,508.

The City of Corvallis has budgeted $388,350 for Visit Corvallis for fiscal year 2013/2014 in monthly payments of $32,362. The City has funded a total of $97,086 for the third quarter, which has been accurately accounted for on the Visit Corvallis report. This represents 98% of all revenue for the quarter.

Acceptance of the Visit Corvallis quarterly report is recommended.

ATTACHMENT C

MEMORANDUM

DATE: June 18, 2014
TO: Administrative Services Committee
FROM: Ken Gibb, Community Development Director
SUBJECT: Downtown Corvallis Association Third Quarter FY 13-14 EID Program Review

I. Issue

Review and acceptance of Downtown Corvallis Association's Economic Improvement District Program third quarter report for FY 13-14.

II. Background

The City Council, on July 16, 2012, approved Ordinance 2012-14, amending Municipal Code Chapter 10.07 (Economic Improvement District), establishing a boundary, and imposing assessments on property within the Downtown Voluntary Economic Improvement District (EID). Funds collected by the City are passed through to Downtown Corvallis Association (DCA). The EID provides specific benefits to the members of the District by promoting commercial activity and public events in the downtown. Pass through revenue for FY 13-14 is $83,244.

The Community Development Department administers the invoicing of EID participants, the "pass-through" payment of these program funds to the Downtown Corvallis Association (DCA), as well as the contract with the DCA. In support of these City services, the DCA pays an annual fee of $3,585. The contract requires that the DCA provide quarterly financial reports to the City that provide at a minimum, 1) a balance sheet as of the last day of the quarter, 2) a comparison of actual revenues and expenses through the quarter and 3) a brief summary of services performed.

Attached is the third quarter report submitted by the DCA (Attachment A). The DCA has been provided with a copy of this report and invited to attend and address the Committee. Ms. Wessell is unable to attend this meeting due to a conflict with the rescheduled date of this review.

IV. Action Requested

That the Administrative Services Committee consider this report and recommend City Council approve acceptance of the Downtown Corvallis Association's FY 13-14 EID Program third quarter report.

REVIEW AND CONCUR:

Nancy Brewer, Finance Director

REVIEW AND CONCUR:

James A. Patterson, City Manager

DOWNTOWN CORVALLIS ASSOCIATION

A Main Street Community
460 SW Madison, Suite 9
Corvallis OR 97333
PO Box 1536
Corvallis OR 97339
(541) 754-6624
FAX (541) 758-4723
www.downtowncorvallis.org

Board Members
Liz Coulombe, President
Citizens Bank
Fred Edwards, Vice-President
Knight Vision Security
Steve Hessel, Treasurer
Downtown Property Owner
John Coleman, Secretary
Coleman Jewelers
Greg Teune,
Holiday Inn Express
Luisa Arreola,
Footwise
Elizabeth Foster,
Town & Country Realty
Randy Joss,
KEZI9
Jennifer Moreland,
Zooeys/Heartland
John Semadeni,
Corvallis Cyclery

Joan Wessell,
Executive Director
joan@downtowncorvallis.org

Ex-Officio
City Council
Corvallis Police Dept.
Corvallis Tourism
City Planning
Corvallis Chamber
Corvallis Econ. Dev.

To: City of Corvallis Planning Department
From: The Downtown Corvallis Association
Date: 1 May 2014
Subject: 2013-2014 3rd Quarter Report and
2012-2017 Economic Improvement District

The Downtown Corvallis Association (DCA) continues complete focus on protecting the health and vitality of the community's "living room", Downtown, through such activities as recruitment of complementary businesses, workshop presentations, business advocacy, sponsoring events to attract visitors, granting building improvement loans, interacting with various City departments, serving as liaison for Downtown businesses, community members, etc.

This quarter has seen the DCA hosting 30 various meetings/events including monthly Membership Meetings with speakers who help keep Members informed about issues that affect Downtown and provide Members an opportunity to report their activities; Downtown After Hours networking socials giving Members an opportunity to become better acquainted with fellow-Members; planning meetings to address issues arising in Downtown that require the DCA's attention; the heaviest attended Rhapsody in the Vineyard since 2003; meet and interact with other community organizations/business groups and much, much more! We continue offering monthly Downtown Red Carpet Welcomes to let new businesses know that we are pleased that they selected Downtown as home for their business. This extensive list is far from complete, but suffice it to say that the DCA has limitless demands & requests from the community, so we stay extremely busy!

The DCA is currently working on recruiting and/or identifying good locations for 5 businesses. Each of the businesses will help retain more dollars in the local economy. We are working with and staying in communication with developers of the JAX and the new Downtown hotel. We are confident that both projects will help retain customers for Downtown Corvallis and that's a very good thing!

The Downtown Corvallis Association is calling/reaching out to EID participants to keep them informed on status of their payments in an effort to prevent their property from a potential lien. Fortunately, those with unpaid assessments is short. One participant, after contact from the Executive Director, made payment the same day, making that list even shorter.

The DCA appreciates City Staff's sending EID assessment information and collecting/passing through those payments.

DOWNTOWN CORVALLIS ASSOCIATION
BALANCE SHEET
April 30, 2014

ASSETS	
Checking and Savings accounts	285,594.09
Other Current Assets	790.76
Fixed Assets	8,735.46
Façade Improvements loans	938.33
UF Residential loans	0.00
Interior Development Loans	17,334.12
TOTAL ASSETS	**313,392.76**
LIABILITIES & EQUITY	
Accounts Payable	0.00
Other Current Liabilities	7,598.55
Total Equity	305,794.21
TOTAL LIABILITIES & EQUITY	**313,392.76**

PROFIT AND LOSS
April 30, 2014

	Month	Year-to-Date	Budget 2013-2014	Remaining Budget
INCOME				
General Revenue	849.61	101,139.68	135,625.00	34,485.32
Program Revenue	43.00	4,513.84	4,730.00	216.16
Red, White & Blues	0.00	29,823.80	35,000.00	5,176.20
Rhapsody	130.00	31,831.00	36,000.00	4,169.00
Promotions	0.00	0.00	1,500.00	1,500.00
TOTAL INCOME	**1,022.61**	**167,308.32**	**212,855.00**	**45,546.68**
EXPENSE				
Personnel	8,125.30	80,370.83	106,020.00	25,649.17
Services and supplies	1,964.40	21,317.16	29,180.00	7,862.84
Programs	236.13	11,126.21	8,300.00	(2,826.21)
Red, White & Blues	0.00	20,453.95	16,000.00	(4,453.95)
Rhapsody	6,812.97	23,810.75	5,000.00	(18,810.75)
Promotions/OSU	0.00	474.82	500.00	25.18
TOTAL EXPENSE	**17,138.80**	**157,553.72**	**165,000.00**	**7,446.28**
NET INCOME	**(16,116.19)**	**9,754.60**	**47,855.00**	**38,100.40**

Plus: Beginning unrestricted cash balance	**(364.14)**
Checking/Money Market	**205,948.73**
Held in reserve - Contingency Fund	**3,000.00**
Total beginning cash	**208,584.59**
Net Excess (deficit) budgeted for 2013-2014	**256,439.59**

Downtown Corvallis Association, Inc.

Budget Comparison
As of April 30, 2014

	Month Of Apr	7/1/13 Through Apr 2014	7/1/12 Through Apr 2013	Annual Budget	Percent Annual Budget
Income					
General Revenue					
EID Receipts	185.05	64,468.18	81,925.29	90,000.00	71.6%
EID Contributions	0.00	800.00	1,500.00	0.00	0.0%
Membership Dues	650.00	32,457.75	35,897.61	40,000.00	81.1%
Interest Income	14.56	133.75	181.40	5.00	2675.0%
Rental Income - Sublet	0.00	3,280.00	4,080.00	4,820.00	68.0%
Miscellaneous	0.00	0.00	100.00	800.00	0.0%
Reimbursed Expenses	0.00	0.00	0.00	0.00	0.0%
Program Fees	0.00	0.00	0.00	0.00	0.0%
Total General Revenue	**849.61**	**101,139.68**	**123,684.30**	**135,625.00**	**74.6%**
Program Revenue					
Membership Workshops	0.00	0.00	0.00	0.00	0.0%
Christmas Lights	0.00	0.00	12.50	25.00	0.0%
Website/Newsletter Advertising	0.00	0.00	0.00	0.00	0.0%
Group advertising	0.00	0.00	0.00	0.00	0.0%
Directory advertising	0.00	0.00	0.00	0.00	0.0%
Fund Raiser	0.00	2,673.34	2,385.12	2,500.00	106.9%
Fund Raiser - DT After Hours	43.00	1,840.50	1,798.00	2,200.00	83.7%
Design Aesthetics	0.00	0.00	0.00	5.00	0.0%
Red, White & Blue	0.00	29,823.80	33,105.59	35,000.00	85.2%
Total Program Revenue	**43.00**	**34,337.64**	**37,301.21**	**39,730.00**	**86.4%**
Promotions Revenue					
Promotions - Misc	0.00	0.00	200.00	1,500.00	0.0%
Rhapsody in the Vineyard	130.00	31,831.00	33,086.00	36,000.00	88.4%
Total Promotions Revenue	**130.00**	**31,831.00**	**33,286.00**	**37,500.00**	**84.9%**
TOTAL INCOME	**1,022.61**	**167,308.32**	**194,271.51**	**212,855.00**	**78.6%**

Expense					
Administration - Personnel					
Personnel	6,780.33	67,378.64	66,910.51	79,000.00	85.3%
Director - Medical Benefit	314.70	3,608.60	3,329.50	4,000.00	90.2%
Director - Expense	0.00	0.00	274.24	2,000.00	0.0%
Contract Labor	0.00	0.00	0.00	2,000.00	0.0%
Staff Expenses	0.00	0.00	0.00	2,000.00	0.0%
Volunteer - Expense	128.02	1,460.52	1,573.45	4,000.00	36.5%
Staff Development	0.00	77.15	671.40	2,500.00	3.1%
Payroll taxes	709.94	6,004.69	5,960.39	7,800.00	77.0%
Workers Compensation	3.51	(46.77)	63.55	320.00	-14.6%
IRA Expense	188.80	1,888.00	1,888.04	2,400.00	78.7%
Total Personnel	**8,125.30**	**80,370.83**	**80,671.08**	**106,020.00**	**75.8%**
Administration - Services & Supplies					
Accounting	169.20	2,034.45	2,286.00	3,000.00	67.8%
Accounting Review	0.00	1,860.00	0.00	2,300.00	80.9%
Bad Debt	0.00	0.00	0.00	0.00	0.0%
Bank Charges	10.00	15.54	6.00	10.00	155.4%
Subscriptions	0.00	170.00	170.00	350.00	48.6%
Insurance	0.00	0.00	0.00	1,200.00	0.0%
Equipment Replacement	0.00	0.00	0.00	1,800.00	0.0%
Equipment Lease	233.21	2,381.14	2,372.45	2,900.00	82.1%
Office Supplies	176.96	929.02	625.16	1,500.00	61.9%
Permits & Fees	45.00	588.00	536.00	620.00	94.8%
Postage	48.75	688.68	292.20	650.00	106.0%
Rent	810.00	8,100.00	8,100.00	9,600.00	84.4%
Utilities	55.83	641.49	705.45	850.00	75.5%
Miscellaneous	42.79	92.79	113.00	200.00	46.4%
Repair & Service Equipment	3.56	37.47	158.31	500.00	7.5%
Telephone/Cell	369.10	3,778.58	3,095.01	3,700.00	102.1%
Depreciation	0.00	0.00	0.00	0.00	0.0%
Total Services & Supplies	**1,964.40**	**21,317.16**	**18,459.58**	**29,180.00**	**73.1%**
Programs					
Membership Drive	0.00	195.88	304.35	300.00	65.3%
Red Carpet Welcome	0.00	119.12	0.00	100.00	119.1%
Downtown Updates	0.00	0.00	0.00	0.00	0.0%
Website Updates	0.00	0.00	0.00	0.00	0.0%
Meetings & Public Relations	64.19	1,378.24	1,125.19	1,500.00	91.9%
Design Committee	0.00	0.00	0.00	0.00	0.0%
Design Committee-Awards	0.00	83.07	29.98	100.00	83.1%
Mainstreet Expenses	0.00	836.28	225.03	800.00	104.5%
Mainstreet Dues	0.00	250.00	250.00	300.00	83.3%
EID Expense	123.44	246.88	270.88	0.00	0.0%
EID Task Force Expense	0.00	0.00	36.95	0.00	0.0%
EID Expense-City Collection Fee	0.00	3,585.00	3,585.00	4,500.00	79.7%
Annual Reports, proposal	0.00	0.00	0.00	0.00	0.0%
Misc. Printing	0.00	0.00	0.00	0.00	0.0%
Directory Printing	0.00	0.00	0.00	0.00	0.0%
OSU Relations	0.00	103.07	0.00	100.00	103.1%
Christmas Lights	0.00	0.00	0.00	100.00	0.0%
Flower Baskets	0.00	18.62	0.00	0.00	0.0%
Design Aesthetics	0.00	0.00	0.00	0.00	0.0%
Design Aesthetics-Reimbursement	0.00	0.00	0.00	0.00	0.0%
Fund Raiser	0.00	2,015.57	1,583.75	500.00	403.1%
Economic/Image Enhancement	48.50	2,294.48	0.00	0.00	0.0%
Total Programs	**236.13**	**11,126.21**	**7,411.13**	**8,300.00**	**134.1%**

Promotions					
Red, White & Blue	0.00	20,453.95	16,519.93	16,000.00	127.8%
Promotions - Misc	0.00	474.82	1,603.33	500.00	95.0%
Rhapsody in the Vineyard	6,812.97	23,810.75	25,394.44	5,000.00	476.2%
Total Promotions	**6,812.97**	**44,739.52**	**43,517.70**	**21,500.00**	**208.1%**
City Economic Development					
Economic Enhancement	0.00	0.00	1,220.12	0.00	0.0%
Image Enhancement	0.00	0.00	2,133.78	0.00	0.0%
Total City Economic Development	**0.00**	**0.00**	**3,353.90**	**0.00**	**0.0%**
Total expense	**17,138.80**	**157,553.72**	**153,413.39**	**165,000.00**	**95.5%**
Excess (deficit) income over expense	**(16,116.19)**	**9,754.60**	**40,858.12**	**47,855.00**	

Plus: Beginning restricted/unrestricted cash balance	**(364.14)**
Checking/Money Market	**205,948.73**
Held in reserve-Contingency Fund	**3,000.00**
Total beginning cash	208,584.59
Net Excess (deficit) budgeted for 2013-2014	256,439.59

05/08/14

Downtown Corvallis Association, Inc.
Balance Sheet
As of April 30, 2014

		Apr 30, 14
ASSETS		
Current Assets		
Checking/Savings		
1010 · Cash - Umpqua Bank		11,884.43
1015 · MMF - Umpqua Bank		195,201.09
1050 · Cash - US Bank-EID		7,183.32
1104 · MMF-Citizens-Design Committee		2,649.33
1106 · Cash-Citizens-RW&B		15,423.45
1109 · MMF-Citizens-Facade/Upper Floor		
1109-1 · Designated City Funds	53,027.55	
1109-2 · Undesignated Funds	224.92	
Total 1109 · MMF-Citizens-Facade/Upper Floor		53,252.47
Total Checking/Savings		285,594.09
Other Current Assets		
1116 · Prepaid Expenses		
1120 · Rent	790.76	
Total 1116 · Prepaid Expenses		790.76
Total Other Current Assets		790.76
Total Current Assets		286,384.85
Fixed Assets		
1258 · Fixed Asset		23,979.78
1259 - Accumulated depreciation		-15,244.32
Total Fixed Assets		8,735.46
Other Assets		
1500 · Facade improvement loans		
1550 · Coleman - 2012	238.33	
1551 · Les & Barbara Boudreaux - 2012	700.00	
Total 1500 · Facade Improvement loans		938.33
1800 · Interior Development Loans		
1806 · Flat Tail	5,666.91	
1807 · Brew BQ	2,333.43	
1808 · Ron & Garnetta Day	2,000.08	
1809 · Aqua	7,333.70	
Total 1800 · Interior Development Loans		17,334.12
Total Other Assets		18,272.45
TOTAL ASSETS		**313,392.76**
LIABILITIES & EQUITY		
Liabilities		
Current Liabilities		
Other Current Liabilities		
2111 · Pass-thru money		769.64
2113 · Deferred RW&Blue		
2113-1 · Revenue		
2113-13 · Sponsors	950.00	
2113-14 · Vendor	2,100.00	
Total 2113-1 · Revenue	3,050.00	
Total 2113 · Deferred RW&Blue		3,050.00
2115 - Gift certificates o/s		1,058.44
2142 · Federal/FICA/Medicare		2,118.38
2143 · State Withholding		404.00
2144 · Federal Unemployment		1.40
2145 · State Unemployment		189.85
2146 · Workers Compensation		6.84

ATTACHMENT A 6

Downtown Corvallis Association, Inc.
Balance Sheet
As of April 30, 2014

	Apr 30, 14
Total Other Current Liabilities	7,598.55
Total Current Liabilities	7,598.55
Total Liabilities	7,598.55
Equity	
3312 - Reserved - City loan $	71,300.00
3318 - Undesignated funds	-3,835.80
3311 · Designated - Christmas	3,471.66
3900 · Retained Earnings	225,103.75
Net Income	9,754.60
Total Equity	305,794.21
TOTAL LIABILITIES & EQUITY	313,392.76

05/08/14

Downtown Corvallis Association, Inc.
Income Statement
April 2014

	Apr 14		Jul '13 - Apr 14	
Ordinary Income/Expense				
Income				
General Revenue				
4110 - EID Receipts	185.05		64,468.18	
4111 · EID Contributions	0.00		800.00	
4120 - Membership dues	650.00		32,457.75	
4141 - Interest Income	14.56		133.75	
4195 · Rental Income - Sublet	0.00		3,280.00	
Total General Revenue		849.61		101,139.68
Program Revenue				
4260 - Fund Raiser				
4260-1 · Fundraiser	0.00		343.34	
4260-2 · Snowflakes	0.00		2,330.00	
Total 4260 - Fund Raiser		0.00		2,673.34
4265 · Fund Raiser - DT After Hours				
4265-1 · Entry Fees	79.00		1,498.00	
4265-2 · Bucket of Bucks	-36.00		342.50	
Total 4265 · Fund Raiser - DT After Hours		43.00		1,840.50
4310 - Red, White & Blue				
4310-1 · Beer	0.00		5,521.00	
4310-2 · Gate	0.00		9,871.81	
4310-3 · Sponsors	0.00		6,360.00	
4310-4 · Vendor	0.00		7,220.99	
4310-6 · DCA Booth	0.00		850.00	
Total 4310 - Red, White & Blue		0.00		29,823.80
Total Program Revenue		43.00		34,337.64
Promotions Revenue				
4460 · Rhapsody in the Vineyard	130.00		31,831.00	
Total Promotions Revenue		130.00		31,831.00
Total Income		1,022.61		167,308.32
Expense				
Administration				
Personnel				
5105 · Personnel	6,780.33		67,378.64	
5120 - Director-Medical Benefit	314.70		3,608.60	
5150 - Volunteer expense	128.02		1,460.52	
5160 - Staff Development	0.00		77.15	
5180 - Payroll Taxes	709.94		6,004.69	
5190 - Workers Compensation	3.51		-46.77	
5195 · IRA Expense	188.80		1,888.00	
Total Personnel		8,125.30		80,370.83
Services and supplies				
5410 - Accounting	169.20		2,034.45	
5415 - Accounting Review	0.00		1,860.00	
5430 - Bank charges	10.00		15.54	
5440 - Subscriptions	0.00		170.00	
5460 - Office supplies	176.96		929.02	
5470 - Permits & fees	45.00		588.00	
5480 - Postage	48.75		688.68	
5490 - Rent	810.00		8,100.00	
5600 - Utilities	55.83		641.49	
5610 - Miscellaneous	42.79		92.79	
5620 - Repair & service equip.	3.56		37.47	
5630 - Telephone/Cell	369.10		3,778.58	
5456 · Equipment Lease	233.21		2,381.14	
Total Services and supplies		1,964.40		21,317.16

05/08/14

Downtown Corvallis Association, Inc.
Income Statement
April 2014

	Apr 14		Jul '13 - Apr 14	
Total Administration		10,089.70		101,687.99
Programs				
6110 - Membership Drive		0.00		195.88
6180 - Meetings & public relati		64.19		1,378.24
6185 · Red Carpet Welcome		0.00		119.12
6410 - Main Street Expense		0.00		836.28
6420 - Mainstreet Dues		0.00		250.00
6440 - EID Expense		123.44		246.88
6510 - Flower baskets		0.00		18.62
6590 - Fund Raiser				
6590-1 · Fundraiser	0.00		83.07	
6590-2 · Snowflakes	0.00		1,932.50	
Total 6590 - Fund Raiser		0.00		2,015.57
6191 · Design Comm.-Awards		0.00		83.07
6445 · EID Expense-City Collection Fee		0.00		3,585.00
6570 · OSU Relations		0.00		103.07
6580 · Economic/Image Enhancement		48.50		2,294.48
Total Programs		236.13		11,126.21
Promotions				
7110 - Red, White & Blue				
7110-1 · Advertising	0.00		2,000.00	
7110-2 · Entertainment	0.00		6,800.00	
7110-3 · Infrastructure	0.00		3,061.10	
7110-4 · Miscellaneous	0.00		2,890.50	
7110-5 · Beer	0.00		2,667.48	
7110-6 · T-Shirts	0.00		1,169.05	
7110-7 · Gate Expense	0.00		1,244.75	
7110-10 · Volunteer Expense	0.00		621.07	
Total 7110 - Red, White & Blue		0.00		20,453.95
7120 - Promotions		0.00		474.82
7125 · Rhapsody in Vineyard		6,812.97		23,810.75
Total Promotions		6,812.97		44,739.52
Total Expense		17,138.80		157,553.72
Net Ordinary Income		-16,116.19		9,754.60
Net Income		**-16,116.19**		**9,754.60**

MEMORANDUM

TO: Administrative Services Committee

FROM: Mary Steckel, Public Works Director

DATE: May 1, 2014

SUBJECT: 2013 Republic Services of Corvallis Annual Report

ISSUE

The solid waste franchise agreement between the City of Corvallis and Republic Services of Corvallis (Republic), requires that an annual report be submitted to the City each year. The Annual Report (Attachment A) is a summary of the company's operations for the year ending December 31, 2013.

BACKGROUND

The 10-year franchise agreement with Republic gives the company exclusive rights to collect and transport solid waste within the city limits and to earn a reasonable rate of return. The agreement requires specific services, including garbage collection, curbside recycling, public education on recycling or reuse issues, and special collection events. Republic pays the City a franchise fee equal to 5% of the company's annual cash receipts for customers within the city limits.

DISCUSSION

Report Review

Public Works reviewed and confirmed the Annual Report contains all of the information required by the franchise agreement. In addition, the Finance Department performed an unaudited evaluation (Attachment B) of the financial information presented in the report and recommend acceptance.

Recycling Highlights

The State has established waste recovery goals for each wasteshed. For Benton County, the goal is 50%. The most recent recycling rate for Benton County reported by the Oregon Department of Environmental Quality (DEQ) is 47.4% for 2012, a 3.1% increase compared to 2011. This number includes the recycling reported by Republic along with data from other recyclers (i.e., scrap metal and bottle deposits) and various disposal sites. The official calculation for 2013 will be available from the DEQ in late Fall 2014 or early 2015.

Detailed recycling reporting on pages 17-21 of the annual report provides baseline information by material type to help guide future program enhancements or changes.

Plastic Film

In 2013, 51 tons (102,000 lbs) of plastic film were collected at the recycling depot; the most since the program was started. That's equivalent to over nine million plastic grocery bags. Since 2008, a total of 147.52 tons has been collected, or 26.5 million plastic grocery bags.

Yard Debris and Food Waste

Curbside tonnage from organics collection fell in 2013 to 8,329 tons compared to 9,009 tons in 2012. Food waste collection from commercial locations such as restaurants was flat in 2013 with 355 tons collected, a 1% decrease compared to 2012.

Spring Recycling Event
Participation in the Spring Recycling Event has decreased in the last few years and the trend continued in 2013. Republic believes this may be due to the additional materials such as scrap metal and electronics being collected at their recycling depot and the implementation of weekly organic debris service.

Household Hazardous Waste (HHW) Events
The four 2013 HHW events saw a 44.3% increase in customer attendance although 4% less material was collected compared to 2012. A breakdown of the types and amounts of materials is provided on page 20 of the Annual Report.

Coming in 2014

Republic is beginning to convert its collection fleet to Compressed Natural gas (CNG) this year. The new CNG trucks run quieter, are less expensive to operate, and produce less greenhouse gases. As of the date of this report, 15 CNG trucks are on the road with three more coming on line by the end of the year.

RECOMMENDATION
No action is necessary; this report is for information only.

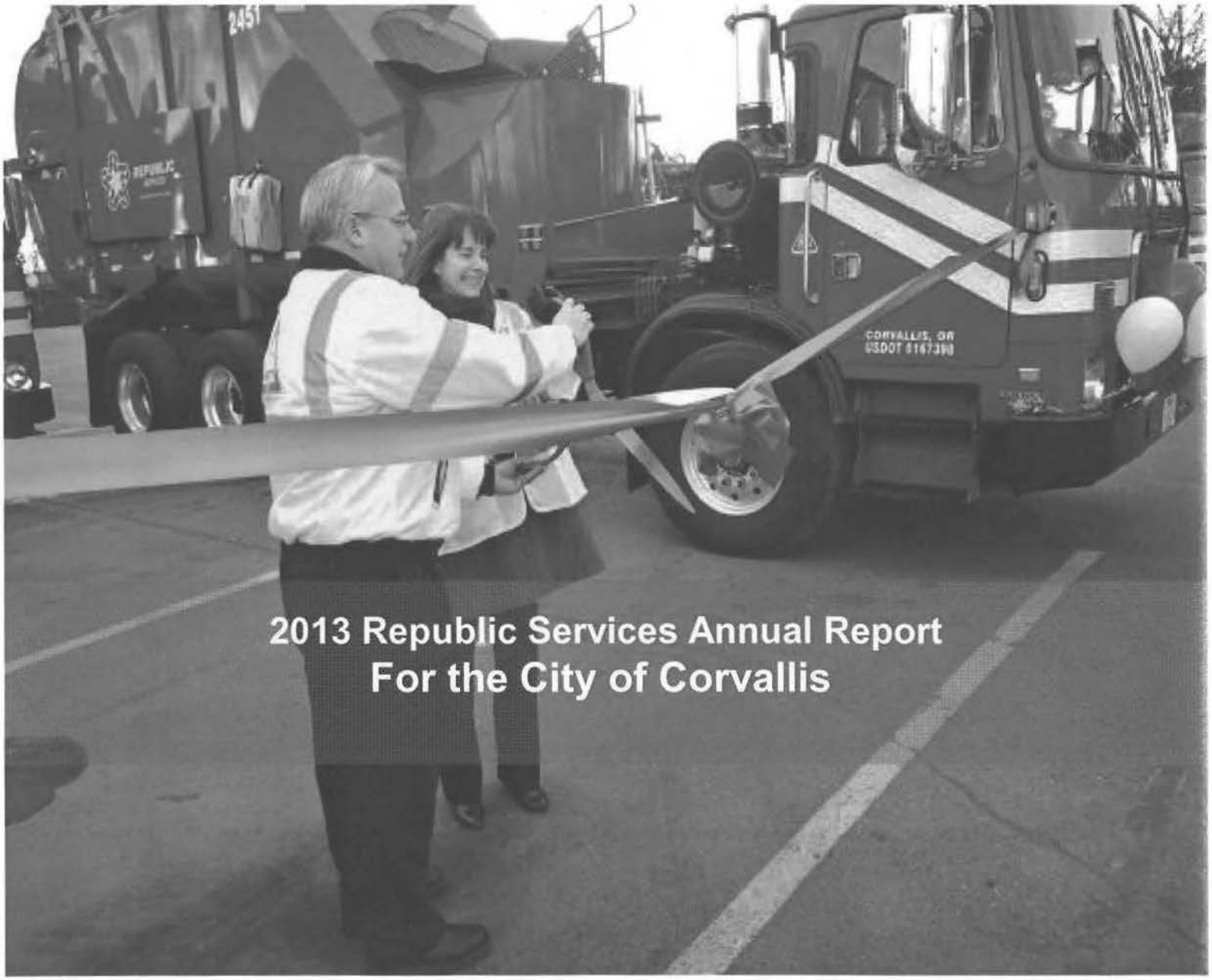
Reviewed and Concur:

James A. Patterson, City Manager

Nancy Brewer, Finance Director

Attachments:
Attachment A - 2013 Republic Services of Corvallis Annual Report
Attachment B - Finance Department Review of Annual Report

Attachment A



2013 Republic Services Annual Report
For the City of Corvallis

TABLE OF CONTENTS

A Management

Letter from Management
Management Team 1

B Summary of Services

Figure 1 – Customer Counts by Line of Business 2
Figure 2 – Commercial & Industrial Container Counts 3

C Financial Information

Figure 3 – 2013 & 2014 Receipts & Franchise Fee Payments 4
Figure 4 – 2013 & 2012 Recycle Receipts & Franchise Fee Payments 4
Figure 5 – Comparison of Franchise Fees Paid 5
Financial Overview – Revenue, Earnings & Expense 6
Financial Overview – Cost Management 7
Figure 6.1 – Company Total - Assets – As of December 31, 2013 8
Figure 6.2 – Company Total - Liabilities & Equity – As of December 31, 2013 9
Figure 7 – Operations Related to The City of Corvallis – Year Ending December 31, 2013 10
Figure 8 – Schedule of Direct Expenses 11
Figure 9 – Company Total – Statement of Cash Flows – Year Ending December 31, 2013 12
Figure 10 – Capital Expenditures – 2013 Actual & 2014 Budgeted 13
Trends – Operational Efficiencies 14

D Customer Service

Customer Service Manager 15
My Resource 16

E The Environment

Figure 11 – Tons Recycled by Commodity Type 17
Figure 12 – Residential Curbside MSW & Recycle Tons by Month 18
Figure 13 – Recycle Depot Tons by Month 19
Figure 14 – Commercial Recycle Tons by Month 19
Figure 15 – Household Hazardous Waste Material Totals 20
Figure 16 – 2013 Event Customer Counts 21
Figure 17– Household Hazardous Waste Yearly Totals 21
Research & Innovation Related to Recovery 22
Education & Outreach Coordinator 23
Education & Outreach 24
Community Presentations 25
Community Involvement 26

F Appendix

Appendix A – Customer Compliments & Complaints 27
Appendix B – DEQ Recycling Collectors Survey 28
Appendix C – Website Survey Results 29-30
Appendix D – Company Asset List

REPUBLIC SERVICES

Management

A

March 3, 2014,

Mayor Julie Manning
Corvallis City Council
City of Corvallis Staff

Dear Mayor Manning, Council and Staff,

I am pleased to present the annual report for Republic Services within the City of Corvallis. 2013 proved to be a fruitful year in terms of sustainability and progress toward our goal of a world class customer experience.

Below are a few highlights from a very successful year in 2013:

- Corvallis achieved another first with the construction of an on-site Compressed Natural Gas (CNG) fueling station, the first of its kind in the Mid-Valley dedicated to a waste collection company. This investment represents a commitment to cleaner air and reduced noise within the City of Corvallis.
- In 2012 we began looking at customer service and put into place methodology to determine how to best to enhance the customer experience. 2013 saw the implementation of a plan aimed at providing world class service. As a part of this plan, we will launch a new smart phone application and enhanced website this month, called My Resource, that will give Republic Services customers a quick and intuitive tool to access their account 24/7.
- We now track missed service daily and evaluate opportunities to avoid these misses. The number of customers who have reported a missed pickup has been reduced by 40%.
- We continue to focus on education and outreach through a robust program lead by our recycling coordinator. School, community organizations & events and the master recycler program are just a few of the places she visits to work toward waste reduction.
- Safety is always at the forefront of our business. Continued training for all employees reminds them of the importance of their job and its impact in the community.

As always, we appreciate the partnership we share with the City of Corvallis and look forward an excellent year as we go forward in 2014. Please feel free to contact me with comments and questions as you review this report.

Best Regards,

Gary Blake
General Manager
Republic Services Corvallis

General Manager

Gary Blake, General Manager
Email: gblake@republicservices.com

Gary Blake has worked for Republic Services for 13 years. He served as District Controller, Business Unit Controller and Division Manager prior to taking the helm as General Manager in 2012. He earned his Bachelor's degree from Oregon State University in Business Administration.

Division Manager

Ron Tacchini, Operations Manager
Email: rtacchini@republicservices.com

Ron Tacchini has worked for Republic Services for four years. He came to the industry from UPS and is now the Operations Manager for Republic Services of Corvallis, overseeing a workforce of 52 employees. Ron earned a Bachelor's degree from Oregon Institute of Technology in Business.

Municipal Manager

Julie Jackson, Municipal Manager
Email: jjackson6@republicservices.com

Julie Jackson serves as the Municipal Manager for Republic Services. She has worked for the company for eight years, beginning as the Recycling Manager. She earned a Bachelor's degree from Oregon State University in Education.

REPUBLIC SERVICES

Summary of Services

B

FIGURE 1 – NUMBER OF CUSTOMERS RECEIVING SERVICE INDICATED

	2013	2012
Residential		
Cans	43	56
20 Gal Cart	347	383
35 Gal Cart weekly	8,277	8,143
35 Gal Cart bi-weekly	1065	1,061
64 Gal Cart	1,841	1,917
90 Gal Cart	757	771
On-Call	163	172
Total Residential	**12,493**	**12,503**
Commercial	**1,251**	**1,249**
Industrial	**96**	**82**

**Residential recycling customers in city limits: 12,490*
**Residential mixed organic waste customers in city limits: 11,678*
**Solid Waste Disposal Site – Coffin Butte Landfill*

FIGURE 2 COMMERCIAL & INDUSTRIAL CONTAINER COUNTS

COMMERCIAL	2013	2012
90 Gal Cart weekly	184	211
90 Gal Cart on call	-	-
1 yd on call	27	28
1 yd x 1	84	81
1 yd x 2	-	-
1 yd x 3	-	-
1 yd x 4	-	-
1 yd x 5	-	-
1.5 yd on call	37	36
1.5 yd x 1	104	104
1.5 yd x 2	18	17
1.5 yd x 3	-	-
1.5 yd x 4	-	
1.5 yd x 5	-	-
2 yd on call	19	17
2 yd x 1	124	129
2 yd x 2	49	46
2 yd x 3	10	8
2 yd x 4	-	-
2 yd x 5	-	-
3 yd on call	15	14
3 yd x 1	130	124
3 yd x 2	60	59
3 yd x 3	21	24
3 yd x 4	1	1
3 yd x 5	1	2
4 yd in call	5	7
4 yd x 1	98	90
4 yd x 2	33	36
4 yd x 3	12	13
4 yd x 4	-	-
4 yd x 5	2	2
6 yd on call	7	5
6 yd x 1	84	86
6 yd x 2	40	35
6 yd x 3	27	28
6 yd x 4	3	3
6 yd x 5	1	1
Rear Load on call	79	83
TOTAL COMMERCIAL	1275	1290

INDUSTRIAL	2013	2012
10 yd on call	1	1
20 yd on call	2	2
15 yd compactor	1	
20 yd compactor on call	8	8
25 yd compactor on call	2	2
27 yd compactor on call	2	1
30 yd lidded on call	20	11
30 yd on call	60	54
30 yd compactor on call	3	3
40 yd on call	2	2
40 yd compactor on call	11	11
TOTAL INDUSTRIAL	112	95

REPUBLIC SERVICES

Financial Information

C

**rounded to nearest dollar for presentation*

FIGURE 3 – 2013 & 2012 RECEIPTS & FRANCHISE FEE PAYMENTS

CURRENT YEAR 2013			PRIOR YEAR 2012		
Month	**Receipts**	**Fee Paid**	**Month**	**Receipts**	**Fee Paid**
Jan-13	$596,963	$29,848	Jan-12	$537,626	$26,881
Feb-13	$626,331	$31,467	Feb-12	$603,198	$30,160
Mar-13	$621,181	$31,059	Mar-12	$569,505	$28,475
Apr-13	$596,229	$29,811	Apr-12	$609,852	$30,493
May-13	$564,362	$28,218	May-12	$572,763	$28,638
Jun-13	$685,811	$34,291	Jun-12	$622,598	$31,130
Jul-13	$583,914	$29,196	Jul-12	$580,522	$29,026
Aug-13	$682,238	$34,112	Aug-12	$631,616	$31,581
Sep-13	$635,716	$31,786	Sep-12	$594,444	$29,722
Oct-13	$668,477	$33,424	Oct-12	$624,826	$31,241
Nov-13	$590,881	$29,544	Nov-12	$588,542	$29,427
Dec-13	$654,443	$32,722	Dec-12	$645,388	$32,269
TOTAL	**$7,509,546**	**$375,477**	**TOTAL**	**$7,180,878**	**$359,044**

FIGURE 4 – 2013 & 2012 RECYCLE RECEIPTS &FRANCHISE FEE PAYMENTS

CURRENT YEAR 2013			PRIOR YEAR 2012		
Month	**Receipts**	**Fee Paid**	**Month**	**Receipts**	**Fee Paid**
Jan-13	$21,118	$1,056	Jan-12	$29,892	$1,495
Feb-13	$15,606	$780	Feb-12	$23,381	$1,169
Mar-13	$18,695	$935	Mar-12	$28,208	$1,410
Apr-13	$26,997	$1,350	Apr-12	$31,610	$1,580
May-13	$20,729	$1,036	May-12	$29,377	$1,469
Jun-13	$20,676	$762	Jun-12	$26,450	$1,322
Jul-13	$20,675	$1,033	Jul-12	$22,769	$1,138
Aug-13	$20,804	$1,040	Aug-12	$15,034	$752
Sep-13	$18,157	$908	Sep-12	$10,109	$505
Oct-13	$23,787	$1,189	Oct-12	$33,639	$1,682
Nov-13	$13,834	$692	Nov-12	$30,506	$1,525
Dec-13	$11,980	$599	Dec-12	$22,906	$1,145
TOTAL	**$233,058**	**$11,380**	**TOTAL**	**$303,880**	**$15,194**

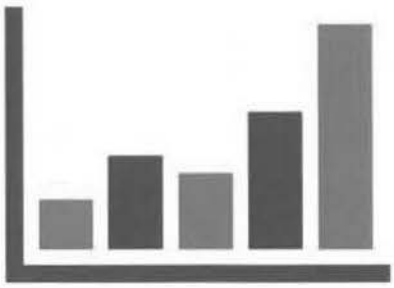
Decline in commodity prices drove the decrease in 2013 receipts.

FIGURE 5 – COMPARISON OF FRANCHISE FEES PAID – 15 YEAR HISTORY

Years	City of Corvallis Receipts	Franchise Fee Paid	Percent Change
1999*	$4,502,824	$225,144	3.2%
2000	$5,158,146	$257,921	14.6%
2001	$5,217,607	$260,880	1.2%
2002	$5,246,287	$262,314	0.6%
2003	$5,271,952	$263,598	0.5%
2004 a	$5,264,319	$263,216	-0.1%
2005 a	$6,089,698	$304,485	15.7%
2006 a	$6,668,284	$333,360	9.5%
2007 a	$6,804,766	$340,238	2.1%
2008	$6,860,594	$343,030	0.8%
2009 a	$6,910,493	$345,523	0.7%
2010	$7,015,709	$366,939	6.2%
2011 b	$7,756,627	$387,831	5.7%
2012 a	$7,571,932	$378,597	-2.4%
2013	$7,789,723	$389,486	2.9%

a Rate increases: July, 1999; September, 2004; September, 2005; October, 2006; November, 2007; May, 2009, and October, 2012.

b Recycle Fees: Beginning in 2011, reporting included recycling receipts and the corresponding franchise fee.



REVENUE, EARNINGS & EXPENSES

SUMMARY

As anticipated with the October 2012 price increase, 2013 operating margins in the City of Corvallis improved 90 basis points. Strong revenue growth and decreased labor and SG&A costs helped offset rising costs in maintenance, facility repairs and subcontract expense. 2013 margins have returned to the 8-10% historic operating range.

REVENUE

Revenues in 2013 rose 4.4% due to the "rollover" effect of the October 2012 price increase, moderate volume growth and the inclusion of medical waste in the reporting. Our medical waste business, previously operated under a separate company, Bio-Med of Oregon, was divested in July of 2013. However, we retained the business within the City of Corvallis, rolling it into the Corvallis operation and subcontracting the work to Stericycle, Inc. The inclusion of medical waste revenue into the reporting accounts for about 1% of the 4.4% increase.

OPERATIONS EXPENSE

Total cost of operations increased 3.9% from 2012, primarily due to volume growth, higher maintenance and facility repairs and the inclusion of medical waste subcontract costs.

- Labor costs decreased 1%, driven by productivity improvement in the industrial line of business and a four month vacancy in one of our supervisor positions.
- Repairs and maintenance costs increased 21%, returning to 2011 levels. Prior year was a very favorable year in the maintenance department, reporting a decrease of 22% from 2011.
- Vehicle operating costs decreased 3% as the average fuel rate decreased slightly year over year.
- Facility expenses increased 24%, resulting from a $40k repair to our parking lot adjacent to the maintenance shop.
- Safety, insurance and claims were flat year over year.
- Disposal/Recycling costs increased 3%, driven mostly by CPI adjustments at Coffin Butte and the PRC.
- Franchise fees increased 3%, consistent with the increase in revenue.
- Other operating expenses increased due to the inclusion of medical waste subcontract expense. This is adding approximately $9k of expense per month, offsetting most of the $9.5k per month in revenue.
- Depreciation decreased 9% as a significant portion of our residential carts became fully depreciated

SALARIES & GENERAL ADMINISTRATIVE EXPENSE

Salaries and administrative expenses decreased 5% when compared to 2012. A significant mailing to customers that typically is expensed in January was expensed in December of 2012. Additionally, we realized a significant decrease in bad debt expense from strong collection efforts.

FIGURE 6.1 – COMPANY TOTAL– ASSETS – AS OF DECEMBER 31, 2013

	2013	2012
ASSETS		
Current Assets		
Cash	-	-
Net Trade Receivables	1,025,382	904,347
Other Receivables	-	637
Prepaid Expenses	73,106	52,565
Inventories	47,816	70,856
Deposits	-	-
Total Current Assets	**1,146,304**	**1,028,405**
Property & Equipment		
Buildings & Improvements	-	-
Vehicles & Equipment	10,333,402	5,447,111
Containers & Compactors	2,235,271	2,129,668
Furniture & Fixtures	41,871	41,871
Computer Equipment	32,563	34,823
Accumulated Depreciation	(4,297,944)	(3,672,974)
Total Property & Equipment	8,345,163	3,980,499
Goodwill		
Total Assets	**9,491,467**	**5,008,904**

FIGURE 6.2 – COMPANY TOTAL – LIABILITIES & EQUITY – AS OF DECEMBER 31, 2013

	2013	2012
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable	1,555,762	161,700
Accrued Liabilities	204,221	185,091
Unearned/Deferred Revenue	-	-
Total Liabilities	**1,759,983**	**346,791**
Stockholder's Equity		
Intercompany Accounts[1]	840,371	(1,177,403)
Common Stock	-	-
Additional Paid-in Capital	-	-
Retained Earnings (Beginning)	4,662,113	3,941,914
Current Year Earnings	2,229,000	1,897,603
Other Inc. (Dec) - R/E	-	-
Total Stockholder's Equity	**7,731,484**	**4,662,113**
Total Liabilities & Equity	**9,491,467**	**5,008,904**

FIGURE 7 – OPERATIONS RELATED TO THE CITY OF CORVALLIS – YEAR ENDING DECEMBER 31, 2013

	2013	2012
Revenue	$7,699,671	$7,377,812
Cost of Operations	$5,669,267	$5,458,652
Gross Profit	**$2,030,404**	**$1,919,160**
Salaries, General and Administrative	$897,759	$942,268
Operating Income	**$ 1,132,645**	**$ 976,891**
Provision for Income Taxes	$ 453,058	$ 390,757
Net Income	**$ 679,587**	**$ 586,135**
Net Income as a Percent of Sales	8.8%	7.9%

FIGURE 8 – SCHEDULE OF DIRECT EXPENSES

	2013	2012
COST OF OPERATIONS		
Labor	1,603,141	1,611,637
Repairs and Maintenance	533,846	441,402
Vehicle Operating Costs	553,084	567,269
Equipment Rent	-	-
Facility Operating	236,196	189,988
Safety, Insurance and Claims	300,322	299,409
Disposal / Recycling Purchases	1,417,711	1,378,614
Franchise Fees	387,130	374,238
Other Operating Costs	185,751	96,607
Depreciation	452,086	499,487
TOTAL COST OF OPERATIONS	**$ 5,669,267**	**$ 5,458,652**
SALARIES, GENERAL & ADMINISTRATIVE		
Salaries	241,006	238,550
Rent and Office Expense	164,589	157,690
Travel and Entertainment	19,238	21,882
Professional Fees	48,629	46,177
Bad Debt Expense	31,528	47,406
Management Services	258,640	276,292
Other Expenses	134,129	154,270
Depreciation	-	-
TOTAL SALARIES, GENERAL & ADMINISTRATIVE	**$897,759**	**$942,268**

**Does not include franchise fees paid from Bio-Med of Oregon. This will be the difference from the franchise fee summary table on page 5.*

FIGURE 9 – COMPANY TOTAL – STATEMENT OF CASH FLOWS – YEAR ENDING DEC. 31, 2013

Cash provided from (used for) Operations:			
Net Income		2,229,000	
Non-cash operating expenses:			
Depreciation & Amortization	846,000		
Allowance for doubtful accounts	61,000		
Add: Total non-cash operating expenses		907,000	
Change in operating Assets & Liabilities			
Accounts Receivable	(121,036)		
Other Receivable	637		
Prepaid Expenses	(20,541)		
Inventories	23,041		
Payables	1,394,062		
Accrued Liabilities	19,130		
Deferred Revenue	-		
Add: Total change in operating assets & liabilities		1,295,293	
Cash provided by net operating activities			4,431,293
Cash provided from (used for) Investing Activities:			
Fixed Assets (net)		(4,364,664)	
Goodwill		-	
Intercompany Obligations		(66,629)	
Cash provided from (used for) investing activities			(4,431,293)
Cash provided by (used for) Financing Activities:			-
(Prior period adjustment associated with Republic purchase of Allied Waste)			
Increase (Decrease) in cash			-

** The Cash Flow Statement represents Cash Flows from all operations of Republic Services of Corvallis, not just the City of Corvallis*

FIGURE 10 – CAPITAL EXPENDITURES – 2013 ACTUAL & 2014 BUDGETED

2013 Capital Items and Descriptions	Cost
Industrial Drop Boxes & Commercial Containers	$85,985
MSW, Recycling, & Yard Debris Carts	$171,675
CNG Facility	$1,256,309
CNG Collection Vehicles (13)	$3,221,184
Shop Equipment	$6,034
TOTAL	$4,741,188

2014 Budgeted Capital Items and Descriptions	Cost
CNG Collection Vehicles (5)	$1,340,901
CNG Facility Completion	$116,758
MSW, Recycling, & Yard Debris Carts	$94,150
TOTAL	$1,551,809

OPERATIONS

The operations team focused on several areas in 2013. Safety is always the top priority for Republic Services. Employees receive more than 13 hours of formal training each year, including a monthly tailgate meeting focusing on one of six safety priorities. Supervisors conduct regular route audits, riding along with drivers to observe on the job performance.

EFFICIENCY

Republic Services is dedicated to providing the most efficient service possible, always keeping safety, customer service and collection costs in mind for the communities we serve. We establish route standards for each driver each day and manage their performance based on those standards. Drivers are encouraged to provide feedback and to use their knowledge of the community to help create route efficiencies.

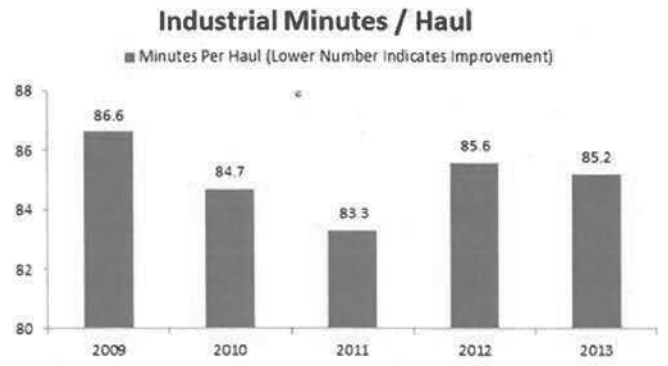
FACILITY

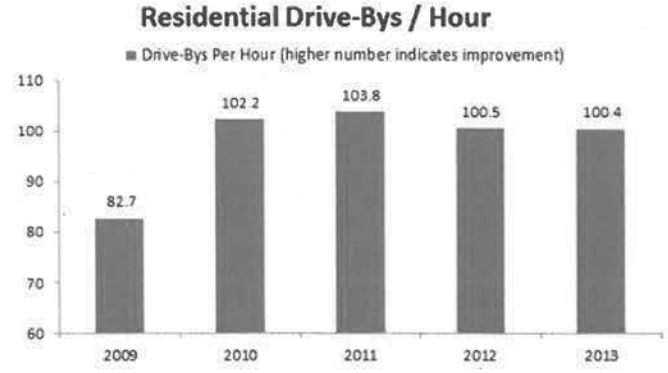
Our office on Walnut Blvd. is open Monday through Friday from 8 a.m. to 5 p.m. and the Recycle Center is open seven days a week.

FLEET MAINTENANCE

We continue to employ planet friendly tactics to reduce our impact on the environment. In the last quarter of 2013, we constructed a Compressed Natural Gas (CNG)fueling station, the first of it's kind in Corvallis, and began receiving CNG trucks, built to significantly reduce emissions and noise.

OPERATIONAL EFFICIENCIES





** Customers and routes from RS of Dallas were merged with RS of Corvallis operations in 2012. The resulted in significant fixed cost reduction despite the slight decline in productivity.*

REPUBLIC SERVICES

Customer Service

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Customer Service Manager

Lynn Hubert, Customer Service Manager
Email: lhubert@republicservices.com

Lynn Hubert has worked for Republic Services for 26 years in Customer Service. Her work involves developing a staff of professional customer service representatives who are able to solve problems for our customers and she takes pride in offering a convenient one call resolution for each and every customer.

FOCUS

In 2013, Republic Services focused as a company on improving the customer experience across the nation. Trends and processes were identified to help provide the best possible service to our customers. One of the tools implemented is the Net Promoter Score, a customer loyalty ranking system used by companies like Apple, Southwest Airlines and Lego. We are asking our customers if they would recommend us to others and strive to continually increase the number who reply in the positive. We are not content to just identify areas for improvement. 2014 will be an exciting year as we move forward, using the information gathered to provide an even more dynamic customer experience.

CUSTOMER SERVICE

We pride ourselves on being able to help each and every customer in a convenient and helpful way. Customers are able to contact us in a variety of ways designed to accommodate their needs. Each phone call is answered by a live and local customer service representative (CSR.) Emails are also answered by local CSR's and additional information is available online. Payment options are available by phone and online 24/7. The option to receive paperless invoices is now available which is appreciated by our local customers. On a monthly basis, Customer Service Representatives are "secret shopped" over the phone via recorded conversations that ensure service quality and tone remains at the highest standards. They are graded on approximately 30 different criteria and are trained to provide the best customer service possible. Our local CSR's rank far above the nationwide average. In addition, Republic customers are randomly surveyed over the phone or by email.

INNOVATIONS

The Customer Service staff was able to add a new service in 2013. ***Call Blasts,*** a recording sent to all customers within a designated area or route became a quick and efficient way to notify our customers about things such as inclement weather route adjustments, holiday hours and work schedules. A call blast is recorded locally by our Customer Service Manager and can be sent within an hour as the need arises. After implementing the Call Blast function in the fall and winter for holiday hours and inclement weather, we received many calls from customers letting us know that the appreciated this type of communication. It is especially appreciated by customers who prefer traditional notifications.

MY RESOURCE

In March 2014, Republic Services will launch an innovative application for desktop and mobile devices. This application called *My Resource,* is the first of it's kind in the waste industry, providing a simple way for customers to manage their account.

Customers will be able to:

- Manage account 24/7, from any mobile device
- Pay bills
- View invoices
- View payment history
- Request service
- Get help when needed

REPUBLIC
SERVICES

Recycle
Reinvent
Republic

E

March 2014: Republic Services Annual Report for the City of Corvallis

FIGURE 11 – TONS RECYCLED BY COM MODITY TYPE

COMMODITY	Total 2012	2013 Curbside	2013 Depot/ Leaves	Total 2013	Change (%)
Wood Waste[1]	435	-	401	401	-7%
Yard Debris (including leaves)[2]	11,462	8,329	2,128	10,457	-9%
Cedar Shavings	179		357	357	100%
Cardboard	3,307		3,203	3,203	-3%
Office Paper	60		61	61	2%
Newspaper[3]	-		-	-	-
Commingled	7,218	5,205	2,075	7,281	1%
Electronics	126		161	161	28%
Food Waste	359		355	355	-1%
Plastic Film	34		51	51	50%
Container Glass	1,102	559	387	946	-14%
Scrap Metal[4]	255		186	186	-27%
Motor Oil (truck fuels)	31		28	28	-9%
Batteries	9		12	12	25%
Concrete	99		243	243	145%
Construction & Demolition (C&D)	292		580	580	99%
Total Recycle Tons	25,031	14,093	10,223	24,381	-3%
Total Landfill Tons	39,759			37,377	-6%
TOTAL WASTE	64,790			61,758	-5%

1. Adjusted wood waste total reflects removal of industrial wood tons and addition of 49 tons corrected in Infopro year end.

2. Total tons includes 2,080 leaf tons (not included in quarterly totals.)

3. No longer collecting newspaper as a source separated material. It is included in commingled recycling. This line will be removed from report for 2014.

4. Scrap Metal tons continue to decline, most likely based on metal pricing, making it profitable for individuals to sell metal themselves.

FIGURE 12 – RESIDENTIAL CURBSIDE MSW & RECYCLE TONS BY MONTH

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Woodwaste (WW)													
Cedar Shavings (C													
Municipal Solid Waste (MSW)	1,073	922	992	1,117	1,162	1,057	1,164	1,104	1,064	1,230	1,085	1,051	13,021
Leaves										360	1,510	210	2,080
Yard Debris (YD)	485	417	659	1,055	970	842	724	515	596	787	671	285	8008
Food Waste (FW)													
Cardboard (CB)													
Office Paper (OP)													
Newsprint (NP)													
Comingle (CO)	477	369	388	458	433	402	452	406	430	491	404	495	5,205
Glass (GL)	57	45	45	42	52	44	50	53	45	38	42	44	559
Metal													
e-Waste													
Motor Oil (MO)	2.92	3.93	2.55	3.02	0.50		3.90	6.04	3.87	1.18		0.32	28.23
Household Hazardous Waste (HHW)													
Batteries (Batt)													
Concrete													
Paint													
Plastic Film (PF)													
Total - All Tons	2,095	1,757	2,087	2,675	2,618	2,345	2,394	2,084	2,139	2,908	3,712	2,086	28,901.23

Disposal Sites	
GL = glass	Coffin Butte Landfill (roadbase)
Metal	Cherry City / Metro Metals
MSW = municipal solid waste	Coffin Butte Landfill
CB = cardboard	Source Recycling
OP = office paper	Source Recycling
NP = newsprint	Source Recycling
CO = commingle	Source Recycling
e-Waste	ECS, Reganysis
Paint	Habitat ReStore
PF= PlasticFilm	SP Recycling
CS = cedar shavings	Heeter Farm
MO = motor oil	Safety Kleen
Concrete	Knife River
WW = wood waste	PRC
FW = food waste	PRC
YD = yard debris	PRC
HHW = Household hazardous waste	PCS

FIGURE 13 – RECYCLE DEPOT TONS BY MONTH

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Woodwaste (WW)													
Cedar Shavings (CS)													
Municipal Solid Waste (MSW)													
Yard Debris (YD)				48									48
Food Waste (FW)													
Cardboard (CB)	12	7	10	18	12	14	20	20	14	20	15	18	180
Office Paper (OP)													
Newsprint (NP)													
Comingle (CO)	43	36	36	49	34	45	39	35	44	59	50	49	519
Glass (GL)	39	21	26	17	26	17	36	15	25	27	20	20	289
Metal	27	6	7	48	12	8	26	17	6	16	4	9	186
e-Waste	-	26	-	23	7	-	19	25	14	11	17	19	161
Motor Oil (MO)													
Household Hazardous Waste (HHW)	-	14			22			26			21		83
Batteries (Batt)					4						5		9
Concrete													
Paint													
Plastic Film (PF)	7	3	5	8	7	6	-	3	3	3	5	1	51
Construction & Demo													
Total - All Tons	**128**	**113**	**84**	**211**	**124**	**90**	**140**	**141**	**106**	**136**	**137**	**116**	**1,526**

**Commercial Glass is mixed with Depot Glass – All volume is on the depot chart*

FIGURE 14 – COMMERCIAL MSW &RECYCLE TONS BY MONTH

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Woodwaste (WW)	50	14	13	34	22	36	31	59	17	50	14	12	352
Cedar Shavings (CS)	8	7	6	42	49	35	35	42	35	35	49	14	357
Yard Debris (YD)	26	15	14	- 95	23	30	34	23	13	24	16	8	321
Municipal Solid Waste (MSW)	2041	1,852	1,870	2,040	2,116	2,100	2,041	2,089	2,232	2,220	2,077	1,678	24,356
Food Waste (FW)	17	32	45	38	39	38	24	26	21	30	22	23	355
Cardboard (CB)	278	255	265	258	259	212	218	222	259	291	265	241	3023
Office Paper (OP)	7	9	7	-	8	7	-	8	7	8	-	-	61
Newsprint (NP)													
Comingle (CO)	144	121	124	126	152	143	132	118	110	147	128	128	1572
Glass (GL)	13	15	9	4	9	4	4	8	4	13	4	10	98
Metal													
e-Waste													
Motor Oil (MO)													
Household Hazardous Waste (HHW)													
Batteries (Batt)													
Concrete	-	-	-	-	11	20	40	7	52	90	23	-	243
Paint													
Plastic Film (PF)													
Construction & Demo	61	62	38	42	28	42	85	75	17	64	-	66	580
Total - All Tons	**2,645**	**2,382**	**2,391**	**2,679**	**2,716**	**2,667**	**2,644**	**2,677**	**2,767**	**2,972**	**2,598**	**2,180**	**31,318**

FIGURE 15 – HHW MATERIAL TOTAL

Hazardous Material	2012	2013
Latex Paint	29	27
Paint	23	20
Flammable Liquids	7	8
Toxic Liquids	8	12
Toxic Solids	3	2
Corrosive Liquids	1	1
Caustic Liquids	2	2
Oxidizing Liquids	0.03	0.12
Oxidizing Solids	0.09	0.38
Hypochlorite Solutions	0.75	0.85
Aerosols, Flammable	2	1.48
Insecticide Gases	1	1
Compressed Gas	0.46	.5
Batteries, Wet	0	0
Batteries, Dry	15	12
Lithium Batteries	0.15	0.28
Flammable Solids	0.02	0.01
Water Reactive Solids	0.004	0.0015
Self-Heating Solids	0.02	0.01
Mercury	0.10	0.04
Organic Peroxide	0.002	0.01
Hydrogen Peroxide	0.106	0
Light Ballasts	0.51	0.2
Asbestos	0	0
Nitric Acid	0.004	0
Perchloric Acid	0	0
Potassium Cyanide	0	0.01
TOTAL TONS	**92.21**	**88.89**

FIGURE 16 – SPRING RECYCLE EVENT CUSTOMER NUMBERS

Locations	2012 Customer Count	2013 Customer Count	% Change
CDC South Lot	862	828	4%
CDC North Lot	N/A	N/A	N'A
Total	862	828	4%

Material Collected	2012 Tons	2013 Tons	% Change
Metal	16	31	94%
Yard Debris/ Wood	59	48	8%
Total	75	79	5%

FIGURE 17 – HHW CUSTOMER COUNT

Yr.	Feb.	May	Aug.	Nov.	TOT.	YOY Change
2010	1116	886	924	701	3,627	37.8%
2011	515	822	1049	1033	3,419	-5.7%
2012	202	576	673	737	2,188	-36.0%
2013	449	961	932	815	3,157	44.3%

Household Hazardous Waste Collection

Four HHW collection events were held in 2013. These events were promoted in our customer newsletters, on billing statements, on our web site and in the Gazette Times. We've coordinated our quarterly newsletters to reach the customers just prior to these events in an attempt to better publicize them and encourage greater participation.

Republic Services is proud to make Corvallis it's first CNG division in Oregon. It's no accident that Corvallis was selected to host this new technology. We have a long-standing tradition of making Corvallis first in the state, first with recycling, followed by yard debris, food waste and now CNG. The support of the community is just one of the reasons why.

There are plenty of reasons to be excited about our investment in CNG. Below are some of the benefits of CNG trucks:

- CNG trucks are much quieter on the streets, producing significantly fewer decibels than their diesel counterparts.
- CNG is a safer alternative fuel. Protecting storm water with no leakage of fuel.
- 23% reduction in greenhouse gas emissions, with an annual benefit of 26 metric tons of GHG emissions reduced per truck.
- Use local and abundantly available fuel from North American sources.

BY THE NUMBERS

What does all this mean for Corvallis?

325: that's the equivalent number of cars & their emissions being removed from the road *every day* by converting just one diesel truck to CNG!

4,225: That's the equivalent number of cars being removed with our current fleet of 13 trucks. This will nearly double with additional CNG trucks in 2014.

Education & Outreach Coordinator

Emily Phillips, Education & Outreach Coordinator
Email: ephillips@republicservices.com

Emily Phillips earned her degree in Public Health in 2006 from Oregon State University and has worked for Republic Services for two years. In her role as the coordinator for recycling and waste reduction education, Emily has visited over 33 schools, businesses and community groups. Her presentations help students, employees and community members understand recycling and reuse processes and the importance of these programs.

Facilitating the Master Recycler class for Linn and Benton Counties, helping people turn their passion to protect the planet into real actions they can implement in their lives now is one of Phillip's duties. This eight week long course explores all aspects of waste, were it goes, what the future looks like and the specific options in our community. Staffing informational booths and cart staffing at events are favorite payback opportunities for Master Recyclers.

Our Education and Outreach Coordinator serves as the local coordinator for Oregon Green Schools and is a member of the board of directors of this statewide agency. A part of her time is spent assisting schools in their quest to reduce waste and become Oregon Green Schools along the way.

Our Education and Outreach Coordinator serves as the regional coordinator for Oregon Green Schools and currently serves on it's Board of Directors. Helping schools create a plan to reduce "waste, watts and water" is a big part of this job.

FIGURE 18 - 2013 PRESENTATIONS

WASTE REDUCTION, RECYCLING, AND ORGANICS OUTREACH & EDUCATION

	Pre K- 5th grade	6th-8th grade	9th-12th grade	Lifelong Learning
Waste Reduction & Reuse	2	2	1	3
Recycling Presentations	2	1	1	3
Community Events & Fairs	2	2	2	2
Organics Presentations		1	1	1
Coffin Butte Landfill Tours		4	3	3
Pacific Region Compost Tours		4	2	2
Compost Workshops				2
Master Recycler Class				8
Cart Audits & Glass Canvass				4
TOTAL PRESENTATIONS				58

COMMUNITY INVOLVEMENT

Republic Services is an active partner of the Corvallis Sustainability Coalition, serving on task and action groups. We have a strong commitment to supporting the community, with donations of cash, time, talent and products and services. Our company made donations to the list below in 2013:

City of Corvallis
Kiwanis Club of Corvallis
Red, White & Blues Festival
Corvallis Cub Scouts
City of Monroe
Mary's River Park Shelter
First Alternative Co-op
Tangent Harvest Festival
City of Philomath
Rotary Club of Corvallis
Cheldelin Middle School
Greek Food Festival
Corvallis Knights

Philomath Classic Car Show
Fall Festival
Benton Co.Sheriff
Benton Co. Fairgrounds
Co. Fair & Rodeo
Triangle Park
Alsea Recycling Center
CVHS Baseball
Winters Eve Corvallis
OSU Family Gardens
Old Mill Center
Benton Co. Historical Society

Corvallis Assistance League
OSU Dept. of Human Development
United Way Day of Caring

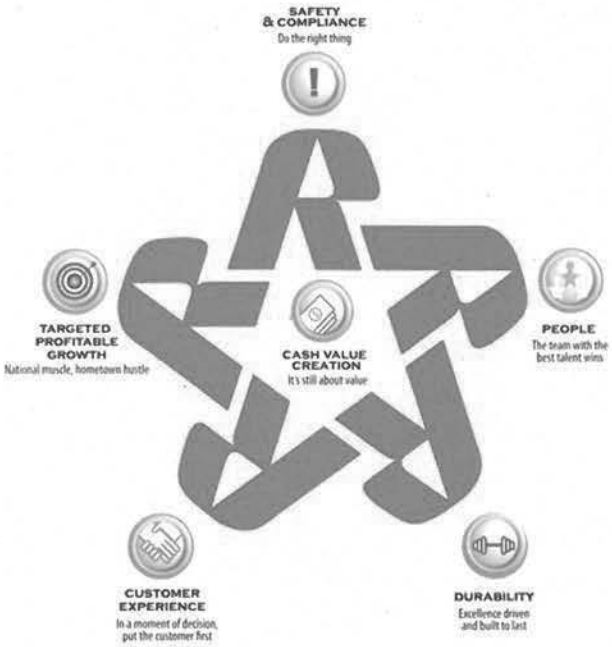
Bite of Benton
Benton Co. Master Gardeners
United Way
Safe Haven Humane Society
CVHS
OSU Agriculture Program
Special Olympics
Corvallis Sustainability Coalition

REPUBLIC SERVICES

Appendix F

COMPLIMENTS & COMPLAINTS

Type of Complaint	Number of Complaints	Number of Complaints Resolved	Number of Compliments Received
Billing Issues	7	7	-
Container Placement/Replacement	4	4	-
Property Damage	-	-	-
Trash/Recycling on Ground	7	7	-
Recycling Issues	1	1	-
Containers Missed	1	1	-
Customer Service Issues	1	1	-
Partially Emptied	-	-	-
Driver Issue	-	-	-
Customer Service	-	-	1
Driver Extra Effort	-	-	7
Overall Service Levels	-	-	4
Recycling	-	-	-
Total	21	21	12



2013 RECYCLING COLLECTOR SURVEY

Company/Collector Name _____ Republic Services, Corvallis

Wasteshed _____ Benton County

Use a separate page 1 for each Oregon wasteshed.

A. POST-CONSUMER MATERIALS HANDLED IN 2013 (Single Wasteshed)

INSTRUCTIONS: For each post-consumer material handled in 2013, record the amount obtained by each of the following collection methods. In columns (A)-(F) record the amount collected by your company. In column (G), record the amount received from other companies; list each company from which you received material. If material is received from multiple wastesheds, the totals reported (column H1) for each wasteshed should, when added together, equal the total reported in column (H2) on page 2. If material is collected in only one wasteshed, (H1) will = (H2).

Materials (See Recovered Materials Definitions on Attachment A)		Amount Collected: Only by Your Company						(G)		(H1)
		(A) On-Route Residential (Curbside Only)	(B) On-Route Commercial	(C) Multi-Family	(D) Disposal Sites & Transfer Stations	(E) Other Depots & Other Residential	(F) Construction & Demolition	Amount Received From Other Companies	**REQUIRED** Company Name(s)	Total Amount Collected / Handled in This Wasteshed (A) thru (G)
COMMINGLED All Commingled Materials	Tons	5205	1572			477		26	Coffin Butte Landfill	7280.000
PAPER FIBERS wspaper / Mags. (FIB NP)	Tons									0.000
Mixed Papers Only (FIB MW)	Tons									0.000
Office Pack / Hi Grade (FIB HI)	Tons		61							61.000
Cardboard / Kraft (OCC)	Tons		3020			183				3203.000
NON-FIBER Film Plastics (PF)	Tons					51				51.000
Plastic Bottles & Containers (RPC)	Tons									0.000
Other Plastics (PO) [kind_____]	Tons									0.000
Container Glass (GL)	Tons	559				365		22	Coffin Butte Landfill	946.000
Aluminum (AL)	Tons									0.000
"Tinned" Steel Cans (TC)	Tons									0.000
Scrap Metal (SCM)	Tons					180		6	Coffin Butte Landfill	186.000
Lead Acid Batteries (LAB)	Units / Tons					12				12.000
Tires (TIR)	Units / Tons									0.000
Used Motor Oil (OIL)	Gallons / Tons					28				28.000
Electronics (EL)	Tons					115				115.000
Asphalt Roofing (RF)	Tons									0.000
ORGANICS Food Waste (FW)	Tons		355							355.000
Wood / Lumber (WW)	Tons / CuYd		401							401.000
Compacted Yard Debris (YD)	Tons / CuYd	8329								8329.000
Uncompacted Yard Debris (YD)	Tons / CuYd	43								43.000
OTHER Other: Leaves	Tons	2080								2080.000
Other: Cedar Shavings	Tons		357							357.000
Other: Concrete	Tons		243							243.000
Other: Christmas Lights	Tons					1				1.000

WEBSITE SURVEY RESULTS

Spring/Summer 2013 Website Survey Results

58 responses collected between April- August 2013

How often do you visit our website?
One time per week- 2.13%
One time per month- 4.26%
Several times per year- 93.62%

What are the three most common reasons you visit our website?
Recycling Questions- 75%
Billing Questions- 11.54%
Events Calendar- 53.85%
Holiday Schedule- 44.23%
Rates- 5.77%
To Schedule Services- 3.85%
To Contact Us- 13.46%
Customer Newsletter- 3.85%
Other- 17.31%

information about pickup options and containers
dates for glass pickup
glass collection
hours of operation for dump or recycling center at Corvallis HQ
I've never visited your website but read your newsletter whenever it appears
This is the first time I have been to this site. I did check out the web site for Allied Waste. Didn't realize until today that Allied is no longer.
Try to figure out hazardous waste disposal days
First and probably only web site visit, to fill out this survey..
Pay bill. Glass p/u schedule.

How do you prefer to get information from Republic Services?
Mail- 45.28%
Website- 26.42$
Newspaper- 7.55%
Other- 20.75%

emails would work
email or paper mail
email
email newsletter
e-mail
phone
Newsletter (my only source of RS news)
email
Mail is good because this is a trailer park... included in pad rent is garbage pick up
e-mail

WEBSITE SURVEY RESULTS

Email

What additional information would you like to see on our website?

Open-ended question

Several good things have resulted from the OSU/Corvallis Collaboration, including a recommendation from the Neighborhood Planning work group for more stringent demolition practices. I'd like to see the websites posted for neighborhood associations and a new coalition of realtors and rental property owners, as well as OSU and City contacts for recycling, so we can all communicate better among ourselves to educate each other on ways to reduce, reuse, and recycle more. The Sustainability Coalition is another good source of information that could be linked in through your website. The more cross-fertilization we have, the better we can clean up our act!

I would really like to see even more specific examples of what can and cannot be recycled. For example, I still cannot figure out if the boxes that frozen foods come in can be recycled or not.

More information about recycling, especially plastics. What you accept, what you don't accept, and other local organizations that might take what you don't accept (free or fee).

Tried to visit website just minutes ago and it came up with problem loading page. I would like to have seen plastic recycling numbers in your mailout.issue Summer 2013. It talked about them by never mentioned BY NUMBER what you will or will not accept

I'm still not clear about who can have a mixed organics bin and who is stuck using a composter.

I would appreciate listing of businesses that sell recycled products around Corvallis, and maybe more update on what happens to recycled items (e.g. who uses them to make what). It would help me to make better choices. Thanks for the opportunity to share.

tailor website for Corvallis, rather than just inserting name in countruywide web info...

easy to find hours of operation for dump and recycling centers as well as special event schedule - hazardous waste day Also recycling details and clarifications

I love the flyer. I read them and wish everyone here (in the trailer park) read them. These often contain good information and, man, do you ever have to repeat, repeat, repeat... It's good to repeat because obviously someone might not get it from this flyer but maybe the next one...

The recycling of plastic is confusing: what happened to the triangle with a number that was specific to what plastic you could recycle. Now it seems that any color, any chemical composition, and size is okay. Medical prescription bottles(small ones) to gallon jugs yellow, white, green, and clear) seem to be permitted.

Easier to find/better information on landfill locations and rates for our area; more information/easier-to-find information on what's accepted for the household hazardous waste events

Attachment B

Finance Department
500 SW Madison Avenue
Corvallis, OR 97333
541-766-6990
541-754-1729

MEMORANDUM

March 31, 2014

TO: Adam Steele, Franchise Utility Specialist

FROM: Jeanna Yeager, Accountant

SUBJECT: Republic Services of Corvallis, Annual Financial Review Fiscal Year 2013

This review consists of inquiries and analytical procedures and is very limited in its nature. It does not attest to whether the financial statements or schedules were prepared in accordance with Generally Accepted Accounting Principals. Republic Services of Corvallis' (formerly Allied Waste of Corvallis) annual reports are unaudited financial reports that are the representation of the management of Republic Services.

This review is based on Republic Services' fiscal year, January 1, 2013 through December 31, 2013. During the year, Republic Services received revenues of $7,699,671, an increase of 4.4% over the prior year. Republic Services attributes this to the "rollover" effect of the October 2012 price increase, moderate volume grown, and the inclusion of medical waste in the reporting.

Total operating expenditures were $5,669,267, an increase of 3.9%. According to Republic Services, this was due to volume growth, higher maintenance and facility repairs, and the inclusion of medical waste subcontract costs. Salaries and general administrative costs decreased 4.7%. Contributing to these savings was "a mailing to customers that typically is expensed in January was expensed in December of 2012." In addition, there was a significant decrease in bad debt expense due to strong collection efforts. This resulted in operating income of $1,132,645 and net income of $679,587, both representing increases of approximately 16% when compared to the prior fiscal year.

Republic Services reports franchise fees totaling $386,859, paid to the City of Corvallis, for standard waste and recycling receipts. This is consistent with City records and reasonable relative to total revenue recorded by the company. Republic Services has subcontracted their medical waste business and no longer separately reports franchise fee for these receipts. According to City records, franchise payments for medical waste totaled $4,859.

Accounts payable increased from $161,700 in the prior year to $1,555,762, contributing to total current liabilities of $1,759,983. With current assets (excluding cash) of $1,146,304, Republic

Services has a current ratio of less than one. This result is significantly lower than the prior year and might normally be of concern as a short-term liquidity benchmark. However, cash is excluded from the numerator and the ratio is consistent with the parent company's results (when cash is also excluded), as well as results of the industry in general.

Based on this review, acceptance of Republic Services' annual report is recommended.

MEMORANDUM

TO: Administrative Services Committee

FROM: Mary Steckel, Public Works Director

DATE: May 20, 2014

SUBJECT: Casco Telecommunications Franchise

ISSUE:

Casco, a competitive local telecommunications service provider has submitted a request for a telecommunications franchise to operate within the public right of way.

DISCUSSION:

Staff is proposing a standard non-exclusive, ten-year telecommunications franchise agreement (attached) with Casco. The agreement is subject to the conditions of the Master Telecommunications Ordinance 99-26 and Corvallis Municipal Code, including requirements for compensation, insurance, performance surety, and indemnification.

The terms of the proposed franchise agreement are consistent with previous City Council direction to establish proper management authority within public rights of ways and to receive maximum compensation allowed by law for such use. Casco will pay a franchise fee of 7% of gross revenues earned within the Corvallis city limits.

RECOMMENDATION:

Staff recommends the Administrative Services Committee recommend City Council adopt an ordinance for a non-exclusive telecommunications franchise with Casco fixing terms, conditions, and compensation, and stating an effective date upon passage by the City Council and approval of the Mayor.

James A. Patterson, City Manager

James K. Brewer, City Attorney

ORDINANCE 2014-

AN ORDINANCE GRANTING TO CASCO A NONEXCLUSIVE FRANCHISE FOR THE PROVISION OF TELECOMMUNICATIONS SERVICES WITHIN THE CITY OF CORVALLIS, AND STATING AN EFFECTIVE DATE

WHEREAS, Casco, hereinafter referred to as "Grantee", provides telecommunications services within the city of Corvallis, Oregon; and

WHEREAS, Grantee has applied for a telecommunications franchise pursuant to Ordinance 99-26, an ordinance relating to telecommunications infrastructure located in the public rights of way, and the City of Corvallis (City) has reviewed said application and has determined that it meets all the requirements of the City's Ordinance subject to the terms and conditions stated herein;

NOW, THEREFORE, THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. The City intends, by the adoption of this franchise, to encourage the continued development and operation of telecommunications facilities within the city of Corvallis. This Ordinance shall be known as the Casco Telecommunications Franchise Ordinance. Within this document, it shall also be referred to as "this Franchise" or "the Franchise".

Section 2. Grant of Franchise. The City hereby grants to Grantee, a nonexclusive franchise to use the public rights of way within the city to provide telecommunications services, subject to the provisions of Corvallis Municipal Ordinance 99-26 and the Corvallis Municipal Code or as hereafter enacted or amended. Ordinance 99-26, an ordinance relating to telecommunications infrastructure located in the public rights of way, shall be incorporated into this Franchise as though it were a part of it, specifically including but not limited to the requirements for compensation, insurance, performance surety, and indemnification.

Section 3. Term. The term of this Franchise shall be for ten (10) years, commencing with the effective date of this Ordinance.

Section 4. Franchise Area. The Grantee is authorized by this Franchise to make reasonable and lawful use of the public rights of way within the boundaries of the city of Corvallis or as these boundaries may be extended in the future.

Section 5. Franchise Fee. As consideration for the use of the City's rights of way, Grantee shall remit to the City a franchise fee of seven (7) percent of gross revenues earned within the city less the cost of leasing telecommunications facilities from the owner of such facilities. Grantee's franchise fee payments to the City shall be due quarterly within (30) days following the end of each quarter. Within thirty (30) days after the termination of this Franchise, compensation shall be paid for the period elapsing since the end of the last quarter for which compensation has been paid. In the event any payment due quarterly is not received within thirty (30) days from the end

of the preceding quarter, or is underpaid, Grantee shall pay in addition to the payment, or sum due, interest at a rate no higher than the current legal interest rate on judgments in the State, calculated from the date the payment was originally due until the date the City receives the payment. Additionally, if any payment becomes ninety (90) days in arrears, a ten (10) percent penalty shall be applied. In the event the obligation of Grantee to compensate the City through franchise fee payments is lawfully suspended or eliminated, in whole or part, then Grantee shall pay to the City compensation equivalent to the compensation paid to the City by other similarly situated users of the rights of way for Grantee's use of the rights of way, provided that in no event shall such payments be less than the equivalent of seven percent (7%) of Grantee's gross revenues (subject to the other provisions contained in this Franchise).

Section 6. Performance Surety. The City reserves the right to require a performance surety at any time during the term of this Franchise, in form and substance acceptable to the City, as security for the full and complete performance of a franchise granted under this Ordinance.

Section 7. Franchise Acceptance. Within thirty (30) days of the passage of this Ordinance by City Council, Grantee shall file with the City certificates of insurance and an unconditional written statement accepting the terms and conditions of this Franchise grant. Failure to fulfill this requirement shall nullify and void this Ordinance, and any and all rights of Grantee to own or operate a telecommunications facility within the Franchise Area under this Ordinance shall be of no force or effect.

Section 8. Franchise Nonexclusive. The Franchise hereby granted is not exclusive, and shall not be construed as any limitation on the right of the City to grant rights, privileges and authority to other persons or corporations or to itself to make any lawful use of the City's rights of way.

Section 9. Effective Date. The Ordinance shall become effective on July 1, 2014.

PASSED by the Council this _____ day of_____, 2014.

APPROVED by the Mayor this _____day of _____, 2014.

EFFECTIVE this _____ day of _____, 2014.

_____
Julie Manning, Mayor

ATTEST:

_____
Carla Holzworth, City Recorder

MEMORANDUM

May 21, 2014

TO: Administrative Services Committee

FROM: Nancy Brewer, Finance Director NB

SUBJECT **Third Quarterly Operating Report**

I. Issue

To review and accept the Third Quarterly Operating Report for FY 13-14.

II. Discussion

The Third Quarterly Operating Report (QOR), in the new streamlined format approved by Council, has been published on the City's web site and is available for review. At the end of the third quarter of the fiscal year total revenues are just over 76% of budget which is very comparable to this time last year. All operating revenue categories are, with the exception of property taxes and miscellaneous revenue (business energy tax credits specifically), higher across the board in FY 13-14.

Operating expenditures across departments were roughly as expected and comparable to the prior year at about 65% of the amended budget. Due primarily to vacancies existing across all departments, personnel service costs are running at about 70% of budget three quarters of the way into the fiscal year. It should be noted that the associated savings are unevenly spread across departments; about half of the departments are 6% or less underfilled relative to authorized FTE, with the remaining half averaging 10% unfilled. Some of the savings of prolonged vacancies have been offset by higher overtime and temporary staff needed to continue basic service provision, as well as by sizeable retirement cashouts that brought about some of the vacancies. As of the end of the third quarter, the City had nearly 34 unfilled FTE (this excludes three unbudgeted police officers). Sixteen of the vacancies continued to be carried in Public Works as management worked on finalizing the department's reorganizational plan through the FY 14-15 budget cycle.

In summary, financial performance in all funds is generally at expected levels, and the noteworthy situations have not changed significantly from last quarter:

- General Fund – The green line portrayed on the financial plan on pg.3 of the QOR is now positive thanks to an influx of revenues in the third quarter. The large property tax refund paid in July in respect of H-P resulted in FY 13-14 year-to-date net receipts that are about $800,000 lower than last fiscal year at this time. Since this situation was known prior to budget adoption, third quarter total revenues are still relatively close to last year's results as a percentage of budget. All other General Fund revenues are coming in at or higher than last year's levels so far this fiscal year, although Municipal Court fines continue to lag the budget target, and are only slightly ahead of last fiscal year results. Since Municipal Court is now fully staffed, some improvement is expected in the last quarter of the year, but no real improvement is anticipated until FY 14-15 when Police hopes to have regained some of its staffing. Year to date miscellaneous revenue receipts are higher in FY 13-14 mostly due to the $636,000 received by the Library from the Friends of the Library fund-raising donation for the purchase of the Fenner Building. On the expenditure side, Public Works is coming in well under a 75% target at the end of the third quarter of the fiscal year, primarily due to lower than anticipated year-to-date street lighting costs as well as PEG-Inet and grant related project spending. However, Library is right at the 75% expended level mark this fiscal year-to-date based on close to full staffing for most of the fiscal year combined with a large retirement cashout in January.
- Both Public Works in the Street Fund and Parks & Recreation in the General Fund had substantial costs from this winter's two large snow storms. The QOR highlights section provides more details on these financial impacts. Another primary concern in the Street Fund remains the below-target highway tax revenue receipts which may be insufficient to cover even the reduced expenditure levels. These issues continue to be monitored, and projects delayed as necessary to ensure a positive fund balance at year-end.
- The Development Services Fund is in better than expected financial position this fiscal year with revenue results all in excess of 100% of budget by the end of the third quarter. Additionally, expenditures are well under

75% at the end of the third quarter, due to under-expended personnel services from vacancies, as well as delayed purchases of computer hardware and vehicles that are still anticipated to occur by year-end. Development Services also continues work to implement service enhancement initiatives and is currently testing a product to allow on-line plan reviews that costs substantially less than expected when the budget was developed. If this product is successful the fund will end the year well under 100% expended. More information related to the revenue drivers is included in the QOR highlights section.

- The negative cash position in the Community Development Revolving Fund fell further to $192,456 at quarter end. Grant reimbursements are lagging, and staff continues to monitor and plan for a solution for the fiscal health of this Fund through the fourth quarter. Currently, it is anticipated that approval of an additional interfund loan from the Development Services Fund will be sought from City Council in order to achieve the necessary positive cash balance at year-end FY 13-14 for audit purposes.

Attached to this memo are the first two pages of the Third QOR (Attachment A). These two pages highlight any significant variances from expected financial performance and the status of the General Fund operations. An income statement for each fund, the Council Goals update as of March 31, 2014, and the third quarter Treasury report are linked to the online 12-page report to provide ASC with information about the City's current financial position.

The Capital Project budget is roughly 36% expended at the end of the third quarter. Capital project work and the related spending tend to fluctuate each year, with delays causing carryovers to future years or savings on conservative budgeting typically resulting in much less than 100% of budget being accomplished. The following projects were essentially complete as of the end of the third quarter: the Sunnyside School Building relocation (renovation and construction work continues); the City Hall block wayfinding signage project; Tunison Park/Community Center improvements; Phase I of the Hwy 99 storm drain replacement; and the Dixon Slope stabilization work under the Storm Water master plan.

III. Requested Action

Review the Third Quarterly Operating Report, and recommend the City Council accept the report.

Review & Concur:

City Manager

3rd Quarter Financial Summary

FY 2013-14

This report provides summary information on the City's financial status as of the end of March, 2014; more detailed comparative income statement form data is available on-line at this link.

PERFORMANCE AT A GLANCE (YEAR TO DATE)		COMMENTS
GENERAL FUND		
General Fund Expenditure vs. Revenue	WATCH	Ensure that expenditures do not exceed revenues received.
Property Tax Revenue	WATCH	Reduced valuation on property and ongoing appeals by certain large tax payers has impacted revenue received; overall trend appears better than expected a year ago.
Transient Room Tax	POSITIVE	Receipts are ahead of last year actuals, and are currently trending higher than budget.
Franchise Fees	WATCH	Although franchise fees are coming in higher than the prior two years' actuals ytd, lower demand and conservation of utilities may result in less revenue than budgeted.
State Shared Revenue	WATCH	Although Corvallis receipts ytd appear to be on track with budget and trending higher than last year, lower cigarette/alcohol demand is predicted by the League of Oregon Cities to soon result in less State revenue available for distribution to local governments.
Fines & Forfeitures	WATCH	Below budget YTD, and future legislative changes could result in lower revenue.
General Fund Expenditures vs. Budget	POSITIVE	Current General Fund expenditures appear to be on target and unlikely to exceed budget this fiscal year. Departments with personnel services savings from vacancies are making plans to do some spending on deferred maintenance and/or other delayed projects.
SPECIAL REVENUE FUNDS		
9-1-1 Emergency Services	WATCH	Declining fund balance; current revenues may not be sufficient to maintain current service levels.
Community Development Revolving	WATCH	Continuing negative cash balances need to be mitigated; current revenues may not be sufficient to maintain current service levels.
Development Services	POSITIVE	Revenues currently exceed last fiscal year and FY13-14 budget.
Parking	WATCH	Revenues are relatively flat with significant expenditures anticipated in next few years. Fiscal health may be impacted by residential parking district (RPD) Council initiatives.
Street	WATCH	Declining fund balance; current revenues may not be adequate to continue service levels.
Transit	WATCH	Current revenues are short of last fiscal year and FY13-14 budget; however, on track not to exceed expenditure budget.
ENTERPRISE FUNDS		
Airport	WATCH	Current revenues are lagging last fiscal year and budget; however, on track not to exceed expenditure budget.
Storm Water	POSITIVE	On track to meet revenues and not exceed expenditures.
Wastewater	WATCH	Declining fund balance; current metered revenues are being monitored, but appear to be trending flat to declining versus last fiscal year and FY13-14 budget.
Water	POSITIVE	On track to meet revenues and not exceed expenditures.
INTERNAL SERVICE FUNDS		
Risk Management	WATCH	Risk coverage premiums continue to increase; claims are using up deductible capacity and reserves may be insufficient for a catastrophic event.

What the ratings mean:

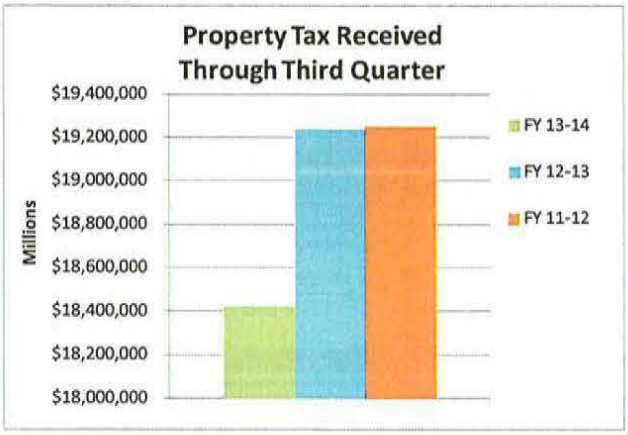
Positive *– Current revenues and City Council-adopted use of reserves are sufficient to support the current level of service. Fund balances appear stable over a three-year forecast. No significant negative issues are identified.*

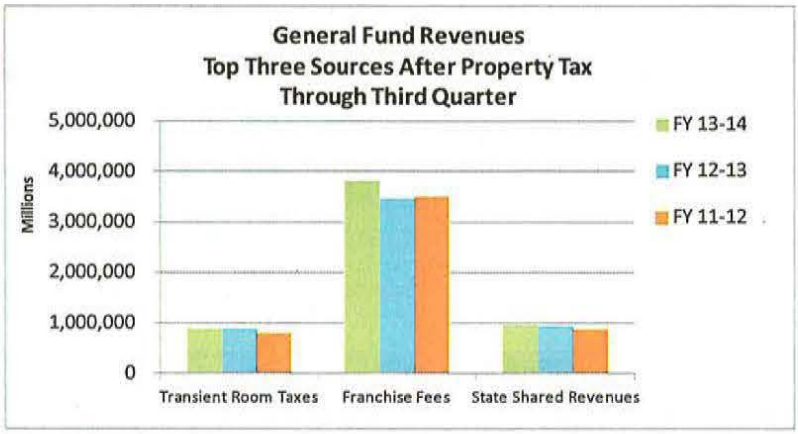
Watch *– Various stressors may cause current revenues to be flat or decline and impact the fund's capacity to support the current level of service. Factors exist that may contribute to higher than anticipated expenditure levels in more than one category over the next 6-12 months.*

Negative *– Current expenditures exceed or revenues are significantly behind forecast assumptions. Fund balance is unstable. Immediate action to reduce expenditures is required.*

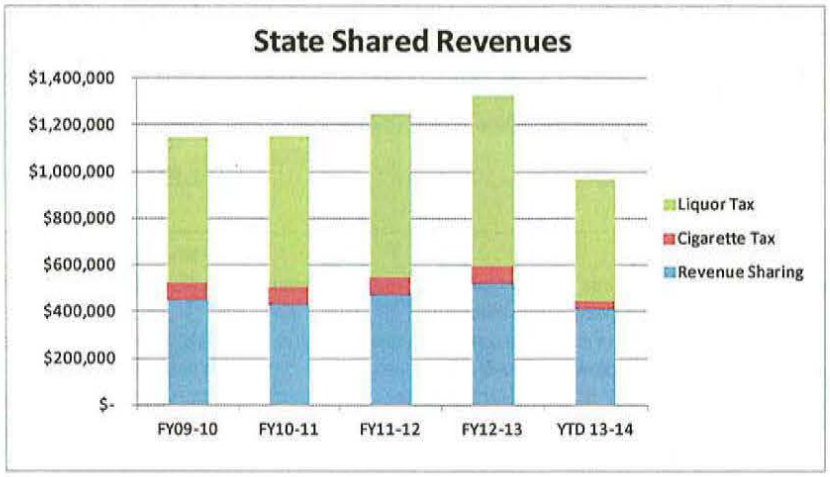
GENERAL FUND

REVENUE	AMENDED BUDGET	3rd Quarter FY 12-13	Y-T-D FY 12-13	FY 12-13 % REC/EXPEND	AMENDED BUDGET	3rd Quarter FY 13-14	YTD FY 13-14	FY 13-14 % REC/EXPEND
Budgeted Beg. Fund Balance (incl reserves)	5,271,580				$6,265,564			
Property Taxes	$21,002,640	$1,097,482	$19,238,067	91.60%	$20,617,620	$773,541	$18,422,498	89.35%
Other Tax	1,270,650	249,283	872,134	68.64%	1,372,600	243,235	897,651	65.40%
Licenses/Permits	5,708,610	1,594,886	3,740,768	65.53%	5,925,060	1,780,299	4,075,256	68.78%
Charges for Service	5,856,500	1,119,930	4,639,943	79.23%	5,889,850	1,106,698	4,832,219	82.04%
Intergovernmental	4,309,570	539,074	3,272,576	75.94%	4,227,760	840,891	3,435,041	81.25%
Fines/Forfeitures	830,110	188,441	512,773	61.77%	771,390	191,419	534,748	69.32%
Miscellaneous	576,300	95,157	461,725	80.12%	1,161,400	112,472	998,920	86.01%
Other Financing Sources	2,845,350	183,201	2,076,918	72.99%	7,061,488	3,561,943	6,089,325	86.23%
TOTAL CURRENT REVENUE	$42,399,730	$5,067,454	$34,814,903	82.11%	$47,027,168	$8,610,498	$39,285,658	83.54%
EXPENDITURE BY DEPARTMENT								
City Manager's Office	$380,000	$54,005	$125,036	32.90%	$326,250	$81,989	$227,342	69.68%
Community Development	1,311,410	308,236	915,296	69.79%	1,309,840	300,756	881,636	67.31%
Finance	629,740	156,105	452,212	71.81%	646,770	149,566	461,993	71.43%
Fire	10,455,220	2,480,615	7,514,812	71.88%	10,485,960	2,410,691	7,568,856	72.18%
Library	6,053,510	1,375,650	4,231,975	69.91%	6,524,140	2,063,131	4,892,636	74.99%
Parks & Recreation	6,080,310	1,242,647	4,102,451	67.47%	6,191,860	1,338,503	4,413,945	71.29%
Police	10,499,190	2,382,902	7,570,044	72.10%	10,688,290	2,587,964	7,628,546	71.37%
Public Works	1,218,900	187,217	719,775	59.05%	1,026,260	204,061	546,502	53.25%
Non-Departmental	1,362,100	328,726	1,011,922	74.29%	1,480,870	292,140	917,841	61.98%
TOTAL OPERATING EXPENDITURES	37,610,380	8,516,103	26,643,523	70.84%	$38,680,240	$9,428,801	$27,539,296	71.20%
Debt Service	$243,880	$25,530	$243,872	100.00%	$243,180	$22,644	$243,174	100.00%
Transfers / Other Financing Uses	3,100,663	107,773	2,047,291	66.03%	7,085,818	3,470,837	5,660,896	79.89%
Contingencies/Reserves	512,850	0	0	0.00%	597,200	0	0	0.00%
TOTAL ALL EXPENDITURES	$41,467,773	$8,649,406	$28,934,686	69.78%	$46,606,438	$12,922,282	$33,443,367	71.76%
CURRENT REVENUE LESS TOTAL EXPENDITURES		($3,581,952)	$5,880,217		$420,730	($4,311,785)	$5,842,291	





Using state projections, the League of Oregon Cities (LOC) produces per capita estimates of **State Shared Revenues** annually. These estimates are available to assist cities in the development of their budgets. The LOC's 2014 State Shared Revenue Estimates makes note that over the last few years actual state shared revenue distributions have been lower than the state's initial projections. LOC recommends that cities compare previous years' distributions and growth patterns in population when deriving the current year budget. While published estimates have been bleak in recent years, distributions to the City of Corvallis have remained relatively stable, and YTD FY13-14 is on track to achieve budgeted levels. However, staff recognizes the volatile nature of these resources and keeps that in mind when developing budget projections for this revenue source.



ORDINANCE 2014-

AN ORDINANCE GRANTING TO CASCO A NONEXCLUSIVE FRANCHISE FOR THE PROVISION OF TELECOMMUNICATIONS SERVICES WITHIN THE CITY OF CORVALLIS

WHEREAS, Casco, hereinafter referred to as "Grantee", provides telecommunications services within the city of Corvallis, Oregon; and

WHEREAS, Grantee has applied for a telecommunications franchise pursuant to Ordinance 99-26, an ordinance relating to telecommunications infrastructure located in the public rights of way, and the City of Corvallis (City) has reviewed said application and has determined that it meets all the requirements of the City's Ordinance subject to the terms and conditions stated herein;

NOW, THEREFORE, THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 1. The City intends, by the adoption of this franchise, to encourage the continued development and operation of telecommunications facilities within the city of Corvallis. This Ordinance shall be known as the Casco Telecommunications Franchise Ordinance. Within this document, it shall also be referred to as “this Franchise” or “the Franchise”.

Section 2. Grant of Franchise. The City hereby grants to Grantee, a nonexclusive franchise to use the public rights of way within the city to provide telecommunications services, subject to the provisions of Corvallis Municipal Ordinance 99-26 and the Corvallis Municipal Code or as hereafter enacted or amended. Ordinance 99-26, an ordinance relating to telecommunications infrastructure located in the public rights of way, shall be incorporated into this Franchise as though it were a part of it, specifically including but not limited to the requirements for compensation, insurance, performance surety, and indemnification.

Section 3. Term. The term of this Franchise shall be for ten (10) years, commencing with the effective date of this Ordinance.

Section 4. Franchise Area. The Grantee is authorized by this Franchise to make reasonable and lawful use of the public rights of way within the boundaries of the city of Corvallis or as these boundaries may be extended in the future.

Section 5. Franchise Fee. As consideration for the use of the City's rights of way, Grantee shall remit to the City a franchise fee of seven (7) percent of gross revenues earned within the city less the cost of leasing telecommunications facilities from the owner of such facilities. Grantee’s franchise fee payments to the City shall be due quarterly within (30) days following the end of each quarter. Within thirty (30) days after the termination of this Franchise, compensation shall be paid for the period elapsing since the end of the last quarter for which compensation has been paid. In the event any payment due quarterly is not received within thirty (30) days from the end

of the preceding quarter, or is underpaid, Grantee shall pay in addition to the payment, or sum due, interest at a rate no higher than the current legal interest rate on judgments in the State, calculated from the date the payment was originally due until the date the City receives the payment. Additionally, if any payment becomes ninety (90) days in arrears, a ten (10) percent penalty shall be applied. In the event the obligation of Grantee to compensate the City through franchise fee payments is lawfully suspended or eliminated, in whole or part, then Grantee shall pay to the City compensation equivalent to the compensation paid to the City by other similarly situated users of the rights of way for Grantee's use of the rights of way, provided that in no event shall such payments be less than the equivalent of seven percent (7%) of Grantee's gross revenues (subject to the other provisions contained in this Franchise).

Section 6. Performance Surety. The City reserves the right to require a performance surety at any time during the term of this Franchise, in form and substance acceptable to the City, as security for the full and complete performance of a franchise granted under this Ordinance.

Section 7. Franchise Acceptance. Within thirty (30) days of the passage of this Ordinance by City Council, Grantee shall file with the City certificates of insurance and an unconditional written statement accepting the terms and conditions of this Franchise grant. Failure to fulfill this requirement shall nullify and void this Ordinance, and any and all rights of Grantee to own or operate a telecommunications facility within the Franchise Area under this Ordinance shall be of no force or effect.

Section 8. Franchise Nonexclusive. The Franchise hereby granted is not exclusive, and shall not be construed as any limitation on the right of the City to grant rights, privileges and authority to other persons or corporations or to itself to make any lawful use of the City's rights of way.

PASSED by the Council this _____ day of_____, 2014.

APPROVED by the Mayor this _____day of _____, 2014.

EFFECTIVE this _____ day of _____, 2014.

_____
Julie Manning, Mayor

ATTEST:

_____
Carla Holzworth, City Recorder

ORDINANCE 2014-

AN ORDINANCE RELATING TO BOARDS AND COMMISSIONS AND SUNSET REVIEWS, AMENDING MUNICIPAL CODE CHAPTER 1.16, "BOARDS AND COMMISSIONS," AS AMENDED

THE CITY OF CORVALLIS ORDAINS AS FOLLOWS:

Section 2. Municipal Code Section 1.16.410 is hereby amended as follows:

1.16.425 June 30, 2018

Citizens Advisory Commission on Civic Beautification and Urban Forestry, Airport Commission, Arts and Culture Commission, and Economic Development Commission.

1.16.426 Sunset for the Committee for Citizen Involvement is on hold pending Council action on recommendations provided by the Public Participation Task Force.

(Ord. 2014-** §1, 06/16/2014; Ord. 2010-13 §1, 06/21/2010; Ord. 2008-09 §4, 05/05/2008; Ord. 2006-17 §2, 06/19/06; Ord. 2002-22 §2, 07/01/02; Ord. 2002-05 §3, 03/04/02)

PASSED by the City Council this _____ day of _____, 2014.

APPROVED by the Mayor this _____ day of _____, 2014.

EFFECTIVE this _____ day of _____, 2014.

_____
Mayor

ATTEST:

_____
City Recorder

Memorandum

June 30, 2014

TO: Mayor and City Council

FROM: Nancy Brewer, Finance Director NB

SUBJECT: **Authorization to Issue Debt to fund Capital Projects**

I. Issue

To adopt resolutions authorizing staff to borrow monies on behalf of the City to fund the construction of the Fire Department Drill Tower and roof replacements at the Library and Municipal Court buildings.

II. Background

The Fire Drill Tower is an aging structure, located at the southeast corner of the Public Works compound. The facility does not meet current training needs, and is located in an area needed for wastewater treatment. This project was originally planned to be done in FY 94-95, but it has been delayed due to lack of funding since that time. However, with a more pressing need for the space to meet wastewater treatment needs, the project was initiated in 2010 with design and preliminary work completed using a bank loan. The FY 14-15 budget anticipates completion of this project using debt financing. Public Works has completed the design and engineering work and has bid the project so that adequate financing can be secured now.

In addition to financing the drill tower, staff recommends financing two roof replacement projects planned for FY 15-16 at the Library and Municipal Court buildings. The roof at Municipal Court is leaking and the roof at the Library is at the end of its useful life, with seams beginning to separate.

III. Discussion

There are two resolutions attached to this memo that will allow staff to initiate and complete a borrowing. These include:

1) A reimbursement resolution – this will allow construction to proceed immediately and continue during the prime construction months while financing is secured. The General Fund will be "reimbursed" for its advanced spending.

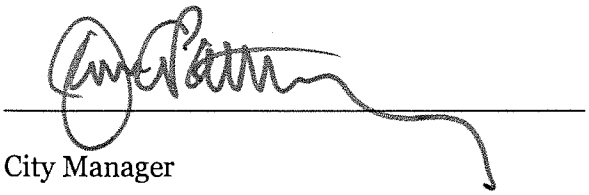
2) An authorizing resolution – this sets forth the authorization the Finance Director will have to complete the deal within the limits set forth in the resolution, including determining method of sale, preparing all the required documents, completing the sale, and making all the required certifications. This resolution anticipates a maximum financing of $4.5 million, including costs of issuance, as a Full Faith and Credit financing (General Fund pledge). The authorization also allows the potential to issue as bonds or as a private placement so that a local bank could be the lender if it can meet the terms.

The FY 14-15 budget anticipates this borrowing and the financial plan includes the estimated debt service to re-pay this financing.

IV. Requested Action

Approve the two resolutions to be read by the City Attorney.

Review and Concur:



City Manager

RESOLUTION NO. 2014-____

A RESOLUTION OF THE CITY OF CORVALLIS, OREGON ADOPTING A STATEMENT OF OFFICIAL INTENT TO REIMBURSE CAPITAL EXPENDITURES FROM THE PROCEEDS OF A BORROWING REASONABLY EXPECTED TO BE ENTERED INTO BY THE CITY

Minutes of the Meeting of July 7, 2014, continued.

A resolution submitted by Councilor _____.

WHEREAS, the City Council of the City of Corvallis, Oregon (the "City") finds:

A. The City is currently planning roof replacements, the construction, equipping and furnishing of a fire drill tower and training facility, and related capital projects (collectively, the "Project"); and

WHEREAS, the City has already incurred, or intends to incur expenditures relating to the Project, all within the meaning of Treasury Regulations §1.150-2(f)(2), and the City Council desires to declare its intent to finance the Project with the proceeds of tax-exempt obligations (the "Obligations"), the interest on which shall be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and to reimburse the City for any expenditures relating to the Project incurred by the City prior to the issuance of the Obligations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS, OREGON RESOLVES as follows:

Section 1. Reimbursement Resolution. The City Council adopts this Resolution as its official intent to allocate from the proceeds of a proposed borrowing reasonably expected to be entered into by the City, capital expenditures made not more than sixty (60) days prior to and following the adoption of this Resolution, to and including the date of the proposed borrowing. Preliminary expenditures in an amount not exceeding 20% of the Obligation proceeds or expenditures which do not exceed the lesser of $100,000 or 5% of the Obligation proceeds are not subject to the 60 day limitation stated above. Preliminary expenditures include architectural, engineering, surveying, soil testing and similar costs incurred prior to commencement of acquisition, construction or rehabilitation of the Project, other than land acquisition, site preparation and similar costs incident to commencement of construction.

Section 2. Reimbursement Period. The City shall make the reimbursement allocation from the proceeds of the borrowing to the respective fund or accounts of the City from which the capital expenditures have been made no later than eighteen (18) months after the later of the date of the expenditure or the date that the Project is placed in service, but in no event more than three (3) years after the date of the expenditure. The City acknowledges that such reimbursement from bond proceeds may be made only to the extent that all other applicable requirements of Treasury

Regulations §1.150-2 are met with respect to the tax-exempt borrowing, and hereby directs all City officials and personnel to take such lawful actions as may be necessary or appropriate in order to ensure that such expenditures may be reimbursed from bond proceeds to the fullest extent permitted by law.

Section 3. Description of Project. The Project consists of roof replacements, the construction, equipping and furnishing of a fire drill tower and training facility, and related capital projects.

Section 4. Project Cost. It is anticipated the cost of the Project, including costs incidental thereto, will not exceed $4,500,000.

Section 5. Further Action. The Finance Director or the Budget and Financial Planning Manager is hereby authorized to take such further action as is necessary to carry out the intent and purposes hereof in compliance with the applicable provisions of law.

This resolution shall take effect immediately upon its adoption by the Council.

_____

Upon motion duly made and seconded, the foregoing resolution was adopted and the Mayor thereupon declared said resolution to be adopted.

Attest:

_____
City Recorder

RESOLUTION NO. 2014-___

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A FULL FAITH AND CREDIT FINANCING AGREEMENT TO FINANCE REAL AND PERSONAL PROPERTY OF THE CITY AND RELATED MATTERS.

Minutes of the Meeting of July 7, 2014 continued.

A resolution submitted by Councilor _____.

WHEREAS, the City Council of the City of Corvallis, Oregon (the "City") finds:

A. The City is authorized pursuant to the Constitution and laws of the State of Oregon, specifically Oregon Revised Statutes Sections 271.390 and 287A.315 (collectively, the "Act") to (1) enter into a financing agreement to finance real and personal property the City determines is needed, (2) pledge its full faith and credit, and (3) pay the costs of issuance of such financing agreements.

B. The Charter of the City does not (1) prohibit the City from entering into a financing agreement and pledging its full faith and credit as security for the financing agreement, nor (2) require a non-appropriation clause to be included in the financing agreement.

C. Roof replacements, the construction, equipping and furnishing of a fire drill tower and training facility, and related capital projects (collectively, the "Project") are needed.

D. The City desires to authorize and enter into a financing agreement (the "Agreement") in an amount not to exceed $4,500,000 for the purpose of financing the Project and to pay the costs incidental thereto.

F. The Financing Agreement will be issued as full faith and credit obligations of the City, secured by the general, non-restricted revenues of the City and other funds which may be available for that purpose, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Constitution of the State of Oregon.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS, OREGON RESOLVES as follows:

1. **Authorization**. The Council hereby authorizes:

   a. Financing Agreement. The City authorizes the execution and delivery of a financing agreement (the "Financing Agreement") in an amount not to exceed $4,500,000 to finance the Project, in a form satisfactory to the Authorized Representative, as defined below.

b. Method of Sale. The Financing Agreement may be entered into directly with a lender (a "Private Placement"), or obligations representing the principal amount payable under a Financing Agreement may be sold to an underwriter by negotiated or competitive sale (a "Public Offering"), as determined by the Authorized Representative.

c. Private Placement. The Financing Agreement may be evidenced by a note and shall be issued at a true effective rate as determined by the Authorized Representative and shall mature on a date set by the Authorized Representative

d. Public Offering. The City authorizes the issuance and sale of Full Faith and Credit Obligations, Series 2014 (the "Series 2014 Obligations") of the City which shall be issued by the escrow agent, for and on behalf of the City, representing the principal amount payable under the Financing Agreement. The Series 2014 Obligations shall be issued at a true effective rate as determined by the Authorized Representative and shall mature on a date set by the Authorized Representative. The City authorizes the execution and delivery of an escrow agreement between the City and the escrow agent (the "Escrow Agreement"), in a form satisfactory to the Authorized Representative, pursuant to which the escrow agent shall execute the Series 2014 Obligations representing the principal amount payable under the Financing Agreement, and evidencing the right of the escrow agent to receive the City's Financing Payments under the Financing Agreement.

2. **Financing Payments**. The Financing Payments due under the Financing Agreement shall be full faith and credit obligations of the City payable from the lawfully available, non-restricted funds of the City and shall not be subject to annual appropriation. The City shall use all taxing power available to it under current law to generate funds sufficient to permit the City to make the payments within the limits of Article XI, sections 11 and 11b.

3. **Designation of Authorized Representative**. Pursuant to ORS 287A.300(4), the City hereby authorizes the Finance Director or the Budget and Financial Planning Manager (the "Authorized Representative") to act on behalf of the City and determine the remaining terms of the Financing Agreement as specified in Sections 4 and 5.

4. **Sale of Series 2014 Obligations or Note**. The Authorized Representative shall determine the requirements for the sale of the Financing Agreement, and Series 2014 Obligations or note, subject to the provisions of this Resolution that provide the most advantageous terms to the City. The Series 2014 Obligations may be sold by competitive sale or negotiated sale pursuant to ORS 287A.300 as determined by the Authorized Representative. If sold at a competitive sale, the Authorized Representative is authorized to prepare the terms of and publish a notice of sale and act upon the bids received. If sold at a negotiated sale, the Authorized Representative is authorized to appoint an underwriter and negotiate and execute a purchase agreement setting forth the terms of the sale of the Series 2014 Obligations. If the Financing Agreement is privately placed with

a lender, the Authorized Representative is authorized to appoint the lender and negotiate and execute documents, including a note, setting forth the terms of the sale.

5. **Delegation of Final Terms and Sale and Additional Documents**. The Authorized Representative is authorized, on behalf of the City, to:

a. approve of and authorize the distribution of the preliminary and final Official Statements to prospective purchasers of the Series 2014 Obligations;

b. determine the method of sale, determine the provisions of the notice of sale if sold at a competitive sale, act upon the bids received, negotiate the terms of, and execute and deliver a Purchase Agreement if sold at a negotiated sale, and negotiate the terms of, and execute and deliver placement documents if privately placed with a lender;

c. establish the maturity and interest payment dates, dated date, principal amounts, capitalized interest (if any), optional and/or mandatory redemption provisions, interest rates, denominations, and all other terms under which the Financing Agreement and Series 2014 Obligations shall be issued, sold, executed, and delivered;

d. appoint an escrow agent and any other professionals for the Financing Agreement and Series 2014 Obligations;

e. negotiate the terms and approve of the Financing Agreement and the Escrow Agreement as the Authorized Representative determines to be in the best interest of the City, and to execute and deliver the Financing Agreement and the Escrow Agreement and appoint an escrow agent;

f. determine whether the Series 2014 Obligations shall be Book-Entry certificates and to take such actions as are necessary to qualify the Series 2014 Obligations for the Book-Entry System of DTC, including the execution of a Blanket Issuer Letter of Representations;

g. seek to obtain a rating on the Series 2014 Obligations, if determined by the Authorized Representative to be in the best interest of the City;

h. apply for municipal bond insurance for the Series 2014 Obligations, and expend proceeds to pay the insurance premium, if determined by the Authorized Representative to be in the best interest of the City;

i. designate the Financing Agreement and the Series 2014 Obligations as a "qualified tax-exempt obligation" pursuant to Section 265(b)(3) of the Code so long as the City and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations during the calendar year in which the Series 2014 Obligations are issued;

j. approve, execute and deliver a Tax Certificate; and execute and deliver a Certificate specifying the action taken pursuant to this Resolution, and any other documents, agreements or certificates that the Authorized Representative determines are necessary and desirable to issue, sell and deliver the Financing Agreement, note and Series 2014 Obligations in accordance with this Resolution; and

k. approve, execute and deliver a continuing disclosure certificate pursuant to SEC Rule 15c2-12, as amended (17 CFR Part 240, § 240.15c2-12) for the Series 2014 Obligations.

7. **Maintenance of Tax-Exempt Status.** The City hereby covenants for the benefit of the Owners of the Series 2014 Obligations or note to use the Financing Agreement proceeds, and to otherwise comply with all provisions of the Internal Revenue Code of 1986, as amended (the "Code") which are required for the interest component of the payments payable under the Financing Agreement to be excluded from gross income for federal income tax purposes, as provided in the Financing Agreement. The City makes the following specific covenants with respect to the Code:

i. The City will not take any action or omit any action if it would cause the Financing Agreement to become an arbitrage bond under Section 148 of the Code.

ii. The City shall operate the facilities refinanced with the Financing Agreement so that the Financing Agreement does not become a private activity bond within the meaning of Section 141 of the Code.

iii. The City shall comply with appropriate reporting requirements.

iv. The City shall pay, when due, all rebates and penalties with respect to the Financing Agreement which are required by Section 148(f) of the Code.

The covenants contained in this Section 7 and any covenants in the closing documents for the Financing Agreement shall constitute contracts with the Owners of the Series 2014 Obligations or note, and shall be enforceable by them. The Authorized Representative may enter into covenants on behalf of the City to protect the tax-exempt status of the Financing Agreement.

8. **Appointment of Special Counsel**. The City hereby appoints Mersereau Shannon LLP as special counsel for the execution of the Financing Agreement.

9. **Continuing Disclosure**. The City covenants and agrees to comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Resolution, failure by the City to comply with the Continuing Disclosure Agreement will not constitute an event of default; however, any Registered Owner may

take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Section and the Continuing Disclosure Certificate.

10. **Preliminary and Final Official Statement.** The City may prepare or cause to be prepared a preliminary official statement for the Series 2014 Obligations which shall be available for distribution to prospective purchaser(s). In addition, an official statement may be prepared and ready for delivery to the purchasers of the Series 2014 Obligations no later than the seventh (7th) business day after the sale of the Series 2014 Obligations. When the City determines that the final official statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements contained in the official statement not misleading in the light of the circumstances under which they are made, the Authorized Representative is authorized to certify the accuracy of the official statement on behalf of the City.

11. **Closing of the Sale and Delivery of the Series 2014 Obligations**. If sold at a competitive sale, the Authorized Representative is authorized to prepare the terms of and publish a notice of sale and act upon the bids received. If sold at a negotiated sale, the Authorized Representative is authorized to negotiate with the underwriter as to the terms and conditions of a Bond Purchase Agreement providing for the negotiated sale of the Series 2014 Obligations. If sold at a private placement, the Authorized Representative is authorized to negotiate with the lender as to the terms and conditions of agreements providing for the private placement of the Financing Agreement. The Authorized Representative is authorized to execute a Bond Purchase Agreement for and on behalf of the City and to execute such additional documents, including a Tax Certificate, and to perform any and all other things or acts necessary for the sale and delivery of the Financing Agreement and Series 2014 Obligations. Such acts of the Authorized Representative are for and on behalf of and are authorized by the Council of the City.

12. **Resolution to Constitute Contract**. In consideration of the purchase and acceptance of any or all of Series 2014 Obligations or note by those who shall own the same from time to time (the "Owners"), the provisions of this Resolution shall be part of the contract of the City with the Owners and shall be deemed to be and shall constitute a contract between the City and the Owners. The covenants, pledges, representations and warranties contained in this Resolution or in the closing documents executed in connection with the Series 2014 Obligations or note, including without limitation the City's covenants and pledges contained in Section 2 hereof, and the other covenants and agreements herein set forth to be performed by or on behalf of the City shall be contracts for the equal benefit, protection and security of the Owners, all of which shall be of equal rank without preference, priority or distinction of any of such Series 2014 Obligations or note over any other thereof, except as expressly provided in or pursuant to this Resolution.

This resolution shall take effect immediately upon its adoption by the Council.

_____

Upon motion duly made and seconded, the foregoing resolution was adopted and the Mayor thereupon declared said resolution to be adopted.

Attest:

_____
City Recorder

MEMORANDUM

TO: Mayor and City Council

FROM: Mary Steckel, Public Works Director

DATE: June 30, 2014

SUBJECT: Public Works Vehicle Purchases - Supplemental Budget FY 14-15

I. ISSUE

City Council's approval is required for a supplemental budget. The attached resolution will authorize the City Manager to provide appropriations for a supplemental budget for the Public Works Department for FY 14-15.

II. BACKGROUND

The Public Works Department budgeted expenditures in the FY 13-14 budget to replace two service vans that had reached the end of their useful life. Following standard procurement processes, an invitation for bids was published in January, 2014. Bids were received on February 4 with a subsequent order placed on February 21. The vans, shipping from Ohio, had an estimated delivery date of 90 days or no later than June 1.

On June 6, the vendor, Landmark Ford, notified the City that despite repeated expedite requests beginning in April the two vans were still part of a shipping backlog at the Ohio assembly plant. The distribution network that they use was affected by this year's persistent extreme weather across most of the US and Canada which amplified rail car shortages and affected all manufacturers in the region. At the time of the letter, Landmark Ford reported approximately 750 vehicles remaining in the queue as delayed for shipment.

III. DISCUSSION

Staff remained in constant communication with the vendor emphasizing the need to take delivery of the vans prior to June 30 to meet fiscal year end purchasing requirements. Unfortunately, the vans were not scheduled to arrive in Oregon until June 30, with delivery to Corvallis after July 1.

The two vans are budgeted in Internal Service Funds, one for the Buildings & Grounds work group in the Facility Maintenance Fund and one for the Electronics work group in the Technology & Communications Fund. Internal Service Funds have smaller total budgets than other larger Funds making it very difficult to absorb unplanned expenditures without impacting planned services. The following highlights the impact to the two Funds:

- The FY 14-15 Buildings & Grounds budget is $359,820 excluding Personnel Services; the cost of the van is $23,500, equivalent to 6.5% of planned annual expenditures.
- The FY 14-15 Electronics budget is $98,820 excluding Personnel Services; the cost of the van is $23,500, equivalent to 23.8% of planned annual expenditures.

Vehicle purchases are made from reserves meaning that since the monies were not expended in FY 13-14 they will be available as part of a higher total fund balance for the purchase in FY 14-15 without impacting the FY 14-15 Ending Fund Balances. However, additional appropriations are needed to expend these funds. Public Works is requesting supplemental appropriations in the amount of $23,500 for the Facility Maintenance Fund and $23,500 for the Technology & Communications Fund. The supplemental appropriations will be used to pay for the two vans from the respective reserve accounts in FY 14-15. The increase in appropriations will not have a negative impact on either Fund.

IV. ACTION REQUESTED

Staff recommends City Council approval of this supplemental budget including adoption of a Resolution authorizing the City Manager to execute the agreement.

Review and Concur:

6/30/14	AICCM Carolyn Rawles 7-1-14
Nancy Brewer — Date	James A. Patterson — Date
Finance Director	City Manager

RESOLUTION 2014 - _____

Minutes of the meeting of July 7, 2014, continued

A resolution submitted by Council member _____

WHEREAS, ORS 294.471(1)(a) provides for the governing body of any municipal corporation to make a supplemental budget if a condition occurs which had not been ascertained at the time of the preparation of a budget for the current year which requires a change in financial planning; and

WHEREAS, ORS 294.471(3) provides that, as long as the estimated expenditures contained in a supplemental budget do not differ by greater than 10% of the Fund's regular budget for the fiscal year, no public hearing or publication of the budget is required; and

WHEREAS, the fiscal year 2014-15 approved budget includes appropriations for the Facility Maintenance Fund that totaled $823,640 and the Technology & Communications Fund that totaled $1,613,280; and

WHEREAS, a resolution for a supplemental budget is required to appropriate additional operating budget; and

WHEREAS, Public Works anticipates a contribution to vehicle reserves in the amount of $23,500 in each respective Fund based on higher than anticipated resources for FY 14-15 from underexpended appropriations in FY 13-14; and

WHEREAS, Public Works would like to request a supplemental operating budget increase of $23,500 in each respective Fund, to be completely offset by the anticipated contribution from reserves; and

WHEREAS, this incremental operating budget will be used for funding the following in the Public Works Department, Facility Maintenance Fund: 2014 Ford E250 Econoline Service Van; Technology & Communications Fund: 2014 E250 Ford Econoline Service Van; and

WHEREAS, the City Council has determined that an increase in resources has occurred which allows a change in financial planning and necessitates the supplemental appropriations described above;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS RESOLVES that the fiscal year 2014-15 supplemental budget of $847,140 for the Facility Maintenance Fund, and $1,636,780 for the Technology & Communications Fund is hereby adopted; and

IT IS FURTHER RESOLVED that the appropriations for the fiscal year beginning July 1, 2014, and for the purpose as shown below are hereby increased as follows:

FUND	AMOUNT
Facility Maintenance Fund	
Public Works Department	$23,500
Technology and Communications Fund	
Public Works Department	$23,500

Upon motion duly made and seconded, the foregoing resolution was adopted and the Mayor thereupon declared said resolution to be adopted.

MEMORANDUM

TO: Mayor and City Council

FROM: Mary Steckel, Public Works Director

DATE: June 27, 2014

SUBJECT: Grant Acceptance for Corvallis Airport Cargo Apron Access Road, Project No. 653423

ISSUE

City Council's approval is required to authorize the City Manager to accept a grant agreement between the U.S. Department of Transportation, Federal Aviation Administration (FAA) and the City for the Airport Cargo Apron Access Road project. The Grant Agreement was received from the FAA on June 25, 2014 containing a stipulation that City Council must pass a resolution and execute the grant, along with the City Attorney's certification, by July 18, 2014, in order for the grant to be valid.

BACKGROUND

This project is included in the adopted Capital Improvement Program for pre-design (environmental permit acquisition) in FY 2014-15 with design and construction programed for FY 2015-16. The project includes construction of an access road around existing airside improvements to the west side of the main apron which is intended for use by air cargo operators.

The City submitted a project application to the FAA on June 3, 2014 requesting federal grant funding for this project. The amount of the pre-design grant application is $56,644 with a City match of $6,294.

FUNDING

The FAA grant amount is sufficient to fund pre-design within the proposed scope of work. The grant agreement provides approximately 90% reimbursement of qualified expenditures, with the remaining 10% from the Airport Fund.

ACTION REQUESTED

Staff recommends City Council approval of this grant agreement, including adoption of a Resolution authorizing the City Manager to execute the agreement and any future amendments relating to this agreement.

Review and Concur:

6/27/14
Jim Brewer, City Attorney Date

6/30/14
Nancy Brewer, Finance Director Date

Carolyn Rawles 6/30/14
James A. Patterson, City Manager Date
AIC CM

MT/
Attachments

\\ci.corvallis.or.us\departments\PW\Divisions\Engineering\Capital Planning&Projects\Projects\AIRPORT\Airport Imp Cargo Access 653423\Grant Forms\FAA Pre-design Grant Council Memo and Resolution.wpd

RESOLUTION 2014-_____

Minutes of the July 7, 2014, Corvallis City Council meeting, continued.

A resolution submitted by Councilor _____.

WHEREAS, ORS 294.326 (2) allows the City Council to accept and establish appropriations for grants after the budget has been approved; and

WHEREAS, the City of Corvallis has been authorized to receive a Federal Aviation Administration Grant in the amount of $56,644.00 for the purpose of pre-design (permitting) associated with the Corvallis Municipal Airport Cargo Apron Access Road; and

WHEREAS, the Airport Cargo Apron Access Road and related grant have been included in the adopted Fiscal Year 2014-15 budget and;

WHEREAS, the grant acceptance requires approval by the City Council and delegation of the authority to sign to the City Manager;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS RESOLVES to accept the Grant offered by Federal Aviation Administration and authorizes the City Manager to execute the Grant Agreement and any future Amendments for the Airport Cargo Apron Access Road.

_____
Councilor

Upon motion duly made and seconded, the foregoing resolution was adopted and the Mayor thereupon declared said resolution to be adopted.

U. S. Department
Of Transportation

**Federal Aviation
Administration**

Seattle Airports District Office
1601 Lind Ave. SW, Suite 250
Renton, WA 98057-3356

Phone: (425) 227-2650
Fax: (425) 227-1650

June 25, 2014

Mr. Dan Mason
Airport Manager
City of Corvallis
PO Box 1083
Corvallis, OR 97339

Grant Offer, AIP Project No. 3-41-0014-018-2014
Contract No. DOT-FA14NM-0009
DUNs No. 030796783
Corvallis Municipal Airport
Corvallis, Oregon

Dear Mr. Mason:

We are attaching the Grant Offer for Airport Improvement Program (AIP) Project No. 3-41-0014-018-2014 at Corvallis Municipal Airport. This letter outlines expectations for success. Please read the conditions and assurances carefully.

To properly enter into this agreement, you must do the following:

- If required for authorized signature, the governing body must pass a resolution and execute the grant, along with your attorney's certification, by July 18, 2014, in order for the grant to be valid. Please have the Sponsor's designated official representative sign and date the Grant Offer. The attorney for the sponsor then must execute and date the "Certificate of Sponsor's Attorney" with the date being no earlier than the date of acceptance of the Grant Agreement.

- No change may be made by you or your representative to the Grant Offer.

- We ask that you return one executed copy of the Grant Offer to us by ((overnight mail) (facsimile) (regular mail) and (E-Mail (PDF)), one copy sent to your associated State Aviation Officials, and maintain a copy for your records.

Subject to the requirements in 49 CFR § 18.21, each payment request for reimbursement under this grant must be made electronically via the Delphi eInvoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

Please note Grant Condition No. 4 requires you to complete the project without undue delay. We will be paying close attention to your progress to ensure proper stewardship of these Federal funds. **You are expected to submit payment requests for reimbursement of allowable incurred project expenses**

in accordance with project progress. Should you fail to make draws on a regular basis, your grant may be placed in "inactive" status which will impact future grant offers.

Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- A signed/dated SF-270 (non-construction projects) or SF-271 or equivalent (construction projects) and SF-425 annually, due 90 days after the end of each federal fiscal year in which this grant is open (due December 31 of each year this grant is open); and

- Quarterly Performance Reports is due within 30 days from the end of every quarter.

Once the project(s) is completed and all costs are determined, we ask that you close the project without delay.

A copy of the new Airport Sponsor Assurances dated 3/2014 are also attached. Please attach a copy of the new assurances to your grant application dated June 2, 2014.

A copy of an "**A-133 Single Audit Certification Form**" is attached. Please complete and return a copy to the office with the executed Grant Agreement. Please make a copy for your files.

In accordance with **OMB Circular A-133** "***Audits of States, Local Governments, and Non-Profit Organizations***", if your organization expends $500,000 or more a year (calendar or fiscal) in total Federal financial assistance, then you must conduct an audit in accordance with OMB Circular A-133 and submit it to the Federal Audit Clearinghouse, regardless of whether there are any significant findings. In accordance with your AIP grant agreement, you must also provide a copy of the audit information to this office.

Cindy Hirsch is the assigned program manager for this grant and is available to assist you with the requirements stated herein. We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project. If you have any questions regarding the Grant Offer or the Audit Certification Form or Grant Assurances, please contact this office at (425) 227-2650.

Sincerely,

Carol Suomi

Carol Suomi
Manager, Seattle Airports District Office

Attachments (3)

U.S. Department
of Transportation
Federal Aviation
Administration

GRANT AGREEMENT

PART I – OFFER

Date of Offer	June 25, 2014
Airport/Planning Area	Corvallis Municipal Airport, Oregon
AIP Grant Number	3-41-0014-018-2014 (Contract Number: DOT-FA14NM-0009)
DUNS Number	030796783

TO: City of Corvallis, Oregon
(herein called the "Sponsor") (For Co-Sponsors, list all Co-Sponsor names. The word "Sponsor" in this Grant Agreement also applies to a Co-Sponsor.)

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated June 2, 2014, for a grant of Federal funds for a project at or associated with the Corvallis Municipal Airport, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Corvallis Municipal Airport (herein called the "Project") consisting of the following:

Conduct an environmental analysis for the construction of an access road (Phase 1);

which is more fully described in the Project Application.

NOW THEREFORE, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. 47101, et seq., (herein the AAIA grant statute is referred to as "the Act"), the representations contained in the Project Application, and in consideration of (a) the Sponsor's adoption and ratification of the Grant Assurances dated April 3, 2014, and the Sponsor's acceptance of this Offer, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided,

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay 90 percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS**:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is $56,644. For the purposes of any future grant amendments which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b), the following amounts are being specified for this purpose:

   $56,644 for planning

   $0 for airport development or noise program implementation

   $0 for land acquisition.

2. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.

3. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.

4. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.

5. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the Sponsor.

6. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before July 18, 2014, or such subsequent date as may be prescribed in writing by the FAA.

7. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

8. **United States Not Liable for Damage or Injury.** The United States is not be responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.

9. **System for Award Management (SAM) Registration And Universal Identifier.**

   A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the Sponsor review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at http://www.sam.gov).

   B. Requirement for Data Universal Numbering System (DUNS) Numbers

      1. The Sponsor must notify potential subrecipient that it cannot receive a contract unless it has provided its DUNS number to the Sponsor. A subrecipient means a consultant, contractor, or other entity that enters into an agreement with the Sponsor to provide services or other work to further this project, and is accountable to the Sponsor for the use of the Federal funds provided by the agreement, which may be provided through any legal agreement, including a contract.

      2. The Sponsor may not make an award to a subrecipient unless the subrecipient has provided its DUNS number to the Sponsor.

      3. Data Universal Numbering System: DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D & B) to uniquely identify business entities. A DUNS number may be obtained from D & B by telephone (currently 866–492–0280) or the Internet (currently at http://fedgov.dnb.com/webform).

10. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

11. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this grant.

12. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.

13. **Audits for Public Sponsors.** The Sponsor must provide for a Single Audit in accordance with 2 CFR Part 200. The Sponsor must submit the Single Audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at http://harvester.census.gov/facweb/. The Sponsor must also provide one copy of the completed 2 CFR Part 200 audit to the Airports District Office.

14. **Suspension or Debarment.** The Sponsor must inform the FAA when the Sponsor suspends or debars a contractor, person, or entity.

15. **Ban on Texting When Driving.**

A. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:

1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
   a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
   b. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.

B. The Sponsor must insert the substance of this clause on banning texting when driving in all subgrants, contracts and subcontracts

16. **Trafficking in Persons.**

A. Prohibitions: The prohibitions against trafficking in persons (Prohibitions) that apply to any entity other than a State, local government, Indian tribe, or foreign public entity. This includes private Sponsors, public Sponsor employees, subrecipients of private or public Sponsors (private entity) are:

1. Engaging in severe forms of trafficking in persons during the period of time that the agreement is in effect;
2. Procuring a commercial sex act during the period of time that the agreement is in effect; or
3. Using forced labor in the performance of the agreement, including subcontracts or subagreements under the agreement.

B. In addition to all other remedies for noncompliance that are available to the FAA, Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), allows the FAA to unilaterally terminate this agreement, without penalty, if a private entity –

1. Is determined to have violated the Prohibitions; or
2. Has an employee who the FAA determines has violated the Prohibitions through conduct that is either—
   a. Associated with performance under this agreement; or
   b. Imputed to the Sponsor or subrecipient using 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 49 CFR Part 29.

17. **Exhibit A Incorporated by Reference.** The Exhibit "A" updated 9/23/13, filed with AIP Project 3-41-0014-016-2011, is incorporated herein by reference.

SPECIAL CONDITIONS

18. **CONSULTANT CONTRACT AND COST ANALYSIS:** The Sponsor understands and agrees that no reimbursement will be made on the consultant contract portion of this grant until the FAA has received the consultant contract, the Sponsor's analysis of costs, and the independent fee estimate.

19. **FORCE ACCOUNT:** The Sponsor agrees that proposals to accomplish construction or engineering with the Sponsor's own personnel must receive approval from the FAA prior to Sponsor incurring costs and that no reimbursement payments will be made on that portion of this grant until the Sponsor has received FAA approval for the force account information.

20. **NEW AIRPORT SPONSOR ASSURANCES:** The attached "Assurances" for Airport Sponsors" dated 3/2014 and updated 4/3/14, are hereby incorporated herein and made a part of the Project Application submitted by the Sponsor dated 6/2/14.

21. **TITLE VI:** It is understood and agreed by and between the parties hereto that the STANDARD DOT TITLE VI ASSURANCES executed by Sponsor 5/28/14 is hereby incorporated herein and made a part hereof by reference.

22. **FINANCIAL REPORTING REQUIREMENTS:** The Sponsor agrees to submit a **Federal Financial Report** (FAA Form SF-425) for all open grants to the Airports District Office within 90 days following the end of each Federal fiscal year and with each Final Project Closeout Report.

    The Sponsor further agrees to submit an **Outlay Report and Request for Reimbursement** (FAA Form SF-271 for construction projects) or **Request for Advance or Reimbursement** (FAA Form SF-270 for non-construction projects) to the Airports District Office within 90 days following the end of each Federal fiscal year and with each Final Project Closeout Report.

23. **FINAL PAYMENT:** The Sponsor understands and agrees that in accordance with 49 USC 47111, no payments totaling more than 90 percent of United States Government's share of the project's estimated allowable cost may be made before the project is determined to be satisfactorily completed.

24. **SPONSOR PERFORMANCE REPORT:**

    A. **For non-construction projects** – the Sponsor understands and agrees that in accordance with 49 CFR 18.40 the Sponsor shall submit a Quarterly Performance Report to the Airports District Office (ADO) within 30 calendar days from the end of the quarter, beginning in the quarter in which the project begins, and for each following quarter until the project is substantially complete. If a major project or schedule change occurs between Quarterly Performance Reports, the sponsor must submit an out of cycle performance report to the ADO. The performance report for non-construction projects shall include the following as a minimum:
        1. A comparison of proposed objectives to actual accomplishments.
        2. Reasons for any slippage or lack of accomplishment in a given area.
        3. Impacts on other AIP-funded projects.
        4. Impacts to projects funded by PFC, other FAA programs, or the sponsor.
        5. Identification and explanation of any anticipated cost overruns.

B. **For construction projects** – FAA Form 5370-1 Construction Progress and Inspection Report satisfies the performance reporting requirement. The sponsor must submit FAA Form 5370-1 to the ADO on a **weekly basis** during construction and at least quarterly when the project is in winter shutdown, until the project is substantially complete. Form 5370-1 requires the following information:

1. Estimated percent completion to date of construction phases.
2. Work completed or in progress during the period.
3. Brief Weather Summary during the period including approximate rainfall and period of below freezing temperature.
4. Contract time: Number of days charged to date and last working day charged.
5. Summary of laboratory and field testing during the period.
6. Work anticipated by the contractor for the next period.
7. Problem areas and other comments.

25. **GRANT APPROVAL BASED UPON CERTIFICATION**: The FAA and the Sponsor agree that the FAA approval of this grant is based on the Sponsor's certification to carry out the project in accordance with policies, standards, and specifications approved by the FAA. The Sponsor Certifications received from the Sponsor for the work included in this grant are hereby incorporated into this grant agreement. The Sponsor understands that:

A. The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to any AIP standards or to notify the FAA of any limitations to competition within the project;

B. The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements;

C. If the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under AIP

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

Carol Suomi
(Signature)

Carol Suomi

Manager, Seattle Airports District Office

PART II - ACCEPTANCE

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.[1]
Executed this _____ day of _____, _____.

_____
(Name of Sponsor)

_____
(Signature of Sponsor's Designated Official Representative)

By: _____
(Typed Name of Sponsor's Designated Official Representative)

Title: _____
(Title of Sponsor)

CERTIFICATE OF SPONSOR'S ATTORNEY

I, _____, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of_____. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at _____ this _____ day of _____,_____.

By _____
(Signature of Sponsor's Attorney)

[1] Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.

A-133 Single Audit Certification Form

The Single Audit Act of 1984, implemented by OMB Circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations) establishes audit requirements for State and local governments that receive Federal aid. State or local governments (City, County, Airport Board) that expend $500,000 or more a year (calendar or fiscal) in **total** Federal financial assistance must conduct an audit and submit it to the Federal Audit Clearinghouse. For more information on the Single Audit Act requirements please reference the following web site: http://harvester.census.gov/sac/

This notice is our request for a copy of your most recent audit, whether or not there are any significant findings. In accordance with your Airport Improvement Program (AIP) grant agreement, you must also provide the following certification to your local Airports District Office (ADO). Please fill out the information below by checking the appropriate line(s), sign, date, and return this form to the FAA local ADO identified at the bottom of the form.

Airport Sponsor Information:

Sponsor Name	Fiscal/Calendar Year Ending
Airport Name	
Sponsor's Representative Name	Representative's Title
Telephone	Email

Please check the appropriate line(s):

☐ We are subject to the A-133 Single Audit requirements (expended $500,000 or more in **total** Federal funds for the fiscal/calendar year noted above) and are taking the following action:

- ☐ The A-133 single audit for this fiscal/calendar year has been submitted to the FAA.
- ☐ The A-133 single audit for this fiscal/calendar year is attached.
- ☐ The A-133 single audit report will be submitted to the FAA as soon as this audit is available.

☐ We are exempt from the Single Audit A-133 requirements for the fiscal/calendar noted above.

Sponsor Certification:

Signature	Date

Return to: FAA, Seattle Airports District Office
1601 Lind Avenue SW, Suite 250
Seattle, WA 98057-3356

FAA
Airports

ASSURANCES

Airport Sponsors

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this grant agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

   The terms, conditions and assurances of this grant agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

   The preceding paragraph 1 also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this grant agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 25, 30, 32, 33, and 34 in Section C apply to planning projects. The terms, conditions, and assurances of this grant agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. **General Federal Requirements.**

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

Federal Legislation

a. Title 49, U.S.C., subtitle VII, as amended.
b. Davis-Bacon Act - 40 U.S.C. 276(a), et seq.[1]
c. Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq.
d. Hatch Act – 5 U.S.C. 1501, et seq.[2]
e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.[1 2]
f. National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).[1]
g. Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.[1]
h. Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
i. Clean Air Act, P.L. 90-148, as amended.
j. Coastal Zone Management Act, P.L. 93-205, as amended.
k. Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.[1]
l. Title 49, U.S.C., Section 303, (formerly known as Section 4(f))
m. Rehabilitation Act of 1973 - 29 U.S.C. 794.
n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.), prohibits discrimination on the basis of disability).
p. Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
r. Architectural Barriers Act of 1968 -42 U.S.C. 4151, et seq.[1]
s. Power plant and Industrial Fuel Use Act of 1978 - Section 403- 2 U.S.C. 8373.[1]
t. Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.[1]
u. Copeland Anti-kickback Act - 18 U.S.C. 874.1
v. National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.[1]
w. Wild and Scenic Rivers Act, P.L. 90-542, as amended.
x. Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.[2]
y. Drug-Free Workplace Act of 1988 - 41 U.S.C. 702 through 706.

z. The Federal Funding Accountability and Transparency Act of 2006, as amended (Pub. L. 109-282, as amended by section 6202 of Pub. L. 110-252).

Executive Orders

a. Executive Order 11246 - Equal Employment Opportunity[1]
b. Executive Order 11990 - Protection of Wetlands
c. Executive Order 11998 – Flood Plain Management
d. Executive Order 12372 - Intergovernmental Review of Federal Programs
e. Executive Order 12699 - Seismic Safety of Federal and Federally Assisted New Building Construction[1]
f. Executive Order 12898 - Environmental Justice

Federal Regulations

a. 2 CFR Part 180 - OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
b. 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. [OMB Circular A-87 Cost Principles Applicable to Grants and Contracts with State and Local Governments, and OMB Circular A-133 - Audits of States, Local Governments, and Non-Profit Organizations].[4, 5, 6]
c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment
d. 14 CFR Part 13 - Investigative and Enforcement Procedures14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
e. 14 CFR Part 150 - Airport noise compatibility planning.
f. 28 CFR Part 35- Discrimination on the Basis of Disability in State and Local Government Services.
g. 28 CFR § 50.3 - U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964.
h. 29 CFR Part 1 - Procedures for predetermination of wage rates.[1]
i. 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.[1]
j. 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).[1]
k. 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).[1]
l. 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.[3]
m. 49 CFR Part 20 - New restrictions on lobbying.
n. 49 CFR Part 21 – Nondiscrimination in federally-assisted programs of the Department of Transportation - effectuation of Title VI of the Civil Rights Act of 1964.
o. 49 CFR Part 23 - Participation by Disadvantage Business Enterprise in Airport Concessions.

p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally Assisted Programs.[1 2]
q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
r. 49 CFR Part 27 – Nondiscrimination on the Basis of Handicap in Programs and Activities Receiving or Benefiting from Federal Financial Assistance.[1]
s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities conducted by the Department of Transportation.
t. 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.
u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)
v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
w. 49 CFR Part 41 - Seismic safety of Federal and federally assisted or regulated new building construction.

Specific Assurances

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this grant agreement.

Footnotes to Assurance C.1.

[1] These laws do not apply to airport planning sponsors.

[2] These laws do not apply to private sponsors.

[3] 49 CFR Part 18 and 2 CFR Part 200 contain requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation and circular shall also be applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

[4] On December 26, 2013 at 78 FR 78590, the Office of Management and Budget (OMB) issued the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards in 2 CFR Part 200. 2 CFR Part 200 replaces and combines the former Uniform Administrative Requirements for Grants (OMB Circular A-102 and Circular A-110 or 2 CFR Part 215 or Circular) as well as the Cost Principles (Circulars A-21 or 2 CFR part 220; Circular A-87 or 2 CFR part 225; and A-122, 2 CFR part 230). Additionally it replaces Circular A-133 guidance on the Single Annual Audit. In accordance with 2 CFR section 200.110, the standards set forth in Part 200 which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies, including the Department of Transportation, must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

[5] Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.

[6] Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

2. **Responsibility and Authority of the Sponsor.**

   a. Public Agency Sponsor:

   It has legal authority to apply for this grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

   b. Private Sponsor:

   It has legal authority to apply for this grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this grant agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. **Sponsor Fund Availability.**

   It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this grant agreement which it will own or control.

4. **Good Title.**

   a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.

   b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. **Preserving Rights and Powers.**

   a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.

b. It will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project, that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this grant agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this grant agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this grant agreement.

c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.

d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.

e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.

f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to insure that the airport will be operated and maintained in accordance Title 49, United States Code, the regulations and the terms, conditions and assurances in this grant agreement and shall insure that such arrangement also requires compliance therewith.

g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. **Consistency with Local Plans.**

   The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. **Consideration of Local Interest.**

   It has given fair consideration to the interest of communities in or near where the project may be located.

8. **Consultation with Users.**

   In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. **Public Hearings.**

   In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. **Metropolitan Planning Organization.**

    In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. **Pavement Preventive Maintenance.**

    With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. **Terminal Development Prerequisites.**

    For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under section 44706 of Title 49, United States Code, and all the security equipment required by rule or regulation, and

has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. **Accounting System, Audit, and Record Keeping Requirements.**

    a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this grant, the total cost of the project in connection with which this grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.

    b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this grant. The Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. **Minimum Wage Rates.**

    It shall include, in all contracts in excess of $2,000 for work on any projects funded under this grant agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor, in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. **Veteran's Preference.**

    It shall include in all contracts for work on any project funded under this grant agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in Section 47112 of Title 49, United States Code. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. **Conformity to Plans and Specifications.**

    It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this grant agreement, and, upon approval of the Secretary, shall be incorporated into this grant agreement. Any modification to the approved plans,

specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this grant agreement.

17. **Construction Inspection and Approval.**

    It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. **Planning Projects.**

    In carrying out planning projects:

    a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.

    b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

    c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.

    d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.

    e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.

    f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.

    g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.

    h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. **Operation and Maintenance.**

    a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal,

state and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for-

1) Operating the airport's aeronautical facilities whenever required;
2) Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
3) Promptly notifying airmen of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.

b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. **Hazard Removal and Mitigation.**

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. **Compatible Land Use.**

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. **Economic Nondiscrimination.**

a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.

b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or

to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to-

1) furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and

2) charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.

d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.

e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.

f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees [including, but not limited to maintenance, repair, and fueling] that it may choose to perform.

g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.

h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.

i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. **Exclusive Rights.**

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and

b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. **Fee and Rental Structure.**

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. **Airport Revenues.**

a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1) If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or

operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.

2) If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.

3) Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at Section 47102 of title 49 United States Code), if the FAA determines the airport sponsor meets the requirements set forth in Sec. 813 of Public Law 112-95.

b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.

c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of Section 47107 of Title 49, United States Code.

26. **Reports and Inspections.**

It will:

a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;

b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;

c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this grant agreement including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:

   1) all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and

   2) all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. **Use by Government Aircraft.**

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that –

a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or

b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. **Land for Federal Facilities.**

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein, or rights in buildings of the sponsor as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. **Airport Layout Plan.**

a. It will keep up to date at all times an airport layout plan of the airport showing

   1) boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;

   2) the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and

roads), including all proposed extensions and reductions of existing airport facilities;

3) the location of all existing and proposed nonaviation areas and of all existing improvements thereon; and

4) all proposed and existing access points used to taxi aircraft across the airport's property boundary. Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

b. If a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary (1) eliminate such adverse effect in a manner approved by the Secretary; or (2) bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. **Civil Rights.**

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any activity conducted with, or benefiting from, funds received from this grant.

a. Using the definitions of activity, facility and program as found and defined in §§ 21.23 (b) and 21.23 (e) of 49 CFR § 21, the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by, or pursuant to these assurances.

b. Applicability

1) Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.

2) Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

3) Real Property. Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. Duration.

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1) So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or

2) So long as the sponsor retains ownership or possession of the property.

d. Required Solicitation Language. It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this grant agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The **(Name of Sponsor)**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises and airport concession disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."

e. Required Contract Provisions.

1) It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the DOT, and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.

2) It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.

3) It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.

4) It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin, creed, sex, age, or handicap as a

covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:

a) For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and

b) For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.

f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.

g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. **Disposal of Land.**

a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order, (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund. If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, (1) upon application to the Secretary, be reinvested or transferred to another

eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order: (1) reinvestment in an approved noise compatibility project, (2) reinvestment in an approved project that is eligible for grant funding under Section 47117(e) of title 49 United States Code, (3) reinvestment in an approved airport development project that is eligible for grant funding under Sections 47114, 47115, or 47117 of title 49 United States Code, (4) transferred to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport, and (5) paid to the Secretary for deposit in the Airport and Airway Trust Fund.

c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.

d. Disposition of such land under (a) (b) or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. **Engineering and Design Services.**

It will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services with respect to the project in the same manner as a contract for architectural and engineering services is negotiated under Title IX of the Federal Property and Administrative Services Act of 1949 or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. **Foreign Market Restrictions.**

It will not allow funds provided under this grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. **Policies, Standards, and Specifications.**

It will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the Current FAA Advisory Circulars for AIP projects, dated _____ (the latest approved version as of this grant offer) and included in this grant, and in accordance

with applicable state policies, standards, and specifications approved by the Secretary.

35. **Relocation and Real Property Acquisition.**

    a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
    b. It will provide a relocation assistance program offering the services described in Subpart C and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.
    c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. **Access By Intercity Buses.**

    The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. **Disadvantaged Business Enterprises.**

    The sponsor shall not discriminate on the basis of race, color, national origin or sex in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its DBE and ACDBE programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1936 (31 U.S.C. 3801).

38. **Hangar Construction.**

    If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. **Competitive Access.**

a. If the airport owner or operator of a medium or large hub airport (as defined in section 47102 of title 49, U.S.C.) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that-

   1) Describes the requests;

   2) Provides an explanation as to why the requests could not be accommodated; and

   3) Provides a time frame within which, if any, the airport will be able to accommodate the requests.

b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

MOODY'S
INVESTORS SERVICE

Rating Update: Moody's affirms Aa2 rating on City of Corvallis, OR's G.O. bonds; removes negative outlook

Global Credit Research - 27 Jun 2014

Approximately $17.5M in debt affected

CORVALLIS (CITY OF) OR
Cities (including Towns, Villages and Townships)
OR

Opinion

NEW YORK, June 27, 2014 --Moody's Investors Service has affirmed the City of Corvallis, OR's general obligation bonds at Aa2. The rating action affects $6 million in Moody's rated debt. At this time, Moody's also affirms the Aa3 rating on the city's full faith and credit obligations in amount of $11.5 million. The negative outlook was removed.

SUMMARY RATING RATIONALE

The affirmation reflects the city's sizeable tax base, which experienced growth in 2014, and stabilizing financial position. The city's economy benefits from the presence of Oregon State University. The city projects surplus operations in the near-term due to strong management and conservative budgeting. The rating further incorporates the city's modest debt profile compared to national peers, and somewhat elevated fixed cost burden.

STRENGTHS

-Stable tax base anchored by Oregon State University

-Strong management focused on increasing reserves

-Improving financial position

CHALLENGES

-Maintenance of structurally balanced operations

-Somewhat elevated fixed costs, including pension contributions and debt service

DETAILED CREDIT DISCUSSION

FINANCIAL PERFORMANCE IS STABILIZING

The city's operations have stabilized since fiscal 2011, reporting surpluses in fiscal 2012 and fiscal 2013. The General Fund balance increased to $2.5 million, or 14.2% of 2013 revenues, from a limited $404,000, or 2.7% of 2011 revenues. The city's financial position improved due to strong management and conservative budgetary policies. Additionally, management's focus is on increasing General Fund reserves, working towards a formal policy target of three months of payroll on-hand, or $6.3 million.

For fiscal 2014, the city is conservatively projecting an operating surplus of $300,000, increasing General Fund balance to $6 million, or 34% of 2013 revenues. The General Fund balance includes $3.1 million held in the fund balance reserve. The increase in General Fund balance is due to implementation of various cost savings measures: department reorganizations, staff positions held vacant, and, when possible, programs made self-sufficient, relying on user fees to cover expenses. Additionally, budgeted one-time expenditures were significantly less than anticipated.

Positive operations are projected moving forward, with the city reporting another surplus in fiscal 2015, increasing General Fund balance to $6.5 million. As the local economy improves, the city expects property tax collections and local option receipts to grow, and the number of building permits issued to increase. The city will benefit from a

new five-year voter-approved local option levy going into effect in July 2014. The new levy will generate at least $3.2 million per year, an increase of $1.4 million per year compared to the previous levy.

The city has limited liquidity outside the General Fund. Officials note that the Risk Management Fund has $500,000, which could be used in an emergency, but all remaining funds are earmarked for specific purpose. The city is considering alternative revenue streams to supplement property tax collections, such as a local sales tax or a local income tax. The city would likely seek voter approval to implement any new tax.

SIZEABLE TAX BASE ANCHORED BY PRESENCE OF OREGON STATE UNIVERSITY

The city is located 40 miles southwest of Salem (Aa2/NOO), Oregon's capital, and 85 miles south of Portland (Aaa/STA). City residents benefit from diverse employment opportunities in higher education, technology and healthcare, which is reflected in the low unemployment rate of 4.8% compared to the state's 6.9% as of April 2014. Wealth indices are depressed due to the presence of Oregon State University (OSU) and the high resident student population relative to the total. Despite this, per capita income and median family income are healthy at 83.5% and 105.5% of US, respectively, according to the 2011 American Community Survey. The city's tax base is stable, and sizeable compared to national peers. In 2014, real market value (RMV) increased to $5.7 billion from $5.5 billion, the first significant growth since 2009. Likewise, 2014 assessed value (AV) increased to $4.2 billion. Officials note that due to a decline in Hewlett-Packard's (HP) AV, the city's AV only increased by 1.5% rather than the full 3% allowed under Oregon's Measure 50. Full value per capita is $103,780, which is in-line with similarly rated cities nationally. The tax base is somewhat concentrated, with top ten taxpayers comprising 12.9% of 2013 assessed value, of which HP accounts for 7.9%.

The city's economy is anchored by the presence of Oregon State University, which has grown by 39% in the past ten years to a 2013 student enrollment of 26,400. Officials report OSU is a main driver of the local economy, spurring residential development of townhouses, apartments, and condos to house the expanding student population. Additionally, officials report OSU continues to expand, and is constructing new academic and residence halls, bringing additional construction jobs to the area. Commercial development is less pronounced, but officials note new restaurants and cafes have appeared in downtown Corvallis, along with a Neighborhood Walmart. Officials expect nearly $30 million in assessed value being added to tax rolls by 2016 due to new development.

In May 2013, the Oregon Tax Court ruled the HP's Corvallis campus was significantly overvalued in 2009, 2010 and 2011, and ordered Benton County to repay an estimated $9.5 million in property tax payments. The city's share of the principal burden was $1.4 million, which the city repaid in fiscal 2014. Benton County will withhold approximately $150,000 in fiscal 2015 and fiscal 2016 to pay the accrued interest that would be due if HP prevails at the Oregon Supreme Court. The Oregon Tax Court's ruling will reduce property tax collections by approximately $600,000 per year moving forward, but any loss in property taxes will be made whole with additional local option levy monies.

MANAGEABLE DEBT PROFILE; PLANS TO ISSUE DEBT IN NEAR-TERM

The city's direct debt burden is in-line with national peers at 0.7% of 2014 RMV, net of self-supporting debt. All of the city's debt is fixed rate, and the city is not party to any derivative agreements. Officials report the city has plans to issue full faith and credit obligations in the immediate-term for various capital improvement projects, which would modestly increase the debt burden. Additionally, the city is considering issuing full faith and credit obligations as part of a public-private partnership with a hotel chain. The city would issue the debt in Spring of 2016 or 2017, and debt service would be covered by increased transient room tax revenue.

The city has an elevated fixed cost burden. The city makes significant contributions to its pension plan, and contribution rates are expected to increase again in July 2015. Additionally, the city is faced with large debt service payments on its pension obligation bonds. In total, the city's fixed costs were $6.2 million in fiscal 2013, and increased in fiscal 2014 when the city began paying debt service on the existing full faith and credit obligations. Officials report that debt service is covered by net revenues of the water and wastewater enterprises, thereby not burdening the General Fund. Moody's believes this fixed cost pressure to be somewhat mitigated with the expected increase of revenues moving forward, but inability to effectively manage the fixed cost burden will place pressure on the rating.

The city participates in the Public Employees Retirement System (PERS), a cost-sharing multiple-employer, defined benefit retirement plan managed by the state. The city's combined annual required contribution (ARC) for the plans was $3.7 million in fiscal 2013, or a somewhat high 8.9% of total operating expenditures. Moody's adjusted net pension liability (ANPL) for the city is $431.4 million, or an elevated 2.48 times operating revenues for

fiscal 2012. The adjustments are not intended to replace the city's reported liability information, but to improve comparability with other rated entities.

WHAT COULD MAKE THE RATING GO UP

-Significant and sustained increase in available reserves

-Substantial tax base growth and increase in resident wealth measures

WHAT COULD MAKE THE RATING GO DOWN

-Significant tax base contraction

-Significant decline in available reserves

-Inability to manage fixed costs, including the expected increase in pension costs

KEY STATISTICS

Full value, 2014: $5.7 billion

Full value per capita, 2013: $103,780

Median family income: 105.5% of U.S.

Available fund balance, FY 2013: 16.1% of operating revenues

5-year change in fund balance: -12.73% of operating revenues

Net cash, FY 2013: 24.2% of operating revenues

5-year change in net cash: -4.59% of operating revenues

Institutional framework: Aa

5-year average of operating revenues / expenditures: 0.99x

Net direct debt burden % of full value: 0.7%

Net direct debt burden / operating revenues: 0.92x

3-year average Moody's adjusted net pension liability % of full value: 1.91%

3-year average Moody's adjusted net pension liability / operating revenues: 2.48x

The principal methodology used in this rating was US Local Government General Obligation Debt published in January 2014. Please see the Credit Policy page on www.moodys.com for a copy of this methodology.

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MEMORANDUM

July 2, 2014

To: Mayor and City Council

From: Mary Steckel, Public Works Director

Subject: Old Peak Meadow Prescribed Burn, Corvallis Forest

Issue

The City of Corvallis was awarded funds to restore native vegetation and enhance wildlife habitat in Old Peak Meadow on the City watershed (Old Peak Meadow Habitat Enhancement Grant). The Institute for Applied Ecology (IAE), the City's partner in the grant, is recommending that a prescribed burn be conducted on the meadow as part of the restoration plan.

Background

A primary objective of the Old Peak Meadow Habitat Enhancement Grant is to reduce the invasive grass that currently dominates the meadow and then replant the meadow with native vegetation. Approximately 30% of the meadow is also covered in thick thatch. The presence of thatch makes the planting process more labor intensive and jeopardizes the viability of new seedlings. Mechanical methods can be employed to remove thatch; however these methods have a greater impact than burning and result in maximum site disturbance. IAE is recommending that a prescribed burn be utilized to clear the thatch before planting occurs.

The City's Administrative Policy on Integrated Vegetation and Pest Management (IVPM) Program (CP 95-7.12) allows for burning "to achieve pest population management" (IVPM Guidelines p.4). The Parks and Recreation Department has conducted prescribed burns on Bald Hill in the past.

Discussion

Old Peak Meadow represents an ideal site for conducting a prescribed burn due to:

- small size (3 acres),
- gentle slope,
- a road on the meadow's upslope boundary that can act as a ready-made fire break, and
- mature, fire-resilient forest on the other sides of the meadow.

To facilitate planting over the winter, the burn would take place in the fall, when site conditions are moister.

Staff has contacted the Oregon Department of Forestry (ODF), who are willing to conduct the burn as a training fire. This is an exercise they perform many times each year at various sites. The Corvallis Fire Department has expressed interest in participating in the training, as well. There are no costs to the City associated with conducting the burn. To be included on ODF's schedule of training fires this fall, the City must schedule the burn with ODF by the end of July.

The prescribed-burn approach for thatch removal was presented to the Watershed Management Advisory Commission (WMAC) at their June 25, 2014 meeting. The WMAC unanimously agreed with the use of burning as a restoration tool on Old Peak Meadow.

The City will cooperate with neighboring landowners on this project and will provide information regarding the burn to the public via the City's website and through the media.

Action Required

No action necessary. Unless directed otherwise by the City Council, staff will schedule a prescribed burn with ODF for the watershed property in the fall of 2014.

Corvallis / Benton County Economic Development Office
Monthly Business Activity Report to Corvallis City Council
June 30, 2014

Monthly Business Activity and Metrics Report

Start-ups:

- Responded to a request for information from a potential business start-up (Project Crystal)
- Responded to a request for information from a potential business start-up (Project Furniture)
- Follow up meetings (12) with three start-up companies

Retention / Expansion:

- Met with project AG to discuss retention issues
- Met with Project Block to discuss expansion
- Met with project Floor to discuss expansion
- Follow up meetings (13) with seven existing expansion or retention clients

Recruitment:

- Responded to a RFI for Project Lion
- Follow up meetings (16) with four existing recruitment clients

Assisted with	Past Month	Since July 1, 2013
Start-up	2	34
Expansion	2	19
Retention	1	6
Economic Development Officer visits	5	86
Economic Development Officer follow-up	16	150
Recruitment	1	31

Monthly EDC Strategic Plan Update

Big Ideas:

1. Provide critical financial assistance to growing businesses through tools such as (a) Urban Renewal Districts and (b) a local economic development loan program. Supports goals 1, 2a, and 3 (if URD covers one or more EZ locations).

- Responded to requests for information concerning financing alternatives
- Responded to requests for information concerning Enterprise Zone incentives
  ➔ Received an application from Block 15 for EZ designation
- Prepared and submitted an application for E-Commerce designation for Enterprise Zone

2. Leverage the OSU-Corvallis relationship and Memorandum of Understanding to provide unprecedented advantages to Corvallis-based startups, including research infrastructure access, incubator/accelerator resources, HR and purchasing infrastructure, and innovative community networking. Supports goals 1 and 2a.

- Participated in RAIN Board Meeting
- Hosted Lane County Economic Development in a tour of OSU Advantage Accelerator and Food Science Department

3. Support business growth by providing properly zoned and serviced land and maintaining a timely and predictable development review process. Verify via benchmarking that Corvallis is best-in-class regarding comparable university towns across the U.S. Supports goals 2a, 2b, 3.

a. In particular, pursue opportunities to develop a research park for science intensive companies, ideally ones that have strong synergy with OSU research strengths. Consider public investment opportunities for such a park, ranging from public ownership to infrastructure development and business financing tools.

- Significant properties have been identified to address this idea
- Updated www.OregonProspector.com with new properties

b. An opportunistic, but nevertheless valuable, strategy is to recruit new tenants for vacant space in Enterprise Zone areas (HP campus, Sunset Research Park, Airport Industrial Park) as well as to invest in additional land and building resources designed to meet the needs of scientific- and technology-oriented business and industry.

- On-going referral to businesses seeking land and building space
- Worked with six ongoing expansion projects

4. Recognize that economic development must be a core/organic local government service as opposed to an entirely outsourced effort. Accordingly, create and staff a permanent city/county Economic Development Office, reporting to the city manager, to implement the above actions, manage business outreach and assistance; coordinate business lead responses and community and business asset promotion; and propose and implement new efforts to ensure Corvallis's competitiveness for business investment. Supports ALL goals.

- The Corvallis / Benton County Economic Development Office is fully staffed

Smaller Steps:

1. Develop a best-in-class information gateway portal that will provide resources to support business development with information about demographics and economics, technical and financial assistance programs, available land and building resources (Goals1, 2a, 2b, and 3).

- The City website continues to be updated with current demographic information, links for assistance, and upcoming events
- A Marketing Plan has been developed to keep the site current, and use it to address the primary focus of the strategy.
    - Assist with business start-ups
    - Leverage the OSU-Corvallis relationship and promote the OSU Advantage Accelerator
    - Promote business retention and expansion efforts
    - Promote "good" development in industrial areas
    - Promote Economic Development efforts to the community at large
  - Initiated web updates and a PR Campaign

2. Support programs sponsored by local and regional partners to facilitate innovation, entrepreneurship, and business investment. Examples include the Willamette Angel Conference and Willamette Innovators Network (Goals1and 2a).

- Coordinated WiN board meetings and planning meetings
- EDO has initiated a plan for WAC in 2015 in Corvallis

3. Build a strong relationship with the local business community through the account manager concept, and an ongoing Business Visitation program involving government and community leaders (Goals 2a and 2b).

- EDO has had 5 new business visits the past month and sixteen repeat visits

ADMINISTRATIVE SERVICES COMMITTEE
SCHEDULED ITEMS

July 3, 2014

MEETING DATE	AGENDA ITEM
July 9	• Enterprise Zone Application: Block 15 Brewing Company, Inc. • Council Policy Review and Recommendation: • 96-6.03, "Economic Development Policies"
July 23	
August 6	• Transportation Maintenance Fee Rate Structure Review
August 20	
September 3	• Visit Corvallis Fourth Quarter Report • Downtown Corvallis Association Economic Improvement District Fourth Quarter Report
September 17	

October 8	• Fourth Quarter Operating Report
	• Council Policy Reviews and Recommendations:
	  • 91-2.01, "Meeting Procedures"
	  • 94-2.08, "Council Liaison Roles"

October 22	• Utility Rate Annual Review
November 5	
November 19	• FY 2013-14 Parks and Recreation Department Cost Recovery Review • da Vinci Days Financial Status Update
December 3	• Visit Corvallis First Quarter Report • Downtown Corvallis Association Economic Improvement District First Quarter Report • Comprehensive Annual Financial Report • First Quarter Operating Report
December 17	

ASC PENDING ITEMS

- Comcast Franchise Renewal Update — Public Works
- Council Policy Review and Recommendation:
  - 98-2.10, "Use of E-Mail by Mayor and City Council" (Jan 15) — CMO
- Economic Development Policy on Tourism — CMO
- Municipal Code Review: Chapter 4.01, "Solid Waste Regulations" — Community Development
- Tax Incentive Program for Downtown Area — Community Development
- Neighborhood Property Maintenance Code Review (continued) — Community Development

Regular Meeting Date and Location:

Wednesday of Council week, 3:30 pm – Madison Avenue Meeting Room

HUMAN SERVICES COMMITTEE
SCHEDULED ITEMS

July 3, 2014

MEETING DATE	AGENDA ITEM
July 8	• Corvallis Farmers' Market Annual Report • Open Carry of Weapons
July 22	• Parks and Recreation Draft Master Plan Recommendation to Relocate Senior Center • Council Policy Review and Recommendation: • 99-4.14, "Use of City Hall Plaza and Kiosk"
August 5	
August 19	
September 2	• Social Services Semi-Annual Report
September 16	• Council Policy Review and Recommendation: • 93-4.11, "Public Library Policy for Selecting and Discarding Materials" • Rental Housing Program Annual Report
October 7	
October 21	
November 4	• Council Policy Review and Recommendation: • 95-4.08, "Code of Conduct on Library Premises"
November 18	

December 2	• 2015-2016 Social Services Priorities and Calendar
	• Council Policy Reviews and Recommendations:
	  • 91-1.03, "Naming of Public Facilities and Lands"
	  • 91-4.01, "Guidelines for Selling in Parks"

December 16	

HSC PENDING ITEMS

- Municipal Code Review: Chapter 5.01, "City Park Regulations" (Alcoholic Beverages in Parks) — Parks & Recreation
- Municipal Code Review: Chapter 9.02, "Rental Housing Code" — Community Development
- OSU/City Collaboration Project Recommendations (Action Items 4-1, 4-3, 4-4, 5-1) — Community Development

Regular Meeting Date and Location:
Tuesday of Council week, 2:00 pm – Madison Avenue Meeting Room

URBAN SERVICES COMMITTEE
SCHEDULED ITEMS

July 3, 2014

MEETING DATE	AGENDA ITEM
July 8	• Municipal Code Review: Chapter 7.08, "Corvallis Fire Code" • Greenhouse Gas Inventory Follow-up
July 22	• Demolition Permit Changes - Collaboration Recommendation
August 5	
August 19	
September 2	No meeting
September 16	• Council Policy Review and Recommendation: • 02-7.15, "Fee-in-Lieu Parking Program"
October 7	• Council Policy Review and Recommendation: • 08-9.07, "Traffic Calming Program"
October 21	
November 4	• Council Policy Review and Recommendation: • 98-9.06, "Transportation Corridor Plans"
November 18	
December 2	
December 16	

<u>USC PENDING ITEMS</u>

- Council Policy Review and Recommendation:
  - 91-9.03, "Parking Permit Fees" — Public Works
- Municipal Code Review: Chapter 8.13, "Mobile Food Units" — Community Development, Public Works

Regular Meeting Date and Location:
Tuesday of Council week, 5:00 pm – Madison Avenue Meeting Room

UPCOMING MEETINGS OF INTEREST

City of Corvallis

JULY – OCTOBER 2014
(Updated July 3, 2014)

JULY 2014

Date	Time	Group	Location	Subject/Note
5		No Government Comment Corner		
7	***5:30 pm*** ~~**6:00 pm**~~	**City Council ~~Work~~ *Executive* Session**	**Downtown Fire Station**	
7	**6:30 pm**	**City Council**	**Downtown Fire Station**	
8	8:20 am	Citizens Advisory Cmsn on Transit	Madison Avenue Mtg Rm	
8	2:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
8	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
8	6:30 pm	Historic Resources Commission	Downtown Fire Station	
9	3:30 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
~~9~~	~~5:30 pm~~	~~Downtown Commission~~	~~Madison Avenue Mtg Rm~~	
10	8:30 am	Citizens Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Room	
12	10:00 am	Government Comment Corner	Library Lobby - PennyYork	
~~14~~	~~3:00 pm~~	~~Economic Development Cmsn~~	~~Madison Avenue Mtg Rm~~	
16	12:00 pm	Housing and Comm Dev Cmsn	Madison Avenue Mtg Rm	
16	4:00 pm	Public Art Selection Commission	Parks and Rec Conf Room	
16	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Room	
16	7:00 pm	Planning Commission	Downtown Fire Station	
17	6:30 pm	Parks, Natural Areas, and Rec Brd	Downtown Fire Station	
~~18~~	~~7:00 pm~~	~~Planning Commission~~	~~Downtown Fire Station~~	
19		No Government Comment Corner		
21	***6:00 pm***	***City Council Work Session***	***Downtown Fire Station***	***HRC interview***
21	**6:30 pm**	**City Council**	**Downtown Fire Station**	
22	2:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
22	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
22	5:15 pm	Cmsn for Martin Luther King, Jr.	Osborn Aquatic Center	
23	3:30 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
~~23~~	~~5:15 pm~~	~~Watershed Management Adv Cmsn~~	~~Madison Avenue Mtg Rm~~	
26		No Government Comment Corner		

AUGUST 2014

Date	Time	Group	Location	Subject/Note
1	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm	
2		No Government Comment Corner		
4	**6:30 pm**	**City Council**	**Downtown Fire Station**	
5	7:00 am	Airport Commission	Madison Avenue Mtg Rm	
5	2:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
5	4:00 pm	Downtown Parking Committee	Downtown Fire Station	
5	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
6	3:30 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	
9		No Government Comment Corner		
11	3:00 pm	Economic Development Cmsn	Madison Avenue Mtg Rm	
12	8:20 am	Citizens Advisory Cmsn on Transit	Madison Avenue Mtg Rm	
12	6:30 pm	Historic Resources Commission	Downtown Fire Station	
13	5:30 pm	Downtown Commission	Madison Avenue Mtg Rm	

14	8:30 am	Citizens Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Room
16	10:00 am	Government Comment Corner	Library Lobby - Mike Beilstein
18	**6:30 pm**	**City Council**	**Downtown Fire Station**
19	2:00 pm	Human Services Committee	Madison Avenue Mtg Rm
19	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm
20	12:00 pm	Housing and Comm Dev Cmsn	Madison Avenue Mtg Rm
20	3:30 pm	Administrative Services Committee	Madison Avenue Mtg Rm
20	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Room
20	7:00 pm	Planning Commission	Downtown Fire Station
21	6:30 pm	Parks, Natural Areas and Rec Brd	Downtown Fire Station
23	10:00 am	Government Comment Corner	Library Lobby - Julie Manning
26	5:15 pm	Cmsn for Martin Luther King, Jr.	Osborn Aquatic Center
~~27~~	~~5:15 pm~~	~~Watershed Management Adv Cmsn~~	~~Madison Avenue Mtg Rm~~
30		No Government Comment Corner	

SEPTEMBER 2014

Date	Time	Group	Location	Subject/Note
1		City holiday - all offices closed		
2	7:00 am	Airport Commission	Madison Avenue Mtg Rm	
2	2:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
2	4:00 pm	Downtown Parking Committee	Downtown Fire Station	
2		No Urban Services Committee		
2	**6:30 pm**	**City Council**	**Downtown Fire Station**	
3	3:30 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
3	7:00 pm	Planning Commission	Downtown Fire Station	
3	7:30 pm	Library Board	Library Board Room	
5	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm	
6		No Government Comment Corner		
8	3:00 pm	Economic Development Cmsn	Madison Avenue Mtg Rm	
9	8:20 am	Citizens Advisory Cmsn on Transit	Madison Avenue Mtg Rm	
9	6:30 pm	Historic Resources Commission	Downtown Fire Station	
10	5:30 pm	Downtown Commission	Madison Avenue Mtg Rm	
11	8:30 am	Citizens Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Room	
13		No Government Comment Corner		
15	**6:30 pm**	**City Council**	**Downtown Fire Station**	
16	2:00 pm	Human Services Committee	Madison Avenue Mtg Rm	
16	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm	
17	12:00 pm	Housing and Comm Dev Cmsn	Madison Avenue Mtg Rm	
17	3:30 pm	Administrative Services Committee	Madison Avenue Mtg Rm	
17	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Room	
17	7:00 pm	Planning Commission	Downtown Fire Station	
18	6:30 pm	Parks, Natural Areas, and Rec Brd	Downtown Fire Station	
20		No Government Comment Corner		
23	5:15 pm	Cmsn for Martin Luther King, Jr.	Osborn Aquatic Center	
24	5:15 pm	Watershed Management Adv Cmsn	Madison Avenue Mtg Rm	
27		No Government Comment Corner		

OCTOBER 2014

Date	Time	Group	Location	Subject/Note
1	7:00 pm	Planning Commission	Downtown Fire Station	
1	7:30 pm	Library Board	Library Board Room	

3	7:00 am	Bicycle and Pedestrian Adv Cmsn	Madison Avenue Mtg Rm
4	10:00 am	Government Comment Corner	Library Lobby - Penny York
6	**6:30 pm**	**City Council**	**Downtown Fire Station**
7	7:00 am	Airport Commission	Madison Avenue Mtg Rm
7	2:00 pm	Human Services Committee	Madison Avenue Mtg Rm
7	4:00 pm	Downtown Parking Committee	Downtown Fire Station
7	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm
8	3:30 pm	Administrative Services Committee	Madison Avenue Mtg Rm
8	5:30 pm	Downtown Commission	Madison Avenue Mtg Rm
8	7:00 pm	Budget Commission	Madison Avenue Mtg Rm
9	8:30 am	Citizens Advisory Cmsn on Civic Beautification and Urban Forestry	Parks and Rec Conf Room
11		No Government Comment Corner	
13	3:00 pm	Economic Development Cmsn	Madison Avenue Mtg Rm
14	8:20 am	Citizens Advisory Cmsn on Transit	Madison Avenue Mtg Rm
14	6:30 pm	Historic Resources Commission	Downtown Fire Station
15	12:00 pm	Housing and Comm Dev Cmsn	Madison Avenue Mtg Rm
15	4:00 pm	Public Art Selection Commission	Parks and Rec Conf Room
15	5:30 pm	Arts and Culture Commission	Parks and Rec Conf Room
16	6:30 pm	Parks, Natural Areas, and Rec Brd	Downtown Fire Station
16	7:00 pm	Planning Commission	Downtown Fire Station
18		No Government Comment Corner	
20	**6:30 pm**	**City Council**	**Downtown Fire Station**
21	2:00 pm	Human Services Committee	Madison Avenue Mtg Rm
21	5:00 pm	Urban Services Committee	Madison Avenue Mtg Rm
22	3:30 pm	Administrative Services Committee	Madison Avenue Mtg Rm
22	5:15 pm	Watershed Management Adv Cmsn	Madison Avenue Mtg Rm
25	10:00 am	Government Comment Corner	Library Lobby - Mike Beilstein
28	5:15 pm	Cmsn for Martin Luther King, Jr.	Osborn Aquatic Center

Bold type – involves the Council

~~Strikeout~~ type – meeting canceled

Italics type – new meeting

CIP – Capital Improvement Program

HRC – Historic Resources Commission

PC – Planning Commission

TBD – To be Determined

MEMO

CORVALLIS
HUMAN RESOURCES

City of Corvallis
Human Resources
541.766.6902

To: Mayor and City Council
From: Mary Beth Altmann Hughes, Human Resources Director
Subject: AFSCME Labor Contract
Date: July 2, 2014

AFSCME Local 2975 voted on June 26, 2014 to approve the labor agreement tentatively agreed to by both parties in June 2014. The labor agreement will be effective through June 30, 2018. The cost to the City for the 5 year contract is $2,019,080.

I recommend the City Council approve the contract between The City of Corvallis and AFSCME Local 2975.

Review and Concur:

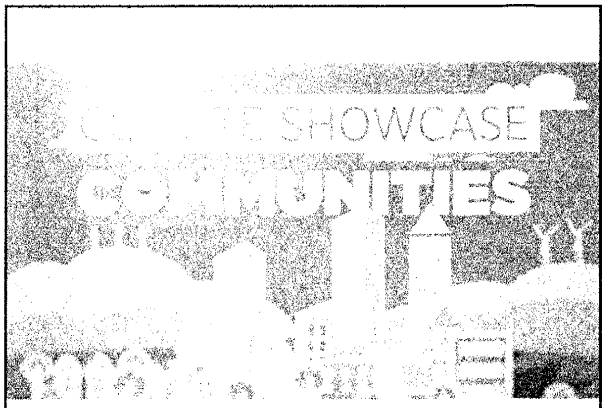
A.C.

Jonathan L. Grossman

Jim Patterson Date 7-2-14

CORVALLIS

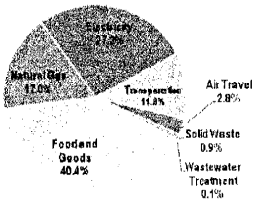
Environmental Protection Agency Climate Showcase Community 2010-2014



Corvallis Community GHG Emissions 2012

1,257,115 MT CO_2e (Metric Tons Carbon Dioxide Equivalent)

- Food and Goods — Estimated emissions: 507,270 MT CO2e
- Electricity — Estimated emissions: 341,866 MT CO2e
- Natural Gas — Estimated emissions: 213,453 MT CO2e
- Transportation — Estimated emissions: 146,273 MT CO2e
- Air Travel — Estimated emissions: 35,005 MT CO2e
- Solid Waste — Estimated emissions: 11,924 MT CO2e
- Wastewater Treatment — Estimated emissions: 588 MT CO2e

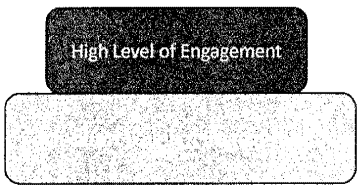


CORVALLIS

Energize Corvallis is dedicated to helping Corvallis become one of the most energy efficient, climate-friendly communities in the nation.

Corvallis Environmental Center · Oregon State OSU

Multiple Levels of Engagement



Corvallis Environmental Center · Oregon State OSU

Energize Corvallis Programs

Neighborhood Sustainability Stewards

Energize Corvallis Programs

Neighborhood Sustainability Stewards

Communities Take Charge

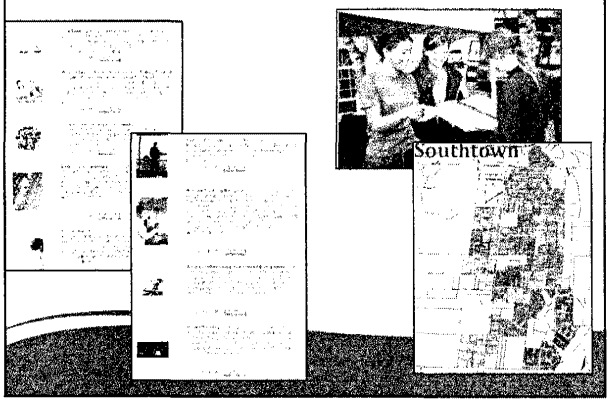
Choose

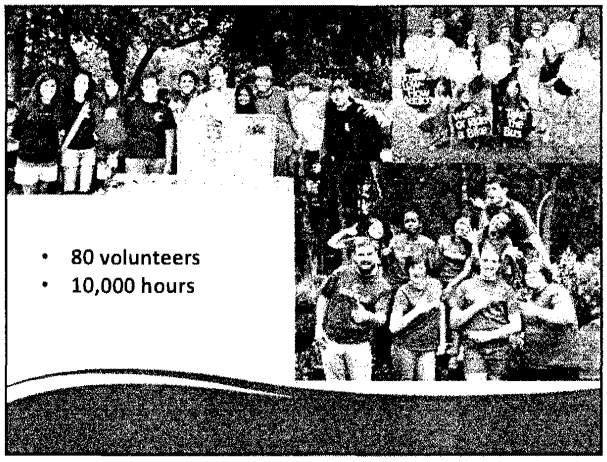
tell us

Win!

Join Online

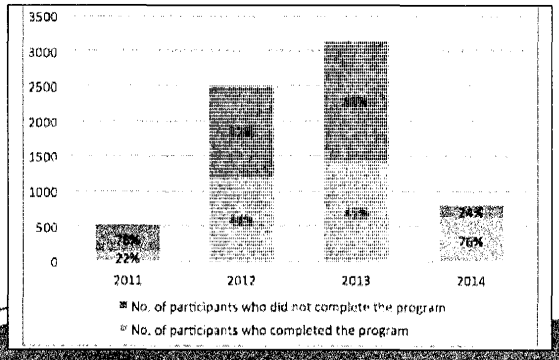
Join in Person





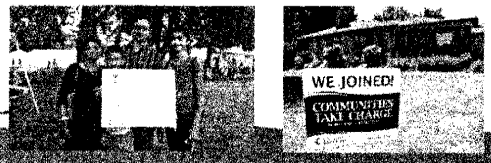
- 80 volunteers
- 10,000 hours

6,269 Corvallis Residents Joined

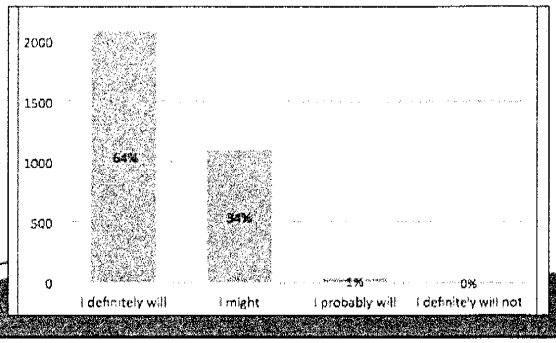


Reducing Greenhouse Gas Emissions.

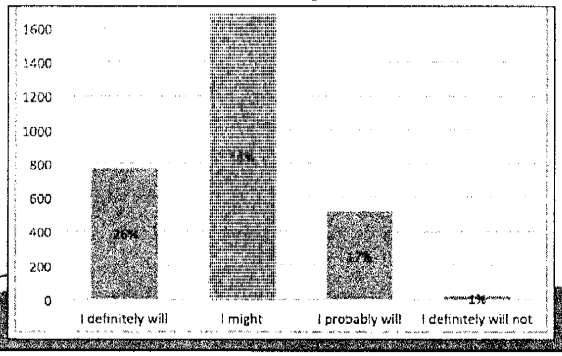
Participants saved an average of 4,055 pounds of CO_2e per year.



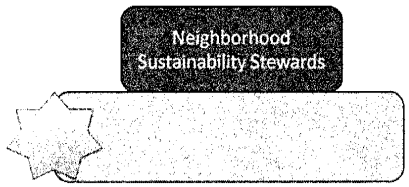
Increasing long-term behavior change.



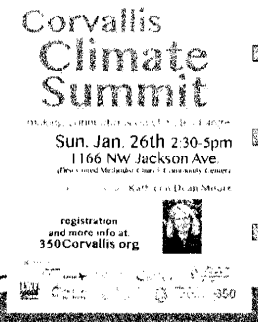
Increasing involvement in other sustainability efforts.



Energize Corvallis Programs

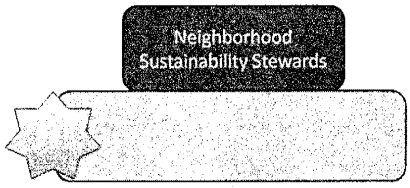


Energizers



- 250 people from 30+ organizations
- Corvallis Climate Network
- Georgetown University Energy Prize Competition

Energize Corvallis Programs



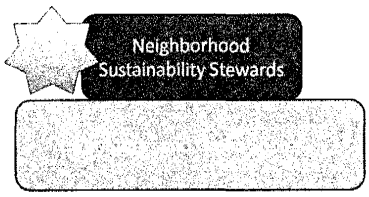
Green Share Results

Green Shares Program

Increased capacity for:

1. Property managers to improve efficiency of properties
2. Contractors to sell efficiency measures
3. More ductless heat pump installations

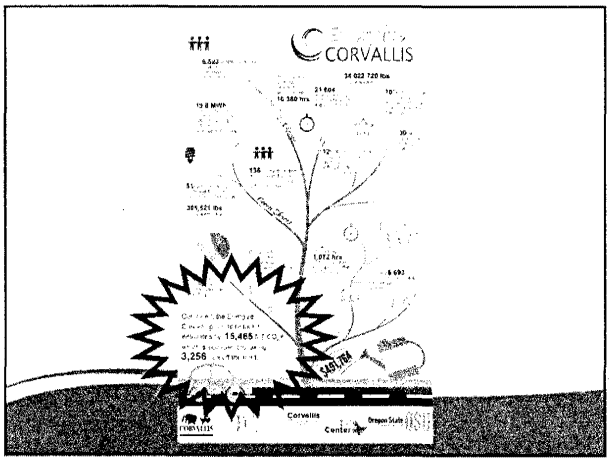
Energize Corvallis Programs



Neighborhood Sustainability Steward Program

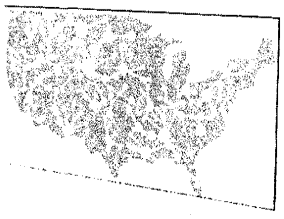
- 35 Trained volunteers
- 1,072 volunteer hours
- 6,693 community contacts

Neighborhood Sustainability Stewards at work

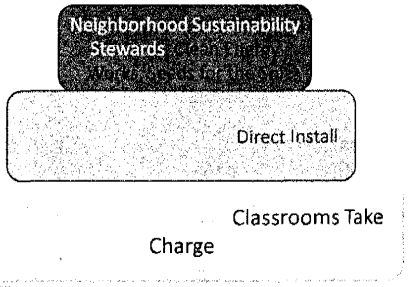


As a Climate Showcase Community, the EPA asked us to:

- Sustain
- Expand
- Replicate



Energize Corvallis Programs



Classrooms Take Charge

- 16 high schools in Oregon and Washington
- 2 years
- $267,000 Environmental Education – EPA
- 4 part-time jobs in Corvallis

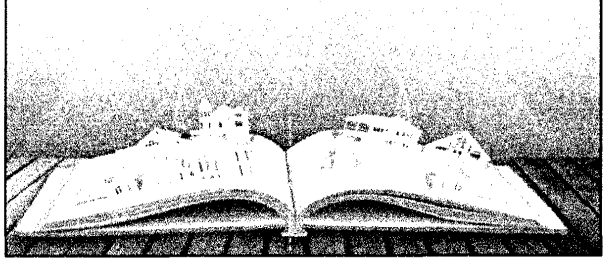
CORVALLIS

Corvallis Center

Oregon Green Schools

SEATTLE PUBLIC SCHOOLS

Georgetown University Energy Prize



Letters of Support

From the Community

- 350Corvallis
- Citizens Climate Lobby
- Corvallis Climate Action Task Force
- Corvallis Environmental Center
- Corvallis Independent Business Alliance
- Corvallis Sustainability Coalition
- Extension Service Benton County, Oregon State University
- Farmland LP
- First United Methodist Church
- League of Women Voters
- Marys Peak Group of Sierra Club
- Public Works, City of Corvallis
- Sustainability Office, Oregon State University
- Student Sustainability Initiative, Oregon State University
- Unitarian Universalist Fellowship

From the Utilities

- Northwest Natural Gas
- Consumers Power, Inc.
- Pacific Power

Georgetown University Energy Prize Timeline

- **Stage 1**: Application Submitted (June 30)
- **Stage 2**: Application with a comprehensive Program Plan (November, 2014)
- **Stage 3**: Two-year Competition (January 2015 to December 2016)
- **Stage 4**: Finalists, Judging, and Awards (January to June 2017)

Energize CORVALLIS

6,523 people participat (over 10% of Corvallis' population).

Tomorrow's climate leaders volunteered **10,380 hrs**

34,022,720 lbs CO_2e saved.

21,604 energy-saving actions taken by the community.

70% of participants "definitely will" maintain energy-saving changes they made.

19.8 MWh electricity saved annually by renters after installing efficient lighting and water fixtures.

30 people attended Energizers training.

12 faith communities sharing information about energy efficiency and conservation.

138 contractors and employees trained to promote energy efficient options.

51 ductless heat pumps installed through Going Ductless! save **305,521 lbs** CO_2e every year.

35 volunteers trained

Stewards volunteered **1,072 hrs** of energy saving education to the community.

Convened community partners to develop residential energy saving projects.

Conducted community greenhouse gas inventory.

Engaged **6,693** community members in energy saving conversations.

Communities Take Charge

Green Shares

Energizers

City of Corvallis

Neighborhood Sustainability Stewards

Combined, the Energize Corvallis projects reduced emissions by **15,465** MT CO_2e, which is equivalent to taking **3,256** cars off the road.

$491,764

CORVALLIS ENHANCING COMMUNITY LIVABILITY

The Resource Innovation Group

Corvallis Environmental Center

Oregon State University OSU

RESOLUTION 2014 - _____

A RESOLUTION DIRECTING THE CORVALLIS CITY MANAGER TO ENTER INTO AN EARNEST MONEY AGREEMENT FOR $4.2 MILLION TO PURCHASE A CONDOMINIUM SHARE OF A PARKING GARAGE TO BE BUILT ON SW FIRST STREET AND SW WASHINGTON AVENUE IN CORVALLIS, OREGON.

Minutes of the _____, Corvallis City Council meeting, continued.

A resolution submitted by Councilor _____.

WHEREAS, a parcel of property on SW First Street in Corvallis, which has been underutilized and undeveloped for over two decades has been purchased by local developers who plan to build a hotel at this location; and

WHEREAS, the hotel developers have proposed a public / private partnership to develop a parking garage associated with the hotel; and

WHEREAS, in their commitment to develop sustainable budgets, the City Council has directed staff to investigate and bring forward new revenue sources; and

WHEREAS, the proposed downtown redevelopment project will provide General Fund revenue in future years, assisting the City with meeting the commitment to develop sustainable budgets; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) is to (a) provide a diverse local economy, (b) attract private and public capital investment, and (c) provide facilities, services and programs that attract visitors to the Corvallis community; and

WHEREAS, this project provides for a diverse local economy, attracts private capital investment, and provides facilities that will attract visitors; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) (6.03.51) calls for the City Council to set an example by adopting an active role in furthering Economic Development, and making resources available to enhance this effort, and (6.03.052) invest in public infrastructure that serves the needs of current and prospective employers; and

WHEREAS, this project depends on the leadership of the City Council in furthering Economic Development, and providing resources to enhance this effort, and invests in public infrastructure that will serve the needs of current and prospective employers; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) (6.03.058) directs that the City will support activities to enhance Economic Development mission and goals by (a) increasing the proportion of spending by residents and visitors, and (b) strengthening the role of Downtown Corvallis as the vital economic, social and cultural heart of the community; and

WHEREAS, this project will increase visitor spending, and strengthen Downtown Corvallis; and

WHEREAS, the City Council's Economic Development Policy (96-06.03 (6.03.059) directs that the City may use incentives to achieve Economic Development goals; and

WHEREAS, this project provides incentives for development that would not happen but for this action; and

WHEREAS, the proposed garage will offer additional parking spaces available for public use; and

WHEREAS, the City has found that additional parking is needed in downtown Corvallis currently and in the future; and

WHEREAS, the transient room tax, property tax and lease revenues generated by this project should provide debt coverage for this project over the life of the loan; and

WHEREAS, Visit Corvallis, in their letter dated June 19, 2014 offered and agreed to underwrite the City's debt service payment for this project with new transient room tax revenues generated by this project, should there be a projected shortfall in the project's debt service reserve to be repaid with future transient room tax collections; and

WHEREAS, the City finds that there are additional economic development advantages as a result of this project including more transient room tax to support tourism, more property taxes for overlapping jurisdictions, more spending in local businesses by visitors, and more spending for overnight stays in Corvallis; and

WHEREAS, based upon the above findings, the City Council finds that it furthers the public interest for the City to purchase the condominium parking spaces for $4,200,000;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS resolves to direct the Corvallis City Manager to enter into an earnest money agreement to purchase a condominium share of a parking garage to be built at SW First Street and SW Washington Avenue in Corvallis, Oregon.

_____

Councilor

Upon motion duly made and seconded, the foregoing resolution was adopted, and the Mayor thereupon declared said resolution to be adopted.

LEAGUE of Oregon CITIES

P.O. Box 928 • Salem, Oregon 97308
(503) 588-6550 • (800) 452-0338 • Fax: (503) 399-4863
www.orcities.org

RECEIVED
JUN 04 2014
CITY MANAGERS OFFICE
CITY OF CORVALLIS

June 2, 2014

Dear Chief Administrative Official:

For the past three months, eight policy committees have worked very diligently to identify and propose specific actions as part of the League's effort to develop a pro-active legislative agenda for the 2015 session. They have identified 22 legislative objectives as set forth in the enclosed ballot and legislative recommendation materials. These objectives span a variety of issues and differ in the potential resources required to seek their achievement. Therefore, it is desirable to prioritize them in order to ensure that efforts are focused where they are most needed.

The LOC Board of Directors has made long-term commitments to two issues critical to cities: revenue and land use reform. **As a result of their designation as top legislative priorities on an ongoing basis neither of these issues appear on the enclosed ballot.**

The League will continue to advocate for a constitutional amendment that gives local voters the opportunity to pass local option levies outside of compression. Currently, statewide property tax limitations can prevent local voters from supporting the services they demand via local option levy. This amendment would enable voters to determine the level of services they desire and the associated level of taxation. The League will also advocate for a constitutional amendment that will improve the fairness of the property tax system by recalibrating taxes at the time a property is sold. Oregon's property tax system created a new assessed, or taxable, value based on 1995-96 real market values and capped annual growth. As property values have grown at different rates since that time, huge disparities in tax bills have emerged. The League will also continue to engage in legislative efforts to reform land use processes to reduce the burden on cities as they make local decisions about urban growth. Land use requirements have become increasingly difficult for cities to implement – with increased costs, time, and frequency of appeals – and the League will build on recent efforts to reform the urban growth boundary process to ensure that reforms streamline the land use process.

Each city is being asked to review the recommendations of the policy committees and provide input to the LOC Board of Directors as it prepares to adopt the League's 2015 legislative agenda. After your city council has had the opportunity to review the 22 proposals and discuss them with your staff, please return the enclosed ballot indicating the top four issues that your city council would like to see the League focus on in the 2015 session. **The deadline for response is July 25, 2014.** The board of directors will then review the results of this survey of member cities, along with the recommendations of the policy committees, and determine the League's 2015 legislative agenda.

(over, please)

Your city's participation and input will assist the board in creating a focused set of specific legislative targets that reflect the issues of greatest importance for cities. Thank you for your involvement, and thanks to those among you who gave many hours of time and expertise in developing these proposals.

Do not hesitate to contact me or Craig Honeyman, Legislative Director, with questions.

Sincerely,

Michael J. McCauley
Executive Director

cc: Oregon Mayors

INSTRUCTIONS

1. Each city should submit one form that reflects the consensus opinion of its city council on the **top four** legislative priorities for 2015.

2. Simply place an X in the space to the left of the city's top four legislative proposals.

3. The top four do not need to be prioritized.

4. Return by **July 25th** via mail, fax or e-mail to:

Angela Carey
League of Oregon Cities
1201 Court St. NE, Suite 200
Salem, Oregon 97301
Fax – (503) 399-4863
acarey@orcities.org

Thank you for your participation.

City: _____

Please mark 4 boxes with an X that reflects the top 4 issues that your city recommends be added to the priorities for the League's 2015 legislative agenda.

Community Development

- ☐ A. Provide tools for brownfield remediation including $10 million in recapitalization of the redevelopment fund, new incentives such as tax credits, or regulatory modifications.
- ☐ B. Support capitalization of the industrial site readiness loan program at $10 million and the industrial site readiness assessment program at $200,000.
- ☐ C. Prioritize grants providing assistance for natural disaster planning and updating comprehensive plans to address likely natural disasters in a community, and increase the grant funds available to cities through the DLCD's general grant funds to $2 million.
- ☐ D. Reform the Post Acknowledgment Plan Amendment process to require appellants to raise issues before the local government before raising the issue on appeal.

Energy

- ☐ E. Modify the existing "1.5% green energy technology for public buildings" requirement to allow for offsite solar investments.
- ☐ F. Support efforts to eliminate the sunset on the Low Carbon Fuel Standard program.

Finance & Taxation

- ☐ G. Phase out the 3% discount for the early payment of property taxes.
- ☐ H. Improve the fairness of how new and improved property is added to the tax roll.
- ☐ I. Improve clarity and certainty around transient lodging tax statute.

General Government

- ☐ J. Reform Oregon's recall procedures to encourage a greater participation of the electorate and ensure that it is used for reasons involving misconduct.
- ☐ K. Allow for price comparison when procuring architects and engineers.
- ☐ L. Clarify and enhance medical marijuana dispensary regulations.
- ☐ M. Enhance mental health services.

Human Resources

- ☐ N. Ensure that arbitrator awards are in compliance with state, as well as local policies.
- ☐ O. Ensure that collective bargaining agreements trump state mandates on police investigations.
- ☐ P. Require earlier submission of last best offer.

Telecommunications

- ☐ Q. Support the reintroduction of legislation that repeals ORS 221.515.
- ☐ R. Oppose legislation preempting the ability of cities to manage and receive compensation for the use of a public ROW.

Transportation

- ☐ S. Pass a comprehensive transportation funding and policy package.
- ☐ T. Continued or enhanced funding for *Connect*Oregon.

Water/Wastewater

- ☐ U. Support efforts and program funding to address Oregon's long term water supply needs including recapitalization of the Water Conservation, Reuse and Storage Grant Program and implementation of a place-based pilot program for local water resources planning.
- ☐ V. Support efforts to establish a program that would provide low-interest loan opportunities to address failing residential onsite septic systems. The new loan program would support repair and replacement of failing systems or conversion to a municipal wastewater system, if the conversion is at the request of the impacted municipality.

Note: As indicated, property tax and land use reform will remain as priority efforts.

LOC Policy Committees' Legislative Recommendations

Priority	Description
Community Development	
A. Provide tools for brownfield remediation including $10 million in recapitalization of the redevelopment fund, new incentives such as tax credits, or regulatory modifications.	Supports finding funding sources and cost reductions for cleaning up brownfields to support economic development. The Brownfield Redevelopment Fund Program provides gap financing to clean-up industrial sites but has not been recapitalized to address the increasing need for clean-up of brownfield sites. However, the fund is not large enough to address this need on a statewide basis, so further support for efforts to determine alternative means to incentivize brownfield redevelopment will increase available industrial sites and help drive economic development. Overall, increasing tools to redevelop brownfields provides more options to cities looking to redevelop current brownfields into a better use.
B. Support capitalization of the industrial site readiness loan program at $10 million and the industrial site readiness assessment program at $200,000.	Provides funding for two programs created in 2013 for addressing lands that are zoned industrial but are not being used for industrial purposes: the industrial site readiness program and the industrial site readiness assessment program. The first provides forgivable loans to local governments that bring industrial sites to shovel ready status, such as by placing infrastructure or cleaning up a brownfield. The second allows regions to determine what is preventing land designated for industrial use from being built for industrial use. However, no money was provided to fund either program in the 2013-2015 budget.
C. Prioritize grants providing assistance for natural disaster planning and updating comprehensive plans to address likely natural disasters in a community, and increase the grant funds available to cities through the DLCD's general grant funds to $2 million.	In the last two biennia, the Oregon Department of Land Conservation and Development general fund grant program has seen a significant drop in the money allocated to it with increasing need from local governments to address technical planning issues and update pursuant to periodic review. In addition, the Oregon Seismic Safety Policy Advisory Commission, has released a report related to ongoing need for upgrading resilience in response to a major earthquake and recent natural disasters have raised awareness relating to land use planning. Raising the general fund grant program back to the 2009-2011 budget levels will help more cities address their planning needs and seek technical assistance. This would also alter the uses for these funds to include planning that increases resilience to natural disasters and meet their Goal 7 requirements.
D. Reform the Post Acknowledgment Plan Amendment process to require appellants to raise issues before the local government before raising the issue on appeal.	Changing the appeals requirements for post-acknowledgement plan amendments (PAPAs) will keep decision making for land use policy at the local level first, allowing city official to determine the scope of legislative changes they make to their plans without trying to fight a new issue on appeal. This "raise it or waive it" standard currently exists for quasi-judicial decisions at the local level and insures that local decisions are not attacked on appeal on an issue that a city could have resolved in finalizing its decision. Modifying the PAPA appeal insures more land use decisions start with addressing all issues at the local level first.
Energy	
E. Modify the existing "1.5% green energy technology for public buildings" requirement to allow for offsite solar investments.	Oregon statute currently requires public contracting agencies to invest 1.5% of the total contract price for new construction or major renovation of certain public buildings on solar or geothermal technology. The requirement allows for offsite technology, but only if the energy is directly transmitted back to the public building site and is more cost-effective than onsite installation. Removing the requirement that an offsite project be directly connected to the public building project could result in increased flexibility for local governments to invest in solar projects that are more cost-effective and that could provide for increased solar energy production.

F. Support efforts to eliminate the sunset on the Low Carbon Fuel Standard program.	Oregon's low carbon fuel standard, also known as the Clean Fuels Program, was initially adopted by the 2009 legislature. The standard would require fuel producers and importers to cut the carbon intensity of gasoline and diesel fuels by ten percent over a 10-year period in order to reduce greenhouse house gas emissions, reduce dependence on imported oil, and expand upon Oregon's renewable fuel industry. Fuel producers and importers can meet the standard through providing additional biofuels, natural gas or electricity, or by purchasing clean fuel credits. The program includes several consumer protection mechanisms to help ensure an adequate fuel supply and competitive fuel pricing. The program, as initially adopted is scheduled to expire, or sunset, on December 31, 2015. The League will work to support efforts to eliminate the sunset on the program.
Finance & Taxation	
G. Phase out the 3% discount for the early payment of property taxes.	Oregon law offers a 3% discount for property owners who pay the full amount due by November 15th. A 2% discount is offered for those that pay two-thirds of the amount due by November 15th. The League will phase out the discount over a period of time and adopt a penalty for failing to pay by November 15th to mitigate any cash flow issues for local governments.
H. Improve the fairness of how new and improved property is added to the tax roll.	New and improved property is brought on the tax rolls by applying an annual county-wide ratio of assessed values (AV) to real market values (RMV) to the new or added value of a property, in an attempt to replicate the property tax discount given to properties via Measure 50. However, significant variation between AV and RMV exist within a county, resulting in the discount often being inequitable compared to neighboring properties, as well as being out of line with the discount originally offered to properties when Measure 50 passed in 1997. As a result, similarly situated and valued properties can have significantly different property tax liabilities. The League will work to modify the property tax system to improve the fairness of how new property is added to the tax roll.
I. Improve clarity and certainty around transient lodging tax statute.	State law limits how transient lodging taxes increased or adopted after July 2003 can be spent, with statute requiring that 70 percent of increased or new transient lodging tax revenues be expended on tourism promotion or tourism-related facilities. There is uncertainty, however, as to what qualifies as a tourism-related facility and the timeline in which such expenditures can be legally challenged. The League will seek to improve the certainty around what qualifies as a tourism-related facility and reasonably limit the timeframe in which such expenditures can be legally challenged.
General Government	
J. Reform Oregon's recall procedures to encourage a greater participation of the electorate and ensure that it is used for reasons involving misconduct.	Under Oregon law, an elected official may be recalled by an initiative petition for any reason after the first six months of their term. Limiting recalls to cases where there has been demonstrated wrong doing by a court or regulatory body (such as the Oregon Government Ethics Commission) would prevent the misuse of recalls without limiting the power of the electorate to reverse a decision. Recalls should be limited to acts of malfeasance or offenses involving moral turpitude.

K. Allow for price comparison when procuring architects and engineers.	In 2011 the Oregon Legislature required cities to use a qualifications based selection (QBS) process that prohibits the consideration of price until an initial selection has been made when hiring architects, engineers and photogrammetrists. This requirement prevents local governments form comparing pricing and effectively eliminates price competition when procuring these services.
L. Clarify and enhance medical marijuana dispensary regulations.	Existing restrictions on the placement of medical marijuana dispensaries (MMD) are inconsistent with land use regulations and should be clarified. Additionally, background checks are not required on people who work in MMD and there is no regulation on the manufacture of oils and other liquid marijuana products that use flammable/explosive substances in their processing.
M. Enhance mental health services.	Oregon's police departments have marked an increase in interactions with the mentally ill in recent years. Crisis intervention teams (CIT) have proven effective and deescalating interactions with the mentally ill, but this service model is not available in all parts of the state. Additionally, there is a demonstrated need for "drop-in" mental health services that allow for treatment before a person enters a state of crisis. There should be statewide access of CITs, and emergency access to mental health services to promote patient and community safety. Additionally, mental health services should be examined holistically to ensure that Oregon is providing the best possible care to the mentally ill.
Human Resources	
N. Ensure that arbitrator awards are in compliance with state, as well as local policies.	Currently, an arbitrator's award overturning an employer's disciplinary decision must comply with state policies on issues including, but not limited to: use of force, sexual harassment, or misconduct. Precedent has established that only state policies apply to the enforceability to an arbitrator's award.
O. Ensure that collective bargaining agreements trump state mandates on police investigations.	"The Police Officer's Bill of Rights" was intended to offer protections for officers who were under investigation if there was no collective bargaining contract or the contract was silent on how investigations were to be conducted. Changes made in 2009 have resulted in confusion and manipulation of the bargaining process. The statute needs to be amended to bring it back to the original intent of the bill.
P. Require earlier submission of last best offer.	Under current law, last best offers (LBOs) must be submitted 14 days prior to opening of arbitration in the event parties have declared an impasse, and binding arbitration is being used to settle the contract. Most arbitrators use a 30-day cancellation policy that requires payment even if parties settle prior to the commencement of arbitration. Requiring LBOs to be submitted 35 days prior to the opening of arbitration would provide an opportunity to settle without paying unnecessary fees.
Telecommunications	
Q. Support the reintroduction of legislation that repeals ORS 221.515 (HB 2455 -7 in 2013) removing the franchise fee rate and revenue restrictions which currently apply to incumbent local exchange carriers, or other legislation that: • Does not preempt local authority to manage the public ROW and be compensated for its use; • Maintains or increases the opportunity for revenue growth; and • Is technology neutral.	Protection of local authority to manage public rights of way (ROW) and receive compensation for any use of those facilities continues to be at the forefront of the League's telecommunications agenda. The League's "Oregon Municipal Policy" generally asserts local government Home Rule authority and specifically refers to the telecom management and compensation authority of Oregon cities. Since 1989 state statute has caused a disparity between certain types of telecommunications providers with regard to how franchise fees are collected. The League's preference is equity between all providers using the ROW, but with continued local ability to negotiate individual franchise agreements with individual service providers. During the 2013 legislative session the League supported efforts by Comcast to enact legislation doing away with the disparity. HB 2455 would have repealed ORS 221.515, thus allowing cities to charge all telecommunications in the same manner. The proposal received a hearing but was not approved in committee. The committee chair may be interested in re-introducing the proposal in 2015. However the telecom industry, this time including Comcast, is likely to introduce legislation

	dealing with the disparity in a manner that cities may find objectionable, including rate caps on an overly narrow revenue base and other policies that could infringe upon both management and compensation authority and negatively impact city revenues.
R. Oppose legislation preempting the ability of cities to manage and receive compensation for the use of a public ROW including: • Establishment of a "one-size-fits all," state-wide franchise fee policy and collection system. • Prohibition of a city's authority to levy franchise fees on other local government entities.	*Same as above.*
Transportation	
S. Pass a comprehensive transportation funding and policy package containing the following elements: • A gas tax increase of up to 5 cents/gallon. • Index the gas tax either to the consumer price index or some other accepted and relevant economic index. • Continued development and expansion of the state's commitment to a transportation user fee based on vehicle miles traveled (VMT). • License plate fee increases to include lightweight trailers. • No change in the constitutional dedication of State Highway Trust Fund dollars to highway, road and street projects (Article 9, Section 3a, Oregon Constitution). • New revenues coming to the State Highway Trust Fund should continue to be split between the state, counties and cities 50%-30%-20% respectively. • Increase in the statutory (ORS 366.805) "Small City Allotment" fund from $1 million to $5 million annually, split evenly between the Oregon Department of	The League of Oregon Cities agrees that the state's transportation system and the policy and funding programs that support it must be multimodal in scope. The League will therefore support and work to achieve passage of legislation in 2015 that seeks to address funding and policy initiatives relating to all modes (streets, bike/ped, transit, rail, aviation and marine) and in so doing addresses such issues as: • Connectivity • Safety • Jobs and economic development • Transportation impact on climate change • Active transportation and public health Given the fact that maintenance and preservation needs have outpaced the resources available for streets, roads and highways, and given the threat that represents to investments already made in the transportation system, the League will insist on a transportation package that increases and makes more sustainable the ability of all government jurisdictions to preserve and maintain these assets. Note: The Small City Allotment has not been increased since its inception in the early 1990's. The additional revenue to cities from the 2009 Jobs and Transportation Act did not increase road funding for small cities.

Transportation (ODOT) and the cities' share of the trust fund. • No restriction, moratorium or preemption of local government ability to generate their own revenues for transportation funding. • Adequate funding for the maintenance and preservation of "orphan highways" in Oregon as part of a more robust jurisdictional transfer program.	
T. Continued or enhanced funding for *Connect*Oregon	*Connect*Oregon is the state's premier multi-modal funding program, and is funded out of lottery revenues.
Water/Wastewater	
U. Support efforts and program funding to address Oregon's long term water supply needs including recapitalization of the Water Conservation, Reuse and Storage Grant Program and implementation of a place-based pilot program for local water resources planning	According to the Oregon Water Resources Department, 2013 marked the fourth driest year on record for Oregon, with some areas experiencing their driest year on record yet. Oregon experienced below average precipitation in 2013 and continuing into 2014. As of May 2014, snow measurement sites in many part of Oregon show record lows for snowpack levels. As a result, summer streamflows are expected to be below average and water shortages are likely for many part of Oregon. The League will work in conjunction with the Oregon Water Resources Department to fund programs to address water supply shortages. These efforts will include support for ongoing funding of the Water Conservation, Reuse and Storage Grant program which provides grant funding for water supply project feasibility studies. The League will also support efforts for the Oregon Water Resources Department to establish a place-based planning pilot program to facilitate local collaboration among interested stakeholders and the creation of a blueprint for long-term integrated water resources planning and implementation.
V. Support efforts to establish a program that would provide low-interest loan opportunities to address failing residential onsite septic systems. The new loan program would support repair and replacement of failing systems or conversion to a municipal wastewater system, if the conversion is at the request of the impacted municipality.	According to the Oregon Department of Environmental Quality, over 30 percent of Oregonians rely on septic systems to treat wastewater from their homes and businesses. Many of these systems are within the boundaries of a municipal wastewater system, and a number of these systems are in need of repair or replacement. Failing septic systems, especially those within proximity to groundwater resources, create a significant human health hazard. However, significant costs to address failing septic systems often create a burden for homeowners who are unable to pay for costs associated with repair, replacement or conversion over to a public sewer system. The League will work with the Oregon Department of Environmental Quality to establish a revolving loan program that private residents can access in order to address failing septic systems. The League will further advocate that the program include mechanisms to encourage participants to convert over to a municipal wastewater system if conversion is at the request of the impacted municipality.

July 7, 2014

To: City Council
From: David Eckert, . , Corvallis, Oregon
Subject: Resolutions regarding Downtown Hotel/Parking Garage

The definition of an **Entrepreneur:** a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk.

Entrepreneurialism is not a good word to use when practicing good government or to inspire the trust of local citizens. I, and essentially everyone I have talked with about this proposed public spending plan, agree with Councilor Hirsh's use of the term "entrepreneurial spirit" at the last Council Meeting. We agree that the public funding proposal is entrepreneurial and carries considerable risk for our public funds. Entrepreneurial spirit is great for those who can afford to take the risk. The City cannot. I suggest that those who want our public funds for this entrepreneurial project invest their own entrepreneurial money and enjoy both the rewards and the risks.

While I support the mission of Visit Corvallis, their offer of financial support is but the latest episode in this accounting shuffleboard game in which money is passed in a blur across many accounting lines to make it appear that this is a financial benefit for our public funds. Using public funds over the next 10 years that will purportedly be granted to Visit Corvallis by City Council and then given back to the City if the parking garage loses money for the City could annually reach into the 6 figures.

This offer troubles me in ways beyond the obviously flawed shell game it represents:

1. Does Visit Corvallis have too few current projects and expenditures that are critical to its operation and to the expectations set by City Council as its funding agent?
2. Will Visit Corvallis provide fewer promotional services and projects in the future to fulfill their mission for the City because of this offer?
3. Did Visit Corvallis improperly commit and sequester funding for a non-specific payment amount over the terms of future Visit Corvallis Board of Directors?
4. Can the Visit Corvallis Board of Directors legally commit a non-specific amount of funding for future expenditures beyond the current fiscal agreement with the City?
5. Did Visit Corvallis's offer represent an exceptional and unfair bias of Visit Corvallis' expenditures benefitting only one hotel over the many other hotels they serve?
6. Did Visit Corvallis' funding promise commit future City Councils to continue to fund Visit Corvallis from hospitality tax revenue even if Visit Corvallis fails to meet its other commitments?

Please don't insult the financial wisdom of our citizens by approving public funding for this entrepreneurial investment. Leave it to the risk-takers. We have bigger problems to deal with.

I urge you to vote no on these two resolutions. We cannot afford the risk.

Duplexes at 335 and 337 NW 17th.

This development fundamentally changes the character of this residential neighborhood. This area is zoned RS 9. LDC 3.4.10: "Purpose: This zone is the primary zone that implements the Medium Density Residential Comprehensive Plan designation which allows from **six to 12** dwelling units per acre." **These two properties are actually developed at 16.7 units per acre.**

Each lot has two units. If we were enforcing our 9-12 unit zoning requirement, only one unit would be allowed on each.

Let's stop allowing the rounding amendment to misrepresent the purpose of the LDC and alter our neighborhoods.

Besides the suggestions from staff, another possible action:

> Add the following language immediately following the purpose statement, which reiterates the stated purpose of the zone: **" The number of units on one parcel may not exceed the maximum number of units permissible in the range for this zone (9-12)."**

Penny York, July 7, 2014

Alta Vista Design Architecture & Planning LLC
2422 NW Molly Court, Corvallis, OR 97330-9260
Phone: (541) 754-7540 e-mail: altavistadesign1@gmail.com

July 4, 2014

Mayor Manning and Corvallis City Council:
You are faced with a monumental decision that will have a very long-lasting impact upon the visual character of the River District. Your decision will also impact the economic prosperity of Downtown Corvallis and the greater community.

You have been bombarded with hotel development related claims and counter-claims. Through the turmoil, you have made the wise initial decision to let the dust settle while you evaluate the current hotel proposal and other options.

If more time is needed to seek and evaluate win-win concepts, then take the additional time to consider such concepts.

While I strongly support the redevelopment of the Adams / Washington Block, I also urge you to reject the developer's current proposal. Seek a solution that is more in keeping with the long-range vision and development approaches recommended by the Riverfront Commission during ten years of rigorous community involvement.

This letter outlines a modified re-development and parking concept that was originally crafted by the Riverfront Commission. The commentary starts with a Summary Recommendation. An Appendix follows with supporting historic documents, contemporary data, and graphics that may help with your decision.

Summary Recommendation:
There are better parking solutions than the hotel garage design that is currently being offered to the City. We need to move from the developer's current "win-lose" request and follow the path to a "win-win" solution.

If the hotel developer is serious about finding a partnership approach that works well for all parties involved, then they should start by offering the "underground development rights" to the City for the sole purpose of constructing a City owned single-level underground public parking garage. All property owners of the Adams / Washington Block who are willing to enter into a shared-development agreement with the City would retain full ownership to the "air-rights" above the City parking garage to develop as they see fit, i.e. hotel, museum, mixed-use building, etc.

How will an "underground development rights" + "air-rights development" approach benefit all parties? The answer is all directly connected to our property tax structure, land development code parking requirements, and access to a valuable parking resource that is in very short supply. Just follow the key points below to see how the "development-rights sharing" is the path to a win-win partnership for the land owners, the City, and the tax payers of Corvallis and Benton County.

- **The land below the first floor structure of new buildings will become exempt from property taxes because the ground occupied by the City underground parking garage is tax-exempt.** (WIN for the developers)
- **The City will not need to purchase land to construct a parking garage and private land in the downtown area will be retained for future re-development.** (WIN for the City, Downtown, Corvallis tax-payers and all property tax dependent entities, i.e. City, Benton County, 509J & LBCC)
- **The Museum will not need to purchase land or pay into the "parking fund" to solve their parking requirements. Convenient parking will be available for Museum visitors.** (WIN for Museum and Community)
- **Convenient access to public parking.** (WIN for Downtown Merchants, Customers, and Tourism)
- **The height of the proposed hotel can be reduced by 2-3 floors.** (WIN for hotel developer, Riverfront Park, Downtown, and the Greater Corvallis Community)

The time is now for a smart Riverfront re-development approach where everyone wins!

Richard Bryant, AIA
Principal Architect – Alta Vista Design Architecture & Planning LLC + 10-year Riverfront Commission Member

Shannon Cruz
July 7, 2014

Development Services Division and Silence of Leadership

1) Development Services Division

- Currently there is no oversight of Development Services Division besides an annual Financial Audit.

2) No oversight = No accountablilty

- Every other city in Oregon that I am aware of has their City Council or the Planning Commission directly oversee their Development Services Division.

3) Silence of Leadership in the City of Corvallis

- City Council does not hold Development Services accountable for actions.

  Every decision of every official of the City is subject to review by appeal to Council except those decisions relating to Building Code made by Building Code Official or Board of Appeals.
  Corvallis Municipal Code - 1.11.010 Appeal to Council

- Where do citizens turn to voice concerns?

  Any reviewable decision of the Building Official relating to the Building Code may be appealed to the Board of Appeals or the appropriate State agency.
  Corvallis Municipal Code – 1.11.011 Higher Appeals

4) My experience with silence of Leadership in the City of Corvallis

- I have a situation where Leadership and oversight of Development Services has been requested and ignored since September 2013.
- Have attempted to resolve this issue at the lowest levels and have been met with retaliation and silence.
- Since September 2013, Development Services Staff referred me to a portal with inaccurate information, refuse to review and update inaccurate information, refuse to work with the homeowner and stopped working on the case once a Employee Behavior Complaint was filed.
- Since October 2013, Development Services Managers and Director become aware of my concerns and have done nothing to stop this behavior except assign the case to another employee who is then directed not to work with the homeowner or review and update inaccurate information.
- Since March 2014, I have attempted to contact the Mayor and City Manager. To date, neither one has returned a phone call, answered an email or scheduled a time to meet per my request.
- Since June 2014, I have attempted to contact City Council by email. To date, only Mrs. York has answered an email. The City IT staff has disabled my email from sending a response to Mrs. York or any email to the Mayor or City Council.
- Currently, I am working to resolve this issue with Leaders outside the City of Corvallis.
- My hope is that my situation and action will be a wake up call for the established Leaders of Corvallis to create an atmosphere where change can occur.

Section 1.11.010 Appeal to Council.

Every decision of every board, commission, committee, hearings officer and official of the City is subject to review by appeal to Council except those decisions relating to the Building Code and Fire Code made by the Building Official, Fire Chief, or Board of Appeals.

Section 1.11.011 Higher appeals.

Any reviewable decision of the Fire Chief relating to the Fire Code or the Building Official relating to the Building Code may be appealed to the Board of Appeals or to the appropriate State agency. Any decision of the Board of Appeals may be appealed to the appropriate State agency.

BOARD OF APPEALS

The Board of Appeals hears appeals relating to building and fire codes as they are being interpreted and enforced by building officials and the Fire Chief. (6 members and 1 Council representative*)

Contact: Dan Carlson - 541-766-6539

NAME	TERM EXPIRATION
Phil Ermer	6/30/13
John Evans	6/30/13
Shawn Stoneberg	6/30/14
Charles Fletcher	6/30/14
David Sillars	6/30/15
Vacant	6/30/15
Penny York (Council Liason)	12/31/14

Meeting Schedule

View Past Meetings

No meetings in this view.

Gmail
by Google

Delivery Status Notification (Failure)

Mail Delivery Subsystem <mailer-daemon@ > Fri, Jul 4, 2014 at 6:12 PM
To: shannon@

Delivery to the following recipient failed permanently:

mayor@council.corvallisoregon.gov

Technical details of permanent failure:
The recipient server did not accept our requests to connect. Learn more at http://support.google.com/mail/bin/answer.py?answer=7720
[(0) council.corvallisoregon.gov. [198.68.22.1]:25: Connection timed out]

---- Original message ----

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X-Gm-Message-State: ALoCoQmGcp14lFLspsK6OvBwrgUv1907/iV1eXjPayTbjsL+
DvhyPWrpo3wAuRs8j9bb5tKVWgYP
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Tue, 01 Jul 2014 15:51:55 -0700 (PDT)
Return-Path: <shannon@ >
Received: from [10.0.0.22] (c-98-246-223-253.hsd1.or.comcast.net. [98.246.223.253])
by mx.google.com with ESMTPSA id su8sm34230191pbc.72.2014.07.01.15.51.53
for <multiple recipients>
(version=TLSv1 cipher=ECDHE-RSA-RC4-SHA bits=128/128);
Tue, 01 Jul 2014 15:51:53 -0700 (PDT)
Subject: Re: 2337 NW Maser St.
References: <D84495190F7F9E4284E9673936ECE2AE31E8023C@CVOEXDAG1.ci.corvallis.or.us>
From: Shannon <shannon@ >
Content-Type: multipart/alternative;
boundary=Apple-Mail-D5B76FC0-2BE8-4AFB-9C92-6F71E93F3025
X-Mailer: iPhone Mail (11D257)
In-Reply-To: <D84495190F7F9E4284E9673936ECE2AE31E8023C@CVOEXDAG1.ci.corvallis.or.us>
Message-Id: <10C645FE-8E77-4624-8023-9FB9CBE3D0C9@bluesiska.com>
Date: Tue, 1 Jul 2014 15:51:52 -0700
To: Dan Carlson <Dan.Carlson@corvallisoregon.gov>,
"mayor@council.corvallisoregon.gov" <mayor@council.corvallisoregon.gov>,

RESOLUTION 94-13

Minutes of the meeting of March 21, 1994, continued.

A resolution submitted by Council person Helen Berg.

WHEREAS, the City Council has established a Systems Development Charge for Parks, a policy for naming parks, a land acquisition strategy for parks, and a Trails Master Plan for the community of Corvallis; and

WHEREAS, the City Council has endorsed the acquisition and development of land for parks of all types and sizes and the Council wishes to ensure that these areas will be kept and developed as parks and open space; and

NOW, THEREFORE, the City Council of the City of Corvallis resolves that the following properties owned by the City of Corvallis in fee simple shall be dedicated:

Land Dedicated for Parks:

Land dedicated for parks will have a restriction as follows: it cannot be sold. It can be used, in addition to a park, for public squares, memorials, monuments, campgrounds, and contain amenities which may include, but are not limited to: comfort stations, tennis courts, playgrounds, sports fields, fountains, trails, and recreational buildings, such as community recreation centers. The following are lands dedicated for parks:

- Arnold
- Avery
- Brandis
- Bruce Starker Arts Park
- Central
- Chintimini
- Chip Ross
- Cloverland
- Franklin Square
- Lilly
- Martin Luther King, Jr. City Park
- Pioneer
- Pioneer Boat Basin
- Porter
- Kermit E. Roth Gateway Park

City of Corvallis

109 (d)

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- Timberhill
- Tunison
- Village Green
- Washington
- Woodland Meadow

The following are dedicated for parks and public purposes:

Land dedicated for park and public purposes may accommodate not only park and a variety of recreational uses but other appropriate public uses, such as fire substations or water reservoirs, as long as it does not dominate, restrict access or use, and/or development of the park for public recreational purposes. Such other appropriate public uses may only occur after the City Council conducts a public hearing on the proposed use. The following are lands dedicated for parks and public purposes.

- Bald Hill
- Alan B. Berg Regional Park
- Oak Creek
- Sunset
- Walnut
- Willamette

The areas designated as parks are:

These areas are not dedicated but are designated as parks. Use for other than public uses may only occur after the City Council conducts a public hearing on the proposed use.

- Riverfront Commemorative Park
- Rock Creek
- Shawala Point

THE CITY COUNCIL FURTHER RESOLVES that the City Manager is authorized to enter as a matter of record, the dedication of these facilities.

Helen M. Berg

City of Corvallis

1191(a)

PROPOSED BY COUNCILOR SORTE 7/7/14

RESOLUTION 2014 - _____

A RESOLUTION DIRECTING THE CORVALLIS CITY MANAGER TO ENTER INTO AN EARNEST MONEY AGREEMENT FOR $4.2 MILLION TO PURCHASE A CONDOMINIUM SHARE OF A PARKING GARAGE TO BE BUILT ON SW FIRST STREET AND SW WASHINGTON AVENUE IN CORVALLIS, OREGON.

Minutes of the _____, Corvallis City Council meeting, continued.

A resolution submitted by Councilor _____.

WHEREAS, a parcel of property on SW First Street in Corvallis, which has been vacant and undeveloped for over two decades has been purchased by local developers who plan to build a hotel at this location; and

WHEREAS, the hotel developers (Majority Owners) have proposed a public / private partnership to develop a parking garage associated with the hotel; and

WHEREAS, in their commitment to develop sustainable budgets, the City Council has directed staff to investigate and bring forward new revenue sources; and

WHEREAS, the proposed downtown redevelopment project ****may**** provide General Fund revenue in future years, assisting the City with meeting the commitment to develop sustainable budgets; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) is to (a) provide a diverse local economy, (b) attract private and public capital investment, and (c) provide facilities, services and programs that attract visitors to the Corvallis community; and

WHEREAS, this project ****may**** indirectly**** provide for a diverse local economy, attracts private capital investment, and provides facilities that will attract visitors; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) (6.03.51) calls for the City Council to set an example by adopting an active role in furthering Economic Development, and making resources available to enhance this effort, and (6.03.052) invest in public infrastructure that serves the needs of current and prospective employers; and

WHEREAS, this project depends on the leadership of the City Council in furthering Economic Development, and providing resources to enhance this effort, and invests in public infrastructure that will serve the needs of current and prospective employers; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) (6.03.058) directs that the City will support activities to enhance Economic Development mission and goals by (a) increasing the proportion of spending by residents and visitors, and (b) strengthening the role of Downtown Corvallis as the vital economic, social and cultural heart of the community; and

WHEREAS, this project ****may*** increase visitor spending, and strengthen Downtown Corvallis; and

WHEREAS, the City Council's Economic Development Policy (96-06.03 (6.03.059) directs that the City may use incentives to achieve Economic Development goals; and

WHEREAS, this project provides incentives for development that would not happen but for this ****or a similar***action; and

WHEREAS, the proposed garage will offer additional parking spaces available for public use ***and resources from this project will be recovered in ten years to allow the City to reconsider parking needs and address those needs***; and

WHEREAS, the City has found that additional parking is needed in downtown Corvallis currently and in the future *****to which this project may contribute***; and

WHEREAS, the transient room tax, property tax and lease revenues generated by this project *****are expected**** to provide debt coverage for this project over the life of the loan; and

WHEREAS, Visit Corvallis, in their letter dated June 19, 2014 offered and agreed to underwrite the City's debt service payment for this project with new transient room tax revenues generated by this project ****and for this resolution to take effect Visit Corvallis amend its current commitment to require the City to first utilize $200,000 in reserves****, should there be a projected shortfall in the project's debt service reserve to be repaid with future transient room tax collections; and

WHEREAS, the City ****estimates**** that there are additional economic development advantages as a result of this project including more transient room tax to support tourism, more property taxes for overlapping jurisdictions, more spending in local businesses by visitors, and more spending for overnight stays in Corvallis; and

WHEREAS, based upon the above findings, the City Council finds that it furthers the public interest for the City to purchase the condominium parking spaces for $4,200,000;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS resolves to direct the Corvallis City Manager to enter into an earnest money agreement to purchase a condominium share of a parking garage to be built at SW First Street and SW Washington Avenue in Corvallis, Oregon. ****At a minimum the earnest money agreement and the subsequent lease will include the following:

1) the earnest money will be fully refundable by the Majority Owners if agreement to the following items cannot be achieved
2) a requirement that the Majority Owners or developers of the hotel/garage purchase the City's ownership portion of the garage at the fair market value ten years after the lease commences, if the City decides to exercise that option

3) at least 30 parking spaces in the garage be reserved at all times for public use at a price no higher than the current parking meter price, in spaces adjacent to the hotel
4) the lease rate for the City's portion of the garage be renegotiated in five years and that the lease rate after five years at least exceed the amount the City would receive in property taxes for the assessed value of the City's portion of the garage, and
5) City shall audit the Majority Owners' financials for the hotel/garage on an annual basis and that audit will be made public

_____

Councilor

Upon motion duly made and seconded, the foregoing resolution was adopted, and the Mayor thereupon declared said resolution to be adopted.

PROPOSED BY COUNCILOR SORTE 7/7/14

RESOLUTION 2014 - _____

A RESOLUTION DIRECTING THE CORVALLIS CITY MANAGER TO ENTER INTO AN EARNEST MONEY AGREEMENT FOR $4.2 MILLION TO PURCHASE A CONDOMINIUM SHARE OF A PARKING GARAGE TO BE BUILT ON SW FIRST STREET AND SW WASHINGTON AVENUE IN CORVALLIS, OREGON.

Minutes of the _____, Corvallis City Council meeting, continued.

A resolution submitted by Councilor _____.

WHEREAS, a parcel of property on SW First Street in Corvallis, which has been vacant and undeveloped for over two decades has been purchased by local developers who plan to build a hotel at this location; and

WHEREAS, the hotel developers (Majority Owners) have proposed a public / private partnership to develop a parking garage associated with the hotel; and

WHEREAS, in their commitment to develop sustainable budgets, the City Council has directed staff to investigate and bring forward new revenue sources; and

WHEREAS, the proposed downtown redevelopment project may provide General Fund revenue in future years, assisting the City with meeting the commitment to develop sustainable budgets; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) is to (a) provide a diverse local economy, (b) attract private and public capital investment, and (c) provide facilities, services and programs that attract visitors to the Corvallis community; and

WHEREAS, this project may indirectly provide for a diverse local economy, attracts private capital investment, and provides facilities that will attract visitors; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) (6.03.51) calls for the City Council to set an example by adopting an active role in furthering Economic Development, and making resources available to enhance this effort, and (6.03.052) invest in public infrastructure that serves the needs of current and prospective employers; and

WHEREAS, this project depends on the leadership of the City Council in furthering Economic Development, and providing resources to enhance this effort, and invests in public infrastructure that will serve the needs of current and prospective employers; and

WHEREAS, the City Council's Economic Development Policy (96-06.03) (6.03.058) directs that the City will support activities to enhance Economic Development mission and goals by (a) increasing the proportion of spending by residents and visitors, and (b) strengthening the role of Downtown Corvallis as the vital economic, social and cultural heart of the community; and

WHEREAS, this project may increase visitor spending, and strengthen Downtown Corvallis; and

WHEREAS, the City Council's Economic Development Policy (96-06.03 (6.03.059) directs that the City may use incentives to achieve Economic Development goals; and

WHEREAS, this project provides incentives for development that would not happen but for this or a similar action; and

WHEREAS, the proposed garage will offer additional parking spaces available for public use and resources from this project will be recovered in ten years to allow the City to reconsider parking needs and address those needs; and

WHEREAS, the City has found that additional parking is needed in downtown Corvallis currently and in the future to which this project may contribute; and

WHEREAS, the transient room tax, property tax and lease revenues generated by this project are expected to provide debt coverage for this project over the life of the loan; and

WHEREAS, Visit Corvallis, in their letter dated June 19, 2014 offered and agreed to underwrite the City's debt service payment for this project with new transient room tax revenues generated by this project and for this resolution to take effect Visit Corvallis amend its current commitment to require the City to first utilize $200,000 in reserves, should there be a projected shortfall in the project's debt service reserve to be repaid with future transient room tax collections; and

WHEREAS, the City estimates that there are additional economic development advantages as a result of this project including more transient room tax to support tourism, more property taxes for overlapping jurisdictions, more spending in local businesses by visitors, and more spending for overnight stays in Corvallis; and

WHEREAS, based upon the above findings, the City Council finds that it furthers the public interest for the City to purchase the condominium parking spaces for $4,200,000;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CORVALLIS resolves to direct the Corvallis City Manager to enter into an earnest money agreement to purchase a condominium share of a parking garage to be built at SW First Street and SW Washington Avenue in Corvallis, Oregon. At a minimum the earnest money agreement and the subsequent lease will include the following:

1) the earnest money will be fully refundable by the Majority Owners if agreement to the following items cannot be achieved
2) a requirement that the Majority Owners or developers of the hotel/garage purchase the City's ownership portion of the garage at the fair market value ten years after the lease commences,
3) at least 30 parking spaces in the garage be reserved at all times for public use at a price no higher than the current parking meter price,

4) the lease rate for the City's portion of the garage be renegotiated in five years and that the lease rate after five years at least exceed the amount the City would receive in property taxes for the assessed value of the City's portion of the garage, and
5) City shall audit the Majority Owners' financials for the hotel/garage on an annual basis and that audit will be made public

_____
Councilor

Upon motion duly made and seconded, the foregoing resolution was adopted, and the Mayor thereupon declared said resolution to be adopted.