

MONDAY, MAY 20, 2019
CITY COUNCIL MEETING
Regular meeting 7:00 p.m.
Scappoose City Council Chambers

Call to Order

Mayor Burge called the meeting to order at 7:06 p.m.

Pledge of Allegiance

Roll Call

Scott Burge	Mayor	Michael Sykes	City Manager
Patrick Kessi	Council President	Norm Miller	Police Chief
Megan Greisen	Councilor	Susan M. Reeves	City Recorder
Joel Haugen	Councilor	Alexandra Rains	Assistant to City Manager
Josh Poling	Councilor		
Brandon Lesowske	Councilor		

Peter Watts Legal Counsel Press: Anna Del Savio, Columbia County Spotlight

Excused: Councilor Natalie Sanders Also present ~ City Planner Laurie Oliver

Approval of the Agenda

Councilor Haugen moved and Councilor Greisen seconded the motion to approve the agenda. Motion passed (6-0). Mayor Burge, aye; Council President Kessi, aye; Councilor Greisen, aye; Councilor Haugen, aye; Councilor Poling, aye and Councilor Lesowske, aye.

Public Comments

There were no public comments.

Consent Agenda ~ May 6, 2019 Work Session meeting minutes and May 6, 2019 City Council meeting minutes

Councilor Haugen moved and Councilor Megan seconded the motion to approve the Consent Agenda ~ May 6, 2019 Work Session meeting minutes and May 6, 2019 City Council meeting minutes. Motion passed (6-0). Mayor Burge, aye; Council President Kessi, aye; Councilor Greisen, aye; Councilor Haugen, aye; Councilor Poling, aye and Councilor Lesowske, aye.

Old Business ~ Ord No. 881: An Ordinance Amending the Scappoose Municipal Code Chapter 8.20.140, Unnecessary Noise

Councilor Kessi recused himself on this matter.

Mayor Burge read the title for the second time ~ Ord No. 881: An Ordinance Amending the Scappoose Municipal Code Chapter 8.20.140, Unnecessary Noise.

Chief Miller explained staff did add the hours to the Ordinance, as requested.

Motion passed (5-0). Mayor Burge, aye; Councilor Greisen, aye; Councilor Haugen, aye; Councilor Poling, aye and Councilor Lesowske, aye.

New Business

Work Session ~ Urban Renewal

Assistant to City Manager Alexandra Rains explained ECONorthwest will be going through the next phase of Urban Renewal.

Consultant Lorelei Juntunen explained this is really an important meeting and we have a lot of details to discuss. She explained we are at a point right now where we have most of the plan content ready for Council to review and are about to transition into an Urban Renewal Adoption process. She explained Elaine Howard is with us tonight and will be walking Council through all the coming steps to actually adopt an Urban Renewal Plan. She explained after this part of the presentation there is an action to be taken tonight related to adopting an Urban Renewal Agency. She explained we have four topics to go through: Boundary, Urban Design Framework, Finance Plan & Project List and Goals.

Consultants Lorelei Juntunen, Becky Hewitt, and Kim Isaacson went over the Urban Renewal Project Status and Decisions needed.

Becky Hewitt explained at the last meeting we talked about a couple of things, so there are three proposed additions to the boundary.

Boundary (from ECONorthwest handout)

Status

The TAC recommended the following changes to the proposed boundary (numbering corresponds to the map in Attachment 1):

1. Add the West Lane Road right-of-way from E. Columbia Ave. to Crown Zellerbach Road to capture planned improvements on that stretch of road.
2. Add Miller Park and a connecting strip of right-of-way to allow use of urban renewal funds towards one or more future drinking water well(s) on the site.
3. Add the commercial area between Old Portland Road and Highway 30 north of Fred Meyer, based on Council's recommendation at the March 18th meeting and agreement that this area has remaining development potential and is an important gateway to Scappoose.
4. Remove the Middle School site from the boundary, since it is unlikely to be redeveloped with private development. If that changes, the site could be added to the urban renewal area through an amendment.

The current proposed boundary and the proposed changes are shown in Attachment 1. Note that adding the areas indicated as 1, 2, and 3 requires removing other land (i.e., the Middle School site) from the boundary in order to keep the urban renewal area roughly the same size. The boundary has been sized to allow future expansion up to the statutory limits.

Direction Needed from Council

- Any concerns about the proposed changes to the boundary?

Becky Hewitt explained you can add the Middle School site later if you need to. She explained this is the boundary that the TAC recommended.

Council President Kessi asked can we put into our plan now that we do plan to add the Middle School in the future?

Becky Hewitt replied you can certainly signal an intention to do that, but it would not change the Statutory requirement around what it takes to include it and you could include it right now, but you probably would need to subtract other acreage.

Councilor Haugen stated he forgets the rational on Miller Park.

Becky Hewitt replied Miller Park is where there are some new drinking water wells proposed so would not generate tax revenue, but it would allow you to put funding into future drinking water wells.

Becky Hewitt stated it sounds like everyone is okay with the boundary as shown.

Lorelei Juntunen stated they have been really excited about working with ZGF, they have been in front of Council a couple of times and have heard feedback on previous interactions.

Kim Isaacson with ZGF went over the handout.

Urban Design Framework (from ECONorthwest handout)

Status

ZGF Architects has produced an additional diagram highlighting opportunities for complementary improvements on private property in the areas where the urban design framework proposed streetscape enhancements. The current version of the urban design framework and diagrams are included in Attachment 2.

The urban design framework suggests the following priorities to enhance the Town Center and make the community feel more cohesive:

- Wider sidewalks with streetlights, street trees, etc. on E. Columbia Ave from US30 to West Lane Road, similar to those on the south side of E. Columbia between 1st and 2nd.
- Wider sidewalks with street trees NW/SW 1st Street from Maple Street to E.J. Smith Road
- Adding landscaping and bike lanes to West Lane Road from E. Columbia Ave to Crown

Zellerbach Road as a key connection from OMIC to the Town Center

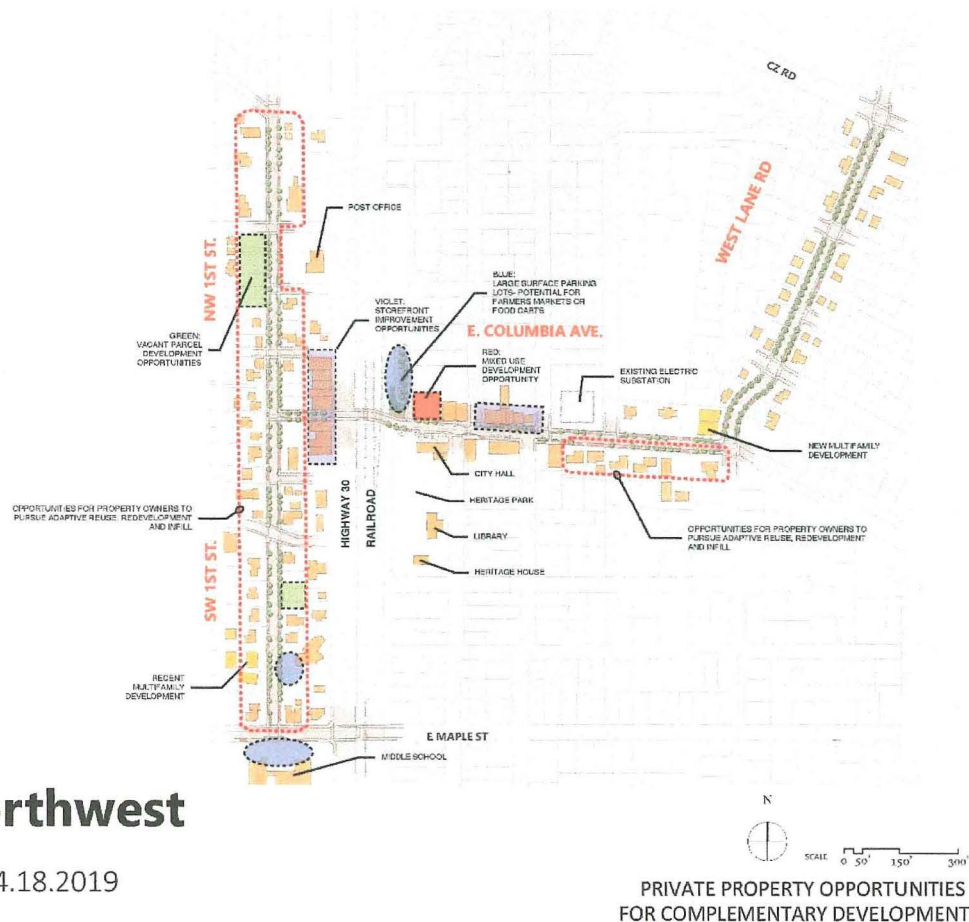
- More pedestrian-friendly crossings for key intersections on US30 at Columbia Ave and Maple Street.
- A looping network of bike-friendly streets that connects to key destinations, including schools, the library and City hall, OMIC and major retailers.

The private property opportunities include:

- Storefront improvements for existing, older storefronts on Highway 30 and/or E. Columbia Ave
- Introducing temporary uses such as food carts, farmers markets, or other activities to activate parking lots

1 No more than 25% of the City's land area and assessed value can be included in an urban renewal area (ORS 457.420(2)(b)). In addition, an urban renewal area can be expanded by no more than 20% of its original size (ORS 457.220(3)).

- Development opportunities on vacant properties on NW 1st Street and E. Columbia Ave
- Opportunities for property owners to consider infill, redevelopment, or adaptive reuse of existing buildings along NW and SW 1st Street and E. Columbia Ave



Kim Isaacson explained on the diagram (above) there are a couple of green parcels within the 1st Street corridor that right now are basically green fields, so those are some opportunity sites. He stated in addition there are some blue areas that they identified that are basically large parking lots that could act as sort of generators of activity when they are not being used as parking lots, such as food carts or farmers market, which might be beneficial to the community.

Councilor Haugen stated we have taken the Middle School out of our Urban Renewal Plan, but you identified that it as a primary opportunity.

Kim Isaacson replied we show it as using the parking lot.

Councilor Haugen asked if there is anything wrong with portioning the middle school property into a third, so you just draw the boundary, so you have a more reasonable configuration of the total rather than taking the whole middle school property?

Lorelei Juntunen replied that is possible and has some challenges to cut a parcel down the line but it is possible. She explained it does make it more difficult though because you are constraining your ability to invest to only that portion that is inside the boundary when a larger parcel like that will likely, if it redevelops, be master planned. She explained their take on it, through conversations with the School District, is that the property is not likely to redevelop anytime as a private use.

Direction Needed from Council

- Do the opportunities identified on the new diagram align with your priorities for the Town Center?

Lorelei Juntunen went over the goals ~

Goals

Status

Goals are not a required part of the urban renewal plan, but setting goals for the plan is a best practice that helps articulate what the area is intended to achieve and guide future implementation of the plan. The project list should implement the goals in the urban renewal plan.

The proposed urban renewal goals have not changed since they were last presented to Council. They are summarized below.

- Improve water, wastewater and stormwater infrastructure to support job growth.
- Promote the emergence of a vibrant town center as a civic and cultural hub for Scappoose that is connected to surrounding neighborhoods and employment areas.
- Encourage redevelopment and infill in the town center.
- Support the growth and retention of local businesses.

Lorelei Juntunen explained they want to make sure if they have goals in the plan we are actually advancing them through the investments and the projects.

Becky Hewitt went over the finance plan and project list.

Finance Plan & Project List (from ECONorthwest handout)

Status

Council Priorities

At their meeting on March 18th meeting, Council used a dot exercise to identify its priorities for investments in projects with the urban renewal funds available after providing a proportional share of projects from existing transportation, water, and sewer plans. The results of that exercise are summarized in Attachment 3.

Cost Estimates

Cost estimates for new streetscape projects are provided in Attachment 4. These cost estimates were shared with the TAC at their April 18th meeting.

Tax Increment Financing projections

The boundary amendments described above added roughly \$2 million (2019\$) in funding capacity. (The amount of the increase was calculated following the April 18th TAC meeting.)

TAC Input on Priorities

At their April 18th meeting, the TAC discussed their priorities for funding (in addition to the projects in existing plans) from among the projects highlighted by Council. They also shared their thoughts on the timing of projects. Note that the TAC's recommendations were based on the dollar amounts estimated to be available after fully funding existing projects before accounting for the boundary update. This means that the amount of funds available for other projects under the current draft finance plan is greater than the estimate at the time of the TAC meeting. The TAC's recommendations are summarized below.

- Fund storefront improvement grants and loans beginning as soon as available revenue will allow²
- Fund a study of Highway 30 at Columbia and conversion of W. Columbia Ave to twoway (a TSP project) as soon as available revenue will allow

² The TAC recommended the following assumptions for the finance plan: \$25,000–50,000 annually with a mix of grants and loans. This assumption is non-binding—if this project is included in the plan, the urban renewal agency would create a program after the plan is adopted and could establish the amount and terms at that time.

- Fund streetscape improvements on E. Columbia as shown in the urban design framework
- On West Lane Road, fund bike lanes only (a TSP project), not the addition of landscaping as shown on the urban design framework
- On NW and SW 1st Street, fund sidewalk infill only (a TSP project), not extending sidewalks with landscaping as shown on the urban design framework
- Split the remaining funds between transportation improvements (e.g. public parking, W. Columbia two-way conversion, or other connectivity improvements) and sewer (additional wastewater improvements not yet identified)

The TAC discussed the following projects, which were identified as high priorities for at least some Council members, but did not reach unanimous agreement to include them in the recommended funding plan.

- Grants or loans for housing or mixed use development projects. Some TAC members expressed doubt that housing or mixed use development would need public support.
- Enhanced, more pedestrian-friendly sidewalks on NW/SW 1st Street from Maple Street to E.J. Smith Road. Concerns expressed by some TAC members included: that the cost was too high, that it was inefficient to replace existing sidewalks for aesthetic reasons, that the area has limited potential for redevelopment with new businesses, and that the City could achieve streetscape improvements incrementally through frontage improvements when properties redevelop.
- Enhancing West Lane Road with landscaping and bike lanes from E. Columbia Ave to Crown Zellerbach Road. Some TAC members felt that the cost exceeded the benefit and that it was inefficient to put money into adding landscaping where sidewalks already exist.
- Extending the Crown Zellerbach trail as a shared use path between Highway 30 and West Lane Road.

Project List and Finance Plan Summaries (from ECONorthwest handout)

The TIF revenue that is not allocated to existing projects is primarily available in years 21–30 of the plan, especially years 26–30. Changes to financing assumptions in earlier years may mean that funds are not available when projects (e.g., water and sewer improvements) are needed. In the current version of the finance plan, the project team has allocated the additional funding resulting from the boundary change based on the TAC's direction about priorities for funding.

However, this additional revenue is enough to fund (at least in part) one or more of the Council priorities that the TAC did not include in their recommendation. For example, \$1.69 million for future sewer projects and \$3.38 million for intersections and connectivity in years 26–30 could be replaced with other Council priorities if desired while retaining some funding in each of these categories in years 21–25. (See Exhibit 3.)

Exhibit 1 shows a breakdown of funding by project category and whether the projects are included in existing plans or are new project ideas. Exhibit 2 shows how urban renewal funds would be allocated to project types based on the TAC recommendation. Exhibit 3 shows how funds would be spent over time by project category. A more detailed list of the projects that underlie the finance plan is included in Attachment 5. (Note that project descriptions may be modified for the final version of the project list in the urban renewal plan.)

Exhibit 1: Urban Renewal Funds by Project Category, Existing Plans vs. New Projects, TAC recommendation.

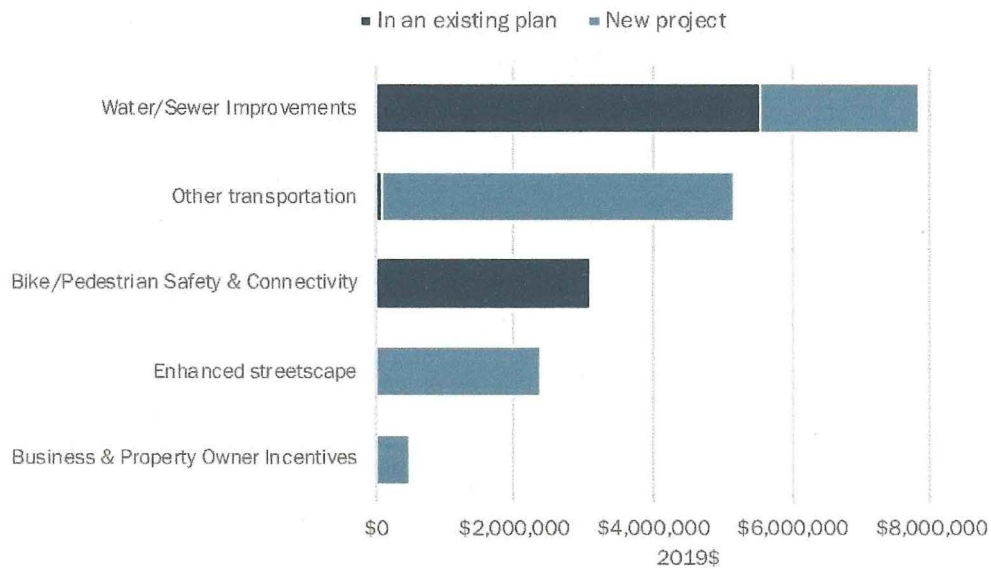
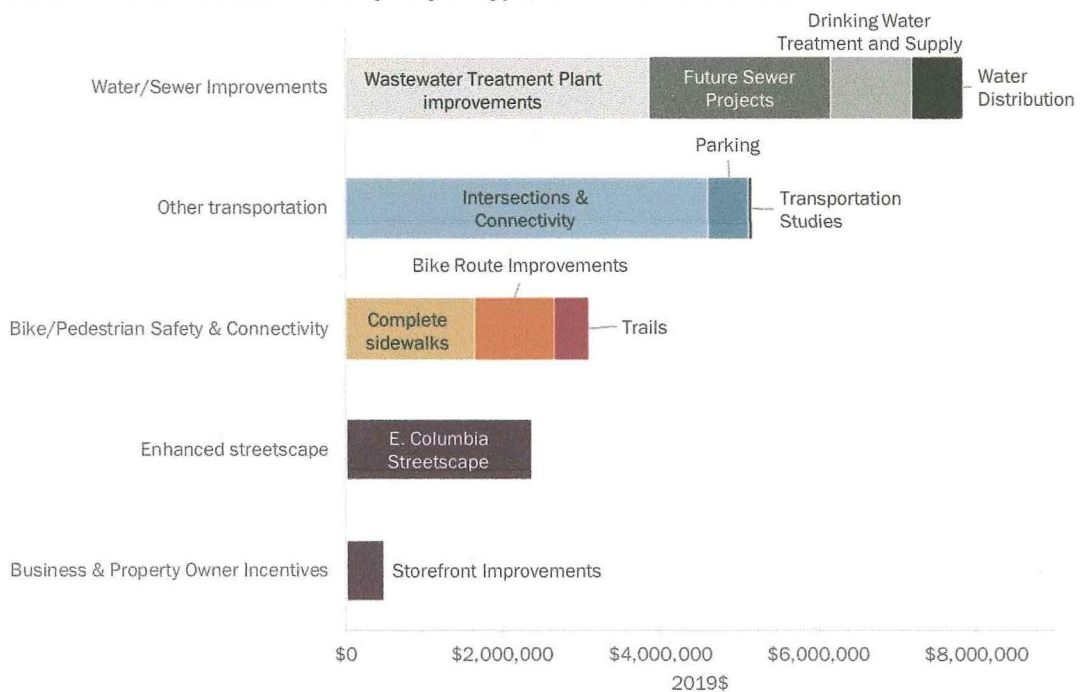


Exhibit 2: Urban Renewal Funds by Project Type, TAC Recommendation



Becky Hewitt explained just to summarize where the TAC landed verses where this body has landed previously, they were with you on the storefront improvement grants and the enhanced sidewalks, they weren't into the landscaping, but they were into the bike lanes for West Lane Road. She explained the enhanced crossings on US 30 and Columbia, Maple especially at Columbia, converting Columbia into two way and the sidewalk infill only on 1st Street, and then the others didn't really rise to the top for the group as a whole, but that is not to say there wasn't

any support for that, but there wasn't necessarily consensus support for the others. She explained the new projects that they recommended, that were not specifically called out in what they had brought to the TAC previously, and the way that they put the dollars towards them in the current draft of the finance planning, these are not based on a cost, these are based on just set aside this much money for this in the future. She stated just a couple of reminders as you think about the project list and the finance plan you can't spend money on projects that are not in the plan, you can't exceed your total max indebtedness, and you can't spend money if it is outside the boundary. She stated as you administer the funds, you can fund the projects at a different amount, you can fund them at a different time than you originally thought, and you can choose not to fund something on the list.

Elaine Howard explained she is working with ECONorthwest on this project. She gave an overview of plan amendments.

Councilor Lesowske stated he would like to use the recommendations from TAC to better understand how we can make changes in the future if need be. He explained based on TAC they think incorporating bike lanes would be as much as they would want to see invested in that improvement area. But, if we decide we would also like to see some streetscape with trees or something added there, and we say we only want to put in \$200,000 towards the landscaping and as we go further into the project and we get a grant, could we then increase the amount of dollars that we would put towards landscaping potentially to build out what the full value would be, and that is still a minor amendment?

Elaine Howard replied yes. She explained there are only two things that aren't a minor amendment; increasing your acreage over 1% and increasing your maximum indebtedness.

Lorelei Juntunen explained we need to figure out what words we write down in the plan to describe the project, which is what needs to happen next.

Legal Counsel Peter Watts explained you need enough specificity that Bond Counsel is willing to sign off on it. He explained with these types of things it is best to engage Bond Counsel early and make sure they are okay with the level of detail.

TAC's recommendation for Council priority projects:

1. **Storefront improvement grants/loans**
2. **Enhanced sidewalks on E. Columbia**
3. **Landscaping & bike lanes on West Lane Road**
4. **Enhanced crossings on US 30 @ Columbia and/or Maple**
5. **Converting W. Columbia Ave to 2-way**
6. **Enhanced sidewalks on 1st Street (sidewalk infill only)**
7. ~~Extending Crown Zellerbach Trail US30 West Lane Rd~~
8. ~~Grants/loans for housing/mixed use development~~

Councilor Greisen explained her top two priorities are safety connectivity for sidewalks and infrastructure. She explained beautification of the downtown overlay is something that, when done, shows that something is happening.

Becky Hewitt stated none of the things that are struck through are things that were universally unwanted by the TAC, but for folks that had concerns, she thinks the concern was - is it needed? Does private development need public support in this area in the sense that it would happen on its own. She explained because you are not required to spend the money on private development, if it turns out it doesn't need it, it doesn't lock you in to funding any specific development or any development at all, it gives you the option to do it.

Lorelei Juntunen explained, as an option you could describe projects number 4 and 5 as studies that would need to be completed, and to fund those studies so that you have some sense of what it would look like, because they are not particularly well defined at this point.

Councilor Poling replied he thinks we still need to include the affordable housing part of it just because we are looking at thirty years and that is a long period of time. He stated part of our other plan is to have affordable housing. He still thinks that should be a discussion on how we want to use that.

Lorelei Juntunen stated we all decided not that long ago that we wanted to have housing and mixed-use development and potentially affordable housing in the Urban Renewal Plan. She asked are we all still feeling okay about that, which means that strike through on #8 would go away and we would figure out where we want to fund it?

General consensus yes.

Council President Kessi stated he thinks, like what Councilor Greisen said, a vibrant downtown is one of the things we wanted to look at. He stated how can we have a downtown where people can walk, shop, and work all in the same area without using a car and that is what the Urban Renewal District is all about. He thinks enhancing sidewalks on 1st Street, that right now it is hard to see that vision. He thinks if we could set it up where we do Columbia Avenue first, then 1st Street that would be best. He stated landscaping and bike lanes on West Lane Road, the landscaping may be a phase two.

Lorelei Juntunen asked if they would like to eliminate the strike throughs on #3, #6 and #8?

General consensus yes.

City Manager Sykes replied how about #7?

Lorelei Juntunen stated she hopes she is not reading too much into the comments she is hearing, but what she thinks she is hearing is that the Council likes their priorities and they don't disagree with what TAC has added, and so maybe one way forward is for them to bring Council a finance plan that does all of these things and what that would mean is much lower dollar numbers on the additional sewer projects and the future connectivity and intersections.

Becky Hewitt stated if you fund everything you would be funding pieces of things and you need to recognize that you are going to have come up with other funding for the rest of it, or you are only going to do a couple of blocks or something like that.

Mayor Burge stated the bike lane should be the priority and then the other items if the funds are available.

Council President Kessi stated in his opinion the West Lane landscaping would be the last thing to do just because there is no retail there.

Councilor Poling stated Columbia Avenue and 1st Street should be our top priorities.

Lorelei Juntunen asked does that then sound like we would stick with just being bike lanes on West Lane so that strike through stays, but we do make sure we prioritize the sidewalks on 1st Street?

Mayor Burge stated he understands what the idea was with landscaping and bike lanes connecting Columbia Avenue to OMIC but when you are looking at limited resources, he thinks our priorities should be the bike lanes.

Lorelei Juntunen replied that was a pretty significant dollar amount on #3 that would free up resources for #8.

Becky Hewitt stated if you want to do all of 1st Street that is about four million. She went over the finance list.

Lorelei Juntunen stated if we can get to where your priorities are then they can work with that and turn it into a finance plan. #1 and #2 stay as they are, #3 as it is, meaning the landscaping is out, #4 and #5 stay on the list but will get reduced to accommodate the other things that were discussed, #8 stays and the strike out goes away, #6 we will try to fund it all, and number #7 comes off.

Mayor Burge stated he would put #5 before #4.

Councilor Haugen stated he would even move it down one more.

Becky Hewitt replied in terms of Councils priorities, you would get the grants and loans in there, you would fund at least a portion and maybe all of 1st Street sidewalk improvements, and then put some funding toward future improvements on West Columbia.

Lorelei Juntunen replied that makes sense. She stated which makes it much more likely that we will do all of the enhanced sidewalks on 1st Street. She thanked Council.

Council President Kessi asked did we look at putting trees in the middle of Highway 30?

Kim Isaacson replied yes, they did a preliminary study of that which they haven't presented to the TAC or Council. He stated that was a way to think about how they might eliminate some of the left turn lanes and that may also provide opportunity to provide protective crossings but to do that you might have to sacrifice some left turn options. He explained because that is very

complicated and involves ODOT they just sort of came up with a conceptual snapshot and left it at that. He stated that is something that could be developed further if needed.

Becky Hewitt explained the study of the US 30 and Columbia intersection could be a little bit broader to think about a larger portion of the corridor and consider whether there are opportunities for planted medians or things like that and just sort of revisit a little bit of the length of Highway 30 and the circulation there. Then you might be able to consider that type of option and see what would it mean from a transportation perspective, things they weren't able to evaluate as part of an Urban Renewal process.

Lorelei Juntunen went over the proposed goals. She explained in terms of the last goal, support the growth and retention of local businesses, we definitely have a lot of infrastructure investments that can do that, but you could add the concept of tenant improvements through storefront loans to make sure you are really achieving that goal, otherwise she feels like all of the changes and additions Council has made really do advance the goals. She went over the next steps. She thanked Council so much for their time and attention.

Council thanked Lorelei.

City Manager Sykes stated to Lorelei thank you and ZGF for all your time and efforts.

Ord. No 882: Establishment of Scappoose Urban Renewal Agency

Mayor Burge opened the public hearing at 8:27 p.m.

Elaine Howard explained the process of the Ordinance to establish an Urban Renewal Agency.

Mayor Burge asked if there was anyone who would like to speak on this matter.

Len Waggoner, Scappoose, explained he is on the TAC and they have been going over the questions and such, but his whole issue tonight is to talk about the Scappoose Middle School. He explained he considers there are two properties in the City of Scappoose that can effectively pay for the Urban Renewal. He explained the zoning for the Scappoose Middle School is zoned Commercial, which would allow the construction of about 275 housing units and those housing units could be marketable in the \$300,000 plus range with a parking tower which could total around 85 million dollars of gross, will basically do about a 25 million dollar bond to pay for it. He explained if you are not going to have the Middle School as an opportunity, you basically cut the opportunity to pay for all this in half. He explained when Council approved the airport you approved the concept of employing 8,000 people. He stated those 8,000 people are going to come here and when they get here, they are going to have to find a place to live. He explained the perimeter communities to Portland are going to be the next destination. He stated the practical look at this, that it is a potential site, that site should be addressed, that site should be in the program. He stated it is totally remiss on our part if we don't have that opportunity. He stated the sale of that property would definitely enhance the School District.

Fire Chief Mike Greisen, Scappoose, read a letter to the Council.



SCAPPOOSE FIRE DISTRICT

P.O. BOX 625 SCAPPOOSE, OREGON 97056

May 20, 2019

To the Scappoose City Councilors:

We all want economic growth. I am here on behalf of the Scappoose Fire District to encourage the City to look at other revenue sources to finance this growth. I also am here to say that the Urban Renewal District plan as proposed has too many flaws to successfully foster growth.

I am deeply concerned that overlapping tax districts were not specifically notified that you plan to formally consider the Urban Renewal District (URD) during this meeting. It was generally stated at the last meeting that you would consider the report at your May meeting. No mention was made of Ordinance No. 882.

When considering an Urban Renewal District, we must remember that URD tax revenue cannot be used to pay for services. An Urban Renewal District raises income for special projects by diverting future taxes away from services.

History has shown that city services are downsized and positions are eliminated due to URDs. The City Manager is well aware of this downsizing because it has happened in Astoria, Forest Grove, and Hood River. Now the City of Albany is getting ready to downsize City services. The City of Albany is looking at a two year plan to eliminate fire fighters, police officers, library, parks and other positions due to increased personnel cost and no new tax revenue to pay for the increase.

You conducted an Urban Renewal Survey asking what improvements Scappoose citizens want to see in the City. These included better roads, better sidewalks, additional police officers and a safer community. You stated that the Urban Renewal District will provide the funding needed for these improvements. Were Scappoose residents ever asked what services they would reduce or eliminate to have the improvements they wanted? Did the City ask its citizens what services and positions they would recommend for reduction or elimination due to insufficient tax revenue available for City services?

Again, Urban Renewal tax revenue cannot be used to pay for services. With the ever-increasing costs of PERS and health care, how will the City pay for increased costs when it has forfeited future tax revenues to create the Urban Renewal District? Does the City have a plan for laying off employees, eliminating positions and cutting services to the citizens of Scappoose?

The Forgone Revenues Statement for overlapping districts is incomplete and therefore incorrect because it does not include the lost revenue for operating levies. Both Scappoose Fire District and Columbia 911 stated in the meeting that they each have 5-year operating levies, and still this information was not included. The citizens of Scappoose Fire District have voted to renew this levy every 5 years to pay for the personnel needed to provide the fire and EMS services they value and require.

This vital tax information was requested multiple times. We were told it would be done in the future by another individual. This information was never provided at a meeting which allowed the necessary discussion to understand how the calculations were determined. One spreadsheet was e-mailed out with no explanation of how the calculations were completed.

The 5-year operating levies for Scappoose Fire and Columbia 911 provide more than half of each District's total tax revenue. These funds are essential to provide the services our citizens requested and expect. Over the life of the Urban Renewal District, the report says Scappoose Fire District will lose \$3,378,415. Actually, the District will lose \$7,094,671 when the levy is included. The report says Columbia 911 will lose \$774,202. Actually, Columbia 911 will lose \$1,625,824 when the operating levy is included. Did the consultants accidentally omit this information even though they were told the two districts operated on 5 year levies? Or was it a deliberate decision to understate revenue loss so City councilors could sell their plan for an urban renewal district?

The URD prospective financial report shows that taxing districts will not lose any tax revenue until 2021, during which the City will lose \$5,830, the Fire District \$2,014, and 911 \$461. We believe these calculations are incorrect and flawed. Actually, as soon as you sign ordinance No. 882 and before the ink dries, the City of Scappoose will lose \$77,443, Scappoose Fire District \$56,508 and Columbia 911 \$13,089.

The Fire District currently needs to replace fire apparatus. Our existing apparatus require increasingly frequent repairs and then are not available for emergencies. We are planning a 10 year capital levy to pay for the apparatus. A 10 year capital levy allows the District to purchase the equipment after the taxes have been received and avoid interest expense.

The signing of the URD will force the Fire District to ask citizens for a bond measure to replace needed fire apparatus instead of going out for a 10 year capital levy. Bond measures include interest expense because funds are received in advance instead of over 10 years. The interest cost alone would cost taxpayers \$1.3 million.

At last year's meeting, the URD development of commercial and industrial jobs was discussed, as was the need to put a new fire station in the industrial area. In the URD Survey, citizens also wanted a fire station on the east side. A new station sounds great, but it takes tax dollars to pay for personnel to staff that station. An increased voter-approved operating tax measure would be necessary to pay for the service needed to staff another fire station. While the URD would benefit from the station, only citizens outside the URD would be paying to staff it.

It would take 2700 residential homes to provide the necessary tax dollars to staff the new fire station. The City has no long range plans for a development of that size at this time. All of these homes would have to be built outside the URD in order to be taxed. Only commercial and industrial structures outside the URD would generate tax revenue which could be used for services. Unfortunately, most available land for commercial and industrial building structures is in the URD.

There are also police and water and sewer services to consider. We have yet to see the financial plan for water and sewer treatment plants. This will be the largest expense in the URD. If there is growth in URD residential or commercial structures, water and sewer rates could be increased to provide the funds needed to protect services in that department.

Economic growth requires increased police service. However, there would be no URD funds to pay for that. Like Clatskanie, the City of Scappoose could contract with Columbia County Sheriff's Office at a reduced cost to citizens. However, we believe the community supports their own police department and will not want to contract with the Sheriff's office for those services.

In conclusion, the citizens of Scappoose deserve to know all necessary information regarding the costs of the URD and how those costs will affect the services they expect and need. Further investigation and discussion into the tax information and calculations presented are needed before agreeing to Ordinance No. 882. In addition, serious analysis of alternative financing options such as voter-approved bond measures must be considered and presented to citizens.

Respectfully submitted,



Michael S. Greisen
Fire Chief
Scappoose Fire District

Alternate Plan for Water & Sewer Treatment Plant Development

Building with bonds guaranteed by taxpayers spreads tax burden over 100% of the city.
This is more equitable than putting 25% of the City in an Urban Renewal District with
a resulting loss of revenue to the overlapping districts.

Phase 1:	2020	
	15 Year Bond Measure	\$15 Million
	Pay with bond tax funds	\$7.5 Million
	\$500,000 annually with Systems Development charges	\$7.5 Million
Phase 2:	2035	Higher assessed valuation for same bond amount at same rate
	12 Year Bond Measure	\$15 Million
	Pay with bond tax funds	\$10 Million
	\$500,000 annually with Systems Development charges	\$5 Million
	2045 Pay off bond early	

Systems Development Charges are allowed under ORS 223.307 to pay for expenditures relating to repayment of debt for capital improvements.

Councilor Haugen asked how Chief Greisen came up with the calculations?

Fire Chief Mike Greisen replied on the calculations that were provided by whomever the consultants hired and by using the City's tax rate of \$3.2268 which the City is losing close to 9 million dollars. He explained the second calculation was the Scappoose Fire Districts with the tax rate of \$1.1145 plus the \$1.24 levy.

Lorelei Juntunen replied she would like to see a copy of the testimony so they could go through it point by point and provide any comments that would be helpful, but local option levies are not affected by Urban Renewal in the State of Oregon. She explained they would want to double check and make sure they are using the same terminology and understanding this correctly, but they believe they actually represented their numbers correctly. She explained they are working with Tyberius Solutions to do the financial analysis and he has been at meetings previously.

Elaine Howard stated, to make it clear, permanent rate levies are what are impacted by Urban Renewal and local option levels are not impacted, but they used to be. She stated they would like to be able to sit down with Chief Greisen and go through the numbers and help clarify some of the issues.

Mayor Burge stated he will leave the public hearing open and continue it to the next meeting.

Councilor Greisen asked City Manager Sykes if he faced any of that downsizing when he was in Forest Grove?

City Manager Sykes replied he is not aware of any downsizing in Forest Grove at all. He stated the City is still very robust and doing very well.

Mayor Burge asked if there were any other questions? Seeing none he explained we are waiting for the response which will be at the next meeting.

Legal Counsel Peter Watts stated if Council is going to hold the public hearing open you will need to wait to do the first reading at the next meeting.

City Manager Sykes explained the meeting on June 3 will be a full meeting and then the second meeting in June will be fairly full.

Mayor Burge stated we will continue this until the second meeting in June.

Announcements ~ Information only

Calendar

Mayor Burge went over the calendar.

City Manager, Police Chief, Councilors, and Mayor

City Manager Sykes explained Council has a copy of his department report.

Councilor Haugen explained Cara Heinz is the new Chair of the Park and Recreation Committee.

Executive Sessions:

- 1. ORS 192-660(2)(e) Real Property Transaction**
- 2. ORS 192-660(2)(e) Real Property Transaction**

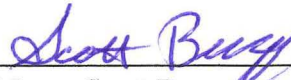
Mayor Burge read the opening statement and then went into Executive Session at 8:53 p.m.

In attendance: Mayor Burge, Council President Kessi, Councilor Greisen, Councilor Poling, Councilor Haugen, Councilor Lesowske, City Manager Sykes, Legal Counsel Peter Watts, City Planner Laurie Oliver, City Recorder Susan Reeves, and Anna Del Savio, Columbia County Spotlight.

Mayor Burge came out of Executive Session into open session at 9:14 p.m.

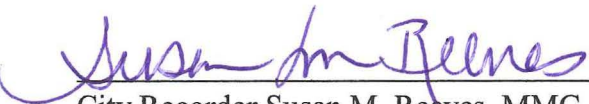
Adjournment

Mayor Burge adjourned the meeting at 9:14 p.m.



Mayor Scott Burge

Attest:



City Recorder Susan M. Reeves, MMC