

**MONDAY, JULY 20, 2020
CITY COUNCIL MEETING
Regular meeting 7:00 p.m.
Scappoose Council Chambers
33568 East Columbia Avenue**

Call to Order

Mayor Burge called the meeting to order at 7:00 p.m.

Pledge of Allegiance

Roll Call

Roll Call (present/in person)

Mayor Scott Burge

Staff:

Michael Sykes	City Manager
Alexandra Rains	Assistant City Manager
Susan M. Reeves	City Recorder
Chris Negelspach	City Engineer
Laurie Oliver Joseph	City Planner
Huell White	Program Analyst

Remote/on the phone:

Council President Patrick Kessi
Councilor Megan Greisen
Councilor Joel Haugen
Councilor Josh Poling
Councilor Brandon Lesowske
Councilor Pete McHugh
Legal Counsel Peter Watts
Becky Hewitt, ECONorthwest
Jeff Pricher, Scappoose Fire District

Also present: Steven Todd

Approval of the Agenda

Mayor Burge revised the agenda to remove agenda item number 2. Introduction of Police Officers Steve Barns and Eric Zwald.

Councilor Haugen moved, and Councilor Poling seconded the motion to approve the agenda as amended. Motion passed (7-0). Mayor Burge, aye; Council President Kessi, aye; Councilor Greisen, aye; Councilor Haugen, aye; Councilor Poling, aye; Councilor Lesowske, aye and Councilor McHugh, aye.

Public Comments

There were no emails/public comments received.

Consent Agenda ~ June 22, 2020 City Council meeting minutes and July 13, 2020 Special City Council meeting minutes

Councilor McHugh moved, and Councilor Lesowske seconded the motion to approve the Consent Agenda ~ June 22, 2020 City Council meeting minutes and July 13, 2020 Special City Council meeting minutes. Motion passed (7-0). Mayor Burge, aye; Council President Kessi, aye; Councilor Greisen, aye; Councilor Haugen, aye; Councilor Poling, aye; Councilor Lesowske, aye and Councilor McHugh, aye.

New Business

Municipal Court Judge Recommendation

City Manager Michael Sykes explained tonight we have the pleasure of finally selecting a Municipal Judge for the City of Scappoose. He went over the staff report. The City's current Municipal Court Judge, Cynthia Phillips, announced her intent to retire from her position with the City during the Summer of 2020, prompting the City to issue a Request for Proposal (RFP) to secure the services of a new Municipal Court Judge. In total, the City issued three RFP's, the first two processes were ultimately cancelled and the third and final RFP was issued on June 11, 2020 with a due date of June 25, 2020. The City received three proposals and the Selection Committee, composed of Mayor Burge and Councilors Greisen and Haugen, reviewed the proposals and conducted interviews with each applicant on July 9, 2020. The final recommendation of the Selection Committee was to enter into a contractual agreement for Municipal Court Judge services with Judge Steven Todd. At the direction of the Selection Committee, the City Manager negotiated the terms of compensation with Judge Todd. An agreement was reached for a monthly salary of \$2,000. Staff recommends Council authorize the City Manager to enter into a contractual agreement with Judge Todd for Municipal Court Judge Services.

Councilor Lesowske moved, and Councilor McHugh seconded the motion that City Council authorize the City Manager to enter into a contractual agreement with Judge Todd for Municipal Court Judge Services. Motion passed (7-0). Mayor Burge, aye; Council President Kessi, aye; Councilor Greisen, aye; Councilor Haugen, aye; Councilor Poling, aye; Councilor Lesowske, aye and Councilor McHugh, aye.

Steven Todd stated he wants to thank Council in advance for putting your trust in him. He takes the job very seriously, as he always has. He is really excited about what he is seeing and there are so many opportunities to do some really good things here. He thanked Council.

Mayor Burge and Council thanked Steven Todd.

Councilor McHugh stated Steven has a very impressive resume and we are fortunate to have him on board.

Councilor Greisen stated she thinks Steven brings with him a wealth of talent and he is here for the right reasons and she is very thankful that he applied for the position and Council gets a chance to work with him.

Councilor Haugen stated he absolutely agrees.

Res. No. 20-17 Parks and Recreation Committee Bylaws Correction

Program Analyst Huell White went over the staff report. He explained in January 2020, Staff identified a need to clarify the authority of the Mayor and City Council pertaining the appointment and removal of members, alternate members, and ex-officio representatives (e.g. liaisons) of both the Parks and Recreation and Economic Development Committees. Given the numerous amendments to both committees' bylaws, it was recommended by the City Attorney to rescind the establishing resolutions and propose new resolutions that were comprehensive. Upon recent discovery, City staff determined that Resolution 20-02 included an outdated version of the Committee's bylaws that did not include a previous amendment made in July, 2019 with Resolution No. 19-13. Resolution No. 19-13 amended Article V, Section 1D – Membership of the bylaws. Staff recommends Council approve Resolution No. 20-17, thereby approving the corrected language to the establishing Resolutions and Bylaws of the Parks and Recreation Committee.

Councilor Haugen moved, and Councilor McHugh seconded the motion that Council approve Resolution No. 20-17, thereby approving the corrected language to the establishing Resolutions and Bylaws of the Park and Recreation Committee. Motion passed (7-0). Mayor Burge, aye; Council President Kessi, aye; Councilor Greisen, aye; Councilor Haugen, aye; Councilor Poling, aye; Councilor Lesowske, aye and Councilor McHugh, aye.

Ordinance No. 891: An Ordinance Amending Title 3 of the Scappoose Municipal Code Relating to an Affordable Housing Tax Exemption Program for Nonprofit Housing Providers

Mayor Burge opened the public hearing at 7:12 p.m.

City Planner Laurie Oliver Joseph went over the staff report. She explained the City's 2018 Housing Needs Analyses (HNA) evaluated the need for different types of housing in Scappoose and identified a need for housing affordable at many different income levels. It projects a shortage of housing affordable for low-income and middle-income households, especially renters. In conjunction with the adoption of the HNA, the City amended its development code to remove regulatory barriers to the construction of multi-family housing ADU's, decreased the minimum lot size in all of its residential zones, and increased the allowable height for multi-family buildings in the Commercial zone. As a next step, the City applied for and received a grant from the Department of Land Conservation and Development (DLCD) to adopt or advance strategies to increase the supply and affordability of housing in Scappoose. The grant provided funding for ECONorthwest to assist the City with the creation of a Housing Strategy

Implementation Plan with guidance from an Affordable Housing Strategy Technical Advisory Committee (TAC) composed of City Councilors and housing providers. On July 15, 2019, the City Council adopted Resolution 19-13, which adopted the Housing Strategy Implementation Plan. The plan included a list of potential affordability tools that could be implemented. The City entered into a contract with ECONorthwest in December 2019 in order to come to a final decision on what tools to implement at this time in Scappoose to increase the supply of affordable housing. After a total of three Council work sessions, including one online survey to gather feedback on potential tools to implement, one strategy had clear support to implement at this time, the Nonprofit Low-Income Rental Housing Tax Exemption. Adoption of this tax exemption would provide a simplified way for affordable housing owned and operated by a nonprofit (as well as land held by a nonprofit for future affordable housing development) to qualify for a property tax exemption. ECONorthwest assisted the City in drafting a new chapter to the Scappoose Municipal Code (SMC), Chapter 3.34 - Nonprofit Low-Income Rental Housing Tax Exemption, which is contained in proposed Ordinance 891. Council has previously reviewed the language contained in proposed Chapter 3.34, as it was included in the information sent for work sessions 2 and 3. Once adopted, governing boards representing 51% of the combined tax rate must agree to the exemption policy in order for the exemption to apply to all taxing districts, as specified in ORS 307.543(1)-(2). This could be met by the City in combination with the School District, or the City along with Columbia County, the Scappoose Fire District, and one other taxing district. The City has contacted representatives of these taxing districts and feels there is adequate support to abate all taxes for this program.

Laurie Oliver Joseph explained Becky Hewitt with ECONorthwest is on the phone. She asked Becky if she recalls if they reached out to Scappoose Library District?

Becky Hewitt replied she doesn't believe so. She explained they reached out to the three largest taxing districts.

Laurie Oliver Joseph explained while the Scappoose Fire District does support the City's efforts to work on providing more affordable housing, they did not feel that they had the ability to forgo the collection of property taxes and so this is not something they would be likely to support given the situation they are in. She explained Jeff Pricher from the Fire District is on the line and he would like to speak on this. She explained according to Table 2 within ECONorthwest's memo (City of Scappoose Housing Initiatives: Update and Staff/Consultant Recommendations) dated February 25, 2020, the estimated annual forgone property tax revenue is \$2,207. This estimate was based on actual 2019 taxes paid on four potentially eligible properties in Scappoose, adjusted for 3% annual increase in property values. Staff recommends Council approve Ordinance 891, thereby establishing Chapter 3.34 - Nonprofit Low-Income Rental Housing Tax Exemption in the Scappoose Municipal Code.

Jeff Pricher, Scappoose Fire District, thanked Mayor and Council for the opportunity to speak this evening. He explained he participated as the Fire Marshal during the process with ECONorthwest and they appreciate the City reaching out to the Fire District. He stated the Fire District fully supports the 2018 Housing Needs Analysis, in addition they also support

Resolution 19-13, which is the Housing Strategy. He explained the Fire District is in partnership with the City on trying to promote reasonable accommodations for any resident that wants to reside in our City, they have no objections to that. He explained what they do have a challenge with is that anytime a tax exemption or tax limitation measure is initiated it negatively impacts service districts. He explained the Fire District is one of those service districts, as is the Columbia County 911 District, which was not actually reached out to. He explained they are affected by things like enterprise zones, urban renewal districts and all these things make it difficult for them to provide emergency services to our community, who we are here to support. He stated what they hope is, as Council makes their decision, even though the impact is going to be negligible, the Council does understand the full weight of what it means to enact another tax exemption that impacts another entity. He stated unfortunately they do not have other funding sources. He explained in order for them to provide service for our community they just need to remind the Council that as you make your decision there are negative impacts and he hopes they take that into consideration.

Councilor Haugen asked Jeff Pricher when he uses the term negligible impact, could he quantify that?

Jeff Pricher replied when Ms. Oliver spoke in her staff report she stated that the current estimated impact was going to be about \$2,700. He stated of that \$2,700 he is not entirely sure what their portion would be, but it is probably is in the order of a few hundred dollars. He stated as we bring in more housing and there is a tax exemption in place, all that adds up. He explained they support the concept, but they can't support another tax exemption.

Mayor Burge explained according to the report that was just handed to him by City Planner Laurie Oliver Joseph is that the Scappoose Fire District would lose approximately \$1,610 per year on these four properties.

Councilor Greisen stated those numbers are only for vacant lots, that is not after any sort of development occurs and the property tax will then go up, correct?

City Planner Laurie Oliver Joseph replied that is for the four properties that are currently owned by Community Action Team, two of which are developed. She went over the tax statements. She stated Councilor Greisen is correct, when the vacant properties get developed then the tax due would increase.

Councilor Lesowske stated he appreciates the Fire District providing services to all citizens no matter who it is that is calling for support at that time. He stated he is a little concerned that Jeff Pricher indicated that this will have a negative impact. He explained he can only speak for himself and the people that he represents in our community and he thinks they have identified that there would be a shared responsibility in trying to provide equal opportunities for homeownership in our community and we do understand that by making this decision tonight there could be an impact that would be, as Jeff stated, negative to your department and your team and we have taken that into consideration throughout the Councils decision making process to

get us to this point. He does want to recognize that we do understand the gravity of this decision and how it will impact, not only the Fire District, but also setting a precedence. He stated as a community we do want to set a precedence that having homeowner opportunities for all members of our community is important. He thanked Jeff for his time and his testimony this evening and for his understanding as Council makes their decision.

Jeff Pricher stated he appreciates the recognition and just to state for the record, they do support affordable housing for our community and it is unfortunate that they have to present themselves on the record like this but they want to make sure that everybody understands that they appreciate that Council is having conversations. He explained they have only had a couple of opportunities to share this, but it is important for them to get on the record that they are significantly financially challenged as a service district. He stated thank you again for recognizing the Fire District and again they are not opposing Councils decision, they just can't support another tax exemption.

Councilor Greisen explained we have already chosen that urban renewal is a priority in the City of Scappoose by creating the agency and collecting funds from other taxing districts. She knows that we are making another decision that low-income housing is a priority as well. She thinks we really need to find a balance in what we can sell and what we can provide, and we need to choose what services we provide. She stated when we make this decision, we are either choosing services of our taxing district or we are choosing services of low-income housing and she is not saying whatever somebody votes for doesn't mean they don't care for the other. She stated lately we have asked a lot of our taxing district by saying urban renewal is a priority and we have already started to gather funds from those agencies.

Council President Kessi stated affordable housing is extremely important for any community and he thinks the services of the fire department are extremely important as well. He explained we went through our housing analysis to try and figure out a way to help provide low-income affordable housing. We had a lot of different tools we looked at and we ended up with this one program, the nonprofit/low income housing program that we thought would balance the need for low-income housing but also the taxing district that you ultimately have to help because they are more in the vulnerable income bracket. He stated having an affordable housing program in the City of Scappoose will not only help the market before the pandemic, but it will help the market now.

Kevin Bassett, Scappoose, asked are the nonprofit corporations that are going to be the owners of these affordable housing units, are they required to be based in Scappoose and be reachable and responsible?

Mayor Burge replied he does know the four properties they are talking about are owned by Community Action Team, based out of St. Helens.

City Planner Laurie Oliver Joseph replied the two developed sites are senior housing and the two vacant parcels are being looked at also for senior housing.

Councilor Greisen asked if there is a cap on how many nonprofits can be in Scappoose?

Becky Hewitt replied the ordinance as written doesn't have a cap, but it can be written to have one.

Mayor Burge closed the public hearing at 7:39 p.m.

Councilor Haugen moved, and Councilor Lesowske seconded the motion that Council adopt Ordinance 891 as presented.

Mayor Burge read the title for the first time ~ Ordinance No. 891: An Ordinance Amending Title 3 of the Scappoose Municipal Code Relating to an Affordable Housing Tax Exemption Program for Nonprofit Housing Providers. He stated this ordinance is on first reading and will be on the next Council meeting agenda for more discussion and the vote.

Ordinance No. 892: An Ordinance of the City of Scappoose Amending Scappoose Municipal Code Chapters 13.20 Regulating Water and Sewer Hook Up Charges and 13.24 Regulating System Development Charges

City Engineer Chris Negelspach went over the staff report. He explained as part of Airpark Development LLC's preliminary plat approval for the East Airport Industrial Subdivision (Local File # SB1-17, SLDP1-17), they were required by the conditions of approval to construct a Crown Zellerbach Trail parking lot (which has been formally named the Trtek Trailhead). Airpark Development is now nearing completion of the parking lot/trailhead, which contains a restroom, landscaping, and a parking lot to serve 22 cars. Airpark Development LLC has raised questions regarding the necessity of paying system development charges and water and sewer hookup charges for the restroom because the structure will be City owned and maintained upon final completion. Staff has reviewed the applicable Municipal Code Chapters 13.20 - Water and Sewer Hookup Charges and 13.24 - System Development Charges and found no exemptions for this type of scenario where a private developer builds a structure that will be publicly owned upon completion. Currently, the only exemptions are for City financed projects. In order to address this issue, Staff proposes the following additions to Municipal Code Chapters 13.20 and 13.24:

13.20.040 Exemptions

B. In instances where a third party contractor is constructing a building, designed for human occupancy (or for public utilities such as a municipal well or sewer pump station control building), that will be turned over to City ownership at the time of completion and after final inspection, the Builder will be deemed the City, and the project will be exempt from water and sewer hookup charges.

13.24.100 Exemptions

D. In instances where a third party contractor is constructing a building, designed for human occupancy (or for public utilities such as a municipal well or sewer pump station control building), that will be turned over to City ownership at the time of completion and after final inspection, the Builder will be deemed the City, and the project will be exempt from system development charges.

Fiscal Impact: System Development Charges (SDC's) for the restroom at the Trtek Trailhead are ~\$13,000 and the water and sewer hookup charges would be ~\$475.00. The City would forgo collecting this revenue for this project and as well as other similar projects in the future. He explained staff Recommends Council approve Ordinance 892, thus implementing the proposed amendments to Chapters 13.20 and 13.24 of the Municipal Code.

Council President Kessi asked is there a reason why it states the builder will be deemed the City, can we strike that? He is just asking why do we need that in there?

Legal Counsel Peter Watts replied the City has a pretty unique set of rules regarding the waiver of system development charges (sdc's) so as we talk through this and how it would work the question became is there really a difference between whether the City uses their own funds in order to build the building or whether the other party builds the building themselves and then hands it over to the City upon final inspection. He stated we really didn't see a difference between those two. He explained since the way that this was originally drafted is that the City is the only exempt party then we essentially thought that by saying in this instance that they are functioning as the City in building this, this is deemed a city built project, that would help fall within that perimeter. He stated what we were hoping to capture with this is those sort of projects that are not going to be for an overnight occupancy, these are more infrastructure projects such as a sewer pump station. He stated they went through a couple of versions of this and this is the one that ultimately, they felt, had the least legal risk.

Council President Kessi stated he is asking this because he is wondering does that put the builder in the City's position relative to requirements on building whatever it is that they will be building, such as prevailing wage, BOLI, etc.

Legal Counsel Peter Watts replied no and he didn't go to BOLI with this project, but he has gone to BOLI twice in the past with projects where the project funds to build the project were system development charges and BOLI's position on those have been that those are not in the same category as city funds in the general budget.

Councilor Lesowske asked could this negatively impact the City in regards to the system development charges if there were to be something like a community center built through a nonprofit like YMCA, this is hypothetical, he is just trying to think long term if we were to adopt this how it may impact the City for future system development charges. Legal Counsel Peter Watts replied in that instance he thinks it would be a far closer call and he thinks that the outcome on that would likely be that the system development charges would be owed. He stated when we were crafting this we were not thinking about those types of things, we were really

thinking about things like sewer pump stations, and parking lots, and things that are not necessarily intended for overnight dwellings.

Mayor Burge opened the Public Hearing at 7:40 p.m.

Councilor McHugh moved, and Councilor Greisen seconded the motion that City Council approve Ordinance 892, thus implementing the amendments to Municipal Code Chapters 13.20 - Water and Sewer Hook Up Charges and 13.24 - System Development Charges.

Mayor Burge read the title for the first time ~ Ordinance No. 892: An Ordinance of the City of Scappoose Amending Scappoose Municipal Code Chapters 13.20 Regulating Water and Sewer Hook Up Charges and 13.24 Regulating System Development Charges. He stated this ordinance is on first reading and will be on the next Council meeting agenda for more discussion and the vote.

Announcements ~ information only

Calendar

Mayor Burge went over the calendar.

City Manager, Councilors, and Mayor

City Manager Sykes explained staff has been in contact with ODOT regarding the sidewalks on Maple Street and Highway 30 and also the sidewalks on Columbia Avenue. The sidewalks are not handicap accessible and we ran into some negative feedback from ODOT Rail about trying to resolve some of the issues in those intersections. He said fortunately we have been able to work with others at ODOT who have identified potential funding that will help us improve those particular intersections. He stated we are pretty encouraged about the direction that conversation is going. He wanted to mention that the Springlake pump station that has been a real challenge for our staff, finally got rehabbed and came in about \$50,000 below budget. He explained we have received notification from the Department of Administrative Services that they have established a coronavirus relief fund, which means \$213,000 to the City of Scappoose. He explained what that fund can be used for. He stated this would give us an idea to help address some other issues that are in the community that are a result of the coronavirus. He explained we are going to be talking about that at a future meeting. He stated if any Councilors have ideas about things we should be talking about or trying to address as a result of this virus, let him know. He explained the money has to be spent by December 30, 2020. He explained they are trying to get more information and will send it to Council as they receive it. He explained he has signed contracts for SE 3rd Street, Vine Street and Old Portland Road for sidewalks, so those are underway. He explained at the next Council meeting staff will bring the preliminary design of the Grabhorn property to share with Council for feedback. He explained staff learned about a new ODOT grant program that is specifically aimed at trails. He explained at the next Council

meeting there will be a discussion about the sewer rehab project. He explained as you recall we entered into a contract with Murray Smith to do some of the design work for the entire facility.

Council President Kessi explained he met with the School Board Chair and Superintendent and discussed how the City and the School can work together and it was a very good conversation. The School District wants to put together a long-term plan and Patrick told them that the City would be a great resource to talk to about that and that we would try to help them anyway we can.

Councilor Haugen explained the Park and Rec Committee would like to start, in August, announcement for a mask art photo contest in a Scappoose Park to promote a Scappoose Park, to promote public health and promote public art. He stated this would be for anybody interested that shows a photo in a Scappoose Park could send that into the City, which he volunteered to help run, then the Park and Rec Committee will select the top photos and they will create a collage of all the mask/photos that were submitted. He explained an Eagle Scout would like to create a free library in the other Scappoose parks. He explained there was a concern about the economic decline, which is probably going to evolve out of the pandemic on homeless in the parks, and to be proactive about that.

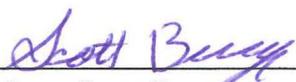
Mayor Burge stated, the first two items, City Manager Sykes would probably approve those.

Mayor Burge stated we were asked to provide feedback on League of Oregon Cities priorities. He went over the top priorities that Council chose: Long term transportation infrastructure funding; mental health service delivery; housing and service investment; photo enforcement safety cameras, and water utility rates and fund assistance.

Mayor Burge explained he interviewed with Columbia County to become a part of the CC Rider Advisory Board to work with them on transit.

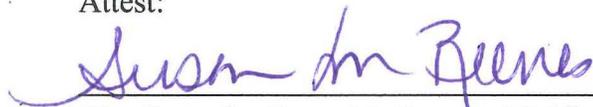
Adjournment

Mayor Burge adjourned the meeting at 8:04 p.m.



Mayor Scott Burge

Attest:



City Recorder Susan M. Reeves, MMC