

CITY OF NEWBERG CITY COUNCIL MINUTES
MARCH 15, 2010
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM
401 EAST THIRD STREET

Work Session was held prior to the meeting. A discussion on Budget prioritization occurred. No decisions were made.

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:00 PM.

II. ROLL CALL

Members

Present:	Mayor Bob Andrews	Denise Bacon	Bob Larson
	Stephen McKinney	Bart Rierson	Marc Shelton
	Wade Witherspoon		

Staff

Present:	Daniel Danicic, City Manager	Terrence Mahr, City Attorney
	Barton Brierley, Planning and Building Director	Norma Alley, City Recorder
	Leah Griffith, Library Director	Jennifer Nelson, Recording Secretary

Others

Present: Lee Does, Sid Friedman, Saj Jivanjee, Roger Grahn, Roy Powell, Jared E. Jones, Lory Albright, Rick Rogers, Lisa Stephens, William Sweat, Joanne Dunkin, Doug Bartlett, and Mike Ragsdale

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. CITY MANAGER'S REPORT

Mr. Daniel Danicic, City Manager, reported on the success of the residential drug take-back program and the Cultural Center's ribbon cutting ceremony scheduled for this Thursday, March 18, 2010 at 3:30 PM. He also reminded members of the Chamber of Commerce banquet at 6:00 PM on April 8, 2010 at Newberg High School; an RSVP is needed by this coming Friday.

V. PUBLIC COMMENTS

None.

VI. CONSENT CALENDAR

1. Consider a motion approving a **Proclamation** declaring March 28-April 4, 2010 as Farm Worker Awareness Week and March 31, 2010 César Chávez Day.
2. Consider a motion approving **City Council Minutes** for February 16, 2010.

MOTION: Shelton/Larson approving the Consent Calendar including a Proclamation declaring March 28-April 4, 2010, as Farm Worker Awareness Week and March 31, 2010, César Chávez Day and the City Council Minutes for February 16, 2010. (7 Yes/0 No) Motion carried.

Mayor Andrews read the proclamation and presented it to Mr. Angel Diaz who thanked the Council.

VII. PUBLIC HEARING

Consider a motion approving **Ordinance No. 2010-2724** adopting amendments to the Newberg Comprehensive Plan housing element and the Comprehensive Plan housing and institutional land needs and supply data.

TIME – 7:14 PM

Mayor Andrews opened the public hearing and called for any conflicts of interest or abstentions; none appeared.

Mr. Barton Brierley, Planning and Building Director, presented the staff report (see official meeting packet for full report).

Mayor Andrews questioned why data from 2008 was being used for population and demographics when we are so close to the 2010 Census. Staff replied the federal government is more about counting people rather than statistics, so it does not have the detailed information found in the American Community Survey, plus information on the 2010 Census will not be available for at least a year.

Mayor Andrews opened the public testimony.

Mr. Lee Does stated that breaking the process up into small pieces makes it hard to see what is really going. He expressed that concerns remained about the eleven to twelve hundred acres of land the City plans to acquire within a twenty to forty year period for industrial use. He discouraged the City from condemning so much land all at once when the prospect of filling that land with the desired development was highly unlikely in the immediate future. He also argued against the term “buildable land” because he believed the land in question is not buildable, well used by the public, and could be considered park land adjacent to the City. He spoke of the Willamette Valley be one of the largest agricultural producers and how farming is recession proof; unlike other industries. He pointed out the opponents always seem to outnumber the proponents in these hearings and he felt the City needed to take a look at what land they have now and how it is being used and encouraged finding options for industry that are able to be accommodated by lands already within the City.

Mr. Sid Friedman, 1000 Friends of Oregon, stated the ultimate size of a city and its configurations depends on this background and re-justifying what is mandated by the state for the territorial ambitions of a city is not the best way. He spoke of reducing pressure on farmland and the infrastructure that would be needed to extend the limits, saying the plan was short-sited and would be the ultimate cause of undercutting agricultural jobs in the community (which is ironic based on the proclamation made earlier tonight). He spoke of the idea of infilling being different from what staff proposed. He said he felt although this hearing is addressing the affordable housing plan, it is all intertwined. He felt Council should defer action on the affordable housing plan.

Mr. Saj Jivanjee, Architect and urban planner, presented a slide-show of some of his projects in Portland requiring higher density housing in lower density areas, like a forty-seven unit structure on three thousand square feet. He spoke of the only way to build affordable is to have some sort of System Development Charge (SDC) waivers or tax abatement because the City has to give something in order to create housing that is affordable. He also discussed the use of infilling and that he felt there were tremendous flaws in the affordable housing plan; he recommended not approving it because there are more imaginative ways to build a city and

reduce transportation costs. He called the plan a “1950’s plan” because it did not contain any sustainable efforts.

Councilor Bart Rierson stated he was not opposed to seeing something like Mr. Jivanjee’s examples built in Newberg, but felt Newberg would require more parking since there is no access to light rail and the transit options are limited.

Mr. Roger Grahn said there is a two-edged sword here because if the City needs eleven hundred acres and they add eleven hundred acres, then they will destroy affordability and put market forces into play. He said the high cost of land is one reason there is not enough affordable housing today. He also said he disagreed with Mr. Friedman’s comments a little concerning infill projections because infilling can be difficult and expensive to do.

Councilor Rierson wanted him to clarify that he felt there does need to be additional land in the Urban Growth Boundary (UGB) because it creates more supply, which lowers the cost.

Mr. Grahn said on the basis of land costs, more land supply helps lower the land cost, which helps builders build more affordably. He felt if the City did away with the UGB entirely it would be reflected in the land cost immediately; the costs would do down.

Mayor Andrews closed the public testimony.

Mr. Brierley recommended not adopting the ordinance tonight because the findings (Exhibit “C”) were left out of the staff report and to continue the hearing to the next meeting.

MOTION: Larson/Shelton To table **Ordinance No. 2010-2724** adopting amendments to the Newberg Comprehensive Plan housing element and the Comprehensive Plan housing and institutional land needs and supply data until the April 5, 2010, meeting and keep the record open. (7 Yes/0 No) Motion carried.

VIII. NEW BUSINESS

1. Consider a motion directing the city manager to prepare a development agreement with a private developer to construct an affordable housing project at 921 South Blaine Street.

TIME – 8:00 PM

Mr. Mahr talked about whether or not Councilor Denise Bacon’s position on the board of directors for Habitat for Humanity would be considered a conflict of interest. He stated that it would not be considered a conflict of interest because it is a non-profit organization; however, she may choose not to participate because of a possible appearance of bias.

Councilor Denise Bacon said she would choose not to be part of the hearing. No other conflicts of interest or bias were noted.

Mr. Danicic presented the staff report (see official meeting packet for full report).

Councilor Bob Larson asked about reimbursement for the cost of land. Staff replied that neither applicant is proposing to purchase or pay for the property; as part of the development agreement the City planned to donate the land for an affordable housing project specifically, since land cost is a significant barrier in building affordably.

Councilor Marc Shelton asked the City Attorney if there would be any legal advantages to selling the lot for one dollar rather than giving it as a donation. Mr. Mahr said there would be no advantage to doing that.

Councilor Stephen McKinney added it would still be important to show a change of title when donating the land to show the City no longer owns it. Mr. Mahr agreed and said it would be part of the development agreement to follow through with that so the builder can use it as security to obtain loans, but if they do not follow through on their commitment, then the City could get the land back.

Councilor McKinney asked about the amount of parking on both proposed projects and expressed his belief that there needs to be a parking spot for every bedroom in order to prevent overflow issues that have not been addressed in the past.

Councilor Wade Witherspoon wished to ask a Habitat for Humanity representative how many people the units were designed to house.

Mr. Roy Powell, Habitat for Humanity staff member, approached and answered that the homes were designed around the families in need; for this project they are three bedroom units since one family has two kids and the other has four.

Councilor Larson asked him to address the parking question, noting that other affordable homes built with limited parking have ended up with twice as many cars as planned, which have overflowed onto the streets. Mr. Powell stated they do not encourage this and the projects were not designed for that.

Mr. Jared E. Jones, Chair of the Habitat for Humanity board of directors, stated he was here to represent the four-hundred some volunteers from Newberg and discussed the partnership between the City and community on these types of projects. He said if the City would not be donating the land, they would not be able to build for another two to three years because raising money is difficult for charity type projects. He spoke of grant writing and donations from churches as their primary funding options and to their unique ability to build on small parcels of land with very "green" building. He noted there were many board members present this evening as well as part-time employees and families who received homes through the organization.

Ms. Lory Albright said she has been a member of the Newberg community for thirty-five years and part of Habitat for Humanity for twenty years. As an educator in Newberg she often sees constant moving around as a problem for students and she feels they need safe homes and support to stay in those homes. She said there are benefits for families to be responsible homeowners and would rather have the Habitat home than apartments.

Mr. Rick Rogers, Habitat for Humanity, spoke of this being a fantastic and tangible moment in the history of afford housing in this community because it would demonstrate a way for a city and a non-profit organization to create a partnership. He spoke of the impact on children to build successful legacies by completing school and applying to college because the homes are built to create stability and opportunities for families they would not otherwise have. He also mentioned the plans were proposed as the zoning currently stands.

Councilor Shelton spoke of the traffic concerns and the unfinished road; he asked if Habitat for Humanity would be willing to help complete the roads as the other applicant suggested. Mr. Rogers stated they would be willing to be a partner in this as well.

Ms. Lisa Stephens stated, as an owner of a Habitat home, she was grateful and she spoke of the difference it made for her living in her own home rather than an apartment. She said she takes a lot more pride in her home because it belongs to her and not someone else and how it benefited her financially to keep her job and stay in the home.

Mr. William Sweat, a member of the Habitat for Humanity board of directors and Chair of the finance committee, spoke of Habitat creating the opportunity for homeownership and stability so kids can focus on

education, which correlates to kids getting out of poverty. He said the no interest loans allow owners to pull out of poverty because of the equity gained.

Ms. Joanne Duncan declined to speak.

Mr. Doug Bartlett spoke of people being caught in a bind without the resources to get ahead and being trapped in poverty even though they work hard. He said he is a fan of all affordable housing and appreciates the Council and staff considering this exciting model for many other places to copy. He said he was not opposed to affordable rental units, but he felt home ownership helps turn families' lives around.

Councilor Shelton asked staff to explain the completion of Blaine Street further as well as the issues of right-of-way with the railroad. Mr. Danicic said it would be done with a payment in-lieu which would be placed into the City bank account until the time comes for Blaine Street to be improved. The right-of-way is held by the County rather than the railway and a process has been initiated to declare it as a City right-of-way.

Councilor Rierson questioned the other applicant Mr. Roger Grahn about his proposal to improve the road.

Mr. Roger Grahn approached and answered that he planned to complete the road just in front of the property. Between Blaine Street and 9th Street it would remain undeveloped. He said he's been doing what he does for a long time now and he knows how to get more yield from a smaller area. He said both applicants have problems with finding land cheap enough to build affordable housing. If the land were not being donated by the City, he would be sniveling about the SDC charges; so he applauds this as a first step. He spoke of his belief that the lot is actually bigger than everyone thinks and about being able to do the street improvements cheaper than others. He spoke of the parking issue stating he did expect one or two of the tenants that will not have cars, so he did not see it as a problem.

Discussions followed concerning the issues surrounding the street. Staff spoke of adverse possession and working with the County, they did not feel there would be any issues with the paper mill property owners, and they felt they would be able to work with Chehalem Park and Recreation District (CPRD) concerning the entrance to the BMX track. The City Attorney spoke of the burden of maintenance and taking over jurisdiction of the road and annexing it. Improvements could be completed by a Local Improvement District (LID) or a half-street improvement, but CPRD has the strongest interest in the improvement.

Mr. Grahn said he is proposing to participate, although he wants to do the improvements himself because he can do it more cost efficient. Curb and gutter would need to be run around the corner of 11th Street; it would not be a full street, but it would be paved as far as it could go with a physical barrier to keep kids and cars from going around the rail and to get drainage for storm water.

Mr. Rogers said they plan to do what would be customary and mentioned their good working relationship with CPRD and with the contractors; he said they could do whatever the City felt was in the best interest of everyone to provide access to a busy park and alleviate other homeowners concerns about traffic in the area.

Mayor Andrews asked staff about supplying water to the site and if the current pipes were adequate to support this or if an upgrade would be required. Staff said they expected it was currently standard residential at ¾-inch and sewer is available as well to support either proposed plans.

Discussions continued concerning the assessed values of the proposed projects for tax purposes; Mr. Grahn's project was said to be assessed higher than the Habitat proposal with taxes estimated at \$6,800.00 per year. Mr. Rogers stated taxes are customarily \$2,000.00 a year for their homes. Both parties mentioned several times that it was difficult to compare the two projects because they were so very different.

Mayor Andrews asked if the applicants were going to request some other concessions, such as a waiver of SDC and permit fees.

Mr. Rogers stated the City has the ability to waive fees for two affordable housing units per year and because they are a non-profit organization, every dollar of waived fees or in kind donation is a dollar that does not have to be raised from the citizens.

Mr. Grahn replied the donation of the land is enough to make the project to be built affordably.

Councilor Witherspoon asked about the differences in size and shape of the lot from page 115 to page 129. Mr. Danicic replied that Mr. Grahn's plan included an additional portion of adjacent land that he would acquire to build his project; the example used in the Habitat for Humanity proposal is more accurate to what is currently owned by the City.

Councilor Shelton shared that he felt the details of the site and infrastructure were too overwhelming for him to make a good decision tonight; he wondered if the Council would consider tabling the topic to allow for diagramming and road improvement plans.

Councilor McKinney also agreed he was not prepared to make a decision and would like more details about the road improvement issue; he was reluctant to decide without these matters being worked out.

Councilor Larson argued he would like to decide tonight because he did not feel it would be a problem for either applicant to plan to include the necessary improvements.

Mayor Andrews discussed the acquisition of the additional property and if that would change plans for the Habitat for Humanity proposal. Mr. Rogers replied they would consider another unit if it was economically worthwhile, but the costs of the necessary zone change would be a determining factor.

Mr. Grahn added he would also be asking the City to do zone change, rather than paying for it himself. He has had difficulty with this in the past and felt the City would have more success initiating the zone change.

Mayor Andrews recessed at 9:24 PM and reconvened at 9:35 PM. He reminded the Council they were being asked to give direction to the City Manager to negotiate the terms of the development agreement; they had to just choose which applicant he would be doing that with.

Councilor Shelton said he understood that there were items that have come up that were outside of the original Request for Proposal (RFP), but he finds it difficult to make a decision about things like the City being asked to take care of the expense of a zone change and other expenses that may come from road improvements.

Both applicants stated they agreed these were two very different approaches to affordable housing but the choice came down to whether the City wanted to see homeownership or low income rental housing on this piece of property. Then the development agreement process can begin, which would come back to the Council; if those issues cannot be resolved between the City and the chosen applicant then either party has the right to walk away.

Councilor Rierson commended the creativity of both projects and the applicants. He felt that either choice has pros and cons, but ultimately he would be more supportive of building the Habitat for Humanity project because of the resulting home ownership. He did not feel he was approving the actual development agreement tonight, he is just choosing to support initiating the agreement process with Habitat for Humanity.

Councilor Larson also felt he could decide tonight to go with Habitat for Humanity and the zoning and street issues could be resolved later.

MOTION: Larson/Witherspoon approving a motion directing the City Manager to negotiate a development agreement with Habitat for Humanity and meet the intent of the RFP and the proposal submitted. The City Manager is delegated, authorized, and empowered to negotiate, propose, and initiate any terms and conditions for the development agreement which will address the road improvements, needed public utilities, and all the details necessary for the development. The intent is to specify in the development agreement the details and obligations of each party. The final approval shall be with the City Council.

Councilor Shelton said he agreed with the motion but he did not want to let CPRD off the hook on this because it is not our responsibility to make sure the park has access that does not create dust. He would like to see CPRD included in on those discussions.

Councilor McKinney said he was reluctant to vote based on the fact that things were not written down regarding unresolved issues.

Mayor Andrews emphasized this was not a final decision and the details will be included in the final agreement and the Council is only asking the City Manager to represent the City with a particular group.

VOTE: To approve the motion directing the City Manager to negotiate a development agreement with Habitat for Humanity. (5 Yes/1 No[McKinney]/1 Rescues [Bacon]) Motion carried.

2. Consider a motion approving **Resolution No. 2010-2891** approving a list of pro tem judges, setting the rate for on-call pro tem services, and restructuring of judicial services.

TIME – 9:54 PM

Mr. Mahr presented the staff report (see official meeting packet for full report).

Councilor Larson asked if the judge ever went on vacation. Staff replied that sufficient notice is given before a vacation so court can be called off, so a pro tem is not needed.

MOTION: Larson/Witherspoon approving **Resolution No. 2010-2891** approving a list of pro tem judges, setting the rate for on-call pro tem services, and restructuring of judicial services. (7 Yes/0 No) Motion carried.

3. Consider a motion approving **Resolution No. 2010-2892** authorizing the city manager to purchase the house and property located at 211 North School Street and transfer City funds necessary to make the purchase.

TIME – 9:59 PM

Mr. Mahr presented the staff report (see official meeting packet for full report).

Councilor Larson questioned the names of the property owners listed in the resolution and the recitals because there are discrepancies. Staff replied only Todd W. Thurman is the current owner; Megan C. Buell is no longer an owner.

MOTION: Shelton/Rierson to amend **Resolution No. 2010-2892** to make the market value of \$238,005.00 the consistent figure in the resolution and to remove Megan C. Buell in the resolution and in recital number three to show Todd W. Thurman as the only current owner. (7 Yes/0 No) Motion carried.

MOTION: Shelton/Larson approving **Resolution No. 2010-2892** authorizing the city manager to purchase the house and property located at 211 North School Street and transfer City funds necessary to make the purchase as amended. (7 Yes/0 No) Motion carried.

IX. COUNCIL BUSINESS

Continued Discussion of Council Goals (Time Permitting)

TIME – 10:09 PM

Mr. Mike Ragsdale requested the Council to contribute \$500.00 in funds to the local Farmers' Market for marketing material and website updates.

Mr. Danicic replied the money could come from available funds for tourism.

MOTION: Rierson/McKinney approving a contribution of \$500.00 for marketing material and website updates for the Tunes on Tuesday and the Farmers' Market. (7 Yes/0 No) Motion carried.

Councilor Rierson spoke of the school district possibly contacting the City Council to discuss a day-time curfew and efforts made in the past by Council. It was discussed how citizens are incorrectly assuming this is a City effort.

Discussions also followed about the Council being more informed ahead of time about issues going on within the community that may be found in the newspaper so they are not taken by surprise by the public and reviewing Council Rules regarding submission of testimony and not voting on items that are not in complete final formats.

Ms. Leah Griffith, Library Director, gave updates on the Chehalem Valley Transit system.

Discussions continued on budget prioritization that began earlier during the work session.

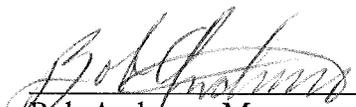
X. ADJOURNMENT

The meeting adjourned at 11:19 PM.

ADOPTED by the Newberg City Council this 3rd day of May, 2010.


Daniel Danicic, City Recorder

ATTEST by the Mayor this 4th day of May, 2010.


Bob Andrews, Mayor