

**NEWBERG CITY COUNCIL MINUTES
JANUARY 20, 2015, 7:00 PM
PUBLIC SAFETY BUILDING (401 E. THIRD STREET)**

A work session was held at 6:00 p.m. preceding the meeting. Present were Mayor Bob Andrews, Councilor Tony Rourke, Councilor Stephen McKinney, Councilor Denise Bacon, Councilor Lesley Woodruff, Councilor Mike Corey and Councilor Scott Essin. Also present were City Manager Jacque Betz, City Recorder Sue Ryan, City Attorney Truman Stone, Public Works Director Jay Harris, Senior Engineer Jason Wuertz, City Engineer Kaaren Hofmann, and Finance Director Matt Zook.

City Manager Jacque Betz introduced new Finance Director Matt Zook. Public Works Director Jay Harris introduced new City Engineer Kaaren Hofmann.

Senior Engineer Jason Wuertz gave a presentation on the Merchants Parking Lot project (Exhibit A). He gave a history of the project, discussed the conceptual design process, cost estimate, funding options, and next steps. The parking lot is located between College and Howard streets on 2nd Street. The current condition of the pavement and layout is extremely poor. A neighborhood meeting was held on the concept design. He explained the elements of the proposed design for a new parking lot on the site. There was potential to close the alley on College and Howard streets for safety, underground utilities, and extend the same frontage treatment on 2nd in down to Howard and around the corner. The new design would reduce the parking from 92 to 72 spaces. The project cost estimate for full reconstruction and reconfiguration was \$675,000. To do pavement maintenance and restripe the current configuration, it would cost \$224,500. He discussed the funding options and sources for the project.

Councilor Woodruff asked if a parking count had been done and the impact of the reduction of parking spaces. She also asked about the parking lot being dedicated to the merchants. SE Wuertz said the feedback staff received was there was not enough parking and there was concern about the reduction. He would have to research the dedication. There was discussion on the formation of a Local Improvement District (LID) to pay for the work. Councilor Corey was concerned about losing the parking spaces and if City employees used the parking lot. He thought the parking should be used for downtown customers rather than staff. He also asked if the funds were available now or was it something that would have to be put in the budget. SE Wuertz said employees were using the parking lot. The project would have to go through the budgeting process.

There was discussion on the cleaning up the backs of the buildings near the parking lot, parking lots the City owned, funding, design, options to increase the number of parking spaces, and requirements of the Planning Department. There was discussion on use of a nearby church parking lot and whether to take action now or wait for the redevelopment of downtown.

Dr. Randy Morgan, Newberg Family Dental, spoke about being a part of the design process as his business abutted the parking lot and as a member of the Downtown Coalition Board. The Board saw this as an opportunity to make the parking lot a facility that improved the overall quality of downtown, which provided centralized parking. He said a downtown parking plan should be created. The property owners also wanted to see this happen as well as the merchants because they all saw this as improving their businesses. He thought downtown had plenty of parking; the challenge was using it correctly. They needed to do something with the parking lot in the short term.

There was a discussion on how an Urban Renewal District would work, if there should be a study of who was using the parking lot and how long they were using it, and looking into the LID concept with the City contributing to the LID.

CM Betz asked about consensus on next steps for the parking lot. Did the Council want to do maintenance repairs or a full reconfiguration? There was consensus to discuss this item further under Council Business.

CALL MEETING TO ORDER

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

ROLL CALL

Members Present: Mayor Bob Andrews Denise Bacon Mike Corey
Scott Essin Stephen McKinney Lesley Woodruff
Tony Rourke

Staff Present: Jacque Betz, City Manager Truman Stone, City Attorney
Sue Ryan, City Recorder

PLEDGE OF ALLEGIANCE: The Pledge of Allegiance was performed.

CITY MANAGER'S REPORT: Ms. Jacque Betz, City Manager, said the City was co-hosting the Local Government Dinner in February.

PUBLIC COMMENTS: Dave Adams, KLYC Radio, gave an update on the radio station. He said starting on Thursday they would be putting in a \$35,000 upgrade to the tower project to expand night time coverage. Their goals was to have an emergency response plan and increase local news.

CONSENT CALENDAR:

MOTION: Bacon/Corey moved to approve the January 5, 2015 City Council meeting minutes, the November Financial Report, and Resolution No. 2015-3175, A resolution to authorize the City Manager to enter into a professional services agreement with Murray, Smith & Associates, Inc., to design the City's Well No. 9 Project in the amount of \$99,940. Motion carried (7 Yes/0 No).

OLD BUSINESS:

Resolution No. 2015-3176: Associate Planner Jessica Pelz said this proposal had been tabled in November. She explained new conditions including a reporting requirement and an environmental condition. The applicant amended the initial application to include an additional 1.4 million dollar project for emissions control. The new estimated total for the project was \$12.52 million dollars, which would include 20 new employees. They were requesting a five-year abatement. The applicant did agree to propose a stormwater runoff project that would reduce pollutants to the Willamette River. The applicant was willing to submit an annual report on their progress in meeting the conditions of the resolution. She also noted a typographical error in the resolution. Staff recommended Council adopt the resolution as amended.

David Walsh, SP Fiber, said manufacturing had been on the site since the 1890s. They used to only make newsprint, but the amount of people reading newspapers was going down. The company changed products to packaging papers and the Enterprise Zone would help the conversion. They would be hiring back employees that had been laid off and they were good family wage jobs. There was discussion regarding the environmental impacts of the project and the improvements the applicant proposed.

MOTION: Rourke/McKinney moved to approve Resolution No. 2015-3176, A Resolution authorizing Jessica Pelz, the Newberg Enterprise Zone Manager, to sign an agreement between the City of Newberg and SP Fiber Technologies for a five-year Newberg Enterprise Zone property tax exemption as amended for a typographical error. Motion carried (7 Yes/0 No).

NEW BUSINESS:

Resolution No. 2015-3178: CA Stone said in 2008 the City adopted a licensing model in the Code for utilities using the public right-of-way. Most utilities paid a percentage of their gross revenues earned within the City as a privilege tax. For utilities passing through the City they would pay a licensing fee privilege tax on a per foot basis with the amount set by resolution. There was a utility in this situation and the fee had not been set yet. He discussed the survey from the League of Oregon Cities that had been done in 2012 for comparison of the fee. Staff recommended \$3 per foot as the fee.

Councilor Essin asked if it would increase the amount of money the City would receive from PGE ? CA Stone said it would not apply to PGE because they serviced customers in the City. The one utility that would be affected was Astound/Wave Broadband. The income to the City would be \$26,364 in 2015. Wave had approached the City for a right-

of-way permit, installed the lines in the fall, and had expected to pay the fee. He had sent them a copy of the resolution but had not received any comments.

MOTION: Corey/Rourke moved to approve Resolution No. 2015-3178, A Resolution adopting a utility license application fee, a utility transmission line fee of \$3 (per foot fee), pursuant to Newberg Municipal Code § 12.05.370 (B), effective January 20, 2015. Motion carried (7 Yes/0 No).

PGE franchise agreement discussion: CA Stone said the historical model was for municipalities to grant franchises to utilities. That model worked if there was only one company, but now there was a lot more competition. The modern trend was to abandon the franchise model and adopt a licensing model that would treat all utilities equally and save staff time in renegotiating contracts. The Council adopted this model in 2008. Staff met with PGE last August to hear their request for a franchise, had analyzed it, and brought it before Council.

Wendy Veliz, PGE communications director, said they were involved in 2008 when the ordinance changing the model was adopted. PGE preferred a franchise agreement as it was a mutually agreed upon document for a set period of time, providing consistency and stability for customers. All of the surrounding cities still had franchises with PGE and they had been renewed in the last four to five years. She proposed a franchise agreement that complimented the City's right-of-way ordinance. PGE was not trying to impact the City's revenue, and the way they calculated gross revenue was consistent with the City's ordinance. Sheryl Kelsh, Chehalem Valley Chamber of Commerce, provided comments in support of PGE.

Councilor Rourke asked how the licensing model affected PGE negatively and how the franchise would help them. PGE staff attorney Barbara Halle gave examples of how not all the provisions in a right-of-way ordinance fit the electric utility model. They would have to get a waiver every time a project did not fit the provisions. Councilor Essin asked what the precise financial impact on the revenues the City received would be.

Ms. Halle thought there would be no impact as the definition of gross revenue was how they were currently operating. Ms. Veliz stated most cities had a franchise with PGE. The cities that did not have agreements were Sandy, Sherwood, Portland, and Gresham.

CA Stone clarified that franchise agreements could be entered into but that the ordinance the Council drafted was a public interest test. He agreed with PGE on the difficulty of getting waivers for every project. They were asking to enter into a contract that mirrored what was already in the ordinance and he questioned the necessity of a franchise. The City still had franchises that had not yet expired, and PGE was the first one that expired after the new code adoption. He was asking for feedback from Council on direction to take. He preferred the City have the flexibility to address concerns as they came up, and not be locked into a long term agreement.

CM Betz agreed with CA Stone. This was about policy that was set and she was cautioned elected officials not to adopt something because everyone else was doing it. They had to do what was best for the public interest in Newberg. She thought they could come to an agreement outside of a franchise. There was discussion on the difference between franchising and licensing agreements and how the choice of either model would affect the City's needs. CA Stone said the status of NW Natural Gas was they entered into an agreement with the City in 1996 for a term of 20 years. It would expire in February of 2016. If they had code provisions, but changed them for different utilities, he thought it would water down the code. If the Code was not working, then it would be incumbent on the Council to fix the Code.

Mayor Andrews asked if PGE could accept the approach of applying the ordinance, but making reasonable exceptions to it instead of doing a franchise agreement. Ms. Veliz said the challenge was getting the exception today, but the political environment could change and the exceptions could go away. The franchise agreement would clarify issues and concerns for operations especially in the gray areas specific to an electric utility. She thought the right-of-way ordinance came about to get telecommunications issues resolved and to get everyone up to par as far as revenue. Ms. Halle said it made sense to have provisions that addressed their particular operational requirements. She explained how they defined gross revenue as required by the PUC and how it was different from the broad definition in the right-of-way ordinance.

There was further discussion regarding the definition of gross revenue. The meeting was recessed for five minutes. Mayor Andrews asked how a franchise would be in the public's best interest. Ms. Veliz explained how a franchise would benefit PGE's customers, the citizens of this community, in consistency and certainty of service and operations. Councilor Bacon

thought a franchise agreement would better meet the needs for PGE, the City, and citizens. Councilor Rourke thought either way it would be a lot of work, to negotiate a franchise or an ordinance with many exceptions. He thought if they went with the ordinance, it would be like having a franchise agreement for a one-year term. Councilor Essin said they were trying to make it easier and streamline processes, and using an ordinance might cause confusion and make things longer to work out in the field.

Councilor Corey thought they should use a licensing agreement. They could handle the special requirements through a variance. Councilor Woodruff was in favor of the franchise agreement. Mayor Andrews said the past Council who made the decision about the licensing agreement recognized the validity of a franchise agreement, or they would not have included the language allowing a franchise. He was in support of a franchise.

MOTION: Bacon/McKinney moved to direct staff to negotiate a franchise agreement with PGE. Motion carried (6 Yes/1 No [Corey]).

COUNCIL BUSINESS:

Councilor Bacon complimented Sheryl Kelsh of the Chehalem Valley Chamber of Commerce for the first Truffle Festival with 600-800 in attendance.

The Council discussed the next steps for the Merchants Parking Lot that was presented earlier in the evening. They discussed whether to proceed with a maintenance project only or the full reconstruction and recon-figuration of the parking lot, funding it completely with existing funds or if portions of the project should be funded by an alternative source. There was further discussion regarding the timing of the project and starting the process for creating a Downtown Revitalization Plan and Transportation Growth Management Plan.

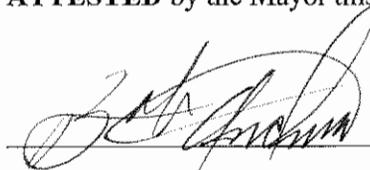
CM Betz would find out the lifespan of the maintenance, what would have to be redone when it was reconstructed, and how long they could wait before something was done to the parking lot. Council felt more questions needed to be answered before a decision was made.

ADJOURNMENT: The meeting adjourned at 10:02 p.m.

ADOPTED by the Newberg City Council this 17th day of February, 2015.


Sue Ryan, City Recorder

ATTESTED by the Mayor this 18 day of February, 2015.


Bob Andrews, Mayor