

**AGENDA**

**REGULAR CITY COUNCIL MEETING**

February 11, 2013

5:30 p.m.

CITY HALL COUNCIL CHAMBER  
313 COURT STREET  
THE DALLES, OREGON

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS
6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

7. CITY MANAGER REPORT
8. CITY ATTORNEY REPORT
9. CITY COUNCIL REPORTS
10. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be "pulled" from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda will be placed on the Agenda at the end of the "Action Items" section.

- A. Approval of January 28, 2013 Regular City Council Meeting Minutes

**CITY OF THE DALLES**

*"By working together, we will provide services that enhance the vitality of The Dalles"*

11. PUBLIC HEARINGS

A. Public Hearing to Receive Testimony Regarding Supplemental Budget for Fiscal Year 2012-13 [**Agenda Staff Report #13-016**]

1. Resolution No. 13-006 Authorizing Transfers of Funds Between Categories of Various Funds, Making Appropriations and Authorizing Expenditures for Fiscal Year Ending June 30, 2013
2. Resolution No. 13-007 Adopting a Supplemental Budget for Fiscal Year 2012-13, Making Appropriations and Authorizing Expenditures From and Within the Capital Projects Fund of the City of The Dalles Adopted Budget

12. DISCUSSION ITEMS

A. Discussion Regarding Proposed Changes to Infill Development Policies and Procedures [**Agenda Staff Report #13-017**]

13. ADJOURNMENT

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**This meeting conducted in a handicap accessible room.**

Prepared by/  
Julie Krueger, MMC  
City Clerk

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**CITY of THE DALLES**313 COURT STREET  
THE DALLES, OR 97058PH. (541) 296-5481  
FAX (541) 296-6906**AGENDA STAFF REPORT**  
**CITY OF THE DALLES**

<b>MEETING DATE</b>	<b>AGENDA LOCATION</b>	<b>AGENDA REPORT #</b>
February 11, 2013	Consent Agenda 10, A	N/A

**TO:** Honorable Mayor and City Council**FROM:** Julie Krueger, MMC, City Clerk**THRU:** Nolan K. Young, City Manager**DATE:** January 30, 2013

**ISSUE:** Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

A. **ITEM:** Approval of January 28, 2013 Regular City Council Meeting Minutes.

**BUDGET IMPLICATIONS:** None.

**SYNOPSIS:** The minutes of the January 28, 2013 regular City Council meeting have been prepared and are submitted for review and approval.

**RECOMMENDATION:** That City Council review and approve the minutes of the January 28, 2013 regular City Council meeting.

## MINUTES

REGULAR COUNCIL MEETING  
OF  
JANUARY 28, 2013  
5:30 P.M.  
THE DALLES CITY HALL  
313 COURT STREET  
THE DALLES, OREGON

**PRESIDING:** Mayor Steve Lawrence

**COUNCIL PRESENT:** Bill Dick, Carolyn Wood, Dan Spatz, Tim McGlothlin, Linda Miller

**COUNCIL ABSENT:** None

**STAFF PRESENT:** City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Public Works Director Dave Anderson, Administrative Fellow Garrett Chrostek, Engineer Dale McCabe, Finance Director Kate Mast, Police Chief Jay Waterbury, Transportation Manager Bill Barrier, Planning Director Dick Gassman

### CALL TO ORDER

Mayor Lawrence called the meeting to order at 5:30 p.m.

### ROLL CALL

Roll call was conducted by City Clerk Krueger; all Councilors present.

### PLEDGE OF ALLEGIANCE

Mayor Lawrence invited the audience to join in the Pledge of Allegiance.

### APPROVAL OF AGENDA

It was moved by Wood and seconded by Spatz to approve the agenda as presented. The motion carried unanimously.

## **PRESENTATIONS/PROCLAMATIONS**

### **Go Red Day Proclamation**

Mayor Lawrence read a proclamation, declaring February 1, 2013 as “Go Red for Women’s Heart Health Day”. The Proclamation was accepted by Linda Stahl who encouraged citizens to participate in at least one of the events planned throughout the week and asked people to wear red on Friday, February 1, to recognize the day.

## **AUDIENCE PARTICIPATION**

Russ Brown, The Dalles, asked the Council to consider spending Street Fund revenues on maintenance of City streets instead of spending the funds on rebuilding streets. He said the streets were deteriorated and the funds would go a long way to maintain streets compared to reconstructing just a few blocks of certain streets. Brown offered to take Councilors on a tour of some of the streets to show them his concerns.

City Manager Young said the City was in the process of planning a tour for City Council to look at the condition of streets in the City. He said it would most likely be done in April.

Barbara Pashek, 1332 West 10<sup>th</sup> Street, The Dalles, asked if The Dalles Dam tour shuttles were operational for the upcoming tour season. She said she had been told they were not operational.

City Manager Young said the tour season would be May through October. He said there had been problems with the shuttles, but the manufacturer had repaired them and they were ready for the upcoming season.

Pashek asked if the City owned the parks in town or if they belonged to the Parks and Recreation District.

City Manager Young said the City deeded the properties to the Parks and Recreation District and they would revert back to the City if they were no longer able to manage them. He said the Festival Park was still owned and operated by the City.

John Nelson, The Dalles, said he had gotten information from the Finance Director and was able to place a dollar value on the proposed wastewater rate increase. He provided a handout (attached as Exhibit “A”) and noted the total water and sewer bill for inside city limits would be approximately \$155.82 by the year 2022. Nelson urged the City Council to implement a review

process to look at the rates every two or three years to determine if the projections were still valid. He said it was important to provide as much information as possible to the public so people could understand the need for the increases.

### **CITY MANAGER REPORT**

City Manager Young reported the public Wi Fi expansion project was proceeding. He said staff was still working on leases, but the Discovery Center portion was completed. Young provided an update on the removal of an underground storage tank behind the Granada Theater. He said it had been found to have fuel and holes in it. Young said it was drained, some of the contamination removed, and reburied to be completed at the time of the development. He said it was very close to a sewer line, but during construction of the site, it would be easier to remove the rest of the tank. Young reminded the Council of Goal Setting on February 4, beginning at Noon.

### **CITY ATTORNEY REPORT**

City Attorney Parker reported he was working on an ordinance to bring all the City's franchises into a uniform ordinance. He said this issue would be coming to Council for consideration in the next two months. Parker said the contract to demolish the dangerous building on East 12<sup>th</sup> Street, would be coming to Council in February to be awarded. He said he was also working on an amendment to the Dog Control Ordinance to include a penalty for unlicensed dogs.

### **CITY COUNCIL REPORTS**

Councilor Wood reported her attendance at the QLife meeting. She said she was learning a lot about it. She said the Historic Landmarks Commission was discussing development of historical interpretive signs.

Councilor McGlothlin said most of the recent Traffic Safety Commission meeting was devoted to a parking complaint. He said projects were moving forward at the Airport and noted Jim Wilcox had been elected to serve as Chair for the Airport Board.

Councilor Dick said he had attended the QLife meeting, which had already been reported on.

Councilor Spatz said Insitu was building a 120,000 square foot building in Bingen. He said they were the largest employer in the Columbia Gorge.

Councilor Miller said the Urban Renewal Advisory Committee meeting had been cancelled in January.

Mayor Lawrence said he had met with a representative of Mid Columbia Economic Development District, introduced Senator Wyden at the recent town hall meeting, attended the Governor's Cutting Edge Seminar regarding green technology, and an Oregon State Bar meeting regarding legislative issues for veterans.

### **CONSENT AGENDA**

It was moved by Wood and seconded by Spatz to approve the Consent Agenda as presented. The motion carried unanimously.

Items approved by Consent Agenda were: 1) approval of January 14, 2013 regular City Council meeting minutes; 2) approval to declare Police Department equipment as surplus property; and 3) approval to declare Public Works Department vehicle as surplus property.

### **CONTRACT REVIEW BOARD ACTIONS**

#### **Award Contract for River Road Water Main Construction Project**

Engineer Dale McCabe reviewed the staff report.

It was moved by Wood and seconded by Miller to authorize the City Manager to enter into contract with Crestline Construction in an amount not to exceed \$230,287.00 for the River Road Water Main Construction Project. The motion carried unanimously.

#### **Award Contract for West First Street, Terminal Way, Bargeway Road Reconstruction Project, Phase 2**

Engineer McCabe reviewed the staff report. In response to a question, McCabe said the actual cost of the project was lower than the estimates and when the project was completed, assessments would be based on actual costs.

It was moved by Spatz and seconded by Wood to authorize the City Manager to enter into contract with Northwest Kodiak Construction for an amount not to exceed \$958,139.15. The motion carried unanimously.

Councilor McGlothlin said he had heard comments from several business owners who said they had appreciated the open discussions with staff regarding the projects.

MINUTES (Continued)  
Regular Council Meeting  
January 28, 2013  
Page 5

Authorization for Professional Services Engineering Contract to Design a Retaining Wall to Stabilize East Scenic Drive Roadway

Public Works Director Dave Anderson reviewed the staff report.

Councilor Dick asked if spending funds for this project would affect the future completion of the Thompson Street LID project. Public Works Director Anderson said when the Thompson Street project was postponed, the Surface Transportation Funds (STP) were used for the East 19<sup>th</sup> Street reconstruction project.

It was moved by Miller and seconded by Spatz to authorize the City Manager to enter into contract with Shannon and Wilson Inc. In an amount not to exceed \$58,776.87 for the final design of the East Scenic Drive stabilization retaining wall. The motion carried unanimously.

**ACTION ITEMS**

Special Ordinance Nol 13-553 Annexing Property at 3821 West Tenth Street and Three Port of The Dalles Properties

City Attorney Parker reviewed the staff report.

City Clerk Krueger read Special Ordinance No. 13-553 by title.

It was moved by McGlothlin and seconded by Dick to adopt Special Ordinance No. 13-553 annexing a parcel of property identified ad 3821 West Tenth Street and three parcels of property owned by the Port of The Dalles located in the urban growth boundary of the City pursuant to ORS 222.125, by title. The motion carried unanimously.

Resolution No. 13-003 Amending Resolution No. 06-028 Establishing Metered Water Rates and Sanitary Sewer Fees and System Development Charges for the City of The Dalles

Public Works Director Anderson reviewed the staff report.

It was moved by Wood and seconded by Spatz to adopt Resolution No. 13-003 amending Resolution No. 06-028 establishing metered water rates and sanitary sewer fees and system development charges for the City of The Dalles.

Councilor McGlothlin expressed concern that Phase III of the Plan did not address existing system deficiencies, but was to pay for new administrative buildings. Public Works Director Anderson said the administrative building was included in Phase II, but moving the structure

would also make room for future capacity. It was noted that \$1.2 million of Phase III was for construction of administration buildings.

McGlothlin said he did not support locking in rate increases for items that did not affect the health and safety of the community.

Councilor Wood said when the City Council approved the Plan, the proposed rate increase was the least painful option for rate payers and that the work needed to be completed. She said the Council would review the Plan periodically and have additional opportunities to make adjustments to it.

McGlothlin said he had heard a comment about use of urban renewal funds to help pay for the projects and said he would prefer to do that than to increase rates.

It was noted that the current reserve funds were included in the financing, which would help keep the rates lower. Public Works Director Anderson said if other funding was available in the future, the rates could be adjusted to reflect stimulus funding or grants.

Councilor Spatz said the City Council would have opportunities to review as each phase of the Plan was pursued and said the Council would have to approve any bond financing requests. He said the Plan was based on the existing urban growth boundary build out, not a future expansion of the urban growth boundary.

City Manager Young said staff would add the Budget Issue Papers to the City's website as additional public information regarding water and wastewater rates.

In response to a question, Public Works Director Anderson said the rate increase would support bond issuance for all the phases of the Plan. He said each phase was proposed to take three years; one year for all the design work of the projects and two years for construction.

Mayor Lawrence asked if alternative sources of revenue were found at a later time could be substituted for future rate increases or to pay off the bonds early. City Manager Young said early payments on bonds may or may not include penalties. He said it would depend on how they were established.

The motion to adopt Resolution No. 13-003 amending Resolution No. 06-028 establishing metered water rates and sanitary sewer fees and system development charges for the City of The Dalles was voted on and carried; McGlothlin and Miller voting no.

MINUTES (Continued)  
Regular Council Meeting  
January 28, 2013  
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**DISCUSSION ITEMS**

**Discussion Regarding Main Street Program Economic Improvement District**

Administrative Fellow Garrett Chrostek reviewed the staff report. He provided a handout of the Main Street EID Survey Results (attached as Exhibit "B"). Main Street Committee Member Chuck Covert noted the group had proposed a flat fee per property and reduced the time period from five to three years. He urged the City Council to schedule a public hearing regarding the proposed EID.

It was the consensus of City Council to direct staff to schedule a public hearing for March 11, 2013.

**ADJOURNMENT**

Being no further business, the meeting adjourned at 6:57 p.m.

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Submitted by/  
Julie Krueger, MMC  
City Clerk

SIGNED: \_\_\_\_\_

Stephen E. Lawrence, Mayor

ATTEST: \_\_\_\_\_

Julie Krueger, MMC, City Clerk

**Sewer Rate Increase Proposal  
Inside City Limits  
Comparison - Now and 2022**

	now	2022	difference
	monthly		
sewer	41.85	58.68	16.83
water	47.88	97.14	49.26 base rate
<b>Total</b>	<b>89.73</b>	<b>155.82</b>	<b>66.09</b>
	annually		
sewer	502.20	704.13	201.93
water	574.56	1165.66	591.10 base rate
<b>Total</b>	<b>1076.76</b>	<b>1869.79</b>	<b>793.03</b>

**Outside city limits**

	now	2022	difference
	monthly		
sewer	71.15	99.76	28.61
water	71.81	145.69	73.88
<b>Total</b>	<b>142.96</b>	<b>245.45</b>	<b>102.49</b>
	annually	2022	difference
sewer	853.80	1197.06	343.26
water	861.72	1748.24	886.52
<b>Total</b>	<b>1715.52</b>	<b>2945.30</b>	<b>1229.78</b>

## Main Street EID Survey Results

Number Responding: 159

1. I am a:
  - a. Downtown property owner 48 (30%)
  - b. Downtown business owner 27 (17%)
  - c. Someone who works downtown 13 (8%)
  - d. A business or property owner outside the downtown 31 (20%)
  - e. A concerned citizen 15 (9%)
  - f. No Response 25 (16%)
  
2. The downtown could benefit from coordination among property and business owners for such purposes and programs as marketing, events, building appearance, and business development and recruitment:
  - a. Strongly agree 56 (35%)
  - b. Agree 53 (33%)
  - c. Disagree 13 (8%)
  - d. Strongly disagree 8 (5%)
  - e. No Response 29 (18%)
  
3. I am familiar with the principles and purposes of The Dalles Main Street Program
  - a. Strongly agree 24 (15%)
  - b. Agree 67 (42%)
  - c. Disagree 25 (16%)
  - d. Strongly disagree 12 (8%)
  - e. No response 31 (20%)
  
4. I understand the differences between The Dalles Main Street Program and the Chamber of Commerce:
  - a. Strongly agree 32 (20%)
  - b. Agree 56 (35%)
  - c. Disagree 22 (14%)
  - d. Strongly disagree 15 (9%)
  - e. No response 34 (21%)
  
5. If fully formed, I would prefer that The Dalles Main Street focus its efforts on (please rank):
  - a. Downtown Marketing 3
  - b. Downtown Events 4
  - c. Downtown Beautification Projects 2
  - d. Business Recruitment 1
  - e. Market Analysis 5
  
6. A Main Street EID would impose assessments on property owners to pay for services provided by The Dalles Main Street. For those services, what structure of assessment do you prefer:
  - a. Square footage of the lot—flat rate per square foot 13 (8%)
  - b. Square footage of the lot—regressive rate as the lot gets larger 8 (5%)
  - c. A percentage of assessed value 18 (11%)
  - d. A base rate and a square footage 8 (5%)
  - e. Flat rate 39 (25%)
  - f. No response 73 (46%)
  
7. Regardless of the structure, I am comfortable with an assessment of up to \_\_\_\_\_ per tax lot for a Main Street EID.

\$0: 32, Average of Responses: \$146, High: \$2,000, No Response/Not Responsive: 89

8. If an EID is not formed, I would be willing to contribute financially to The Dalles Main Street.

- |    |             |          |
|----|-------------|----------|
| a. | Agree       | 48 (30%) |
| b. | Disagree    | 54 (34%) |
| c. | No Response | 57 (36%) |

9. Please provide any other comments you have about The Dalles Main Street or formation of an EID:

See the survey response sheets for full comments. The overwhelming majority of the 30 additional comments were from those that dislike the idea of an EID assessment or thought it would not be a good investment. Other comments focused on why only downtown properties were subject to the EID when others might benefit, why Main Street is needed when we have the Chamber, why it couldn't be done through membership/donations/urban renewal/City general funds, what is Main Street's budget/project list/goals, compensation/cost of the Main Street executive director, and the City's involvement (dominance/not contributing enough financially) in Main Street.



**CITY of THE DALLES**

313 COURT STREET  
THE DALLES, OREGON 97058

(541) 296-5481  
FAX (541) 296-6906

**AGENDA STAFF REPORT**  
**CITY OF THE DALLES**

<b>MEETING DATE</b>	<b>AGENDA LOCATION</b>	<b>AGENDA REPORT #</b>
February 11, 2013	Public Hearings 11, A	13-016

**TO:** Honorable Mayor and City Council

**FROM:** Kate Mast, Finance Director

**THRU:** Nolan K. Young, City Manager *NKY*

**DATE:** January 30, 2013

**ISSUE:** Public Hearing to receive testimony regarding Fund 037 Supplemental Budget, and Resolution No. 13-007 Adopting a Supplemental Budget for Fiscal Year 2012/2013, Making Appropriations and Authorizing Expenditures from and within the Capital Projects Fund 037 of the City of The Dalles Adopted Budget and adoption of Resolution No. 13-006 Authorizing Transfers of Funds Between Categories of Various Funds, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2013.

**BACKGROUND:** Oregon Budget Law recognizes that after the beginning of the fiscal year, changes in appropriations in the budget sometimes become necessary and so allows for those changes via budget amendments and supplemental budgets. Supplemental budgets are required when allocations are required for new resources that increase or decrease the total amount of the budget. Budget amendments are required when already allocated amounts are moved from one category to another within a fund.

The budget changes being proposed for City Council consideration at the February 11, 2013 meeting require a combination of both processes, and each process requires a separate resolution.

A Public Hearing is required for any supplemental budget that changes a fund by more than 10%. In this case, changes proposed to the Capital Projects Fund (037) do exceed the 10% limit, so a

Public Hearing scheduled for this meeting and the required notice will be published in the Sunday, February 3, 2013, issue of The Dalles Chronicle.

All of the proposed changes are to fund various portions of the 1<sup>st</sup> Street LID Project. There is already \$235,205 in the line item for this project, so the addition of \$800,000, will bring the available funds for this project to \$1,035,205. This amount includes funds for change orders during the project. We will not transfer funds that are not actually needed for this project, but want to be prepared to cover any change orders that may be necessary.

The proposed budget changes are as follows:

**Transportation System Reserve Fund (013):** A transfer to the Capital Projects Fund is needed from this fund in the amount of \$110,000. The funds being used are from Transportation SDCs and will be used for the center turn lane and Riverfront Trail construction portion of the project. A Budget Amendment is needed to reallocate funds from the Capital Outlay category to the Interfund Transfer Category. This change is reflected in the proposed Budget Amendment Resolution No. 13-006 .

**Special Assessments Fund (036):** A transfer to the Capital Projects Fund is needed from this fund in the amount of \$560,000. The funds being used are from assessments collected and reserved for LIDs and will be used for the remaining balance of the project. A Budget Amendment is needed to reallocate funds from the Capital Outlay category to the Interfund Transfer Category. This change is reflected in the proposed Budget Amendment Resolution No. 13-006 .

**Water Capital Reserve Fund (053):** A transfer to the Capital Projects Fund is needed from this fund in the amount of \$10,000. The funds being used are from reserves (savings) for the water system and will be used for the water line relocation portion of the project. A Budget Amendment is needed to reallocate funds from the Materials & Services category to the Interfund Transfer Category. This change is reflected in the proposed Budget Amendment Resolution No. 13-006 .

**Sewer Special Reserve Fund (056):** A transfer to the Capital Projects Fund is needed from this fund in the amount of \$120,000. The funds being used are from reserves (savings) for the stormwater system and will be used to pay stormwater assessment credits and the cost of the concrete cap on the existing storm line. A Budget Amendment is needed to reallocate funds from the Capital Outlay category to the Interfund Transfer Category. This change is reflected in the proposed Budget Amendment Resolution No. 13-006 .

**Capital Projects Fund (037):** The proposed change is to recognize the new interfund transfers from the four funds described above as revenue in this fund, and then to allocate the total \$800,000 to the Capital Outlay category. The funds will be allocated to the 1<sup>st</sup> Street LID project. This change is reflected in the proposed Supplemental Budget Resolution No. 13-007.

**BUDGET IMPLICATIONS:** The proposed changes would result in an increase in the total Capital Projects Fund Budget of \$800,000, bringing the total budget for that fund to \$1,468,179 for FY12/13.

**ALTERNATIVES:**

1. **Staff Recommendation:** *Move to adopt Resolution No. 13-006 Authorizing Transfers of Funds Between Categories of Various Funds, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2013;*

**AND**

2. *Move to adopt Resolution No. 13-007 Adopting a Supplemental Budget for Fiscal Year 2012/2013, Making Appropriations and Authorizing Expenditures From and Within the Capital Projects Fund 037 of the City of The Dalles Adopted Budget.*
- B. Council could chose to not adopt these budget changes, which would result in the delay of the 1<sup>st</sup> Street LID Phase 2 project. Over expenditures of some categories may occur, which would result in violations of Oregon Budget Law.

**RESOLUTION NO. 13-006**

**A RESOLUTION AUTHORIZING TRANSFERS OF FUNDS BETWEEN CATEGORIES OF VARIOUS FUNDS, MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

**WHEREAS**, during the budget year certain funds may experience expenditures above approved category limits; and

**WHEREAS**, Oregon Budget Law recognizes these events and allows for transferring of funds between approved category limits; and

**WHEREAS**, some reallocation of resources is necessary to provide for transfers from various funds to the Capital Projects Fund 037 in order to provide for the 1<sup>st</sup> Street LID – Phase 2 project that was not previously included in the FY12/13 Budget; and

**WHEREAS**, budget amendment within those various funds are necessary to accomplish those transfers within the FY12/13 Budget;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:**

**Section 1. Authorizing Budget Transfers.** The City Council hereby authorizes the following transfers of funds between budgeted departments and/or categories:

<b><u>FUND OR DEPT.</u></b>	<b><u>BUDGETED</u></b>	<b><u>RESOURCES NEEDED</u></b>	<b><u>REALLOCATED</u></b>
<b><u>TRANSPORTATION SYSTEM RESERVE FUND (013)</u></b>			
from Capital Outlay	\$ 1,219,342	\$ 1,109,342	- \$ 110,000
to Interfund Transfers	\$ 0	\$ 110,000	+\$ 110,000
<b><u>SPECIAL ASSESSMENTS FUND (036)</u></b>			
from Capital Outlay	\$ 601,491	\$ 41,491	- \$ 560,000
to Interfund Transfers	\$ 114,419	\$ 674,419	+\$ 560,000
<b><u>WATER CAPITAL RESERVE FUND (053)</u></b>			
from Capital Outlay	\$ 966,626	\$ 956,626	- \$ 10,000
to Interfund Transfers	\$ 601,124	\$ 611,124	+\$ 10,000
<b><u>SEWER SPECIAL RESERVE FUND (056)</u></b>			
from Capital Outlay	\$ 1,927,562	\$ 1,807,562	- \$ 120,000
to Interfund Transfers	\$ 7,087	\$ 127,087	+\$ 120,000

**Section 2. Effective Date.** This Resolution shall become effective upon adoption by the City Council and shall remain in effect until receipt and acceptance of the FY12/13 audit report.

**PASSED AND ADOPTED THIS 11<sup>th</sup> DAY OF FEBRUARY, 2013**

Voting Yes, Councilors: \_\_\_\_\_  
Voting No, Councilors: \_\_\_\_\_  
Absent, Councilors: \_\_\_\_\_  
Abstaining, Councilors: \_\_\_\_\_

**AND APPROVED BY THE MAYOR THIS 11th DAY OF FEBRUARY, 2013**

SIGNED:

ATTEST:

\_\_\_\_\_  
Stephen E. Lawrence, Mayor

\_\_\_\_\_  
Julie Krueger, MMC, City Clerk

**RESOLUTION NO. 13-007**

**A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET FOR FISCAL YEAR 2012/2013, MAKING APPROPRIATIONS AND AUTHORIZING EXPENDITURES FROM AND WITHIN THE CAPITAL PROJECTS FUND 037 OF THE CITY OF THE DALLES ADOPTED BUDGET**

**WHEREAS**, the City’s Capital Projects Fund 037 wishes to receive interfund transfers from the Transportation System Reserve Fund 013, the Special Assessment Fund 036, the Water Capital Reserve Fund 053, and the Sewer Special Reserve Fund 056, in order to fund the 1<sup>st</sup> Street LID Phase 2 Project; and

**WHEREAS**, a supplemental budget is required in order for the City to allocate and expend those funds in FY12/13; and

**WHEREAS**, a public hearing is required by Oregon Budget Law only for those funds which propose expenditure increases that exceed ten percent (10%) of the receiving funds; and the amount of this supplemental budget in the Capital Projects Fund 037 does require a Public Hearing; and

**WHEREAS**, the required public notice was published on Sunday, February 3, 2013, and the required public hearing was held before the City Council on Monday, February 11, 2013 for the Capital Projects Fund as the proposed expenditure increases exceeded ten percent (10%);

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:**

Section 1. The City Council hereby adopts the following Supplemental Budget for FY12/13, increasing revenues and makes appropriations as shown below.

<b>Summary of Supplemental Budget – Line Item Detail</b>				
<b>Fund</b>	<b>Resource</b>	<b>Amount</b>	<b>Requirement</b>	<b>Amount</b>
Capital Projects Fund 037	Interfund Transfer from Transportation System Reserve Fund 013	110,000	Capital Outlay Category – 1 <sup>st</sup> Street LID – Phase 2	align="right">800,000
	Interfund Transfer from Special Assessment Fund 036	560,000		
	Interfund Transfer from Water Capital Reserve Fund 053	10,000		
	Interfund Transfer from Sewer Special Reserve Fund 056	120,000		

	<b>Total New Resources</b>	<b>800,000</b>	<b>Total New Requirements</b>	<b>800,000</b>
	<b>New Total Capital Outlay Category</b>			<b>1,348,182</b>
	<b>New Total All Fund 037 Resources</b>	<b>1,468,179</b>	<b>New Total All Fund 037 Expenditures</b>	<b>1,468,179</b>

Section 2. This Resolution shall become effective upon adoption by the City Council and shall remain in effect until receipt and acceptance of the FY12/13 audit report.

**PASSED AND ADOPTED THIS 11th DAY OF FEBRUARY, 2013**

Voting Yes, Councilors: \_\_\_\_\_  
Voting No, Councilors: \_\_\_\_\_  
Absent, Councilors: \_\_\_\_\_  
Abstaining, Councilors: \_\_\_\_\_

**AND APPROVED BY THE MAYOR THIS 11th DAY OF FEBRUARY, 2013**

SIGNED:

ATTEST:

\_\_\_\_\_  
Stephen E. Lawrence, Mayor

\_\_\_\_\_  
Julie Krueger, MMC, City Clerk



**CITY of THE DALLES**  
313 COURT STREET  
THE DALLES, OREGON 97058

(541) 296-5481  
FAX (541) 296-6906

## **AGENDA STAFF REPORT**

### **CITY OF THE DALLES**

<b>MEETING DATE</b>	<b>AGENDA LOCATION</b>	<b>AGENDA REPORT #</b>
February 11, 2013	Discussion Items 12, A	13-017

**TO:** Honorable Mayor and City Council  
**FROM:** Garrett Chrostek, Administrative Fellow  
**THRU:** Nolan K. Young, City Manager *ny*  
**DATE:** January 30, 2013

**ISSUE:** Discussion of Proposed Changes to Infill Development Policies and Procedures.

**BACKGROUND:** Under existing City policy, property owners are responsible for bringing streets up to City standards. This policy is consistent with every other community Staff is familiar with. Once a street meets City standards, the City takes responsibility for street maintenance—whereas under-developed streets, those not meeting City standards, receive only minimal maintenance as such repairs are generally inefficient. There are several miles of sub-standard streets in The Dalles that will eventually need to come up to City standards.<sup>1</sup>

Historically, property owners engaging in partitions (creation of up to three lots) and construction of a new residential dwelling within existing neighborhoods containing under-developed streets (collectively referred to as “residential infill development”) satisfied their street obligations through non-remonstrance agreements. Non-remonstrance agreements function as an automatic yes vote for an LID. Yet, two problems arose with the City’s use of non-remonstrance agreements; (1) some agreements were not readily discoverable by subsequent

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<sup>1</sup>It should be noted that residential infill development is a matter of addressing residual under developed streets as current City policy requires full street improvements for newly constructed streets within city limits and those streets that come into the City through annexations.

buyers creating issues of surprise (the electronic lien docket has helped with this issue) and (2) resistance by some property owners subject to non-remonstrance agreements resulted in delays to LID formation even though there were sufficient “yes” votes. This was particularly true among property owners that assumed their non-remonstrance agreement from the previous owner.

In response to public opposition to the non-remonstrance agreement, Council appointed an LID Task Force in 2007. After studying the issue, the Task Force made three recommendations pertinent to tonight’s discussion; (1) eliminate use of the non-remonstrance agreement, (2) allow property owners to defer their LID assessment obligations until sale of the property, and (3) set a uniform rate for street improvements and offer multi-frontage relief.

The recommendations of the Task Force gave rise to the City’s current policies and procedures for residential infill development. Currently, non-remonstrance agreements are proscribed by City ordinance for all forms of residential planning actions. Instead, property owners engaging in residential infill development must fulfill their street improvement obligations at the time of development application approval. To satisfy their obligation, the property owner can either install the improvements themselves if there is an approved design in place or make a pre-payment into an LID fund. The pre-payment is determined by multiplying the frontage of the lot by the uniform rate in place at the time of payment, with multi-frontage relief, for the entire frontage of the original lot. Once a property owner pre-pays (or installs the improvements themselves), that property becomes “free and clear” of future street LID assessments even if the future LID assessment is more than the amount of pre-payment. This approach eliminated the surprise to future owners caused by the non-remonstrance agreement and was designed to facilitate formation of LIDs by providing an incentive for pre-payment. However, the policy required a large upfront expenditure to execute a simple partition, creating the present barrier to residential infill development.

The past two work sessions have focused on the issue of how and when property owners engaging in residential infill development satisfy their street improvements obligations. The major tension in addressing residential infill development is balancing the protections afforded future buyers versus the burden placed on current property owners pursuing infill development versus the City’s interest in ensuring needed improvements are installed in an orderly fashion.

At the last work session, there was apparent agreement among the Council that for **partitions**, the obligation for street improvements should attach to the entire original frontage at the time of partition approval. If the landowner elects to make a payment in lieu of installing improvements, the property owner would have the option of making payment at either (1) time of approval, (2) any time between options 1 and 3, or (3) upon the first occurrence of either building permit approval (additional dwelling unit approval if the lot contains an existing residence) or formation of an LID. The payment would be limited to the property affected and not the full original frontage. If the landowner elects to defer payment through options (2) or (3), they would be required to execute a non-remonstrance agreement at the time of application approval that could be redeemed by pre-paying or satisfying their LID assessment. For **new constructions and construction of an additional dwelling unit**, the obligation for street improvements would attach and payment would be due at the time of permit approval. Under no circumstance would there be an attachment of street improvement obligations for devising, inheriting, or selling

property and such activities would not trigger a payment due. However, any existing obligation would remain attached to the property.

Staff developed proposed changes to the Land Use and Development Ordinance (attached) that reflects this approach to residential infill development for Council's preliminary review.

**ALTERNATIVES:**

1. Direct Staff to bring the proposed changes in an ordinance form to a future Council meeting as an Action Item.
2. Direct Staff to amend the proposed changes and bring them in an ordinance form to a future Council meeting as an Action Item.
3. Set a date for another discussion item or work session to further discuss residential infill development.
4. Direct staff to continue the current approach to residential infill development.

**STAFF RECCOMENDATION:** Staff recommends Alternative Two. Specifically, Staff recommends adding sale of the property as a trigger for a payment due.

Sale of the property is recommended as a trigger to a payment due because Staff is reluctant to rely so heavily on non-remonstrance agreements. The City's past experiences with non-remonstrance agreements revealed that future buyers generally do not understand their obligations under a non-remonstrance agreement, have difficulty accounting for the agreement when making real estate purchasing decisions, and do not tend to consult Staff prior to assuming a non-remonstrance agreement. This holds true even among commercial property owners. Further, the cost of the obligations inherited by the future property owner under a non-remonstrance agreement is not the only issue. Property owners also feel disenfranchised on account of their inability to vote on the timing of the LID—particularly after they've just purchased a new property. For these reasons, non-remonstrance agreements have not increased the predictability of an LID, which can lead to wasted Staff time when LIDs are delayed.

Staff would prefer that property owners satisfy their obligations prior to formation of an LID and prior to a new owner acquiring the property. Such a policy eliminates most of the problematic aspects of the non-remonstrance agreement, promotes formation of LIDs as property owners are financially invested in improvements, and can lead to some cost savings for the City in financing the improvements. Therefore, Staff recommends including sale of the property as a trigger for payment. With sale of the property as a trigger, only the property owner entering the non-remonstrance agreement is subject to that agreement and the property owner retains the advantage of avoiding a large upfront outlay as the street improvement obligation can be satisfied through proceeds from the sale.

Current Proposed Changes	Partition of vacant land	Partition of land with existing structure	New Construction or Addition of Dwelling Unit	Devising/ Inheriting/ Sale of Property
Attachment (frontage of whole original lot)	Upon approval for a partition	Upon approval for a partition	Upon approval for a building permit	No attachment
Payment Due (frontage of lot affected)	Property owner's option: (1) At time of development approval, (2) Anytime between options (1) and (3), <b>or</b> (3) At the <i>first occurrence</i> of either: (a) Building permit approval, <b>or</b> (b) LID formation (cannot remonstrate)	Property owner's option: (1) At time of development approval, (2) Anytime between options (1) and (3), <b>or</b> (3) At the <i>first occurrence</i> of either: (a) Additional dwelling unit permit approval, <b>or</b> (b) LID formation, (cannot remonstrate)	Time of development approval	No payment obligation, unless an obligation attached prior to transfer

Staff Recommend.	Partition of vacant land	Partition of land with existing structure	New Construction or Addition of Dwelling Unit	Devising/ Inheriting/ Sale of Property
Attachment (frontage of whole original lot)	Upon approval for a partition	Upon approval for a partition	Upon approval for a building permit	No attachment
Payment Due (frontage of lot affected)	Property owner's option: (1) At time of development approval, (2) Anytime between options (1) and (3), <b>or</b> (3) At the <i>first occurrence</i> of either: (a) Building permit approval, <b>or</b> (b) Sale of property, <b>or</b> (c) LID formation (cannot remonstrate)	Property owner's option: (1) At time of development approval, (2) Anytime between options (1) and (3), <b>or</b> (3) At the <i>first occurrence</i> of either: (a) Additional dwelling unit permit approval, <b>or</b> (b) Sale of property, <b>or</b> (c) LID formation, (cannot remonstrate)	Time of development approval	No payment obligation, unless an obligation attached prior to transfer

PROPOSED ORDINANCE REVISIONS  
FOR RESIDENTIAL INFILL POLICY

Section 6.110

**WAIVER OF RIGHT TO REMONSTRATE**

(A) Application for Residential Dwelling Unit(s) and Certain Planning Actions Not Including a Partition Involving Residential Development

Effective February 12, 2007, an applicant who submits a request for a single family dwelling building permit or a single family accessory structure will not be required to execute a waiver of remonstrance agreement for the formation of a local improvement district. Waivers of remonstrance shall be required for planning actions and for other building permit applications if the proposed development would increase any traffic flow on any street not fully improved to City standards. Waiver of remonstrance agreements executed prior to February 12, 2007, shall be processed under the provisions of Resolution No. 07-007, establishing an implementation policy for the City Council for local improvement districts under General Ordinance No. 91-1127.

In the event the Director has determined, pursuant to a review of the applicable criteria set forth in Section 3 of Resolution No. 07-007, that installation of full street improvements (including paving, curb, gutter, sidewalk, sanitary sewer, water, and where applicable, storm sewer), is not required at the time of development, the applicant submitting the request for the building permit for a new residential unit or units, or for a planning action, shall pay the amount established by the City annually on a front footage basis, into the City's local improvement fund, subject to any provision for multi-frontage lot relief.

(B) Application for Partition Involving Residential Development

In the case of an application for a partition of a vacant parcel of property, or a partition of a parcel of property upon which an existing residential structure exists, under the provisions of Section 9.030, when the applicant has not paid for the cost of applicable street improvements (including paving, curb, gutter, sidewalk, sanitary sewer, water, and where applicable, storm sewer) under the options described in Section 9.030.050(B)(2)(b)(1)(a) and (b), in the event the City adopts a resolution declaring an intent to form a local improvement district ("LID") to construct the required improvements, which LID includes the property subject to the partition application, for the purpose of determining whether there are sufficient remonstrances to suspend the formation of the proposed LID, the owner(s) of the subject property at the time of consideration of the resolution declaring the intent to form the LID, shall not be entitled to remonstrate against the proposed LID, pursuant to the waiver of remonstrance executed under Section 9.030.050(B)(2)(b).

## **9.030.050 Final Partition Plat Review**

### **B. Review of Final Partition Application**

2. ~~Any required improvements not completed shall be subject to the Agreement for Improvements provisions in *Section 9.040.050(H): Installation of Required Improvements.*~~
  
2. (a) For a partition of property which does not result in the creation of a residential dwelling, any required street improvements (including paving, curb, gutter, sidewalk, sanitary sewer, water, and where applicable, storm sewer) shall be subject to the Agreement for Improvement provisions in *Section 9.040.060(H): Installation of Required Improvements.*
  
- (b) For a partition of a vacant parcel of property which is zoned for residential development, or a partition of a parcel upon which an existing residential structure is located, the applicant shall be responsible for the costs of installation of any required street improvements as described above in subsection (a), for the full frontage of the parcel which is being partitioned. The obligation to pay for the costs of these required street improvements attaches as of the date when the final partition plat is recorded. Prior to approval of the final plat, the applicant shall have executed a waiver of remonstrance for the required street improvements, which waiver shall reflect the costs of the improvements for the entire frontage of the parcel which is the subject of the partition.
  - (1) The applicant for the partition shall have three options for the payment of the cost of the required street improvements, which are listed below:
    - (a) Pay the costs of the improvements as of the date the final partition plat is recorded.
    - (b) Pay the costs of the improvements at any time between the occurrence of the events described in subsections (a) and (c).
    - (c) Pay the costs of the required street improvements upon the first occurrence of either the following events:
      - (1) In the case of the partition of a vacant parcel, issuance of a building permit for construction of a residential dwelling unit; and in the case of the partition of a parcel with an existing residential structure, issuance of a building permit for an additional residential dwelling unit.

- 2) Adoption by the City Council of a resolution announcing the intention to proceed with the formation of a local improvement district (“LID”) for the construction of the required street improvements, which LID includes the parcel upon which was the subject of the partition application.

C. Final Plat Approval. Prior to final approval, the City shall be assured that:

1. For a partition application which does not result in the creation of a residential dwelling unit, the applicant has installed, agreed to install for nonresidential development, or has gained approval to form an improvement district for installation of required improvements in accordance with the provisions of *Chapter 10: Improvements Required with Development*. Improvements that may be required include street, street lights or other signals, sanitary sewer, storm drainage, water, pedestrian way and bikeway improvements, electrical power, natural gas, cable television, telephone service, and other improvements required with the partition application.
2. For a partition of a vacant parcel which is zoned for residential development, or a partition of a parcel of property upon which an existing residential structure is located, the applicant’s responsibility for the costs of installing required street improvements shall occur in accordance with the provisions of Section 9.030.050(B)(2).

Note: The current subsections (C)(2) through )(5) would be renumbered (3) through (6).