

JOINT WORK SESSION  
of  
LINN COUNTY COMMISSIONERS  
and  
CITY COUNCIL

Willamette Room  
Monday, June 23, 2008  
4:00 p.m.

MINUTES

CALL TO ORDER

Mayor Dan Bedore called the meeting to order at 4:00 p.m.

ROLL CALL

Councilors present: Councilors Ralph Reid Jr., Floyd Collins, Bessie Johnson, Dick Olsen, and Sharon Konopa

Linn County staff present: Commissioners John Lindsey, Roger Nyquist, and Cliff Wooten and County Administrative Officer Ralph Wyatt

Absent: Councilor Jeff Christman

PLEDGE OF ALLEGIENCE

INTRODUCTIONS

Linn County Commissioner Chair Roger Nyquist introduced Commissioners John Lindsey, and Cliff Wooten and County Administrative Officer Ralph Wyatt.

Bedore introduced himself. Councilors Ralph Reid Jr., Floyd Collins, Bessie Johnson, Dick Olsen, and Sharon Konopa introduced themselves.

BUSINESS FROM THE PUBLIC

There was no business from the public.

REPORTS

Bedore said that this meeting is an opportunity for the Commissioners and the Council to update each other on items of mutual interest.

*Stockley Van Camp- Pepsi (SVC)*

City Manager Wes Hare thanked Linn County for being a partner in this project. He said the City has a contract with SVC to build a plant in our community which will provide a minimum of 200 family wage jobs. The City's obligation is to build the infrastructure necessary to accommodate the plant. After the contract was signed SVC asked for a delay due to a change in market conditions. An extension was granted with the condition of a \$710,000 annual payment for each year of delay as well as a \$200,000 one-time fee for expenses. In the meantime the City has had legal battles with property owner Larry Epping over the urban renewal district and with Workers For a Livable Oregon over union issues. Hare said that tomorrow staff is meeting with these two parties to see if mediation can resolve the differences peacefully and less expensively. Regardless of the result, the City still has a contract with SVC to proceed. It is not a question of if we will complete our end of the contract, but a question of how. The design for the infrastructure is essentially complete and the City is proceeding with condemnation for properties necessary for roadway construction. We should be building the infrastructure next year. We want to be in a position to fill our end of the contract at the same time that SVC is ready to fill theirs. Gatorade reported a six percent gain in sales, which is encouraging.

Hare said the Pepsi CEO was interviewed in the the *Costco Connection*, June 2008, Volume 23 Number 6, in an article titled "Performance with a Purpose". The CEO has been pushing PepsiCo to be an international leader in environmental issues. Hare said staff saw this value play out in negotiations because they refused to compromise on methods of waste disposal. PepsiCo is also striving for Platinum LEEDS Certification, which is the highest certification possible. Hare said this is the first time he has heard of a plant of their size pursuing this certification. By 2010 PepsiCo will be working towards a higher degree of healthier products.

Nyquist said Linn County's attorney will attend the meeting tomorrow. They are committed to addressing the issue remanded back from the Land Use Board of Appeals (LUBA), should it come to that. He thinks they can do it in a fairly timely manner. With the 8-12 percent downturn in the housing market over last year, the jobs the SVC facility would create are important to Linn County. Nyquist said, we are committed to doing whatever it takes. He was concerned when SVC decided to locate here because of the transportation costs and it likely has increased with the price of fuel. He is advocating for submission of the Connect Oregon 3 Project. The legislature will likely

come out with more funding packages. We need to do what we can to get rail access, not just for PepsiCo but for other industries as well. Nyquist thanked Reid for his work on transportation issues and for advocating for the left hand turn on Queen Avenue and Springhill Road/North Albany Road.

Hare said that City staff meets each Wednesday to discuss the progress of the SVC project. They take it very seriously and try to analyze each obstacle as it arises.

Nyquist asked, what happens if in 2010 SVC decides the market does not allow them to build at all? City Attorney Jim Delapoer said that practically, they will come back and ask for an additional extension. Their first request turned out to be a blessing because it has given the City more time to work through the appeals and if we had not had that extra time, the City would be hard pressed to meet our infrastructure deadlines. Delapoer said if they do not build, then we would negotiate mutually satisfying terms. The contract addresses what they owe in terms of revenues if they do not build. However, we are not aware of anytime SVC reneged on local governments. He thinks it would be difficult for their future plant development if they do not fulfill the promises they made to Albany. Delapoer said, we think we are as well protected as we can be.

Delapoer said, even though we will be in mediation tomorrow, nothing will be signed without Council approval. Ironically, Delapoer explained, all parties involved have the same interest; everyone wants industrial development and urban renewal, but the details of how to make it happen will need to be worked out.

Collins asked, is PepsicCo proceeding with the wetlands mitigation? Hare said yes; they were here a few weeks ago to finalize that transaction.

#### *Impact of loss of timber receipts*

Nyquist referred to an article in *The Oregonian* which reported a loss of \$3 million to the General Fund for timber receipts. Linn County went through the process of tightening their budget in anticipation of lost timber receipts a year ago and as a result cut road department positions, but then the money actually did come through. This time it appears the money will not come through at all. The process is dysfunctional. Department Heads are preparing budgets with eight percent reductions and a ten percent reduction in the General Fund. Nyquist said, we have known of the revenue loss for some time so we think we can manage this year and it should not have catastrophic impact on any services. The Senate has not yet voted on the House bill, but the House and the Administration have agreed on the bill. They are at a point where if they don't get funding, it negatively impacts the military. It is not likely the Senate will change the House version.

Lindsey said the Senate has approved the bill a couple of times but when it goes to the House, it changes. A couple of committee chairs are opposed to timber receipts. This is the last emergency funding package. There is another that will be voted on by the end of the summer, but it is not a package.

Nyquist said it will impact Linn County's relationship with the City in terms of road maintenance.

Collins asked, what would revenues be if the National Forest land was converted back to private ownership? Discussion followed.

Lindsey explained the payment-in-lieu-of tax scheme. This year it was \$90,000, which was an all-time record high. It is time for the federal government to pay taxes.

Reid commended Linn County for their past budgeting of the monies and for providing services they currently have on a continuing basis.

Nyquist said they have eliminated 14 jobs at the Road Department through vacant positions, and there maybe nine more jobs to go. But most of what they do is overlay and asphalt which may not make up the \$7 million.

Olsen asked, how much asphalt does the county lay? Linn County Commissioner Ralph Wyatt said, probably \$1-2 million in overlay and new construction. The amount they can complete this year will be less because of the increased price of oil. The Road Department is aimed at maintenance and repair; most of the overlay is contract work.

#### *Regional transportation issues*

Nyquist said he and Reid are on the Council West Area Commission on Transportation. He thinks they have been successful in making sure the expansion of I-5 and improved interchanges in Benton, Linn, and Lincoln Counties are a priorities. We need to have a plan completed so Representative Peter DeFazio has a project to promote. The route from the river to Highway 34 and the interchanges was \$120-125 million 2-3 years ago; it is probably more now. Albany is challenged with southbound I-5 exits.

Olsen asked, how much did Linn County pay to make the freeway three lanes wide? Nyquist said he thinks they paid \$1 million so far. It is a federal highway so it is federally funded. By the time transportation packages get to Washington DC for consideration, whether we have local money or not doesn't seem to matter – what matters is who has collected the right political chips at the right time.

Nyquist asked, does the City have any regional transportation issues on the radar that Linn County should know about? Bedore said, we are looking for a better coordination of mass transit to areas such as Lebanon to Philomath. Reid said a bus is on order now which will operate with the existing Linn-Benton Loop to provide transportation into the City of Lebanon and to provide more frequent trips into Albany and Corvallis.

Lindsey left the meeting at 4:40 p.m.

Nyquist asked, can a brokerage be used? Reid said no; we can only do medical transportation through a brokerage. They are trying to get Department of Human Services and ODOT to work together on transportation funding for the developmentally disabled. They have also been discussing transportation into Lebanon and Corvallis with Good Samaritan Hospital.

Reid said, we are operating an inner-city bus system as individuals - not as a district. We work under intergovernmental agreements (IGAs) and participate financially. Usually transit is funded by property tax. Hare said in Eugene, payroll taxes fund transit. He thinks Albany is rare because we use our state sharing revenues to support transit. Others have districts or do not have service at all.

Johnson asked, what is the status of the bike path between Lebanon and Albany? Given the increase in fuel, she thinks people may start using their bikes. Nyquist said building a bike path is almost as expensive as building a road. Halsey built a bike path for \$400,000-500,000, and it can't be more than five miles long. Hare said Albany is working with Corvallis and Benton County on the engineering aspect of a bike path to run alongside the railroad. The engineering piece is being paid for with a state grant.

#### *Health Care Availability*

Nyquist said Linn County has been assessing medical health in Albany. Doctors are not accepting new patients, so new Albany residents are being referred to Corvallis or Lebanon. It has been this way for years now. Nyquist thinks this will have a huge impact 10-20 years out. This phenomenon is happening in other cities as well. Konopa said she too has heard complaints.

#### *Home on Del Rio*

Nyquist said the most important thing we accomplished is to show that local government cares about our neighborhoods and we stick up for our citizens. Shangri-La is remodeling and upgrading the Del Rio house. The neighbors have asked for all the terms in writing. The neighbors are not satisfied yet so the remodel dollars are not being passed to Shangri-La. This all needs to be resolved in the next few weeks or we will have to operate with state oversight instead of Linn County oversight. Nyquist's observation is that that the industry could use some motivation to improve their business practices. Linn County will participate when a legislative package comes forward. We have had the only success in the state to prevent forensic patients from locating here. The state master plans calls for a reduction of 30 percent in current facilities for these patients. They will build a facility in Junction City but part of that plan is to move folks back into the communities they came from as soon as they determine they are ready to be released. In other states they still have regional facilities, but Oregon doesn't have the capacity. Federal court decisions mandate that the patients must have the least intrusive amount of care. They do not differentiate between those who committed criminal acts and those who did not. There are more rural environments on the outskirts of the city that would be better for the patients and for their neighbors. He doesn't think the Del Rio site is going to be therapeutic because they will not be welcome there. Collins said that when he asked about the criteria for finding a location, officials told him that it was wherever they could find a house that was in walking distance to shopping. Nyquist said proximity to shopping is the reason they do not agree with the rural model.

Bedore said he toured a secure facility today in Woodburn. It is right at the city limits, is rural, zoned commercial, and needed a conditional use permit. They appear to have no issues with the neighbors. They had community meetings before locating and gained approval from the Planning Commission for a conditional use permit. Bedore talked to the staff and patients and it seems to be a very successful site. They are on a system of graduated privileges starting at zero and progressing to part time work, taking classes, and bike rides. They have limited mass transit in Woodburn but because the program is subsidized, they can call for a cab. Patients are tracked by a GPS and staff is sent out to verify they are where they say. If they have extended leave privileges, then they are drug tested. In the two years they have been running they have had no failures. Two patients were sent back to the hospital and some left voluntarily. Bedore supports the League of Oregon Cities' agenda to confer ahead of time and participate in locating appropriate sites. Discussion followed about how many beds warrants a conditional use permit or outright allowance. Bedore said he thought the Psychiatric Security Review Board seemed to be conservative in the privileges they allow. Nyquist pointed out that that could change as the number to institutions increases. Their goal is to stabilize medication and little by little, patients earn privileges which leads to more independence and eventually, freedom.

#### *Cats*

Nyquist thinks the City and Linn County are on the right track with the program they are participating in to allow an accelerated rate of spaying and neutering. It is already showing results. Konopa said her vet said the program seems to be making a positive impact, because they are seeing fewer cats being dumped.

Wooten said last year, they spayed/neutered about 1,000 cats and this year they plan to do the same. He thanked the City for their participation in the program.

*Parking in Downtown*

Bedore said the Central Albany Revitalization Agency (CARA) is discussing a parking structure and wondered if Linn County wants to participate. Wooten said they are still negotiating property for a parking lot but the negotiations are at a standstill. The property has three owners which complicates the matter. Discussion followed.

Nyquist said Linn County experiences parking shortages when there is a big trial or jury duty. Hare said parking structures are incredibly expensive and if CARA revenue is able to be used, it will still be several more years before construction. He sees no short-term solutions.

*Homelessness*

Nyquist said he and Konopa are co-chairing a committee that has a ten-year plan to reduce homelessness. They hope to have a draft of the plan completed by August. The issues are complex. He struggles with how much is the local governments' fair share to contribute; the "if you build it, they will come" philosophy; and how to pay for operations even if a facility could be built. Konopa said a good portion of the plan is to identify the services and programs that already exist, and how to strengthen them. Once there is a plan in place, then nonprofits can seek grant funding. They plan to discuss the plan with the public in the fall and in January will count the number of homeless. They are building on the program started by HEART.

Nyquist discussed the incident whereby Helping Hands took in transients infected with tuberculosis. Konopa said Helping Hands is moving in a positive direction to manage cases.

**BUSINESS FROM THE COUNCIL AND THE BOARD**

Hare said the "Big Look" on the website documents meetings with stakeholders, including Oregonians In Action, regarding land use issues. The recommendations are to simplify land use laws but to not lose any of the gains that have been made over the last few years. Hare asked the Council to review and complete the on-line survey. They will be doing public outreach in the fall and will be identifying four guiding principles for why we do land use in Oregon.

Olsen asked, can we advocate or improve service by Amtrak? Nyquist said that locally, Amtrak's biggest obstacle to keeping the schedule is the Eugene rail yard. He thinks those issues are being resolved now. He believes our best role is to know our rail projects and to continue advocating for them on the state level.

**RECESS TO EXECUTIVE SESSION TO DISCUSS CURRENT LITIGATION OR LITIGATION LIKELY TO BE FILED IN ACCORDANCE WITH ORS 192.660 (2) (h)**

The work session recessed to Executive Session at 5:46 p.m.

**RECONVENE**

The work session reconvened at 6:10 p.m.

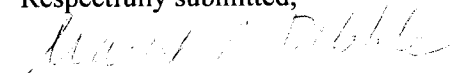
Olsen asked for an update about the fence that will run alongside the river as part of the RCM Homes development. He was concerned that there would be no access to the river. The fence will specifically be on the south edge of their property, north of the rail road tracks, running approximately from Main Street west to Madison. Originally Hill Street was supposed to remain open for pedestrian access to the river, but then ODOT Rail said that we need to close as many crossings as possible, even to pedestrians.

The Council discussed the closing on the Archibald property.

**ADJOURNMENT**

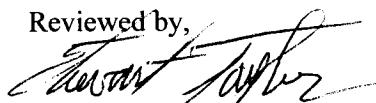
There being no other business, the Work Session adjourned at 6:13 p.m.

Respectfully submitted,



Mary A. Dibble, CMC  
Deputy City Clerk

Reviewed by,



Stewart Taylor  
Finance Director