



**MINUTES**

Wednesday, February 13, 2019

Regular Meeting

Council Chambers, City Hall

Approved: April 10, 2019

CALL TO ORDER

Mayor Sharon Konopa called the meeting to order at 7:15 p.m.

PLEDGE OF ALLEGIANCE

Konopa led the pledge of allegiance.

ROLL CALL

Councilors present: Mayor Sharon Konopa and Councilors Rich Kellum, Bill Coburn, Bessie Johnson, Alex Johnson, Dick Olsen, and Mike Sykes

Councilors absent: None

Konopa announced that business from the public would be taken after the second reading of the development code ordinances. The public hearing on those ordinances is closed, and no more testimony can be taken.

SCHEDULED BUSINESS

Public Hearings

Wastewater and Water System Development Charge (SDC) methodologies.

- 1) Adopting a methodology for the development of SDCs for the wastewater system and repealing Resolution No. 4292.
- 2) Adopting a modified methodology for the development of SDCs for the water system and repealing Resolution No. 5051.

OPEN: Konopa opened the public hearing at 7:18 p.m.

Assistant City Engineer Rob Emmons described the noticing of the public hearing. He said no written testimony was received on the wastewater SDC (systems development charge) methodology. The only significant changes are in the project list. Those changes resulted in a new maximum allowable fee. Adopting the methodology doesn't set a specific fee; it only states the maximum allowable. The council will hold a public hearing on March 13, 2019, to set wastewater SDC fees.

John Robinson, 2500 Del Rio Court SE, Albany, said he noticed that the resolution doesn't compare existing to new costs. It would be helpful to see what the existing fees are. He said talking about a "maximum allowable" breeds the feeling that government has an insatiable desire for more tax money. Instead, government should look at needs and at how to partner with citizens to meet them.

Robinson asked why Albany SDC fees are tied to the Seattle Construction Cost Index (CCI), published in the *Engineering News Record*. Seattle is a big city with a lot of money. He asked if there is an index that is a better match for Albany.

Robinson said SDCs increase housing costs. They don't buy anything of benefit to builders. They are passed into the price of a house or apartment complex and ultimately to the buyers or renters.

Konopa said Albany does look at all of its costs. If there were no SDCs, we couldn't expand the infrastructure to allow new development. The council has held several work sessions to discuss this. The materials presented to the council are available on the city's website.

Matthew Fitchett, 1140 10th Avenue SW, Albany, said he understands that costs go up. He appreciates the infrastructure benefits of SDCs. He would like to start a discussion about a deferral or financing program. Big developers and builders are able to get loans at low interest rates. He does a lot of work

in Lebanon. They finance his SDC charges for 10 years, which is a significant savings, and he doesn't have to have SDC money up front. Medford also finances and defers SDCs so builders there don't have to front SDC costs. He described Medford's program, and gave information about the program to the Clerk for the record (see agenda file).

CLOSE: Konopa closed the public hearing at 7:32 p.m.

Councilor Dick Olsen asked if the City has considered financing SDCs. Public Works Engineering and Community Development Director Jeff Blaine said Albany can finance SDCs, but interest rates have historically been relatively high. He hasn't seen very many requests to finance SDCs in the last couple of years. He will look into it and have information for the March 13 discussion of specific fees.

Emmons said Robinson's question about the Seattle CCI is a good one. The Oregon Revised Statutes require that we tie our fees to a published index. The *Engineering News Record* is the most reputable construction cost index. Seattle is the closest regional city that publishes an index. Seattle tracks changes in cost, rather than costs themselves, so it effectively tracks inflation. That is representative of the whole northwest.

Blaine said "maximum allowable" is a term in state law, so Albany has to use it. Community comparisons done by Albany staff are available and have been presented to the council recently.

MOTION: Councilor Bill Coburn moved to adopt the resolution adopting a methodology for wastewater SDCs. Councilor Alex Johnson seconded the motion, which passed 6-0. The resolution was designated Resolution No. 6766.

Emmons said staff had prepared two staff reports, and he had not presented the one relating to water SDCs.

OPEN: Konopa re-opened the public hearing at 7:38 p.m.

Emmons said the structure of water SDC methodology has not changed. The only change is to update project costs to November 2018 dollars. Projects that have been completed were moved to the reimbursement list.

CLOSE: Konopa closed the public hearing at 7:39 p.m.

No one else wished to testify.

MOTION: Coburn moved to adopt the resolution adopting a methodology for water SDCs. A. Johnson seconded the motion, and it passed 6-0. The resolution was designated Resolution No. 6767.

Coburn said Robinson made valid points that are worth council discussion. Robinson is a working man and doesn't have the time to sit through the council's hours of discussion, so he doesn't get the opportunity to hear some of the ways the city works to save money. Coburn gave as an example the changes made to save electricity at the water and wastewater plant. The savings are significant and lower the operating cost of the plants. He said there have been rate discussions when Public Works and the council have decided they don't need to raise rates by the projected amount. Sometimes things like that get lost.

Councilor Rich Kellum said the council gets most of its information in work sessions, which aren't televised. It can be hard for the public to find specific information in an audio recording.

Second Reading of Ordinance

**7:42 p.m.**

Implementing amendments to the Albany Development Code related to accessory dwelling units.

- 1) Amending Ordinance No. 4441 by amending the Albany Development Code, Accessory Dwelling Units, DC-04-18, to meet state minimum standards, and adopting findings.

Planning Manager David Martineau presented corrected Ordinances, with the second public hearing added (see agenda file).

Konopa asked if other councilors had read House Bill 2001. She said the bill is poorly written but has a lot of support. It includes language prohibiting cities from regulating off-street parking or owner occupancy for accessory dwelling units (ADUs), and it includes all of the area inside the Urban Growth Boundary (UGB). The state is taking away local control of development. Konopa asked the council to not take action on ADUs until after the legislative session and concentrate on fighting HB 2001.

Kellum asked how the legislature's proposal changes the council's position. Four councilors were willing to accept owner non-occupancy and less parking regulation last year. He doesn't know if the council can push back effectively on HB 2001.

Konopa said it's important to protect Albany's zoning. This isn't the first time we've challenged the state, and sometimes we win. If we don't fight this issue, what will the state do next? Kellum suggested that the fight should take place in court.

Councilor Dick Olsen said he's in favor of pushing back against the state. He thinks the legislature will find there are political repercussions.

Councilor Mike Sykes asked how fighting proposed state legislation is related to the ADU ordinances before the council. The council doesn't know what will happen at the state level, and we've been working on this issue for a long time.

Kellum said HB 2001 includes a lot of specifics on several subjects, and it will change while it's in the legislature. He doesn't think it's necessary to object to everything in the bill in order to stand against it. Four councilors have agreed on parking and owner occupation for ADUs in Albany. It's reasonable for the councilors to disagree with the bill, but that doesn't mean we have to fight Salem over it.

Konopa said if the ordinance for DC-05-18 prevails, she will veto it.

City Attorney Sean Kidd read the ordinance related to DC-04-18 for the second time in title only: AN ORDINANCE AMENDING ORDINANCE NO. 4441, WHICH ADOPTED THE CITY OF ALBANY DEVELOPMENT CODE, BY AMENDING THE ALBANY DEVELOPMENT CODE TEXT AND ADOPTING FINDINGS AND DECLARING AN EMERGENCY.

MOTION: Coburn moved to adopt the ordinance. Olsen seconded the motion, which failed 2-4, with Sykes, B. Johnson, Kellum, and A. Johnson voting no.

- 2) Amending Ordinance No. 4441 by amending the Albany Development Code, Accessory Dwelling Units, DC-05-18, exercising local discretion, and adopting findings.

City Attorney Sean Kidd read the ordinance related to DC-05-18 for the second time in title only: AN ORDINANCE AMENDING ORDINANCE NO. 4441, WHICH ADOPTED THE CITY OF ALBANY DEVELOPMENT CODE, BY AMENDING THE ALBANY DEVELOPMENT CODE TEXT AND ADOPTING FINDINGS AND DECLARING AN EMERGENCY.

MOTION: Kellum moved to adopt the ordinance. Sykes seconded the motion, which passed 4-2, with Olsen and Coburn voting no. The ordinance was designated Ordinance No. 5924.

#### Business from the Public

There was none.

#### Adoption of Resolution

**8:00 p.m.**

Amending the Albany Enterprise Zone Boundary and amending Resolution No. 6715.

Economic Development Manager Seth Sherry said enterprise zones provide incentives to business development. Albany's enterprise zone provides up to three years of property tax exemption for new or expanding manufacturing firms. The firms are allowed an additional two years of tax abatement if they pay their employees 150% of the county's average wage. Albany's enterprise zone spans both Linn and Benton counties. The average wage for Linn County is \$46,600. Benton County's average wage is \$61,100. When the zone was established, some land in North Albany (Benton County) was inadvertently left in the zone. Anyone developing

in Albany who wanted to take advantage of the enterprise zone benefits would be required to pay 150% of the higher of the two average wages.

The city has to justify enterprise zone amendments to the state. Sherry and Albany-Millersburg Economic Development Corporation (AMEDC) President John Pascone worked with the state's manager of enterprise zones, who agreed that this amendment is justified. The most important consideration was that land available for development in North Albany doesn't allow the uses that would qualify for enterprise zone benefits.

The proposed amendment would remove the properties in North Albany from the enterprise zone. There would be no real loss to the enterprise zone, but the change would allow the wage requirement to reflect Linn County's average rather than Benton County's.

MOTION: Kellum moved to adopt the resolution. B. Johnson seconded the motion, which passed 6-0. The resolution was designated Resolution No. 6768.

Adoption of Consent Calendar

**8:06 p.m.**

- 1) Approval of Minutes
  - a) November 19, 2018, Joint City Council & Planning Commission.
  - b) January 7, 2019, City Council Work Session.
  - c) January 9, 2019, City Council Meeting.
- 2) Approving a contract renewal for Municipal Court Judge Robert Scott.
- 3) Adoption of Resolutions
  - a) Approving Municipal Court Judge Pro Tems and repealing Resolution No. 6660. RES. NO. 6769
  - b) Certifying properties exempt from property taxation.
    - (i) Songbird Village. RES. NO. 6770
    - (ii) Periwinkle Place. RES. NO. 6771
    - (iii) ParkRose Properties. RES. NO. 6772
    - (iv) 1680-1682 Oak Street SE. RES. NO. 6773
    - (v) 515 Geary Street SE. RES. NO. 6774

MOTION: Coburn moved to adopt the Consent Calendar as presented. B. Johnson seconded the motion, which passed 6-0.

Award of Bid

**8:07 p.m.**

ST-19-03, Hill Street Reconstruction: 24th Avenue to 34th Avenue.

Civil Engineer III Chris Cerklewski said Public Works staff recommends awarding the contract to Pacific Excavation of Eugene. Their bid was just over \$3 million. The engineer's estimate was \$4.4 million. The project is similar to last summer's Hill Street from Queen Avenue to 24th Avenue project. This one includes replacing a 24-inch water line. The replacement is in the water facility plan.

Konopa asked when the 24th Avenue project from Hill Street to Geary Street is planned. Cerklewski said he doesn't remember exactly, but it's shown in the Capital Improvement Program in the next five years.

MOTION: Coburn moved to authorize award of the bid. A. Johnson seconded the motion, which passed 6-0.

Appointment

**8:11 p.m.**

Appointing Daniel Ropp to the Human Relations Commission.

MOTION: Kellum moved to approve the appointment. A. Johnson seconded the motion. He said he looked at all the applications, and Ropp's application didn't contain any explanation of why he wanted to serve, except that he wanted to provide "real world input." Johnson said he would like to see more information than that. Kellum said Ropp's real-world experience is that as an Asian he has experienced discrimination and understands what it feels like.

VOTE: The motion passed 6-0.

BUSINESS FROM THE COUNCIL

8:13 p.m.

B. Johnson said that last budget season the council discussed hiring a grant writer. The City always needs money, and getting money is a grant-writer's job. She would like to discuss it again this year. She thinks the City is missing out on dollars that are available.

Kellum said the council asked him Monday to ask Linn County to wait to approve the project on top of Knox Butte. The County's 120-day time limit was up February 1. If they postponed a decision, the applicant could ask a court to approve the project based on not meeting the deadline. The county approved the project. The people he talked to told Kellum that they are interested in working with the City toward a set of ground rules for cases like this one.

Kellum also reminded the council that the state asked Linn County a few years ago to take over management of a state park because Linn County does a good job. Now the federal government is asking the same thing. Everyone wins when agencies work together. The park system is better, the state saves money, and Linn County makes a little money. Federal, state or county, it's all taxpayer money and we as taxpayer representatives should save money whenever we can. Kellum asked if we should consider talking with other agencies about ways to save. As an example, he mentioned the Metropolitan Planning Organization (MPO) and local transit systems. Would it be possible to have an integrated transit system under one agency? The City might not save money, but taxpayers would. We should do this kind of thing more often.

Konopa asked the council if they wanted to take a position on HB 2001 if it moves forward. The council declined.

City Manager Peter Troedsson said Planning staff has had some setbacks in trying to get no-cost proposals for the buildable lands inventory that needs to be done. Blaine has some ideas to move forward.

Blaine reminded the council that Albany needs to do three studies: a buildable lands inventory, a housing needs analysis, and an economic opportunity analysis. The buildable lands inventory is the first key piece. It's a small project with a quick turnaround, and the firms that do this kind of work have full schedules. The grant application for the East I-5 area plan is due at the end of the month. Planning would like to use up to \$80,000 of the proceeds from the Brandis property sale to put together a larger contract for all three studies. A larger contract would have economies of scale and get more interest from the grant people.

Kellum asked what the chances are of getting the process done more quickly with one contract. Blaine said we would be able to do some pieces simultaneously. It would be the fastest way to get the work done. Kellum asked when it could be done, and Blaine said by early 2020.

Kellum moved to make \$80,000 from the Brandis property proceeds available to Planning. Coburn seconded the motion, which passed 6-0.

RECESS: The council recessed at 8:29 p.m. for a break.

RECONVENE: The council reconvened into executive session at 8:37 p.m.

RECONVENE: The council reconvened into regular session at 9:20 p.m.

Olsen moved to file notice of intent to appeal the decision made by Linn County and to enter into discussions with the county to come to a resolution for applications regarding UGA/UGM properties within Albany's Urban Growth Boundary. Coburn seconded the motion, which passed 5-1 with Kellum voting no.

NEXT MEETING DATES

- Monday, February 25, 2019; 4:00 p.m. Work Session
- Wednesday, February 27, 2019; 7:15 p.m. Meeting

ADJOURNMENT

There being no other business, the meeting was adjourned at 9:22 p.m.

Respectfully submitted,

Reviewed by,

Allison Liesse  
Deputy City Clerk

Peter Troedsson  
City Manager

*Note: Staff handouts referred to in the minutes as (see agenda file) are available on the website in the "Staff Handouts" column.*