



# CITY OF EAGLE POINT

*"Gateway to the Lakes"*

OREGON

EAGLE POINT CITY COUNCIL  
17 BUCHANAN AVE. SOUTH, EAGLE POINT, OREGON

JUNE 12, 2018

## REGULAR MEETING MINUTES

### 1. CALL TO ORDER – 6:00 P.M.

Mayor Russell called the meeting to order at 6:00 p.m.

Council Members Present: Bob Russell, Jonathan Bilden, Bill Fierke, Ruth Jenks, James Mannenbach, Kathy Sell, and Michael Stanek.

Staff Members Present: Henry Lawrence, City Administrator; Souvanny Miller, City Attorney; Darin May, Interim Police Chief; Robert Miller, Public Works Director; Melissa Owens, Finance Director; Mike Upston, Planning Director; and Cindy Hughes, City Recorder.

Guests: Jackson County Commissioner Roberts; Sara Rubrecht, Josephine County Emergency Manager acting on behalf of Jackson County; John Ghilarducci, President, FCS Group; Mike Bull, Century West Engineers; Suzi Collins, Planning Commissioner; Eric Gunn, Budget Committee Member; Kevin Walruff, Planning Commissioner; Millie Wewerka, Planning Commissioner and Budget Committee Member; and members of the public and press.

### 2. FLAG SALUTE AND INVOCATION

Mayor Russell led the Pledge of Allegiance; and Councilor Bilden offered the invocation. Following the invocation, Mayor Russell reminded everyone about quieting cell phones until after the meeting.

### 3. AUDIENCE QUESTIONS OR COMMENTS CONCERNING ITEMS NOT ON THE AGENDA

Suzi Collins, a resident of Eagle Point, presenting on behalf of the Eagle Point Senior Center, announced reaching their goal for the roof replacement and it being installed. She is also running unopposed for the Senior Center's Office of President.

Rick Drake of Eagle Point stated opposition of not allowing access to his property from Linn Road. Mr. Drake reported his home being built in the early 50's and having had access to the side yard from Linn Road for thirty years. Mr. Drake noted that without

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access, he is blocked out of the back yard where he parks an RV. Parking in the front driveway causes an obstruction when backing out of the driveway, and he further noted traffic congestion related to the high school. Mr. Drake requested the City to recheck its decision. Mayor Russell stated the City will look at the decision and talk about it.

Liam Gruszczenski of Eagle Point Scout Troop 48 requested the Council to allow movable sheds to be relocated to a public property such as the Public Works storage area. Mayor Russell acknowledged all of the good to the community by the Scouts and suggested contacting the Public Works Director, Robert Miller. Councilor Sell clarified the move date in September.

There were no other audience questions or comments.

#### 4. PRESENTATIONS

There were no Presentations.

#### 5. PUBLIC HEARINGS

##### 5.1 Public Hearing regarding the intent to modify water, storm water, transportation, and parks system development charges (SDCs).

Mayor Russell announced the Public Hearing had been advertised and all legal notifications were made in compliance with state and local laws. Mayor Russell went on to explain that in addition to a presentation from Staff, all persons interested in offering testimony would be allowed to speak at the appropriate time.

At 6:10 p.m., Mayor Russell opened the Public Hearing regarding the intent to modify water, storm water, transportation, and parks system development charges (SDCs).

Henry Lawrence, City Administrator, welcomed John Ghilarducci, President of FCS Group, from Washington. Mr. Lawrence reported the FCS Group is known as the experts on System Development Charges. Mr. Ghilarducci presented a PowerPoint presentation (Submission No. 1), starting with an SDC basics overview. SDCs are designed for development to pay for development, and great attention is given to ensure that they are not overcharged.

About the key characteristics of SDCs:

- SDCs are one-time charges, not ongoing rates.
- Properties which are already developed do not pay SDCs unless they “redevelop”.
- SDCs are for capital only, in both their calculation and in their use.
- SDCs include both future and existing cost components.

Next, Mr. Ghilarducci explained that the legal framework for SDCs is based on ORS 223.297-314, known as the SDC Act, providing “a uniform framework for the

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imposition of system development charges by governmental units” and establishing “that the charges may be used only for capital improvements.”

SDC Components include:

Reimbursement Fee – Fair share of existing capacity.

Improvement Fee – Fair share of future planned capacity.

System Development Charge – Fair share of existing and future capacity.

Mr. Ghilarducci showed how SDC Calculations are established using the following formula:

<b>Reimbursement Fee</b>		<b>Improvement Fee</b>		<b>System Development Charge</b>
Eligible value of unused capacity in existing facilities	+	Eligible cost of planned capacity increasing facilities	=	\$ per unit of capacity
÷ Growth in system capacity		÷ Growth in system capacity		

Next, Mr. Ghilarducci reviewed Water SDCs and explained about the water SDC fee being based on Meter Capacity Equivalents (MCE) which is the meter flow capacity. He also discussed the pro-rata share of debt deduction from reimbursement fee cost, and the large improvement fee for the new storage tank. A large improvement fee in this category is based on the new storage tank at \$5M. The total SDC is \$2,990 per MCE. Mr. Ghilarducci further explained how the law allows the City to recover the cost of a program, including related studies such as this one by the FCS Group.

Transportation SDCs fee based on average daily personal trips (ADPTs) for all types of trips including vehicle, bike, and pedestrian trips that better fit the projects planned in Eagle Point. Current Transportation SDCs are charged on an estimate based on peak hour trips. The change in basis is anticipated to have a minimal impact for single residences. A large improvement fee project is the Little Butte Park Pedestrian Bridge at \$3.2M. The total SDC is \$204 per ADPT, slightly less than the current amount.

Parks SDCs is the only category increasing, mostly due to the future development of Highlands Park with a large improvement fee at \$4M. The total SDC is \$1,509 per capita. The calculated SFR charges per dwelling unit increased to \$3,748 from \$2,304. Population estimates were from Portland State University.

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Stormwater SDCs is based on the same methodology, Equivalent Service Units (ESUs) with 1 ESU equaling 3,000 square feet of impervious surface area. The total SDC is \$1,858 per ESU, a decrease from approximately \$2,000.

Mr. Ghilarducci reviewed the summary of the current and proposed SFR charges with an increase of slightly more than \$500, as shown below:

	Current	Proposed
Water*	\$3,324	\$2,990
Transportation	\$3,529	\$3,242
Parks	\$2,304	\$3,748
Stormwater	<u>\$2,164</u>	<u>\$1,858</u>
Total	\$11,321	\$11,838

*\*Water SDC excludes Medford Water Commission*

Mr. Ghilarducci went on to explain that Eagle Point's SDCs are already among the highest in the region but similar to the Portland metro area. Additionally, Mr. Ghilarducci reported on the necessity of adopting Capital Improvement Plans with a project list for each SDC, and about noticing requirements.

Councilor Fierke inquired about Portland State University's projections, and Mr. Ghilarducci requested to follow up later as the information was not readily available.

Henry Lawrence, City Administrator, reported on this being the fourth time for the Council to work on this item and their direction at the February meeting to lower Parks SDCs. Mr. Ghilarducci noted three of the four SDCs being lowered. Backing out the Medford Water Commission fee, the total increase is \$517, less than a 5% increase more than the current charges. Mr. Lawrence added that in addition to adopting the methodology, the City is also trying to clean up the Municipal Code dealing with SDCs as part of this Ordinance. The proposed Ordinance includes extensive revisions to the appeals process, credits, and exemptions.

With regard to Chapter 15.16.315, Exemptions, Mr. Lawrence discussed and proposed exempting from further Transportation SDC charges, the change of use of an existing building or tenant space, with the exception of additions to the square footage. The City of Medford has a 3-year statute of limitation for change of use, and the proposed Ordinance included a 5-year period.

Chapter 15.16.370, regarding the Downtown Discount Incentive Program is a proposed discount of 75% on Transportation SDCs. Mr. Lawrence explained that the Downtown Incentive Program should be robust in order to generate activity in the downtown area and to serve as an incentive to developers. Mr. Lawrence noted that Mr. Ghilarducci probably did not agree with the number as he is likely more in the 20% range. However, Mr. Lawrence reported reviewing it with Attorney Mark Bartholomew and reported Mr. Bartholomew's opinion that it is legally supportable and there is a rational basis for a city to discriminate in favor of downtown

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development. During the recession, cities were doing all kinds of things like discounting or waving SDCs as an incentive. Mr. Lawrence further noted that the incentive should be reviewed periodically and is not intended to last forever as development is completed.

Additionally, Mr. Lawrence reported a change should be made throughout the document to a staff title listed as Community Development Director to the title of Planning Director. Mr. Ghilarducci followed up on Portland State University's projected population increase of over 4,000 people through 2036. Mr. Ghilarducci further reported that indexing provided by the statute allows the City to raise SDCs with inflation as an administrative action without having to do a study every time.

Mayor Russell applauded staff for its work on this item, and reported liking the idea of inflation adjustments. Next, Mayor Russell invited public testimony in favor of the proposal.

Bob Pinnell of Eagle Point reported on his business located in Eagle Landing for nearly 7 years, and being in favor of looking at incentives as the buildings there are almost 60% empty. However, he stated that pot shops bother him, and also that it is much better to drive by a full place than a half empty one. In addition, he reported on a lot of turnover in renters at that location. Mayor Russell asked if there were questions for Mr. Pinnell and there were none.

Aaron Schulz of Eagle Point stated that a reduction of SDCs in downtown would be wonderful. Mr. Schulz asked for expansion of the incentive area to include the Napa District, citing vacant commercial lots. Mr. Lawrence responded that it could be added with the Council being willing to do so. Mayor Russell commented on the location being at the edge of downtown.

Mayor Russell then invited testimony in opposition; however, there being no testimony or final comments, the Public Hearing closed at 6:44 p.m.

Next, Mayor Russell reported the proposed Ordinance No. 2018-06 was scheduled later in the Agenda as Item No. 10.1. Further, there being no objection to changing the order of business, Mayor Russell asked to discuss and deliberate the proposed Ordinance No. 2018-06.

Discussion ensued about:

- The 75% SDC discount being designated for commercial or mixed use with high density residential but not straight residential. This incentive applied only to Transportation SDCs, usually the largest part of the total SDCs, and paying fair share in other SDC categories.
- Clarification that the SDCs shown earlier were only for residential use.

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- A 3-year incentive period vs. 5-year period, and 75% being just a number but providing an incentive of over 50%.
- Seattle ENR Construction Cost Index (CPI vs. National CPI), but not being representative of small towns. While it is not perfect, it is the best guideline available and used in the Ordinance although it could be based on Consumer Price Index or Construction Cost Index.
- City Administrator agreed to present the Cost Index to the Council every year near July 1<sup>st</sup> for a decision as to whether to add an annual inflation increase.

Mayor Russell polled the Council and they expressed support about including the following in the Ordinance: time period of three years for the incentive, using a 75% incentive in the Downtown Area, keeping the same Index, expanding the incentive area to include the Napa District, and correcting the staff title to Planning Director. Mr. Lawrence agreed to present the Cost Index every year.

Councilor Stanek offered a motion to adopt Ordinance No. 2018-06, an Ordinance adopting a methodology and other provisions relating to imposition and collection of System Development Charges for Water, Transportation, Parks, and Storm Water, setting rates and adopting a Capital Improvement List, and Repealing Ordinance Nos. 2004-18, 2009-10, 2009-11, and 2009-12 including the discussed changes; and Councilor Bilden seconded the motion. There was no discussion. Roll call: Ruth Jenks, yes; James Mannenbach, yes; Kathy Sell, yes; Michael Stanek, yes; Jonathan Bilden, yes; Bill Fierke, yes; and Bob Russell, yes. The motion passed unanimously.

### 6. CONSENT CALENDAR

#### 6.1 Presentation of Regular Meeting Minutes of May 22, 2018.

Mayor Russell announced the Consent Calendar. Cindy Hughes, City Recorder, proposed revisions to the Minutes in the area after the Executive Session listed as Item 14 to clarify that the Council deliberated Item 10.8 thereafter as well as a revision to the opening and closing times. There were no questions or comments. Councilor Bilden moved to approve the Consent Calendar as presented with the proposed revisions and Councilor Fierke seconded the motion. There was no discussion. Roll call: Jonathan Bilden, yes; Bill Fierke, yes; Ruth Jenks, yes; James Mannenbach, yes; Kathy Sell, yes; Michael Stanek, yes; and Bob Russell, yes. The motion passed unanimously.

### 8. PRESENTATION OF BILLS TO BE PAID

Mayor Russell asked if there were questions about the bills to be paid including the additional bills list. There were no questions, Councilor Bilden moved to approve the Regular Bill List in the amount of \$129,666.54 and the Additional Bills List in the amount of \$15,379.52 (Submission No. 2). Council President Jenks seconded the motion. There was no discussion. Roll call: Bill Fierke, yes; Ruth Jenks, yes; James Mannenbach, yes; Kathy Sell, yes; Michael Stanek, yes; Jonathan Bilden, yes; and Bob Russell, yes. The motion passed unanimously.

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### 9. OLD BUSINESS

There were no Old Business items on the agenda.

### 10. NEW BUSINESS

- 10.1 Ordinance No. 2018-06. An Ordinance adopting a methodology and other provisions relating to imposition and collection of System Development Charges for Water, Transportation, Parks, and Storm Water, setting rates and adopting a Capital Improvement List, and Repealing Ordinance Nos. 2004-18, 2009-10, 2009-11, and 2009-12.

Item No. 10.1 was deliberated after the Public Hearing listed as Item No. 5.1.

- 10.2 Resolution No. 2018-27. A Resolution adopting the City of Eagle Point updates to the Jackson County Multi-Jurisdictional Natural Hazards Mitigation Plan (Plan).

Henry Lawrence, City Administrator, introduced this item, explaining Mike Upston and Robert Miller had worked on the Plan for several years, and welcomed Sara Rubrecht.

Ms. Rubrecht introduced herself as the Emergency Manager for Josephine County, having previously worked in the same capacity with Jackson County, and now on Jackson County's behalf to complete the Plan. Ms. Rubrecht explained about a requirement by Federal Emergency Management Agency (FEMA) for the Plan to be updated every five years, and a new requirement for each city to have a separate addendum to the Plan.

Ms. Rubrecht went on to explain that following Eagle Point's passage of the Resolution completing the Plan with all eight city addendums, and she will submit it to FEMA for final approval. Ms. Rubrecht further reported on the requirement of each city's steering committee meeting to convene at least twice per year to work on any issues addressed in the addendum. Approval of the Plan allows the City to be eligible for pre and post disaster mitigation funds through FEMA, and helps with flood insurance rates, and other grants. A brief discussion followed about the correction of members to Eagle Point's steering committee; and adoption required for eligibility of FEMA grants.

Mayor Russell asked for a motion to approve Resolution No. 2018-27. Councilor Mannenbach made a motion to approve Resolution No. 2018-27, a Resolution adopting the City of Eagle Point updates to the Jackson County Multi-Jurisdictional Natural Hazards Mitigation Plan. Councilor Bilden seconded the motion. There was no discussion. Roll call: James Mannenbach, yes; Kathy Sell, yes; Michael Stanek, yes; Jonathan Bilden, yes; Bill Fierke, yes; Ruth Jenks, yes; and Bob Russell, yes. The motion passed unanimously.

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- 10.3 Resolution No. 2018-28. A Resolution authorizing a Franchise Agreement between the City of Eagle Point and Avista Corporation dba Avista Utilities, a Washington Corporation.

Henry Lawrence, City Administrator, introduced this item explaining about the recently adopted Chapter 3.40 of the Municipal Code regarding utility franchisees. Chapter 3.40 essentially eliminates the need for franchise agreements and brings fairness to franchisees, generating approximately \$500,000 annually for the General fund, and helping to keep the City solvent. Most utility franchisees pay up to 7% but cable providers pay no more than 5% based on a Federal ruling. Water was reported at 5% at least for the short term.

Mr. Lawrence then explained about the ten year franchise agreement with Avista and its ten year automatic renewal that is not due to expire until 2031. This agreement was reviewed and revised by Attorney Bartholomew. It is similar to the agreement between Avista and the City of Medford, and to the existing agreement with Eagle Point. Changes were noted to provide a 120-day notice to Avista, and 60% plans completed as a requirement.

Although Avista's agreement expires in 2031, Avista agreed to operate under a new 20-year agreement at the rate of 7% as presented in the agenda packet. Steve Vincent, Avista's Oregon Regional Business Manager, explained that Avista wants a contractual agreement because of its large scale investments to operate, i.e. \$1M for a single project. Mr. Vincent reported that the investments sometimes have a life of 100 years and they would hope to be able to provide services without the concern of privileges being revoked.

Additionally, Mr. Vincent reported they would notify customers about the increase effective August 1<sup>st</sup> and charged on the September 1<sup>st</sup> billing. Mr. Vincent explained about an Oregon Administrative Rule for natural gas utilities with the first 3% of Franchise Fees treated as an operating expense and for electric it is 3.5%. On an Avista customer's bill, it lists a 2% surcharge which will be shown as 4%. Mr. Vincent expressed the obligation to speak on behalf of Avista's customers for any expense, noting they keep operating expenses as low as possible and staff has walked to the airport to reduce costs.

Mr. Vincent added that Avista would usually oppose the change on behalf of its customers but expressed a willingness to concede to the terms based on the concern that the Utility Right of Way Ordinance could increase in the future. Mr. Vincent also expressed appreciation for being able to lock in at 7% for the next 20 years. Clarification was provided about the term "60% plan" meaning the project plans had been completed by 60%.

Mayor Russell asked for a motion to approve Resolution No. 2018-28. Council President Jenks made a motion to approve Resolution No. 2018-28, a Resolution authorizing a Franchise Agreement between the City of Eagle Point and Avista Corporation dba Avista Utilities, a Washington Corporation. Councilor Mannenbach seconded the motion. Councilor Fierke discussed the Council as being frugal and



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considering costs to citizens in all of these things. He continued with a statement of appreciation towards Mr. Vincent's comments about keeping costs low to citizens. There was no other discussion. Roll call: Kathy Sell, yes; Michael Stanek, yes; Jonathan Bilden, yes; Bill Fierke, yes; Ruth Jenks, yes; James Mannenbach, yes; and Bob Russell, yes. The motion passed unanimously.

- 10.4 Resolution No. 2018-29. A Resolution authorizing dedication of the McLoughlin Meadows Street and Storm System to the City of Eagle Point; and rescinding Resolution No. 2017-50.

Councilor Stanek asked to be recused as a Board member of the McLoughlin Meadows Homeowners Association (HOA). Robert Miller, Public Works Director, introduced the item, reporting it had been previously presented to the Council but the surveying cost came in at \$17,000 instead of the anticipated \$10,000. As a result, the HOA requested the City to accept a reduced dedication amount from \$90,000 to \$80,000. On behalf of the HOA, Jennifer Aguilera reported they had paid for half of the survey and believed the work had been started. Ms. Aguilera confirmed that these were the final amounts.

There being no further discussion, Mayor Russell asked for a motion to approve Resolution No. 2018-29. Council President Jenks made a motion to approve Resolution No. 2018-29, a Resolution authorizing dedication of the McLoughlin Meadows Street and Storm System to the City of Eagle Point; and rescinding Resolution No. 2017-50. Councilor Fierke seconded the motion. There was no discussion. Roll call: Jonathan Bilden, yes; Bill Fierke, yes; Ruth Jenks, yes; James Mannenbach, yes; Kathy Sell, yes; Bob Russell, yes; and Michael Stanek, recused. The motion passed with six yes votes.

- 10.5 Resolution No. 2018-30. A Resolution authorizing an Agreement with Rogue Valley Sewer Services (RVSS) for paving Sarah Lane.

Robert Miller, Public Works Director, discussed street repair work on the Sarah Lane Sewer Extension project which is under construction. Through this agreement, the City will partner with RVSS to complete the remaining sections of the street paving at a cost of \$14,505. This will accelerate the project on the City's Pavement Management Program from the summer/fall of 2018. Mr. Miller reported that 25% of the original paving is the responsibility of RVSS. The pavement on Sarah Lane is rated with a current pavement condition index (PCI) of 49 (poor) in the updated Pavement Management Program Budget Options Report.

Mayor Russell asked for a motion to approve Resolution No. 2018-30. Councilor Mannenbach made a motion to approve Resolution No. 2018-30, a Resolution authorizing an Agreement with Rogue Valley Sewer Services (RVSS) for paving Sarah Lane. Councilor Sell seconded the motion. There was no discussion. Roll call: Jonathan Bilden, yes; Bill Fierke, yes; Ruth Jenks, yes; James Mannenbach, yes; Kathy Sell, yes; Michael Stanek, yes; and Bob Russell, yes. The motion passed unanimously.

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### 11. REPORTS FROM CITY COUNCIL AND CITY COMMITTEE REPRESENTATIVES

Councilor Fierke reported on the upcoming Eagle Point School District 9 Board meeting to be held in Shady Cove to tour property although the main agenda item was approval of the budget.

Councilor Bilden reported on a Southern Oregon Regional Economic Development Inc. (SORED) meeting being held earlier in the day, and announced that Steve Vincent is the incoming Chair for the next two years. SORED's annual meeting will be held in Grants Pass. During the SORED meeting, there was discussion about regional strategies and forming an ad hoc committee. Next, Councilor Bilden reported that the Community Development Commission would not meet this month, and the Governor Regional Solutions Group will meet in July. Councilor Bilden also discussed attending a meeting between the City, School District, and YMCA partnership.

Council President Jenks reported attending the meeting reported by Councilor Bilden between the City, School District, and YMCA partnership. Council President Jenks stated she was impressed with the quality of discussion and professionalism of the firm conducting the market research study. In addition, a Metropolitan Planning Organization (MPO) meeting is coming up as well as the first official 4<sup>th</sup> of July planning meeting.

Mayor Russell announced serving as a judge in the Oregon Mayors Association "If I were Mayor" contest and being impressed with the entries. Mayor Russell also reported participating in the Rose Parade with the Oregon Mayors Association, and attending the Memorial Day event at the VA Cemetery along with Ron Wyden and Sal Esquivel.

### 12. STAFF REPORTS

Mike Upston, Planning Director, reported on local development with near completion of the Tabor Avenue Triplex and completion of the dental office. Mr. Upston also reported on a downtown building being brought back to life and shown in the Friday Letter. Subdivision development is continuing, and staff is looking forward to issuing permits for the Butte Creek Mill building. A recommendation on the Arrowhead Alley is anticipated in the future.

Melissa Owens, Finance Director, reported on the City holding the Budget Committee meeting and thanked everyone for their participation. The Budget as approved by the Budget Committee will be presented at the next meeting. Additionally, Finance is working on closing out the end of the year, preparing for audit, and working on business license renewals.

Robert Miller, Public Works Director, reported on the following projects: South Shasta, Main Street Lighting, Laurel/Tracy Stormwater, and Linn Road with several property owner meetings. Mr. Miller reported on the secondary driveway discussed earlier in the meeting by Mr. Drake, is slated to go away due to safety. A brief discussion followed about options for property owners and safety being a major concern. Last, Mr. Miller clarified that the Main Street lighting will be completed by July 4th, and construction near the Butcher Shop will be completed within the next week.

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Interim Chief May reported on three officers attending an advanced roadside driving training to identify impairment with a focus on marijuana and drug use. Next, Chief May reported about Officer Venables going the extra step on a traffic stop which resulted in the confiscation of 10 grams of methamphetamines.

Henry Lawrence, City Administrator, reported on the availability of tickets for SOREDI's Annual Meeting on June 29<sup>th</sup>.


13. INFORMATION

There were no information items for discussion.

14. ADJOURN

There being no further business, Mayor Russell closed the meeting at 7:42 p.m.

Respectfully submitted,

  
Cindy Hughes, City Recorder

ATTEST:

  
Robert E. Russell, Mayor