

AGENDA

REGULAR CITY COUNCIL MEETING

February 9, 2015

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 26, 2015 Regular City Council Meeting Minutes

CITY OF THE DALLES

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

- B. Approval of January 14, 2015 City Council Work Session Meeting Minutes
- C. Resolution No. 15-009 Concurring With the Mayor's Appointment of an Ad Hoc Bicycle Committee

11. CONTRACT REVIEW BOARD ACTIONS

- A. Award Wastewater Treatment Plant Design/Build Contract [**Agenda Staff Report #15-009**]

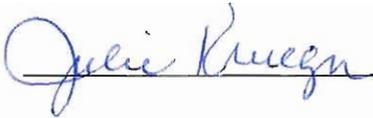
12. ACTION ITEMS

- A. Approval of Amendment to City's Annexation Policy [**Agenda Staff Report #15-010**]

13. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Julie Krueger, MMC
City Clerk

 _____



AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
January 26, 2015	Consent Agenda 10, A - C	N/A

TO: Honorable Mayor and City Council

FROM: Julie Krueger, MMC, City Clerk 

THRU: Nolan K. Young, City Manager

DATE: January 28, 2015

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

A. **ITEM:** Approval of January 26, 2015 City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the January 26, 2015 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 26, 2015 City Council meeting.

B. **ITEM:** Approval of January 14, 2015 City Council Work Session Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the January 14, 2015 City Council work session have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the January 14, 2015 City Council work session.

C. **ITEM:** Resolution No. 15-009 Concurring With the Mayor's Appointment of an Ad Hoc Bicycle Committee.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The Transportation System Plan (TSP) developed in 1999 is outdated. The Dalles Public Works in coordination with the Oregon Department of Transportation has begun the process of updating the city's transportation system plan. The City's Bicycle Master Plan began in 1989 and has existed as a separate plan and document from the TSP. In order to provide for a more effective and efficient plan, the Bicycle Master Plan and the TSP are being updated and combined. This process involves the use and input of the Ad-Hoc Bicycle Advisory Committee.

RECOMMENDATION: That City Council adopt Resolution No. 15-009 concurring with the Mayor's appointment of an ad hoc Bicycle Committee.

MINUTES

REGULAR COUNCIL MEETING
OF
JANUARY 26, 2015
5:30 P.M.

THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Steve Lawrence

COUNCIL PRESENT: Tim McGlothlin, Linda Miller, Russ Brown, Taner Elliott

COUNCIL ABSENT: Dan Spatz

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger, Administrative Fellow Daniel Hunter, Public Works Director Dave Anderson, Planning Director Dick Gassman, Police Chief Jay Waterbury, Engineer Dale McCabe

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; Spatz absent.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

It was moved by Elliott and seconded by McGlothlin to approve the agenda as presented. The motion carried unanimously, Spatz absent.

MINUTES (Continued)
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PRESENTATIONS/PROCLAMATIONS

Recognition for Ed Goodman

Chief Waterbury and Mayor Lawrence presented Ed Goodman with a plaque and his badge, honoring his 35 years of service with the City of The Dalles Police Department.

AUDIENCE PARTICIPATION

John Nelson, 524 West Third Place, The Dalles, asked if audience comments would be allowed when the Council considered the resolution concerning crude oil trains. Mayor Lawrence said he would take public input at that time.

CITY MANAGER REPORT

City Manager Young noted he had provided the Council with copies of a letter to HAVEN, allowing them to tie orange ribbons on downtown light poles for teen violence awareness. He reminded the Council of their February 2 goal setting meeting. Young said the Community Outreach Team would be making a trip to Washington, D.C. on March 1, with Councilor McGlothlin representing the City.

Young asked the City Council when they would like to schedule the Budget Committee workshop to review financial practices and policies. The Council agreed to schedule the meeting for February 18 at 5:30 p.m.

Young reported the Third Place project was moving forward, saying ADA ramps would be updated and the surface would be ground and paved in the Spring.

CITY ATTORNEY REPORT

City Attorney Parker reported that the Planning Commission would be considering medical marijuana rules on February 5 and their recommendations would be forwarded to Council for consideration in late February. Parker said he would be attending a law seminar on February 20, where this issue would be further discussed.

Parker said Codes Enforcement Officer Nikki Lesich has been elected to serve as President of her professional association and said Judge Peachey would be making a presentation at their next conference regarding the mental health court.

CITY COUNCIL REPORTS

Councilor Brown reported on his attendance at the Traffic Safety Commission meeting, saying the major topic was a request for an on-street handicapped parking space. Brown said the request was resolved privately.

Councilor McGlothlin said there was no Airport Board meeting in January.

Councilor Elliott said he had attended the QLife Agency meeting and was getting up to speed. He said they discussed future goals of QLife.

Mayor Lawrence said he had attended a tourism meeting for an exchange of ideas.

Resolution No. 15-008 Expressing Concern Regarding Rail Transportation of Crude Oil Through the City of The Dalles

John Nelson, 524 West Third Place, The Dalles, said he supported the proposed resolution but wanted the Council to consider adding a section to address financial responsibility. Mr. Nelson handed out proposed language to add to the resolution. He also provided articles talking about the cost of cleaning up spills.

Councilor Elliott said he had spoken with representatives of Union Pacific and Burlington Northern Railroads and learned that they provided extensive training and were dedicated to safety. He said the City had no authority over the railroads and suggested a letter of concern be sent to State representatives, instead of adopting a resolution.

Tim Schectel, 3511 Sandlin Road, The Dalles, said the crude oil trains were a big risk to the well-being of the community and urged the City Council to take a position of concern.

Tim Norgren, Stevenson, Washington encouraged the Council to make a strong statement of opposition and urged the inclusion of language to address financial responsibility.

It was moved by McGlothlin and seconded by Miller to amend the resolution to include the proposed language, adding that the Council would “urge the State officials to require” into the new section. The motion carried unanimously.

It was moved by Brown and seconded by Miller to adopt Resolution No. 15-008 expressing concern regarding rail transportation of crude oil through the City of The Dalles, as amended. The motion carried unanimously.

CONSENT AGENDA

It was moved by Elliott and seconded by McGlothlin to approve the Consent Agenda as presented. The motion carried unanimously, Spatz absent. The item approved by Consent Agenda was approval of the January 12, 2015 City Council meeting minutes.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding Proposed Supplemental Budget for 2014-15 Fiscal Year

Mayor Lawrence reviewed the procedure to be followed for the public hearing.

City Manager Young reviewed the staff report.

Mayor Lawrence asked if the Library Fund donations had been received yet. City Manager Young said the expected donations were an estimate. He said once the City learned of anticipated revenues, they needed to amend the budget, but that no funds were spent until the revenues were fully secured.

Mayor Lawrence said if the changes were required by law, one of the staff recommendations should not include to not approve something. He said it seemed threatening to say the City would violate law if not approving something.

Councilor Elliott asked when staff would know the actual costs for the budget amendment to the water utility fund. Public Works Anderson said they had just received the final invoice and the cost had been \$6,000. He said when funds were transferred, if all the funds were not spent, they would carry over to the beginning fund balance for the next fiscal year.

Councilor Elliott suggested if the items were time sensitive, it would be more efficient to bring items as staff knew about them, rather than saving up a large number of items. It was the consensus of the Council to have staff bring items more frequently instead of saving them up for one time transfers.

Testimony

No testimony was presented.

Council Deliberation

It was moved by McGlothlin and seconded by Miller to adopt a supplemental budget for the fiscal year 2014-15, making appropriations and authorizing expenditures from and within various funds of the City of The Dalles adopted budget. The motion carried unanimously, Spatz absent.

Public Hearing to Receive Testimony Regarding Residential Infill Development
Recommendations from the Planning Commission

Mayor Lawrence reviewed the procedures to be followed for the public hearing.

Planning Director Dick Gassman reviewed the staff report, highlighting the recommendations from the Planning Commission. Gassman emphasized the proposed recommendations were for residential, single lots only and did not include planned developments and subdivisions. He suggested the Council decide on the issue of accepting the concept of network streets before deciding on the remaining recommendations.

Councilor Elliott questioned whether residents should be treated differently based on whether the lived on a network street.

Planning Director Gassman distributed correspondence received from Loyal Quackenbush, requesting the Council adopt a list of six items to address residential infill issues (Attachment "A").

Testimony

Dr. Mimi McDonald, 5574 Cherry Height Road, The Dalles, asked the City Council to consider the health impacts to citizens and to encourage streets with pedestrian access, especially in all walk zones surrounding schools.

John Nelson, 524 West Third Place, The Dalles, said State laws did require certain street standards and basic services such as bike and pedestrian networks.

Gary Peterson, 2604 Old Dufur Road, The Dalles, spoke in support of the proposal submitted by Mr. Quackenbush. He said he felt he had been held hostage because he could not get a building permit unless he signed a delayed improvement agreement with the City. Mr. Peterson said property owners shouldn't have to pay for infrastructure improvements.

Steve Stroud, 3004 East 12th Street, The Dalles, said the proposal submitted by Mr. Quackenbush was simple and precise. He said the process to address residential infill issues had been a long

and complicated one, but that people did want to develop residential property and needed to be able to afford to do it.

Hearing no further testimony, the public hearing was closed.

Council Deliberation

Following discussion, and agreement that the City should be responsible to pay for engineering, storm sewer, and curb costs, the Council agreed with the recommendations proposed by the Planning Commission.

It was moved by Brown and seconded by Miller to direct staff to remove the identified waivers of remonstrance and delayed improvement agreements within 30 days. The motion carried unanimously, Spatz absent.

It was the consensus of the Council to direct staff to prepare an ordinance approving amendments to the Land Use Development Ordinance (LUDO) as recommended by the Planning Commission, including any changes approved by the City Council, based on appropriate findings of fact and conclusions of law, to be presented for adoption at a future Council meeting.

ACTION ITEMS

Resolution No. 15-004 Authorizing Transfers of Funds Between Categories of Various Funds, Making Appropriations and Authorizing Expenditures for the Fiscal Year Ending June 30, 2015

It was moved by Elliott and seconded by Miller to adopt Resolution No. 15-004 authorizing transfers of funds between categories of various funds, making appropriations and authorizing expenditures for the fiscal year ending June 30, 2015. The motion carried unanimously, Spatz absent.

OTHER BUSINESS

Sarah Segal, 1624 East 13th Place, The Dalles, provided handouts and described the serious nuisance tree on the property next to hers. She expressed concern that the City would not help to remove the problem.

City Attorney Parker said the City couldn't help Ms. Segal because it was a civil matter. He said a letter had just been received, stating the neighboring property was now in the ownership of the Department of Veterans Affairs.

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Staff was directed to provide the contact information for the new owner, to Ms. Segal and to help in any way possible to address the concerns raised.

ADJOURNMENT

Being no further business, the meeting adjourned at 8:03 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

Stephen E. Lawrence, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk

MINUTES

COUNCIL WORK SESSION
OF
JANUARY 14, 2015
12:00 P.M.

THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING: Mayor Steve Lawrence

COUNCIL PRESENT: Dan Spatz, Tim McGlothlin, Linda Miller, Russ Brown, Taner Elliott

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Nolan Young, City Attorney Gene Parker, City Clerk Julie Krueger

CALL TO ORDER

Mayor Lawrence called the meeting to order at 12:07 p.m.

DISCUSSION REGARDING VISION FOR THE CITY OF THE DALLES, LEADING TOWARD DEVELOPMENT OF 2015 CITY COUNCIL GOALS

Mayor Lawrence said the expectation for this meeting was brainstorming and encouraged the Council to share ideas.

Following is a list of the ideas shared:

Street Maintenance Program (consider a three year minimum of maintenance projects only)
Improve and modernize methods of communication
Consider using Urban Renewal for infrastructure purposes

MINUTES (Continued)

Council Work Session

January 14, 2015

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Economic Development

Education and training

Housing (vertical, attainable, Commodore)

Process for uses of General Fund revenues (franchise fees)

Infrastructure

Implement infill policies

Main Street Program

East side grocery store

Human Resources as a separate department

RV parks

Safety Program

Downtown Policy (empty buildings - offer incentives and disincentives)

Reduce the City's debt

Enhance green spaces

Sports as a business

Clarify roles for tourism

Clarify roles for special community events

Review Library services

Support youth activities and recreation

Renewable energy program

Bike hubs

Monitor and encourage resolution for Urban Growth Boundary issues

Enhance relations with the Tribes

The City Council requested a tour of the watershed, including the Dog River line.

Staff was directed to develop goals based on the list of ideas, to be presented for the annual goal setting meeting.

Staff was also asked to look at capping insurance premium payments for dependents, re-visit the Burn Ordinance and the Second Hand Dealers Ordinance.

MINUTES (Continued)
Council Work Session
January 14, 2015
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ADJOURNMENT

The meeting adjourned at 2:04 p.m.

Submitted by/
Julie Krueger, MMC
City Clerk

SIGNED:

Stephen E. Lawrence, Mayor

ATTEST:

Julie Krueger, MMC, City Clerk



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

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

January 29, 2015

Ad Hoc Bicycle Plan Public Advisory Committee Proposal

Purpose

The purpose of this committee to gather public input and assist in the development of the bicycle portion of The Dalles Transportation System Plan update in a public process.

Due to the size, complexity and impact of the bicycle portion of the Transportation System Plan, an Ad Hoc Committee will relieve the Planning Commission of a significant workload. This will allow the Planning Commission to focus on the broader plan.

Duration

As an Ad Hoc Committee, The Bicycle Plan Public Advisory Committee will begin meeting early in 2015. The committee shall continue to function until the Transportation System Plan update is complete, or until it is no longer needed. Once complete, the committee will be dissolved.

Committee Size and Representation

It is proposed that the committee be comprised of 9 members. The Administrative Fellow will serve in a staff support role for the committee. Three members will be from city departments relevant to transportation planning; and six members will be citizens at-large or representatives of local organizations. The initial committee members are proposed below. They have all agreed to serve on the committee in the stated capacity. Those representing local organizations or serving as citizen at-large shall complete a city commission/committee application. City personnel will be by appointment of the City Manager and need not complete an application. All other committee seats are filled by appointment of the Mayor.

The City Manager staff appointments are:

City Government Representatives

Dale McCabe, Engineer City of The Dalles Public Works

Nick Kraemer, Associate Planner City of The Dalles Planning Department

Brent Larson, Police Officer City of The Dalles Police Department

The Mayor's appointments are:

Local Organization and Citizen At-Large Representatives

Jon Chavers, Main Street Design Committee Member (representing Main Street)

Andy Knight-Gaige, The Dalles Area Chamber of Commerce Tourism Coordinator (representing The Chamber of Commerce)

Patricia Neighbor, Wasco County Associate Planner (citizen at-large)

Michael Held, Program Manager Rural Development Initiative (citizen at-large)

Clay Smith, North Wasco County P.U.D. (citizen at-large)

Sara Geonczy, Columbia Cascade Housing Corp. Residential Services Coordinator (citizen at-large)

At the first meeting the committee will select a Chair and President. The President will act as Chair-Pro Tem in the absence of the Chair. The Staff will assist the Chair in developing agendas and shall take minutes of meetings. The Administrative Fellow will be responsible for communications with the Planning Commission, City Manager, Public Works Director, Planning Director and City Clerk.

Each committee member shall have one vote. In the event the Chair is absent or vacant the President shall act as Chair. The Chair shall preside over all meetings.

Seating and Removal of Members

Committee members shall hold their seat for so long as they reside or work in the city. Removal of a member shall be on a majority vote of the members present, provided there is a quorum, and on concurrence of the Mayor. A quorum shall exist when five members plus the chair are present. No committee business shall be conducted unless a quorum is present.

Should a vacancy on the committee occur, the Administrative Fellow through the City Manager will solicit from the appropriate pool for a replacement member. If the vacancy is from a city representative then the solicitation should be to the department of the vacating member. If the vacancy is a citizen at-large or local organization then solicitation should be of the public. First preference should be for those who have requisite knowledge and interest. In the event the vacancy is the Chair, the President (Chair-Pro Tem) will be acting Chair until such time as a new Chair is selected.

Time and Setting of Meetings

Committee meetings will be on the 3rd Tuesday of the month at 7:00am. Initially meetings will be held in the conference room on the second floor of City Hall adjacent to the Legal Office. Future meetings may be held in City Council Chambers to allow for public discussion. All effort will be made to limit meetings to one-hour in length. There shall be no meeting on days of City recognized holidays; or when weather conditions would make travel to and from the meeting unsafe.

Committee Work Plan

The committee shall establish a process to achieve the goal of updating the Bicycle Plan and working with the Planning Commission to incorporate that plan into the

Comprehensive Transportation Plan. This committee will make recommendations to the Transportation System Plan via a public advisory committee and technical advisory committee on aspects involving bicycle planning within The Dalles. This process shall include public outreach meetings.

RESOLUTION NO. 15-009

**A RESOLUTION CONCURRING WITH THE
MAYOR'S APPOINTMENT OF AN AD HOC
BICYCLE COMMITTEE**

WHEREAS, an ad-hoc committee is need to assist with the update of the City's Bicycle Master Plan, which will be a part of the overall Transportation System Plan; and

WHEREAS, the purpose of the committee is to gather public input and assist in the development of the bicycle portion of the City's Transportation System Plan update; and

WHEREAS, the City Council desires to form a committee to assist in developing recommendations; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. Committee Established. A committee is established for the purpose of gathering public input and assisting in the development of the bicycle portion of the City's Transportation System Plan update.

Section 2. Appointment of Committee Members. The Committee shall be comprised of nine members; three members from City departments and six citizen members at large or representing local organizations. The Mayor has selected the following persons to serve on the Committee:

Citizen Members:

Jon Chavers, Main Street Program
Andy Knight-Gaige, Chamber of Commerce
Patricia Neighbor, citizen at large
Michael Held, citizen at large
Clay Smith, citizen at large
Sara Geoncyz, citizen at large

City Government Members:

Dale McCabe, City Engineer
Nick Kraemer, Associate Planner
Brent Larson, Police Officer

Section 3. Committee Responsibility. The Committee shall establish a process to achieve the goal of updating the Bicycle Plan and working with the Planning Commission to incorporate the Plan into the Comprehensive Transportation Plan. The Committee will make

recommendations to the Transportation System Plan via a public advisory committee and technical advisory committee on aspects involving bicycle planning within The Dalles. This process will include public outreach meetings.

Section 4. Effective Date. This Resolution shall be effective February 9, 2015.

PASSED AND ADOPTED THIS 9TH DAY OF FEBRUARY, 2015

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 9TH DAY OF FEBRUARY, 2015

SIGNED: _____
Stephen E. Lawrence, Mayor

ATTEST: _____
Julie Krueger, MMC, City Clerk



CITY OF THE DALLES
 Department of Public Works
 1215 West First Street
 The Dalles, Oregon 97058

AGENDA STAFF REPORT
CITY OF THE DALLES

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
February 9, 2015	Contract Review Board 11, A	15-009

TO: Honorable Mayor and City Council
FROM: Dave Anderson, Public Works Director
THRU: Nolan K. Young, City Manager *NKY*
DATE: January 26, 2015

ISSUE: Award of Design-Build Contract for Wastewater Treatment Plant Upgrade - 2015 Project.

CITY COUNCIL GOALS: Goal 1, Tier 1, C: *Complete Design of the Phase 1 improvements under the Wastewater Master Plan*

PREVIOUS AGENDA REPORT NUMBERS: Agenda Staff Reports #14-027, #14-035

BACKGROUND: Funding for the Wastewater Treatment Plant Upgrade - 2015 project is included in the current 2014/15 budget. The project consists of constructing improvements to increase influent pumping capacity, improve reliability of the headworks facility, convert an existing bio-solids storage tank into an anaerobic digester to provide digester redundancy, and provide aesthetic improvements to enhance the appearance of the plant from key viewing areas. City Council received a report on April 28, 2014 summarizing the concept of utilizing Design-Build (D-B) contracting for the project and authorized use of D-B contracting for the project through adoption of Resolution No. 14-014 on May 12, 2014. Since that time, staff has developed the Progressive D-B contract documents, issued a Request for Qualifications (RFQ) and a Request for Proposals (RFP), and evaluated the proposals received.

The work for the project has been divided into three phases. During Phase 1A, the Design-Builder is to “undertake an extensive discover and explore process” with staff to “evaluate options and develop a design concept that fulfills the project objectives and provides the best long-term value” to the City. This is one of the benefits of the D-B process – the opportunity to utilize innovation

and incorporate “best-value” concepts early in the design phases of a project which is when there are the greatest opportunities for cost savings. The contract documents for this project specify that Phase 1A will be completed for a lump sum price provided in the proposal.

Under Phase 1B, the concepts developed in Phase 1A will be advanced to an 80% design completion and the Design-Builder will submit a proposed Guaranteed Maximum Price (GMP) for completion of the project under Phase 2. The GMP will be developed in an “open-book” manner. The cost for Phase 1B will also be developed in an “open-book” manner utilizing the same fees and rates utilized in Phase 1A. Advancing the project into Phase 1B will require a contract amendment with Council authorization. This will provide an opportunity to share design concepts and updated cost information with the Council early in the project development.

Phase 2 of the project will provide for the completion of the design as well as construction, commissioning, and start-up of all improvements. Phase 2 will again require Council authorization of a contract amendment before it can proceed.

The RFP was 90% qualification-based and 10% price-based. As may be recalled from earlier reports, Oregon state law now prohibits the use of pricing information for the selection of engineering firms under traditional contracting methods when the value of a project is over certain amounts. Since we were using D-B contracting, we were allowed to request some pricing information in the RFP. Accordingly, proposers were required to provide lump sum pricing for Phase 1A as well as “percent mark-ups” on the direct cost of work that would be applied by the Design-Builder for profit and overhead for Phases 1B and 2.

Three proposals were received for the project, all from entities with a demonstrated capability to successfully complete the project. The proposals were evaluated by a team of five reviewers from City staff. While the scoring was very close, the proposal from the team of Mortenson Construction/Kennedy-Jenks Engineers was ranked the highest. Following are some of the reasons that this proposal was preferred.

- This team proposed to take a step further back and characterize the flows into the plant to see if any of the identified needs can be met with process modifications rather than capital improvements, thereby validating the need for improvements.
- They provided the greatest emphasis of any of the proposals on striving to re-use existing facilities as much as possible while meeting the project needs.
- Their proposal had greater focus on considering the treatment and regulatory needs of the City in consideration of all three phases of planned improvements, thereby seeking to provide the best long-term value.
- One of the people assigned to the project to guide the permitting effort is a prior water quality manager for Oregon DEQ, the agency through which the project will need to be permitted.
- Their evaluation of options will consider the pending permit issue of effluent pH, an issue about which the City is currently in negotiations with DEQ.
- They proposed to conduct community outreach to minimize local impacts of the project during construction.
- They will re-evaluate the opportunity to produce energy at the plant, and explore the possibility of attracting outside funding to support renewable power generation which could help fund planned upgrades to the digester and cover the cost of installing microturbines.

- Early in Phase 1B, they will evaluate the opportunities to work with local trade partners on the project, and utilize the most cost-effective options between self-performing work and subcontracting certain tasks.
- Experience:
 - Mortenson Construction, who will be the lead on the project for the Design-Builder, has experience constructing improvements on existing wastewater treatment plants in Oregon and Washington, including projects that utilized alternate delivery methods (like D-B), with excellent references including Oak Grove and Newberg, Oregon.
 - Kennedy-Jenks has experience designing and permitting improvements to existing wastewater treatment plants with very good references including Corvallis and Pendleton, Oregon.
 - The two firms have successfully worked together on the design and construction of wastewater treatment plant upgrades.
- This proposal included the second lowest lump sum price for Phase 1A and the lowest percentage mark-ups on the direct costs of the work; with lower mark-ups for profit, a larger portion of the project budget can be used for improvements on the ground.

A comparison of the financial submittals for each of the proposals is provided below:

Proposer	Phase 1 Lump Sum	% Mark-up on Labor	% Mark-up on Materials/Services
Mortenson/K-J	\$132,274	4%	4%
Carollo/Slayden	\$135,533	5%	5%
CH2M Hill	\$59,859	10%	10%

The total budget for this project anticipated in the Wastewater Capital Improvement Plan (CIP) is \$4.88 million. The project, as originally approved by Council through the adoption of the CIP, includes providing visual aesthetic improvements to the plant; the CIP anticipated \$210,000 of the project budget for these improvements.

The anticipated project schedule provides that all work will be completed by October 31, 2016. A copy of the 50+ page contract is available for review if desired.

BUDGET IMPLICATIONS: Within the Sewer Plant Construction/Debt Service Fund, Fund 57, \$4,725,872 is budgeted within the current year for this project. Work on the project will take about 20 months to complete and likely extend through 2015/16 and into 2016/17. At the current rate of allocating over \$1 million/year into Fund 57 to support the adopted CIP, the 2015/16 anticipated transfer to Fund 57 will cover the current project budget.

It is anticipated that the contract amendment for Phase 2 of this project will be brought to the City Council for authorization in July or September 2015, after the 2015/16 budget is adopted. At that time, the funding for Phase 2 of this project can be confirmed before it is committed. As may be recalled from the prior presentations to Council on this project, the Progressive Design-Build contract provides an “off ramp” opportunity at the end of Phase 1B if needed.

RECOMMENDATIONS:

1. **Staff Recommendation:** *Move to authorize the City Manager to enter into contract with Mortenson Construction/Kennedy-Jenks Engineers for Phase 1A of Contract No. 2015-004, the Wastewater Treatment Plant Upgrade – 2015 project, in amount not to exceed \$132,274.*
2. Move to authorize the City Manager to enter into contract with Mortenson Construction/ Kennedy-Jenks Engineers for Phase 1A of Contract No. 2015-004, the Wastewater Treatment Plant Upgrade – 2015 project, in amount not to exceed \$132,274, and excluding visual aesthetic improvements from the project scope.
3. Deny authorization to award Contract No. 2015-004 to the top-ranked proposer and provide additional direction to staff.



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

MEETING DATE	AGENDA LOCATION	AGENDA REPORT #
February 9, 2015	Action Items 12, A	15-010

TO: Honorable Mayor and City Council

FROM: Daniel Hunter, Administrative Fellow

THRU: Nolan Young, City Manager

DATE: January 29, 2015

ISSUE: Annexation Policy Review

RELATED COUNCIL GOAL: Annexation of all territory within the 1983 Urban Growth Boundary as specified in The Dalles Comprehensive Land Use Plan, General Ordinance 11-1312.

PREVIOUS AGENDA STAFF REPORT (ASR): #11-031; #11-037; #11-045

BACKGROUND: The City Council has asked staff to look at the City's current annexation policy and identify potential modifications. Attached is a written review that goes into the history of the policy and the effects of annexation.

OPTIONS FOR CONSIDERATION: Some alternatives to the current policy are provided below. Once Council by motion adopts an alternative, City Staff will implement the selected options, including processing any needed LUDO amendments and bring to the Council a resolution replacing Resolution 06-011(attached) which implemented the current policy:

Option 1, Amend the current annexation policy: Amend the current policy to continue with annexation of commercial and industrial areas once they become developed. The Council could instruct staff to continue with residential property annexation on a consent basis where other requirements are met, such as urbanization from development. This could include amending the current **Land Use and Development Ordinance (LUDO)**, Chapter, Section and Paragraph 9.020.020(B), replacing “may” with “shall” and adding standard for when annexation occurs. We propose paragraph (B) of said chapter and section to read: Whenever any new lot is created or existing property is urbanized inside the Urban Growth Boundary but outside the City limits, the City shall require annexation or the signing of a consent to annexation and a waiver of the one year limitation on consent to annexation. Amend Chapter and Section 2.030 by adding the word Urbanized and the following definition:

Residential development density at 1 residential unit on one-half acre (21,780 square feet) of land or higher density; Or 4 adjacent residential housing units having a total land area of 65,340 square feet or less; Or connected to city water; Or connected to city sewer; And contiguous to city limits is urbanized.

Option 2, Continue with current policy: Continuing the current policy would eventually achieve the Council’s goal of annexing all property within the UGB. Those properties that remain may take substantial time and effort to annex. The undeveloped industrial property in the North West corner of the UGB would be annexed if ever developed. Residential property in the West includes a trailer park where the property owner has consented to annexation while the residents have not. This would be required due to the location and type of the property. Another conditional property is located in the South. This property is managed by a Home Owners Association (HOA) with commonly held property between individual properties. Individual property owners have expressed consent to annex. However, because there is commonly held property between them the entire HOA would have to vote and approve the consent to annex. Due to the commonly held property, City Limits do not abut all of the individual properties. Therefore, it cannot be annexed without HOA and individual property owner approval. Lastly, there is property in the South East that is not fully developed at urban levels and the owners have not consented to annexation (Exhibit B). There are currently two island properties in the three-year waiting period. The waiting period on both expires at the end of February 2015. Amending the current **Land Use and Development Ordinance (LUDO)**, Chapter, Section and Paragraph 9.020.020(B), replacing “may” with “shall” should be done.

Option 3, Postpone action: The Council postpones further action on amending the annexation policy and instructs staff to conduct further research on alternatives.

BUDGET IMPLICATIONS: The timing of annexations will have an impact on both revenues and expenditures. The annexation reduces the amount Wasco County pays to the City for planning administration within the Urban Growth Boundary. Revenues gained through property taxes by annexing property is offset by reductions in water and sewer fees where the property’s taxable assessed value is less than \$240,000.

COUNCIL ALTERNATIVES:

1. Staff Recommendation: *Direct Staff to process LUDO Amendments and a New Resolution amending the Council's current annexation policy to continue with annexation of commercial and industrial property as they develop, and to prepare for future annexation of residential properties through signed consent at the time development happens and then delay annexation to the time the city determines the area is urbanized.*
2. Direct Staff to continue with the current annexation policy in Resolution 06-011 and process an amendment of the LUDO to support that policy.
3. Postpone action on the current policy to conduct research on this issue.

RESOLUTION NO. 06-011

**A RESOLUTION ADOPTING THE
CITY OF THE DALLES ANNEXATION POLICY**

WHEREAS; The City of The Dalles was incorporated in 1857 and has frequently, over time annexed property into its City limits for the benefit of the public; and

WHEREAS; Annexation of property provides for a more efficient and cost effective delivery of urban level services including; police, water, sanitary sewer, storm sewer, roads, planning and development, administration, and codes enforcement; and

WHEREAS; The City has established an urban growth boundary within which properties may be provided urban level services; and

WHEREAS; The City is experiencing an expanding economy creating the need to expand the urban growth boundary; and

WHEREAS; In order to efficiently and effectively provide for urban level services within the existing and expanding urban growth boundary, it is to the benefit of the public to annex properties within the urban growth boundary; and

WHEREAS; The City Council wishes to establish by resolution a uniform policy regarding annexation of property into the City;

NOW, THEREFORE, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. Annexation Policy. The City Council hereby adopts and approves an annexation policy with the following elements:

- A. All properties within the urban growth boundary, and as it may be amended from time to time, shall be annexed.
- B. On November 7, 2006, there will be an election of the voters within the existing City limits, and those within the existing urban growth boundary outside the City limits, asking whether all the properties not already annexed be annexed at one time.
- C. Upon passage of this resolution, annexation of individual properties will be delayed until after the results of the November 7, 2006, election are known.

- D. If the all inclusive annexation election in November should fail, the City will, at the earliest opportunity, use all available means to annex properties including but not limited to; limited area annexation elections, consent annexations, and island annexations.
- E. The City will continue to require consents to annexation from individual properties owners as they develop property and/or they require connections to City utilities outside existing City limits.

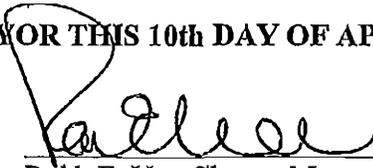
2. Effective Date. This annexation policy resolution shall become effective immediately upon its passage and approval, April 10, 2006.

PASSED AND ADOPTED THIS 10th DAY OF APRIL, 2006

Voting Yes, Councilors:	<u>Davison, Seckora, Broehl, Tenney, Zuckin</u>
Voting No, Councilors:	<u>None</u>
Absent, Councilors:	<u>None</u>
Abstaining, Councilors:	<u>None</u>

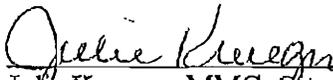
AND APPROVED BY THE MAYOR THIS 10th DAY OF APRIL, 2006

SIGNED:



Robb E. Van Cleave, Mayor

ATTEST:



Julie Krueger, MMC, City Clerk



Staff Review of Annexation Policy

Introduction

The City Council in April 2006 adopted a goal to annex all property in the Urban Growth Boundary at the first possible opportunity (Res. 06-011). After a review of the Comprehensive Land Use Plan (CLUP); 2005 studies on growth management within the Urban Growth Boundary (UGB); and 2010 land needs revision based on 2026 buildable land needs, a revision to City development plans was needed. Following the review of the city's land use plan, several studies and input from various organizations The Dalles adopted a plan amendment, in accordance with Oregon State Planning Goals and local ordinances. Annexation of all properties within the UGB was part of that plan. The initial hope was to have the voters approve annexation *en masse*. The results from that vote were split. Those living within City limits voted in favor by a 65% margin; those outside the city and within the UGB voted in opposition by a 77% margin. The measure failed.

The city then began deliberate annexation in accordance with State statute and local ordinance. The annexation was via one of three methods: *consent*, *contiguous* or *island* which has a three year delay. One exception to the waiting period is if the property is transferred during the waiting period. A transfer within an island initiates an automatic annexation.

History

In 1983, The Dalles UGB was acknowledged by the Land Conservation and Development Commission (LCDC). The UGB was intended to meet the growth needs of the city for the following 20 years. In 1986 Congress adopted the Columbia River National Scenic Area Act and established the Columbia River Gorge Commission. The Gorge Commission exempted most of the area within the UGB from provisions of the Act. Exemption is consistent with section 4(f) of the *Columbia River Gorge National Scenic Area Act* (Title 16 U.S.C. §544 Sec.4(f)).

In 1993 the City reviewed the Comprehensive Land Use Plan. The City adopted policies to encourage affordable housing, allow mixed use commercial centers (nodal). Residential development within the city was averaged at 5.0 dwellings per gross buildable acre. In 2005 The City received a grant to conduct growth management studies from the Oregon Department of Land Conservation and Development (DLCD). As a result of those studies the City determined there was an unmet need of 745 buildable acres within the UGB. In order to meet the density requirements of Goal 14 of the Oregon State Land Use Planning Goals, the City increased density to 5.6 units per buildable acre which reduced the unmet need to 682 buildable acres within the UGB. Due to state regulations and local values the City chose to avoid agricultural lands to the south and west as they are *high-value* agricultural land. As a result of the 2007 UGB expansion 434 acres were considered buildable for residential purposes. In 2010 the unmet need was revised down again following the land needs revision and Land Use and Development Ordinance (LUDO) Amendments to 457 buildable acres (at 5.6 units per gross acre). The breakdown of needs is: 395 acres low density; 51 acres medium density; and 11 acres high density. The *Residential Land Needs Report* (Winterbrook, April 2007) determined that if The Dalles continued at 2007 density levels and development types, residential land needs would be 604 acres through 2026 (at 5.0 units per gross

acre).

The employment land needs have been affected by two events. The first is the development of 50 industrial acres by Google. The second is the permanent shut down of Northwest Aluminum which placed 120 industrial acres on the market. Rather than development current green spaces for industrial use, the city has opted to utilize the space vacated by Northwest Aluminum.

The continuation 1983 twenty-year UGB and development density ordinances were insufficient to meet future needs. Considering topographic restrictions within the 1983 twenty-year UGB, inclines of 25 degrees or greater and in consideration of the Nation Scenic Area lands, changes were required to meet current and future needs. Annexation of all land within the UGB and subsequent expansion of the UGB were appropriate. Annexation allows The Dalles to establish Urban Area Expansion and related ordinances for development density. It also allows The Dalles to establish a plan for the next 20 years that meets the city's growth needs. Given the forgoing as well as the following rationale, annexation and expansion of the UGB was adopted.

Annex Rationale

Major Points

- Combined School Districts
- Improved Law Enforcement Coverage
- UGB Expansion

Minor Points

- UGB Planning Administration

In 2005 the City Council directed staff to proceed with annexation of all property within the UGB at the earliest opportunity allowed by state law. In 2005 the Oregon State Senate developed a bill (SB380) which clarified the "double majority" in ORS 195.205-195.235. The bill was passed and signed by then Governor Kulongoski. The "double majority" rule means, a majority of voters within city limits and a majority of

those outside city limits and within the UGB. House Bill 2760 also passed and was signed by the Governor. This Bill established a three-year pause for island annexations.

City Staff prepared a measure and placed it on the November 7th 2006 ballot (measure 33-57). The intent of the measure was the annexation *en masse* of all property within the UGB. This would have been the most effective and efficient method of annexation allowed by law. In that vote 4,513 votes were cast within the city of The Dalles, with a majority (2,959) voting in favor of annexation. Those outside city limits and within the UGB totaled 826 votes cast, with a majority (639) voting in opposition. As a result, the measure failed to gain a double majority. Annexation *en masse* had failed. As a result, the City Council began a process of annexation by periodic resolution in accordance with ORS 222.125 and ORS 222.120 on properties that were contiguous to city limits, or where island annexation is allowed by state law.

For years the city has been collecting consent to annex as properties develop or when they request city sewer or water service; when properties with the consent to be annexed become contiguous to city limits it is annexed. *Island* annexation occurs when property is abutted (except street right-of-way less than 25%) or completely surrounded by city territory. There is at least a three-year hold on affective dates for *island* annexation in accordance with ORS 222.750. Annexation by transfer of ownership occurs when the city annexes by ordinance an *island* property where transfer of ownership occurs. In such a case, annexation of said property is immediate upon *transfer* (ORS 222.750) and the waiting period no longer applies. The final method, which is rarely used, is in the event of septic failure where the septic system is within three-hundred feet of the city sewer system. In such an event the property is annexed and connected to the city sewer system.

As of December 2014, 973.02 acres have been annexed. There are two properties

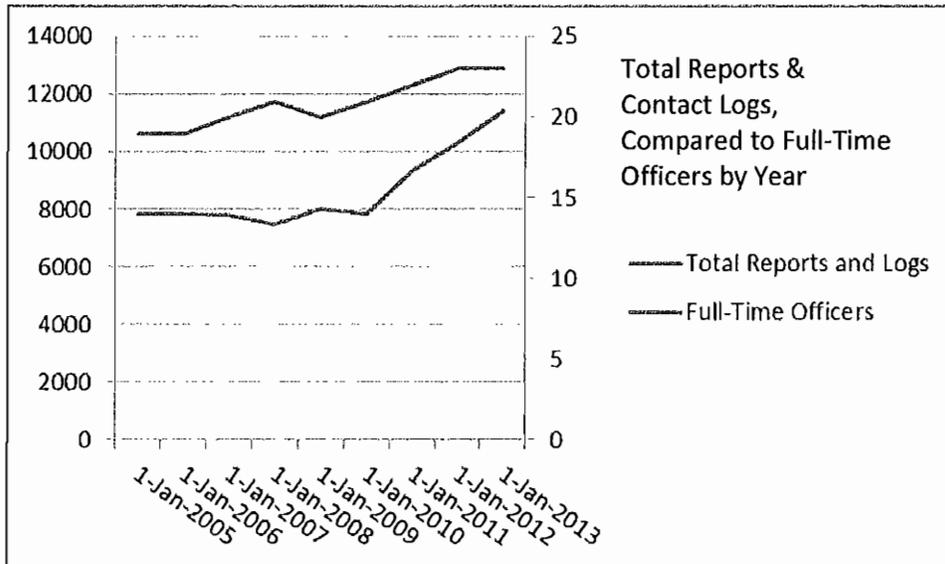
currently in the three year waiting period (ends February 2015) and few acres remain to be annexed (Exhibit B). Without further action by the Council to amend the policy, annexation of remaining property will continue as set forth above. There are 241.98 acres remaining outside city limits and with the UGB.

Effects of Annexation

The following is a summary of how city departments have been effected by annexation, particularly their interaction with the public.

Police Department

At the time the annexation policy was adopted (2006), the city's police department had nineteen full-time officers. For that year, there were 7,861 logs and reports written; 1,013 arrests made; 1,378 charges filed and 1,387 tickets issued. In 2013 there were twenty-three full-time officers on staff. For that year there were 11,447 logs and reports; 1,062 arrests made; 2,051 charges filed and 1,117 tickets issued. The total logs and reports for the year reflect the total calls for service. In 2012 and 2013 the total calls for service were higher than previous years. The average calls for service from 2005-2013 was 8,668. In 2013 there were 11,447; in 2012 there were 10,340. Arrests and tickets have remained relatively consistent, while charges filed did see an increased slightly in 2013 at 2,051 (1,648 is average).



In 2006 The Dalles had 1.58 officers per 1,000 residents. In 2013 we had 1.59 officers per 1,000 residents. The Oregon State average is 1.6 officers per 1,000 residents. The national average for cities with populations of 10,000 to 24,999 is 1.9 officers per 1,000 residents. Police Chief Jay Waterbury has received positive feedback from the public who reside in annexed areas now serviced by the city police department. In 2012 total calls for assistance increase 19.3% above average; while total arrests, charges and tickets remained relatively constant. In 2013 total calls increased 32% above average; while arrests, charges and tickets have remained relatively constant.

Code Enforcement

Nikki Lesich, the City Code Enforcement Officer has received some considerable feedback from the community. There has been both positive and negative feedback regarding the annexation, particularly in the west. While some comments to Code Enforcement have been negative this has mainly centered on the method the city adopted. However, this method was largely dictated by Oregon Law. Some of the more positive feedback regards neighbors who have been living with what they consider a nuisance now wanting it addressed. In most of these cases it is either noise or condition of a

neighbor's property. Some feedback received appears to indicate that residents do not know they are now in city limits. The changing of standards from county ordinance compliance to city ordinance compliance has caught some off-guard.

Code Enforcement workload peaked in March 2011 and March 2012 as large annexations took affect in those years. A large part of the repeat enforcement is in this area and involves nuisance and land use compliance issues. This has caused Planning and Codes Enforcement to work together, to the benefit of the personnel in those departments.

Most recently Codes Enforcement returned two-hundred-two phone calls; performed two-hundred-sixty-four property inspections and sent one-hundred-thirty-two compliance letters. There have been four special cases in 2014 involving the City Attorney, Planning, The Port of The Dalles and The Dalles Police Department. Thus far, there have been eight property abatements for 2014.

Public Works

The impact on Public Works due to the annexation has thus far been negligible. There will be an increase in costs associated with street maintenance once the details are worked out with Wasco County. Local access roads in areas annexed have transferred from county to city jurisdiction. There has been a slight decrease in city sewer revenue for services provided by Public Works due to lower in-city rates. The utility rates are covered in more detail under Finance.

Planning

The Planning Department's work load had increase as the result of annexation process itself. There were ten to fifteen enforcement actions taken in the annexed area last year. That workload has diminished in recent months as the number of properties being annexed has slowed.

Library

There has been some increase in the number of people seeking library services. However, it is believed that this is likely due to the poor economy over the last several years rather than an effect of annexation.

Legal

Initial workload increased due to annexation legal procedures. Since then the case load has remained relatively constant (see Police and Code Enforcement for variances).

Finance

There has been a marginal increase in workload due to an increase in property tax calculations for annexed properties. As annexation proceeded, revenue sources changed. As properties were annexed, water and sewer rates changed to inside city limits from outside city limits. For these utilities on those properties the revenue went down. On residential property over \$240,000 in assessed value the revenue gained through city property tax off-sets the loss in outside city limits utility fees.

In addition, the city provides planning administration within the UGB for Wasco County. As territory within the UGB has been annexed the amount Wasco County pays The Dalles has declined.

Administration

The City Manager's Office has not seen an appreciable difference in public contacts or comments since the annexation policy began in 2006.

Results

The rationale for the city's annexation policy has largely been achieved. Properties within the UGB that the city is able to annex have been annexed. While there are a few exceptions, it is foreseeable that these properties would be annexed at some

point in the future. However, the time-frame for this to occur is unknown. Exhibit A shows the Proposed annexation Boundary and City Limits when the city began its annexation; Exhibit B shows the current city limits.

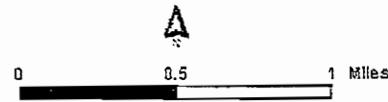
The Dalles has improved law enforcement coverage to annexed areas. The city's police department has received positive feedback from residents, particularly at the west end of the city. These areas were formerly outside city limits. Now that these areas are within city limits regular patrols by city police officers can be and are conducted. Residents have commented that they now feel safe in their neighborhood.

The Dalles now has a combined school district. This will help establish a sense of The Dalles being one community.

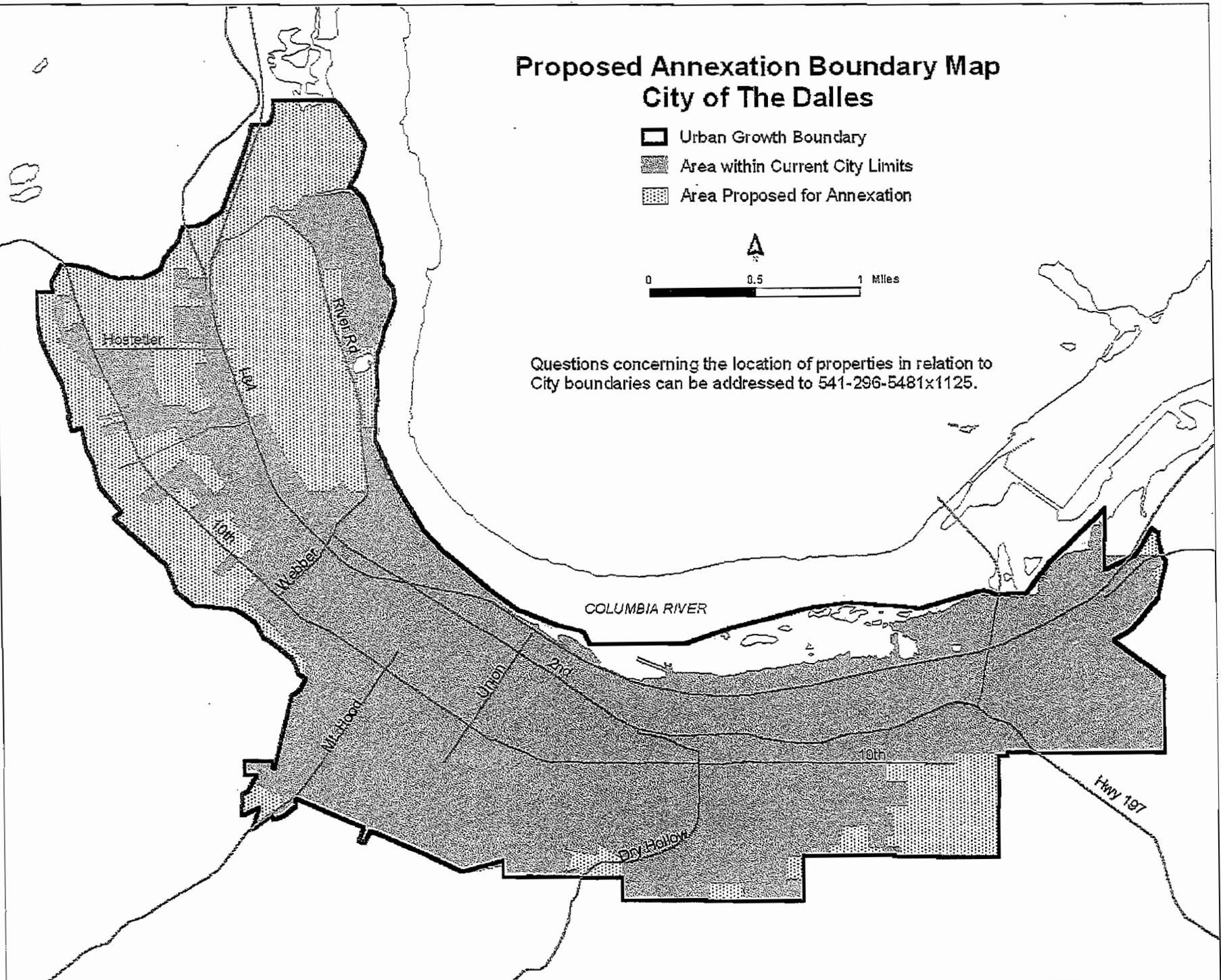
Designation of areas outside city limits as Urban Growth Areas (UGA) and any future UGB expansion can now take place if development need warrants and in accordance with ORS 197.296-197.314; the 1983, 20 years UGB has for the most part been annexed. UGB Planning Administration has diminished significantly as a result of annexation, as have the fees paid to the City by Wasco County for that service. Any action by the City shall conform to Oregon Land Use Planning Goals and in particular Goals 1, 2 & 14 as they pertain to UGB Planning, Urbanization and Annexation. Goal 1 of the Oregon Land Use Planning Goals pertains to citizen involvement; Goal 2 is land use planning and Goal 14 is Urbanization.

Proposed Annexation Boundary Map City of The Dalles

- Urban Growth Boundary
- Area within Current City Limits
- Area Proposed for Annexation



Questions concerning the location of properties in relation to City boundaries can be addressed to 541-296-5481x1125.



City of The Dalles

July 30, 2013

EXHIBIT B

