AGENDA

REGULAR CITY COUNCIL MEETING
June 13, 2016
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

   A. Veterans Services Support – Andretta Schellinger

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 May 23, 2016 Regular City Council Meeting Minutes;

B. Resolution No. 16-020 assessing the property at 800 East 13th Street for abatement of junk and hazardous vegetation;

C. Approval of Amendment No. 9 to Operations Management International (OMI) Agreement to Operate the Wastewater Treatment Plant for Fiscal Year 2016-17;

11. PUBLIC HEARINGS

A. General Ordinance No. 16-1343 Regulating the Time, Place and Manner of Sales of Marijuana in the City of The Dalles.

12. ACTION ITEMS

A. Adopt General Ordinance No. 16-1344 making amendments to Land Use Development Ordinance regarding RV Park regulations.

B. Municipal Court Recommendation

C. Approval of Enterprise Zone Immediate Opportunity Grants List

13. DISCUSSION ITEMS

A. Enterprise Zone Abatement Report

14. ADJOURNMENT

This meeting conducted in a handicap accessible room.

Prepared by/
Izetta Grossman
City Clerk

Date: May 5, 2016

Re: Proposal for funding the Veteran Service Office

Numerous Veteran Organizations in Wasco County have discussed various ways to seek funding to ensure that the Veteran Service Office not only maintains its current personnel but increases the current staff by one individual. We bring this matter to the councilmen and councilwoman for discussion.

In Fiscal Year 2014 the Veteran Service Office assisted veterans in receiving $810,349.54 in retroactive payments and $446,486.21 in cumulative monthly payments equaling over $1.2 million dollars infused into both The Dalles City and Wasco County. In fiscal year 2015, the Veteran Service Office assisted veterans in receiving $466,511.85 in retroactive payments and $299,591.77 in cumulative monthly payments. This is over $766,000 brought into the city and county. For Fiscal Year 2016 which began July 2015 the Veteran Service Office has already assisted in receiving $574,964.28 in retroactive payments and $238,707.28 in cumulative monthly payments. The monthly payments as of February 2016 will consist of $813,671.56 in cumulative payments. This amount does not include any payments or additional monthly payments for the remainder of the year. How does this impact The Dalles City? At least 90% of veterans receiving monthly allotments from the Federal Government live in The Dalles and almost 100% live in Wasco County.

For the last two and a half years with two full time employees the Veteran Service Office has brought in almost 3 million new dollars with 5 months left in this fiscal year. The current budget for the Veteran Service Office is $131,000 which includes $116,671.00 for salary and benefits for the two full time employees and $14,601.00 for materials and services. Currently the paperwork, administrative functions, volunteer coordinator, and communication are done by two Veteran Service Officers, and 19-21 volunteers, including the volunteer coordinator, Ms. Jean Maxwell, who is looking to retire. An additional employee will work both as a Volunteer Coordinator but also as an office manager which will allow Russell to focus the hours he spends on office worries on veterans. This person will come on as a full time employee at the lowest step with the job description of both a volunteer coordinator and office manager. Please see the attached worksheet that describes the cost of a third employee.

Due to compression and other budgetary constraints, the Veteran Organizations are worried that instead of the budget increasing for the Veteran Service Office, it will slowly decrease, which will be detrimental to not only the County, but the City as well. This is why Veteran Organizations in The Dalles would like to request from the City that $90,000 be allotted per year for five years. After which time a renegotiation can occur. Wasco County has already begun discussions and we do not foresee a marked increase or decrease in the funds received by them.

Cost of Third Employee

Office Manager 1

Full Time

	Step 1	Highest Step
Salary	35,988	41,736
Health Benefits	16,474	16,474
Retirement Benefits	8,367.21	9,703.62
Total	60,829.21	67,913.62

Part Time

	Step 1	Highest Step
Salary	17,994	20,868
Health Benefits	4,183.60	4,851.60
Retirement Benefits	55	55
Total	22,232.61	25,774.81

The Dalles City Council
313 Court St.
The Dalles, OR 97058

May 16, 2016

Dear Councilmembers,

Mid-Columbia Veteran's Committee Inc, a local organization dedicated to providing strong, collective efforts for influencing veterans' affairs in the Mid-Columbia area, State of Oregon, and United States of America offer our support for the financial proposal to be submitted to the City of The Dalles to improve the Veteran Service Office (VSO). Following our monthly meeting on May 16, 2016 we voted and approved our support of the aforementioned proposal. We believe that this proposal which will add an additional employee to the VSO will provide greater assistance to the more than 3000 veterans that currently reside in area.

Our approval is signified by the signature of our group's leader, President Lester Cochenour.

We thank the councilmembers for reviewing this proposal and our organizations support of such.

Lester D Cochenour

Sincerely,

Mid-Columbia Veterans Memorial Committee Inc.

The Dalles City Council
313 Court St.
The Dalles, OR 97058

May 15, 2016

Dear Council Members,

I represent Home Fires Burning, a local organization dedicated to supporting female veterans, and the caregivers, spouses, and children of veterans both past and present. Our organization's goal is to educate, support, assist, and provide relief to those who may not get the attention and recognition they deserve.

Recently the Home Fires Burning organization was approached with a proposal for us to request funds from the City of The Dalles to improve the services offered at the Veteran Service Office (VSO). Following our monthly meeting on May 12, 2016 we voted and approved our support of the aforementioned proposal. We believe that this proposal which will add an additional employee to the VSO will provide greater assistance to the more than 3000 veterans that currently reside in our community.

Our approval is signified by the signature of our group's leader, facilitator Andretta Schellinger. We thank the The Dalles City Council Members for reviewing this proposal and our organizations support of such.

Sincerely,

Andretta Schellinger

Home Fires Burning

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

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

AGENDA STAFF REPORT

AGENDA LOCATION: Item #10 A-C

MEETING DATE: June 13, 2016

TO: Honorable Mayor and City Council

FROM: Izetta Grossman, City Clerk

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

A. **ITEM**: Approval of the May 23, 2016 Regular City Council Meeting Minutes.

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the May 23, 2016 Regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the May 23, 2016 City Council meeting.

B. **ITEM**: Resolution No. 16-020 assessing the property at 800 East 13th Street for abatement of junk and hazardous vegetation.

BUDGET IMPLICATIONS: Assessment fees will be entered on the City's Lien Docket for collection.

SYNOPSIS: A Notice to Abate Nuisance Conditions was posted by Nikki Lesich, the City's Code Enforcement Officer, upon the property located at 800 East 13th Street on the date shown in Resolution No. 16-020. The Notice to Abate Nuisance Conditions advised the property owner of nuisance conditions existing upon the property, consisting of the presence of junk and hazardous vegetation. When the property owner did not remove the nuisance conditions, the City hired

Rod Huante to abate the public nuisance. The cost for removal of the nuisance conditions was $1,653.68. The cost for the abatement includes an administrative fee of $500 required by General Ordinance No. 93-1162.

On February 29, 2016, a notice of the proposed assessment for the costs of the abatement was sent to John Doyle. A copy of the notice is enclosed with this staff report. The notice advised the owner he had until March 5, 2016 to file any objections to the proposed assessment, and that if the assessment was not paid by March 15, 2016, the amount of the assessment would be imposed as a lien upon the property. No objections to the assessments were filed by March 5, 2016, and no payment has been made toward the proposed assessment by the property owner.

RECOMMENDATION: That the City Council adopt Resolution No. 16-020 assessing the property at 800 East 13th Street for abatement of junk and hazardous vegetation.

C. **ITEM:** Approval of Amendment No. 9 to Operations Management International (OMI) Agreement to operate the Wastewater Treatment Plant for Fiscal Year 2016-2017.

BUDGET IMPLICATIONS: Expenditure for the contract is identified in the approved 2016-17 Wastewater Fund budget, line code 3110. The total cost of the contract amendment will be $927,474 and is within the funds budgeted for this purpose.

SYNOPSIS: The City entered into a 10-year contract with OMI beginning July 1, 2008 to provide continued contract operation of the Wastewater Treatment Plant. The approved 2016-17 budget anticipated payment for the ninth year of that contract.

The contract renewal reflects a 0.66% increase in the total annual cost of the contract compared to 2015-16. This amendment will pay a management fee of $140,191 to OMI, an increase of 3.4% over last year. Direct costs of the facility (labor and benefits, materials and services) are increasing 0.2% to $787,283. A philosophy of mutual risk/benefit has been maintained in the amendment as the City and OMI will equally split the costs of any increases in electrical costs above the budgeted amount up to 10%. The City remains liable for any electrical rate increased above the 10%.

RECOMMENDATION: That City Council approve the contract amendment as proposed by OMI and authorize the City Manager to sign Amendment No. 9.

MINUTES

REGULAR COUNCIL MEETING
OF
May 23, 2016
5:30 p.m.

THE DALLES CITY HALL
313 COURT STREET
THE DALLES, OREGON

PRESIDING:	Mayor Stephen Lawrence
COUNCIL PRESENT:	Russ Brown, Tim McGlothlin, Taner Elliott, Linda Miller, Dan Spatz
COUNCIL ABSENT:	None
STAFF PRESENT:	City Manager Julie Krueger, City Clerk Izetta Grossman, Planning Director Richard Gassman, Finance Director Kate Mast, Public Works Director Dave Anderson, Police Chief Jay Waterbury, Project Coordinator Daniel Hunter

CALL TO ORDER

The meeting was called to order by Mayor Lawrence at 5:30 p.m.

ROLL CALL

Roll call was conducted by City Clerk Grossman, all Councilors present.

PLEDGE OF ALLEGIANCE

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

APPROVAL OF AGENDA

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

CITY MANAGER REPORT

City Manager Krueger reported that the Housing and Building Needs Assessment Contract had been signed and work would start the first week of June.

Krueger said there had been a water main break by the Shilo. She said crews were working on it.

Krueger asked for the consensus of the Council to work with the Mayor to develop a Downtown Parking Needs Task Force. It was the consensus of the Council to do so.

CITY ATTORNEY REPORT

City Attorney Parker reported he was working on the ordinance to refer the 3% tax on marijuana sales to the voters. He said he was attending a League of Oregon Cities webinar on the subject.

He said he and the Planning Director were finalizing the Port Reimbursement District.

He said he was working on extending a lease with Meadow Outdoor for West Sixth Street Bridge. He said it had been a 5 year lease that they were planning to increase to a 10 year lease.

Parker said he had received a draft of the Northwest Natural Gas Franchise. He said he expected it to be complete by the October deadline.

He said he received an inquiry from Mobilitie, a California Company regarding a fiber transport network franchise agreement.

CITY COUNCIL REPORTS

Councilor Brown reported attending a 75th Woody Guthrie event at the Discovery Center.

Councilor Spatz said he would be having further talks with Moto from Miyoshi City regarding an extended stay for students later this year. He said they would be discussing length of stay and how many students would be coming from Japan.

Councilor McGlothlin reported on attending a Port visitation and a public meeting with DEQ and Amerities.
McGlothlin said he took a ride on the newly established Gorge Express from Gateway Transit

Center to Multnomah Falls. He said the ride was $5 and was a great adventure.

Councilor Miller reported volunteering at the Color the Gorge Race, attending the DEQ Amerities meeting, and the Town Hall held by Representative Greg Walden. She said he was asked about having a national cemetery in The Dalles.

She said she attended the IlumiDance concert. She said it was great.

Mayor Lawrence said that The Dalles wasn't far enough away from the Willamette Cemetery.

Mayor Lawrence reported on attending the Tourism Town Hall put on by Travel Oregon. He said they were addressing a global plan.

CONSENT AGENDA

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

Items approved by Consent Agenda were: 1) Approval of May 9, 2016 Regular City Council Meeting Minutes.

PUBLIC HEARINGS

Public Hearing to Receive Testimony Regarding Proposed Uses of State Shared Revenues

Mayor Lawrence opened the public hearing.

Finance Director Mast reviewed the staff report.

Hearing no public comment Mayor Lawrence closed the hearing.

It was moved by Elliott and seconded by McGlothlin to adopt Resolution No. 16-017 Declaring the City's Election to Receive State Revenues for Fiscal Year 2016-17. The motion carried unanimously.

Public Hearing to Receive Testimony Regarding the Proposed 2016-17 Fiscal Year Budget

Finance Director Mast reviewed the staff report.

Mayor Lawrence opened the public hearing.
Hearing no public comment Mayor Lawrence closed the public hearing.

It was moved by McGlothlin and seconded by Miller to approve the proposed changes to the budget approved by the Budget Committee and to adopt Resolution No. 16-018 Adopting the 2016-17 Fiscal Year Budget for the City of The Dalles, Making Appropriations, Authorizing Expenditures, Levying Taxes, and Authorizing the City Manager to Take Such Action as Necessary to Carry Out the Adopted Budget. The motion carried unanimously.

ACTION ITEMS

Approve Property, Liability and Workers Compensation Insurance Renewals for the City of The Dalles

Finance Director Mast introduced Oregon Trail Insurance representative Colleen Clark and Mike Luebke.

Luebke reported that the Workers Compensation rating had dropped significantly, from 1.69 to 1.47. He said one more year of decline would result in preferred premiums. He noted that the City had the best year since 1992.

He said that liability claims were about the same as last year.

In response to a question Clark said some of the claims continue from one fiscal year into another.

Mayor Lawrence asked why the excess liability coverage was recommended at the current level. Clark said she would look in to the specifics and provide that information to the City Manager.

It was moved by Miller and seconded by Elliott to approve the renewal of the City's Insurance Coverages for FY16/17 as presented.

EXECUTIVE SESSION

Mayor Lawrence recessed into Executive Session in Accordance ORS 192.660(2)(d) To Conduct Deliberations with Persons Designated by the Governing Body to Carry on Labor Negotiations at 6:05p.m.

Reconvened to Open Session at 6:21 p.m.

ADJOURNMENT

Being no further business, the meeting adjourned at 6:23 p.m.

Submitted by/
Izetta Grossman
City Clerk

SIGNED: _____
Stephen E. Lawrence, Mayor

ATTEST: _____
Izetta Grossman, City Clerk

RESOLUTION NO. 16-020

A RESOLUTION ASSESSING THE REAL PROPERTY LOCATED AT 800 EAST 13TH STREET FOR THE COSTS OF ABATEMENT OF JUNK AND HAZARDOUS VEGETATION

WHEREAS, the City Code Enforcement Officer, posted a Notice to Abate Nuisance upon the following listed property on the date shown below;

Property	Assessor's Map No.	Date of Posting
800 East 13th Street	1N 13E 3CD #13500	December 18, 2015

and

WHEREAS, the following persons are the owners of the following listed property;

Property	Owners
800 East 13th Street	John D. Doyle & Katherine J. Doyle

and

WHEREAS, the Notice to Abate Nuisance required the removal of junk and hazardous vegetation from the listed property pursuant to the provisions of General Ordinance Nos. 93-1162 and 99-1234; and

WHEREAS, the Notice to Abate Nuisance further provided that if the nuisance conditions were not abated, the City would hire a contractor to abate the nuisance conditions, and the costs of the abatement would be charged to the owner of the property, and become a lien upon the property; and

WHEREAS, as a result of the owner's failure to abate the nuisance conditions on the property, the City hired the following listed contractor, who abated the nuisance conditions on the date listed below, for the cost listed below;

Property	Contractor	Date of Abatement	Cost
800 East 13th Street	Rod Huante	January 4, 2016	$1,153.68

and

WHEREAS, pursuant to Section 34 of General Ordinance No. 93-1162 and Section 7 of General Ordinance No. 99-1234, on February 29, 2016 the City Clerk sent a Notice of

Assessment by certified mail to John Doyle advising him that the total cost of the assessment for the property was $1,653.68, which included a $500 administrative fee required by General Ordinance No. 93-1162, and that the listed sum would become a lien upon the property if the amount was not paid by March 15, 2016 by Mr. Doyle; and

WHEREAS, the February 29, 2016 Notice of Assessment to Mr. Doyle advised him he had until March 5, 2016 to file any objections to the proposed assessment; and

WHEREAS, Mr. Doyle failed to file any objection by the stated deadline, and he failed to pay the balance of the assessment by the deadline listed in the notice of assessment, and the City Council finds that the statement of the amount of the proposed assessment is correct, and that no reason exists to justify any delay in proceeding with the imposition of a lien upon the property for the cost of the assessment;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES RESOLVES AS FOLLOWS:

Section 1. Assessment. The cost of the abatement of the nuisance conditions consisting of the removal of junk and hazardous vegetation for the properties located at 800 East 13th Street, is assessed upon the following property:

Name/Address	Description	Final Assessment
John D. Doyle Katherine J. Doyle 315 West 6th #3 The Dalles, OR 97058	1N 13E 3CD #13500	$1,653.68

The legal description for the property is Hostetler's First Addition to Dalles City, Lot 1, Block 1.

Section 2. Docket Entry. Upon passage of this Resolution and its approval by the Mayor, the City Clerk is instructed and directed to enter into the Docket of City Liens the following matters in relation to the assessment:

a. The foregoing legal description of the property assessed.

b. The name of the owners or statement that the owners are unknown.

c. The sum assessed upon each lot or tract of land.

d. The date of the docket entry.

Section 3. Notices/Collection of Assessment. The City Clerk is directed to proceed with notice and collection of the assessment in accordance with the procedures prescribed by State law for enforcement of liens and collection of assessments.

Section 4. Effective Date. This Resolution shall be effective as of June 13, 2016.

PASSED AND ADOPTED THIS 13TH DAY OF JUNE, 2016.

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

AND APPROVED BY THE MAYOR THIS 13TH DAY OF JUNE, 2016.

_____
Stephen E. Lawrence, Mayor

Attest:

_____
Izetta Grossman, City Clerk

CITY OF THE DALLES
313 COURT STREETS
THE DALLES, OREGON 97058

(541) 296-5481 ext. 1122
FAX (541) 296-6906

February 29, 2016

Sent via Certified Mail- Return Receipt Requested

Mr. John Doyle
315 West 6th #3
The Dalles, OR 97058

Re: **Notice of Assessment – 800 East 13th Street**

Dear Mr. Doyle:

This notice is to inform you of the assessment costs for the clean-up and removal of junk and vegetation from your property located at 800 East 13th Street, The Dalles, Oregon, which property is also known Assessor's Map No. 1N 13E 3CD Tax Lot 13500. The clean-up work was performed on January 4, 2016.

The total cost of the assessment, including the City's administrative fee is **$1,653.68**. This assessment includes a $500 administrative fee as required by ordinance for City abatement of nuisances. The total assessment of $1,653.68 will become a lien against the property unless paid within 15 (fifteen) days of the date of this Notice, **March 15, 2016.**

If you object to the cost of the abatement as indicated, you may file a notice of objection with the City Clerk within five (5) days of the date of this notice, **March 5, 2016.** The objection shall be delivered in person or by mail to the City Clerk, 313 Court Street, The Dalles, Oregon, 97058.

CITY OF THE DALLES

Izetta Grossman

Izetta Grossman
City Clerk

cc: Gene Parker, City Attorney
Nikki Lesich, Codes Enforcement Officer

AMENDMENT NO. 9
To the
OPERATIONS, MAINTENANCE AND MANAGEMENT SERVICES
For
THE CITY OF THE DALLES, OREGON

This Amendment No. 9 to the Agreement for Operations, Maintenance, and Management Services for the City of The Dalles (the "Amendment") is made effective this 1st day of July 2016 by and between the City of The Dalles, Oregon (hereinafter "Owner") whose address for any formal notice is 313 Court Street, The Dalles, Oregon 97058 and Operations Management International, Inc. (hereinafter "CH2M HILL OMI") with offices at 9189 South Jamaica Street, Suite 400, Englewood, Colorado 80112. This is Amendment No. 9 to the Agreement dated July 1, 2008 between the Owner and CH2M HILL OMI ("Agreement").

NOW THEREFORE, Owner and CH2M HILL OMI agree to amend the Agreement as follows:

1. Appendix C, Subsection C.1.4 is deleted in its entirety and replaced with the following:

   The Annual Fee for services under this Agreement is based on the following Project influent characteristics from the 2015 calendar year:

Parameter	Plant
Flow, million gallons/day	2.10
BOD5, pounds per day	3,884
TSS, pounds per day	3,022

2. Appendix E, Subsection E.1.1 is deleted in its entirety and replaced with the following:

   Owner shall pay to CH2M HILL OMI as compensation for services performed under this Agreement an Annual Fee of Nine Hundred Twenty Seven Thousand Four Hundred Seventy Four Dollars ($927,474) for the contract year commencing July 1, 2016 and ending June 30, 2017. The Annual Fee is the sum of the estimated Total Direct Cost and Management Fee.

3. Appendix E, Subsection E.1.2 is deleted in its entirety and replaced with the following:

   The estimated Total Direct Cost for providing services under this Agreement is Seven Hundred Eighty Seven Thousand Two Hundred Eighty Three Dollars ($787,283) for the contract year set forth in Appendix E.1.1. This amount shall not include any Costs which would ordinarily be Total Direct Costs but are incurred as a result of construction activities at the Project. Such costs shall be billed to and paid by Owner on a monthly basis, and shall not be considered Total Direct Costs for purposes of Subsections E.1.4 and E.1.5 of this Appendix E.

4. Appendix E, Subsection E.1.3 is deleted in its entirety and replaced with the following:

   The Management Fee for providing services under this Agreement is One Hundred Forty Thousand One Hundred Ninety One Dollars ($140,191) for the contract year set forth in Appendix E.1.1. Subsequent years' Management Fee shall be adjusted by the Cost Adjustment Formula shown in E.3.

This Amendment together with the previous Amendments and the Agreement constitutes the entire agreement between the Parties and supersedes all prior oral and written understandings with respect to the subject matter set forth herein. Unless specifically stated all other terms and conditions of the Agreement shall remain in full

force and effect. Neither this Amendment nor the Agreement may be modified except in writing signed by an authorized representative of the Parties.

The Parties, intending to be legally bound, indicate their approval of the Amendment by their signatures below.

Authorized Signature:

OPERATIONS MANAGEMENT INTERNATIONAL, INC.
A California corporation

_____
Name: Scott Neelley
Title: Vice President
Date: _____

Authorized Signature:

CITY OF THE DALLES, OREGON

_____
Name: Julie Krueger
Title: City Manager
Date: _____

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

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

AGENDA STAFF REPORT

AGENDA LOCATION: Public Hearing #11-A

MEETING DATE: June 13, 2016

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney

ISSUE: Public Hearing upon proposed recommendations from Planning Commission for time, place and manner regulations of facilities for processing, production, retailing, and wholesaling of marijuana

BACKGROUND: On February 22, 2016, the City Council held a discussion concerning three options for additional regulations concerning marijuana. The first option was for referral of a measure to the voters to allow or prohibit the following activities: marijuana processing sites; medical marijuana dispensaries; marijuana producers; marijuana processors; marijuana wholesalers; and marijuana retailers. The second option was to refer a measure to the voters for a local tax upon the sale of recreational marijuana. The third option was to defer to state regulations or consider the adoption of local time, place, and manner regulations. The Council voted to direct staff to place a local tax upon recreational marijuana sales on the November ballot, and to work with the Planning Commission to develop time, place, and manner regulations. Enclosed with this staff report is a draft of an ordinance (No. 16-1343) which incorporates the recommendations from the Planning Commission.

The following is a summary of the Planning Commission's recommendations, with references to pages in the proposed ordinance:

1. Pages 2 and 3 include new definitions for the terms Marijuana, Marijuana Items, Marijuana Processing, Marijuana Production, Marijuana Retailing, Marijuana Wholesaling, and Person Designated to Produce Marijuana by a Registry Identification Cardholder.

2. Pages 3 and 4 include a new section entitled "Prohibited Uses", which would not allow marijuana production, processing, wholesaling, and retailing in the

Residential Low Density, Residential High Density, Residential Medium High Density, and Neighborhood Center Overlay zoning districts.

3. Pages 4, 5, and 6 contain the regulations for the CBC – Central Business Commercial District. The proposed regulations for retail marijuana dispensaries incorporate the provisions which the City Council adopted for medical marijuana dispensaries, and include the following additional provisions:

    a. Additional distance restrictions which would prohibit the location of a retail marijuana facility within 1000 feet of a licensed daycare facility or licensed preschool, or an established church including a church school, existing at the time of the start of the recreational marijuana facility.

    b. The facility must have a license or authority in good standing with the Oregon Liquor Control Commission (OLCC) or Oregon Health Authority (OHA), and comply with all applicable laws and regulations administered by the respective state authority, including without limitation those rules that relate to labeling, packaging, testing, security, waste management, food handling, and labeling.

    c. The facility must use an air filtration system and ventilation system which, to the greatest extent feasible, contains all marijuana-related odors within the facility rather than allowing the odors to escape outside.

    d. Persons under the age of 21 are not allowed to be present within the building occupied by the marijuana retailer, except as provided by state law.

    e. Restrictions are imposed upon the smoking of marijuana or tobacco products upon the premises, and the co-location of a marijuana retailer with either a marijuana social club or marijuana smoking club upon the same lot of record is not allowed.

    f. A licensed retail facility will have the option to register with the OLCC to engage in the same retail activity for specified medical marijuana purposes, as allowed by the OLCC.

    g. Marijuana production, processing, and wholesaling are prohibited uses in the Central Business Commercial district.

4. Pages 6, 7, and 8 contain the proposed regulations for the CG – General Commercial District. The proposed regulations include the same provisions for retail marijuana facilities, and the other prohibited uses as recommended for the Central Business Commercial District.

5. Pages 8, 9, and 10 contain the proposed regulations for the CLI – Commercial Light Industrial District. The proposed regulations include the same provisions for retail marijuana facilities, and the other prohibited uses as

recommended for the General Commercial and Central Business Commercial Districts.

6. Page 10 includes the proposed regulations for the CR – Recreational Commercial District. The regulations would prohibit marijuana production, processing, wholesaling, and retailing within the district.

7. Pages 10 and 11 include the proposed regulations for the I – Industrial District. The regulations propose a new conditional use for the production, storage and wholesaling of retail marijuana, including provisions that the use be in a building which includes a carbon filtration system for odor control or an approved alternative based upon a report from a licensed mechanical engineer. Retail marijuana facilities would not be allowed in the Industrial District.

8. Page 11 also includes the proposed regulations for the CFO – Community Facilities Overlay District. The regulations would prohibit marijuana production, processing, wholesaling, and retailing within the district.

9. Page 11 also includes the proposed regulations for the P/OS – Parks and Open Space District. The regulations would prohibit marijuana production, processing, wholesaling, medical marijuana dispensaries, and retail marijuana facilities within the district.

10. Page 12 includes new language for prohibited uses for home occupations, by providing that marijuana production, processing, wholesaling, and medical marijuana dispensaries or retail marijuana facilities would not be allowed as a home occupation in any zoning district.

Enclosed with this staff report is a copy of a memorandum including an analysis of certain issues raised as a result of the Planning Commission's recommendations, which I anticipated would be raised during the hearing before the City Council. The first issue involves whether Mr. Brock's existing operation at 609 East 2nd Street should be considered to have been granted "grandfather status" as a retail marijuana facility prior to the adoption of any ordinance by the City that would include additional restrictions upon a recreational marijuana facility. Enclosed with the memorandum is a copy of a letter from myself to Mr. Brock's attorney, dated January 14, 2016 in which I expressed my opinion that the only use which had been approved by the City for Mr. Brock's property was for a medical marijuana dispensary with the right to sell limited marijuana products, and that until the Council had adopted regulations which clearly designated the zoning districts where retail marijuana facilities would be allowed, I could not advise the Planning Department to issue a land use compatibility statement (which is part of the state application process for a retail marijuana facility). It is my opinion that Mr. Brock's operation has not been approved for a retail marijuana facility, and that his existing operation is not entitled to any "grandfather status" which would exempt the operation from regulations adopted by the City which would apply to a retail marijuana facility.

The enclosed memorandum also discusses the additional distance restrictions for retail marijuana facilities related to licensed daycare and preschools, and established churches

including church schools, existing at the start of the retail marijuana facility. Based upon a lack of sufficient definitions for the terms "licensed day care facilities" and "licensed preschools", and the lack of objective criteria to define when a retail marijuana facility would be considered to have started, it is my recommendation that if the Council desires to include these additional distance restrictions in the ordinance, that the Council direct the staff to prepare additional language to define what constitutes a licensed day care or preschool facility, and that objective criteria be developed to define when a recreational marijuana facility would be deemed to have started, such as the effective date of a license issued by the OLCC for the facility.

Concerning the proposed distance restriction related to an established church, including church schools, as set forth in the enclosed memorandum, it is my opinion this is an issue that cannot objectively be addressed under the current language in the City's LUDO. Including the proposed distance restriction based upon the existence of an established "church" could likely create the potential for a legal challenge concerning the definition of a "church", and how that definition would be applied to an application for a retail marijuana facility, including an application for a proposed retail facility for Mr. Brock's property. It is my recommendation that the City Council not include the proposed distance restriction based upon an established "church", in any ordinance which adopts reasonable regulations for retail marijuana facilities.

COUNCIL ALTERNATIVES:

1. *Staff recommendation:* The Council will need to provide direction to staff as to the type of time, place, and manner regulations for facilities for the processing, production, retailing, and wholesaling of marijuana. Staff recommends that the Council accept the recommendations from the Planning Commission, with the exceptions for the additional distance restrictions for retail marijuana facilities related to the presence of licensed daycare facilities or licensed preschools, or established churches including church schools, existing at the start of the recreational marijuana facility and located within 1,000 feet of the facility. Staff would prepare a revised ordinance for review and possible adoption at a future Council meeting.

2. Alternative A: If the Council desires to accept the Planning Commission's recommendations with an exclusion for the proposed 1,000 foot restriction for a licensed day care facility or preschool, staff would prepare additional language for the definition of a licensed daycare facility and preschool, and also proposed objective criteria to define when a recreational marijuana facility would be deemed to have started. Staff would prepare a revised ordinance for review and possible adoption at a future Council meeting.

3. If the Council desires to adopt the Planning Commission's recommendations as set forth in the draft version of General Ordinance No. 16-1343, staff would proceed to post adoption of the ordinance for a future Council meeting.

GENERAL ORDINANCE NO. 16-1343

AN ORDINANCE AMENDING GENERAL ORDINANCE NO. 98-1222, ESTABLISHING TIME, PLACE, AND MANNER REGULATIONS OF FACILITIES FOR PROCESSING, PRODUCTION, RETAILING, AND WHOLESALING OF MARIJUANA

WHEREAS, in November, 2014, Oregon voters approved Ballot Measure 91, which decriminalized the personal growing and use of certain amounts of recreational marijuana by persons 21 years of age or older; and

WHEREAS, ORS 475B.340 provides that local governments may impose reasonable regulations on the time, place, and manner of operation of marijuana facilities; and

WHEREAS, on May 5 and May 25, 2016, the City Planning Commission conducted public hearings upon proposed amendments to the City's Land Use and Development Ordinance to establish time, place, and manner regulations for facilities for the production, processing, retailing, and wholesaling of marijuana, and voted to adopt Resolution No. P.C. 551-16 for Zoning Ordinance Amendment #92-16; and

WHEREAS, the City Council conducted a public hearing on June 13, 2016 to consider the Planning Commission's recommendations, and following the close of the public hearing, the City Council voted to accept the Planning Commission's recommendations;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES ORDAINS AS FOLLOWS:

Section 1. Findings. In support of the adoption of General Ordinance No. 16-1343, the City Council makes the following findings:

A. State law authorizes the operation of recreational marijuana businesses and provides these businesses with immunity from state criminal prosecution.

B. Although the State of Oregon has passed legislation authorizing marijuana businesses and providing criminal immunity under state law, the operation of those businesses remains illegal under federal law.

C. The City Council has home rule authority to decide whether, and under what conditions, certain commercial conduct should be regulated within the city and subject to the general and police powers of the city, except when local action has been clearly and unambiguously preempted by state statute.

D. Whether a certain business should operate within a local jurisdiction is a local government decision, and local governments may enforce that decision through the general and police powers of that jurisdiction.

E. The City Council wants to regulate the operation of marijuana businesses in the city in ways that protect and benefit the public health, safety and welfare of existing and future residents and businesses in the city.

F. This ordinance is intended to impose restrictions, not provide authorizations.

G. This ordinance is intended to apply only to recreational marijuana businesses, and not to medical marijuana businesses or to personal possession, growing or use of marijuana as authorized by the state in ORS 475B.245 to ORS 475B.255.

H. Upon approval of city voters, the city shall impose a local sales tax of three percent (3%) on the sales of recreational marijuana by marijuana retailers.

I. The operation of a marijuana business without proper authority from either the Oregon Liquor Control Commission or the Oregon Health Authority is prohibited within the city.

Section 2. Criteria for Amendment Satisfied. Section 3.110.030 of the City's Land Use and Development Ordinance provides that text amendments to the Ordinance shall be consistent with the City's Comprehensive Plan, and State laws and administrative rules. Concerning the Comprehensive Plan, Goal #9, Economic Development is stated as follows: "To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens". The proposed amendments provide specific locations where the commercial activity associated with the operation of retail marijuana dispensaries can occur. Requiring the retail marijuana facilities to comply with the same area restrictions which are intended to prevent such businesses from being located adjacent to residential zoning districts, public or private schools attended primarily by minors, public libraries, public parks or recreational facilities, licensed daycare facilities or licensed preschools, and established churches will protect the safety and welfare of the community. In addition to the commercial activities associated with the operation of the retail facilities, the proposed amendment also authorizes economic activity associated with marijuana production, processing, storage, and wholesaling, within the industrial zoning district. The Council finds and concludes that the proposed text amendments are consistent with the City's Comprehensive Plan.

Regarding the criteria of compliance with State laws and administrative rules, ORS 475B.340 provides that local governments may impose reasonable regulations on the time, place, and manner of operation of recreational marijuana facilities. Consistent with state law, this ordinance includes provisions regulating the hours of operation for retail marijuana facilities. State law permits the city to include additional restrictions upon the location of marijuana producers, processors, wholesalers, and retailers. The additional location restrictions proposed in this ordinance do not reduce the size of the location restrictions provided by state law. State law and administrative rules adopted by the Oregon Liquor Control Commission and the Oregon Health Authority include a significant volume of provisions which regulate the manner of operation of recreational producers, processors, wholesalers, and retailers. The additional restrictions on the operation of these types of businesses imposed by this ordinance do not lessen the provisions or regulations adopted by State law and administrative rules. The Council finds and concludes that the proposed text amendments comply with State laws and administrative rules.

Section 3. New Definitions. Section 2.030 shall be amended to add the following new definitions for Marijuana, Marijuana Items, Marijuana Processing, Marijuana Production, Marijuana Retailing, Marijuana Wholesaling, and Person Designated to Produce Marijuana by a Registry Identification Cardholder:

Marijuana - means all parts of the plant cannabis family moraceae, whether growing or not; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative,

mixture or preparation of the plant or its resin. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil or cake, or the sterilized seed of the plant which is incapable of germination.

Marijuana Items – means marijuana, cannabinoid products, cannabinoid concentrates and cannabinoid extracts.

Marijuana Processing – The processing, compounding, or conversion of marijuana into cannabinoid products, cannabinoid concentrates, or cannabinoid extracts, provided that the marijuana processor is licensed by the Oregon Liquor Control Commission or registered with the Oregon Health Authority.

Marijuana Production – The manufacture, planting, cultivation, growing, trimming, harvesting, or drying of marijuana, provided that the marijuana producer is licensed by the Oregon Liquor Control Commission, or registered with the Oregon Health Authority and a "person designated to produce marijuana by a registry identification cardholder".

Marijuana Retailing - The sale of marijuana items to a consumer, provided the marijuana retailer is licensed by the Oregon Liquor Control Commission or registered with the Oregon Health Authority.

Marijuana Wholesaling - The purchase of marijuana items for resale to a person other than a consumer, provided the marijuana wholesaler is licensed by the Oregon Liquor Control Commission.

Person Designated to Produce Marijuana by a Registry Identification Cardholder - A person designated to produce marijuana by a registry identification cardholder under Oregon Revised Statutes 475B.420 who produces marijuana for a registry identification cardholder at an address other than the address where the registry identification cardholder resides.

Section 4. RL – Residential Low Density District. The provisions in this district shall be amended as follows:

RL – Residential Low Density District

Section 5.010.040 would be renamed Prohibited Uses and would read as follows:

Section 5.010.040 Prohibited Uses

Marijuana production, processing, wholesaling, and retailing are prohibited uses in all RL – Residential Low Density districts.

Section 5.010.040 through 5.010.070 would be renumbered 5.010.050 through 5.010.080, with 5.010.050 being renamed Neighborhood Compatibility, 5.010.060 Development Standards, 5.010.070 Design Standards, and 5.010.080 being renamed Exceptions to Standards.

Section 5. RH – Residential High Density District. The provisions in this district shall be amended as follows:

RH – Residential High Density District

Section 5.020.040 would be renamed Prohibited Uses and would read as follows:

Section 5.020.040 Prohibited Uses

Marijuana production, processing, wholesaling, and retailing are prohibited uses in all RH – Residential High Density districts.

Section 5.020.040 through 5.020.080 would be renumbered 5.020.050 through 5.010.090, with 5.020.050 being renamed Neighborhood Compatibility, 5.020.060 Development Standards, 5.020.070, Design Standards, 5.020.080, Open Spaces, and 5.020.090 being renamed Exceptions to Standards.

Section 6. RM – Residential Medium Density District. The provisions in this district shall be amended as follows:

Section 5.030.040 would be renamed Prohibited Uses and would read as follows:

Section 5.030.040 Prohibited Uses

Marijuana production, processing, wholesaling, and retailing are prohibited uses in all RM – Residential Medium Density districts.

Section 5.030.040 through 5.030.070 would be renumbered 5.030.050 through 5.010.080, with 5.030.050 being renamed Development Standards, 5.030.060 Design Standards, 5.030.070 Open Area, and 5.020.080 being renamed Exceptions to Standards.

Section 7. NC – Neighborhood Center Overlay District. The provisions in this district shall be amended as follows:

Section 5.040.040 would be renamed Prohibited Uses and would read as follows:

Section 5.040.040 Prohibited Uses

Marijuana production, processing, wholesaling, and retailing are prohibited uses in all NC Neighborhood Center overlay zones.

Section 5.040.040 through 5.040.070 would be renumbered 5.040.050 through 5.040.080, with 5.040.050 being renamed Development Standards, 5.040.060 Design Standards, 5.040.070, Neighborhood Compatibility, and 5.040.080 being renamed Exceptions to Standards.

Section 8. CBC – Central Business Commercial District. The provisions in this district shall be amended as follows:

Section 5.050.030(A)(23) would be revised for a new permitted use concerning retail marijuana facilities, which would read as follows:

23. Recreational Marijuana Facilities. An application for a retail marijuana facility shall also comply with the following criteria:

a) The retail facility must be located more than 500 feet from any RL, RH, or RM Residential District, measured in a straight line from the closest edge of the property line on which the retail facility is located to the closest edge of the property in the RL, RH, or RM Residential District.

b) The retail facility must be located more than 1,000 feet from all of the following facilities, measured in a straight line from the closest edge of the property on which the other facility is located:

1. A public elementary or secondary school for which attendance is compulsory under ORS 339.020, or a private or parochial elementary or secondary school, teaching children as described in ORS 339.030(1)(a).

2. A public library.

3. A public park or recreational facility, which has facilities such as a playground, swimming pool, baseball field, football field, soccer field, tennis court, basketball court, or volleyball court.

4. A licensed daycare facility or licensed preschool existing at the time of the start of the retail facility.

5. An established church, including church schools, existing at the time of the start of the retail facility.

6. Any other recreational marijuana retailer registered with the Oregon Liquor Control Commission.

c) The retail facility must be located in a building and may not be located in an intermodal cargo container, motor vehicle, recreational vehicle or residential trailer. Outdoor storage of merchandise, raw materials, or other material associated with the retail facility is prohibited.

d) The retail facility shall not have a drive-up use.

e) The retail facility shall provide for secure disposal of marijuana remnants or by-products; such remnants or by-products shall not be placed in the retail facility's exterior refuse containers.

f) The retail facility's license or authority must be in good standing with the Oregon Health Authority or Oregon Liquor Control Commission and the retail facility must comply with all applicable laws and regulations administered by the respective state agency, including, without limitation those rules that relate to labeling, packaging, testing, security, waste management, food handling, and training.

g) The hours of operation for the retail facility shall be no earlier than 10:00 AM and no later than 6:00 P.M.

h) The retail facility must use an air filtration and ventilation system which, to the greatest extent feasible, contains all marijuana-related odors within the facility rather than allowing such odors to escape outside. Sufficient measures and means of

preventing odors, debris, fluids and other substances from exiting the facility must be in effect at all times.

i) No one under the age of 21 shall be permitted to be present in the building space occupied by a marijuana retailer, except as allowed by state law.

j) Marijuana and tobacco products shall not be smoked, ingested, or otherwise consumed in the building space occupied by a marijuana retailer. In addition, marijuana retailing shall not be co-located on the same lot of record or within the same building with any marijuana social club or marijuana smoking club.

k) A licensed retail facility may register with the Oregon Liquor Control Commission (OLCC) to engage in the same retail license activity for specified medical marijuana purposes, as allowed by the OLCC.

Section 5.050.030(A)(23) would be renumbered (A)(24).

Section 5.050.050 would be renamed Prohibited Uses and would read as follows:

Section 5.050.050 Prohibited Uses

Marijuana production, processing, and wholesaling are prohibited uses in all CBC – Central Business Commercial districts.

Section 5.050.050 through 5.050.080 would be renumbered 5.050.060 through 5.050.090, with 5.050.060 being renamed Development Standards, 5.050.070 Design Standards-All Development, 5.050.080 Design Standards-Sub-Districts and 5.050.090 being renamed Exceptions to Standards.

Section 9. CG – General Commercial District. The provisions in this district shall be amended as follows:

CG – General Commercial District

Section 5.060.020(A)(26) would be revised for a new permitted use concerning retail marijuana facilities, which would read as follows:

26. Recreational Marijuana Facilities. An application for a retail marijuana facility shall also comply with the following criteria:

a) The retail facility must be located more than 500 feet from any RL, RH, or RM Residential District, measured in a straight line from the closest edge of the property line on which the retail facility is located to the closest edge of the property in the RL, RH, or RM Residential District.

b) The retail facility must be located more than 1,000 feet from all of the following facilities, measured in a straight line from the closest edge of the property on which the other facility is located:

1. A public elementary or secondary school for which attendance is compulsory under ORS 339.020, or a private or parochial elementary or secondary school, teaching children as described in ORS 339.030(1)(a).

2. A public library.

3. A public park or recreational facility, which has facilities such as a playground, swimming pool, baseball field, football field, soccer field, tennis court, basketball court, or volleyball court.

4. A licensed daycare facility or licensed preschool existing at the time of the start of the retail facility.

5. An established church, including church schools existing at the time of the start of the retail facility.

6. Any other recreational marijuana retailer registered with the Oregon Liquor Control Commission.

c) The retail facility must be located in a building and may not be located in an intermodal cargo container, motor vehicle, recreational vehicle or residential trailer. Outdoor storage of merchandise, raw materials, or other material associated with the retail facility is prohibited.

d) The retail facility shall not have a drive-up use.

e) The retail facility shall provide for secure disposal of marijuana remnants or by-products; such remnants or by-products shall not be placed in the retail facility's exterior refuse containers.

f) The retail facility's license or authority must be in good standing with the Oregon Health Authority or Oregon Liquor Control Commission and the retail facility must comply with all applicable laws and regulations administered by the respective state agency, including, without limitation those rules that relate to labeling, packaging, testing, security, waste management, food handling, and training.

g) The hours of operation for the retail facility shall be no earlier than 10:00 AM and no later than 6:00 P.M.

h) The retail facility must use an air filtration and ventilation system which, to the greatest extent feasible, contains all marijuana-related odors within the facility rather than allowing such odors to escape outside. Sufficient measures and means of preventing odors, debris, fluids and other substances from exiting the facility must be in effect at all times.

i) No one under the age of 21 shall be permitted to be present in the building space occupied by a marijuana retailer, except as allowed by state law.

j) Marijuana and tobacco products shall not be smoked, ingested, or otherwise consumed in the building space occupied by a marijuana retailer. In addition, marijuana retailing shall not be co-located on the same lot of record or within the same building with any marijuana social club or marijuana smoking club.

k) A licensed retail facility may register with the Oregon Liquor Control Commission (OLCC) to engage in the same retail license activity for specified medical marijuana purposes, as allowed by the OLCC.

Section 5.060.020(A)(26) would be renumbered (A)(27)

Section 5.060.040 would be renamed Prohibited Uses and would read as follows:

Section 5.060.040 Prohibited Uses

Marijuana production, processing, and wholesaling are prohibited uses in all CG – General Commercial districts.

Section 5.060.050 through 5.060.060 would be renumbered 5.060.060 through 5.060.070, with 5.060.050 being renamed Development Standards, 5.060.060 Design Standards, and 5.060.070 being renamed Exceptions to Standards.

Section 10. CLI – Commercial/Light Industrial District. The provisions in this district shall be amended as follows:

Section 5.070.020(A)(27) would be revised for a new permitted use concerning retail marijuana facilities, which would read as follows:

27. Recreational Marijuana Facilities. An application for a retail marijuana facility shall also comply with the following criteria:

a) The retail facility must be located more than 500 feet from any RL, RH, or RM Residential District, measured in a straight line from the closest edge of the property line on which the retail facility is located to the closest edge of the property in the RL, RH, or RM Residential District.

b) The retail facility must be located more than 1,000 feet from all of the following facilities, measured in a straight line from the closest edge of the property on which the other facility is located:

1. A public elementary or secondary school for which attendance is compulsory under ORS 339.020, or a private or parochial elementary or secondary school, teaching children as described in ORS 339.030(1)(a).

2. A public library.

3. A public park or recreational facility, which has facilities such as a playground, swimming pool, baseball field, football field, soccer field, tennis court, basketball court, or volleyball court.

4. A licensed daycare facility or licensed preschool existing at the time of the start of the retail facility.

5. An established church, including church schools existing at the time of the start of the retail facility.

6. Any other recreational marijuana retailer registered with the Oregon Liquor Control Commission.

c) The retail facility must be located in a building and may not be located in an intermodal cargo container, motor vehicle, recreational vehicle or residential trailer. Outdoor storage of merchandise, raw materials, or other material associated with the retail facility is prohibited.

d) The retail facility shall not have a drive-up use.

e) The retail facility shall provide for secure disposal of marijuana remnants or by-products; such remnants or by-products shall not be placed in the retail facility's exterior refuse containers.

f) The retail facility's license or authority must be in good standing with the Oregon Health Authority or Oregon Liquor Control Commission and the retail facility must comply with all applicable laws and regulations administered by the respective state agency, including, without limitation those rules that relate to labeling, packaging, testing, security, waste management, food handling, and training.

g) The hours of operation for the retail facility shall be no earlier than 10:00 AM and no later than 6:00 P.M.

h) The retail facility must use an air filtration and ventilation system which, to the greatest extent feasible, contains all marijuana-related odors within the facility rather than allowing such odors to escape outside. Sufficient measures and means of preventing odors, debris, fluids and other substances from exiting the facility must be in effect at all times.

i) No one under the age of 21 shall be permitted to be present in the building space occupied by a marijuana retailer, except as allowed by state law.

j) Marijuana and tobacco products shall not be smoked, ingested, or otherwise consumed in the building space occupied by a marijuana retailer. In addition, marijuana retailing shall not be co-located on the same lot of record or within the same building with any marijuana social club or marijuana smoking club.

k) A licensed retail facility may register with the Oregon Liquor Control Commission (OLCC) to engage in the same retail license activity for specified medical marijuana purposes, as allowed by the OLCC.

Section 5.070.020(A)(27) would be renumbered (A)(28).

Section 5.070.040 would be renamed <u>Prohibited Uses</u> and would read as follows:

<u>Section 5.070.040 Prohibited Uses</u>

Marijuana production, processing, and wholesaling are prohibited uses in all CLI – Commercial Light Industrial districts.

Section 5.070.040 through 5.070.060 would be renumbered 5.070.050 through 5.070.070, with 5.070.050 being renamed Development Standards, 5.070.060 Design Standards, and 5.070.070 being renamed Exceptions to Standards.

Section 11. CR – Recreational Commercial District. The provisions in this district shall be amended as follows:

Section 5.080.040 Development Standards would be renamed Prohibited Uses and would read as follows:

Section 5.080.040 Prohibited Uses

Marijuana production, processing, wholesaling and retailing are prohibited uses in all CR – Recreational Commercial districts.

Section 5.080.040 through 5.080.060 would be renumbered 5.080.050 through 5.080.070, with 5.080.050 being renamed Development Standards, 5.080.060 Design Standards, and 5.080.070 being renamed Exceptions to Standards.

Section 12. I – Industrial District. The provisions in this district shall be amended as follows:

Section 5.090.030 would be revised for a new conditional use concerning marijuana facilities, which would read as follows:

J. Marijuana production, processing, storage, and wholesaling. An application for a marijuana production, processing, storage, or wholesaling facility shall also comply with the following criteria:

1) The facility must be located in a building and may not be located in an intermodal cargo container, motor vehicle, recreational vehicle or residential trailer. Outdoor storage of merchandise, raw materials, or other material associated with the production, processing, storage, or wholesaling facility is prohibited.

2) The facility shall provide for secure disposal of marijuana remnants or by-products; such remnants or by-products shall not be placed in the facility's exterior refuse containers.

3) The production, processing, storage, or wholesaling facility shall be licensed by the Oregon Liquor Control Commission and comply with the requirements of any applicable administrative rule adopted by the Oregon Liquor Control Commission.

4) A building used for marijuana production, processing, storage, or wholesaling shall be equipped with a carbon filtration system for odor control.

    a. The system shall consist of one or more fans and filters.

    b. At a minimum, the fan(s) shall be sized for cubic feet per minute (CFM) equivalent to the square footage of the building floor space (i.e., one CFM per square feet of building floor space).

c. The filter(s) shall be rated for the required CFM.

d. The filtration system shall be maintained in working order and shall be in use.

e. An alternative odor control system is permitted if the applicant submits a report by a mechanical engineer licensed in the State of Oregon demonstrating that the alternative system will control odor as well or better than the carbon filtration system otherwise required.

5) The marijuana production, processing, storage, or wholesaling business's state licensing or authority must be in good standing with the Oregon Health Authority or the Oregon Liquor Control Commission and the business must comply with all applicable rules and regulations administered by the respective state agency, including, without limitation those rules that relate to labeling, packaging, testing, security, waste management, food handling, and training.

Section 13. CFO - Community Facilities Overlay District. The provisions in this district shall be amended as follows:

Section 5.100.030 Review Procedures would be renamed Prohibited Uses and would read as follows:

Section 5.100.030 Prohibited Uses

Marijuana production, processing, wholesaling, and retailing are prohibited uses in all CFO - Community Facilities Overlay zones.

Section 5.100.030 through 5.100.050 would be renumbered 5.100.040 through 5.100.060, with 5.100.040 being renamed Review Procedures, 5.100.050 Development Standards, and 5.100.060 being renamed Master Plans.

Section 14. P/OS Parks and Open Space District. The provisions in this district shall be amended as follows:

Section 5.110.040 Review Procedures would be renamed Prohibited Uses and would read as follows:

Section 5.110.040 Prohibited Uses

Marijuana production, processing, wholesaling, medical marijuana dispensaries, and retail marijuana facilities are prohibited uses in all P/OS - Parks and Open Space zones.

Section 5.110.040 through 5.110.050 would be renumbered 5.110.050 through 5.110.060, with 5.110.050 being renamed Review Procedures, and 5.110.060 being renamed Development Standards.

Section 15. Section 6.020.020(D) – Prohibited Uses shall be amended to read as follows:

D. Prohibited Uses. Vehicle sales, vehicle repair, and any use where the vehicle is the focus of the work or is a significant part of the home business is prohibited

unless the owner obtains a conditional use permit. Marijuana production, processing, wholesaling, and medical marijuana dispensaries or retail marijuana facilities are prohibited as a home occupation in any zoning district.

PASSED AND ADOPTED THIS 13TH DAY OF JUNE, 2016.

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

AND APPROVED BY THE MAYOR THIS 13TH DAY OF JUNE, 2016.

_____
Stephen E. Lawrence, Mayor

Attest:

_____
Izetta Grossman, City Clerk

MEMORANDUM

TO: Mayor and City Councilors
Julie Krueger, City Manager

FROM: Gene Parker, City Attorney

DATE: May 31, 2016

RE: Analysis of certain issues related to proposed additional restrictions for retail marijuana dispensaries

During the Planning Commission hearings upon recommendations for proposed time, place, and manner regulations for facilities related to retail marijuana, certain issues were raised which I determined required some additional legal analysis, as I believed that these issues would likely be raised during the hearing before the City Council on the Planning Commission's recommendations. The purpose of this memorandum is to identify those issues, and provide some guidance for the Council in their analysis of the issues.

"Grandfather status" of existing medical marijuana dispensary

Following the Planning Commission's decision, in an email addressed to his attorney which was shared with myself and the Mayor and City Manager, Mr. Brock, who owns the dispensary which operates under the name of Columbia River Herbals LLC at 609 East 2nd Street, asked a question as to whether his existing business would be granted "grandfather status" from the proposed restrictions that are set forth in the proposed ordinance. In particular, Mr. Brock expressed a concern about the potential impact of the proposed distance restrictions related to licensed daycare facilities or licensed preschools and established churches that would be in existence at the time of the start of a proposed retail marijuana facility. In seeking "grandfather status", Mr. Brock is essentially taking the position that his business has effectively been given the status of a retail marijuana facility by the City prior to adoption of any ordinance which would impose additional restrictions, and that his business should be exempt from any restrictions imposed in the proposed ordinance regarding the operation of facilities for retail marijuana.

Enclosed with this memorandum is a copy of a letter dated January 14, 2016, sent by myself to Mr. Russell Rotondi, who is Mr. Brock's attorney. In this letter, I expressed the opinion that the only use which was approved for Mr. Brock's operation was a medical marijuana dispensary, with the right to sell limited marijuana products. I advised Mr. Rotondi that until the City Council had adopted regulations which clearly designated the zoning districts where retail marijuana dispensaries would be allowed, I could not advise the City Planning Department that they should issue a required land use compatibility statement (which is part of the state application process for a retail marijuana facility), which would confirm that the City has determined a proposed retail

marijuana facility is an allowed use upon the property where the facility is proposed to be located.

The proposed ordinance states that it is intended only to apply to recreational marijuana businesses, and not to medical marijuana businesses. I continue to take the position that the site of Mr. Brock's operation has not yet been approved for a retail marijuana facility, and that his existing business is not entitled to any "grandfather status" that would exempt the operation from regulations adopted by the City which would apply to a retail marijuana facility.

Proposed additional restrictions upon retail marijuana facilities

ORS 475B.340 provides that local governments may impose reasonable time, place, and manner regulations on the operation of facilities related to retail marijuana, including reasonable conditions on the manner in which a marijuana retailer licensed under ORS 475B.110 may sell marijuana items, and reasonable limitations upon the premises where facilities involving the production, processing, wholesaling, and retailing of marijuana can occur. The state law does not provide any definition for the term "reasonable" in trying to evaluate proposed time, place and manner regulations.

The Planning Commission proposed to include restrictions upon the location of retail marijuana dispensaries that would not allow the location of this type of facility within 1000 feet of a licensed day care facility or licensed preschool, or an established church including church schools, which were in existence at the time of the start of the proposed recreational marijuana facility. When the City Council adopted reasonable regulations concerning the operation of medical marijuana dispensaries, it did not include these types of proposed restrictions.

In my research, I found three cities that have adopted restrictions related to day care facilities or preschools, which apply to medical marijuana dispensaries. Central Point provides that these facilities cannot be located within 1,000 feet of a lot upon which a day nursery or child care center is located. Klamath Falls' ordinance provides for a 1,000 foot restriction from a licensed child care facility as defined by ORS 329A.250. The City of Roseburg provides for a 1,000 foot restriction from property including a preschool. I did not find any city ordinance that included these types of distance restrictions for recreational marijuana dispensaries. When the City Council considered the adoption of reasonable regulations for medical marijuana dispensaries in The Dalles, it did not include these types of distance restrictions for properties containing day care facilities or preschools.

One concern I have with the proposed distance restrictions related to a "licensed day care facility or licensed preschool" is that there is no specific language proposed which defines what qualifies as a "licensed day care facility" or "licensed preschool" in the City's existing Land Use and Development Ordinance (LUDO). In our current ordinance, the definition for "Day Care Facility" refers to a definition for "Child Care

Facility", but there does not appear to be a definition for "Child Care Facility" in the LUDO. The term "Family Day Care" is defined as follows:

> "Babysitting", care of 12 or fewer children either full or part-time, including resident family members, as accessory to any residential use. Family day care is subject to the normal requirements of the residential zone. Family day care is not subject to the definition of "home business".

There is no definition in the LUDO for the term "licensed preschool".

A second concern I have with the proposed distance restrictions related to "licensed day facility or licensed preschool" is that the provisions apply when the facilities have been "existing at the time of the start of the retail facility". There is no specific criteria that has been proposed that would assist in making the determination as to when a proposed retail marijuana facility has started.

If the City Council desires to include provisions in the proposed ordinance which would establish distance restrictions for day care and preschool facilities, I recommend that additional language be prepared to define what constitutes a licensed day care or preschool facility, and that some objective criteria be developed to determine when a recreational marijuana facility would be determined to have started, such as the effective date of a license issued by the Oregon Liquor Control Commission for the facility.

Concerning the proposed distance restriction for existing churches, including a church school, the model ordinance recommended by the League of Oregon Cities did not include this type of restriction, and I could not find an ordinance adopted by any other city which included this type of restriction for retail marijuana dispensaries. The reasonable regulations adopted for medical marijuana dispensaries by the City Council did not include this type of distance restriction.

The City's LUDO defines the term "church" in the following manner:

> Church - A permanently located, fully enclosed building primarily used for religious worship.

There are no specific criteria provided in the LUDO to determine how or when a building is "primarily used for religious worship". There are two facilities which are located within 1,000 feet of Mr. Brock's current business. One is the Child Evangelism Fellowship located at 820 East 3rd Street. City staff has little information or knowledge as to the exact type of uses which occur within this facility, which would make it very difficult to determine whether the building is one "primarily used for religious worship".

The second facility is the Salvation Army which is located at 623 East 2nd. A portion of the building includes an area where a weekly worship service is held. However, a portion of the property includes a thrift store, which sells items to the public. The Salvation Army engages in a variety of activities which benefit the public, such as the operation of

a food bank, and the providing of food baskets to migrants and during the Christmas holiday season. The primary issue would be whether these types of activities would be considered “religious worship”.

In my opinion, this is an issue that cannot objectively be addressed under the current language in the City’s LUDO. Including the proposed distance restriction based upon the existence of an established “church” could likely create the potential for a legal challenge concerning the definition of a “church”, and how that definition would be applied to an application for a retail marijuana facility, including an application for a proposed retail facility for Mr. Brock’s property. It is my recommendation that the City Council not include the proposed distance restriction based upon an established “church”, in any ordinance which adopts reasonable regulations for retail marijuana facilities.

CITY OF THE DALLES
313 COURT STREETS
THE DALLES, OREGON 97058

(541) 296-5481 ext. 1122
FAX (541) 296-6906

January 14, 2016

Mr. Russell R. Rotondi
Cosgrave, Vergeer, Kester LLP
888 SW Fifth Avenue, Suite 500
Portland, OR 97204

Re: Norm Brock

Dear Mr. Rotondi:

On May 20, 2015, the City Planning Department approved a proposed change of use application for the property located at 609 East Second Street, submitted by Mr. Brock. The application noted the proposed uses included a medical marijuana dispensary, and a recreational marijuana dispensary as a possible future use. The approved application, a copy of which is enclosed, provided that the approved use was for a medical marijuana dispensary only, and that no recreational sales were permitted with the approval.

On August 10, 2015, the Planning Department issued an approval for a second proposed change of use application submitted by Mr. Brock. A copy of that change of use application is enclosed. The application noted that the proposed type of use would include "recreational and medical retail sale" of marijuana. The application form also noted that the recreational sales could start October 1, 2015.

It is my understanding it is your client's position that the issuance of the proposed change of use application in August, 2015 provides the authority for the City to issue a land use compatibility statement (LUCS), which could be submitted to the Oregon Liquor Control Commission (OLCC) as part of an application for a license to operate a retail dispensary.

The City Council has not yet adopted any rules or regulations concerning retail marijuana dispensaries. The City Council has determined that a medical marijuana dispensary is an allowed use in certain zoning districts within the City. Under the provisions of Senate Bill 460, a medical marijuana dispensary, such as the one operated by your client, could engage in the sale of limited retail marijuana products, provided the City Council did not take action to prohibit such sales. As you are aware, the City Council in The Dalles determined not to proceed with adoption of an ordinance which would prohibit the sale of limited retail products by a medical marijuana dispensary.

It is my opinion that despite the reference in the second change of use application to the "recreational sale" of marijuana, the issuance of the change of use approval did not authorize the operation of a retail dispensary upon the property, which could sell marijuana products without any restrictions. It is my understanding the purpose of the LUCS form is to demonstrate to the OLCC that the requested license is for a land use which is allowable as a permitted or conditional use where the land is located.

Under the current provisions in the City's Land Use and Development Ordinance, the only allowed use related to the dispensing of marijuana for the property upon which your client's business is located, is for a medical marijuana dispensary. Until the City Council has adopted regulations which clearly designate the zoning districts where retail marijuana dispensaries are allowed, I cannot advise the Planning Department to be prepared to issue a LUCS form which would confirm the City has determined that the proposed retail dispensary is an allowed use upon the property where the dispensary is proposed to be located.

Regards,

Gene E. Parker

Gene E. Parker
City Attorney

GP/cjt

Enclosures

cc: Planning Department

em applicant 5/21/15 DMH

Em Cof U 5/22/15 cjt

COPY

PROPOSED CHANGE OF USE APPLICATION

CITY OF THE DALLES
Planning Department
313 Court Street
The Dalles, OR 97058
(541) 296-5481, ext. 1125
Fax (541) 298-5490 www.ci.the-dalles.or.us

Date Issued 5/20/15

APPLICANT

Business Name: Columbia River Herbals LLC

Address P.O. Box 24305
Eugene, OR. 97402

Telephone # 541-521-9757
Email address normbrock@msn.com

LEGAL OWNER (If Different than Applicant)

Name: Samuel H. Woolsey

Address: 751 E. 18th St.
The Dalles, OR. 97058

Telephone # 541-980-8640

PROPERTY INFORMATION

Address 609 E. 2nd St. The Dalles, OR. 97058

Map and Tax Lot: 1N 13E Tax Lot 800

Zone District/Overlay CBC- Central Business Commercial In City Limits: Yes XX No

Waste Water Survey: Yes ____ No XX (application submitted)

Existing Backflow Prevention Device: Yes XX No ____
*Please Note: A Change of Use may require the installation of a backflow assembly per General Ordinance No. 01-1240.

PROPOSED USE: Medical Marijuana Dispensary, Retail Sales Outlet, Recreational Marijuana Dispensary (possible future use)

No recreational permitted at this time DMH

FORMER USE: Retail Outlet and Warehouse for Fireplaces & Stoves, Tire Store/Automotive Service

Signature of Applicant

N Brock 5/9/2015
Date

Signature of Property Owner* or Owners Agent

Sam Woolsey 5-9-15
Date

** Notarized Owner Consent Letter may substitute for signature of property owner.*

Over

STAFF REVIEW:

ZONE DISTRICT: CBC TYPE OF USE: Retail / Pharmacy

CHANGE IN INTENSITY OF USE: Yes ____ No X

CHANGES TO STRUCTURE Interior remodel

PREVIOUS USE: Hot tubs, bulking item retail.

BACKFLOW ASSEMBLY REQUIRED: no

DATE OF SITE VISIT: PLANNER: 5/15/15

PLANNING APPROVAL: [signature] 5/20/15 Date * note below

Scan: Sallie Morgan – Utility Billing Dept.; Steve Byers – Sewer Supervisor; Ray Johnson- Water Supervisor; Casey Ferres – Certified Operator/Cross Connection; Stephanie Ziegler - Mid-Columbia Building Codes;

Copy: Property File (original); applicant

* This approval is for the medical marijuana dispensary only. No recreational sales are permitted with this approval. Prior to operation the applicant will be required to submit a copy of state license

DETERMINATION (Based upon Use Change Criteria in Section 6.150.020 (B) LUDO # 98-1222)

☒ Staff finds that your proposed use of this building/property is similar to the previous use in the subject zone district, and no formal land use review is required.

☐ Staff finds that your proposed use of this building/property is a less intense use, and no formal land use review is required.

☐ Staff finds that your proposed use of this building/property will require a formal land use review. Please request appropriate applications from our office.

Note: Please remember to submit Sign Permit Application for new business signage

for City's files.
For Recreational Marijuana, the applicant will be required to [illegible] a new application at the time the state makes use available.

PROPOSED CHANGE OF USE APPLICATION

CITY OF THE DALLES
Planning Department
313 Court Street
The Dalles, OR 97058
(541) 296-5481, ext. 1125
Fax (541) 298-5490 www.ci.the-dalles.or.us

Date Issued 8/11/15

COPY

APPLICANT

Business Name: Columbia River Herbals LLC

Address P.O. Box 24305
Eugene, OR. 97402

Telephone # __541-521-9757_____
Email address _normbrock@msn.com

LEGAL OWNER (If Different than Applicant)

Name: Samuel H. Woolsey

Address: 751 E. 18th St.
The Dalles, OR. 97058

Telephone # 541-980-8640

PROPERTY INFORMATION

Address _____609 E. 2nd St. The Dalles, OR. 97058_____

Map and Tax Lot: _1N 13E Tax Lot 800

Zone District/Overlay ___CBC- Central Business Commercial_In City Limits: Yes___XX___ No_____

Waste Water Survey: Yes ____XX___ No _____(application submitted)

Existing Backflow Prevention Device: Yes __XX__ No ____
*Please Note: A Change of Use may require the installation of a backflow assembly per General Ordinance No. 01-1240.

PROPOSED USE: Add to current Medical Marijuana Dispensary, Recreational Marijuana Dispensary and all allowable products under the law. Vaporizers, E-cigarette products, miscellaneous supplies and retail products.

FORMER USE: Currently approved for Medical Marijuana. Formerly various retail sale outlets and Tire Store/Automotive Service_____

Signature of Applicant

7/30/2015
Date

Signature of Property Owner* or Owners Agent

8/3/15
Date

** Notarized Owner Consent Letter may substitute for signature of property owner.*

Over

STAFF REVIEW:

ZONE DISTRICT: CBC TYPE OF USE: Recreational & Medical Retail Sales

CHANGE IN INTENSITY OF USE: Yes_____ No X

CHANGES TO STRUCTURE None

PREVIOUS USE: Medical Marijuana Dispensary

BACKFLOW ASSEMBLY REQUIRED: N/A

DATE OF SITE VISIT: PLANNER: 8/10/15

PLANNING APPROVAL: Dan Marriott 8/10/15
Date

Scan: Sallie Morgan – Utility Billing Dept.; Steve Byers – Sewer Supervisor; Ray Johnson- Water Supervisor; Casey Ferres – Certified Operator/Cross Connection; Stephanie Ziegler - Mid-Columbia Building Codes;

Copy: Property File (original); applicant

DETERMINATION (Based upon Use Change Criteria in Section 6.150.020 (B) LUDO # 98-1222)

- [x] Staff finds that your proposed use of this building/property is similar to the previous use in the subject zone district, and no formal land use review is required.
- [ ] Staff finds that your proposed use of this building/property is a less intense use, and no formal land use review is required.
- [ ] Staff finds that your proposed use of this building/property will require a formal land use review. Please request appropriate applications from our office.

Note: Please remember to submit Sign Permit Application for new business signage.

City council approved Recreational to follow Medical Marijuana maps & location. Recreational Sales can start October 1, 2015.

Revised 03/08/13

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

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

AGENDA STAFF REPORT

AGENDA LOCATION: Action Items #12-A

MEETING DATE: June 13, 2016

TO: Honorable Mayor and City Council

FROM: Richard Gassman, Planning Director

ISSUE: Approval of General Ordinance No. 16-1344, Amendments to the Land Use and Development Ordinance (RV Parks)

RELATED COUNCIL GOAL: C 11. Work with community partners to develop an RV Park in the community.

BACKGROUND: The City of The Dalles does not have an RV Park. Our current zoning regulations allow RV Parks outright only in our General Commercial and Recreational Commercial districts. They are also allowed with a conditional use permit in the Commercial/Light Industrial District.

In an effort to accommodate requests by owners of residential property interested in constructing RV Parks, staff presented to the Planning Commission a series of amendments to the RV Chapter in the Land Use and Development Ordinance (LUDO). The main change would allow RV Parks in additional zones. The amendments as recommended by the Planning Commission were presented to the City Council at a public hearing on March 14, 2016, and again on May 9, 2016. At the May 9, 2016, hearing the Council approved the amendments as recommended by the Planning Commission. The approved amendments are attached.

Notice of the adoption of General Ordinance No. 16-1344 has been posted in accordance with the City Charter and the Ordinance can be adopted by title only.

BUDGET IMPLICATIONS: None

COUNCIL ALTERNATIVES:

1. *Staff recommendation:* ***Move to adopt General Ordinance 16-1344 by title only***.

2. Deny the proposed LUDO amendments.

3. Refer the amendments back to staff with guidance on requested changes and bring the agenda item back at a later meeting.

General Ordinance No. 16-1344

AN ORDINANCE AMENDING GENERAL ORDINANCE NO. 98-1222, AS AMENDED, ADOPTING AMENDMENTS TO THE CITY'S CHAPTER ON RECREATIONAL VEHICLE PARKS

WHEREAS, the City of The Dalles is currently without any Recreational Vehicle Parks; and

WHEREAS, the City Council has adopted a goal to encourage Recreational Vehicle Parks; and

WHEREAS, the Planning Commission held two public hearings, on January 21, 2016, and February 4, 2016, received a staff report, reviewed the recommendations of staff, and heard testimony from the public; and

WHEREAS, on February 4, 2016, the Planning Commission closed the public hearing and recommended to the City Council a series of amendments to the City's Recreational Vehicle Park Code, a part of the City's Land Use and Development Ordinance (LUDO); and

WHEREAS, on March 14, 2016, the City Council, after publishing notices as required, held a public hearing in which it reviewed the recommendations of the Planning Commission and a staff report, but deferred any action; and

WHEREAS, on May 9, 2016, the City Council continued its public hearing from March 14, adopted a series of amendments to the LUDO and directed staff to prepare an Ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES ORDAINS AS FOLLOWS:

Section 1. Criteria for Amendment Satisfied. Section 3.110.030 of the City's Land Use and Development Ordinance provides that text amendments to the Ordinance shall be consistent with the City's Comprehensive Plan, and State laws and administrative rules. Concerning the Comprehensive Plan, Goal #9, Economic Development is stated as follows: "To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens". Testimony was presented to the Planning Commission and the City Council as to the need for recreational vehicle parking spaces to serve tourists and the needs of contractors who will be looking for short term rental space while working on construction projects in the City. Goal 9 states that a policy of the Comprehensive Plan is to "encourage tourism-related services as an element in the diversification of the community's economy". Creation of sites for potential recreational vehicle parks to be

used by tourists will stimulate economic activity related to tourism, consistent with the Comprehensive Plan. Providing contractors with short term residential occupancy, who will be working on construction projects in the community, will promote economic activity in the City, consistent with the City's Comprehensive Plan.

Regarding the criteria of compliance with State laws and administrative rules, the state has many statutes and administrative rules which govern the construction and operation of recreational vehicle parks. Many of the proposed amendments to the City's LUDO will eliminate provisions in the City's LUDO which are the same as, or similar to, the state regulations. The City Council finds that the proposed amendments are in compliance with the State laws and administrative rules concerning recreational vehicle parks.

Section 2. All numerical references in this Ordinance refer to sections of the LUDO, contained in General Ordinance No. 98-1222.

Section 3. Amend chapter 12 by adding a new section, 12.020 Zoning, to read as follows: **Recreational Vehicle Parks (RV Parks) are allowed outright in the CG (General Commercial), CR (Recreational Commercial), and CLI (Commercial Light Industrial) zones. RV Parks are allowed conditionally in the I (Industrial), NC (Neighborhood Center Overlay), RH (High Density Residential), and RM (Medium Density Residential) zones.**

Section 4. Amend Section 12.020, Development Standards, by renumbering it to 12.030.

Section 5. Amend paragraph A, Laws and Regulations, of the renumbered Section 12.030, by adding a new sentence at the end to read as follows: All the requirements of federal, state, and local laws and regulations shall be met. **Refer to Oregon Revised Statutes Section 455.680 and Oregon Administrative Rules chapter 918, division 650 for State of Oregon requirements for RV Parks.**

Section 6. Amend paragraph C, Area Requirements, of the renumbered Section 12.030, by deleting the entire paragraph. ~~1. Park Size. RV Parks shall be a minimum of one acre and a maximum of 15 acres in size. 2. Space Area. The minimum size for each space shall be 700 square feet and shall not include any common areas, roadways general use structures, walkways, parking areas for vehicles other than RVs, or landscape areas.~~

Section 7. Amend paragraph D, Setbacks, of the renumbered Section 12.030, by renaming it paragraph C, and further amending it by deleting the existing language: ~~1. There shall be an average 10 foot setback between the park and any public streets, but in no case shall the setback be less than 5 feet. 2. Side and rear setbacks shall be the same as, or greater, than the setbacks required by the zone district of abutting properties, but in no case shall the setback be less than 5 feet,~~ and adding the following new language: Setbacks. **Setbacks shall be the same as the setbacks required by the zone district.**

Section 8. Amend paragraph E, Street Widths, of the renumbered Section 12.030, by deleting the entire paragraph. ~~Park Streets shall have a minimum 10 foot wide paved surface for one way travel, and a minimum 20 foot wide paved surface for two way travel. Where on street parking will be allowed, add 8 feet of pavement width for each side of street where parking is proposed. Streets shall be paved with asphalt, concrete, or similar impervious surface and designed to permit easy access to each RV space~~.

Section 9. Amend paragraph F, Access, of the renumbered Section 12.030, by renaming it paragraph D, and further amending it to read as follows: D. Access in Residential Zones. 1**.** Access to an RV Park shall be from an arterial or collector street**, or shall be from a street with sufficient width and ease of access to allow any RV to enter and exit without causing undue traffic problems. If the access is not from an arterial or collector street, each access shall be evaluated on a case-by-case basis to determine if access is adequate for the type of RV which is anticipated to enter into, and exit from, the RV Park. The evaluation will include on-street parking allowances and the condition of the street.**

2**. In order to facilitate ease of entry and exit, the Planning Commission may authorize a wider driveway entrance than is otherwise provided for in the Ordinance.**

3. Park access connections to public streets shall meet the requirements of Section 6.050: Access Management.

4. **For RV Parks of 10 or more spaces,** at least two vehicular exits shall be provided. Each exit shall be no closer than 75 feet (edge to edge) from any other exit.

Section 10. Amend paragraph G, Screening, of the renumbered Section 12.030 by renaming it paragraph E, and further amending it by adding the words "**with vegetation**" after the phrase "the park shall be screened", as follows: Except for the access roadway into the park, the park shall be screened **with vegetation** on all sides abutting rights-of-way or neighboring properties per the provisions of Section 11.060: Park Perimeter Screening.

Section 11. Amend paragraph H, Certification of Sanitation, of the renumbered Section 12.030 by deleting it. ~~Evidence shall be provided prior to development approval that the park will be eligible for a certificate of sanitation as required by Oregon State law.~~

Section 12. Amend paragraph I, Surfacing, of the renumbered Section 12.030 by renaming it paragraph F.

Section 13. Amend paragraph J, Water, Sewer, and Electrical Service, of the renumbered Section 12.030 by deleting it. ~~All RV Parks shall be provided with adequate~~

~~stations throughout the park providing for piped potable water filling and sewage disposal.~~

Section 14. Amend paragraph K, Trash Receptacles, of the renumbered Section 12.030 by deleting it. ~~Trash receptacles for the disposal of solid waste material shall be provided in convenient locations throughout the park for the use for guests. The number and capacity of trash receptacles shall be sufficient to insure there is no uncovered accumulation of trash at any time in the park.~~

Section 15. Amend paragraph L, Non-Recreational Vehicle Parking Requirement, of the renumbered Section 12.030 by renaming it paragraph G.

Section 16. Amend paragraph M, Toilets, Lavatories, and Showers, of the renumbered Section 12.030 by deleting it. ~~The park shall provide toilets, lavatories, and showers for each gender. For every 15 RV spaces, or fraction thereof, there shall be 1 toilet, 1 urinal, 1 lavatory, and 1 shower for men, and 2 toilets, 1 lavatory, and 1 shower for women. The toilets and the showers shall afford private and the showers shall be provided with private dressing areas. Facilities for each gender shall be separated by a soundproof wall.~~

Section 17. Amend paragraph N, Utility Area, of the renumbered Section 12.030 by deleting it. ~~The park shall provide at least 1 utility building or room containing 1 clothes washing machine and 1 clothes drying machine for every 15 RV spaces.~~

Section 18. Amend paragraph O, Standards for Buildings, of the renumbered Section 12.030 by deleting it. ~~The building spaces required by Subsections (M) and (N) above shall be lighted at all times of day and night, shall be ventilated, shall be provided with heating and cooling facilities, shall have floors of waterproof material, shall have sanitary ceiling, floor and wall surfaces, and shall be provided with floor drains adequate to permit easy cleaning~~.

Section 19. Amend Section 12.030, Landscaping, by renumbering it to Section 12.040 and further amending it to add the sentence "**The landscaping plan will include internal shade trees"** to the end of the paragraph. All areas not occupied by buildings, streets, and RV spaces shall be landscaped per the provisions of Section 6.010: Landscaping. A landscape plan is required prior to the City signing a building permit application. **The landscaping plan will include internal shade trees.**

Section 20. Amend Section 12.040, Park Maintenance and Storage, by renumbering it to Section 12.050.

Section 21. Amend Section 12.050, Length of Stay, by renumbering it to Section 12.060 and further amending it by deleting the existing language: ~~No recreational vehicle shall remain in the park for more than 30 days in any 60 day period. Exceptions shall include one space of unlimited duration for a park manager, and up to one third of the spaces for stays up to 6 months. Spaces for extended stays shall be marked as such~~, and

adding the following: **The operational plan for the RV Park required in LUDO Section 12.080 shall include provisions for both short term stay (up to 30 days) and long term stay (up to one year). Spaces shall be identified for each kind of stay. Stays longer than one year may be approved by the Planning Commission. Except for a park manager, no space may be used for permanent residency**.

Section 22. Amend Section 12.060, Review Process, by renumbering it to Section 12.070.

Section 23. Amend Chapter 12 by adding a new Section 12.080, Review Criteria, to read as follows: **RV Park Development proposals shall include two parts. First, a site plan showing all aspects of the park layout including access, roadways, number of spaces, space design, buildings, and other required features. A second site plan may be required by the Planning Commission showing features required in the conditional use permit process. Second, a written operational plan in narrative form explaining such operational aspects as park hours, landscaping and irrigation, lighting, utility connections, roadways, access to public streets, emergency contact phone numbers, and other requirements as set by the Planning Commission.**

PASSED AND ADOPTED THIS 13TH DAY OF JUNE, 2016.

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

AND APPROVED BY THE MAYOR THIS 13TH DAY OF JUNE 2016.

_____
Stephen E. Lawrence, Mayor

Attest:

_____
Izetta Grossman, City Clerk

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

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

AGENDA STAFF REPORT

AGENDA LOCATION: Action Item #12-B

MEETING DATE: June 13, 2016

TO: Honorable Mayor and City Council

FROM: Gene E. Parker, City Attorney

ISSUE: Report and recommendations from Municipal Court Task Force

BACKGROUND: As part of its work plan for 2015/2016, concerning the goal of a balanced budget, the City Council adopted a goal of conducting an analysis of the financial viability of continuing the current municipal court system or moving toward a traffic court style. On October 12, 2015, the City Council adopted Resolution No. 15-037 concurring with the Mayor's appointment of a Municipal Court Task Force.

In preparing an analysis of the current model of the Municipal Court, and providing recommendations for the future operation of the Court, the Municipal Court Task Force was guided by the following work plan:

1. Analyze the current case load of the Municipal Court, and conduct a historical review of the Court's expenses and revenues.

2. Review the potential impacts of changing the Municipal Court to a traffic court, and transferring misdemeanor cases to the Wasco County Circuit Court, focusing upon the potential impacts to the financial and staff resources for the both the Wasco County Circuit Court and the Wasco County District Attorney's Office. Analyze the potential impacts of such an action upon the actual prosecution of cases that might be transferred to the Circuit Court. Consider other potential impacts of such an action, including impacts to public safety, and the loss of the Mental Health Court currently being operated by the Municipal Court.

3. Prepare an analysis of the projected revenues and expenses for the operation of the Municipal Court, if the Court were to change its model of operation to a Court which only handled violations, or a modified model where the Court

retained jurisdiction over violations and certain traffic misdemeanor cases.

4. Prepare a report containing recommendations to the City Council concerning the operation of the Municipal Court.

Summary of Court Information

Enclosed with this report is a document entitled Exhibit 1. Exhibit 1 contains three major categories of information for the fiscal years 2012/2013; 2013/2014; 2014/2015; and 2015/2016, including certain data for the period from July 2015 through April 2016:

A. A case count summary of the types of cases handled by the Municipal Court.

B. A summary of the revenue collected by the Court. There are two sets of information shown in the revenue section. The first set of numbers was provided by the Court Clerk using the Court's software reporting system, which shows the total revenue available to the City after payment of assessments and fees required to be paid to various entities, including the State of Oregon and Wasco County, for costs associated with the operation of the state court system and NORCOR (the regional jail which serves Wasco, Hood River, Gilliam, and Sherman Counties). The second set of numbers reflects the revenue for court fine and forfeitures shown in the City's budget documents. These numbers are also contained in the document entitled "General Fund Revenues", which is labeled Exhibit 2 and attached to this report. Exhibit 1 shows a figure of $206,823 budgeted for revenue for the 2015/2016 fiscal year.

C. A summary of the expenditures for the Municipal Court, which are also shown in the document entitled "General Fund Judicial", which is labeled Exhibit 3 and attached to this report.

Discussion of Potential Impacts of Change in Current Model of Municipal Court

It was the consensus of the members of the Municipal Court Task Force that if the current number of misdemeanor adult cases was transferred to the Wasco County Circuit Court, (which was estimated to average 350 per year) the following impacts would be likely to occur. There was a question as to whether these adult misdemeanor cases would include traffic misdemeanor cases. Many of these impacts were discussed during meetings of the Task Force as a group, and during a meeting on January 21, 2016 attended by members of the Task Force, the Municipal Court Judge, the Presiding Judge for the 7th Judicial District (which includes Wasco County), the Wasco County District Attorney, and local attorneys who represent criminal defendants in court appointed cases in the 7th Judicial District. It was subsequently confirmed following the January 21, 2016 meeting that the discussion which occurred during the meeting was based upon the assumption that the 350 cases would not involve traffic misdemeanor cases.

D. Eric Nisley, the Wasco County District Attorney, indicated that under current staffing levels in his office, which includes three prosecutors, his office would

not be able to handle the prosecution of an additional 350 cases. The District Attorney also indicated that if the Municipal Court determined it would not handle the prosecution of adult non-traffic misdemeanor cases, Wasco County would likely need to hire an additional Deputy District Attorney and one additional staff support person to handle the additional cases. Mr. Nisley estimated this could cost Wasco County a minimum of $125,000 annually. The Wasco County Budget Committee would need to make a determination concerning the funding for any new positions. Mr. Nisley also indicated that if the additional adult non-traffic misdemeanor cases were transferred to his office without the hiring of additional staff, it is likely that certain cases would not be prosecuted, which could have the potential to create issues related to public safety and quality of life in the community. If the traffic misdemeanor cases were also transferred to the District Attorney's Office, the financial costs of additional staff needed to prosecute the cases, and the likelihood that certain cases would not be prosecuted if additional staff was not authorized by the County Budget Committee, would create additional significant impacts to the District Attorney's office and possibly to public safety in the community.

E. Transferring prosecution of adult non-traffic misdemeanor cases to the Wasco County Circuit Court would appear to have the potential for significant impacts upon the Circuit Court. Sherry Bryant, a member of the Task Force and retired Trial Court Administrator for the 7th Judicial District, indicated that her office would need to hire additional staff to handle the additional caseload transferred from the Municipal Court. The Oregon State Legislature would have to approve any request for additional funding, and the State of Oregon operates upon a biennial budgeting process. The current caseload for the Wasco County Circuit Court is currently very full. Assignment of judges to handle criminal matters is complicated by the fact that one of the Circuit Court Judges is married to a deputy prosecutor in the District Attorney's office. Appearances for the current Circuit Court criminal docket are subject to significant delays for weeks or months in some cases, and adding additional cases from the Municipal Court would likely increase the amount of these delays. There is also the potential that if adult non-traffic misdemeanor cases are transferred to the Circuit Court, the attorneys who negotiate compensation for their services would likely seek an increase in the amount of their compensation. As noted above, including a transfer of adult traffic misdemeanor cases to the Circuit Court would likely have a significant financial impact upon the staffing requirements for the Court (including potential financial costs of having to hire additional staff), and adding additional delays to the setting of cases in the Court's docket.

F. Certain benefits occurring from the operation of the current model for the Municipal Court would be lost if the Court determined that it would no longer handle the prosecution of adult misdemeanors. One advantage of the Municipal Court compared to the Wasco County Circuit Court is that the size of the docket for the Municipal Court is much smaller than the docket for the Wasco County Circuit Court. The Municipal Court has established a policy of acknowledging completion of diversion agreements, and regularly monitoring the performance of defendants who have been placed upon probation, which

has yielded positive benefits in discouraging repeat offenses and helping to ensure that defendants are benefiting from probation. The Municipal Court has also established the operation of a Court designed to assist persons with mental health issues. Of the 17 persons who have enrolled in this special Court, six have successfully completed the program, eight are still enrolled and generally doing well, and three persons had cases which were either terminated or closed early.

Analysis of Potential Changes in Model of Municipal Court to Traffic Court Only, or a Court Handling Violations and Certain Traffic Misdemeanors

G. Based upon information for revenue generated by the Municipal Court for the period from July 1, 2014 to June 20, 2015 provided by the Municipal Court Clerk, the Court produced the following revenue:

From both violations and misdemeanors	$236,762.47
Revenue from misdemeanors	$103,007.16
Total revenue generated from violations	$133,755.31

1. If the Council was to consider changing the model for the Municipal Court to a traffic court only model, this would result in a reduction in personnel services due to the elimination of the need for a Municipal Judge Pro-Tem position for the proposed 2016/2017 budget, from the sum of $114,564 to $106,540. There would also not be a need for the services of a part-time prosecutor or to pay for the costs of court-appointed attorney services, which would reduce the cost of material and services by the sum of $75,000, resulting in a total cost of operation of $122,615. It appears there would be sufficient revenue generated from the issuance of violation citations to cover the costs of a court which prosecuted only violations. There was not a determination made as to the amount of any fees or assessments that might have to be paid to the State of Oregon or Wasco County.

2. If the Council were to consider a model of having the Municipal Court retain jurisdiction over violations and traffic misdemeanor cases, the following is a summary of the potential financial impacts of such a model:

Revenue from violations	$133,755.31
Revenue from traffic misdemeanors	$ 74,147.40
Total potential revenue for court	$207,902.71

3. It is difficult to precisely identify what this impact of this model would have upon the total cost of services for the Court. It is uncertain whether the Court would need to continue to pay for the entire costs of a Municipal Judge Pro-Tem, or whether this cost would be reduced. The Municipal Court would still need the services of a part-time prosecutor and to pay for the costs of court appointed attorney fees. It is likely that if the Municipal Court retained

jurisdiction for the prosecution of only traffic misdemeanor cases, the costs for a part-time prosecuting attorney and for court appointed attorney fees would be reduced. Based upon the projected budget expenses for the 2016/2017 budget in the amount of $205,639.00, it appears that the Municipal Court could generate sufficient revenue to cover the expenses for a model where the court retains jurisdiction over violations and traffic misdemeanor cases. For this model, there was not a determination made as to the amount of any fees or assessments that might have to be paid to the State of Oregon or Wasco County.

Recommendations from Task Force

H. It was the unanimous recommendation of the members of the Task Force for the Municipal Court to retain its current model. Although a review of the revenue and expenditure summaries indicates that the Court has operated at a deficit in certain years, in fiscal year 2014/2015 the Court appeared to generate revenue in excess of its operating expenses. Even if the Court continued to operate at a deficit, it was the recommendation of the Task Force Members that the amount of any deficit would be outweighed by the potential negative impacts to the Wasco County District Attorney's Office in the cost of hiring extra staff; the potential risk to public safety and quality of life in the community if certain cases were not prosecuted due to a lack of resources; the significant additional costs to the Wasco County Circuit Court in terms of the need for staff and potential for increased delays in appearances in Court, and potential increased cost for Court appointed attorneys; the loss of the Mental Health Court currently being operated in the Municipal Court and the Municipal Court's ability to monitor defendants placed upon diversion and probation.

For the Council's information, I have enclosed a copy of a resolution adopted by the Wasco County Local Public Safety Coordinating Council opposing the removal of misdemeanor jurisdiction from the Municipal Court. The resolution recites many of the concerns noted by the Municipal Court Task Force in making their recommendations.

COUNCIL ALTERNATIVES:

1. *Staff recommendation:* ***Move to accept the recommendation from the Municipal Court Task Force for the Municipal Court to continue its current method of operation.***

2. Alternative A: If the Council desires to pursue further consideration of either the alternative of a traffic court only style, or a court which has jurisdiction over violations and certain traffic misdemeanors, direct staff to pursue further discussions concerning either one or both of these alternatives, with representatives from the Wasco County District Attorney's Office and the Wasco County Circuit Court, which discussions can be coordinated with the budgeting process for both the District Attorney's Office and the Wasco County Circuit Court.

EXHBIT 1

Case Count Summary

	2012/2013	2013/2014	2014/2015	July 2015/April 2016
Code Enforcement	3	5	1	1
Criminal	505	468	508	393
Ordinance	40	35	40	29
Parking	38	49	55	60
Traffic-Adult	1,355	1,521	1,605	1,283

Revenue Summary

Totals provided by Court Clerk

	2012/2013	2013/2014	2014/2015	July 2015/April 2016
Total collected by court	$255,470.15	$292,328.04	$302,771.90	$258,885.22
Total revenue available to City	$199,286.58	$227,446.77	$224,765.13	$71,761.64 * *as of 11/30/2015

Totals fines/forfeitures shown in City budgets

$189,454	$224,528	$213,846	*206,823

*this amount is the sum budgeted for the 2015/2016 budget

Expenditure Summary – From City budgets

2012/2013	2013/2014	2014/2015	2015/2016
$218,537	$228,764	$201,967	$233,147

When we also exclude Transfers In New Revenue sources only increased $475,949 (8.7%). This increase is due to a new hotel (transient room tax) and new industrial development (PUD fees). Without those increases the General Fund New Revenue remained virtually flat. Revenue sources that decrease included State Shared Revenues and court fines.

GENERAL FUND REVENUES

FY12/13 Actual	FY13/14 Actual	FY14/15 Budget	Account Number	Account Description	FY15/16 Proposed Budget	FY15/16 Approved Budget	FY15/16 Adopted Budget
			GENERAL FUND 001				
			REVENUES				
1,722,865	1,573,179	1,612,231	001-0000-300.00-00	BEGINNING BALANCE	1,926,810	1,926,810	1,926,810
2,458,612	2,542,100	2,592,402	001-0000-311.10-00	PROPERTY TAXES-CURR	2,640,720	2,640,720	2,640,720
114,428	98,699	121,007	001-0000-311.15-00	PROPERTY TAXES-PRIOR	123,565	123,565	123,565
17	18	30	001-0000-311.19-00	UNSEGREGATED TAX INT	30	30	30
64,758	51,003	37,984	001-0000-318.10-00	SPRINT	41,023	41,023	41,023
-	2,354	1,200	001-0000-318.15-00	ELECTRIC LIGHT WAVE	1,800	1,800	1,800
79,004	85,313	-	001-0000-318.20-00	NORTHWEST NATURAL	-	-	-
89,218	92,275	91,500	001-0000-318.30-00	CHARTER COMMUNICATIONS	97,480	97,480	97,480
71,567	74,806	73,120	001-0000-318.40-00	THE DALLES DISPOSAL	88,803	88,803	88,803
526,815	589,919	556,316	001-0000-319.10-00	TRANSIENT ROOM TAX	777,870	777,870	777,870
121,573	136,135	180,000	001-0000-319.20-00	TRANSIENT ROOM TAX-PARKS	286,000	286,000	286,000
2,405	2,716	2,000	001-0000-320.10-00	LOCAL LIQUOR LICENSES	2,000	2,000	2,000
3,385	4,140	3,000	001-0000-320.20-00	BUILDING PERMITS	3,000	3,000	3,000
3,050	2,595	2,800	001-0000-320.30-00	SIGN PERMITS	2,200	2,200	2,200
4,545	3,794	3,000	001-0000-320.90-00	OTHER LICENSES	3,250	3,250	3,250
10,679	10,487	12,006	001-0000-330.00-00	WASCO CO - PLANNING SHARE	11,193	11,193	11,193
10,811	-	19,704	001-0000-331.00-00	FEDERAL REVENUES (Police Grant)	-	-	-
135,417	143,570	143,967	001-0000-334.10-00	STATE REV SHARING	140,790	140,790	140,790
1,900	-	-	001-0000-334.60-00	DUI GRANTS	-	-	-
20,515	19,432	16,245	001-0000-335.60-00	STATE CIGARETTE TAX	13,126	13,126	13,126
192,395	202,249	195,481	001-0000-335.70-00	STATE LIQUOR TAXES	181,035	181,035	181,035
35,238	-	-	001-0000-335.80-00	911 STATE SHARE PASS THROUGH	-	-	-
74,642	49,831	119,400	001-0000-337.10-00	URBAN RENEWAL	88,794	88,794	88,794
664,923	755,238	853,494	001-0000-337.60-00	PUD INTERGOVT	1,006,662	1,006,662	1,006,662
15,530	17,272	18,830	001-0000-337.80-00	QLIFE ROW FEES	19,442	19,442	19,442
2,366	1,692	2,000	001-0000-341.80-00	COPIES, PLANS, ORD'S ETC	2,000	2,000	2,000
8,870	9,530	6,711	001-0000-341.90-00	MISC SALES AND SRVCS	9,989	9,989	9,989
9,745	6,195	9,000	001-0000-343.01-00	PLANNING FEES	3,000	3,000	3,000
189,454	224,528	213,846	001-0000-351.10-00	COURT FINES/FORFEITURES	206,823	206,823	206,823
5,000	4,900	5,000	001-0000-351.15-00	TOWING FINES & FEES	5,067	5,067	5,067
7,819	7,485	6,200	001-0000-361.00-00	INTEREST REVENUES	6,700	6,700	6,700
7,406	9,864	9,814	001-0000-363.50-00	PROPERTY RENTALS	9,814	9,814	9,814
16,866	15,909	20,000	001-0000-366.00-00	QLIFE ADMIN SERVICES	20,000	20,000	20,000
91,209	119,773	34,670	001-0000-369.00-00	OTHER MISC REVENUES	34,500	34,500	34,500
-	55,000	87,500	001-0000-369.10-00	ENTERPRISE ZONE PAYMENTS	87,500	125,000	125,000
35,465	36,432	36,942	001-0000-391.04-00	TRNSFR FROM LIBRARY FUND	70,957	70,957	70,957
145,119	146,328	149,945	001-0000-391.05-00	TRNSFR FROM STREET FUND	173,653	173,653	173,653
27,574	3,500	50,770	001-0000-391.18-00	TRNSFR FROM SPECIAL GRANTS FUND	3,500	3,500	3,500
10,000	10,000	10,000	001-0000-391.36-00	TRNSFR FROM SPCL ASMNTS FUND	10,000	10,000	10,000
30,000	42,500	55,000	001-0000-391.37-00	TRNSFR FROM CAPITAL PROJECT FUND	105,000	105,000	105,000
518,924	518,590	530,021	001-0000-391.51-00	TRNSFR FROM WATER UTILITY FUND	446,075	446,075	446,075
397,151	400,218	407,242	001-0000-391.55-00	TRNSFR FROM WASTEWATER UTILITY	313,312	313,312	313,312
1,046	-	-	001-0000-392.00-00	SALE OF FIXED ASSETS	-	-	-
7,928,305	**8,069,569**	**8,290,378**	**TOTAL GENERAL FUND REVENUES**		**8,963,483**	**9,000,983**	**9,000,983**

When we also exclude Transfers In New Revenue sources only increased $94,742 (1.6%). Significant revenue sources that decreased in the proposed budget include property taxes and PUD fees, which were over-estimated in the FY15/16 budget.

GENERAL FUND REVENUES

FY13/14 Actual	FY14/15 Actual	FY15/16 Budget	Account Number	Account Description	FY16/17 Proposed Budget	FY16/17 Approved Budget	FY16/17 Adopted Budget
			REVENUES				
1,573,179	1,800,815	1,926,810	001-0000-300.00-00	BEGINNING BALANCE	1,970,731		
2,542,100	2,623,895	2,640,720	001-0000-311.10-00	PROPERTY TAXES-CURR	2,585,456		
98,699	136,697	123,565	001-0000-311.15-00	PROPERTY TAXES-PRIOR	130,500		
18	37	30	001-0000-311.19-00	UNSEGREGATED TAX INT	25		
51,003	45,958	41,023	001-0000-318.10-00	SPRINT	36,921		
2,354	2,484	1,800	001-0000-318.15-00	ELECTRIC LIGHT WAVE	1,700		
85,313	-	-	001-0000-318.20-00	NORTHWEST NATURAL	-		
92,275	99,477	97,480	001-0000-318.30-00	CHARTER COMMUNICATIONS	101,379		
74,806	94,129	88,803	001-0000-318.40-00	THE DALLES DISPOSAL	84,147		
589,919	699,538	777,870	001-0000-319.10-00	TRANSIENT ROOM TAX	762,496		
136,135	233,179	286,000	001-0000-319.20-00	TRANSIENT ROOM TAX-PARKS	286,000		
2,716	2,415	2,000	001-0000-320.10-00	LOCAL LIQUOR LICENSES	2,500		
4,140	4,145	3,000	001-0000-320.20-00	BUILDING PERMITS	6,000		
2,595	1,845	2,200	001-0000-320.30-00	SIGN PERMITS	2,000		
3,794	4,120	3,250	001-0000-320.90-00	OTHER LICENSES	3,250		
10,487	10,403	11,193	001-0000-330.00-00	WASCO CO - PLANNING SHARE	11,585		
-	4,929	-	001-0000-331.00-00	FEDERAL REVENUES (Police Grant)	-		
143,570	148,611	140,790	001-0000-334.10-00	STATE REV SHARING	161,110		
19,432	19,302	13,126	001-0000-335.60-00	STATE CIGARETTE TAX	17,231		
202,249	191,735	181,035	001-0000-335.70-00	STATE LIQUOR TAXES	215,173		
49,831	61,961	88,794	001-0000-337.10-00	URBAN RENEWAL	88,882		
755,238	773,185	1,006,662	001-0000-337.60-00	PUD INTERGOVT	820,260		
17,272	18,645	19,442	001-0000-337.80-00	QLIFE ROW FEES	20,300		
1,692	2,287	2,000	001-0000-341.80-00	COPIES, PLANS, ORD'S ETC	2,000		
9,530	17,542	9,989	001-0000-341.90-00	MISC SALES AND SRVCS	20,200		
6,195	3,640	3,000	001-0000-343.01-00	PLANNING FEES	5,000		
224,528	214,285	206,823	001-0000-351.10-00	COURT FINES/FORFEITURES	197,712		
4,900	8,300	5,067	001-0000-351.15-00	TOWING FINES & FEES	4,700		
7,485	8,015	6,700	001-0000-361.00-00	INTEREST REVENUES	8,500		
9,864	10,564	9,814	001-0000-363.50-00	PROPERTY RENTALS	6,882		
15,909	24,643	20,000	001-0000-366.00-00	QLIFE ADMIN SERVICES	7,200		
119,773	97,697	156,630	001-0000-369.00-00	OTHER MISC REVENUES	70,000		
55,000	88,030	125,000	001-0000-369.10-00	ENTERPRISE ZONE PAYMENTS	405,000		
36,432	36,942	70,957	001-0000-391.04-00	TRNSFR FROM LIBRARY FUND	86,133		
146,328	149,945	175,497	001-0000-391.05-00	TRNSFR FROM STREET FUND	175,938		
3,500	50,770	3,500	001-0000-391.18-00	TRNSFR FROM SPECIAL GRANTS FUND	3,000		
10,000	10,000	10,000	001-0000-391.36-00	TRNSFR FROM SPCL ASSESSMENTS FUND	10,000		
42,500	55,000	105,000	001-0000-391.37-00	TRNSFR FROM CAPITAL PROJECT FUND	-		
518,590	530,021	469,066	001-0000-391.51-00	TRNSFR FROM WATER UTILITY FUND	482,591		
400,218	407,242	332,755	001-0000-391.55-00	TRNSFR FROM WASTEWATER UTILITY	344,255		
-	2,500	-	001-0000-392.00-00	SALE OF FIXED ASSETS	-		
8,069,569	**8,694,927**	**9,167,391**	**TOTAL GENERAL FUND REVENUES**		**9,136,757**	-	-

EXHIBIT 3

City of The Dalles, Oregon
Fiscal Year 2015-16 Budget

GENERAL FUND – JUDICIAL

FY12/13 Actual	FY13/14 Actual	FY14/15 Budget	Account Number	Account Description	FY15/16 Proposed Budget	FY15/16 Approved Budget	FY15/16 Adopted Budget
44,642	45,487	46,349	001-0750-412.11-00	REGULAR SALARIES	47,672	47,672	47,672
32,569	34,902	40,575	001-0750-412.12-00	PARTTIME/TEMP SALARIES	40,790	40,790	40,790
1,486	796	2,005	001-0750-412.13-00	OVERTIME SALARIES	2,063	2,063	2,063
14,315	14,985	16,261	001-0750-412.21-10	MEDICAL INSURANCE	16,275	16,275	16,275
328	323	360	001-0750-412.21-20	L-T DISABILITY INSURANCE	369	369	369
76	73	74	001-0750-412.21-30	LIFE INSURANCE	74	74	74
918	961	1,031	001-0750-412.21-40	WORKERS COMP INSURANCE	1,393	1,393	1,393
5,926	6,094	6,650	001-0750-412.22-00	FICA	6,767	6,767	6,767
7,114	7,221	7,385	001-0750-412.23-00	RETIREMENT CONTRIBUTIONS	7,593	7,593	7,593
804	820	1,248	001-0750-412.28-00	VEBA CONTRIBUTIONS	1,283	1,283	1,283
108,177	**111,662**	**121,938**	**TOTAL PERSONNEL SERVICE**		**124,279**	**124,279**	**124,279**
11,389	12,955	12,000	001-0750-412.31-10	CONTRACTUAL SERVICES	8,000	8,000	8,000
267	735	1,500	001-0750-412.31-30	PRISONER MEDICAL SVCS	750	750	750
390	180	600	001-0750-412.31-85	WITNESS/JURY FEES	600	600	600
35,859	40,050	39,900	001-0750-412.31-90	PROSECUTING ATTORNEY	39,900	39,900	39,900
52,297	54,426	52,195	001-0750-412.32-30	COURT APPT ATTORNEY FEES	52,195	52,195	52,195
2,284	2,375	2,000	001-0750-412.33-15	INTERPRETOR FEES	2,000	2,000	2,000
1,751	1,924	1,600	001-0750-412.53-20	POSTAGE	1,600	1,600	1,600
465	484	484	001-0750-412.53-30	TELEPHONE	498	498	498
850	747	800	001-0750-412.58-10	TRAVEL, FOOD & LODGING	800	800	800
530	355	400	001-0750-412.58-50	TRAINING AND CONFERENCES	550	550	550
150	190	240	001-0750-412.58-70	MEMBERSHIPS/DUES/SUBS	325	325	325
1,856	1,525	1,800	001-0750-412.60-10	OFFICE SUPPLIES	1,600	1,600	1,600
7	-	50	001-0750-412.64-10	BOOKS AND PERIODICALS	50	50	50
50	206	-	001-0750-412.69-50	MISCELLANEOUS EXPENSES	-	-	-
-	-	-	001-0750-412.69-70	CASH SHORT/LONG	-	-	-
2,036	949	1,600	001-0750-412.69-80	ASSETS < $5000	-	-	-
110,180	**117,102**	**115,169**	**TOTAL MATERIALS AND SERVICES**		**108,868**	**108,868**	**108,868**
218,357	**228,764**	**237,107**	**SUB-TOTAL JUDICIAL**		**233,147**	**233,147**	**233,147**
459,803	**476,450**	**504,362**	**TOTAL LEGAL & JUDICIAL DEPARTMENT**		**504,999**	**504,999**	**504,999**

City of The Dalles, Oregon
Fiscal Year 2016-17 Budget

GENERAL FUND – JUDICIAL

FY13/14 Actual	FY14/15 Actual	FY15/16 Budget	Account Number	Account Description	FY16/17 Proposed Budget	FY16/17 Approved Budget	FY16/17 Adopted Budget
45,487	60,676	47,672	001-0750-412.11-00	REGULAR SALARIES	48,577		
34,902	21,269	40,790	001-0750-412.12-00	PARTTIME/TEMP SALARIES	29,820		
796	1,612	2,063	001-0750-412.13-00	OVERTIME SALARIES	2,102		
14,985	15,046	16,275	001-0750-412.21-10	MEDICAL INSURANCE	19,079		
323	352	369	001-0750-412.21-20	L-T DISABILITY INSURANCE	306		
73	75	74	001-0750-412.21-30	LIFE INSURANCE	50		
961	1,041	1,393	001-0750-412.21-40	WORKERS COMP INSURANCE	1,091		
6,094	6,293	6,767	001-0750-412.22-00	FICA	5,997		
7,221	7,329	7,593	001-0750-412.23-00	RETIREMENT CONTRIBUTIONS	6,234		
820	837	1,283	001-0750-412.28-00	VEBA CONTRIBUTIONS	1,308		
111,662	**114,529**	**124,279**	**TOTAL PERSONNEL SERVICE**		**114,564**	-	-
12,955	6,236	8,000	001-0750-412.31-10	CONTRACTUAL SERVICES	8,000		
735	-	750	001-0750-412.31-30	PRISONER MEDICAL SVCS	750		
180	180	600	001-0750-412.31-85	WITNESS/JURY FEES	600		
40,050	39,191	39,900	001-0750-412.31-90	PROSECUTING ATTORNEY	40,000		
54,426	32,083	52,195	001-0750-412.32-30	COURT APPT ATTORNEY FEES	35,000		
2,375	1,630	2,000	001-0750-412.33-15	INTERPRETOR FEES	2,000		
1,924	1,978	1,600	001-0750-412.53-20	POSTAGE	1,000		
484	470	498	001-0750-412.53-30	TELEPHONE	400		
747	774	800	001-0750-412.58-10	TRAVEL, FOOD & LODGING	800		
355	390	550	001-0750-412.58-50	TRAINING AND CONFERENCES	550		
190	525	325	001-0750-412.58-70	MEMBERSHIPS/DUES/SUBS	525		
1,525	1,665	1,600	001-0750-412.60-10	OFFICE SUPPLIES	1,400		
-	7	50	001-0750-412.64-10	BOOKS AND PERIODICALS	50		
206	291	-	001-0750-412.69-50	MISCELLANEOUS EXPENSES	-		
-	-	-	001-0750-412.69-70	CASH SHORT/LONG	-		
949	2,017	-	001-0750-412.69-80	ASSETS < $5000	-		
117,102	**87,438**	**108,868**	**TOTAL MATERIALS AND SERVICES**		**91,075**	-	-
228,764	**201,967**	**233,147**	**SUB-TOTAL JUDICIAL**		**205,639**	-	-
476,450	**459,803**	**504,999**	**TOTAL LEGAL & JUDICIAL DEPARTMENT**		**466,730**	-	-

WASCO COUNTY LOCAL PUBLIC SAFETY COORDINATING COUNCIL RESOLUTION 2016- 1 OPPOSING THE REMOVAL OF MISDEMEANOR JURISDICTION FROM THE DALLES MUNICIPAL COURT

WHEREAS, Wasco County Local Public Safety Coordinating Council (LPSCC) is a Local Public Safety Coordinating Council organized and existing under the provisions of ORS Chapter 423.560; and

WHEREAS, the LPSCC duty under Oregon law is to Coordinate local criminal justice policy among affected criminal justice entities; and

WHEREAS, The Dalles Municipal Court has exercised misdemeanor jurisdiction for over forty (40) years with an annual caseload that currently averages 490 criminal complaints; and

WHEREAS, The Dalles Municipal Court utilizes its New Hope Court that operates as a specialty court that has demonstrated remarkable results with defendants facing mental health challenges with significant reductions in recidivism rates for serial offenders; and

WHEREAS, the Wasco County Circuit Court does not have, nor expects to have in the near future a mental health court; and

WHEREAS, the Wasco County District Attorney does not have the resources to fully prosecute all of the misdemeanors being prosecuted in The Dalles Municipal Court and would refrain from certain prosecutions, both City and County wide, if The Dalles Municipal Court no longer exercised criminal jurisdiction; and

WHEREAS, the reduction in the prosecution of misdemeanor crimes and the resulting reduction in services for some of the most vulnerable citizens will adversely impact public health; and

WHEREAS, the lack of capacity to prosecute all misdemeanor crimes in Wasco County, including The City of The Dalles, will adversely impact the safety of the entire community.

NOW, THEREFORE, BE IT RESOLVED, that the Wasco County Local Public Safety Coordinating Council does hereby oppose the elimination from The Dalles Municipal Court of misdemeanor jurisdiction and the resulting loss of the New Hope Mental Health Court. Wasco County cannot assure the City of The Dalles that they will be able to prosecute or provide services to reduce recidivism at a level equal or better than that currently existing.

APPROVED AND ADOPTED THIS 12TH day of April, 2016 by the Wasco County Local Public Safety Coordinating Council.

Molly Rogers - Chair

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

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

AGENDA STAFF REPORT

AGENDA LOCATION: Action Item # 12-C

MEETING DATE: June 13, 2016

TO: Honorable Mayor and City Council

FROM: Julie Krueger, City Manager

ISSUE: Approval of projects to be funded with Enterprise Funds, set aside for immediate opportunity grant.

BACKGROUND: When the City and Wasco County received the initial Enterprise Fund payment from Design LLC, it was agreed to set aside $250,000 to fund immediate opportunity projects within the City and County. Wasco County and City of The Dalles representatives have identified 11 projects, based on information received when the Mayor and Commissioner Hege met individually with other taxing entities. The attached list includes the proposed grant recipients, description of projects and estimated amount of the proposed grant for each project.

BUDGET IMPLICATIONS: The funds are currently held by Wasco County. If the projects are approved by the City and County, Wasco County will send the award letters and checks for the projects. The total amount proposed is $247,700. Remaining funds will be divided equally by the City and County.

COUNCIL ALTERNATIVES:

Staff recommendation: ***Move to approve the proposed immediate opportunity grants for funding, contingent on approval by Wasco County and equally divide any remaining funds.***

The Council may, after discussion, decide to reduce some of the amounts for projects, or decline some of the projects.

Google Immediate Opportunity Projects

Recommended List - June 2016

Entity/Project	Est. Amount	Description	ETA
Parks & Recreation:			
Movies in the Park	$19,000	A one-time investment of approximately $19,000 to secure necessary equipment to initiate the Movies in the Park program. On-going program costs will be the responsibility of the Parks District including staffing costs, movie rights and operating supplies.	ASAP
Thompson Park & Pool Amenities	$40,000	Funds requested would provide shade structures near the splash park, pool, and skate park. Additionally, the District would use funds to install benches and picnic tables at the site.	2-3 months
Fort Dalles Museum Building Preservation	$35,000	The museum is seeking funds to work to preserve the historic wood structures that makes up the Museum campus. Most of these historic structures have not been addressed for years and rot is beginning to show in many places on the buildings. This will provide for preservatives to be applied to the wood structures and other repairs.	2-3 months
Senior Center Elevator	$50,000	The Mid-Columbia Senior Center has been working to install an elevator from the main floor to the basement. This funding will help with the final amount needed to complete that project.	6-9 months
Dufur City Park Restroom	$25,000	Dufur Parks and Recreation is working to replace the current restroom that is an inadequate and failing facility. They have $30,000 for the project and this will finalize funding for a new facility to serve Dufur RV Park, City park and the community. The new facility will be ADA accessible.	3-5 months
4H Extension District:			
Purchase Van	$30,000	A significant barrier for out-of-school-time educational opportunities involving youth is the lack of transportation. Many households lack resources to be able to take their children to and from these opportunities. Wasco County 4-H would like to purchase a van to be used to transport 4-H afterschool program participants, camp participants and leadership youth to appropriate events. Fuel, insurance and upkeep would be paid by the Wasco County Extension Service.	1-2 months
Juntos Video Program	$3,700	Juntos is a program targeting Latino students and their families and focuses on building college and career readiness. As part of this program, we would like to give participants the opportunity to work as a team, learn new skills and participate in an extended project. Creating videos will provide such an opportunity. Students will use equipment to create and edit videos.	ASAP
Main Street TD Parklett	$5,000	Main Street will construct another parklett for public us in the downtown area of The Dalles.	1-2 months
Mosier Bike Hub Match	$15,000	The City of Mosier is working to redevelop their downtown and will be building a bike hub as part of that project. They are seeking match money to complete the design and construction of this facility.	12 months
Soil & Water Conservation Weed Project	$10,000	Collaborative weed control project on the Lower Deschutes. Controlling weeds that have a negative impact on agricultural crops.	This summer?
TD Chamber of Commerce Stairs & Ramp	$15,000	Partnering with TD Chamber of Commerce to enhance the front of their building. This project will replace the existing wood stairs with concrete stairs and an ADA ramp along with fascia improvements to the front of the building.	6 months
Totals:	$247,700		

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

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

AGENDA STAFF REPORT

AGENDA LOCATION: Discussion Item #13-A

MEETING DATE: June 13, 2016

TO: Honorable Mayor and City Council

FROM: Daniel Hunter, Enterprise Zone Manager

ISSUE: Report on Current Enterprise Zone Abatements

BACKGROUND: The Dalles-Wasco County Enterprise Zone currently has ten active abatements. Two others, Columbia Phytotechnology, LLC (Powder Pure) and Sunshine Mill ended last year. The effect these abatements have had on Economic Development has been tremendous. While I cannot say that the increase in County median wage is solely the result of this program, it has certainly played a significant role.

Considering all twelve of these abatements, the total Real Property investment is over $241,932,077 and total employment is more than 244 full-time jobs. At least 77 of these jobs have average compensation at or above 150% of County Median Income. When the third Design, LLC build-out is complete, the number of employed will increase by at least 10 more jobs.

Because these abatements range from 2006 until now, I have compiled the attached spreadsheet providing data over that ten-year period. What this shows is, over that ten years, the County Median Income has increased 8.2%, and the property value on just the twelve properties has increased 754%.

Using the permanent tax rate only, the revenue on all twelve properties from property taxes was $107,566.74 annually; and the current unabated property tax revenue is $120,135.40, an increase of 11.6% over ten years. The total fees paid in lieu of taxes are $15,750,000 and application fees total $1,480,000 over this same period. Dividing the total by ten years, we get an average annual fee revenue of $1,723,000. This is more than ten times the original property tax revenue. It should be noted that the total after investment property value does not include the third Design, LLC project as the parcel was just created. All employment and investment numbers provided for the Design, LLC abatements are the minimums they need to qualify for the abatements. While the actual

numbers are higher, they are also confidential.

Of the ten current abatements, three are Construction-In-Process Exemption:

- Design, LLC third build-out anticipated completion in 2017
- Sedition Brewing (formerly Defiance) anticipated completion 2016
- The Dalles, LLC (hotel) anticipated completion 2017

The Dalles-Wasco County Enterprise Zone is due to sunset on June 30, 2018. After that date, no new applications will be accepted under the current Enterprise Zone. All existing abatements at that time will continue until the end of their abatement period. Currently, the criteria for establishing an Enterprise Zone in Oregon requires either the median household income of 80% of the state median; or an unemployment rate of 2.0% above the statewide unemployment rate. The State Median Household Income in 2014 was $51,075 and 80% of that is $40,860; Wasco County Median Household Income was $43,226. This is $2,366 (84.6% of state median) above the state income threshold. Thus far, the 2016 Average Annual Oregon Unemployment Rate is 5.0%, while Wasco County's is 5.8% on average. That is a .8% difference and 1.2% lower than what would be allowed for a new Enterprise Zone designation under the current criteria.

Looking at this data, it is quite clear to me that The Dalles-Wasco County Enterprise Zone has had its desired effect. Employment and wages are up, and new commercial development has taken place that has increased the property value in the Enterprise Zone.

ACTIVE ENTERPRISE ZONE ABATEMENTS
2016

CURRENT EZ ABATEMENTS								ANNUAL		
Business	1st Year	Last Year	Investment	Employees	Before Abatement Value	After Investment Value*	Tax ID	2015 Tax Paid	App. Fee	In Lieu Of Paid
Escape Lodging (Fairfield Inn)	2014	2016	$6,588,429.00	29	$121,187.00	$6,558,863.00	13462	$2,310.00	Waived	N/A
Integrated 3D	2014	2019	$1,250,000.00	7	$461,523.00	$520,408.00	14944	$10,318.44	Waived	$15,000.00
Design, LLC 1st	2006	2020	$12,500,000.00	35	$1,598,987.00	$14,098,987.00	16549	$28,236.07	$280,000.00	$250,000.00
Design, LLC 2nd	2013	2028	$12,500,000.00	35	$784,500.00	$13,284,500.00	16546	$53,502.49	$1,200,000.00	$800,000.00
Design, LLC 3rd	~2017	~2032	$200,000,000.00	10	$0.00	TBD	17934	TBD	Waived	$1,700,000.00
NuCulture, LLC	2015	2017	$115,000.00	2	$393,602.00	$508,602.00	15411	$7,887.27	Waived	N/A
Columbia Phytotechnology, LL(	2013	2015	$1,205,057.00	50	$866,190.00	$2,071,247.00	17878	$236.92	Waived	N/A
Sunshine Mill	2013	2015	$819,591.15	46	$619,080.00	$1,438,671.15	17880	$352.68	Waived	N/A
Freebridge	2015	2017	$393,000.00	2	$538,972.00	$931,972.00	4430	$9,829.97	Waived	N/A
Growler Holster/Route 30	2015	2017	$141,000.00	1	$139,039.00	$280,039.00	3655	$2,499.97	Waived	N/A
Defiance Brewing (Sedition)	~2016	2018	$230,000.00	7	$239,004.00	$469,004.00	3326	$4,961.59	Waived	N/A
The Dalles, LLC (applied)	~2017	~2019	$5,650,000.00	20	$358,008.00	$6,008,008.00	17863 & 1843		Waived	N/A
Total			$241,392,077.15	244	$6,120,092.00	$46,170,301.15				
								$120,135.40	$1,480,000.00	$15,750,000.00

*Does not include appriciation/depriciation

$107,566.74	

New Parcel-No Tax Assessed Tax $4,242,707.15 Tax Estimate $811,489.21

Total Fees / 10 Years	$1,723,000.00

State Minimum Requirement, requirement met

Part of the Application and In Lieu of fees are based on cubic feet in the final developmen

Educational Courses to Schools

Affect of EZ	754.41%	Increase in property value
	29% Increase in County Average Wage over 10 Years	

2006 County Average annual payroll rate was $28,395
2010 County Average annual payroll rate was $31,312 (9% growth)
2014 County Average annual payroll rate was $34,505 (8.2% growth)

Before Abatement Tax	$107,566.74
Un-Abated Property Tax.	$120,135.40

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

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

AGENDA STAFF REPORT

AUDIT MEMO

MEETING DATE: June 13, 2016

TO: Honorable Mayor and City Council

FROM: Kate Mast, Finance Director

ISSUE: **Preliminary Letter from Merina & Company, Regarding the FY15/16 Annual Audit**

Included in your City Council Packet is a letter from Merina & Company, who will be conducting our annual audit again this year. The Auditors are required by professional standards to provide certain information to the governing bodies regarding their responsibilities while conducting the audit.

Please read the attached letter carefully and if you have any questions, let me know. Other than that, no action is required regarding this letter.

After June 30, 2016, you will also receive a letter from me, asking if you are a related party to any City transactions, and if you have any areas of concern that you would like the Auditors to know about before they conduct the audit field work in August. You will be asked to return those letters, with your comments, directly to the Auditors in the self-addressed envelope that will be included with that letter.

MERINA & COMPANY, LLP
Certified Public Accountants and Consultants

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

PARTNERS
KAMALA K. AUSTIN, CPA • TONYA M. MOFFITT, CPA

May 5, 2016

To the Honorable Mayor and City Council
City of the Dalles

We are engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of The Dalles for the year ended June 30, 2016. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated May 5, 2016, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free from material misstatement. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the City of The Dalles. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the City of The Dalles' compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with such provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain required supplementary information (RSI), which includes the management's discussion and analysis and the other post employment benefits schedule of funding progress, to supplement the basic financial statements. Our responsibility with respect to the items listed above, and which supplements the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, this RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on this RSI.

We have been engaged to report on required supplementary information other than the items listed above, and other supplementary information, such as combining schedules and budgetary comparison schedules, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to

5499 AMY STREET • WEST LINN, OREGON 97068 • PHONE: (503) 723-0300 • FAX: (503) 723-9946 WWW.MERINAGPAS.COM

evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

We gave significant consideration to our assistance with the preparation of the financial statements, which may reasonably be thought to bear on independence, in reaching the conclusion that independence has not been impaired.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

This information is intended solely for the use of the Honorable Mayor, City Council, and management of the City of The Dalles and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Merina + Company

Merina & Company, LLP
Certified Public Accountants and Consultants