

**CITY COUNCIL MEETING
McMinnville, Oregon**

AGENDA

**McMINNVILLE CIVIC HALL
200 NE SECOND STREET**

**October 11, 2016
6:00 p.m. – Informal Dinner Meeting
7:00 p.m. – Regular Council Meeting**

Welcome! All persons addressing the Council will please use the table at the front of the Board Room. All testimony is electronically recorded. Public participation is encouraged. If you desire to speak on any agenda item, please raise your hand to be recognized after the Mayor calls the item. If you wish to address Council on any item not on the agenda, you may respond as the Mayor calls for "Invitation to Citizens for Public Comment."

NOTE: The Dinner Meeting will be held at the McMinnville Civic Hall and will begin at 6:00 p.m.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVITATION TO CITIZENS FOR PUBLIC COMMENT – *The Mayor will announce that any interested audience members are invited to provide comments. Anyone may speak on any topic other than:*

- 1) a topic already on the agenda;*
- 2) a matter in litigation,*
- 3) a quasi judicial land use matter; or,*
- 4) a matter scheduled for public hearing at some future date.*

The Mayor may limit the duration of these comments.

1. PROCLAMATION: Hands and Words Are Not for Hurting
2. CONSENT AGENDA
 - a. Consider Minutes of the June 28, 2016 City Council Work Session and Regular Meetings
3. NEW BUSINESS
 - a. Library Book Buddies - Library Director Jenny Berg
4. ORDINANCES
 - a. **Ordinance No. 5012:** Amending Section 3.10.060, Systems Development Charges, Exemptions, of the McMinnville Municipal Code to expand affordable housing exemptions.

5. RESOLUTIONS

- a. **Resolution No. 2016-73:** A resolution establishing reduced permit fees (building and planning) for affordable housing projects.
- b. **Resolution No. 2016-74:** Approving a lease with First Presbyterian Church for public parking

6. ADVICE / INFORMATION ITEMS

- a. Reports from Councilors on Committee and Board Assignments
- b. Department Head Reports
- c. Local Government Dinner hosted by the City of Carlton Thursday, October 27, 2016.

7. ADJOURNMENT



City Council- Regular

Meeting Date: 10/11/2016

TOPIC

PROCLAMATION: Hands and Words Are Not for Hurting

Attachments

Proclamation

Proclamation

WHEREAS, a community without abuse and violence is a dream we all share; and

WHEREAS, we acknowledge that any form of mistreatment of another is abuse;

WHEREAS, abuse can be in the form of verbal, mental, or physical, and often escalates to further violence; and

WHEREAS, we believe that all people have the right to live free of abuse and violence; and

WHEREAS, we believe that every person can make a difference in stopping abuse and violence by not using either action to control others; by not tolerating any form of abuse to oneself or others; and by developing healthy relationships based on respect and equality; and

WHEREAS, we, together with communities around the country and overseas, recognize the Hands & Words Are Not For Hurting Project's Pledge is an effective tool in abuse and violence prevention education.

NOW, THEREFORE, I, Kevin Jeffries, Council President of the City of McMinnville, do hereby proclaim the week of October 16th through 22nd, 2016, to be our 11th Annual

HANDS & WORDS ARE NOT FOR HURTING WEEK

in McMinnville, Oregon, and in doing so, urge all citizens to join Hands to unite as a family and a community to pledge:

"I Will Not Use My Hands Or My Words For Hurting Myself Or Others"

IN WITNESS WHEREOF, I have hereunto set my hand and caused the OFFICIAL Seal of the City of McMinnville to be affixed this 11th day of October 2016.

Kevin Jeffries, Council President



City Council- Regular

Meeting Date: 10/11/2016

Subject:

From: Rose Lorenzen, Administrative
Assistant / HR Analyst

AGENDA ITEM:

Consider Minutes of the June 28, 2016 City Council Work Session and Regular Meetings

BACKGROUND:

Please see attached minutes

Attachments

Minutes - 6-28-16

CITY OF McMinnville
MINUTES OF THE DINNER MEETING Of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, June 28, 2016

Presiding: Rick Olson, Mayor

Recording: Rose Lorenzen, Recording Secretary

Councilors: Present
Remy Drabkin Kellie Menke
Scott Hill Alan Ruden
Kevin Jeffries Larry Yoder

Also present were City Manager Martha Meeker, City Attorney David Koch, Planning Director Doug Montgomery, Finance Director Marcia Baragary, Police Chief Matt Scales, Fire Chief Rich Leipfert, Community Development Director Mike Bisset, Detective Sergeant Scott Fessler, and members of the news media Tom Henderson of the *News Register* and Dave Adams of KLYC Radio.

CALL TO ORDER: Mayor Olson called the Dinner Meeting to order at 6:03 p.m. and advised that the Dinner Meeting would be dedicated to a Work Session to hear a presentation from the Police Department's Investigation Team.

Police Chief Scales introduced Sergeant Scott Fessler and advised that until April of this year the Detective Section consisted of four detectives; however, because of the increased caseload, a fifth Detective position was added. In addition, the Department assigns one Detective to the Yamhill County Interagency Narcotics Team (YCINT). Due to the high number of cases, the Detective Section primarily works only person crimes. They simply do not have time to work property crimes unless they are high profile. He explained that the sheer number of person crimes, particularly crimes involving children (physical and sexual abuse), necessitated adding the fifth detective position. This individual was moved from the Patrol Section and added to the Detective Section.

Chief Scales referenced the memorandum in the Councilors' informational packets from Captain Dennis Marks. Using data collected from several sources, including the Federal Bureau of Investigation (FBI), the U. S. Census Bureau, the League of Oregon Cities, and internal information from budgets and annual reports created by the Department and City personnel, the memorandum reviewed the Department through an historic comparison, population comparison with other agencies, and work load with other agencies. Also reviewed was the lost time from FMLA and Workers Compensation injuries and the resulting number of overtime shifts that the officers were required to

fill. Captain Marks' memorandum referenced a graph in the Council's information packet showing that the McMinnville Police Department, in 2015, averaged 165 cases per sworn officer while comparators averaged 93 cases per sworn officer. He noted the Department's significant deviation from the average.

Detective Sergeant Fessler presented a PowerPoint slide show that depicted the structure of the Detective Section and significant trends affecting the case loads of the Detectives, including the use of social media. He noted that they have had to "inactivate" or refer back to the Patrol Section cases because there were too many cases for the Detective Section to work. He referenced the 2014 McMinnville Police Department Strategic Plan and noted that the members of the citizen group involved with drafting the Plan had ranked crimes against persons as their highest service priority, followed immediately by crimes against property and behavioral crimes.

Sergeant Fessler summarized his presentation by stating that with the increasing number of cases that were being assigned to the Detective Section, along with the number of cases being carried over from one month to the next, the Section was in a "no win" situation and at the current pace, they would never catch up.

Following his presentation, extensive discussion occurred. Each of the Councilors expressed their appreciation and concern for the situation. All agreed that something needed to be done; the question was how to fund additional officers.

City Manager Meeker advised that staff could come back with staffing options; however, the problem would be costly to fix. She noted that with the revenue needed for the additional seven to ten officers, it might be necessary to close the Library. She advised that the idea of dipping into the City's reserve funds would just be a stop gap - there is no revenue generator to maintain the increased costs. Structural changes or additional revenue generators needed to be considered.

Mayor Olson thanked Chief Scales and Sergeant Fessler for their informative presentation.

ADJOURNMENT: Mayor Olson adjourned the Dinner Meeting at 7:13 p.m.

Rose A. Lorenzen, Recording Secretary

CITY OF McMinnville
MINUTES OF THE REGULAR MEETING of the McMinnville City Council
Held at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, June 28, 2016

Presiding: Rick Olson, Mayor
Recording: Rose Lorenzen, Recording Secretary
Councilors: Present
Remy Drabkin Kellie Menke
Scott Hill Alan Ruden
Kevin Jeffries Larry Yoder

Also present were City Manager Martha Meeker, City Attorney David Koch, Planning Director Doug Montgomery, Finance Director Marcia Baragary, Police Chief Matt Scales, Fire Chief Rich Leipfert, Community Development Director Mike Bisset, Detective Sergeant Scott Fessler, and members of the news media Tom Henderson of the *News Register* and Dave Adams of KLYC Radio.

AGENDA ITEM

CALL TO ORDER: Mayor Olson called the meeting to order at 7:17 p.m. and welcomed all in attendance.

PLEDGE OF ALLEGIANCE: Councilor Hill led in the recitation of the Pledge of Allegiance.

INVITATION TO CITIZENS FOR PUBLIC COMMENT: Mayor Olson invited those in the audience who wished to speak to the City Council about an item not on the agenda.

Jack Hickman, 1620 SE Queensborough Court, Elizabeth Stapich, 919 Angela Court, Randy Williamson, 930 SE Zee Court, Steve Singleton, 775 SE Border Lane, and Mike and Shannon Brooks, 1549 SE Morgan Lane, spoke in support of the Police Department, especially as it related to the drug house in their neighborhood.

Bill Whiteman 3480 SE Hembree, spoke about people in the park near his home that bring their dogs to the park without the dogs being on a leash. He said that he went to

talk to one couple, but they did not understand English. He asked that signs in Spanish be placed in the parks.

Kent L. Taylor, 1925 NW St. Andrews Drive, spoke about Planning Director Montgomery's history with the City. He noted that this was Mr. Montgomery's last City Council meeting and that he was "the marrow" of the City's Management Team. Humility and patience were Mr. Montgomery's foundation and that when he spoke, everyone stopped to listen to what he said. He always had good insight, integrity, and trust worthiness. Mr. Taylor thanked Mr. Montgomery for everything he brought to this community. He noted that he had been a better City Manager because of Mr. Montgomery. He hoped that Mr. Montgomery's retirement was joyful, fulfilling, and blessed.

1

CONSENT AGENDA: Councilor Hill MOVED to approve the following Consent Agenda items:

- Minutes of the March 22, 2016 Joint McMinnville City Council / McMinnville Water and Light Meeting;
- **Resolution No. 2016 - 32**: Declaring the City's election to receive state revenues;
- **Resolution No. 2016 - 33**: Certifying provision of municipal services by the City of McMinnville as required by ORS 332.760;
- **Resolution No. 2016 - 34**: Extending the City of McMinnville's workers compensation coverage to volunteers of the City of McMinnville and repealing Resolution No. 2015 - 30;
- **Resolution No. 2016 - 35**: Adopting a new fee schedule for ambulance services provided by the City of McMinnville and repealing Resolution No. 2015 - 32;
- **Resolution No. 2016 - 36**: Providing for and approving a form of contract by and between the City of McMinnville, Oregon and the McMinnville Rural Fire Protection District;
- **Resolution No. 2016 - 37**: Appointing McMinnville's Principal Planner as the successor to the current Project Certifying Officer and Environmental Review Certifying Officer for the 2014 City of McMinnville's Housing Rehabilitation Community Development Block Grant (CDBG) project;
- **Resolution No. 2016 - 38**: Appointing the Principal Planner as the successor to the current board member Planning Director Doug Montgomery to the Yamhill County Affordable Housing Corporation's (YCAHC) regional Housing Rehabilitation Collaborative and board of directors;

- **Resolution No. 2016 - 39:** Renewal of Contract for Medical Director Services with John Heiser, M.D.;
- **Resolution No. 2016 - 40:** A Resolution awarding the contract for the NE 5th Street Improvements Project, Project 2016 - 10;
- **Resolution No. 2016 - 41:** A Resolution approving Task Order No. 3 to the Personal Services Contract for the design of the 5th Street and Alpine Avenue transportation bond measure projects;
- **Resolution No. 2016 - 42:** A Resolution approving the acquisition of property from Ninety Degrees, LLC for the 5th Street transportation bond project;
- **Resolution No. 2016 - 43:** Authorizing and Directing the entry into a contract for the provision of janitorial services at various City facilities;
- **Resolution No. 2016 - 44:** Adopting a supplemental budget for fiscal year 2015 - 2016 and making supplemental appropriations;
- **Resolution No. 2016 - 45:** Making Budgetary transfers for Fiscal Year 2016 - 16.

Motion was SECONDED by Councilor Menke and PASSED unanimously.

2 PUBLIC HEARING

2 a 7:00 P.M. PUBLIC HEARING - APPEAL OF PLANNING COMMISSION DECISION REGARDING PROPOSED RESIDENTIAL TENTATIVE SUBDIVISION PLAN: Mayor Olson stated that it was his understanding that the appellant wished to postpone the Public Hearing and reconvene on July 26, 2016 at the City Council's Regular Meeting.

Mayor Olson opened the public hearing at 8:16 p.m. Councilor Menke MOVD to continue the public hearing and reconvene at 7:00 p.m., on Tuesday, July 26, 2016; SECONDED by Councilor Drabkin. Motion PASSED unanimously.

3 NEW BUSINESS

3 a REPORT AND RECOMMENDATION BY GARY EASTLUND OF HAGAN-HAMILTON TO APPROVE THE 2016 - 2017 PROPERTY, LIABILITY, WORKERS COMPENSATION, AND AUTO INSURANCE COVERAGES: Mayor Olson welcomed Mr. Eastlund.

Mr. Eastlund thanked the Mayor and City Council for their continued support of Hagan Hamilton as the City's Agent of Record for the City's insurance programs. He noted that

after review of the renewal proposals, it was his recommendation to the Council to accept the renewal offers from CityCounty Insurance Services (CIS) for the following coverages: property/liability, auto, mechanical breakdown, and workers compensation. Not including workers compensation the package represents at 16 percent increase over the prior year from \$365,010 in premium costs to \$432,721. He explained the increase was due to significant claims activity in the years 2011 - 2015; additionally, property values had increased 17 percent as a result of the City's most recent audit. The workers compensation renewal deposit increased from \$86,212 to \$94,230. This increase was a direct result of the City's experience modification factor increasing from .86 to .88 and increased payroll projections for 2016.

Mr. Eastlund advised that he recommended acceptance of the renewal proposal from Ace Property and Casualty Insurance Company for the City's Airport Owners and Operators Liability coverage. The renewal premium for the Airport Liability policy will remain the same as the expiring policy at \$5,675.

Mr. Eastlund cautioned that the City's increased premiums are in direct correlation with CIS' paid losses for the City. McMinnville has suffered large general liability losses in the past four years.

Mayor Olson asked for a motion to renew the City's insurance coverage through CIS for fiscal year 2016 - 2017. Councilor Jeffries MOVED to renew the City's property/liability, auto, mechanical breakdown, workers compensation, and airport owners and operators liability coverage for fiscal year 2016 - 2017; SECONDED by Councilor Hill. Motion PASSED unanimously.

4

RESOLUTIONS

4 a

ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2016; TO MAKE THE APPROPRIATIONS; TO IMPOSE THE PROPERTY TAXES; AND TO CATEGORIZE THE PROPERTY TAXES: Finance Director Baragary advised that the Budget before the City Council includes several changes approved by the Budget Committee, including

- An increased contribution of \$25,000 to the Union Gospel Rescue Mission;
- An decreased contribution from \$60,000 to \$42,000 to McMinnville Economic Development Partnership

and an increased contribution of \$18,000 to cover lobbying efforts for the Newberg Dundee Bypass;

- Personnel services appropriations were increased by \$22,000 due to changes related to the Planning Director position and a vacant staff position. Professional consulting services were reduced to offset the increase;
- YCOM membership dues for emergency communications - The Budget Committee approved a 5 percent increase in YCOM membership dues; the actual increase was 4 percent, resulting in a decrease of \$7,600;
- Janitorial Services: After the Budget Committee approved the 2016 - 2017 budget, the City negotiated a janitorial services contract which will increase costs and improve services. The increase in the General Fund is \$16,700 and a total of \$1,850 in all other funds;
- Urban Renewal Property Taxes: Based on information provided by professional consultants, urban renewal property tax revenues and expenditures were decreased by \$62,990; the corresponding interagency transactions in the General Fund were reduced by the same amounts;
- Fire Department Grants: The 2016 - 2017 budget presented for adoption includes a \$23,000 FEMA grant in the Fire Department for emergency operations equipment;
- Carryover Projects: Appropriations for projects which will not be completed in 2015 - 2016 and are carried forward to 2016 - 2017 include: a) \$95,000 for projects at the Airport; b) \$12,000 for stucco repair at the Community Center; and \$179,000 in Transportation Fund bond-related street and sidewalk improvements.

Councilor Menke MOVED to adopt Resolution No. 2016 - 46 adopting the 2016 - 2017 budget in the total amount of \$108,664,100 for the fiscal year beginning July 1, 2016; to make the appropriations in the amount of \$73,515,507; to impose and categorize the City of McMinnville's permanent property tax rate of \$5.0200 per \$1,000 assessed value for general operations and \$2,715,000 for debt service; SECONDED by Councilor Yoder. Motion PASSED unanimously.

4 b

APPROVING A PERSONAL SERVICES AGREEMENT BETWEEN THE CITY OF McMINNVILLE AND DOUG MONTGOMERY: City Manager Meeker advised that Planning Director

Montgomery would be retiring at the end of June 2016 and had agreed to contract with the City for services at least until the first of August when the new Planning Director would arrive. He will be working three days per week during this interim period.

Councilor Drabkin MOVED to adopt Resolution No. 2016 - 47 approving a Personal Services Agreement between the City of McMinnville and Doug Montgomery; SECONDED by Councilor Ruden. Motion PASSED unanimously.

4 c

AUTHORIZING THE CITY MANAGER TO EXECUTE THE FORTHCOMING GRANT OFFER FROM THE FAA RELATIVE TO THE AIRPORT IMPROVEMENT PROJECT CONTINGENT UPON THE CITY ATTORNEY'S REVIEW: Community Development Director Bisset referred to his staff report located in the Council's information packets. He advised that this was a little out of normal procedures; however, it is expected that the FAA will send out a grant offer for the City's acceptance in mid-July to mid-August and has asked the City to accept and sign the offer within one week. In order to meet this timeline, the Council is being asked to authorize the City Manager to execute the forthcoming FAA Grant Offer contingent upon the City Attorney's review of the terms and conditions. He explained that this is all within the concept and scope of the Runway 4-22 Rehabilitation Project.

Councilor Drabkin MOVED to adopt Resolution No. 2016 - 48 a Resolution authorizing the City Manager to execute the forthcoming grant offer from the FAA relative to the Airport Improvement Project contingent upon the City Attorney's review: SECONDED by Councilor Menke. Motion PASSED unanimously.

5 a and b

CITY COUNCIL AND DEPARTMENT HEAD REPORTS: No Councilor or Department Head reports were heard.

6

ADJOURNMENT: Mayor Olson adjourned the Regular City Council meeting at 8:35 p.m.

Rose A. Lorenzen, Recording Secretary



City Council- Regular

Meeting Date: 10/11/2016

Subject:

From: Rose Lorenzen, Administrative
Assistant / HR Analyst

AGENDA ITEM:

Library Book Buddies - Library Director Jenny Berg

BACKGROUND:

Library Director Berg will be present and discuss this past summer's Bookmobile Program. She will have a brief PowerPoint presentation that she will give.



City Council- Regular

Meeting Date: 10/11/2016

Subject: An ordinance amending section
3.10.060 of the Municipal City Code

From: Heather Richards, Planning Director

AGENDA ITEM:

Ordinance No. 5012: Amending Section 3.10.060, Systems Development Charges, Exemptions, of the McMinnville Municipal Code to expand affordable housing exemptions.

BACKGROUND:

Ordinance No. 5012 amends Section 3.10.060 of the McMinnville City Code to expand what types of affordable housing projects are exempt from System Development Charges from just those housing projects for low-income or elderly persons which are exempt from real property taxes under state law to housing for low-income residents which are exempt from real property taxes **and** owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the Area Median Income **and** Homeless Shelter Developments. The Ordinance also provides for an annual maximum allocation of exemptions not to exceed \$75,000 unless it is approved by action of the McMinnville City Council, as well as a payback clause if one of the projects that receives an exemption is sold within five years of receiving the exemption.

On April 26, 2016, the McMinnville City Council (City Council) approved Resolution No. 2016-20, a resolution creating an Affordable Housing Task Force (AH Task Force) and approving an action plan to serve the housing needs of low and no-income families.

The first action of the Action Plan is to "Memorialize System Development Charge discounts for affordable housing projects.

Working with staff, the task force identified what practices were currently in place relative to development fee incentives for affordable housing in McMinnville and researched best practices from other cities around the State of Oregon. From these two basis points, the AH Task Force crafted a development fee incentive package for City Council consideration,

Existing Conditions – Memorialized by action of City Council:

SDC Exemptions: SDCs can be exempted for a type of building product but they cannot be waived. SDC exemptions need to be authorized by local code. SDC exemptions are authorized in the McMinnville Municipal Code, Section 3.10.060. Currently the following exemptions exist in the code:

3.10.060 Exemptions. The following are exempt from the systems development charge imposed in Section 3.10.020.

1. An alteration, addition, remodel, replacement or change in use that does not increase the use of capital improvements.
2. Housing for low-income or elderly persons which is exempt from real property taxes under state law.

Development Fee Reductions: Resolution No. 2003-35 adopted a 50% reduction in Planning Department processing fees for low-income housing. **Existing Conditions – Direction of the City Manager:** On June 14, 1991, City Manager Kent Taylor directed city staff via memo to provide a 60% reduction in the following fees: building permits, plan review, plumbing, mechanical, sewer connection, and sewer and park SDCs for Habitat for Humanity projects.

Summary: Currently low income and senior housing projects that are exempt from real property taxes under state law are 100% exempted from SDC fees, and low income housing projects are authorized to receive a 50% reduction in planning fees per action of the City Council. Habitat for Humanity projects receive a 60% reduction in building fees and SDCs per the internal direction of a City Manager.

Existing Conditions – Financial Impact: The City's collection of SDCs pay for future capital improvement projects that have been identified as needed to support growth – transportation, sewer and parks. SDC fees were set by the City Council with full understanding that they don't represent 100% cost recovery for the projects.

The City's Building Fund operates as an Enterprise Fund meaning that the fees have been established to fully support the costs of administering the building program.

The City's Planning Fund also collects fees but is currently subsidized by the General Fund at a level of approximately 85%.

Development fee exemptions and reductions simply mean that the growth is still occurring and the programs are still being administered, the fees are not being collected.

With that said, thus far the impact to SDCs, the Building Fund and the Planning Fund for the existing affordable housing incentives have not been tremendous due to activity levels. There have been 36 permits issued since 1996 that have qualified for the incentives, with the highest one-year total of six permits occurring in both 2007 and 2008, equating to \$27,421.56 and \$27,323.10 in foregone revenue for those two years respectively. These calculations do not include building permit fees and planning fees.

Issue: How does the City of McMinnville craft a development fee incentive program for affordable housing that is meaningful and easy to administer but does not unduly impact program delivery and delay future capital improvement projects?

Best Practices: A review of programs from around the state yielded the following best practices.

- Establish a maximum threshold of foregone revenue so as not to unduly harm the programs reliant upon the revenue.
- Establish a "payback" provision if the project is sold within a certain time period so as to protect the public funding investment.
- Establish a near-term evaluation period to evaluate the program for effectiveness and impact to other city programs and projects.

AH Task Force Recommendation:

- *Provide a 100% SDC exemption and a 50% permit fee (building and planning) reduction to affordable housing projects defined as those projects which are exempt from real property taxes under state law and owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the Area Median Income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development (HUD), and*

homeless shelter developments.

This increases the current practice of a 60% exemption that is not currently not memorialized in the code and makes it equitable with what is currently in the code, as well as easier to administer with one exemption.

For HUD, McMinnville is in the Portland, Vancouver Hillsboro Metropolitan Statistical Area which is as follows:

County	Median Income	FY 2016 Income Limit	Persons in Family						
			1	2	3	4	5	6	7
Yamhill	\$73,300	Extremely Low (30%)	15,400	17,600	20,160	24,300	28,440	32,580	36,730
		Very Low (50%)	25,700	29,350	33,000	36,650	39,600	42,550	45,450
		Low (80%)	41,100	46,950	52,800	58,650	63,350	68,050	72,750

- *Provide an annual cap of \$75,000 for the program with the opportunity for City Council to override the cap.*

This cap provides the opportunity for the program to grow by 125% from its largest year and yet still protects the city funds from any budgetary impact greater than 10%.

- *Provide a three-year evaluation clause.*

Allows for a pilot program and evaluation period to test the program.

- *Provide a five year “payback” provision that is recorded on the deed.*

Protects the public investment.

FISCAL IMPACT:

Total Foregone Revenue	Transportation SDCs	Sewer SDCs	Parks SDCs	Building Program	Planning Program	
\$75,000	(\$18,304)	(\$22,960)	(\$16,944)	(\$14,000)*	(\$2,792)*	

*Estimate

RECOMMENDATION:

Staff recommends approval of Ordinance No. 5012.

Attachments

Ordinance No. 5012

ORDINANCE NO. 5012

AN ORDINANCE AMENDING 3.10.060, SYSTEMS DEVELOPMENT CHARGES, EXEMPTIONS, OF THE MCMINNVILLE MUNICIPAL CODE TO EXPAND AFFORDABLE HOUSING EXEMPTIONS

RECITALS:

The City of McMinnville understands the value and need for affordable housing in the City of McMinnville: and

The McMinnville City Council would like to increase the availability of affordable housing for low and no-income residents of the City of McMinnville; and

The City of McMinnville created a McMinnville Affordable Housing Task Force on April 26, 2016 with Resolution No. 2016-20; and

The City of McMinnville is able to reduce the costs of building affordable housing by reducing the amount of development fees required; and

The McMinnville Affordable Housing Task Force after careful consideration and evaluation recommends the exemption of affordable housing from system development charges to help enable the development of affordable housing in the City of McMinnville.

NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

1. The provisions set forth in the Attached Exhibit 1, which are incorporated by this reference, are hereby adopted.
2. This Ordinance shall take effect on January 1, 2017.

Passed by the Council this 11th day of October 2016, by the following votes:

Ayes: _____

Nays: _____

Approved this 11th day of October 2016.

MAYOR

Attest:

Approved as to form:

CITY RECORDER

CITY ATTORNEY

EXHIBIT 1

PROPOSED AMENDMENTS TO THE MCMINNVILLE MUNICIPAL CITY CODE

New proposed language is represented by **bold underline font**, deleted language is represented by ~~strikethrough font~~.

3.10.060 Exemptions. The following are exempt from the systems development charge imposed in Section 3.10.020.

A. An alteration, addition, remodel, replacement or change in use that does not increase the use of capital improvements.

~~B. Housing for low-income or elderly persons which is exempt from real property taxes under state law.~~

B. Affordable Housing.

1. The following affordable housing projects are exempt:

- a. **Housing for low-income residents which is exempt from real property taxes under state law. Applicants will need to provide proof of exemption at the time of application.**
- b. **Owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the Area Median Income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development. Income levels will need to be certified and provided by the applicant at the time of application.**
- c. **Homeless Shelter Developments.**
- d. **If the project has units that do not qualify for the exemption or a commercial component, the exemption will be applied to only that portion of the project that qualifies.**

2. The annual allocation to affordable housing exemptions will not exceed \$75,000 unless it is approved by action of the McMinnville City Council.

3. Upon issuance of the certificate of occupancy, the city shall record the certificate of exemption documenting the date and amount of the exemption with the Yamhill County Recorder's office

4. In the event the property for which an exemption is granted ceases to be utilized for housing for low-income persons within five years from the date the certificate of exemption is recorded, the person to whom the exemption was granted shall be required to pay to the city the amount of the exempted systems development charges.



City Council- Regular

Meeting Date: 10/11/2016

Subject: Resolution 2016-73, reducing planning and building permit fees by 50% for qualified affordable housing projects.

From: Heather Richards, Planning Director

AGENDA ITEM:

Resolution No. 2016-73: A resolution establishing reduced permit fees (building and planning) for affordable housing projects.

BACKGROUND:

Resolution No. 2016-73 will provide a 50% fee reduction in building and planning permitting fees for affordable housing projects. This is a recommendation of the McMinnville Affordable Housing Task Force to incentivize affordable housing projects.

FISCAL IMPACT:

Total Foregone Revenue	Transportation SDCs	Sewer SDCs	Parks SDCs	Building Program	Planning Program
\$75,000	(\$18,304)	(\$22,960)	(\$16,944)	(\$14,000)*	(\$2,792)*

*Estimate

RECOMMENDATION:

Staff recommends adoption of Resolution No. 2016-73.

Attachments

Resolution No. 2016-73

RESOLUTION NO. 2016 - 73

A Resolution establishing reduced permit fees (building and planning) for affordable housing projects.

RECITALS:

The City of McMinnville understands the value and need for affordable housing in the City of McMinnville; and

The McMinnville City Council would like to increase the availability of affordable housing for low and no-income residents of the City of McMinnville; and

The City of McMinnville created a McMinnville Affordable Housing Task Force on April 26, 2016 with Resolution No. 2016-20; and

The City of McMinnville is able to reduce the costs of building affordable housing by reducing the amount of permit fees required; and

The McMinnville Affordable Housing Task Force after careful consideration and evaluation recommends the reduction of permit fees by 50% to help enable the development of affordable housing in the City of McMinnville.

NOW, THEREFORE, THE COMMON COUNCIL FOR THE CITY OF MCMINNVILLE ORDAINS AS FOLLOWS:

Section 1. That permit fees (building and planning) for new or remodel housing construction projects be reduced by 50% that meet the following criterion:

- a. Housing for low-income persons which is exempt from real property taxes under state law. Applicants will need to provide proof of qualification at the time of application.
- b. Owner-occupied or lease-to-purchase housing for households with an income at or below 80% of the Area Median Income as determined by the State Housing Council based on information from the United States Department of Housing and Urban Development. Income levels will need to be certified and provided by the applicant at the time of application.
- c. Homeless Shelter Developments.
- d. If the project has units that do not qualify for the reduction or a commercial component, the reduction will be based on a percentage of the total permit fee.

Section 2. The annual allocation to affordable housing reductions will not exceed \$75,000 (including SDC exemptions) unless it is approved by action of the McMinnville City Council.

Section 3. Upon issuance of the certificate of occupancy, the city shall record the certificate of exemption documenting the date and amount of the reduction with the Yamhill County Recorder's office

Section 4. In the event the property for which a reduction is granted ceases to be utilized for housing for low-income persons within five years from the date the certificate of exemption is recorded, the person to whom the reduction was granted shall be required to pay to the city the amount of the reduced permit fees.

Section 5. That this policy shall be reviewed by the City Council no later than three years from its adoption to ensure it remains an effective tool for encouraging affordable housing in McMinnville while also balancing the needs of McMinnville's development programs.

Section 6. This Resolution shall take effect January 1, 2017, and shall continue in full force and effect until revoked or replaced.

Passed by the Council this ____ day of October, 2016 by the following votes:

Ayes: _____

Nays: _____

Approved this ____ day of October, 2016.

MAYOR (council president)

Approved as to form:

CITY ATTORNEY



City Council- Regular

Meeting Date: 10/11/2016

Subject:

From: Rose Lorenzen, Administrative
Assistant / HR Analyst

AGENDA ITEM:

Resolution No. 2016-74: Approving a lease with First Presbyterian Church for public parking

BACKGROUND:

The City of McMinnville has historically leased two parking lots from the First Presbyterian Church located at 390 NE 2nd Street for use as public parking. The oldest lease dates back to 1955, and provides for public use of the parking lot at the corner of 1st and Davis Streets. The newest lease dates back to 1995, and provides for the public's use of the partially-paved parking lot on Cowls Street between 1st and 2nd Streets.

In March of this year, representatives of the Church began a discussion with former City Manager Martha Meeker regarding the current maintenance of the parking lots and changes in the Church's long term plans for the use of the Cowls Street parking lot. The culmination of that discussion was the development of a short-term maintenance plan for the parking lots, as well as a new lease for a term of not less than 20 years that includes a commitment by the City to pave the heretofore unpaved portion of the Cowls Street parking lot by no later than June 30, 2021.

The lease requires no annual cost to the City, other than the cost of maintaining the parking lots in the same condition as the City's other public parking lots in the downtown area. The Church is authorized to reserve four (4) parking spaces for church use, and to close the parking lots for Church events not more than 24 days per year (equivalent of 2 days or one weekend per month).

Staff recommends approval of the lease.

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Attachments

Lease Agreement

Resolution No. 2016-74

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LEASE AGREEMENT

This lease is entered into on this ____ day of _____, 2016, by and between the First Presbyterian Church of McMinnville, OR, hereinafter referred to as the “Lessor,” and the City of McMinnville, a municipal corporation of the State of Oregon, hereinafter referred to as the “Lessee.”

Lessor leases to Lessee the real property, hereinafter referred to as the “Premises.” The Premises are more particularly described as:

The East 10 feet of Lot 7 and all of Lots 4, 5 and 8 of Block 14 of the Original Town of McMinnville, in Yamhill County, Oregon.

This lease shall replace and supersede the parties’ two existing lease agreements for the Premises dated November 2, 1955, and July 17, 1995, which shall both terminate on the Effective Date of this agreement.

Section 1. Occupancy

1.1 Original Term. Except as herein provided this lease shall commence on the date set forth above (“Effective Date”) and shall continue for a term of Twenty (20) years, unless earlier terminated in accordance with the provisions of Section 8.

1.2 Renewal Terms. After the Original Term of this lease, the lease shall be automatically renewed on a year-to-year basis, until terminated in accordance with the provisions of Section 8.

1.3 Possession. Lessee is in possession of the Premises under the terms of two previous leases dated November 2, 1955, and July 17, 1995.

1.4 Uses Permitted Upon the Premises. Lessee shall use the Premises for the sole purpose of operating a public parking lot.

Section 2. Consideration. In lieu of rent, consideration for this lease shall be:

2.1 Paving of Lot 5. Prior to June 30, 2021, the Lessee shall, at its own expense, pave Lot 5 of Block 14, to a condition that is substantially similar to the condition of the Lessee’s other paved public parking lots in the immediate area.

2.2 Maintenance of Parking Lots. During the term of the lease, the Lessee shall perform in-kind work to maintain the Premises as described in Section 6.1.

2.3 Use by Lessor. During the term of the lease, the Lessor shall retain use of the Premises for parking vehicles, subject to the provisions of Section 6.3.

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Section 3. Taxes. As a municipal corporation, it is anticipated that the Premises shall be exempt from assessment for property taxes during the term of this lease; however, in the event that taxes are assessed against the Premises as a result of the Lessee's use of the Premises, Lessee will pay, when levied, any real property taxes on the Premises.

Section 4. Signs. The Lessee may post signs on the Premises consistent with its use as a public parking lot. All signage shall be consistent with the requirements of the McMinnville Zoning Ordinance.

Section 5. Transfer of Possession or Control. This lease is personal between Lessor and Lessee. Lessee will not assign this lease, sublease a portion or all of the Premises, encumber this lease or any interest in the Premises or improvements, or in any other manner transfer possession or control of the Premises to any other person without the prior written approval of the Lessor, which approval may be withheld at Lessor's sole discretion. Provided that nothing shall prevent Lessee from allowing third parties to use the Premises as a public parking lot.

Section 6. Obligations of the Parties.

6.1 Maintenance. Lessee shall, at its own cost and expense, keep and maintain the Premises and all other improvements in a condition of repair equivalent to other public parking lots maintained by the Lessee in the downtown area. It is specifically acknowledged that the condition of repair includes appearance of the premises and improvements. Lessee is responsible for care and maintenance of the gravel and asphalt driving and parking areas, striping, disabled parking signs, and curb stops. Lessor shall retain responsibility for the maintenance of all landscaping on the property.

6.2 Compliance with Laws. Lessee will comply with all laws and ordinances promulgated by any governmental authorities when those laws and ordinances are applicable to the use or occupancy of the Premises. Any act or failure to act by Lessee or by any employee, invitee, or agent of Lessee in violation of any such laws and ordinances will be deemed a material breach of this lease.

6.3 Quiet Enjoyment. Notwithstanding the Lessor's right to use the leased premises for vehicle parking, such use shall comply with all parking time limitations or other restrictions imposed on the use of public parking lots by City Ordinance. In addition, during the term of this lease, the Lessor shall not make or allow any other use of the Premises that interferes with the Lessee's use of the Premises as a parking lot except as follows:

- 1) Lessor may reserve the four (4) parking spaces on the north line of Lot 8 for church staff parking. Lessor shall provide and maintain necessary signage therefore.
- 2) Lessor may reserve all of the parking spaces on the Premises for special church functions, such as but not limited to, weddings, funerals, Harvest Sale, Rummage Sale, Habitat Fund Raiser and similar events. Such

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events shall be limited to 24 calendar days per year and shall not include any events where the public is charged a fee for parking.

Section 7. Indemnification. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act (ORS Ch. 30), each party agrees to defend, indemnify, and hold harmless the other party from any claim, loss, liability, or cause of action or suit arising out of or in any way related to its activity or those of its employees, invitees, or agents on the Premises.

Section 8. Termination. This lease may be terminated as follows:

8.1 Mutual Agreement. The parties may mutually agree in writing to terminate this lease at any time.

8.2 Withdrawal of Lot 4. Beginning five (5) years after the date of this Lease, Lessor may, on ninety (90) day written notice to Lessee, remove Lot 4 from the Lease and Lot 4 shall thereafter not be a part of the Premises as described above. In the event Lessor does so during year six (6) through ten (10) of the Original Term of this Lease as set forth in Section 1.1 hereof then the Original Term of this Lease shall be extended by ten (10) years. In the event Lessor removes Lot 4 from this Lease during years eleven (11) through twenty (20) the Original Term of this Lease as set forth in Section 1.1 hereof then the Original Term of this Lease shall be extended by five (5) years.

8.3 End of Original and Renewal Terms. Not more than 1 year or less than ninety (90) days prior to the end of the Original Term and each Renewal Term, either party may terminate this lease by providing the other party written notice of termination to be effective on the last day of the Original or Renewal Term.

8.4 Default. Either party may terminate this lease for any default by the other party of a covenant or term herein which is not cured within 30 days of a written notice of default.

Section 9. Notices. Any notice required or permitted under this lease will be given when actually delivered or three days after being deposited with postage prepaid in the United States mail as registered or certified mail, addressed as follows:

To Lessor: First Presbyterian Church
390 NE 2nd Street
McMinnville, OR 97128

To Lessee: City Manager
City of McMinnville
230 NE Second Street
McMinnville, OR 97128

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or to such other address as may be specified from time to time in writing by either of the parties.

Section 10. First Right of Refusal. 10.1 Notice of Bona Fide Offer. In the event that Lessor elects to sell the Premises separate and apart from the remaining contiguous lots owned by Lessor in Block 14 of the Original Town of McMinnville, then Lessee shall have the first right to purchase the Premises on the same terms and conditions as offered by a third party. Lessor shall, upon receipt of a bona fide offer from a third party that Lessor intends to accept (the "Offer"), deliver written notice of the Offer together with a copy of the Offer, to Lessee.

10.2 Effect of Acceptance by Lessee. Lessee shall have 30 days from the date of receipt of the written notice and Offer to accept or reject same by giving written notice thereof. In the event that Lessee accepts the offer, Lessee shall deposit earnest money as called for in the Offer within 7 calendar days and proceed to closing within 60 calendar days thereafter.

10.3 Effect of Decline by Lessee. In the event Lessee declines or fails to accept the Offer in writing the 30 day period or fails to deposit earnest money or proceed to closing within the requisite time periods described above, then Lessor may proceed to sell the Premises to the third party in accordance with the terms and conditions of the Offer and this right of first refusal shall terminate and be of no further force and effect. Provided that, in the event that Lessor does not complete the offered transaction with the third party on the same terms and conditions as described in the Offer within 180 days of the Offer, then this first right of refusal shall once again be in full force and effect.

Section 11. Succession. Subject to the limitations set forth elsewhere in this lease on the transfer of Lessee's interest, this lease will be binding upon and inure to the benefit of the parties, their respective heirs, legal representatives, successors, and assigns.

Section 12. Merger Clause. This lease constitutes the entire agreement between the Lessor and the Lessee. No waiver, consent, modification, or change of terms of this lease shall bind either party unless in writing and signed by both Lessor and Lessee. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this lease. By its signature, Lessee acknowledges he/she has read and understands this lease and agrees to be bound by its terms and conditions.

CITY OF MCMINNVILLE

FIRST PRESBYTERIAN CHURCH

By: Candace Haines, Interim City Manager

By: Dale Tomlinson

Title: President

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Approved as to Form:

City Attorney

By:
Title: Corporate Secretary

RESOLUTION NO. 2016 – 74

A Resolution approving a lease with the First Presbyterian Church for use of parking lots for public parking.

RECITALS:

The City currently leases two parking lots from the First Presbyterian Church located at 230 NE 2nd Street, by lease documents dated November 2, 1955, and July 17, 1995. Both leases are beyond their original terms and have been continued on a year to year basis.

The City and First Presbyterian Church desire to replace the current leases with a new lease document for a new term of not less than twenty years, subject to revised terms and conditions.

NOW THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF McMinnville, OREGON as follows:

1. The Lease between the City of McMinnville and the First Presbyterian Church, attached hereto as Exhibit 'A' is hereby approved.
2. The City Manager is authorized to execute the lease.
3. This Resolution will take effect immediately upon passage and shall continue in full force and effect until revoked or replaced.

Adopted by the Common Council of the City of McMinnville at a regular meeting held the 11th day of October, 2016 by the following votes:

Ayes: _____

Nays: _____

Approved this 11th day of October, 2016.

MAYOR

Approved as to form:

CITY ATTORNEY



City Council- Regular

Meeting Date: 10/11/2016

Subject:

From: Melissa Grace, City Recorder / Legal
Assistant

AGENDA ITEM:

Local Government Dinner hosted by the City of Carlton Thursday, October 27, 2016.

BACKGROUND:

Attachments

City County Dinner

The Mayor & City Councilors cordially invite you to attend the

Local Government Dinner

Hosted by the City of Carlton

Thursday, October 27, 2016

6:00pm Social Hour

6:30pm Dinner

7:00pm Guest Speaker

- Jeb Bladine, News-Register

Farmers' Plate & Pantry

119 W Main Street

Carlton, OR 97111

Please RSVP by Wednesday, October 19th

Jennifer Nelson

jnelson@ci.carlton.or.us

(503) 852-7575

Checks payable to City of Carlton

191 E Main Street, Carlton, OR 97111



Menu

Dinner is served buffet-style

Appetizers

Deviled Eggs

Spicy Pear Salsa

w/ Housemade Tortilla Chips

Main Course

Roasted Chicken

w/ Garlic & Mushrooms

Baby Back Ribs

Side Dishes

Roasted Beet & Blue Cheese Salad

Loaded Baked Potatoes

Dessert

Sugar Cookies & Berry Jam

Cost

\$30.00/person

Beverages include brewed teas, coffee & a no-host bar

