
Hood River City Council
211 Second St.
Hood River, OR 97031
(541) 386-1488
www.cityofhoodriver.com

October 28, 2019

AGENDA

6:00 p.m.

Councilors:	Mark Zanmiller (President)	Kate McBride, Mayor Megan Saunders	Tim Counihan
	Jessica Metta	Erick Haynie	

All public meeting locations are accessible. Please let the City Recorder know if you will need any special accommodations to attend any meeting. Call (541) 387-5212 for more information. Oregon Relay Service 1-800-735-2900

I CALL TO ORDER – Cell Phone Reminder

Land Acknowledgement Statement and Pledge of Allegiance

II BUSINESS FROM THE AUDIENCE

This is an opportunity for members of the audience to bring to the Council’s attention any item not otherwise listed on the Agenda. Comments will be limited to three (3) minutes per person, with a maximum time of 15 minutes for all items. Speakers may not yield their time to others. If you wish to address the Council under “Business From The Audience” please sign up in advance on the sheet provided by the City Recorder.

III PRESENTATIONS

1. Mid-Columbia Economic Development District Update, Amanda Hoey PAGES 3-21

WORK SESSION

IV OPEN WORK SESSION

V AGENDA ADDITIONS OR CORRECTIONS

VI DISCUSSION ITEMS

1. PERS Side Account Proposal, W. Norris PAGES 22-23

VII ADJOURN WORK SESSION

REGULAR COUNCIL MEETING

I OPEN REGULAR COUNCIL MEETING

II AGENDA ADDITIONS OR CORRECTIONS

III CONSENT AGENDA

These items are considered routine and/or have been discussed by Council in Work Session. They will be adopted by one motion unless a Councilor or person in the audience requests, before the vote on the motion, to have an item considered at its regular place on the agenda.

- 1. Council Meeting Minutes – September 23, 2019 PAGES 24-34
- 2. 2nd and Oak Signalization Design Contract Amendment PAGES 35-41

IV REGULAR BUSINESS ITEMS

- 1. Property Acquisition for Housing Financing
– Resolution 2019-14, W. Norris, K. Liburdy PAGES 42-45

V REPORT OF OFFICERS

- A. Department Heads
 - 1. Announcements
 - 2. Planning Director Update

VI REPORT OF COMMITTEES

- 1. Visitor Advisory Committee – Metta and Saunders

VII MAYOR

VIII COUNCIL CALL

IX EXECUTIVE SESSION

Oregon Revised Statute 192.660 1 (e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

X ADJOURN REGULAR MEETING

	<u>CALENDAR</u>	
October 28, 2019	8:00 a.m.	KIHR Radio
October 28, 2019	6:00 p.m.	City Council Meeting
November 4, 2019	5:30 p.m.	Planning Commission Meeting
November 4, 2019	7:00 p.m.	County Commission Meeting
November 5, 2019	5:00 p.m.	Port of Hood River
November 11, 2019		City Offices Closed (HOLIDAY)
November 12, 2019	6:00 p.m.	Urban Renewal Agency Meeting
November 12, 2019	6:00 p.m.	City Council Meeting
November 18, 2019	4pm/6pm	County Commission Work Session and Regular
November 18, 2019	5:30 p.m.	Planning Commission Meeting
November 19, 2019	5:00 p.m.	Port of Hood River
November 21, 2019	5:30 p.m.	Urban Renewal Advisory Meeting
November 25, 2019	8:00 a.m.	KIHR Radio
November 25, 2019	6:00 p.m.	City Council Meeting
November 28-29, 2019		City Office Closed (HOLIDAY)

Memorandum

Date: October 24, 2019
To: Honorable Mayor and Hood River City Council
From: Amanda Hoey, MCEDD Executive Director
Re: MCEDD Presentation

Action Requested:

No action requested. Informational and discussion only.

Overview

The City of Hood River is a member of Mid-Columbia Economic Development District (MCEDD) which is a regional economic development agency serving a bi-state region bordering the Columbia River. Formed in 1969, MCEDD is celebrating 50 years of service to the region. As a member of MCEDD, the City benefits from, and can access a number of services, including

- Business Assistance Services. Primarily loan funds for businesses. Many businesses in the City of Hood River have benefitted from access to capital through MCEDD.
- Regional Economic Development planning through development and implementation of the Comprehensive Economic Development strategy.
- Infrastructure and industry assistance.
- Project support, on a fee-for service basis. For instance, MCEDD currently contracts with Hood River County to administer the Cascade Locks-Hood River Enterprise Zone.

MCEDD staff will provide an overview of MCEDD's services and opportunities for further coordination with the City of Hood River. More information at <https://www.mcedd.org/>

Attachments

Summary Columbia Gorge Regional Economic Development Strategy
Sample Business Resiliency guides.



SUMMARY **Columbia Gorge** **Economic** **Development** **Strategy**

Find the full plan at mcedd.org

Hood River, Klickitat, Sherman, Skamania and Wasco counties

VISION

The region envisions a thriving economy supporting diverse business opportunities that act in harmony with the area's rural qualities, values and natural resources.



INTRODUCTION

What is the Strategy?

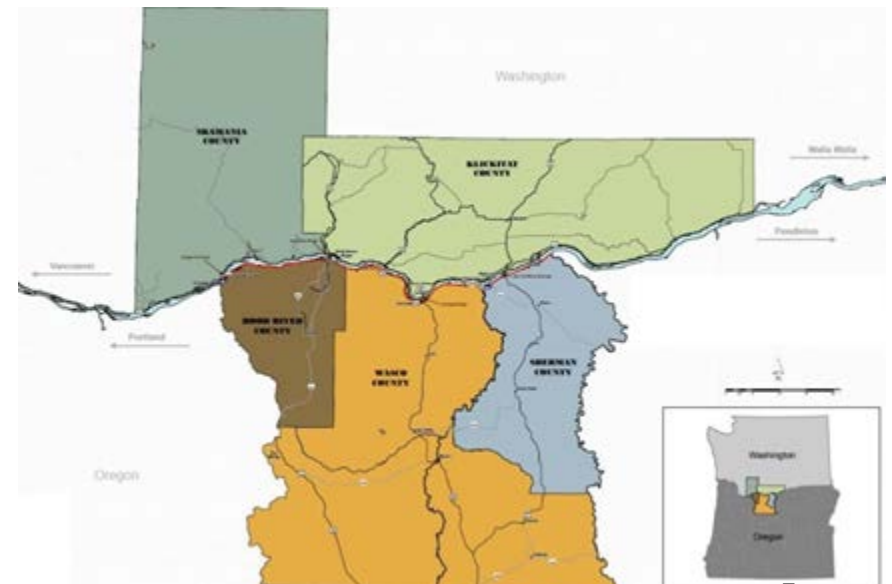
Every five years the region develops the comprehensive economic development strategy as a guide to understanding the regional economy and crafting goals, strategies and actions to create jobs, raise income levels, diversify the economy, and improve the quality of life.

The plan is compiled by Mid-Columbia Economic Development District (MCEDD) and follows the guidelines released by the US Economic Development Administration. The strategy is developed by a diverse workgroup of local representatives from private, public, and nonprofit sectors.

This document is only the brief summary of the strategy for **2017-2022**. The full strategy, which also includes data/demographic analysis, action plans and the evaluation framework, can be found online at www.mcedd.org.

Geography

The region covered under this strategy includes Skamania and Klickitat counties in Washington and Hood River, Wasco, and Sherman counties in Oregon. The region constitutes an area of 7,289 square miles and encompasses parts of the Columbia River Gorge National Scenic Area.



PRIORITY STRATEGIES/ACTIONS

- Housing
- Financial Capital and Entrepreneurial Environment
- Workforce
- Infrastructure
- Regulatory Environment



The action plan is based on a community systems premise that all elements are inter-connected. Goals include:

- **Infrastructure (Housing, Water/Wastewater, Transportation, Broadband):** "Plan for, maintain and re-invest in infrastructure, including attainable housing, to provide for current population demands and support future economic development opportunities."
- **Financial Capital & Entrepreneurial Environment:** "Enhance the retention and expansion of business in the region, coordinating resources to diversify the economy and create sustainable quality jobs."
- **Workforce:** "Nurture, educate, attract and maintain a regional workforce that is career trained and work ready."
- **Innovation Capacity:** "Identify, utilize and expand innovation capacity to benefit the region."
- **Social/Natural Amenities:** "Build upon existing alliances and efforts to encourage stewardship, healthy communities and a quality of life that recognizes our sense of place and unique environment."

SWOT Analysis

Strengths Weaknesses Opportunities and Threats

MCEDD conducted a SWOT analysis in partnership with private industry representatives, local government staff, elected officials, community members, and other stakeholders. The analysis helped guide the identification of regional priorities.

S trengths	W eaknesses	O pportunities	T hreats
Scenic Beauty, Recreation, Brand and Tourism Industry	Insufficient Housing Stock	Growth of Value-Added Ag and Ag Tech Businesses	Housing Shortage Impacts
Central Location	Education, Skilled Workforce	Expanding Tourism	Education Quality/ Opportunity and Workforce
Regional Collaboration	Transportation Infrastructure Capacity and Mobility Gaps	Synergy Across State Lines	Regulatory Restrictions and Burdens
Availability of Transportation Systems/Modes	Regulatory Environment	High Tech; Unmanned Systems	Impacts of Continued Population Growth
Natural Resources and Climate	Utility Limitations and Gaps in Broadband Capacity	Leverage Natural Assets: Fishing, Energy, Wood/Forest Products	Natural Disasters/Hazards
Culture	Disparities Between State funding and regulations	Connectivity	Water Access, Regulations
Diverse Industry Sectors and Growing Business Sectors	Aging Population	Focus on Local	Infrastructure Limitations
Human Capital and Entrepreneurial Spirit	Lack of Business Expansion Space	Address Public Transportation	Loss of Any Major Employer; Concentration Risk
Infrastructure	High Poverty Rate/Economic Disparity	Business/Talent Attraction	Declining funding



ATTAINABLE HOUSING

Overview

Attainable housing is one of the region's primary economic development barriers. Housing is both a quality of life and an economic issue. The shortage of quality housing is a deterrent to businesses, particularly those of any size, which seek to employ a local workforce.

- **Availability and affordability.** Communities need adequate housing for residents of all ages and all income levels. Workforce housing options within reasonable commuting distances are required to support the employees of businesses expanding in the region. Addressing the housing affordability gap is a key concern as the cost for housing has increased more rapidly than wages.
 - Steep **rises in land costs** and Urban Growth Boundaries limit what is available for housing.
 - Dwindling **supplies** of available land and housing units constrain opportunities for residents.
 - **Vacation and short-term rentals** contribute to the economy, but also create market pressures that deplete attainable housing.
- **Housing stock quality.** Overall, the housing stock in the region is older than either that of the US or states.
- **Impact to Business.** With key large employers expressing concern about their ability to attract and retain a local workforce, this is a critical issue to address in order to secure the opportunity for continued economic prosperity.

Top Three Priorities

- Advocate for funding programs supporting attainable housing.
- Seek resources to provide technical assistance and planning for housing development.
- Increase awareness of regional housing constraints.



FINANCIAL CAPITAL/ENTREPRENEURIAL ENVIRONMENT

Target Sectors

The region seeks to capitalize on opportunities in six strong regional industry sectors:

High Tech: *Unmanned Systems*

The sector includes a focus on unmanned systems as the region is a national leading hub, driven by a local industry heavy-weight and deep breadth in the local supply chain.

Manufacturing: *Fermentation Science, Value Added*

Manufacturing cuts across multiple related sectors. The sector focus subset ties directly to opportunities with our agriculture base and with growth in fermentation sciences.

Healthcare

The region has invested heavily in healthcare from our major hospitals to a number of independent practitioners.

Renewable Energy

The region is already an important center of renewable energy production by virtue of the hydropower facilities along the Columbia River and extensive investment into wind development.

Forest/Wood Products

While the sector has been in decline, innovation processing, new products and utilization of byproducts industry will drive growth of this sector.

Art/Culture/Tourism/Recreation

Tourism is a primary industry sector by virtue of the number of jobs it provides, but it does not yet meet wage goals. This sector encompasses initiatives to invest in the quality of tourism venues and visitor infrastructure and to ensure that trained workers are available in the field.

Priorities

- Target industry sector growth in the six key sectors identified.
- Increase business mentorship and support resources and programs.
- Enhance regional information resources, including business siting guides



WORKFORCE

Overview

The region recognizes the critical role of a qualified workforce in addressing sustained economic growth of the region.

Needs include:

- **Pre K-12 Support:** The pre K-12 system in the region is the primary provider for basic skills development. Most school districts have struggled in the past few years to maintain vibrancy during state and federal budget cuts.
- **Higher Education:** Local community colleges are responsive to industry's needs with cornerstone programs which have supported the region's economic development initiatives such as CGCC's Nursing and Renewable Energy Technology training.
- **Basic Skills Training:** With a constantly evolving economy, talent in the region must be able to rapidly adjust to new occupations using transferable skills sets. The region seeks to match the needs of business with skills trainings.
- **Quality Workplaces:** With a very low regional unemployment rate, the tight labor market is creating competition for qualified workers. Thus, quality of the workplace becomes paramount.
- **Bi-State Workforce:** As a bi-state area, we share a common workforce and require collective training opportunities and a regional system in Oregon and Washington.

Priorities

- Increase skill level. Focus on programs tied to key industry sectors (such as the food/beverage at Columbia Gorge Community College).
- Develop more paid internship opportunities.
- Enhance regional participation on workforce investment boards.



INFRASTRUCTURE

Water/Wastewater

While some jurisdictions have sufficient infrastructure to meet current demand and future needs, many of the water and wastewater treatment facilities in the region are aging, exceeding capacity or dealing with compliance issues. Our expanding economy continues to place strains on this critical infrastructure and drives demands for well-functioning systems. In addition, increasingly we are faced with water access, storage and groundwater concerns.

Priorities

- Inventory water and wastewater systems to prioritize upgrades to and invest in key systems.
- Further our innovative approaches, practices and products to address water conservation.
- Address water resource concerns, including declining aquifers.

Transportation

Location advantages support trade within and outside the region, offering options for expanded export opportunities. The region has a distinct geographic advantage in being centrally located in the Pacific Northwest. While market access and the mix of transportation modes available for the movement of goods and people are a distinct asset to the region, maintaining that infrastructure, and expanding it to meet growing industry and population needs, is a challenge.

Priorities:

- Coordinate transportation investments: County/City road maintenance and funding, Interstates and Highways, bridges, expanded Columbia Gorge Regional Airport runways and facilities.
- Enhance safety of the transportation network.
- Provide a coordinated regional public transportation network to serve the needs of a mobile workforce.

Broadband

Broadband is essential to providing economic opportunities throughout the Mid-Columbia region. The region's rural nature and challenging and diverse terrain make building broadband infrastructure extremely costly and nearly impossible for private sector investment alone to meet needs. Enhancing broadband capacity for the region will enhance economic opportunities and support more resilient and networked communities. In addition:

- Improving broadband connection in the region means several things. Building **redundancy** that connects east/west and north/south enables more reliable broadband connections throughout the region in the event of an outage, cable-cut, or natural disaster. This redundancy is a necessary condition for businesses interested in locating or growing in the region. **Increasing speeds** and **decreasing latency** in connections means that they can better support industry growth in the technology sector as well as others, improve telemedicine and distance learning capabilities, and provide more robust use of many other applications for businesses and communities.
- Reaching **key tower sites and facilities** increases service for public safety communications as well as opportunities for private internet and cellular carriers to build upon the backbone investment for additional connectivity;
- **Addressing un/under-served areas** will increase internet access at homes, businesses, and key community anchor institutions.
- Increasing broadband throughout the region means additional **homes** become viable choices for residents that require internet access for their work or businesses at their residences, relieving some housing pressures with adequate broadband access currently.
- Enhanced broadband provides **connection to education and training** opportunities for the growth of a skilled and talented workforce.

Priorities

- Convene the Gorge Broadband Consortium to identify opportunities to expand broadband access points throughout the region; work with ISPs to address middle and last mile gaps and improve speeds.
- Address barriers to efficient broadband expansion, including streamlined permitting.
- Increase awareness and adoption/use of the existing broadband infrastructure.



REGULATORY ENVIRONMENT

Overview

With two states, a National Scenic Area overlay and high percentages of federal land ownership, the level of regulations affecting development activities in the region is a significant concern. All five counties in the Mid-Columbia region have zoning ordinances and land use comprehensive plans. Additional state and federal regulatory agencies also affect development activities in the region, including the U.S. Army Corps of Engineers, the U.S. Bureau of Land Management, the U.S. Environmental Protection Agency, the Oregon Department of Environmental Quality, and the Washington Department of Ecology.

Priorities

- Develop a Regulatory Road Map.
- Facilitate industrial site readiness.
- Support interagency coordination to address multi-layered regulatory issues.

PRIORITY PROJECTS

Prioritization Consideration

- Alignment with Strategy.
- Regional impact.
- Potential availability of funding sources.
- Economic impact.
- Readiness to proceed.
- Alignment with EDA priorities.

Purpose of Prioritization

Prioritization is designed to:

- **Inventory and prioritize** economic development needs and issues;
- **Develop regional consensus** on high priorities;
- **Develop a tool to promote** high priority projects or issues to state and federal funders.

Washington Top Ten Priorities

Rank	Project	Description	Goal Areas Addressed
1	Goldendale Pumped Storage Hydro	Pumped hydro energy storage project. Would provide a range of services to the grid to support reliability and resilience. Techno-economic study funded through DOE.	Entrepreneurial environment (key industry sector).
2	Stevenson Wastewater System	An upgrade to the wastewater treatment plant would address compliance issues and add capacity to accommodate future growth.	Entrepreneurial environment (key industry sector) and infrastructure (wastewater).
3	North Bonneville Substation	Replace an aging substation and upgrade lines to increase capacity and reliability.	Entrepreneurial environment (key industry sector) and Infrastructure (utilities).
4	Buck Creek Water System	Replace aging water line that supplies water from Buck Creek to the City of White Salmon. If it collapsed, it would leave the city without water.	Housing, entrepreneurial environment (key industry sector) and infrastructure (water).

Washington Top Ten Priorities

Rank	Project	Description	Goal Areas Addressed
5	Broadband – Klickitat and Skamania	Implementation of strategies from Stevenson and Goldendale Broadband Action Plans to address needs.	Entrepreneurial environment (key industry sector) and infrastructure (broadband).
6	Columbia Gorge Regional Airport Business Park	Construct production facility for business expansion.	Entrepreneurial environment (key industry sector).
7	Cascades Business Park	Complete Phase 3 improvements to provide the largest contiguous "shovel ready" industrial development site in Skamania County.	Entrepreneurial environment (key industry sector) and regulatory environment .
8	Dallesport Industrial Park (DIP) Improvement Projects	Construct an industrial building at the Dallesport location, move road and bring 13 acres to shovel ready condition.	Entrepreneurial environment (key industry sector).
9	Bingen Point Industrial Park Projects	Three projects including construction of a flex building, property acquisition and improvement, and construction of street and utilities.	Entrepreneurial environment (key industry sector).
10	City of North Bonneville Lift Station Replacement	Replace aging lift station that requires constant maintenance to function.	Infrastructure (wastewater).

Oregon Top Ten Priorities

Rank	Project	Description	Goal Areas Addressed
1	Hood River Interstate Bridge	A new, replacement bridge is needed to improve and ensure multimodal transportation of people and goods across the Columbia River between the communities of Bingen and White Salmon in Washington, and Hood River in Oregon.	Entrepreneurial environment (key industry sector) and infrastructure (transportation).
2	Workforce Housing Projects	<u>Hood River</u> : Engage in projects and feasibility analysis to develop critically needed affordable and workforce housing in the City of Hood River and Hood River County. <u>Sherman</u> : Created incentives to encourage the construction of new rental housing/ rehabilitation of existing housing. The County continues to look for creative ideas that would solve housing issues.	Housing.
3	Treatment of Wastewater	Address processing of waste. Create additional storage to digest sludge composition. Address the Total Maximum Daily Load issues experienced by Odell Sanitary.	Infrastructure (wastewater).
4	Broadband – Sherman and Wasco	<u>Cascadia East Interconnection</u> : Develop an interconnection point East of the Cascades in The Dalles, as well as a connection route east to the next major exchange to provide resiliency in the ability to access the internet in the case of a subduction event. <u>Sherman Fiber</u> : Improve connectivity throughout the County by exploring strategies for improving service outside of the four cities.	Infrastructure (broadband).
5	Dog River Pipeline Upgrade (The Dalles)	Replace existing pipeline, which transports over 50% of the City’s water supply and is a deteriorating wooden pipe, with new ductile iron pipe. Capacity will increase from 8 to 17M gallons per day.	Housing, entrepreneurial environment (key industry sector), and infrastructure (water).
6	Cascade Locks Substation	Purchase the existing Bonneville Power Administration substation and expand it to provide for future power needs.	Entrepreneurial environment (key industry sector).
7	Biggs Water System	Design and construction for a municipal water system in Biggs	Infrastructure (water).

Oregon Top Ten Priorities

Rank	Project	Description	Goal Areas Addressed
8	Bridge of the Gods	Complete 15 year maintenance and preservation of the Bridge.	Infrastructure (transportation).
9	Undergrounding Utilities	The City of The Dalles has begun a preliminary analysis into a downtown underground utilities plan that would not only update current infrastructure, but will help pave the way for future development opportunities.	entrepreneurial environment (key industry sector) and infrastructure (utilities).
10	Backup Power/Emergency Generator Purchase and Integration for Primary Municipal Well	The cities of Moro, Rufus and Wasco have identified the need to install an emergency backup generator for their primary municipal wells to ensure clean/adequate water supplies for sanitation and fire suppression efforts during a grid down scenario. This would help to mitigate the hazards associated with grid down events, such as with a wildfire.	Infrastructure and public safety/healthy communities.



515 East Second Street
The Dalles, Oregon 97058
www.mcedd.org



Content adapted from <https://www.uschamberfoundation.org/node/43155>

Business Preparedness

Prepare your business before disaster strikes! Prioritizing efforts focused on prevention and recovery are vital in supporting business resiliency. Prevention and mitigation activities can reduce or eliminate risks before a disaster and lessen the potential impacts on business operations.

1. Identify hazards and potential disruptions to your operations and their consequences.



2. Identify and prioritize critical business functions.



3. Consider cyber security measures for important records.



4. Create a communications strategy, including a media toolkit to communicate with the public and/or key stakeholders.



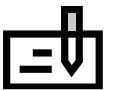
5. Maintain an up-to-date emergency contact list for employees, vendors, suppliers, and other key stakeholders.



6. Take steps to mitigate risks to equipment, buildings, facilities, inventory, and employees.



7. Meet with an insurance agent to discuss what type of coverage your business needs.



8. Back up and store vital records and data so they can be accessed off-site.



9. Create an Emergency Preparedness Plan.



10. Exercise, test, and update your plan at least annually.



Find more resources on the MCEDD website: mcedd.org/ready

ADDITIONAL RESOURCES FOR BUSINESS PREPAREDNESS

Your local Small Business Development Center can provide technical assistance to help develop business continuity and preparedness plans.

- Sherman, Wasco, most of Hood River counties: bizcenter.org/centers/columbia-gorge-sbdc/
- Cascade Locks: bizcenter.org/centers/mt-hood-sbdc/
- Skamania County: wsbdc.org/vancouver/
- Klickitat County: wsbdc.org/yakima/

OR there are these online tools that walk you through creating plans:

- disastersafety.org
- [Open For Business-EZ \(OFB-EZ\)](#) for those that don't have the time or resources to create an extensive plan.
- [EZ-PREP \(EZ-PREP\)](#) is an emergency preparedness and response planning guide for small businesses, specifically for weather events.
- preparemybusiness.org/planning
- Provides a series of checklists and chart templates to use for developing plans.

Use this space for notes to start drafting your plan.

Business Recovery Resources

IMMEDIATE NEEDS

If there is a disruption to your business, these resources can help address immediate needs.

INSURANCE

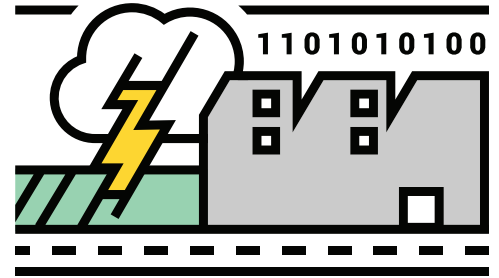


Reach out to your insurance agent as soon as possible to start the claims process. Check to see if you have business property insurance and business interruption insurance as they can pay to replace lost equipment, help pay for payroll, and even pay for a temporary work space while you rebuild.

FINANCIAL SUPPORT



- **Mid-Columbia Economic Development District (MCEDD):** provides low-interest loans for small businesses. Average loan size~\$75,000. mcedd.org/financing/business-loans/ or contact loanmanager@mcedd.org ; 541-296-2266.
- **Business Oregon:** offers flexible loans for traded sector businesses (not farms). Call Business Finance Officer for Hood River, Sherman, and Wasco counties: 541-280-1631.
- **Oregon & Washington Investment Boards:** provide low-interest loans for small businesses in the National Scenic Area.
 - Oregon: mcedd.org/financing/oregon-investment-board/ or 541-296-2266
 - Washington: skamania-edc.org/business-supportincentives/loan-programs/ or 509-427-5110
- **Small Business Administration (SBA), Office of Disaster Assistance:** provides low-interest disaster loans to businesses and private nonprofit organizations (must have disaster declaration) disasterloan.sba.gov/ela/



WASTE

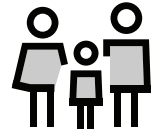


Oregon: Tri-County Household Hazardous Waste and Recycling Program helps assess and, in some cases, remove hazardous waste materials and items that can be recycled. 541-506-2636.

Washington: call your county Public Works Department

- Klickitat: 509.773.4448
- Skamania: 509.427.3900

WORKFORCE



Connect with employment departments and WorkSource in each state to find out more about unemployment, work share programs

Oregon

worksourceoregon.org

Washington

esd.wa.gov/about-employees
worksourcewa.com

Find more resources on the MCEDD website: mcedd.org/ready
Connect to 2-1-1 or 211.org for additional services not found here.

CITY COUNCIL AGENDA ITEM COVER SHEET

Meeting Date: October 28, 2019

To: Honorable Mayor and Members of the City Council

From: Will Norris, Finance Dir. / Asst. City Manager

Subject: PERS Side Account Proposal

Background

The long-term funding challenges facing Oregon's Public Employees Retirement System (PERS) have been well publicized. While Oregon's system is better funded than most other States, the problem is serious and has already placed strain on public budgets. The Hood River City Council recognized the upcoming PERS funding challenges and responded by setting aside \$500,000 in a PERS Stabilization Reserve sub-fund in 2016. The balance of this reserve sub-fund has grown to \$522,271 at the end of Fiscal Year (FY) 2018-19 earning interest in the State of Oregon's Local Government Investment Pool.

The Oregon Legislature has also responded to the State's PERS challenges with recent legislation. New laws have; established matching funds for local governments that establish PERS investment "Side Accounts", mandated increased employee cost sharing, and modified employer funding formulas to smooth the rate impact from prior, more lucrative, retirement benefits offered to public employees starting work prior to 2003 era reforms. This report focuses on the City's ability to take advantage of State of Oregon matching funds by creating a PERS Side Account.

Discussion

Side Accounts Overview:

Future employee pension benefits are paid from charges to employers that are invested under the guidance of the Oregon Investment Council. As of August, investments were allocated 33% public equity (stocks), 23% private equity, 2% "Opportunity" (ex. hedge funds), 21% Fixed Income (ex. bonds), 11% Real Estate, & 10% Alternative Investments (ex. infrastructure & natural resources). Local governments may make additional payments into this investment fund by creating a "Side Account". Side Accounts are invested in the same portfolio as the overall fund, but the investment earnings (or losses) are segregated to the individual employer. The balance of the Side Account is drawn down over time, typically 20-years, in the form of rate credits against the local government's regular PERS charges.

SB1566 (2018) & SB1049 (2019):

The 2018 Legislature created the Employer Incentive Fund (EIF) to encourage local governments to establish Side Accounts by providing a 25% State of Oregon contribution match. The 2019 Legislature funded the EIF with \$100 million. Only PERS Employers with the highest unfunded pension liabilities as a percentage of payroll are eligible to apply during the first round of

applications, from September 3rd to December 2nd. The City of Hood River did not qualify for the initial application period. It was broadly anticipated that the full \$100 million would be exhausted before the application was opened to all PERS Employers. However, as of October 18th the EIF still has \$85,076,976 available.

Establishing a side account is good strategy to mitigate future PERS rate increases although it does carry investment risk. This risk is substantially minimized by the 25% state matching funds. For example, if the City of Hood River had invested just ahead of the 2008 “Great Recession” with a 25% match, its Side Account would have only dipped slightly negative for a single year before rebounding, up 117% by the end of 2018.

Timing Considerations

Remaining EIF matching funds will be allocated on a first come, first served, basis with general applications accepted December 3rd. Qualifying Side Account contributions must be made before August 31st, 2020. A Side Account contribution was not included in the FY2019-20 Adopted Budget because the EIF was anticipated to be exhausted before being opened to general applications. Because of this, payments will need to be appropriated in the FY2020-21 Adopted Budget.

Staff Recommendation:

Authorize making an EIF application for the City’s full Side Account contribution amount eligible for matching funds, \$1,638,737.60 for a total Side Account amount of \$2,048,422. The application does not obligate the City to make the full contribution. The final contribution amount will be dependent on the FY2020-21 budget process.

Fiscal Impact

PERS provides a rate projection tool to estimate future rate credits from the creation of a side account. The tool uses an assumed investment return rate of 7.2% which cannot be modified. The assumed rate of return is set by the PERS Board in consultation with investment advisors. PERS Investments have not met this rate of return over the last five-years but have also exceeded this rate of return over the last 10 plus years. Using the supplied assumptions, the PERS rate projection tool estimates a \$1,000,000 City contribution, matched with \$250,000 from the State of Oregon, will return \$2,162,617 in rate credits over the next ten biennia.

Potential funding sources for the PERS EIF contribution are the City’s PERS Rate Stabilization Reserve and the City’s General Fund. The City can also estimate equitable contributions from the Utility Funds. Final funding sources will be contingent on the FY2020-21 budget process.

Suggested Motion:

Authorize the City Manager to submit an EIF application on behalf of the City of Hood River in an amount not to exceed \$1,638,737.60.

Alternatives:

Authorize applying for a lower EIF eligible Side Account contribution, decide not to apply for EIF matching funds, or request additional information before taking action.

**City of Hood River
City Council Work Session
September 23, 2019**

Council: Mayor Kate McBride, Mark Zanmiller, Megan Saunders, Tim Counihan, Jessica Metta, Erick Haynie

Staff: City Manager Rachael Fuller, Attorney Deborah Phillips, Finance Director/ACM Will Norris, Planning Director Dustin Nilsen, Fire Chief Leonard Damian, Police Chief Neal Holste, City Recorder Jennifer Gray

Absent:

I CALL TO ORDER – Cell Phone Reminder – 6:00 p.m.

Land Acknowledgement Statement and Pledge of Allegiance

II MAYOR VACANCY INTERVIEWS

On May 28, 2019 Mayor Paul Blackburn announced his family would be moving out of state and he would be resigning from City Council in August 2019. Council opened the vacancy, with the deadline of August 23, for applications. Applications were submitted by Kate McBride, Ed Wilder and Jason Gibson. On September 9, Council appointed Councilor Counihan and Councilor Metta to select the questions to be asked. Candidates remained in the Council Chambers during the interviews and took turns answering the six questions. Candidates were given 2 minutes to answer each question. Councilor Zanmiller facilitated the interview process.

Interview questions:

- 1.How would you describe the job of Mayor and the role a Mayor plays in governing the City?
- 2.What do you consider important factors in the group decision making process?
- 3.Please explain any specific education and/or experience that would uniquely qualify you to be Mayor of Hood River.
- 4.What has been your civic involvement in the Hood River community?
- 5.What do you believe are the most important issues facing the community at this time?
- 6.What do you hope to accomplish for the community in serving as Mayor?

Council voted immediately after interviews to select the next Mayor of the City of Hood River. The term for the Mayor position will expire December 31, 2020.

There was a unanimous vote for Kate McBride.

III SWEAR IN NEW MAYOR

Judge Ruben Cleaveland administered the oath of office to Mayor McBride.

IV BUSINESS FROM THE AUDIENCE

This is an opportunity for members of the audience to bring to the Council's attention any item not

otherwise listed on the Agenda. Comments will be limited to three (3) minutes per person, with a maximum time of 15 minutes for all items. Speakers may not yield their time to others. If you wish to address the Council under "Business From The Audience" please sign up in advance on the sheet provided by the City Recorder.

Scott Haastad – Hood River, OR – he is here to give Council his last update on his life project regarding streetlights. He received good news from a manager at Pacific Power. Streetlights that have not been working in the City parking lot, across the street from the post office would be replaced soon. The decorative lights at the swimming pool and tennis courts were reported out several months ago. He has been told the lights are the responsibility of the Hood River Middle School. He is still working to get this issue resolved. 100 streetlights have been fixed since he started this project, plus all of the downtown streetlights. He added that he is bringing a new medical device to market. It heals diabetic wounds and gangrene.

Lottie Bromham, Senior, HRVHS Earth Action Club

"Hello, my name is Lottie Bromham and I've lived in Hood River for almost my entire life. I remember the huge dumping of snow we got back in 2012. The snow piles lined nearly every street in Hood River, making a tunnel that seemed both cool and ominous. That year, we had a full week of snow days, a second winter break, which despite being every kids' dream come true, was far from the norm. The fun of snow days eventually died when the ice rain began, encrusting everything from telephone wires to the fur on the cows that lived on Fairview.

And then there was that drought a few years back. I remember listening to the radio and anticipating the snowpack report, knowing that the reporter was going to say something along the lines of "Mount Hood's Snowpack continues to decrease." In the past decade, the base snowpack on Mt. Hood in the summer months has dropped by 50 inches. Which no doubt resulted in 80 percent of Oregon being in drought in 2015-16. I wondered, as I looked out the school bus's window, what would happen if suddenly there was no water for all the farms that whizzed by as the bus drove down Portland Drive.

I also remember the Eagle Creek Fire two summers ago. My dad texted me while I was at XC practice, telling me that we'd been moved up to level 2 evacuation and that when I got home I'd have to pack what I wanted to take with me in case our house was put on level 3. The fear and the panic is something that spread through our town, like, for lack of a better word, wildfire.

So, in 2012, instead of spending winter in the classroom, children in Hood River were trapped in their own homes by feet of ice and snow.

Two summers ago, instead of hanging out with friends and enjoying the sunshine, Children spent their last days of vacation deciding what to take with them in case a raging forest fire approached their home, threatening to reduce it to ashes. Instead of going back to school shopping, children strategized how to move all their FFA animals or how to fit all their belongings into their moms' minivan while still leaving room for their dog and cat in the event that they had to evacuate.

The youth in this town should not be burdened by such things, yet horrible storms, droughts, and fires will continue to intensify as our Planet warms up, and if nothing is done

to stop it. We appreciate the efforts made by this council. Initiatives like the Hood River energy plan were a big step in the right direction, but without effective and fast implementation, our futures aren't any brighter.

By accepting this climate resolution and declaring Hood River in a state of climate emergency, you can accelerate and prioritize the movement of making Hood River a better place not just for this generation, but for future generations that will one day call this beautiful town their home."

Peter Cornelison, Columbia Gorge Climate Action Network

"Over 4 million people demonstrated in the Global Climate Strike on Friday, many of them youth. Last week a Washington Post poll showed that more than 50% of teens were concerned about climate change and 1 in 4 had taken some action. Young people are scared for their future.

Here in Hood River at Overlook Memorial Park about 200 people came out on Friday including Mayor McBride who spoke and Councilor Counihan who participated. The student leader of the strike, Lillie Tomlinson, Leader of the HRVHS Earth Action Club wanted to use a new tactic, a die-in! We all laid down on the sidewalk for 5 minutes and practiced dying (it was surprisingly peaceful).

Dying is appropriate response to the climate emergency. Last week we learned that a third of all birds have died in North American since 1970, this is death on an epic scale, 2.9 billion birds. The web of life is breaking down. Our carbon pollution is causing the world's 6th mass extinction. We humans are not going to be that far behind. It time to tell it like it is, we are in a CLIMATE EMERGENCY, words do matter. That is what this resolution acknowledges and is the truth to power that Greta Thunberg has been speaking.

A version of this resolution has been signed into law by 2000 cities in 185 countries including San Francisco, Oakland, Davis and Chico. As elected officials you are charged with protecting the Constitution, protecting our life, liberty and justice. Life is at issue here. The federal government, which has the power to address the climate emergency, is derelict in its duty. It falls to states, counties and cities to take a stand. You were elected to lead us, please do so and pass some form of this resolution."

Ted Cramer, Hood River, OR – he is the Advisor for the Earth Action Program at the Hood River High School. As an Advisory of the Club, he supports them in what the group needs, and he doesn't advise them on what they should be doing. He is very proud of the club, their initiative, courage and fortitude to do things like this and stand in front of people stating their beliefs and ideas. He is solely here tonight to stand before Council and recognize the Club and stand behind them.

Jason Gibson, Hood River, OR – he addressed Council regarding the process that was used to fill the Mayor vacancy position. He read his motion to dismiss. He does not feel his motions or documents have fallen on open ears.

V PRESENTATIONS

1. Columbia Area Transit Master Plan Update – Patty Fink
Fink gave Council a historical summary regarding Columbia Area Transit. The PowerPoint presentations was added to the record. CAT was founded in 1993. The

main focus at that time was mobility needs for the elderly and disabled. Routes were largely in Hood River County with limited trips to Portland and The Dalles. In 2015, the board began looking at a broader focus to meet growing low-income, minority, tourism and commuter needs within the County. The board undertook the Transit Master Plan in early 2016, and pursued funds for a fixed route in the upper valley. The Transit Master Plan was finalized in 2017. There was an extensive public outreach process designed to support the City, County and Regional Goals. The Plan called for more service types. There was an increase to service levels, particularly in areas with low income and minority populations. Routes were established to Cascade Locks, the Upper Valley, Portland, The Dalles and the City of Hood River. The Plan implementations from 2017-2019 included hiring an experienced Transit Professional, working with partners to provide new and increased service and planning for additional service increase for Fall 2019. CAT ridership has almost tripled; hit a high of 6,400+ riders per month in August. Trolley ridership totaled 5,318 riders this year; highest day of riders was September 1, with 300 riders. The number of commuters using services has increased. Fink reviewed a list of businesses in the area that have supported the increase in transit. Grant funding has been received for several new programs and services for FY2020.

Fink stated their number one priority is to identify formal bus stops through the City of Hood River. Secondary priorities include work on a permanent transit/transfer center in/near downtown, promote and market transit services to employees and businesses, and work with CAT to identify funding for a trolley vehicle.

Fink introduced members of the Board, Marbie Cook and Mark Reynolds.

Reynolds thanked Council for partnering with CAT on the trolley. He believes that is an idea that helps people see a visual representation of what public transit can be. With partnerships, they have a good chance to increase ridership for everyone's benefit. There are a lot of projects in progress and they are moving in many directions, but their focus is supporting residents in the City and County. The marketing campaign is off to a great start. CAT is very interested in integrating transit services with the Westside Concept Plan and the City's Parking Management Plan. They are available to help provide the structure that can build other kinds of transit choices. He thanked Council again for their support.

Fink added the hope is to schedule a coordinated session with CAT and Council, to discuss key priorities and service needs.

WORK SESSION

VI OPEN WORK SESSION – 7:27 p.m.

VII AGENDA ADDITIONS OR CORRECTIONS

VIII DISCUSSION ITEMS

1. Westside – Land Use Framework Plan, D. Nilsen
Nilsen presented the staff report. PowerPoint presentation has been added to the record.

Creating opportunities for an inclusive and diverse housing inventory is an articulated goal on the 2019 Council Work Plan. The Westside Concept Plan began in 2016, as a mechanism to address Hood River's housing affordability issues and implement changes suggested by the 2015 Housing Needs Analysis.

In March 2017, Public Hearings were initiated before the Planning Commission to gather feedback from the public and Commission regarding recommendations of the report. In March of 2019, Council directed staff to segregate out the various frameworks in the Westside Concept Plan to move the concepts forward towards implementation. Subsequent public hearings on the Westside Concept Plan Draft Report were conducted by the Planning Commission, culminating in Council approvals of the Neighborhood, Streets and Transit, Pedestrian, and Bicycle Framework Plans.

One of the frameworks that received the most attention during the Planning Commission deliberations was the Land Use Framework. The Land Use Framework presented three concepts to amend the zoning map to include additional areas zoned for greater residential capacity. Also contemplated within the Land Use Framework were zoning code changes aimed at increasing opportunities to diversify the variety of housing types. During its hearings, Planning Commission, along with the public, deliberated whether or not zoning map changes or zoning code changes would be more effective at increasing the diversity and production of housing types to support the local economy and community needs.

Public testimony, Planning Commission input, and staff feedback was consistent that zone map changes do not necessarily predict a development outcome due to issues within the existing Hood River zoning code. And Council, through its 2019 Work Plan, has also acknowledged the importance of livable neighborhood characteristics, character, and building forms. These features are commonly found in development and zoning code regulations. Feedback was consistent that the issues related to the development code were not specific to the westside and are applicable citywide. Planning Commission recommends that Council consider all options, including citywide code changes, to address the housing needs in the community.

Staff Request: Consistent with the 2019 Council Work Plan, staff requests that Council consider the Planning Commission recommendation and, if in agreement, direct staff to identify development code changes to increase the diversity and production of housing types citywide.

Mayor McBride stated she would like to hear from Planning Commissioner Arthur Babitz on this issue.

Arthur Babitz, Planning Commission Chair addressed Council.

Babitz stated the entire Planning Commission wanted to be here this evening, but they are attending a DLCD training this evening. Babitz stated Nilsen is a professional and he has to say things precisely and carefully. The Planning Commission's request is to pivot. They have been focusing on the Westside Plan. The Planning Commission would like to take the elements that were in the land use framework and look at them City-wide, rather than just in the Westside Plan. As a reminder, in 2015 the Housing Needs Analysis was completed that had three strategies which Nilsen explained. It was not the Housing Needs Analysis for the Westside; it was for the entire City. The Buildable Lands inventory was for the entire City and they identified a residential land need for the entire City. Grant money was received to work on the Westside Plan, and they focused on some very specific issues. They needed to get transportation in place and the fundamentals, so all of the open land did not get developed in a

haphazard manner. Clearly there were very important things to be done, but the Planning Commission now feels the land use framework is almost a little distracting to focus on, as a Westside issue, when it is really a City-wide issue. The Planning Commission would like Council to take note of that. It is consistent with Council priorities and goals. They do want to be very clear; they are looking to do a pivot. They would be looking at the elements of Strategy 1, which is the code changes to get better results and get a wide variety of housing types out of the existing land base. They want to take that strategy and look at it across the entire City. They need to determine what the colors on the map mean, before they discuss changing the colors on the map. It's going to be highly controversial when they do any rezoning. There will be lines of people, questioning the changes. Babitz stated they need to be prepared for that.

The R-3 definition has not changed for many years in an appreciable way, yet the City seems to be continuously surprised when R-3 land gets an occasional very large house and lots of town homes, that are sold for \$850,000 each. Some are sold to people who live and work here, but most are bought for vacation homes. They should not be surprised by this; that is what the code tells developers to do. He believes they need to work through the development code. Here the City writes the rules, but developers and landowners vote with their purses what they are going to do. All the City can do is write the rules as such that they have options doing things, which is more amendable to the goals that Council and the Planning Commission has set. This is a hard job. That is why Planning Commission has asked Council for flexibility to go beyond the specific actions in Strategy 1, in the Housing Needs Analysis. They can get a better result out of the existing land base.

Babitz spoke about the map changes. His hope, when they get to map changes, is that they do it parametrically and identify they are making changes because they are looking at what the distribution of density is. They are looking at what the availability of land is, and they are looking at developing City services. Those are intelligent things to look at, when looking at changing the map. Whether something is on the westside, center or eastside, if it meets the criteria; they should be considered for map changes. If it does not meet criteria, they should not consider it. The map should not be changed until they go through the first step of changing what the colors mean. They may have minimal map changes necessary to make.

Babitz believes it is important that Council take every step possible to communicate the reasons why this is being done. There are lot of people talking about this and "trash talking" the efforts that are happening. They must make it clear that what they are looking at. The goal is a functioning economy and quality of life. They have a good understanding of the nature of the economy; a solid core of manufacturing and an agriculture base. We understand most of the major employers need to be able to find employees, to support moderate growth. If you cannot grow, you will eventually have to leave. The City's economy depends on the ability of moderate growth and moderate growth means employees have to come here, move here and be able to afford to live here. If they cannot, the economy does not continue, and our society will not work.

In 2000, the average home cost 4.5 times the median family income. In 2017, the average home cost was 7.6 times. What that means compared to your income, is the average family had to pay 50% more for the housing in 2017, than in 2000. If you moved here in 2000, and you thought you had to work hard (two jobs) to support yourself, by those numbers, you now must work 3 jobs. That is fundamentally unreasonable. That is the problem our community has. He speaks with major employers all the time and they have plans for leaving. They are looking for ways to respond, when they can no longer get employees to move

here. This is about making sure people are willing to work hard to be here, so the economy will continue to function. He stated even if you have a home and a job, you need to care about this because it will affect the ability of your employer to function here. Community without people starting careers, community without people starting families is a dying community. They need to be shouting from the rooftops they are working on this for a reason and the reason is to save our community.

Nilsen explained there are three legislative files open; change to the subdivision code, change to the zoning code, and Westside. The reason for this was because they were not going to limit the scope of the changes just to the Westside. This comes from Council's Workplan; using this as a foundation.

Babitz believes more analytical work needs to be done to look at the proposals that are being made for code changes, and to understand what potential effects they could have in terms of actual housing that is created.

Fuller stated what they are talking about is launching a new project to look at these codes. As a new project, it would involve new outreach to the community, opportunities for the community to engage and a real chance to look at what is meant when they say cottage, cluster or duplex. She wants to be clear this is a pivot to a new project, looking at code amendments rather than focusing on the map. Council needs to determine what they want built in the community. Staff will work on the code with the public and the Planning Commission, to make sure that is what they get. There is only so much that can be predicted with numbers, but with code and regulation, they can have some sense of certainty about what they will get.

Mayor McBride does not feel the numbers they received were worthless. The inventory that was done was on a lot of bare land on the Westside, but also took into account the areas in the City that could not be developed; all city land was reviewed. They did do home inventory street by street. She believes what they received at the beginning was the maximum of what the numbers could be, but if it's looked at in reality and what has been done so far in the zones, it is not even close to what is needed.

Councilor Saunders stated she wants to make sure all types of options are looked at for potential ways to solve this; be creative, bold and really go for it. She believes the code changes are definitely a good first step, but she wants to make sure they don't forget about changing the actual map because they do have large areas of R1 from the 80's that no one lived in at the time.

Babitz explained about how the City's population growth forecast has decreased. One possible reason is the lack of affordability; people are moving and companies looking to relocate.

Councilor Coughlin noted that while incentives are important, regulations are another way of ensuring that the zoning results in the type of housing stock that is desired. He also expressed the need to ensure that incentives would not result in housing builds that are not as energy and water efficient as possible. He requested that he would like regular updates on what zoning strategies are being proposed and also how the Planning Commission thinks the zoning changes will result in the housing stock diversity desired. He also expressed concern that the proposed new direction would delay the completion of the Westside Concept Planning process.

Nilsen stated some of this is using code and best management from history. They are

talking about a 20-year forecast and 500 individual property owners, all with their own predestine or desire. They are going to try setting a framework to make this happen but it's not predictable; learn from ordinances used in other cities. That is part of how this rational methodology gets laid out. There are certain assumptions; the idea of sharing some of those, how does methodology come to play and how they come up with the numbers. Being transparent about that will be essential for everyone involved.

Mayor McBride confirmed what Nilsen is asking of Council; approve a pivot to include the entire City, to look at codes, be creative and go out and sell the idea.

Motion: I move to direct staff to identify development code changes to increase the diversity and production of housing types citywide.
First: Metta
Second: Saunders
Discussion: None
Vote: Motion passed (roll called)
Ayes: Blackburn, McBride, Zanmiller, Saunders, Counihan, Metta, Haynie
Nays: None
Abstentions: None
Excused: None

IX ADJOURN WORK SESSION – 8:31p.m.

REGULAR COUNCIL MEETING

I OPEN REGULAR COUNCIL MEETING – 8:31p.m.

II AGENDA ADDITIONS OR CORRECTIONS

III CONSENT AGENDA

1. Council Meeting Minutes – August 26, 2019 and September 9, 2019
2. Hood River Police Association FY2019-20 Wage Reopener

Motion: To approve the Consent Agenda as amended.
First: Zanmiller
Second: Saunders
Discussion: Councilor Counihan had a statement clarification for the September 9 meeting minutes. Gray will edit the minutes before they are finalized and signed by the Mayor.
Vote: Motion passed (roll called)
Ayes: Blackburn, McBride, Zanmiller, Saunders, Counihan, Metta, Haynie
Nays: None
Abstentions: None
Excused: None

IV REGULAR BUSINESS ITEMS

1. Taxi Rate Resolution 2019-12, J. Gray

The City licenses taxicab business and related rates. Shelley Zeman, owner of Hood River Taxi addressed Council on August 12 requesting Councils consideration for an increase to the current rates. The current rates have not been increased since March 2012. Zeman reviewed the list of current rates charged and asked that they be increased by 25% to cover the rising cost in employee wages, insurance, tires, brakes, oil changes, cost of living in Hood River and bridge toll.

Zeman has also requested that taxi rates be reviewed when taxi business licenses are renewed annually, for a possible 3% increase.

Staff has reviewed the 25% rate increase requested by Zeman. Phone calls were made to several local business, as well as research online. With the increase of costs to employee wages, cost of living in the area, increase in cost of oil and vehicles equipment to operate a taxi business since 2012, staff finds her request to be reasonable.

- Motion:** I move to approve Resolution 2019-12 to increase taxicab rates and Council review taxicab rates annually when business license are renewed. Look at cost of living index and do not change rates until half dollar increments to maintain simplicity of payment.
- First:** Saunders
- Second:** Metta
- Discussion:** Council directed that taxicab rates shall be subject to review by the City Council annually and will coincide with annual taxi business licenses renewal period. The appropriateness of future rates increases will be informed by a logical inflationary index and will only change in half dollar increments to maintain simplicity of payment for taxi customers. Norris added the City no longer uses the Portland CPI, the West coast Region CPI is now used.
- Vote:** Motion passed (roll called)
Ayes: Blackburn, McBride, Zanmiller, Saunders, Counihan, Metta, Haynie
Nays: None
Abstentions: None
Excused: None

V REPORT OF OFFICERS

- A. Department Heads
1. Announcements
 2. Planning Director Update

VI REPORT OF COMMITTEES

1. Visitor Advisory Committee – Metta and Saunders

VII MAYOR

1. Proclamation – 2019 Get There Challenge Week (October 7-21, 2019)
Mayor McBride proclaimed October 7-21 Get There Challenge Week.

VIII COUNCIL CALL

Councilor Haynie has spoken to people in the community who have asked that Council meetings be live on Facebook. This is something he has been thinking about. Norris stated if the City were to do this currently, there would be issues with public records and archiving. That is one impediment to the City using an open platform, but this is certainly in the realm for future IT improvements.

Councilor Saunders stated there was a Parks Master Plan meeting last week. The group worked on edits on the goals, policies, and strategies section of the draft plan. Edits were sent to Parks and Rec. Councilor Zanmiller added they have been focusing on the section of goals, policies and strategies. There are five different goals and 115 strategies. They are trying to get it down to where entities can use them; be more efficient. On the 10th of October, there will be a meeting to discuss and fully understand the edits that were made. They are headed in the right direction. There has been a good turnout at the meetings from the other entities, that want to adopt the plan. He believes the group finds value in having a joint vision of open space.

Councilor Saunders attended last week's County Commission meeting. The Gorge Commission had a conversation about the expansion of the urban growth areas. She wanted to let Council know that conversation is happening. Council may want to engage with the Gorge Commission at some point.

Councilor Zanmiller stated the next parking meeting will be held in October. The group has been doing backgrounds and studies, to define how many parking spaces to get to the 85%. They are at the point where the consultant will start presenting them with strategies, to prioritize on what they need to do next.

Councilor Coughlin attended a Bridge Replacement Project meeting a couple weeks ago. The meeting went through a variety of different updates on where they are at in the process. The most significant item on the agenda was the presentation on the visual representations on what the bridge could look like. The options are posted on the Port of Hood River's website.

Councilor Metta presented a letter for Council's consideration. Last month Joel Madsen, Mid-Columbia Housing Authority spoke to Council about the issues with the State granting process and how that affected the City's scoring. Madsen would appreciate a letter of support to encourage changes to the grant program screening process. At some point, public testimony will be taken in Salem. Madsen asked that an elected official from Hood River go to Salem, it would be very beneficial.

- Motion:** I move to approve that Mayor McBride sign the letter addressed to Oregon Housing and Community Services.
- First:** Saunders
- Second:** Zanmiller
- Discussion:** Councilor Metta will let Madsen know Mayor McBride is willing to go to Salem to speak.
- Vote:** Motion passed (roll called)
Ayes: Blackburn, McBride, Zanmiller, Saunders, Coughlin, Metta, Haynie
Nays: None
Abstentions: None
Excused: None

Fuller added it is up to Council when they would like to declare the Council vacancy. Staff would look to Council for input, on the process and timeline they would like to take to fill the vacancy. It could be very similar to the process that was used to fill the Mayor vacancy.

Council agreed to hold Council interviews at the December 9, 2019 City Council meeting. Goal Setting meeting will be held after the Council vacancy is filled. Councilor Metta asked that the childcare stipend information be added in the Council vacancy advertisement.

Motion: I move to declare the vacancy for the Hood River City Council seat and direct staff to proceed.
First: Haynie
Second: Metta
Discussion: None
Vote: Motion passed (roll called)
Ayes: Blackburn, McBride, Zanmiller, Saunders, Counihan, Metta, Haynie
Nays: None
Abstentions: None
Excused: None

Police Chief Holste asked Council when the Council President will be appointed, in the event Mayor McBride is absent. Mayor McBride stated Council could wait until the new Councilor is appointed. She asked Council if they would like to discuss this tonight or later. Council agreed to appoint the Council President.

Motion: I move to appoint Councilor Zanmiller as Council President.
First: Saunders
Second: Haynie
Discussion: None
Vote: Motion passed (roll called)
Ayes: Blackburn, McBride, Zanmiller, Saunders, Counihan, Metta, Haynie
Nays: None
Abstentions: None
Excused: None

IX EXECUTIVE SESSION – 9:18 p.m. – 9:52 p.m.
Oregon Revised Statute 192.660 1 (e) To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

X ADJOURN – Adjourned by unanimous consent at 9:52 p.m.

Kate McBride, Mayor

Jennifer Gray, City Recorder

Approved by City Council on _____

CITY COUNCIL AGENDA ITEM COVER SHEET

Meeting Date: October 28, 2019

To: Honorable Mayor and Members of the City Council

From: Wade Seaborn, Interim Director of Public Works

Subject: 2nd and Oak Signalization design contract amendment

Background:

On March 27, 2017, the City signed a contract with Kittelson & Associates for a 30% conceptual design of traffic signals at the 2nd & Oak intersection. Oregon Department of Transportation (ODOT) comments on the initial design led to amendment #1 on August 15, 2017, to provide additional traffic counts and surveys. On November 6, 2018, the City signed amendment #2 to provide a design exception request to the Americans with Disabilities Act (ADA) requirements at the northwest corner of the intersection and to produce a letter of no effect for the State Historic Preservation Office (SHPO). On July 8, 2019, City Council directed staff to proceed with the design of a phased construction approach. The design for the phased approach includes curb extensions on the northeast, southeast and southwest corners of the intersection. The curb extensions will need to be removed in the future, if and when traffic volumes increase to the level that requires left turn lanes.

In order to consider the City's request for interim curb extensions, ODOT will require additional information and design that is currently outside the scope of the contract with Kittelson & Associates. An ODOT mobility standard design exception request will need to be developed for the interim intersection design (with curb extensions) and submitted for approval. A traffic operations analysis will need to be prepared, evaluating existing, interim and final lane configurations and stop control alternatives. The analysis will include the functional relationship between the proposed 2nd & Oak signals and the I-84 interchange signals. Finally, the northeast, southeast and southwest corners of the intersection will require curb and ADA ramp design for both interim and final configurations. Each ramp has the potential to trigger a design exception request for the final configuration. Kittelson & Associates is requesting an additional \$38,470 in design fees to address these additional requirements.

Staff Recommendation: Approve contract amendment #3 with Kittelson & Associates in the amount of \$38,470.

Suggested Motion: I move that on tonight's consent agenda we approve amendment #3 to the 2nd & Oak signalization design contract with Kittelson & Associates in the amount of \$38,470.

Alternatives: Do not approve amendment #3 to the 2nd & Oak signalization design contract.

Fiscal Impact: An additional \$38,470 to the current design contract.

Attachment: Amendment #3 request from Kittelson & Associates

September 26, 2019

Project #: 20794

Wade Seaborn, PE
Senior Project Manager
City of Hood River
Physical Address: 1200 18th Street, Hood River, Oregon 97031
Mailing Address: 211 2nd Street, Hood River, Oregon 97031

RE: 2nd and Oak Signalization – Amendment #3 Request

Dear Wade:

This letter formally requests your authorization of an additional \$38,470 in fees and reimbursable expenses for services associated with our firms' continued involvement on the 2nd/Oak Signalization project.

This amendment addresses the required ODOT Mobility Standard Design Exception Request and supporting traffic operations analysis.

This amendment excludes future work to advance the concept into preliminary and final plans. We will address this work as a future amendment per our earlier conversations.

Please review the attached Amendment #3 to the Professional Services Agreement and return a signed copy electronically to us if everything is satisfactory. We will return an executed original for your records. Please call us if you have any comments or questions.

Sincerely,
KITTELSON & ASSOCIATES, INC.



Fred Wismer, PE
Associate Engineer

AMENDMENT #3 TO PROFESSIONAL SERVICES AGREEMENT

PROJECT #: 20794
PROJECT NAME: 2nd and Oak Signalization
PROJECT BUDGET: As of September 26, 2019

Original Authorized Amount	\$16,500
Amendment #1	\$12,900
Amendment #2	\$14,200
Amendment #3	\$38,470
Total Authorized Amount	\$82,070

AUTHORIZATION:

This amendment amends that Professional Services Agreement dated 8/15/17 (the “Agreement”), and any prior amendments, by (1) authorizing Kittelson & Associates, Inc. to perform services in addition to the those services described in **Part “A”** of the Agreement (See attached Amendments to Part “A”) and (2) increasing in the **Current Authorized Amount** (shown above) to an amount not to exceed the **Total Authorized Amount** shown above. Except as otherwise stated in this amendment, the terms, conditions and provisions of the Agreement remain unaltered by this amendment.

Accepted for:
CITY OF HOOD RIVER

Approved for:
KITTELSON & ASSOCIATES, INC.

Signature

Signature

Print Name

Print Name

Title

Title

Date

Date

Project Manager: Fred Wismer, PE

AMENDMENTS TO PART “A” SCOPE OF WORK

PROJECT UNDERSTANDING AND ASSUMPTIONS

This amendment will assist in the procurement of the Mobility Standard Design Exception Request, ADA Design Exception requests, updated conceptual design plans for phased construction, and supporting traffic operations analysis as required by ODOT Region 1. The following summarizes the additional work requested by ODOT through formal Plan Review Comments and coordination meeting from the design team and the associated assumptions.

TASK 1 - AGENCY COORDINATION AND CONCEPT DEVELOPMENT

This task consists of the conceptual design, traffic projections, and agency coordination that was necessary to determine the path forward. This task is complete, but beyond the scope of previous authorizations.

- Develop phased intersection conceptual plan, including cost estimates, curb extension design, and preliminary signal design layout.
- Revise traffic forecasts and traffic analysis per ODOT Planning guidance and coordination.
- Conduct traffic analysis for a range of future scenarios:
 - Develop lane configuration and traffic control needs for revised 2040 volumes.
 - Determine timing of need of the expanded intersection.
- Hold a series of meetings and conference calls with City and ODOT staff to determine the scope of the expanded traffic analysis and Design Exception Request requirements.

TASK 2 - MOBILITY STANDARD DESIGN EXCEPTION REQUEST

This task consists of the activities to prepare the Design Exception Request for the phasing of the intersection construction.

- Prepare an ODOT Design Exception Request (DER) for the Mobility Standard deficiency of the proposed interim intersection design.
- Provide the required supporting documentation to accompany the DER, such as historical and planned growth rates, network limitations, and alternatives analysis.
- Provide up to twelve (12) hours of coordination with ODOT review staff regarding the DER.

TASK 3 - TRAFFIC OPERATIONS ANALYSIS

This task consists of the activities to provide revisions to the traffic study as requested by ODOT through plan review comments and meetings.

- Assemble traffic data needs, including traffic counts and signal timing sheets for progression analysis
- Conduct intersection control evaluation (ICE) to assess the capacity, queuing and safety of the existing, proposed interim signal configuration, final signal configuration, roundabout, and all-way stop alternatives.
- Prepare progression analysis with I-84 interchange signals.
- Identify timing of need for turn lanes.
- Prepare draft and final expanded memorandum to include ICE findings and progression analysis.

TASK 4 – CURB RETURN/EXTENSION DESIGN

This task consists of the activities to provide revisions to the traffic study as requested by ODOT through plan review comments and meetings.

- Prepare up to three (3) additional ODOT ADA Ramp Design Exception Requests (DER), one each for the northeast, southeast, and southwest curb returns per ODOT’s requirements.
- Provide the required supporting documentation to accompany the DER.
- Provide up to four (4) hours of coordination with ODOT staff regarding review comments associated with the Design Approval.
- Provide Interim and Future curb extension design plans of the northeast, southeast, and southwest quadrants for ODOT approval to support the phased construction approach for the intersection.

ASSUMPTIONS & EXCLUSIONS

- Our scope excludes the following items:
 - Preliminary/final design plans beyond 30% concept design;
 - Geotechnical explorations;
 - Structural evaluations of new signal pole footings;
 - Right-of-way negotiations or legal descriptions, environmental, and/or other specialty disciplines not addressed in this scope.
- The duration of the effort is assumed to be approximately 8 weeks from start to finish.

Project Budget Form

Project Name: 2nd/Oak Intersection
 Project Manager: Fred Wismer
 KAI Project Number: 207940.000
 Date: Sep 26, 2019

LABOR ESTIMATE - 2nd/Oak Intersection

Task	Notes	Staff	Wismer, Fred	Ooms, Andrew	Nguyen, Ly	Cox, Caleb	SUBTASK/ TASK HOURS	SUBTASK/ TASK COST
			FSW	AWO	LTN	CEC		
001 Agency Coordination								
	Phased intersection concept		8		8		16	\$2,720
	Revise traffic forecasts		2	8	8		18	\$2,890
	Preliminary future traffic operations		2	16	8		26	\$4,290
	ODOT and City coordination		8	16			24	\$4,440
	Reimbursable Expense							\$0
	Task #001 - Subtotal		20	40	24	0	84	\$14,340
002 Mobility DER								
	Prepare DER (forecast documentation, ops summary, etc)		2	16			18	\$3,210
	ODOT coordination		3	6			9	\$1,665
	Reimbursable Expense							\$0
	Task #002 - Subtotal		5	22	0	0	27	\$4,875
003 Traffic Operations Analysis								
	Assemble data			2			2	\$350
	ICE Analysis						0	\$0
	Existing summary			4			4	\$700
	Roundabout (2040)			3			3	\$525
	Proposed Signal (~2031 and 2040)			4	2		6	\$970
	Final Signal (2040)			4	2		6	\$970
	Progression Analysis						0	\$0
	Proposed Signal			6			6	\$1,050
	Final Signal			6			6	\$1,050
	Draft Updated Memo		2	8	8		18	\$2,890
	Final Updated Memo		1	4	2		7	\$1,175
	ODOT coordination		2	8			10	\$1,810
	Reimbursable Expense							\$0
	Task #003 - Subtotal		5	49	14	0	68	\$11,490
004 Curb Return/Extension Design								
	Curb Return/Extension Design & Documentation		6			18	24	\$3,930
	Cost Estimates		1			4	5	\$805
	ADA Design Exceptions		6			12	18	\$3,030
	Reimbursable Expense							\$0
	Task #004 - Subtotal		13	0	0	34	47	\$7,765
TOTAL HOURS			43	111	38	34	TOTAL HOURS	TOTAL LABOR
LABOR RATE			\$205.00	\$175.00	\$135.00	\$150.00		
LABOR COST			\$8,815	\$19,425	\$5,130	\$5,100	226	\$38,470

TOTAL REIMBURSABLES
\$0

TOTAL KAI FEES
\$38,470

TOTAL PROJECT BUDGET
\$38,470

CITY COUNCIL AGENDA ITEM COVER SHEET

Meeting Date: October 28, 2019

To: Honorable Mayor and Members of the City Council

From: Will Norris, Finance Dir. / Asst. City Manager
Kevin Liburdy, Senior Planner

Subject: Property Acquisition for Housing Financing – Resolution 2019-14

Background

Creating opportunities for an inclusive and diverse housing inventory is an identified goal on the City's 2019 Work Plan. As such the City is pursuing purchase of property located at 780 Rand Rd. that would be developed to help meet the City's housing needs.

Property Description: 780 Rand Rd. totals approximately seven acres located on the west side of Rand Rd., north of Sherman Ave. and south of Cascade Ave. Most of the property is zoned Urban Low Density Residential (R-1) and a small portion, approximately 0.87 acre, is zoned Urban High Density Residential (R-3). Subject to provision of adequate public facilities including improvement of a segment of the Westside Community Trail, most of the property appears to be developable for a variety of needed housing types. It is near commercial uses and employers along Cascade Ave. and on Wasco Loop.

Property Considerations: A portion of the site may have development constraints due to the presence of steep slopes, wetlands and/or significant trees. Staff currently is conducting due diligence including environmental and valuation analyses that will be performed prior to execution of a purchase and sale agreement by the City Council.

Housing Needs: Hood River's contemporary housing initiatives are informed by the 2015 Housing Needs Analysis. The Housing Needs Analysis determined that Hood River has an existing deficit of housing that is affordable. This analysis generated a three-pronged housing strategy: 1) Increase efficiency of use of land within Urban Growth Boundary; 2) Regulate and monitor short-term rentals; and 3) Develop affordable housing. Strategy #1 is ongoing and includes updates to the City's development code. Strategy #2 was initiated when the City's short-term rental program was established in 2017. This project is consistent with strategy #3 - encourage development of housing in Hood River.

Next Steps: The attached Resolution authorizes the City to pursue a Full Faith and Credit borrowing agreement in an amount not to exceed \$1,600,000, with repayment over a period of 10-years, to finance the purchase the acquisition of 780 Rand Road for housing and to pay related financing costs. The City of Hood River last borrowed on a Full Faith and Credit basis in 2017 via Resolution 2017-15 in order to refinance debt related to the City's waterline.

A Full Faith and Credit debt obligation is secured and payable from all lawfully available funds of the City and is not subject to appropriations. Borrowing on a Full Faith and Credit basis is authorized by ORS 287A.315. Borrowing in this manner is best suited for small private placement

(bank loans) because it reduces transaction costs, obtains lower interest rates, and can be executed quickly, relative to alternative financing methods.

The City will only be considering financing agreements with no pre-payment penalties after one-year. This will allow the City the flexibility to pay off the debt completely in the next budget year. The loan will also be taxable, as opposed tax-exempt, in order to provide maximum flexibility in future property development options. Staff will discuss various funding sources with the Council to confirm an appropriate funding mix.

Timing Considerations:

Financing authorization by October 28th would allow a purchase and sale agreement to be drafted without a financing contingency.

Staff Recommendation:

Authorize the City to pursue a Full Faith and Credit loan agreement in an amount not to exceed \$1,600,000 to pay for the acquisition of 780 Rand Road and related financing costs.

Fiscal Impact:

The final principle amount is contingent on ongoing property due diligence and financing costs. The City has engaged Piper Jaffray to act as the City’s placement agent. This service will cost \$15,000 and is payable from loan proceeds.

Eligible sources of funds for debt repayment include the City’s General Fund (FY2019-20 available balance \$2,346,703), the Affordable Housing Reserve (FY2019-20 beginning balance \$118,208), or the “Local Program” portion of Construction Excise Tax revenues (FY2019-20 beginning balance \$206,666). In addition, up to \$410,000 in regional infrastructure funding may be available for development or other project costs.

Suggested Motion:

Adopt Resolution 2019-14, authorizing a full faith and credit borrowing and related matters.

Alternatives:

Direct staff to identify or pursue alternative financing sources.

Attachment:

Resolution 201-14

City of Hood River, Oregon

RESOLUTION NO. 2019-14

**A RESOLUTION OF THE CITY OF HOOD RIVER, OREGON
AUTHORIZING A FULL FAITH AND CREDIT BORROWING AND RELATED MATTERS.**

WHEREAS, the City Council of the City of Hood River, Oregon (the "City") is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance real or personal property which the City Council determines is needed so long as the estimated weighted average life of the financing agreement does not exceed the estimated dollar weighted average life of the property that is financed; and

WHEREAS, the City of Hood River's 2015 Housing Needs Analysis recommended the development of housing as a strategy to meet Hood River's housing needs; and

WHEREAS, the City wishes to finance the acquisition of property at 780 Rand Road in furtherance of the City of Hood River's Housing Goals (the "Project"), which the City Council hereby determines is needed.; and

WHEREAS, the City finds it is desirable to finance the Project pursuant to ORS 271.390;

NOW, THEREFORE, BE IT RESOLVED by the Hood River City Council that:

Section 1. Financing Authorized. Pursuant to ORS 271.390, the City Council hereby authorizes the issuance of a financing agreement (the "Financing Agreement") in an aggregate principal amount of not more than \$1,600,000 and a term of not to exceed 10 years. Proceeds of the Financing Agreement may only be used to finance the Project and to pay costs associated with the Financing Agreement. The City Manager or the City Finance Director, or the person designated by either of those individuals (each of whom is referred to herein as a "City Official"), are hereby authorized, on behalf of the City and without further action by the City Council, to:

- A. Subject to the limitations of this Resolution, determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the Financing Agreement;
- B. Negotiate, execute and deliver notes to evidence amounts due under the Financing Agreement;
- C. Select a lender or commercial bank with which to negotiate, execute and deliver the Financing Agreement. Subject to the limitations of this resolution, the Financing Agreement may be in such form and contain such terms as the City Official may approve;
- D. Enter into additional covenants for the benefit of the purchasers of the Financing Agreement that the City Official determines are desirable to obtain more favorable terms for the Financing Agreement;
- E. Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this resolution.

Section 2. Security. The Financing Agreement may constitute an unconditional obligation of the City, which is payable from all legally available funds of the City. Pursuant to ORS 287A.315, the City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b

of Article XI of the Oregon Constitution to pay amounts due under the Financing Agreement. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement.

Section 3. Effective Date. This resolution shall take effect upon its adoption.

Adopted by the City Council this 28th day of October, 2019.

Kate McBride, Mayor

Attest:

Approved as to form:

City Recorder

City Attorney