MEETING OF THE WOOD VILLAGE CITY COUNCIL
January 27, 2015
MINUTES

PRESENT: Mayor Patricia Smith, Council President Tim Clark, Councilors Scott Harden, Bruce Nissen and Jimmy Frank, City Attorney Jeff Condit, City Administrator Bill Peterson, Finance Director Peggy Minter, Public Works Director Mark Gunter, and interested parties.

ABSENT: None

MAYOR SMITH CALLED THE MEETING TO ORDER AT 6:00 PM.

CITIZEN COMMENTS
There were none.

CONSENT CALENDAR

a. Committee Appointments
   - Budget Committee
     - Mark Clark: Term Expires 12/31/2017
   - Parks Commission
     - Patricia Smith: Term Expires 12/31/2016
     - Don Robertson: Term Expires 12/31/16

Upon motion by Harden, seconded by Clark and passing 5-0, the Consent Calendar was approved.

PRESENTATION: UPDATE ON PORT OF PORTLAND'S EAST COUNTY INDUSTRIAL LANDS DEVELOPMENT AND OVERVIEW ON TROUTDALE AIRPORT MASTER PLAN

Ken Anderson and Steve Nagy, from the Port of Portland stated that they will be providing an update on Port activities. Anderson stated that the Troutdale Reynolds Industrial Property or TRIP is getting ready to start their new phase of construction. The goal is to put another 184 acres of industrial land on the market by 2017. Anderson explained that this is a $38 million investment, and the Port has had great partners redeveloping the properties.

Anderson stated that the TRIP is the largest wetland and brownfield mitigation project that the state has permitted. Anderson explained that the first phase of the development included the FedEx hub, and FedEx has an option to purchase another parcel adjacent to their site. An energy

plant also has a purchase option on another parcel in the site. Anderson stated that phase two includes the development of roadway systems for the remaining 184 acres, and the subdivision of lots. Anderson explained that these parcels will create viable industrial lands for future development.

Anderson explained that the Gresham Vista property requires much less capital, and all but one parcel has received the industrial ready designation. Anderson stated that the Gresham Vista properties includes several site size options to help accommodate a wide array of developments.

Peterson asked about the vacant building on the corner of 242nd and Glisan. Anderson stated that property is now under one owner and it is on the open market, but he does not know if there are any leads for the sale of the site. Anderson explained that the Port is working on site improvements on the west side of the property for roadway access. The parcels along Stark Street are zoned mainly for commercial and office space.

Anderson stated that the Port is actively working on leads, and there has been more interest in the site lately. Anderson explained that the Port purchases these types of properties as an investment, and economic benefits for the region. Anderson stated that it is estimated that about 3,800 jobs will be created in the TRIP, and 2,800 jobs at Gresham Vista.

Smith asked if there was a lot of work left before actual development can occur. Anderson stated that there is a lot of work at the TRIP site, but Gresham Vista is mainly complete. Smith asked how the job estimates are put together when there are no actual industries at some of the sites. Anderson explained that the Port hires economists and they base their estimates on industrial trends. Anderson stated that they are estimates, but it gives an idea of what can be created.

Clark asked about the retail parcels at Gresham Vista, and if there are less restrictions on those parcels compared to the industrial sites. Anderson stated that there are a number of options on the retail parcels, but there is a restriction on grocery stores for the next four years. Clark asked if the Port was searching for specific industrial customers for the sites. Anderson stated that they are seeking to locate manufacturing, high tech, or food processing facilities to the site. Anderson explained that it is market and community based decisions that are driving those factors.

Frank asked how all of this is funded. Anderson stated that Gresham Vista was purchased with funds from the Port's General Fund. Anderson explained that the proceeds of the land sales are reinvested in other types of projects. Anderson stated that the TRIP site has a lot of additional partners working to complete that site, especially in terms of the roadway improvement projects.

Nagy stated that he is the Port's General Aviation Manager, and the Port operates PDX, Hillsboro and Troutdale's airports. Nagy explained that the Port has operated the Troutdale

airport since 1942. The site is 278 acres with a single runway of 5,400 feet. There are currently 24 tenants at the site as well. Nagy stated that the Troutdale airport has an active flight training program, and houses 151 aircraft that are mainly single engine aircraft. Nagy explained that the Troutdale airport is unique because of the close proximity to PDX. That close location also effects the operations of the airport because of the flight patterns.

Nagy stated that the Master Plan work for the Troutdale airport looks at the capacity of the airport itself, and the other airports in the region. Nagy explained that a master plan for an airport is not too dissimilar to infrastructure master plans. The needs and uses are forecasted and compared to existing facilities, and then a plan is developed as to what will be built. Nagy stated that the master plan is for a 20 year period, but they are typically reviewed after 10 years to review the progress.

Nagy explained that the Troutdale airport master plan is also reviewing the future needs and growth based on the relationship with PDX and other industrial partners. Nagy stated that there are 23 advisory members involved with the process, and 21 of them are voting members. Nagy explained that one of the central questions is what role the Troutdale airport can have in the future growth and development of the area, and how can the airport coordinate industrial efforts. Nagy stated that they are also reviewing the financial, legal and fiscal constraints.

Nagy stated that the Port has developed a roadmap for the project which includes an industrial lands component. There are also 5, 10 and 20 year benchmarking standards that are being developed as part of this project. Nagy explained that the land use review area basically covers the majority of East County. Nagy stated that the FAA has a large say in the process which includes the non-airport land uses inside the facility. The airport is also subject to a 20 year obligation because of the grants received for the project.

Nagy stated that the financial overview includes the operating revenue and capital grants. Nagy explained that the airport user fees go towards the operation of the airport and not Port taxes. Nagy explained that the airports are supposed to be self-sufficient agencies funded by user fees. Nagy stated that Troutdale airport's revenues have been declining, and aviation as a whole was hit hard by the recession. The Troutdale airport has been in the red a few hundred thousand dollars, and that difference has been made up by the other airports.

Nagy explained that the Troutdale airport does provide a great mission of economic development and employment. A 2011 economic study found that there were 258 direct and indirect jobs associated with the airport, and about $6.1 million in business revenues. There were also about $12 million in personal wages, and $1.2 million in state and local taxes. Nagy stated that an updated analysis will be conducted this summer which should show increased numbers. The airport as a whole provides a positive economic benefit.

Nagy stated that there are opportunities for the cities to comment on the process, and Mark Clark is a representative on the committee. Nagy explained that there will also be two open houses this coming spring after more work has been completed. Nagy asked the Council if they had any thoughts on the future role of the airport, and how to receive additional public input.

Smith asked where the open houses will be held. Nagy stated that that their current meetings are at Edgefield, so the open houses may be there, or at the airport. Peterson asked about the ownership of the aircraft at the site, and if they were industry specific. Nagy stated that he does not have ownership data, but it is probably distributed throughout the region. Nagy explained that about 25-30 aircraft are associated with flight training, and the rest are privately held.

Clark asked if the airport operates 24 hours a day. Nagy stated that the airport is open 24 hours a day, but the control tower is only staffed from 7am to 10pm. Clark asked about the technology used in the tower. Nagy explained that the technology is up to date, but the FAA contracts with a private company to run the tower. Clark asked about the advantages at landing at one airport compared to another. Nagy stated that recreational aircraft at Troutdale do not pay landing fees, but there are ground space and fuel fees. Commercial plans at 10,000 pounds or more pay landing fees, and those are based on the level of services available.

Clark asked about the runway capacity. Nagy explained that the runway can handle almost all business jets except for the large ones. The runway can handle 40,000 pounds of landing weight which can accommodate small to medium business jets.

The Council thanked Anderson and Nagy for the update and presentation.

RESOLUTION 3-2015: JPACT APPOINTMENT

Peterson presented the resolution and stated that East County has a single representative on JPACT which is the Joint Policy Advisory Committee on Transportation. Peterson explained that the bylaws of JPACT stipulate that the largest city in East County may have the seat. Gresham indicated that they will take the seat again this year, and Mayor Doust of Troutdale indicated that he would be the alternate.

Clark stated that Mayor Bemis of Gresham does not attend the meetings. Peterson stated that Bemis does attend about three meetings a year when there are votes on project funding. Peterson explained that Gresham does receive a lot of money from JPACT, but Mayor Doust does good things for the area cities as well. Clark stated that the bottom line is Gresham has the ability to pick the seat. Peterson stated that is correct.

Upon motion by Clark, seconded by Nissen and passing 4-1 with Smith, Clark, Nissen and Frank Yea, and Harden nay, Resolution 3-2015 appointing Mayor Bemis as the Chair and Mayor Doust as the alternate to JPACT was approved.

DISCUSSION: CITY COUNCIL MEETING DATE REVISIONS

Peterson presented the discussion, and stated that Councilor Nissen is a fire fighter, and receives his schedule a year in advance. Peterson explained that there are some conflicts with the meeting dates, and Councilor Nissen's schedule. Peterson presented a listing of the date conflicts.

Peterson stated that there are some options to move the meetings, but there are also some constraints. Peterson explained that moving the conflicting meeting dates to a Monday is possible, but that is more difficult from a staff perspective. Peterson stated that Wednesdays have a conflict with MPAC meetings, but Thursdays are basically open. Peterson explained that if the Council would like to move the meetings to a Monday, staff will accommodate that request.

Condit stated that he can be available except for Wednesdays because he teaches a class at Portland State. Harden stated that the MHCRC meets on Monday evenings. Smith stated that she does not like the idea of Monday meetings. Frank stated that he will have a hard time on days other than Tuesday, but will do what he can to attend the meetings.

Nissen stated that he can always try to Skype in for meetings that may conflict with other Councilors schedules. Peterson stated that staff will do what we can to accommodate the Councilors to enable them to attend the meetings. Peterson stated that he understands that the Council would like to move the conflicting meeting dates to Thursdays. The Council stated that is correct, and requested that the revised dates be posted.

DISCUSSION: ANNUAL COUNCIL RETREAT SUMMARY

Peterson stated that retreat evaluations are on the table, and asked the Council to fill them out. Peterson explained that several items will be coming back to the Council at future meetings. Nissen stated that the event was enlightening. Smith stated that some items got bogged down which resulted in other topics being rushed or moved. Clark stated that overall it was good.

PUBLIC WORKS DIRECTOR'S REPORT

Gunter presented the report and stated that the Waste Water Master Plan is still in process, and the next step is discussing it with Fairview on how the two system mesh together. Gunter stated that he was informed that the Master Plan work will be completed by the end of February. Gunter explained that the new pumps for the Shea lift station have arrived, but have yet to be installed. Gunter stated that the contractor is backed up on work, but the pumps should be installed shorty. Gunter explained that the reservoir painting project is complete, and the project looks great.

Gunter stated that there will be a meeting next month to discuss the Parks Master Plan work. Gunter explained that there are pending building enforcement actions for Sierra Truck Repair which includes posting the building, and similar actions for the former dog track building.

Gunter stated that the City's water system was surveyed by the County, and the results were good. Gunter explained that the County will no longer perform that service because the City's population is too high, and we will have to pay the state to conduct that service. Gunter stated that the good news is that will not be for another five years because of the high rating.

Harden asked if the do not occupy notice for the dog track was for the building or the entire property. Gunter stated that it would be only for the building, and it is based around the lack of fire suppression and warning systems. Harden asked if there are any other penalty options. Gunter stated that the owner can also be citied for failure to comply. Smith asked if condemnation was an option. Peterson stated that while it is an option, it would cost over $2 million, and that is something the City cannot afford.

FINANCE DIRECTOR'S REPORT

Minter presented the report and stated that there is a letter from the auditors in the packet. The letter summarizes the report from the last meeting. Miner explained that there were no opinions or findings in the audit, and there was not a management letter. Minter stated that there are three new regulations for this year, and two of them are regarding pension liabilities. Minter explained that the City is in good shape regarding the PERS liability. Minter stated that the auditors also recommended that the Council take a more active role in reviewing the financials of the City, but did not give any specifics.

Minter stated that the CAFR is complete and posted on the website, but hard copies are available upon request. Minter stated that all expenditures are under budget, and revenues are higher than expected. Minter explained that the interest income for the investments is down to .5%.

Frank stated that the auditors noted that there may not be enough insurance to cover the City's investment. Minter stated that is regarding a loss by employee theft or embezzlement which only has insurance coverage of $250,000. Peterson stated that this topic has been brought up before, but the cost of additional insurance overvalues the potential loss.

Minter presented the budget calendar and asked if there were any conflicts. There were none, but the Council asked for reminder notices. Minter stated that the last item is that the new finance employee is leaving to go back to New Mexico. Minter explained that the employee brought a lot of skills to the table, and he will be missed.

Harden asked about the RFP for the auditing firm, and if a Councilor needed to be appointed to a review committee. Peterson stated that it would be good for a Councilor to be a part of that process, but it will not be needed until late February or early March.

The Council reviewed the supplied financial statements, and stated that everything looks to be in order and had no other questions.

CITY ADMINISTRATOR'S REPORT

Peterson stated that the Annual Performance Plan update is in the packet. Peterson stated that he would like to request a motion to revise the Waste Water Master Plan schedule until the end of March.

Upon motion by Harden, seconded by Nissen and passing 5-0, the Waste Water Master Plan timeline was revised to the end of March.

COUNCIL REPORTS

Clark stated that EMCTC has a vote coming up on the RTO grant funds. Clark explained that the West Columbia Gorge project has a good chance, and the remaining funds will probably go to the City of Gresham's project. Clark stated that the next MPAC meeting is tomorrow, and the discussion will be around the Urban Growth Management timeline.

Smith stated that she did not attend the last EMEA meeting, and the group seems to be more Gresham focused. Peterson stated that they lost their director, and their interim director just resigned as well. Harden stated that he attended an active transportation forum, and the trend is funding projects that have increased regional support. Harden stated that it might be beneficial for the both area chambers to work more together on regional funding grants. Harden explained that there is also a grant for healthcare studies to review the impacts of active transportation related projects.

THE COUNCIL TOOK A RECESS AT 7:30PM

THE COUNCIL RECONVENED AT 7:40PM

CITY COUNCIL AND PLANNING COMMISSION COMBINED SESSION TO DISCUSS MARIJUANA CODE AND ZONING REGULATIONS AND UPDATES

Planning Commission President Craig Howard, and Commissioners Jim Mott, Al Evans, and Charles Rhoads attended the combined session.

Peterson stated that the purpose of this session is to discuss where the City wants to go in terms of permitting marijuana facilities. Peterson explained that when the medical marijuana

dispensary legislation was approved some time ago, a moratorium option was enabled. Peterson stated that the City adopted a moratorium, but it ends in April of this year. The Council requested that information come back to the Council as soon as possible to come up with options regarding marijuana facilities in the City.

Peterson stated that under the medical marijuana legislation, the City has the ability to regulate the time, place and manner of sales. Peterson explained that Measure 91 for recreational marijuana has the same language, and the OLCC is drafting the rules on regulations right now. Peterson stated that the Oregon Health Authority is overseeing medical marijuana, and the OLCC is overseeing recreational marijuana.

Peterson stated that Measure 91 passed by a large margin on both the state and local level. Peterson explained that he does not have the exact numbers, but the measure passed by a substantial margin inside the City. Peterson stated that the measure was built around the existing OLCC laws, and the OLCC is tasked with overseeing the sale, possession and consumption.

Peterson explained that there is some revenue potential, and the City may get between $3,500 and $5,000 the first year. Peterson stated that revenue generation after the first year will depend on the number of outlets in the City, but the amount will still be relatively small.

Peterson explained that there is a provision that allows a City to opt out of the recreational marijuana, but not the medical marijuana. Peterson stated that the process is by an initiative petition, but private marijuana cannot be prohibited. Harden stated that he wanted to clarify that retail sales of marijuana could be prohibited by petition, but not home use. Peterson stated that was correct. Peterson explained that the initiative petition cannot be from a Council referral, and it is only allowed at the next general election. Peterson stated that there could already be retail outlets in the City by that time.

Peterson stated that there is a pending court case however, and it is coming out of Cave Junction. Peterson explained that Cave Junction is using their business license provision to prohibit the siting of marijuana outlets in the City because they do not meet federal law. Harden asked if it is known when a decision will be reached in that case. Condit stated that it has not yet gone through the Supreme Court, and a final decision may be at least two years away.

Peterson stated that the City has the business license regulations in place to prohibit marijuana facilities, and perspective marijuana businesses have been turned away. Peterson explained that those code provisions will have to be revised if the Council and Planning Commission elect to have marijuana facilities within the City.

Peterson stated that the focus of the evening is on the land use of marijuana facilities, and what zones and restrictions if any should be in place. Peterson explained that the law already includes a 1,000 foot buffer from educational facilities and other outlets, but other restrictions could be proposed. Peterson stated that under the law, marijuana facilities could be located in commercial, industrial or agricultural lands. Peterson explained that includes the Commercial/Industrial zone, General Manufacturing zone, Neighborhood Commercial zone, and the Town Center.

Peterson stated that if all the zones were available, there could be eight outlets in the City. Peterson explained that not all the zones have to allow the facilities, but the initiative petition would have to be needed if at least one zone was not selected.

Harden asked if the exclusion zone could include parks. Peterson stated that was not included in the legislation, but it could be included in the City's regulations. Harden asked about the ability for shop owners to lease a space, and if there was any liability if no one would lease a space. Condit stated that is a private business transaction that is not covered by the statute. The City does not have to guarantee a lease potential as long as the City enables potential locations. Frank stated that this is a hot topic in the banking industry right now, and most banks have taken a hands off approach in dealing with loans or taking deposits from marijuana outlets.

Harden asked about the business license revenues, and how that would be handled through the City's bank. Condit stated that the City can accept cash, and deposit those funds like any other funds. Condit explained that banks have different federal regulations that deal with illegal practices and operations.

Smith asked what the smallest zone would be that would meet the minimum standards, and have the lowest impact. Peterson stated that would be the General Manufacturing Zone which mainly includes the properties along 240th and 244th. Peterson asked if there was an area that the Council and Planning Commission do not want marijuana outlets to locate. Smith stated that she does not want it in the Town Center. Harden stated that we owe it to the people to allow safe access to these facilities. Smith stated that there are also people who do not want it at all.

Smith asked what it would take to start the prohibition process. Condit stated that it would take a citizen petition with at least 10% of the voters of the City signing the petition. Condit explained that the Council could refer the measure, it would probably result in a lawsuit. Condit stated that the next General Election is not until November of 2016.

Smith asked what Chief Deputy Jason Gates of the MCSO thought on the topic. Gates stated that the MCSO will continue to enforce the laws that are approved by the voters. Gates explained that there are a lot of issues with this topic, and it has been an interesting process.

Frank asked if there were any safety concerns. Gates stated that there are a lot of questions on this topic, and he will be attending a symposium on the topic. Gates stated that he does not have any statistical information about how this type of business compares to other businesses in terms of safety. Gates stated that he believes marijuana to be a gateway drug just like cigarettes and alcohol. Gates explained that there are medical marijuana grow sites in the City, and there are no additional problems or concerns with those properties compared with other properties.

Howard stated that some people may have voted on the measure for the ability to grow or possess marijuana, and retail outlets should be visible and not hidden. Peterson stated that he would recommend the Neighborhood Commercial Zone, and not the Town Center. Peterson explained that he would not recommend the Town Center because of the overall vision for that area.

Peterson stated that 19 legislative measures on marijuana have been introduced so far this session. Peterson explained that the standard language goes into effect after the expiration of the moratorium if the City does not act. Clark asked what that would look like. Peterson stated that essentially the outlets would not be governed by the City, and they could locate anyway that the statue permits. Clark asked if it is really possible to not include the Town Center. Condit explained that the statue permits cities to define the time, manner and place, but only during the moratorium period.

Peterson stated that he would also not recommend the Commercial/Industrial Zone or the General Manufacturing zone because of the current restrictions and vision for those areas. Peterson explained that three locations could be sited in the City if they were permitted in the Neighborhood Commercial Zone. There could be two along Halsey, and one at 242 and Glisan.

Rhoads stated that the law has already passed, and it would take a lot of people to change that. Rhoads explained that it might be good to get on board with the movement, and not try to over regulate the business. Rhoads stated that there is also an equity issue of treating business owners in a similar fashion. Rhoads explained that he does not have a problem enabling marijuana outlets in the Neighborhood Commercial zone.

Howard stated that the Neighborhood Commercial Zone is a public and open area. Attempting to prohibit the use outright would draw a lawsuit. Howard stated that a location is needed that still allows the overall City vision to take place. Clark agreed. Harden stated that there could only be a limited number of sites, and is concerned about the ability to find a lease. Peterson stated that a lease could be obtained at the small retail center across from City Hall. Clark stated that the locations are well lit, and in safe areas. Harden stated that there seems to be a fear factor with these sites, but there are exiting facilities in the City that do not have any issues.

Howard stated that he believes there will be even less issues if the locations are visible to the public, and not tucked away in an industrial area. Evans stated that the fear is also misplaced. Evans explained that these outlets will not be operated by drug cartels, but small business owners. Howard stated that he is more concerned about the personal grow sites, but those cannot be regulated anyway.

Harden asked if it is possible to discuss the packaging of the products. Peterson stated that can be discussed, but the OLCC is working on those rules right now. Peterson stated that he recommends just getting the baseline established, and then wait until after the legislative session to determine if additional measures need to be taken. Peterson explained that there are constitutional issues regarding signage and we cannot restrict their logos.

Mott asked about the feasibility of prohibiting marijuana. Peterson stated that there are options, but anything short of the initiative petition at the next general election will result in a lawsuit. Mott stated that there is no real potential way to prohibit marijuana.

Frank asked what the other cities are doing. Peterson stated that Troutdale has proposed keeping it out of their downtown area, but it would be permitted in their other retail areas. Peterson explained that Fairview is struggling with the issue, and have proposed it for their light industrial area as a conditional use.

Rhoads asked what kind of decision is needed for this evening. Peterson stated that he is looking for some kind of consensus on how to move forward. Peterson explained that formal hearings will then be scheduled, and the municipal code will be revised. Peterson stated that this may also come back after the legislative session for additional revisions. Peterson stated that he understands the consensus to be to permit marijuana outlets in the Neighborhood Commercial Zone, and have a 1,000 foot buffer zone from schools and parks. Mott asked if churches could be added to the buffer area. Peterson stated that would be difficult, and could result in a de facto prohibition.

Howard stated that he wants the sites to be visible, but not diminish the overall vision for the City. Howard explained that he thinks there would be less conflicts for the outlets in the Neighborhood Commercial Zone.

The Council asked if there was any feedback from the public.

Joe Winn stated that the OLCC is far along in the rule making process especially for medibles which are the edible products. Winn stated that the purpose is to help keep the products from being accidently consumed by children.

Peterson stated that he understands the consensus is to allow marijuana outlets in the Neighborhood Commercial Zone, and have a 1,000 foot buffer zone from schools and parks. The Council and Planning Commission agreed. Peterson stated that he will bring these items back to both groups for public hearings and adoption.

ADJOURN

With no further business coming before the Council, and upon motion by Clark, seconded by Harden and passing 5-0, the Council adjourned at 8:45pm.

Patricia Smith
Mayor

2-12-15
Date

ATTEST:

Greg Dirks