



Present: Mayor Lou Ogden; Councilor Frank Bubenik; Council President Joelle Davis;
Councilor Nancy Grimes; Councilor Paul Morrison

Absent: Councilor Jeff DeHaan; Councilor Robert Kellogg

Staff Present: City Manager Sherilyn Lombos; City Attorney Sean Brady; Finance Director Don Hudson; Assistant to the City Manager Tanya Williams; Parks and Recreation Manager Rich Mueller; City Engineer Jeff Fuchs; IS Director Bates Russell; Management Analyst II Nic Westendorf; Parks and Recreation Director Ross Hoover

CALL TO ORDER

Mayor Ogden called the meeting to order at 5:03 p.m.

1. *Tualatin Tomorrow Update.*

Assistant to the City Manager Tanya Williams and Tualatin Tomorrow Advisory Committee (TTAC) Chair John Bartholomew presented an update on the vision action plan as well as the next phase of Tualatin Tomorrow. Manager Williams discussed the community engagement process that resulted in a vision action plan with 100 actions. She stated to date, nearly 96% of the 100 action items are complete, underway, or are on-going. The TTAC has been reviewing the work and accomplishments of their partners over the last several years to implement the vision. Manager Williams stated the committee has been considering two options for moving forward: an update of the vision and action plan or to carry forward the existing vision with a different model. She stated the different model would still uphold the vision statement but steer away from having a dedicated advisory committee and move the oversight of the vision to the City Manager's office.

Manager Williams discussed carrying the vision forward in the City Manager's Office and integrating the vision statement into the Council visioning process, reaching out to advisory committees and the Citizen Involvement Organization, and reviewing the vision statement with new employees during the orientation process. She commented on community engagement moving forward and incorporating the vision statement into the development code update. She stated community partners play a vital role and the City is committed to maintaining those relationships with quarterly reviews and updates. She commented on the timeline moving forward noting there will be a final TTAC meeting and a final report to Council in January 2019 to celebrate and recognize the successes of the Tualatin Tomorrow program.

Councilor Bubenik asked TTAC Chair Bartholomew if the committee agrees with the staff recommendation. TTAC Chair Bartholomew said the committee is moving toward completion of this multi-year phase and 96% of the work has been completed or is ongoing. He stated some TTAC members were in favor of entering another

multi-year phase but noted the City has matured over the past years with master plans and improved communications. After discussion with staff the majority of the members agreed to sunset the TTAC.

Councilor Bubenik noted that 44% of the Vision action plan tasks are still underway and asked Manager Williams if staff will continue to track the progress and report to Council. Manager Williams stated staff has a matrix they will track progress and provide updates as directed by Council. Councilor Bubenik suggested semi-annual reporting to Council.

Council President Davis stated visions evolve and it would be beneficial to continue to keep the community involved.

Councilor Grimes agreed about the importance of community involvement and thanked the TTAC.

Mayor Ogden agreed and added the function of TTAC was to create a community vision and it is still valid and appropriate. He thanked Chair Bartholomew and the TTAC for their involvement and efforts.

2. *Small Cellular Wireless Fees.*

Public Works Director Jeff Fuchs and Management Analyst Nic Westendorf provided a presentated proposed fees for small cell wireless attachments located in City right-of-way (ROW). Analyst Westendorf referred to the timeline and said over the last 9 months the City has worked to develop standards pertaining to small cells. He stated on September 24, the FCC order for small cell parameters was approved and in October, City staff worked with providers to collect feedback and work toward acceptable standards and fees for the process. On December 10 staff will return with proposed fees for consideration.

Analyst Westendorf commented on the FCC order on fees noting the fee must be a reasonable approximation of the local government's cost and fees can be no higher than fees charged to similarly situated competitors in similar situations. He stated fees can be based on the following costs: staff review of application, provider's use of the ROW, maintaining ROW, and maintaining structures in the ROW. He noted Tualatin currently has a \$5,000 per attachment fee per year and the ROW license fee is \$250 per utility provider for a 5 year license and after the 5 years the renewal fee is \$150 every 5 years. He stated staff is proposing a one-time application fee per attachment based on the cost of processing the application and an annual attachment fee based on the cost of managing the ROW.

Council President Davis asked if the provider wants to update the existing attachment do they have to reapply. Analyst Westendorf stated staff has not considered the possibility and will return with additional information.

Analyst Westendorf stated the estimated staff time to process a small cell application is \$660 per application based on 8 hours of staff time, the attachment fee is \$625 per application based on 7.5 hours of staff time, and there will still be a ROW licensing fee of \$250 per utility operator.

Council President Davis asked if the license requires the utility to provide their own

traffic control. Director Fuchs stated the application fee assumes the utility will provide their own traffic control and follow the City code.

Mayor Ogden referred to the time restrictions in the FCC ruling of 60 days and asked if staff had considered work load and suggested imposing a third fee to cover the additional costs of meeting the deadline. He also asked if there is a mechanism in place for providers that request an expedited process.

Mayor Ogden asked when the approved fees would go into effect. Director Fuchs stated this will be presented to Council as a resolution and if approved fees would be imposed immediately.

Councilor Bubenik asked if the FCC order is being challenged in the court system. City Attorney Sean Brady stated if the FCC order is changed in the courts, the City can revisit the issue. Councilor Bubenik said he is concerned the attachment fee is low compared to other jurisdictions in the region.

3. *Parks System Development Charge Update - Rates.*

Parks and Recreation Director Ross Hoover and Consultant Michaela Jellicoe provided an update on the Parks System Development Charge (SDC) methodology and rates for Tualatin. Consultant Jellicoe stated SDCs are one time fees paid only by new development and used for the cost of new facilities. She stated communities assess SDCs to generate revenue to fund public parks and recreation facilities as a matter of policy to ensure growth pays a portion of the cost to enhance the quality of life in the community. She stated SDCs are only used for capital development projects for capacity increasing facilities and cannot be used for maintenance, operations, repairs, or replacement of existing systems.

Director Hoover discussed potential funding sources for parks and recreation and stated SDCs are one of the opportunities for funding. He stated since 1991 the City has collected \$9 million in SDCs, \$3.8 million in a bond measure, \$4.8 million in grants, \$1.8 million from Metro, and the rest from donations. He noted SDCs are the number one source of park funding. He referred to the residential maximum allowable rates per the methodology, and stated single-family rates are \$15,409 per dwelling unit and multi-family rates are \$11,486 per dwelling unit. He discussed the nonresidential maximum allowable rates per the methodology and stated industrial/manufacturing is \$3.88 per square foot, warehousing is \$0.98 per square foot, retail/restaurant/hospitality is \$3.79 per square foot, and office is \$3.13 per square foot. He commented on the definition of residential and nonresidential and stated the definition of residential is to be determined and the definition of nonresidential is based on the Standard Industrial Classification (SIC) identifiers. Director Hoover shared regional comparisons of residential single-family and multi-family rates. He also provided examples for nonresidential including industrial, warehouse, retail, and office space rates.

Director Hoover stated next steps include adoption of the SDC methodology and a decision on rates. The methodology is currently out for a 60-day review period and potential adoption is scheduled for December 10.

Councilor Bubenik clarified Council is currently considering SDC methodology. Director Hoover stated on December 10 the Council will consider adopting the

methodology, which is not a rate setting action. He stated a rate setting action could be considered on December 10 at Council direction.

Councilor Bubenik referred to the definitions of residential and nonresidential and asked staff when those definitions will be provided. Director Hoover stated those clarifications will be included in the proposed methodology on December 10.

Councilor Grimes asked if the Council adopts the methodology on December 10 are they accepting the maximum rate the methodology would support. Director Hoover stated the methodology is the calculation that arrives at the maximum number and the calculations are the basis of the fee. He stated the methodology must be adopted before SDC rates can be set. Councilor Grimes stated the Council needs to be cognizant of the sensitivity of the business community and not send the wrong message.

Mayor Ogden stated it is difficult to separate methodology from the rate. The issue of the methodology is policy that is based on assumptions that drive the numerator. He stated when the 60-day review process is complete and the issue comes before Council he intends to have a discussion about the assumptions. Mayor Ogden asked how the multi-family category versus single-family was derived. Director Hoover stated the residential definitions are from the development code based on persons per dwelling unit.

Mayor Ogden commented on the maximum rate proposal and argued the rates need to drive the methodology and the methodology needs to embrace the priorities as they will drive the number. He referred to the nonresidential rate being 30% of residential based on utilization and he questions the accuracy and urged the Council to address the numerator by cutting it in half. He stated the fundamental issue needs to be that business pay its fair share and fair needs to be utilization. Mayor Ogden stated another tenant needs to be that Tualatin is competitive with the entire region.

Director Hoover asked the Council if they want more data and offered to make the comparison list completely regional. Mayor Ogden said he would support more comparisons.

City Manager Lombos stated the Council has a meeting on November 26 and asked the Council if they would like further discussion on the methodology. Councilor Bubenik stated the Council needs to see the feedback from the business community after the 60-day review period has closed. Mayor Ogden asked how the information is being collected from the review. Director Hoover stated the information is on the website and the community can email staff directly. The City has received two comments and staff will provide Council with those comments on December 10.

Councilor Morrison stated the City currently has set SDC rates and asked if the Council needs to adopt a new methodology. Director Hoover said no. Councilor Morrison stated his preference is if the City establishes a new methodology that the rate be in the realm of half of the maximum rate. He asked for more information regarding who is charging nonresidential rates in the region and more regional comparisons.

Mayor Ogden asked if all cities in the Metro area charge nonresidential SDCs. Director Hoover said no. Mayor Ogden asked about multi-family SDCs. Director

Hoover stated all cities in the Metro area charge multi-family but not all have two different rates.

Mayor Ogden asked if the Council will have an opportunity to make amendments on December 10. Director Hoover stated if the Council proposes a change in the methodology it will trigger the restart of the 60-day review period. In addition, if there is an adjustment to the methodology staff will have the consultant make revisions consistent with the data included in the methodology.

Mayor Ogden asked if the Council does a 50% allocation if that would be a simple calculation across the board. Consultant Jellicoe recommended having solid backing with data in the report that 50% is the historic utilization of SDCs for capital facilities. Mayor Ogden asked why it would have to be historic. Consultant Jellicoe stated it would help demonstrate the 50%. She added if it is a policy decision she would recommend adding the language to the ordinance.

Council consensus was reached to move forward with the proposed methodology.

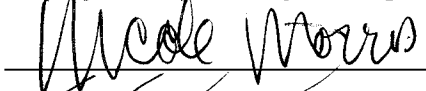
4. Council Meeting Agenda Review, Communications & Roundtable.

Council President Davis stated there has been a request to remove item 4 from the consent agenda. She suggested moving from the consent agenda for further discussion. Council agreed.

ADJOURNMENT

The work session adjourned at 6:47 p.m.

Sherilyn Lombos, City Manager

 / Nicole Morris, Recording Secretary

 / Lou Ogden, Mayor