

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Monday, February 6, 2017. Mayor Knapp called the meeting to order at 7:10 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Councilor Starr
Councilor Stevens
Councilor Lehan
Councilor Akervall

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Barbara Jacobson, City Attorney
Sandra King, City Recorder
Chris Neamtzu, Planning Director
Nancy Kraushaar, Community Development Director
Delora Kerber, Public Works Director
Jon Gail, Community Relations Coordinator
Miranda Bateschell, Long Range Planner

Motion to approve the order of the agenda.

Motion: Councilor Starr moved to approve the order of the agenda. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

MAYOR'S BUSINESS

A. Board and Commission Appointments.

Mayor Knapp recommended appointing Sam Scull to the Budget Committee.

Motion: Councilor Starr moved to ratify the appointment of Sam Scull to the Budget Committee for a 3 year term beginning 2/6/17 and ending 12/31/19. Councilor Lehan seconded the motion.

Vote: Motion carried 5-0.

To the Development Review Board the Mayor recommended appointing Joanne Linville, Jennifer Willard to new terms and to reappoint James Frinell, Ronald Heberlein, Richard Martens, Shawn O'Neil, and Aaron Woods to second two year terms.

Motion: Councilor Lehan moved to ratify the appointment of
Joanne Linville to a 2 year term beginning 2/6/17 and ending 12/31/18;
Jennifer Willard to a 2 year term beginning 2/6/17 and ending 12/31/18;
James Frinell to a second 2 year term beginning 2/6/17 and ending 12/31/18;
Ronald Heberlein to a second 2 year term beginning 2/6/17 and ending 12/31/18;

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Richard Martens to a second 2 year term beginning 2/6/17 and ending 12/31/18;
Shawn O-Neil to a second 2 year term beginning 2/6/17 and ending 12/31/18; and
Aaron Woods to a second 2 year term beginning 2/6/17 and ending 12/31/18.
Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

The Mayor recommended appointing Jim Barns, Diana Cutaia and Kate Johnson to the Parks and Recreation Advisory Board.

Motion: Councilor Stevens moved to ratify the appointments of
Jim Barns to a 4 year term beginning 2/6/17 and ending 12/31/20;
Diana Cutaia to a 4 year term beginning 2/6/17 and ending 12/31/20; and
Katharine Johnson to second 4 year term beginning 2/6/17 and ending 12/31/20.
Councilor Lehan seconded the motion.

Vote: Motion carried 5-0.

Mayor Knapp recommended the reappointment of Phyllis Millan to the Planning Commission.

Motion: Councilor Lehan moved to ratify the appointment of Phyllis Millan to a second 4
year term beginning 2/6/17 and ending 12/31/20. Councilor Starr seconded the
motion.

Vote: Motion carried 5-0.

B. Upcoming meetings were announced by Mayor Knapp. He reported on the meetings he attended on behalf of the City and briefed the public on the Smart Growth Conference he recently attended in St. Louis, Missouri.

COMMUNICATIONS

A. Bob Gibbs, Town Center Retail Analysis

Mayor Knapp introduced Bob Gibbs, a national recognized consultant who specializes in commercial and retail market analysis. Mr. Gibbs will be involved in the visioning process for the revitalization of the Town Center Area.

Miranda Bateschell familiarized Council about the Town Center Project. When the Wilsonville Town Center Plan is completed next year it will provide a community driven vision for the Town Center, establish a clear path forward to advancing that vision, and guide future development in the Town Center. She described the preparation leading to this point including the public engagement plan, work plan and schedule. The project kick off is February 28th with a presentation beginning at 6 p.m. Staff will be collecting the public's visions and ideas that will help guide future work. Data is being collected for current traffic counts, infrastructure systems, zoning code review, and market information.

Ms. Bateschell introduced Bob Gibbs, as a nationally renowned expert in retail strategies. The past 25 years he has been active in developing innovative yet practical methods for applying modern trends in commercial development. He has worked on more than 400 town centers in the United States and abroad. Mr. Gibbs provided guidance in Wilsonville for the Argyle Square development project, the Village at

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Main development, and the new Library. Mr. Gibbs will be meeting with city officials and property owners to get a better picture of how national and regional trends relate to what is happening in Wilsonville.

Ms. Bateschell also introduced Mr. Alex Dupee the consultant team project manager.

Mr. Dupee provided an update on where the project is in the process, and what to expect during the next 18 months. The public will be asked for their vision ideas, and what opportunities or constraints need to be addressed during the process. In May goals for the project identified by the public process will be brought back to Council. Moving forward, concepts, goals and objectives will be developed as will the critical analysis, and alternatives that will work and that are implementable. The plan will be developed in 2018 with the project team will coming back to Council many times during the process.

Public outreach is critical for the success of the project. The goal is to build relationships, provide inclusive opportunities for input, inform decision making, build long term capacity, generate excitement and ownership; and balance diverse interests.

Mr. Gibbs explained his assignment was to estimate the amounts and types of retail that would be supportable in the Town Center. Demographic and retail information about the area was purchased that included a study to determine drive times, demographics, the types of credit cards people used, where they charged goods, where they purchased online, where they go on vacation, what kinds of cars they drive, the type of magazines they read. From that information a model was developed to compare the spending potential with the actual supply which led to a “void analysis” or the potential for spending and the supply. Even though Wilsonville’s Town Center has a considerable amount of retail and entertainment, we found the demand for 146,000 square feet of additional space today. That includes a grocery store, pharmacy, gift stores, breweries, electronics, and specialty food stores. All in all these retailers could capture about \$60 million of additional retail spending per year.

This retail could also be captured with existing retailers by expanding their stores, redoing fixtures, and merchandising. It is plausible that almost all of the \$60 million could be captured with new business models for existing retailers.

Mr. Gibbs looked at the region and considered the turn lanes, drive times, physical strengths and weaknesses of the site. He also looked at all of the shopping centers in the region, and estimated sales for many of these shopping centers, surveyed their tenant mix and expansion potential. Based on that, he established what is called “primary trade area”. This primary trade area is approximately a 3 mile ring, and it is estimated that about 60% of the spending will occur from people who live and or work within that primary trade area. Wilsonville is also capturing significant sales from beyond that trade area.

A total trade area goes out almost 8-10 miles where an additional 10-15% of sales will come from. People living there would likely come to Wilsonville twice per year.

Mr. Gibbs indicated the demographics in the primary trade area were strong, and the type of area where retailers like to deploy new stores.

Data was purchased that classified people into various “lifestyle groups”, and the report will contain a breakdown of the groups. Based on their income, work habits, recreation and leisure habits, he correlated those lifestyle categories with spending and specific stores. There is an opportunity for Wilsonville to capture more worker spending than it is currently capturing. On average, every worker supports about 25

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square feet of retail and restaurant space. Wilsonville has a lot of workers within a 5-10 minute drive and we think they are looking for new opportunities for dining and shopping.

Mr. Gibbs and his team studied 75 different retail categories and identified those categories that were supportable. They estimated 105,000 square feet of additional retail could be supported today, growing to 127,000 square feet in five years, which would generate about \$37 million per year additional in sales. Those stores include apparel stores, books and music, department store merchandise, furniture, grocery, hardware, jewelry and office supplies.

They analyzed the exact square footage that would be supportable and the estimated sales that each of the categories would support. For example, it was estimated that 3,200 square feet of apparel stores were supportable, generating \$320.00 per square foot per year, or \$1 million per year in revenue. That is important for landlords because rents are about 8% of sales. If someone is looking to develop new retail center or expand an existing center, they can look at this and see if it is supportable and whether they can build a new building to support the rents. On average he was estimating \$311 per square foot in sales for all retailers, which is about 25-30 percent higher than the national average. The national average is around \$220 per square foot per year.

The study will be useful for existing retailers because they can see which categories can be expanded. This study is one that real estate developers or any retailer in or close to the Town Center can use for their business model.

The lifestyle analysis indicated there was a demand for additional restaurants and the city can support 20,000 square feet of full service restaurants. All in all the Town Center could support between 11-16 new additional restaurants generating about \$13 million in sales today. This could be carried out by building new restaurants, or by existing businesses expanding their sales.

Mr. Gibbs was pleasantly surprised with the development in Wilsonville since his last visit and with the considerable demand for expanding retailers in the Town Center.

Mr. Cosgrove asked what Mr. Gibbs was seeing nationally for on-line sales. Mr. Gibbs said online sales were growing, but they still represented 9 cents for every dollar spent. Online sales were 8-9% of the total. They were seeing online stores that started online moving to building brick and mortar stores. Amazon has announced they will build 1,000 book stores based on their online stores, bringing it full cycle. The online sales average about 9%.

Mayor Knapp wanted to know what would motivate the construction to happen; will the private sector see these additional supportable retail opportunities, or is this something the city needs to help them understand.

Mr. Gibbs said the city needed to have a plan and a vision to attract new retailers. The Portland area is considered one of the best retail markets in the country today, so there is a lot of national and regional interest, but they are going to want a plan and a vision. Many retailers are pulled towards highly walkable town centers with walk scores of 80 and higher. Retailers are finding much higher sales in highly compact walkable areas, and that's where they are building today. He mentioned some cities are hiring business recruitment consultants or staff to find retailers. They are working with local brokers and going to trade shows. The good thing is the city has the demand, which is unusual since so many areas are over retailled.

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Councilor Lehan commented Wilsonville has four significant retail centers; how do we manage the four significant retail centers and then the desire for there to be neighborhood commercial in the larger neighborhoods?

Mr. Gibbs said it was fortunate the City has a strong demand for retail spending. There is retail leakage occurring for people living in the primary area, who are driving north to do a lot of their shopping. He thought the story to think about is that you could help the existing centers to keep more people here and do more of their spending here also if we could capture the office workers. This 150,000 square feet is not taking 150,000 from existing retailers, it capturing 150,000 of retail spending that is leaving this area. In the model they estimated the city would capture between 4-10% of that leakage, it is a conservative model, we're still assuming that 90% will continue to leak out; if you just capture a small part of it you would increase sales.

He encouraged neighborhood centers which in turn makes neighborhoods walkable. Although the study has been calibrated towards the Town Center, it would not be difficult to apply the research to other areas and neighborhoods.

Councilor Lehan recalled Mr. Gibbs had previously recommended for Town Center was that it should have a higher mix of class "A" office or other types of office space, and asked if that was still the case.

Mr. Gibbs did not know the city's market for office space, but there are a lot of office workers within a 5-10 minute drive of Town Center. The city may want to consider other types of land uses, residential or mixed uses. Offices do fill the restaurants in the day time.

Councilor Stevens wanted to know if Mr. Gibbs saw the Town Center as a mixed-use area combining retail and residential.

Mr. Gibbs said that it was possible, and it was the new trend to put considerable densities in places. It is now considered an amenity for people be able to walk to grocery stores, it is called "the Starbucks and Whole Foods" effect, if one can walk to either, people are willing to pay 12% more for their residential units. He thought there was the potential for creative infill in the parking lots and many retailers are reducing the amount of parking lot by half.

Mr. Dupee said they would be looking at the alternatives at Town Center and mixed use could be a component. Having a walkable area is a desirable outcome throughout the country.

Councilor Akervall wondered if the age demographic correlates with the 9% online shopping and the retail leakage.

Mr. Gibbs said internet sales are slightly higher here than the national average and they gear towards younger people. The millennials do more internet shopping than baby boomers. But a lot of people are shopping on their tablet while they are in a store; many shop on line but still go to the store for the instant gratification.

Councilor Lehan wanted to know what the future of movie theaters would be.

Mr. Gibbs thought the future of movie theaters was strong. Smaller movie houses are being built that specialize in film genres'.

Mayor Knapp thanked Mr. Gibbs for his presentation.

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CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

Scott Smith 7185 SW Montgomery Way; spoke on behalf of the residents of Montgomery Way, Schroder Way and Rose Lane. A petition in response to the Parks and Recreation Advisory Board recommendation on February 2nd for the expanded parking lot at the community garden has been prepared and signed by the residents of the area. The petition asks for a more thorough review of the concept and to take vehicles off of the residential streets. They feel the intersection at Rose Lane, Wilsonville Road and Schroder Way is not adequate for the additional traffic using the parking lot at the community garden. Mr. Smith wanted to know if they were looking at other nonresidential street access to the park.

Mr. Cosgrove explained the next step will be for the Parks and Recreation Advisory Board's recommendation to go to the Development Review Board. He recommended a spokesperson attend the meeting to get their comments on the record. Mr. Cosgrove was aware of the concerns and put together a memo for Council about the concerns and what the next steps are. Council received that memo at work session this evening. There are some options being explored, one is access from Kolbe Lane.

Molly Burns Herman 6850 SW Montgomery Way indicated her support for the petition. She was concerned the engineering data used to prepare for concept 3 was taken in November 2016, producing a low number of trips; nor was there an analysis of the pedestrian traffic for Rose Lane and Schroder which are used by the high school track team for training. Ms. Herman asked if an environmental impact statement was done due to the flooding of the swale, the impacts to the resident's wells, and wildlife. She felt the number of variances requested for the project was inappropriate, and that additional analysis should be conducted to produce a workable result.

Simon Springall, 7577 SW Vlahos Dr. thanked Council for the Martin Luther King, Jr. Proclamation. He felt support for diversity and inclusivity in the community would lead to a strong community. He asked Council to declare the city a sanctuary city to support families and communities regardless of their nationality, race, or immigration status.

The Mayor stated Councilors received communications on the sanctuary city question in the last few weeks and Council would need to discuss the matter.

COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

Councilor Starr – Park and Recreation Advisory Board Liaison. He reported the Parks and Recreation Advisory Board will meet the second week of March. The Chamber of Commerce submitted their thoughts on the Transit Master Plan and Council will be looking at those recommendations. The Councilor announced the date of the Daddy Daughter dance.

Councilor Stevens – Library Board and Wilsonville Seniors Liaison. Councilor Stevens said the Library will be celebrating its 35th anniversary February 14th and the Imagination Library will be celebrating its five year anniversary on the 13th. She invited the public to attend the Family Heart Healthy Fair scheduled for February 25th.

Councilor Lehan – Planning Commission, CCI and Tourism Promotion Committee Liaison. The Councilor noted the next meeting date for the Planning Commission and the topics for discussion. She

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reported the first meeting of the French Prairie Bike Bridge Task Force was held. The Councilor spoke about the restoration of The Grove of the States at the French Prairie Rest Area by ODOT.

Councilor Akervall – Development Review Panels A and B Liaison, announced the scheduled dates for the upcoming DRB meetings.

CONSENT AGENDA

Ms. Jacobson read the titles of the Consent Agenda items for the record.

A. **Resolution No. 2613**

A Resolution Of The City Of Wilsonville, Acting In Its Capacity As The Local Contract Review Board, Approving The Bid Process; Accepting The Proposal Which Will Best Serve The Interest Of The City, And Awarding A Contract To Metereaders, Inc. For The Project Known As Meter Reading. (staff – Rodocker)

B. Minutes of the, January 5, 2017 and January 19, 2017 Council Meetings. (staff – King)

Motion: Councilor Stevens moved to approve the Consent Agenda. Councilor Akervall seconded the motion.

Vote: Motion carried 5-0.

PUBLIC HEARING

A. Ordinance No. 801 1st reading *Placeholder Continue to Feb. 23rd*
An Ordinance Authorizing Ground Lease Agreement. (staff – Jacobson)

B. Ordinance No. 802 1st reading *Placeholder – Continue to Feb. 23rd*
An Ordinance Authorizing Amending Section 6.1 Of The July 6, 2000 Agreement Regarding Water Treatment Plant Design, Construction, Operator And Property Ownership. (staff – Jacobson)

Motion: Councilor Lehan moved to continue Ordinance No. 801 and 802 to the February 23, 2017 Council meeting. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

CONTINUING BUSINESS

Ms. Jacobson read the title of Ordinance No. 804 into the record for second reading. She noted Council had received a draft of the ordinance showing the changes suggested by the City Council. The Counselor identified each of the changes.

A. **Ordinance No. 804** – 2nd Reading

An Ordinance Of The City Of Wilsonville Amending Wilsonville Code Chapter 5 By Renumbering Section 5.245 As Section 5.250 And Adding A New Section 5.245 To Create A Residential Parking Zone Program, Amending Chapter 5, Section 5.420, To Reference The New Section 5.245, And Amending Section 5.210 To Add A New Subsection 5.210(13). (staff – Jacobson)

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Mr. Cosgrove informed Council the staff is working on designing the petition, application forms, and permit stickers.

Mayor Knapp asked for clarification on page 5, paragraph (h) which reads, “The residents of the residential parking zone will be required to pay the City’s actual cost of signage before any permits will be issued.” and whether the home owner association needed to pay for the signage before they can purchase a permit.

Mr. Cosgrove recalled during the public testimony both of the HOAs said they were willing to pay for the signs, and the language was to make it easy for that to occur.

Ms. Jacobson added there was a concern about the cost of the permits so in lieu of having higher permit fees; the HOA was hoping the permit fees would be lower if they purchased the signs.

Mr. Cosgrove suggested striking that sentence and that the City would pay for the signs and include the sign costs in the cost of the parking permit. Staff would estimate the cost of the permit fees to cover the costs of the signs, which would not be included in subsequent years.

Councilor Starr recalled during the last meeting some of the residents of Brenchly Estates mentioned the residents in Jory Trail Apartments were paying \$125 for parking spots. He wanted to know if the parking spots for purchase had been included in the parking spots the developer said would be available to residents, and did staff assume the parking spots would be free. The city approved a number of parking spots, but did not ask if they would be free or for purchase.

Mr. Cosgrove responded a certain number of parking spots must be provided based upon the zoning code for multi-family residential housing.

Ms. Jacobson did not know if the charging for parking spots was questioned. She recalled the Brenchly approval or most of the approvals are they are required to have so many spots for multi-family dwellings and she did not believe the question of whether the parking spots were free or not was discussed. In other words, does a renter get two free spaces, and then if a third is needed that is paid, she did not think that had been addressed.

Councilor Starr wanted staff to investigate because he did not want anyone to be taken advantage of, in other words, if that’s what the city thought and the renters thought, and once they are in they have to pay extra because there are fewer spaces, there should be some available for them to park in at no cost if they are already paying full rent.

Staff will review the conditions of approval and make inquiries about the practices. Ms. Jacobson did not believe past approvals have ever conditioned that spaces be free, typically when a tenant moves into an apartment complex they sign a rental agreement which provides how many parking spaces the tenant is entitled to, whether they are covered, or a garage which is extra; typically a renter will be allowed two cars and pay for a third.

Councilor Starr recommended taking this into consideration for the future and that we make sure we are talking about free parking spaces.

Mayor Knapp asked if Councilors wanted to remove paragraph (h) from the ordinance.

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Mr. Cosgrove was amenable to the removal of paragraph (h); staff will figure out what the charge will be and pass it on.

Motion: Councilor Lehan moved to adopt Ordinance No 804 on second reading with paragraph Section 2(h) removed. Councilor Starr seconded the motion.

Councilor Stevens commended staff for writing the ordinance and for designing the administration and implementation process.

Vote: Motion carried 5-0.
Mayor Knapp - Yes
Councilor Starr - Yes
Councilor Stevens - Yes
Councilor Lehan - Yes
Councilor Akervall - Yes

CITY MANAGER'S BUSINESS

Mr. Cosgrove confirmed the City Council Retreat and Goal Setting session is set for February 10, and February 11, beginning both days at 9 a.m. He distributed a draft agenda and noted the Friday session is training and closed to the public; however, the Saturday session is open to the public. Saturday's session will be held at the Willamette River Water Treatment Plant Conference Room.

LEGAL BUSINESS – No report.

ADJOURN

Mayor Knapp adjourned the City Council meeting at 8:43 p.m. and convened an Executive Session at 8:50 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

ATTEST:

Tim Knapp, Mayor

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EXECUTIVE SESSION

Following the adjournment of the City Council meeting at 8:43 p.m. Mayor Knapp called the Executive Session to order at 8:50 p.m. pursuant to ORS 192.660 (2)(e) Real Property Transactions, ORS 192.660(2)(f) Exempt Public Records, and ORS 192.660(2)(h) Litigation. All Council members were present. Staff included Bryan Cosgrove, City Manager; Barbara Jacobson, City Attorney; Delora Kerber, Public Works Director; Nancy Kraushaar, Community Development Director; and Sandra King, City Recorder.

The Executive Session adjourned at 9:13 p.m.