

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, November 5, 2012. 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 Núñez
Councilor Goddard
Councilor Starr

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Mike Kohlhoff, City Attorney
Chris Neamtzu, Planning Director
Nancy Kraushaar, Community Development Director
Steve Adams, Interim City Engineer
Stephan Lashbrook, SMART Director
Sandra King, City Recorder
Mark Ottenad, Public Affairs Director
Dan Knoll, Public Affairs Coordinator
Steve Allan, SMART Operations
Jen Massa Smith, SMART Options Programs
Blaise Edmonds, Manager of Current Planning

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

Vote: Motion carried 4-0.

MAYOR'S BUSINESS

A. Approval of the City Attorney's Employment Contract (Councilor Núñez).

Councilor Núñez stated Michael Kohlhoff has been with the City of Wilsonville for 32 years, providing the City with a tremendous amount of history, professionalism and expertise, which was why Council supported an extension of his contract as the City Attorney.

Motion: Councilor Núñez moved to approve a one-year extension of the employment contract with Michael Kohlhoff to continue as City Attorney from October 1, 2012 to October 1, 2013 at the base salary of \$126,060 and a total compensation package of \$138,326, as outlined in the employment agreement. Councilor Starr seconded the motion.

Vote: Motion carried 4-0.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Members of the Council thanked Mr. Kohlhoff for his expertise, guidance and service to the City, which has a number of legal items to address due to Wilsonville's connection with so many regional entities.

B. Upcoming Meetings

Mayor Knapp announced the next City Council Meeting was scheduled for November 19 in Council Chambers and that City offices would be closed November 12 in observance of Veterans' Day, and November 22 and 23 in observance of Thanksgiving.

He noted his participation in the dedication of Engelman Park on Sunday, where almost 70 people attended. Engelman Park was designed to require little maintenance and incorporated a number of natural elements. Completing the park also fulfilled the need for a neighborhood park in the area, which predated the City's Park Plan policy to provide each neighborhood with a park.

He reminded about the upcoming General Election, tomorrow November 6, adding drop-off service would be available all day at the library. A nonpartisan open house would be held at the library from 6 pm to 9 pm for those interested in observing the election results.

COMMUNICATIONS

A. Foreclosure Intervention – Cory Streisinger, NEDCO

Cory Streisinger, Foreclosure Intervention Counselor, Neighborhood Economic Development Corporation (NEDCO), described the significant negative impacts foreclosures have on both people and communities and the expected changes regarding a July 2012 court ruling.

She reviewed resources available to help those facing foreclosure, which were featured on www.oregonhomeownerssupport.gov, a new State of Oregon website. Flyers highlighting more information about the website were made available to Council and the public to distribute. She reviewed the foreclosure services provided by NEDCO, noting that NEDCO has been a non-profit housing counseling service in Oregon since 1989 and its services are confidential and free of charge to homeowners.

Councilor Starr understood loan modifications have a negative impact on a homeowner's credit report. Ms. Streisinger clarified the damage to the credit report usually exists because homeowners were unable to pay their mortgages. A loan modification, short sale, or foreclosure would all negatively impact a homeowner's credit report; however, NEDCO only suggests a modification in the cases where clients really need it. NEDCO does examine each client's credit report as part of the process. To avoid scams, she explained that legitimate agencies are listed on the state website or HUD's website and legitimate, for-profit agencies exist that charge, but people should ask about the fee structure upfront. She added that no homeowner should be asked by an agency to pay an upfront fee in order to get a mortgage modification and that no agency could promise an outcome, which were two danger signs.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Councilor Núñez affirmed Ms. Streisinger's credibility, noting she was also previously head of the Department of Consumer and Business Services, a regulatory financial and consumer protection agency. She asked how people should tell friends and family who may need help about NEDCO's resources. Ms. Streisinger suggested providing information via posters and flyers to get people's attention, talking about having heard NEDCO presentation or inviting NEDCO to do a presentation at organizations with which a person who needs help may be affiliated.

Councilor Goddard asked if it is too late to talk with NEDCO once a foreclosure notice has been received. Ms. Streisinger stated NEDCO could still get involved and provide help up until seven days before the sale date; however the sooner one contacts NEDCO the better, as they could help homeowners who are current on their mortgage, but are struggling to stay current.

Mayor Knapp asked if NEDCO expected to remain in the community long term. Ms. Streisinger replied that NEDCO is funded for one year with the possibility of three years. Funding comes from the National Attorneys General settlement with the five major loan servicers. As part of the settlement, each participating state received funds to assist consumers facing foreclosure. Oregon chose to use some of its funds to issue grants to housing counseling agencies to provide counseling resources. Whether or not the funding continued would depend on whether counseling was needed, which would be determined by the number of people who contact NEDCO for help.

Mayor Knapp suggested that information about NEDCO be posted on community bulletins, such as at the Chamber of Commerce, various supermarket stores, Goodwill, and coffee shops. Wilsonville Community Sharing would also be an appropriate agency with which NEDCO could work to distribute information about its services.

B. Wilsonville Community Sharing Activities Update – Sheryl Kelly
No update given.

C. OSPRIG Health Care – Adam Brunelle
No update given due to no representative being present.

D. Wilsonville Sunday Streets Video (staff – Jen Massa Smith)

Jen Massa Smith, SMART Options Programs presented a video showing the Wilsonville Sunday Streets event that took place August 19, 2012. The video was created, filmed, and edited by Public Affairs Coordinator Dan Knoll and Willamette Media and narrated by SMART Fleet Manager Scott Simonton.

Councilor Goddard noted he and Ms. Massa participated in a Portland Sunday Street event and he complimented her for making the Wilsonville Sunday Streets event a reality.

Councilor Starr asked if an event would be held next year. Ms. Massa replied that would depend on whether funding was available. She did not foresee any grant funding being available next year, so more discussion would be needed with city management and the Budget Committee

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

regarding an event next year. She noted that in planning this year's event, she learned how the event could be produced more efficiently in the future.

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 end or as quickly as possible thereafter. Please limit your comments to three minutes.

Vern Wise, 32521 SW Juliette Drive, suggested a brochure be created and distributed throughout the community to inform citizens about local events, how the City's commissions work and to explain such things as urban renewal. Many citizens, especially senior citizens, do not have access to the internet or City television programs and are not receiving information about events in Wilsonville, and only a small segment of the population actually attends open houses. While he considered the Wilsonville Rd/I-5 Interchange project a masterpiece of children's artwork, he expressed concerns about the metal barrier/fencing, which blocked much of the artwork, would require high maintenance and restoration and be subject to graffiti. Safety was also an issue as the barrier blocked visibility of the path from the street and children could be injured on the cutout parts of the metal. He invited Councilors to walk the pathway to confirm his comments.

Ken Whittaker, 29001 Grahams Ferry Road, stated that the new lights installed along the Villebois property line across from his house were at variance with other existing lights installed throughout the entire Villebois area. The 35-foot tall street lights were more appropriate for industrial settings, not along the city limit boundary; this was not a residential thoroughfare within the city or an industrial zone. The lights were disproportionate and out of scale, and the light intrusion had become apparent since the lights came on. The lights were in contrast to the careful aesthetic planning that had otherwise taken place in Villebois. He hoped these new lights would be reconsidered before any more lights were installed. He noted he had submitted a letter to Nancy Kraushaar and had contacted the City engineer, but he had not been included in conversations concerning the lights.

Bryan Cosgrove, City Manager replied that the issue had been raised in a senior management meeting and was being examined. He clarified the lights were not industrial, adding the type of lights installed related to the street classification, which could be one of the issues. Baffling might be used to direct the light downward. He had incomplete information at this time, but invited Mr. Whittaker to provide his contact information so Staff could be in touch with him.

COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

Council President Núñez – Chamber Leadership and Library Board liaison, announced the Chamber Leadership did not meet, but described the book talks being done by library staff for Grades 3 to 5 at Boones Ferry and Boeckman Creek Primary Schools, as well as Nano Remo Month during which writers are encouraged to write an entire novel. The library's Young Adult area was repainted over the weekend as part of the renovation plan to make the library more welcoming for youth. The project was underwritten by the Wilsonville Fred Meyer.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Councilor Goddard – Library, Chamber Board, and Clackamas County Business Alliance (CCBA), liaison, announced he also attended the Library Board meeting. At the CCBA meeting, PGE did a presentation on their biomass initiatives and an overview was given on planning under way in the Stafford Area. He announced Robotics Day was scheduled for November 17th from 1 to 7 p.m. at Wilsonville High School when all levels of the Wilsonville Robotics Team, including the Lego Robotics and Junior Lego teams would demonstrate their robotics and research.

Councilor Starr – DRBs and Wilsonville Community Seniors Inc. liaison, believed Wilsonville Seniors would make a presentation to Council in the spring as the continue to lobby on the need for more room for a community center. He reported DRB Panel B approved the Piazza at Villebois Village Center. He announced the Beltan Quartet would be playing November 10th in the library and that free concerts would be held every second Saturday featuring local musicians. He asked that those running in the upcoming election for City Council and Mayor stand and be recognized. He thanked Councilor Goddard and Mayor Knapp for their dedicated service to the City.

Mayor Knapp announced the next Planning Commission meeting would be held November 14th at 6 p.m. to conduct a work session on the Transportation Planning System Plan (TSP) Draft Update for 2035. The complete project list and financially constrained project list would be presented for discussion. Citizens were invited to provide input to ensure all critical projects are included in the plan and that the priorities were consistent with the community's views. A virtual open house would be held November 23rd through mid-December to enable citizens to learn more about the proposed projects and provide input online. The open house can be accessed through the City's homepage under the TSP Update section. Questions could also be addressed to Chris Neamtzu at City Planning at (503)682-4960.

CONSENT AGENDA

A. Resolution No. 2381

A Resolution Of The City Of Wilsonville In Support Of Changing The Name Of The Tonquin Trail To "Ice Age Tonquin Trail" To Promote Public Awareness, And Enhance Funding Opportunities And Economic Development Through Tourism And Scientific Research.

B. Minutes of the September 17, 2012 and October 1, 2012 Council Meetings.

Mike Kohlhoff, City Attorney read the titles of the Consent Agenda items into the record.

Motion: Councilor Núñez moved to approve the Consent Agenda as read. Councilor Goddard seconded the motion.

Vote: Motion carried 4-0.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

PUBLIC HEARING

A. Resolution No. 2350

A Resolution Of The City Of Wilsonville Authorizing Establishment Of A Reimbursement District To Refund To The City Of Wilsonville The Pro Rata Costs For The Segment I Extension Of The Coffee Lake Drive Sewer Line Infrastructure Improvements That Will Serve Properties Within The Reimbursement District.

Mr. Kohlhoff read the title of Resolution No. 2350 into the record.

Mayor Knapp read the public hearing protocol into the record and opened the public hearing at 8:08 p.m.

Steve Adams, Interim City Engineer, presented the staff report, describing the details of the sewer extension to provide sewer service to the school district, but that would also service private development, including all of Villebois East, parts of Villebois Central and Villebois North, and a future growth north of Tooze Road, known Urban Growth Area 3 in the Sanitary Sewer Master Plan. The size of the sewer was prorated for property acreage and divided equally amongst the properties as the pro rata share. Staff requested establishment of the district to reimburse the City's costs.

Mr. Kohlhoff added the project was initially part of the infrastructure agreement that Council authorized with the school district. The agreement was presented to the landowners most likely to tie-in first to the sewer line to make sure THEY were on board. Wachovia Financial took over the land, and then it merged into Wells Fargo. The bank set up REDUS Oregon Land, Inc. as a holding company for this type of land. Simultaneously putting in the base rock for Coffee Lake Drive was a condition of the Rutherford Meadows subdivision approval, done by REDUS Oregon Land, and there was concern as to whether that section of base rock should be included in the reimbursement district. The City delayed going forward with the resolution until a settlement could be reached with REDUS, which has been done and would be presented at the next Council meeting. REDUS would pay for its portion of the base rock going to the road as if they were in the reimbursement district on a per lot basis. The City would carry its typical interest rate. The resolution also included a reimbursement cost when a hookup occurs in the development agreements that were approved for the Bischof I land and Fasano land, which would be addressed later this evening.

Councilor Goddard understood from the language that the City advanced public money to design and construct infrastructure on behalf of the developer for later reimbursement. Mr. Kohlhoff agreed, and noted the West Linn School District had already paid their 24 percent share. When deciding to advance money to a developer, the City brings the agreements to the Council. In this case, the advancement was included in the infrastructure agreement. The school district approached the City about its funding situation, but the City did not expect to have the funds available to advance, as much of the project was beyond the individual developers' responsibility because the line is 15 inches, not the normal 8-inch size. Because the project is larger, the public would pick up the cost; however, property owners would be connecting. Consequently, the City was able to use a reimbursement district to get the funds back as connections are made, but not

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

until then. The reimbursement district was the only funding mechanism available for the City to recoup the money. Normally, the developer receives credit against their system development charges (SDC) when installing a greater size. In this case, the school district was originally going to front the money. However, a presentation by Community Development [01:43] informed the Council that had changed, but the City would eventually get the money back.

Councilor Goddard asked how it was determined that the City would advance the costs, referencing Item 9 of the summary document. Mr. Kohlhoff explained the City did not originally believe the money was available and planned to work with the school district. The school district had issues with how they could use their bond. When it was determined that the City had SDC funds available, the Community Development Director worked with the school district and made the presentation to Council.

Mayor Knapp opened the public testimony portion of the hearing.

Jim Lang, Pacific Community Design, thanked Council for continuing the resolution to allow the parties to work through the details and Staff for their efforts. He hoped the resolution was approved.

There being no further public comment, Mayor Knapp closed the public hearing and asked the Council its preference for handing the resolution.

Mayor Knapp noted City Council makes decisions regarding the development agreements orchestrated by the City's legal department and therefore authorizes which projects to advance.

In this case, the need for the grade school and the City's partnership with the West Linn/Wilsonville School District was critical. The funding was available and needed for the school district to go forward. The delayed development in Villebois meant the school site needed to be relocated. Staff worked aggressively to relocate the school and provide sewer service to the site, as it was a necessary piece to get the school open. The estimated savings by changing school sites was approximately \$4 million in infrastructure costs at the front end. He was very pleased that Staff was so responsive and able to interpret the needs of the parties involved and successfully move the project forward. It was appropriate that the City advanced the project as it did and would be reimbursed as development occurred, as well as the portion from the school district.

Motion: Councilor Starr moved to adopt Resolution No. 2350. Councilor Goddard seconded the motion.

Vote: Motion carried 4-0.

B. Ordinance No. 705 – first reading

An Ordinance Of The City Of Wilsonville Approving A Comprehensive Plan Map Amendment From Commercial To Residential – 10-12 DU/AC On 1.14 Acres Comprising Tax Lot 100 Of Section 22AC, T3S, R1W, Clackamas County, Oregon; “Fox Center Townhomes” Seema, LLC, Applicant. (Staff – Edmonds)

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

C. Ordinance No. 706 – first reading

An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Planned Development Commercial (PDC) Zone To The Planned Development Residential – 5 PDR-5) Zone On 1.14 Acres Comprising Tax Lot 100 Of Section 22AC, T3S, R1W, Clackamas County, Oregon; “Fox Center Townhomes” Seema, LLC, Applicant.

Mr. Kohlhoff read the titles of Ordinance Nos. 705 and 706 into the record.

Mayor Knapp read the public hearing protocol into the record and opened the public hearing at 8:36 p.m.

Councilor Starr declared ex-parte contact with some neighbors in the neighborhood; however, they did not sway his judgment. He had understood some type of communication with the neighbors was referenced in the Council packet, but could not find it, so he walked around to find out for himself what the neighbors thought of changing from commercial to residential and how they would be impacted. He also talked with the neighbors about density. He looked forward to hearing from the developer as well, to make the best informed decision possible. He confirmed comments from the neighbors were consistent with the neighbors’ testimony in the record and that his contact with the neighbors would not bias his decision making.

Mayor Knapp declared that he lives in Fox Chase, but on the side opposite where the ordinances would have an affect. He did not believe this would create bias regarding his decision, adding he could judge fully on merit.

After confirming that all four members had familiarized themselves with the application and that no audience members wished to challenge the participation of any members of Council, Mayor Knapp called for Staff’s presentation.

Blaise Edmonds, Manager of Current Planning, announced that the criteria applicable to the application were stated on Page 2 of the Staff report, which had been entered into the record. Copies of the report were available at the side of the room. He presented the Staff report for both ordinances, referencing a series of PowerPoint slides, with these key comments:

- The Development Review Board (DRB) in two public hearings, on August 13th and October 8th, reviewed requests to revise Stage I Preliminary Plan for the Fox Chase Master Plan; a Stage II Final Plan for a 15-unit townhouse development; a Type C Tree Plan to remove five or six of the 11 trees on the site, most were located on the north side of the site; and a waiver to the front yard setback for a trellis structure.
- He reviewed the site map, noting surrounding features and properties. The 1.14 acre site had sat vacant for a long time. A prior approval for a small shopping center in the mid-90s was very contentious due to the 24-hour convenience store. Council limited the operation hours of the store, and it seemed the developer could not make the project feasible, so the project eventually expired and the property nearly went into foreclosure; however, Seema, LLC, the applicant purchased the property.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

- The Applicant proposed changing the property from planned development commercial to planned development residential (PDR-5) with 10 to 12 dwelling units per acre (DU/AC), and their submittal indicated the density on surrounding properties of 10 to 12 DU/AC at Valley Christian Church, 6 to 7 DU/AC at Fox Chase, and 4 to 5 DU/AC at Morey's Landing.
 - The property was much larger when included in the Willamette Subdivision Master Plan 30 years ago. Over time, the neighborhood commercial component was reduced. The construction of larger shopping centers eventually eliminated a need for any more commercial use farther west of the city. The Applicant chose to request a Comprehensive Plan amendment and Zone change to develop the site as residential and could explain why a higher density was being requested than that found in the Fox Chase subdivision. According to the DRB minutes, the requested density related to the Applicant's need to meet an expected return on investment to make the project feasible.
 - He displayed Table 1 from the Zoning Code, noting the inconsistencies between the density ranges of the Comprehensive Plan and Zoning districts in the Development Code. The Applicant was sticking more closely to the Comprehensive Plan density, not the Zoning Code density. The Comprehensive Plan allows 15 residential DU/AC on the gross acres; however, the Applicant would like to have 1.32 more units to accommodate up to 15 through Implementation Measure 4.14.V, which states, "Densities may be increased through the planned development process to provide for meeting special needs, low to moderate income, elderly, or handicapped." Allowing the Applicant 1.32 units, which is above the Comprehensive Plan density of 15, would provide one dwelling unit to be dedicated for age-restricted 55 and over residents.
 - The DRB added Condition PDC 1, "The Applicant shall provide a minimum of one townhouse unit for age-restricted persons, age 55 and over. At the time of any building occupancy, the Applicant shall provide the Planning Division the townhome address that will be used for the residential age 55 and over."
- The Applicant's original request proposed 16 units, age-restricted 55 and over and requested waivers to the 20-ft front yard setback. The project had three front yards along Wilsonville Rd, Willamette Way E and Chantilly Dr. and the corners of the buildings, as well as the porches and balconies encroached the front yard. A trellis structure also encroached one corner.
 - The DRB believed the project should be designed without the need for waivers and were troubled by the entrance off Chantilly Dr.
 - Testimony from citizens Michael Cook and Robert Meyer objected to having additional traffic on Chantilly Dr. with the secondary access off Chantilly Dr. They were also concerned about the lack of parking, even though the original proposal exceeded the minimum parking requirement of the Parking Code.
 - Considerable public testimony also expressed concern about public safety and the need to create a safer route for children to the nearby schools. Currently, a 6-foot sidewalk existed on the east side of the project. Steve Adams had been working on a concept plan to provide a wider sidewalk, which would connect to the schools and Tonquin Trail system through Graham Oaks Nature Park to Morey's Landing.
 - Testimony was also received that the mailboxes for Fox Chase residences is located on the opposite side of Willamette Way E, which is very inconvenient for residents.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

- The DRB continued the hearing items to allow the Applicant time to redesign the project. The Applicant had listened diligently to testimony and returned with a revised plan that reduced the project from 16 to 15 units, and increased the amount of parking, providing 44 surface parking spaces and 15 garage parking spaces, nearly double the minimum parking required on site by the Parking Code. The buildings were pushed back from Willamette Way E and Chantilly Dr., eliminating the need for waivers to the front yard setback, except for that related to the small trellis structure at the northeast corner of the site. The access drive off Chantilly Dr. was also eliminated.
 - While several issues had been raised, he was encouraged by the Applicant's effort and work with the city engineer to address all the concerns. The revised site plan before City Council addressed the items and concerns raised by the DRB and citizens.

Steve Adams, Interim City Engineer, reviewed the safe route to school using a concept slide created by Mr. Edmonds. He explained that the Wilsonville Bike and Pedestrian Master Plan indicated the Tonquin Trail coming down Willamette Way E, though it did not specify east or west side of the street. Tonquin Trail travels through the Graham Oaks Natural Park, and it terminates at the northwest corner of Willamette Way E and Wilsonville Rd. Another piece of the trail extends through Morey Park. When he visited the site, he noted so many children travel on Willamette Way E that they cannot all fit on the existing 5-ft wide sidewalk, causing children walking and biking in the street. The City would like to widen the sidewalk in front of the development by 4 ft, making the Tonquin Trail 10-foot wide, and add a bulbout at the corner of Willamette Way E and Chantilly to narrow the street and hopefully slow cars down. A striped crosswalk was also proposed to allow children a safe route to cross Willamette Way E. Another idea was to extend the proposed Tonquin Trail south to connect to Morey's Landing and build a completely new 12-ft wide trail, which was in the Master Plan and would fill the missing gap in the southwest corner of town. He still needed to talk to the Autumn Park Apartments owners about acquiring the easement for the trail, but he expected the property owners to be supportive.

Mr. Edmonds noted concern expressed in the Council's work session about the proximity of the driveway off Willamette Way E with the Wilsonville Rd intersection.

Mr. Adams replied the driveway was more than 200 feet from Wilsonville Rd. The City requires that the first 100 feet be a no parking designated area so cars turning left onto Willamette Way E have a safe path to travel and transition over. Parallel parking would be allowed on Willamette Way E after that point. Cars parking on the street should decrease the vehicle speeds. While parking is limited to only one side of Willamette Way E, a 29-ft wide street, the City has never designated which side on which parking is allowed. Residents have indicated they do not want parking on the east side of the street, given the location of the mailboxes. The City wanted to work with the residents' and planned to have parking on the west side of the street, allowing residents to access their mail.

Mr. Edmonds noted the Staff presentation put a lot of focus on site design so Council could see what the DRB approved before approving Comprehensive Plan and Zone Map amendments. The DRB decisions were contingent on the Council's approval of the Comprehensive Plan and Zone Map amendments. Depending on the outcome of tonight's decision, the Applicant would still

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

need to go through another public hearing before the DRB for site design review, which would address architecture, colors, materials, landscaping, etc.

Mr. Adams added that the original zoning for PDC allows for up to 89 PM peak hour trips from the parcel, and all of Wilsonville has been planned for those 89 trips to occur. The zoning and the 15 units planned would create an estimated 12 PM peak hour trips, a reduction of 77 trips from the previously approved number.

Mayor Knapp called for questions from the Council.

Councilor Núñez said she was very familiar with the street, which is very unsafe, and she was not comfortable with the number of children on the street each day. She did not like the fact that access to the proposed site would be off Willamette Way E because cars would pile up with nowhere to go. She drives the street daily and as she waits to turn left onto Wilsonville Rd to go to Newberg, 20 cars pile up behind her. No cars can pass on the right of her car to turn right. Widening the sidewalk and constructing a bulb out to make the road safer for children seemed to be creating a bigger, different problem in the area. Traffic would pileup behind any car wanting to turn left. Mr. Edmonds clarified the location of the bulb out, the widened sidewalk and the church, these locations were reversed on one of the slides. Mr. Adams explained the intent was to keep pedestrians further south on Willamette Way E and direct them to cross at Chantilly.

Councilor Núñez believed having the access to the development off Chantilly would be much better. Mr. Adams replied that the residents strongly resisted having the entrance on Chantilly, which was a one way street and would force exiting cars to travel all the way around the loop. Widening Chantilly was one possible option, but that option had not been explored.

Council Núñez asked whether those renting the townhouses would abide by Oregon state laws that prohibit sex offenders from residing near schools. Mr. Cosgrove suggested the Applicant address their screening process.

Councilor Starr asked whether approving an application before the architectural design had been approved was normal. Mr. Edmonds confirmed it was not normal, but noted that a high level of detail was presented in the site plan to the DRB. He displayed a few additional slides noting the Applicant identified uses in the open spaces and walkway locations, and provided conceptual architectural elevations as required by the Code that were more detailed than typical for a Stage II Final Plan review. He believed enough evidence was provided in the record for the DRB to approve the Stage II Plan. The plan might change as two different concepts were shown at the neighborhood meeting more than a year ago. A more traditional building type was also identified as opposed to a saw tooth-type structural design. The next application would be more specific about the buildings' architecture, materials, landscape plan, etc. He confirmed that the revised concept plan showed no access drive proposed off Chantilly; the only driveway was located off Willamette Way E. The plan had been reviewed by Tualatin Valley Fire and Rescue, who was comfortable with one driveway off Willamette Way E because a hammerhead configuration existed for emergency vehicles to turnaround on site.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Councilor Starr asked if the front doors of the units to the west would face west or east. Mr. Edmonds replied west and explained the units would have small courtyards, and residents would enter either through the garage or from the west through the front door. He confirmed that the resident in the home west of the property would have seven front doors facing his house. In order to create some privacy for the homeowner and renters, the Applicant proposed a row of trees or some kind of landscaping material along the property line that would be further detailed in the site design review application. A 6-ft high fence also existed along the property that was built the resident.

Councilor Starr asked whether garage parking meant inside the garage or in front of the garage. He noted most garages are storage units, so without the garage spaces there were actually 29 parking spaces so parking would occur on Willamette Way E. Mr. Edmonds stated the garage parking spaces were counted with 15 actual garage spaces and 29 surface spaces, bringing the total to 44 parking spaces. Certain units had a tandem parking arrangement. He was also concerned about storage in garages and added Condition PDD 6, which stated, "Garages shall be used for vehicle parking and incidental storage." The Applicant could explain how storage in garages could be controlled so garages are not used for storage and create a parking issue along Willamette Way E. Mr. Adams confirmed a condition of approval required that parking not be allowed for the first 100 ft south on Willamette Way E, so the allotted area would allow for about six parking spaces.

Councilor Starr asked if Wilsonville had a shortage of low to moderate income, elderly, or handicapped housing with Autumn Park being directly across the street. Mr. Edmonds stated that evidence in the Staff report indicated a shortage in the metropolitan area, which was causing rent levels to increase. Councilor Starr said he did not believe Wilsonville had an issue due to the amount of apartments in town versus single-family housing. With Autumn Park across the street, he did not perceive this as an issue, but as more of a loophole to get more apartments in the development.

Mayor Knapp confirmed there were no other questions for Staff and no comments from the City Attorney and called for the Applicant's presentation.

Lee Leyton, Westlake Consultants, 15115 SW Sequoia Parkway, Suite 150, Tigard, OR, thanked Staff and the neighbors who shared their concerns, issues and perceptions with the Applicant at the neighborhood meeting. He believed the Applicant could show they had responded meaningfully to those items. The DRB had sent the Applicant back with very thoughtful comments and recommendations to which the Applicant worked hard to respond, and then unanimously recommended Council's approval of the revised design at the second hearing.

- He noted the materials provided to Council included the conclusions of the DRB process, but not the volume of material submitted by the Applicant. Exhibit B of the Applicant's submittal was very detailed neighborhood meeting notes of the subjects discussed with the neighbors. All the material documenting the depth of information communicated to and used for dialogue with the neighbors was in the documentation, including prospective drawings of the site plan that illustrated the massing, size and scale of the proposed buildings. He explained the Applicant was communicating the extent of the knowledge they had about the project at that time, which was more than a year ago. He noted Architect Dan Vasquez of the

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Mildren Design Group was present for questions, adding that ultimately, the Applicant decided on the shed roof design concept.

- To address Councilor Starr's questions, he reviewed concept drawings noting the Applicant wanted to create a high quality pedestrian experience for people walking along Willamette Way E, which would be accomplished with the wider sidewalk. Also indicated was a walkway leading to an outdoor garden enclosed by a low fence. He described how private, semiprivate and public areas of the site design were structured to help people understand where they were and how to behave. He then reviewed the various transitions from the public realm to the private spaces of the units.
- In the initial design, the Applicant wanted to create more space along the west side of the site but the DRB did not support the waiver request to reduce the front yard setbacks. Consequently, the Applicant eliminated one unit to avoid needing the setback waivers for the buildings. The goal was to give the front doors a formal entrance and also cluster all the parking and garage doors internally to the site. No garage doors would be visible to those driving or walking by the site. Changing the building setbacks enabled more parking spaces to be added behind some of the units. These spaces would be visible from the units, providing better surveillance of the parking area.
- Regarding comments about the age demographics, he noted the project has been targeted to people who are 55 and over with no children and who may or may not be living permanently in Wilsonville, but are looking for a high-quality living environment with a garage for their car that is conveniently located and does not require much yard care.
- The entire north area of the property was reserved to create a green space. An arborist reviewed all the trees on site and found many were infested with a European beetle that would kill the trees. Those not infested would be preserved and many more trees would be planted, exceeding the minimum required by the Tree Code. The type of recreational activity and outdoor space was tailored to the 55 and older demographic. Four special areas on the site were reserved for gardening, a less strenuous activity that this demographic enjoyed. One garden area was relocated south of the building near the sidewalk on Chantilly after changes were made to the initial site plan.
- The initial concept was that whole project could be for age 55 and over, but one DRB member had questioned why families would be excluded as residents given the proximity to the school. Following discussion, Staff's position was that to the extent the Applicant was asking to use the special provision of the planned development standards to allow for an adjustment of density, designating only one unit was all that was necessary to warrant approval of the density change.

Mayor Knapp asked if there were any questions from the Council.

Councilor Starr thanked Mr. Leyton for his presentation noting many of his questions had been addressed.

Greg Close, Wise Investment, 1501 SW Taylor, Portland, OR, stated he is the financial and real estate advisor to the owner. He explained the principals behind the Applicant were investors. The Applicant has held the property for eight or more years and considered a variety of projects in the commercial zone, conducting studies and doing marketing around commercial uses and, with Staff input, tried to avoid convenience retail. At one time, a pre-app was done for a day care use

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

on the property, but the economics could not come together with the day care operators. The Applicant owns commercial property in Portland in the Pearl District as well as more than 400 residential rental properties in the San Francisco Bay Area. The Applicant is not pursuing a single-family residential, for sale development because they did not have any interest, experience or expertise in that kind of product. They would like to build high quality, affordable, two-story townhome rentals on the property because they have experience with apartment communities.

- From the beginning, the Applicant has said this would be a 55 and over project for a variety of reasons. It would be a simpler project with less impact and there is a small gap in the supply and demand in Wilsonville for affordable 55 and over housing.
- The property will be professionally managed in the interest of providing safety and a quality living environment. Summit Real Estate Group would be leasing and managing the property. He stated the Applicant would consider any conditions or covenants regarding professional management, such as no on-street parking. They were uncertain why on street parking has come up in the process as the Applicant had not asked for it, though they understood it was a wider issue for the community.
- With regard to the economics of going from 16 to 15 units, he noted the Applicant has already invested about \$500,000 into the property, including accrued interest, the principal loan, etc. With a general contractor on board and third party bidding, they have done enough planning to know that \$2 million would be spent to build the 15 units. With rentals of \$1100 to \$1200 per month and \$2.5 million in total cost, they expect a return of slightly below six to seven percent after dropping the one unit. Given the economies of scale, raising the price per unit or increasing the size of the units would not benefit the Applicant. However, the Applicant still looked forward to doing the project and supported the design. While the project would not be a huge profit center, the project would put the property into production for the community in a manner that the Applicant could invest long term. Lastly, he noted the majority at the neighborhood meeting and DRB hearing supported the project, including the neighbor to the west of the property. He believed the Applicant had addressed the one or two questions and issues and that the Applicant was willing to help rebuild part of the neighbor's fence if it would make him more comfortable.

Mayor Knapp asked if there were questions from the Council.

Councilor Starr understood that rights existed for land owners but expressed concern about the zone change and whether the land would match and continue to match the neighborhood in the future. He asked how the change in density would affect the property's value, which would affect adjacent property owners. Mr. Close stated that roughly, the development may be close to \$500,000 in value, though the property has not yet been appraised. In his opinion as a commercial real estate professional, the real commercial value is discounted by some obsolescence due to location and zoning. The Applicant worked with several commercial real estate leasing groups to attract commercial tenants over a number of years, but the only interest was from a pet store with mild interest and a couple daycare operators who wanted to pay about half what other daycare centers were paying in West Linn and Beaverton. The property is geographically isolated from the commercial centers in town. They hoped to get extra commercial activity at this location with Villebois, but experts indicated it is not viable. He did not believe anyone would be interested in purchasing the property for what the owner had invested or a value reasonable by commercial standards. He reiterated the Applicant has not

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

looked at single-family and would probably not be interested in single-family units, partly due to the recession. As a long-term owner, the Applicant wanted income property and rentals. If the application is denied, the Applicant would probably put the property up for sale or file a separate land use application, which could result in the property remaining unused for another economic cycle considering the application process. At the DRB hearing, a neighbor asked if the project would have a negative impact on value to the single-family residences close by. A residential real estate broker produced an independent letter suggesting that would not be the case if the property is well designed, well maintained and well managed over time. The letter also cited examples where similar projects worked in harmony with single family around the Metro area.

Mr. Leyton addressed the question about why design review was not part of the proposed package, stating they decided to first get Council's approval on the zone change, before finalizing the project for the DRB's review and approval.

Mike Kohlhoff, City Attorney noted the Applicant had referenced a document from the neighborhood meeting and asked that a copy be entered as an exhibit for the record. Mr. Leyton confirmed the neighborhood meeting documents were in the record as Exhibit B, which was in the Applicant's packet of submitted materials before the DRB. Mr. Edmonds stated the entire record, including all the exhibits, was on the CD provided to City Council.

Mayor Knapp confirmed there were no further questions from Council and called for public testimony.

Simon Springall, 7710 SW Roanoke Dr., Wilsonville, wanted to speak to concerns expressed by Council regarding density. He noted the submitted paperwork included information about the Portland area rental market. Section AA on Page 7 of 503 said that foreclosure is pushing many families out of their homes and into the rental market and that multiple housing helps fill the housing need for the increasing number of residents and employees that do not qualify to purchase a house. Section AA also stated that the Portland area has one of the lowest rental vacancy rates in the country. The next page had a graph indicating the tight rental market with Wilsonville/Canby ranked fifth. He believed the Council's concern about density might be a bit one-sided. He lived in an apartment before coming to Wilsonville and might move back into one. He was not opposed to the idea of 55 and over housing, but the mix of apartments and housing available in the community was good.

Mayor Knapp confirmed there was no further public comment and requested a motion on the public hearing.

Motion: Councilor Goddard moved to close the public hearing. Councilor Núñez seconded the motion.

Vote: Motion carried 4-0.

Mayor Knapp closed the public hearing, noting no request had been made to keep the public record open.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Motion: Councilor Núñez moved to approve Ordinance No. 705 on first reading. Mayor Knapp seconded the motion.

Councilor Goddard stated he was not persuaded by the diversity of housing or affordability argument in the Staff report. With the Jory Trail development more than 56 percent of the residential properties in the community were rental properties, and adding more rental properties reduces the diversity of housing options. He did not believe effective management would address the storage and parking issue. Examples exist throughout the community's neighborhoods where hope for effective management has not achieved the desired result with regard to garage parking, storage or on street parking for rental units. He believed the request for a 10 percent increase in density to provide one additional age-restricted unit likely served a different intent than what the Code intended. He asked whether Staff believed the time the property has remained undeveloped should be a factor Council should consider in approving a request for a Zone Map or Comprehensive Plan amendment. Mr. Kohlhoff replied it could be a factor in considering a zone change, but the question was to what density the zone should be changed. He believed the testimony given that the Applicant has tried to use the land commercially but had been unable to do so for several years due to economics was a rational reason to change the zone, but the question was then whether a need existed for the housing being requested, which was the Council's determination. Councilor Goddard stated other properties in the community have remained vacant even longer, and he questioned whether those properties should be considered for rezoning. He added that while there was discussion about the business investment in the property and its value for commercial versus residential use in light of the density, he believed the Council's interest was to preserve the quality of the community, not a developer's business interest. Based upon what had been presented and provided in the record, he was not inclined to approve the requested Zone Map or Comprehensive Plan amendments.

Councilor Starr stated he could not find the testimony or feedback from the neighbors in the CDs. He was not ready to vote approval until he could review that information.

The owner has spent a lot of money and he wanted to work with the property owner, but the current zoning of the property made it difficult; the application beat us to the punch as to how to troubleshoot to come up with a better resolution. All he could do is fall back to the Council's mission statement, "To protect and enhance Wilsonville's livability by providing quality service to ensure a safe, attractive, economically vital community while preserving our natural environment and heritage." The application and information provided did not align with the mission statement.

Councilor Núñez said it was a difficult situation, considering what has happened over the last few months with Jory Trail. She appreciated what the Applicants presented. She has seen the piece of land vacant for quite some time and she was okay with townhomes being built, though she probably would not have approved apartments. She understood Councilor Starr's and Councilor Goddard's arguments that some quirks need to be worked out with the surrounding community, and she believes if the quirks are worked out, everyone would be onboard. She was prepared to approve the Ordinance to enable the Applicant to work with DRB and work on the concerns expressed by the Council as the next step.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Mayor Knapp stated that he has driven past the site for 26 years and observed it not being in productive use. Wilsonville was building more single-family homes than almost any comparably sized suburban community in the area. There was still a lot to be built in Villebois and other small projects were being developed on Canyon Creek and by Memorial Park. Having an area for residential development on the east side of town has also been discussed that would be a sufficient for single-family development. In light of these projects, was it appropriate to deny the property owner a chance to move his property into a development, which is compatible with the neighborhood according to the DRB and the public hearings conducted? The site was not appropriate for more than a couple single-family houses, which would not be economically feasible. The high quality townhome product made sense; it seemed to be carefully designed and was a housing option not otherwise available in the area.

He recalled the discussion about commercial development on the lot in the 1990s, and how the neighborhood resisted commercial development in this residential area, which suggests the property could not be suitably developed for commercial purposes. Theoretically, the Comprehensive Plan would provide a reasonable route for undeveloped properties within the city to move forward into productive use. In this case, it seemed the City was creating a catch-22 by saying the property owner did not have a route to successful development within the framework of the city. He did not believe that was proper. He understood the concerns about multi-family housing and agreed that current market forces were driving developers to invest in multi-family housing because vacancy rates were low and the return rates were increasing, while single-family housing was more difficult to make feasible. He argued that single-family housing should be developed and would succeed in larger areas and would likely not work on the subject site.

Rather than saying the owner had no viable choices, he believed it appropriate to offer a choice; however, comments from Council did not suggest a majority opinion to that extent. He asked if the Applicant would like Council to vote or continue the hearing to allow them to further evaluate, modify, or find more support for the application.

Mr. Leyton distributed a copy of the community meeting notes for Councilor Starr to read. He stated the Applicant's design team worked very hard over this last year to listen to feedback and reflect what they had heard. Appended to Exhibit B were copies of the plans showed to people and discussed with people at the first meeting September of last year. The design had come a long way and had been improved substantially. He noted that he sent a letter along with a full-sized plan set of the revised submittal for the 15-unit project indicating the various ways the Applicant responded to the issues raised by Mr. Meyer and the DRB. No opposing testimony was given at tonight's meeting; he had nothing to rebut. He reiterated that the Applicant talked to the neighbors and worked very hard to address all the issues raised. The landscaping, parking and other components of the plan exceeded the requirements. The fact that no opponents testified or provided letters should be meaningful to Council about the success of the Applicant's year plus design effort. This was supported by the unanimous recommendation by the DRB. He sought direction about what more the Applicant needed to do; he was struggling to know what the barrier was due to the lack of opposition testimony.

Mr. Kohlhoff entered the letter dated September 18, 2012 from Lee Leyton, Westlake Consultants to Robert Meyer into the record.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Councilor Goddard called the question.

Mr. Kohlhoff asked if Council wanted to give Councilor Starr time to read the community meeting notes.

Vote: Motion failed 1 to 3.
Mayor Knapp No
Councilor Núñez No
Councilor Starr No
Councilor Goddard Yes

Mayor Knapp called for a brief recess and reconvened the meeting at 10:10 p.m. He asked if Staff had further information for Council.

Mr. Kohlhoff understood the information supplied about the public neighborhood meeting was from a while back, and during the break, one Councilor expressed that he would like to reopen the hearing to give the Applicant time to return with more support about the neighborhood's position. He understood Mr. Meyer's letter was current. Should Council agree, the hearing would be continued to the next meeting in two weeks.

Councilor Starr stated that he was able to read notes, but no dialogue from anyone in the neighborhood. He wanted more of an indication that the neighbors supported the project; a positive reaction to how the project would work for the Applicant and their neighbors. He believed it would be helpful to continue to the next meeting. He clarified that he was wondering about density in general, not necessarily single-family housing.

Mayor Knapp asked whether continuing the hearing would allow the Applicant more of an opportunity to provide more evidence for Council. Mr. Close replied the Applicant could have another neighborhood meeting, but based on that Code definition, he did not believe enough time existed to give public notice. He asked if a more informal approach could be used. Anyone who received notice or who attended the prior meeting would be invited to a focus group to see the entire presentation and provide anecdotal testimony. The Applicant supported another meeting since many neighbors said they would support any development on the site as long as it was done well.

Mr. Kohlhoff confirmed the 120-day land use clock would end January 8, 2012, so additional time was available. The Applicant could provide a tolling agreement if more time was needed. He understood the Applicant could just provide a letter support or reopen the hearing to receive testimony from the neighbors; however, a formal meeting is not necessary. Mr. Leyton said he was comfortable facilitating a meeting, getting comments, and mailing the notes or results to the neighbors and Council. This same process was used after the first meeting to ensure nothing had been misinterpreted, and he had received no feedback about corrections.

Mr. Kohlhoff asked if the neighbors could submit comments with their name and address at the meeting, then the Applicant could the comments bring in or the neighbors could come to the meeting. Mr. Leyton stated the Applicant could do it like a workshop, collecting any written

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

comments and bringing them in as evidence for the record, Council would have to reopen the public hearing to hear from any neighbors who wanted to come testify.

Mr. Kohlhoff stated the record would need to be reopened anyway to receive even the written comments.

Mr. Leyton confirmed that the school district was within the notice perimeter and would receive notice. He stated the Applicant was willing to continue the hearing until the first December meeting.

Motion: Councilor Goddard moved to reopen the hearing to allow the Applicant to provide additional testimony from the neighbors, and that the hearing be continued to the first meeting in December. Councilor Starr seconded the motion.

Vote: Motion carried 4-0.
Mayor Knapp Yes
Councilor Núñez Yes
Councilor Goddard Yes
Councilor Starr Yes

NEW BUSINESS

Mayor Knapp noted the time was 10:20 p.m. and asked if the Council wanted to continue the meeting.

Motion: Councilor Núñez moved to proceed with the meeting and subsequent Urban Renewal meeting. Councilor Starr seconded the motion.

Vote: Motion carried 4-0.

A. **Resolution No. 2382**

A Resolution Of The City Of Authorizing Addendum No. 5 To The Development Agreement Of June 14, 2004 By And Between The City Of Wilsonville, The Urban Renewal Agency Of The City Of Wilsonville, Matrix Development Corporation, Property Owners Donald E. Bischof & Sharon L. Lund, Arthur C. & Dee W. Piculell, The Dearmond Family LLC, Louis J. & Margaret P. Fasano, And Valerie & Matthew Kirkendall

Mr. Kohlhoff read the title of Resolution No. 2382 for the record.

Nancy Kraushaar, Community Development Director, stated the resolution was an addendum to a development agreement entered into with Matrix Development Corporation in 2004 for portions of the Villebois Master Plan. Because some property has or may change ownership, Staff has been writing addenda to make sure that previous commitments of the parties are transferred to the new ownership. The responsibilities apply to the Urban Renewal Agency, the City of Wilsonville and this addendum applies to Polygon Northwest. All the obligations are

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

centered around financing, reimbursement for infrastructure, and construction of parks, roads, sewer water, and improvements. She noted that nothing has substantially changed from the original Matrix agreements. Some of the values have been updated for inflation, engineering, and construction index.

Mike Kohlhoff, City Attorney, added that after the bankruptcy and the City decided to take on the design and construction of some regional parks and Neighborhood Park 6, Polygon has agreed to take on Park 6. The City had originally set up a parks fee to cover Neighborhood Park 6 and Regional Parks 7 and 8. In other agreements, Polygon has taken on a substantial part of Regional Parks 8 and 7. In this case, Polygon would build Neighborhood Park 6 for the price of the park fee with exception of the surcharge, which would be retained because it would go toward the final planning and development of Park 8. If Polygon could construct the parks for less than the planned amount, the extra money would go to the City for park fees. Any construction costs greater than the planned amount would be Polygon's responsibility.

Motion: Councilor Núñez moved to approve Resolution No. 2382. Councilor Starr seconded the motion.

Vote: The motion passed 4-0.

CITY MANAGER'S BUSINESS

Bryan Cosgrove, City Manager waived his report due to the late hour.

LEGAL BUSINESS

Mike Kohlhoff, City Attorney, thanked the City Council for extending his contract another year.

ADJOURN

Motion: Councilor Núñez moved to adjourn. Councilor Starr seconded the motion.

Vote: Motion carried 4-0.

The Council meeting adjourned at 10:25 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

ATTEST:

TIM KNAPP, MAYOR

City Council Meeting Minutes
November 5, 2012

N:\City Recorder\2012 Minutes\11512cc.doc

Page 20 of 20