

## **AMENDED AGENDA**

### **WILSONVILLE CITY COUNCIL MEETING SEPTEMBER 15, 2014 7:00 P.M.**

**CITY HALL  
29799 SW TOWN CENTER LOOP  
WILSONVILLE, OREGON**

Mayor Tim Knapp

Council President Scott Starr  
Councilor Susie Stevens

Councilor Richard Goddard  
Councilor Julie Fitzgerald

#### **CITY COUNCIL 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.

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#### **Executive Session is held in the Willamette River Room, City Hall, 2<sup>nd</sup> Floor**

- |                  |  |           |
|------------------|--|-----------|
| <b>5:00 P.M.</b> | <b>EXECUTIVE SESSION</b>   | [15 min.] |
| A.               | Pursuant to ORS 192.660(2)(f) Exempt Public Records<br>ORS 192.660(2)(h) Litigation; and<br>ORS 192.660(2) (i) Evaluation of City Attorney |           |
| <b>5:15 P.M.</b> | <b>REVIEW OF AGENDA</b>  | [5 min.]  |
| <b>5:20 P.M.</b> | <b>COUNCILORS' CONCERNS</b>  | [5 min.]  |
| <b>5:25 P.M.</b> | <b>PRE-COUNCIL WORK SESSION</b>  |           |
| A.               | Basalt Creek Concept Plan Update (Neamtzu)   | [60 min.] |
| <b>6:50 P.M.</b> | <b>ADJOURN</b>   |           |
- 

#### **CITY COUNCIL MEETING**

The following is a summary of the legislative and other matters to come before the Wilsonville City Council a regular session to be held, Monday, September 15, 2014 at City Hall. Legislative matters must have been filed in the office of the City Recorder by 10 a.m. on September 2, 2014. Remonstrances and other documents pertaining to any matters listed in said summary filed at or prior to the time of the meeting may be considered therewith except where a time limit for filing has been fixed.

#### **7:00 P.M. CALL TO ORDER**

9/12/2014 10:18 AM Last Updated

- A. Roll Call
- B. Pledge of Allegiance
- C. Motion to approve the following order of the agenda and to remove items from the consent agenda.

**7:05 P.M. MAYOR'S BUSINESS**

- A. Upcoming Meetings

**7:10 P.M. COMMUNICATIONS**

- A. PGE Green Power Challenge, Annette Mattson, PGE Government Affairs

**7:25 P.M. 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.

**7:30 P.M. COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS**

- A. Council President Starr – (*Park & Recreation Advisory Board Liaison*)
- B. Councilor Goddard – (*Library Board Liaison*)
- C. Councilor Fitzgerald – (*Development Review Panels A & B Liaison*)
- D. Councilor Stevens – (*Planning Commission; CCI; Wilsonville Seniors Liaison*)

**7:40 P.M. CONTINUING BUSINESS**

- a. **Ordinance No. 747** – 2<sup>nd</sup> Reading

An Ordinance Of The City Of Wilsonville Adopting The City Of Wilsonville Public Works Standards – 2014 To Update And Replace Public Work Standards- 2006 And Repealing That Portion Ordinance 610 Adopting Prior Public Works Standards -2006. (staff – Weigle/Adams)

**7:50 P.M. PUBLIC HEARING**

- A. **Ordinance No. 748** – 1<sup>st</sup> and 2<sup>nd</sup> Readings

An Ordinance of the City of Wilsonville Establishing a Tax on the Sale of Marijuana and Marijuana-infused Products in the City of Wilsonville and adding a New Wilsonville Municipal Code Section. (staff – Kohlhoff)

**8:20 P.M. CITY MANAGER'S BUSINESS**

**8:25 P.M. LEGAL BUSINESS**

**8:30 P.M. ADJOURN**

Time frames for agenda items are not time certain (i.e. Agenda items may be considered earlier than indicated. The Mayor will call for a majority vote of the Council before allotting more time than indicated for an agenda item.) Assistive Listening Devices (ALD) are available for persons with impaired hearing and can be scheduled for this meeting if required at least 48 hours prior to the meeting. The city will also endeavor to provide the following services, without cost, if requested at least 48 hours prior to the meeting:-Qualified sign language interpreters for persons with speech or hearing impairments. Qualified bilingual interpreters. To obtain services, please contact the City Recorder, (503)570-1506 or [king@ci.wilsonville.or.us](mailto:king@ci.wilsonville.or.us)



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## CITY COUNCIL WORKSESSION STAFF REPORT

<b>Meeting Date:</b>  September 15, 2014	<b>Subject: Basalt Creek Concept Plan</b>  <b>Staff Member:</b> Chris Neamtzu, Planning Director <b>Department:</b> Community Development	
<b>Action Required</b> <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	<b>Advisory Board/Commission Recommendation</b> <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable  <b>Comments:</b> N/A	
<b>Staff Recommendation:</b> Staff recommends the Council conduct the work session and provide the project team direction on the next steps in the project.		
<b>Recommended Language for Motion:</b> N/A		
<b>PROJECT / ISSUE RELATES TO:</b>		
<input checked="" type="checkbox"/> Council Goals/Priorities Thoughtful land use; Economic development; Clear vision and community design; Multi-modal transportation network.	<input type="checkbox"/> Adopted Master Plan(s)	<input type="checkbox"/> Not Applicable

**ISSUE BEFORE COUNCIL:** This worksession provides the opportunity for the City Council to discuss the public involvement/stakeholder input gathered to date, the land capacity analysis and the development themes that will be used to create preliminary alternative land use scenarios for the area.

**EXECUTIVE SUMMARY:** The consultant team, Fregonese Associates, will be in attendance to present the status of the project to date and outline the next steps which includes:

- A summary of public input
- A summary of methodologies for analysis
- Results of the land capacity analysis as requested by the two Council's at the joint meeting
- Initial concepts for development program alternatives, building types and road network
- Overview of the Envision Tomorrow software tool, and
- An overview of the next steps in the project

This worksession will provide the Council with a significant opportunity to interact with the project team, understanding the work completed to date and shaping the next phase of the process. The project schedule has been designed with five joint Wilsonville/Tualatin Council meetings, and three individual consultant attended work sessions. While the Council has conducted numerous work sessions on the project, this will be the first individual worksession with the consultant team. Following this work session, the project team will begin work on the development scenarios in preparation for the winter 2014 public open house and the next joint Council worksession which is targeted for December 2, 2014. Staff will continue to brief the Council over the coming months in preparation for the December activities.

At the request of the joint Council's, a land capacity analysis has been prepared to identify buildable land categorized by suitability for different kinds of development. This will all help inform creation of development themes to evaluate in the 'Envision Tomorrow' computer planning tool. The development themes will form the basis for preliminary land use alternative scenarios for the study area.

The project team is seeking direction from the City Council about the range of development themes that should be evaluated for the study area.

**EXPECTED RESULTS:** This worksession provides an opportunity for City Council to understand the stakeholder feedback and existing conditions analysis conducted to date. It also provides an opportunity to discuss numerous emerging topical themes as well as provide input into shaping the next phase of the project.

**TIMELINE:** This is a lengthy concept planning process anticipated to conclude toward the end of 2015. The project schedule can be viewed on slide 3 of Attachment A.

Three primary milestone joint decision points remain for the Tualatin and Wilsonville City Councils:

- December, 2014: Preferred Land Use Scenario
- Spring 2015: Jurisdictional Boundary
- Fall 2015: Final Concept Plan

**CURRENT YEAR BUDGET IMPACTS:** This is a Metro CET grant funded project administered by the city of Tualatin.



**FINANCIAL REVIEW / COMMENTS:**

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**LEGAL REVIEW / COMMENT:**

Reviewed by: MEK \_\_\_\_\_ Date: 9/8/2014 \_\_\_\_\_

NA

**COMMUNITY INVOLVEMENT PROCESS:** Public involvement has and will continue to be at the heart of this project. A detailed public involvement plan has been developed outlining numerous opportunities for public participation through a wide variety of venues.

**POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY** (businesses, neighborhoods, protected and other groups): Creation of a concept plan for the Basalt Creek area is a City Council goal. The creation of employment opportunities is a benefit to the community. Thoughtful and coordinated land use planning will address any potential impacts to the community.

**ALTERNATIVES:** There are no alternatives to evaluate at this point in the project.

**CITY MANAGER COMMENT:****ATTACHMENTS**

- A. PowerPoint presentation
- B. USA Today Article – 10 States Where Manufacturing Still Matters



## Summary of Stakeholder Feedback + Land Capacity Analysis

Wilsonville City Council Work Session  
9/15/14

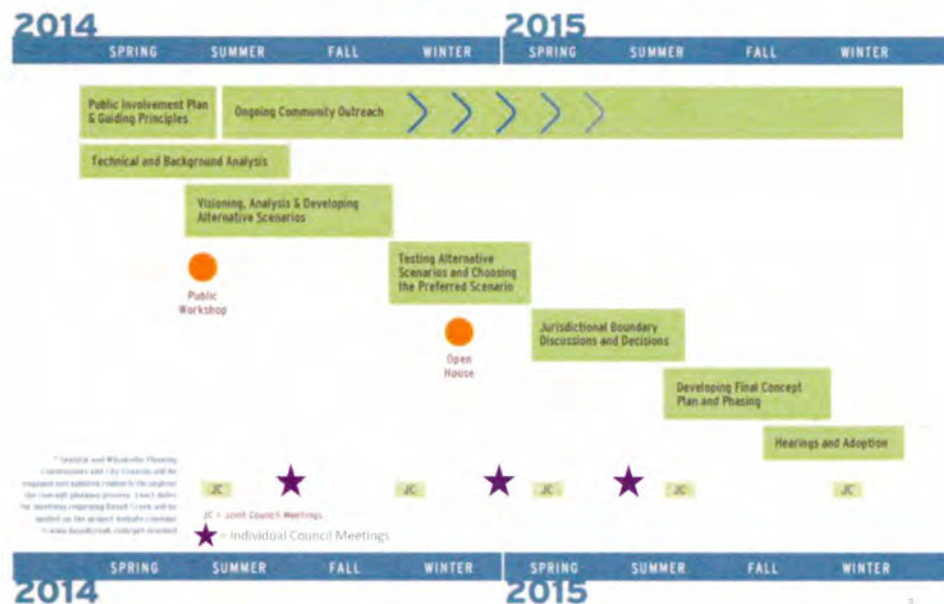


## Overview

- I. Project Status Update
- II. Summary of Stakeholder feedback
- III. Land Suitability Analysis
- IV. Scenario Planning
- V. Development Themes
- VI. Discussion
- VII. Next Steps



## I. Project Status



## II. Summary of Stakeholder Feedback

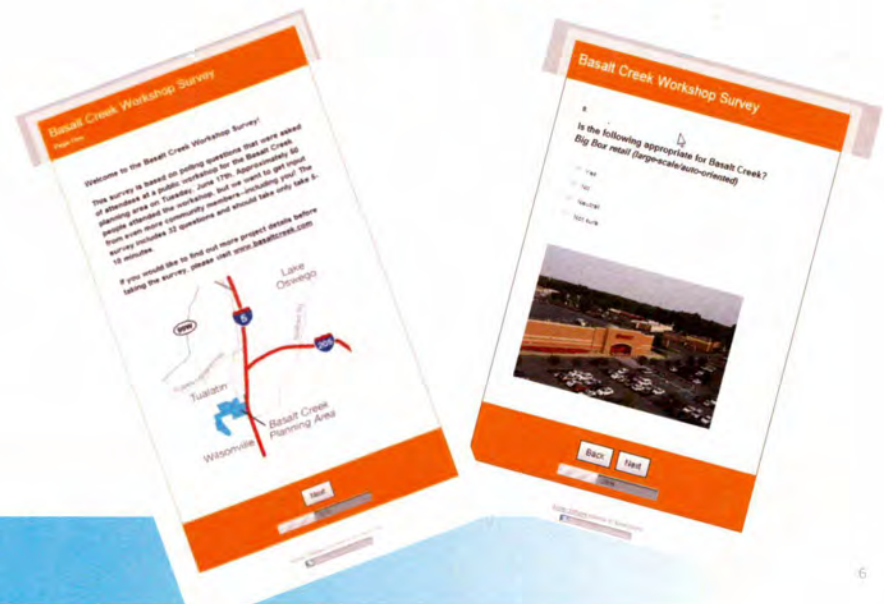
- Overview of stakeholders
- Themes by topic area
  - Employment
  - Retail
  - Housing
  - Natural Areas
  - Transportation
  - Infrastructure

## Workshop



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## Online Survey

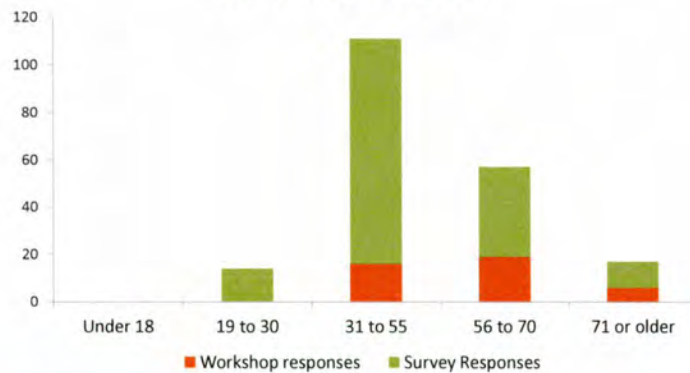


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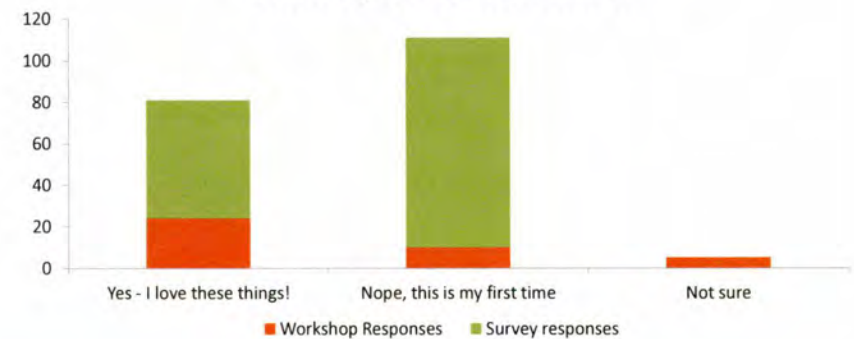
## Workshop and Online Survey Participants

**How old are you?**



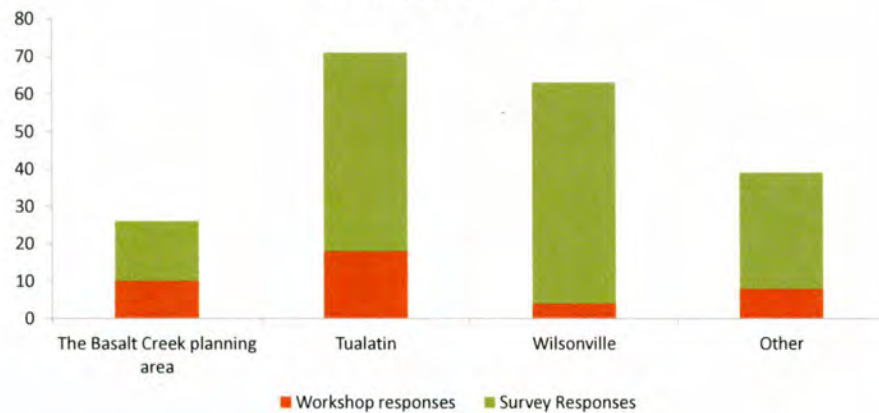
## Workshop and Online Survey Participants

**Have you participated in a public planning workshop or activity before?**



## Workshop and Online Survey Participants

Where do you live?



## Workshop Themes

- Wide range of ideas
- Housing to the north, industrial to south
- Protect existing neighborhoods
- Open to a range of employment and commercial uses
- Appropriate transitions between land uses





## Online Survey Themes

- Less focus on housing
- More support for retail in general, restaurants specifically
- Less support for warehousing, industrial flex space
- More interest in public access to natural resources



## Focus Groups & Interviews

- Developers
  - Commercial
  - Industrial
  - Residential
- Property owners
  - Residential
  - Commercial
  - Institutional



## Focus Groups & Interview Themes

- Industrial development types changing
- Housing preferences changing
- Employers consider amenities
- Land assembly is a challenge
- Property owners
  - Desire for flexibility in land use
  - Concerns about development impacts on quality of life

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## Property Owners Diverge

- Different types of property owners with different interests
- Some live there, small properties – not big development ambitions, more concerned with quality of life impacts
- Some have large properties and are more interested in financial returns

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## Joint Council Themes

- Meet regional responsibility for jobs & housing
- Capitalize on area's assets
- Protect existing neighborhoods
- Maintain Cities' unique identities



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## Joint Council Themes

- Explore creative approaches, integration of employment and housing
- Ensure appropriate transitions between land uses
- High quality design and amenities for employment



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## Themes by Topic Area

- Employment
- Retail
- Housing
- Natural areas
- Transportation
- Infrastructure

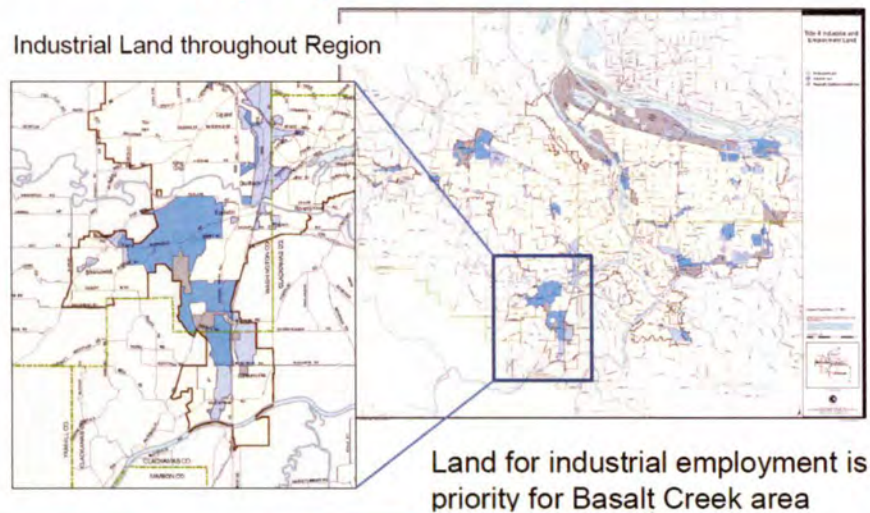
## Employment Themes

- Employee amenities important
- Desire to live near workplace
- Oregon is a place where manufacturing still matters - #2 nationally





## Employment Themes



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## Employment Themes

- “Smokestack” industrial evolving into more office-like product
- R & D major component of Oregon manufacturing
- Consider this trend in context of SW Metro employment cluster



## Retail Themes

- No market for major retail
- No desire for large retail
- Seen as an amenity and supplement to other uses



## Housing Themes

- Most (residents and developers) see this in the northern part of planning area
- School district boundary not ideal





## Housing Themes

### Developer feedback:

- Smaller lot sizes more acceptable
- Demand for:
  - High end product
  - Single-story
  - Ability to “lock-and-leave”
- More revenue for res. development than industrial, more readily marketable



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## Housing Themes



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## Housing Themes



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## Natural Areas Themes

- Parks and natural resources top priorities, major assets
- Desire for public access to creeks
- Need to balance access with conservation



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## Transportation Themes

- Transportation options a priority



## Transportation Themes

- Connectivity important

Well connected streets →



Well connected streets create more route options and diffuse traffic →



Poorly connected streets →



Poorly connected streets lead users to take the same routes, increasing congestion →



## Transportation Themes

- Desire for walkable/bikable neighborhoods *and* employment

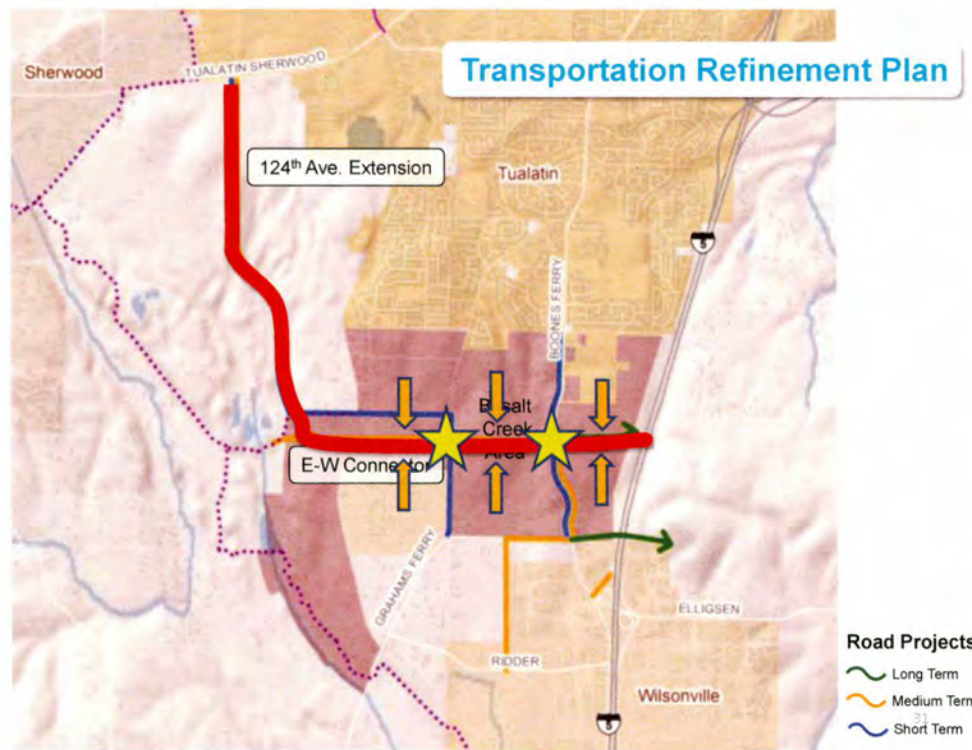


## Transportation Themes

- 124<sup>th</sup> extension: big opportunity for industrial access
- Study benefits of non-grade crossing of E-W connector
- Concerns: impacts of heavy truck traffic







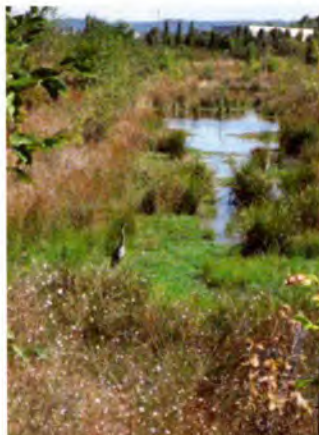
## Transportation Themes

- Bike & Pedestrian overpass/underpass examples



## Infrastructure Themes

- Developer preference for regional (rather than on-site) stormwater management
- Phasing and provision of infrastructure major issue to be solved



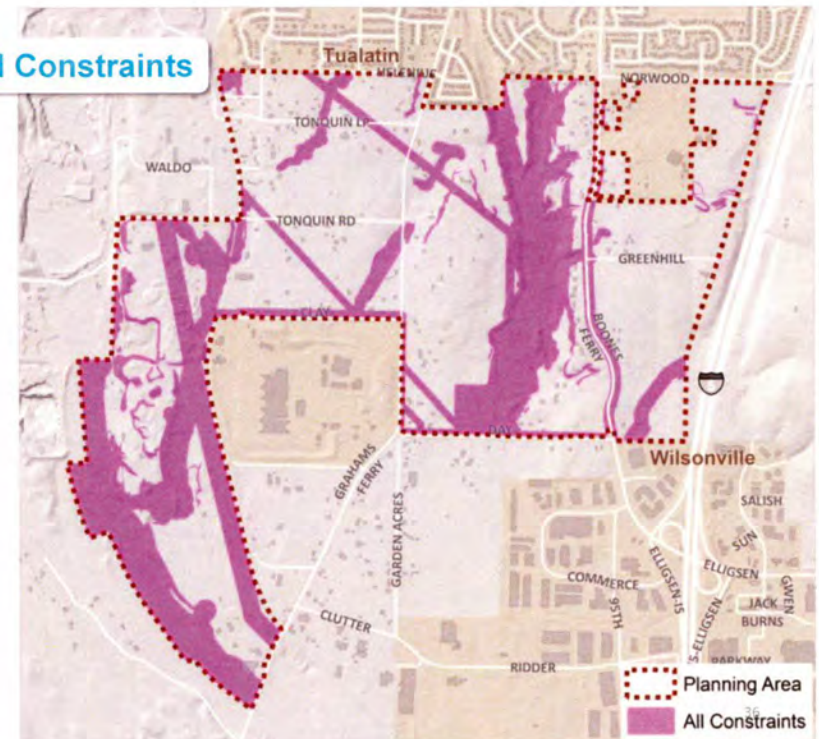
## Infrastructure Themes

- Connections are available for sewer service to Basalt Creek.
- Water supply options are available from both Wilsonville and Tualatin
- Stormwater facilities will require local conveyance as well as onsite and possibly regional facilities

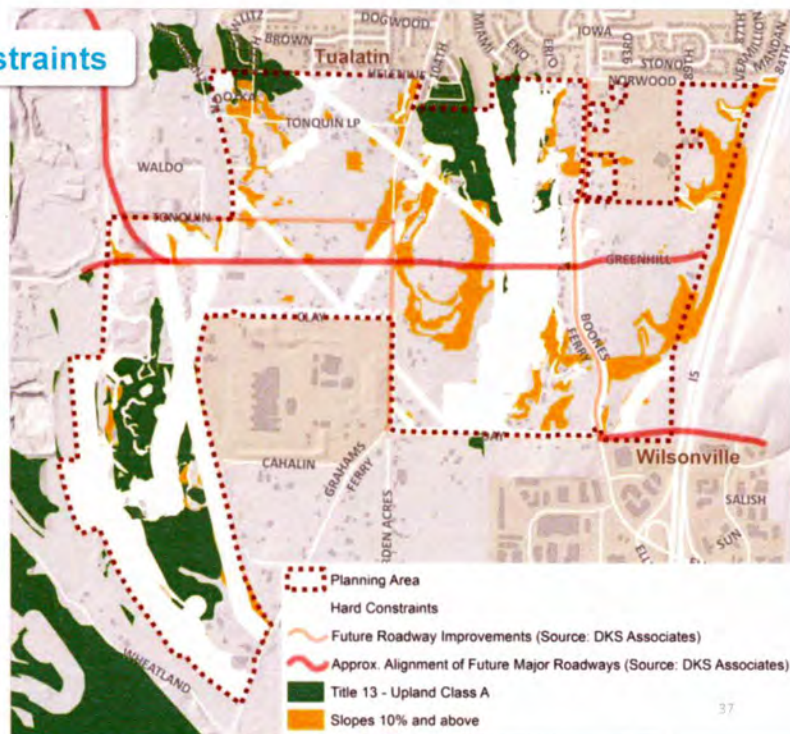


### III. Land Suitability Analysis

All Hard Constraints



## Soft Constraints



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## Land Supply

### Vacant Land



Ready to build, no major structure on site

### Redevelopable Land



Some redevelopment potential (expansion of current use or change in use)

### Stable Land

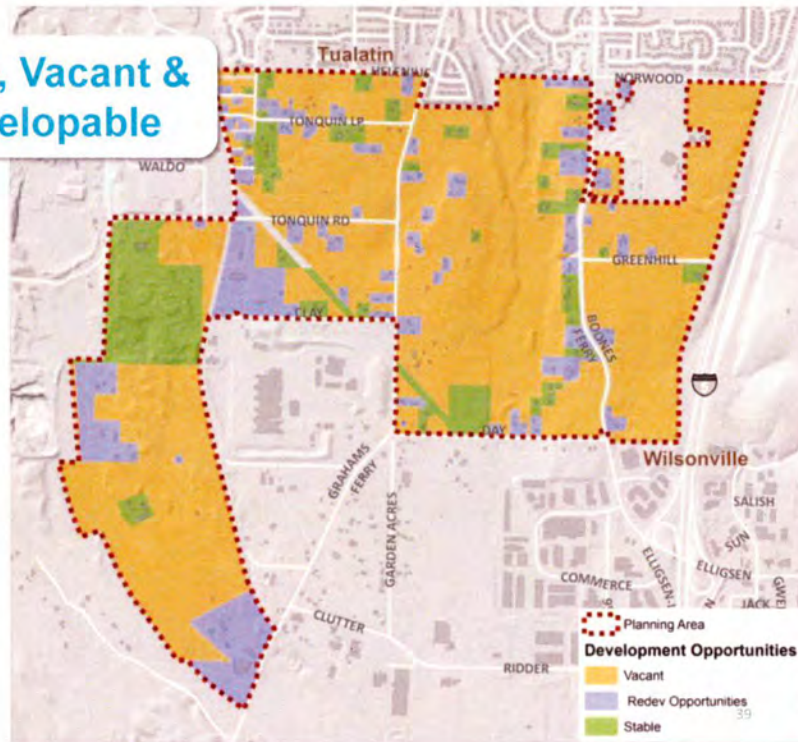


Structures on land, will not change uses in the near future

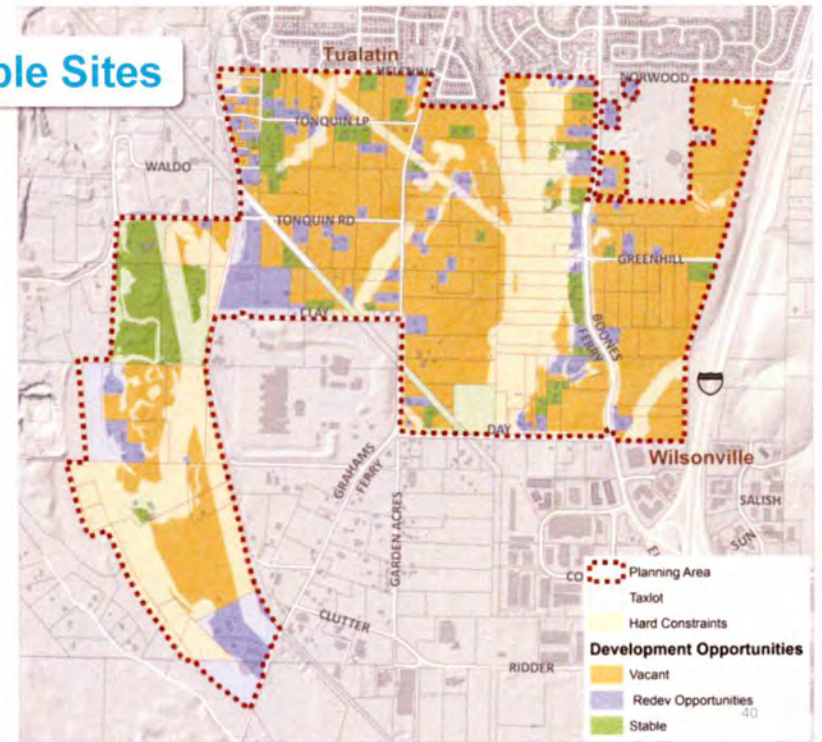
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## Stable, Vacant & Redevelopable



## Suitable Sites

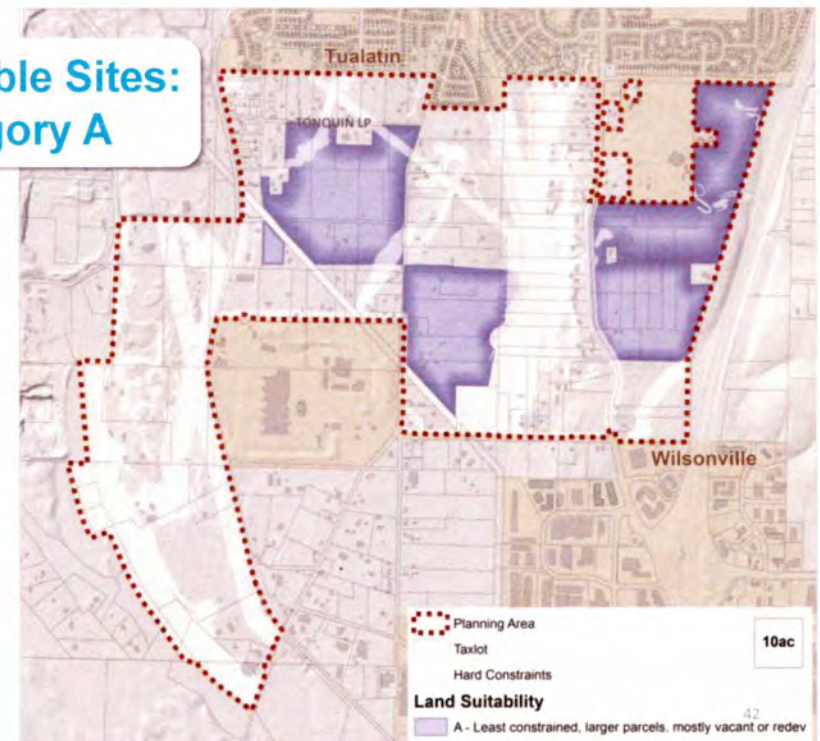


## Land Suitability Categories

CATEGORY	CHARACTERISTICS	SYMBOL
<b>A</b>	Least constrained, larger parcels, mostly vacant or redevelopable	
<b>B</b>	Modestly constrained, medium-sized parcels, mostly vacant or redevelopable	
<b>C</b>	Modestly constrained, small- to medium-sized parcels, mostly vacant or redevelopable	
<b>D</b>	Stable or constrained	

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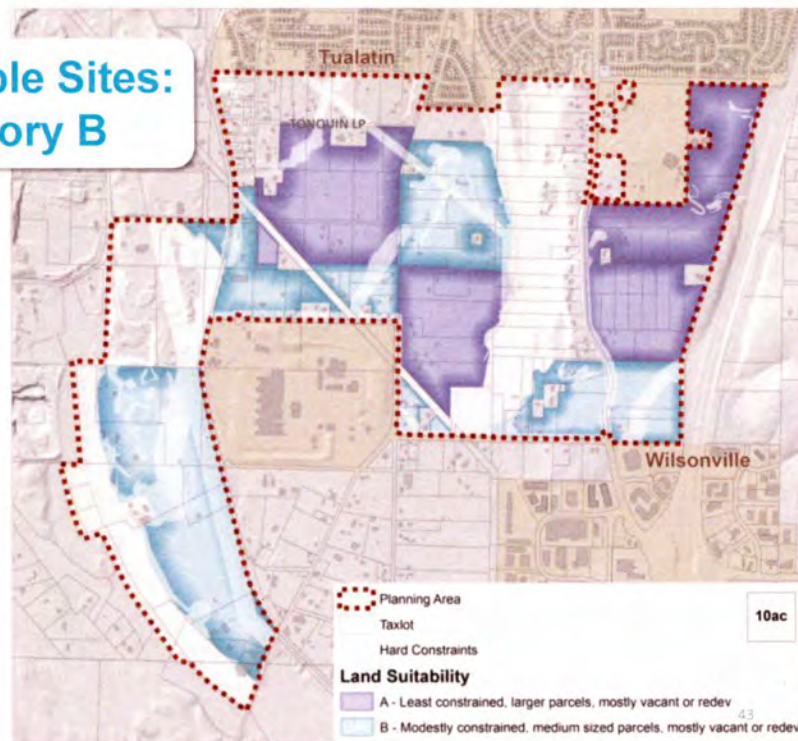
## Suitable Sites: Category A



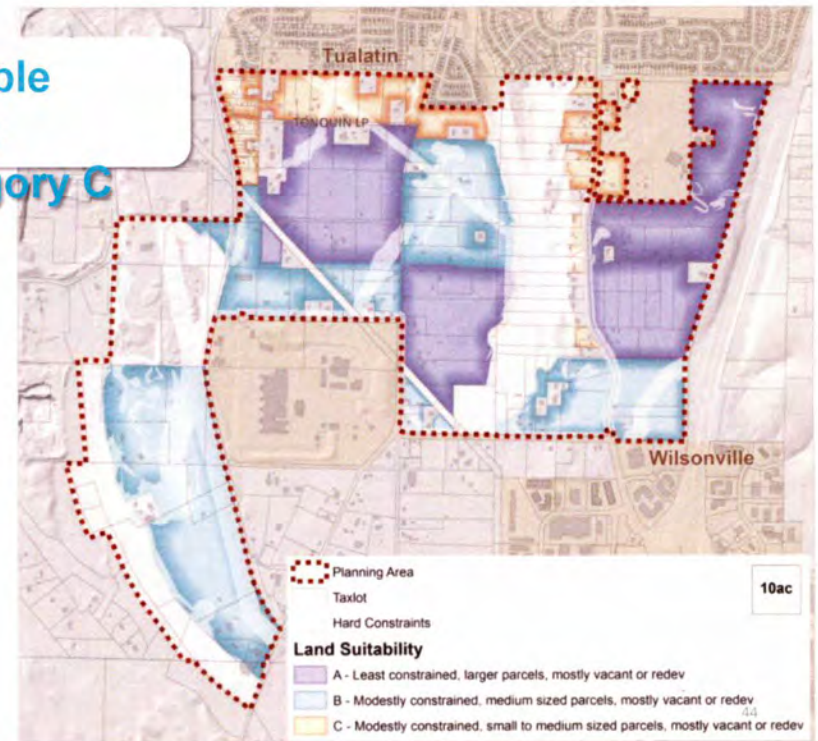
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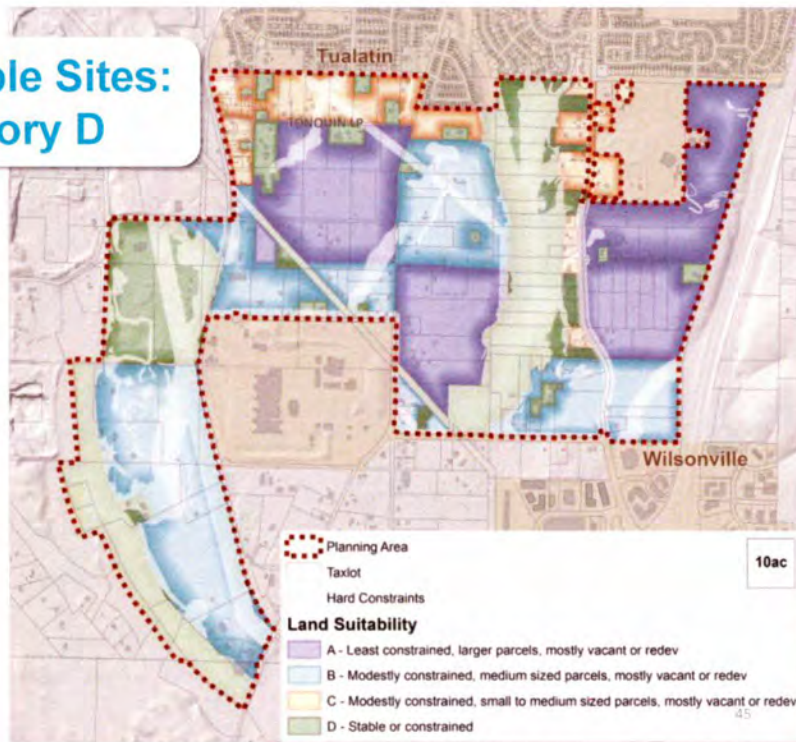
## Suitable Sites: Category B



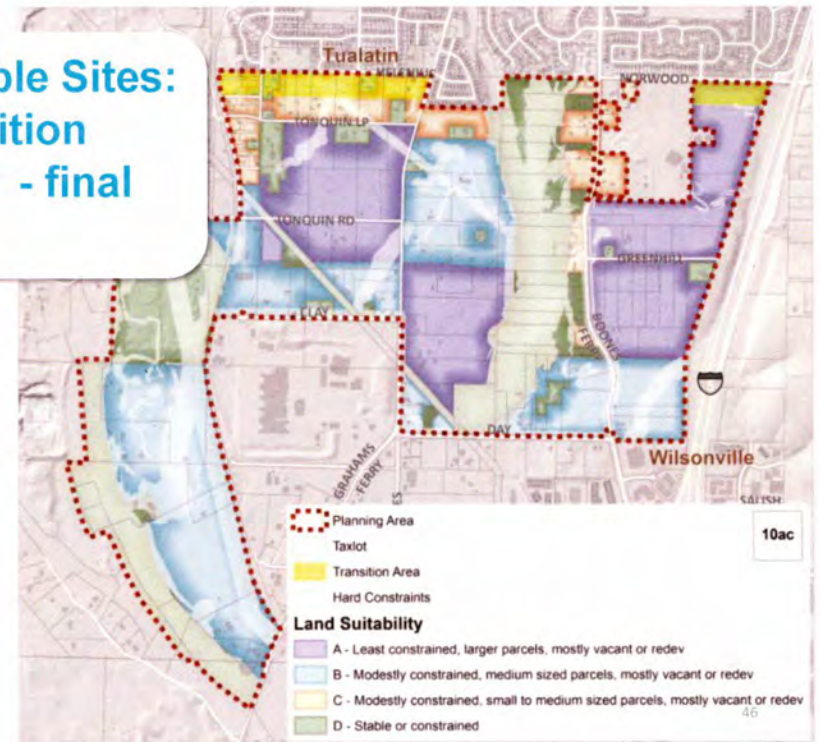
## Suitable Sites: Category C



## Suitable Sites: Category D



## Suitable Sites: Transition areas - final map





## Buildable Land by Suitability Category\*

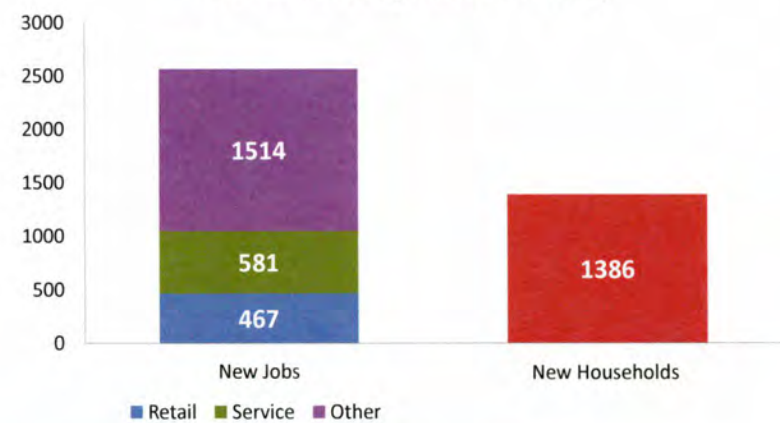
Suitability Category	Vacant Acres
A	197
B	144
C	38
D	12

\*based on parcel file (excludes roadways and stable parcels)

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## Metro Forecast

2035 Forecast (based on 2005)



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## "No Brain" Development Program 2,622 jobs, 1,150 Units

SUITABILITY CATEGORY	VACANT ACRES	LAND USE TYPE	EMPLOYEES/ UNITS
A	197	Industrial/ High Tech	1,182
B	144	Office/R&D	1,440
C	38	Med. Density Residential	494
D	12	Low Density Residential	96

## IV. Scenario Planning



## Traditional Planning to Scenario Planning



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## Develop a range of scenarios

A



B



C



D



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Scenarios are crash test dummies



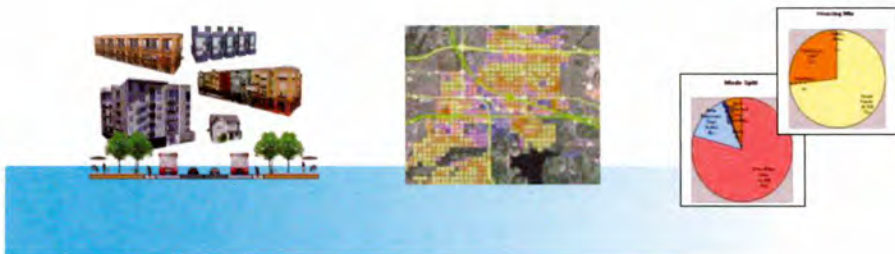
Scenarios are crash test dummies





## POWERFUL ANALYTICAL TOOLS Public Domain and Open Source

envision  
tomorrow™  
a suite of urban and regional planning tools



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## Working with Universities to keep the tool State of the Art



Dr. Reid Ewing,  
University of  
Utah

Dr. Arthur  
"Chris" Nelson,  
University of  
Utah

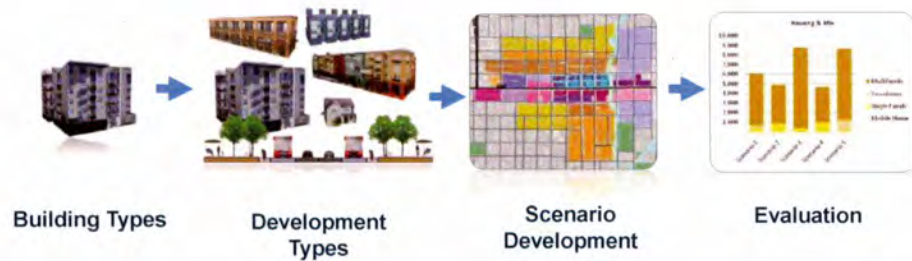


Dr. Rob  
Patterson,  
University of  
Texas, Austin

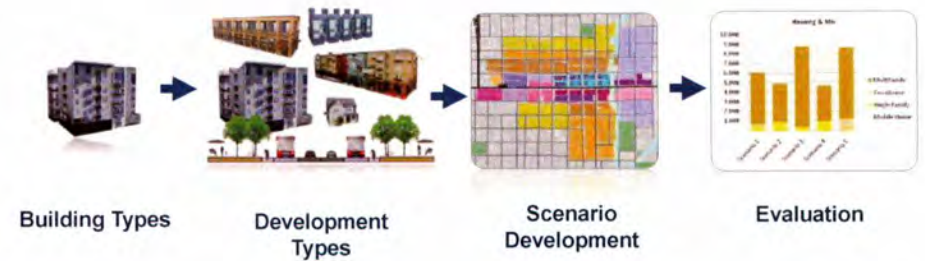
Public Domain and Open Source, it is a platform for putting latest expertise in the hands of planners across the United States

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## Scenario Building Process



## Scenario Building Process





## Development Type Mix

A Variety of Buildings, Streets and Amenities Create a "Place"



**Town  
Center**



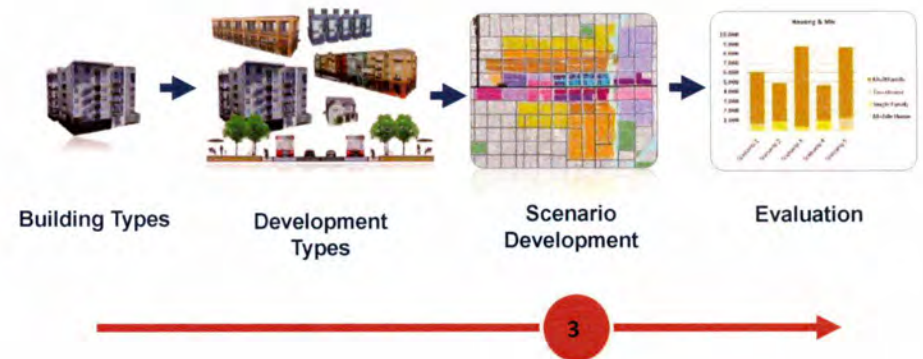
**Medium-Density  
Residential**



**Single-Family  
Residential**

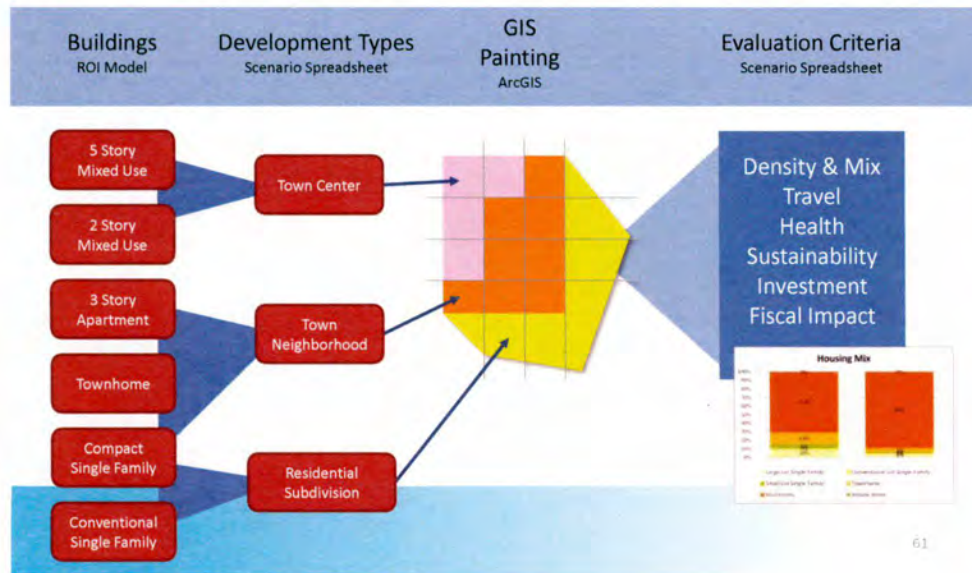
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## Scenario Building Process



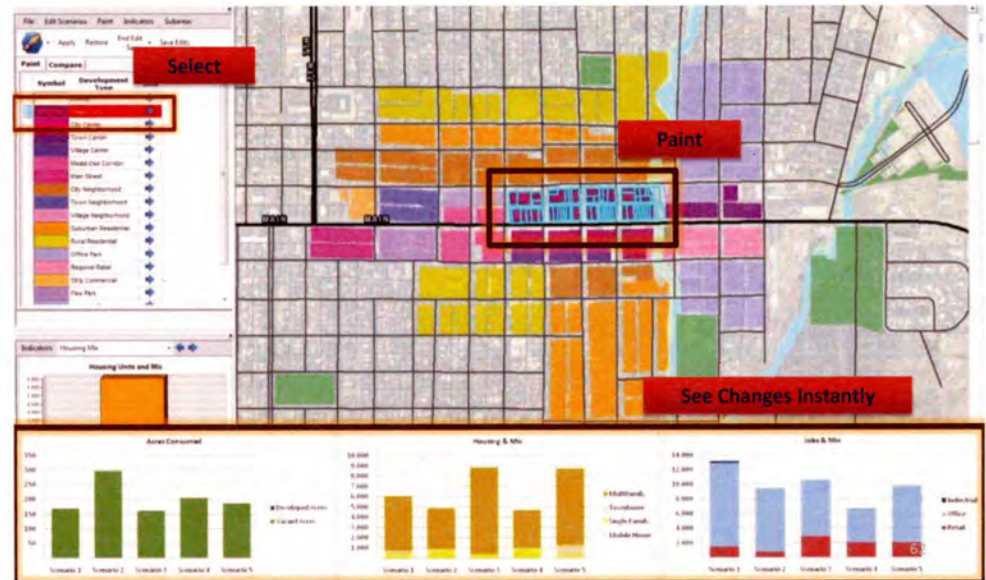
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## A Linked System of Spreadsheets + GIS



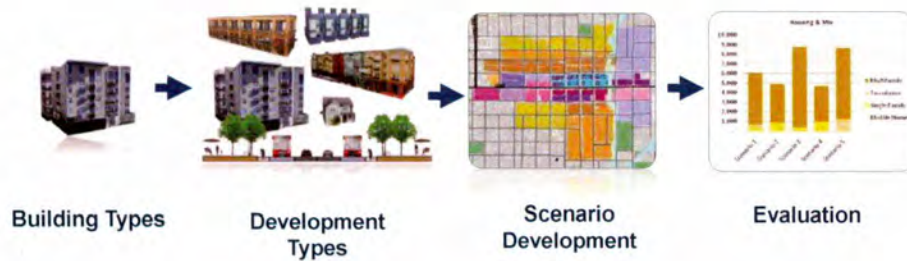
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## Real-time Scenario Building and Evaluation





## Scenario Building Process



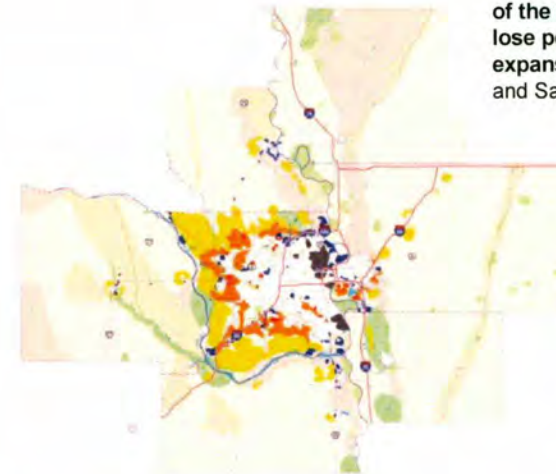
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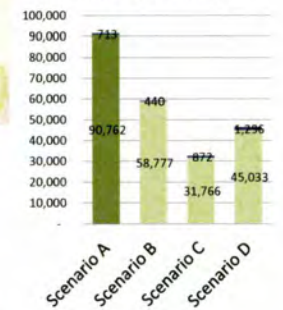
## Scenario Evaluation

### SCENARIO A

- In Scenario A, we will continue to grow and decline much the same as we have in the recent past. **Areas of the urban core will continue to lose population, as westward expansion continues in Douglas and Sarpy counties.**



### Land Consumed

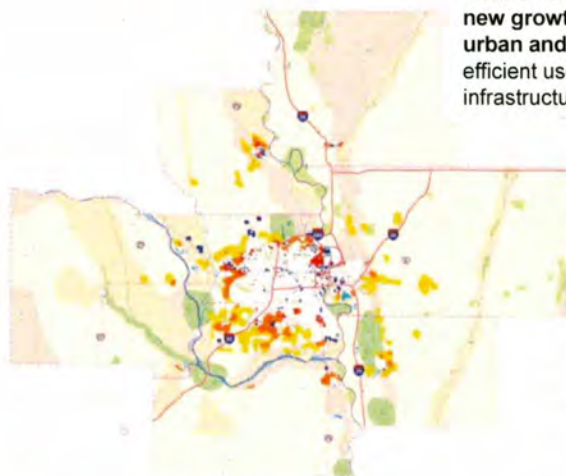


64

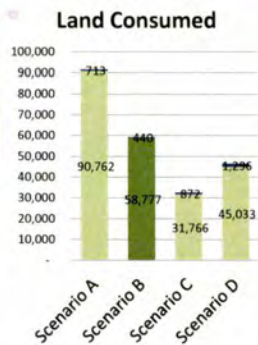
## Scenario Evaluation

### SCENARIO B

- In scenario B, the highest growth occurs in central Omaha and Council Bluffs, and over 40% of new growth takes place in existing urban and suburban areas, making efficient use of road and water infrastructure.

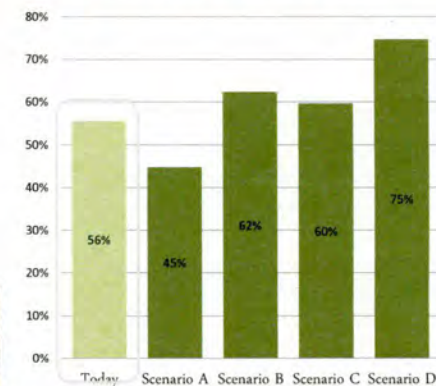
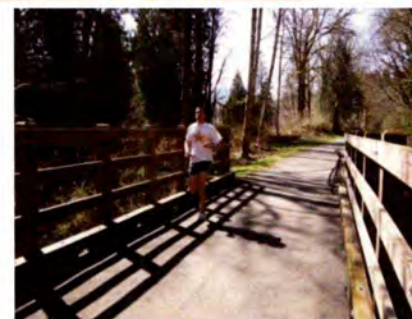


Low density  
 Medium density  
 High density  
 Employment area  
 Population decline  
 Existing park  
 Future park  
 Prime agriculture  
 Conservation area  
 County boundary  
 Urbanized area



55

## Access to Nature and Recreation

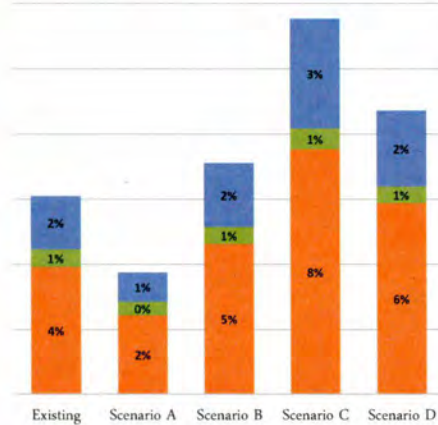


Households within 1/4 mi. of parks and trails

56



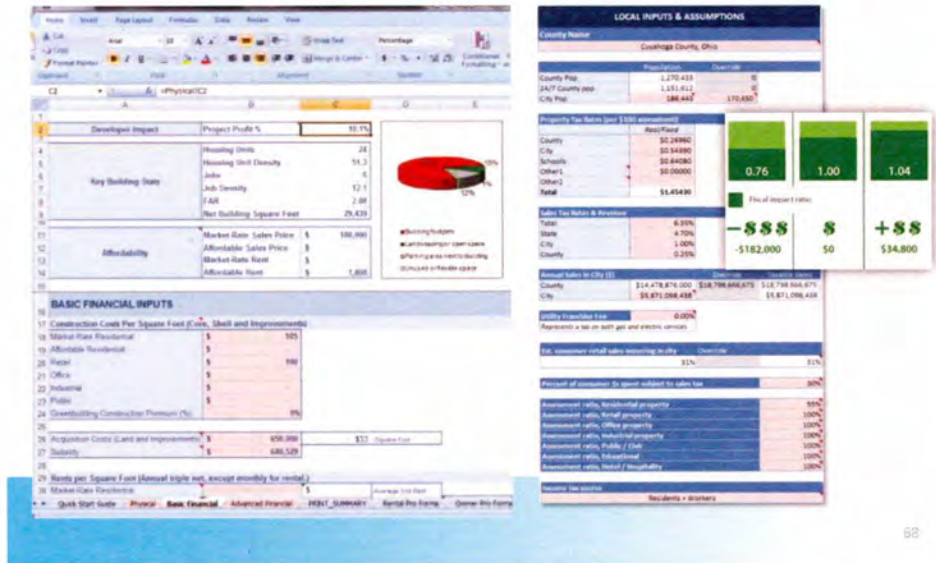
## Walking, Biking, & Transit



Percent of All Trips Made

Remainder of trips are made by car

## Building-Level Financial Tools & Fiscal Impact Modeling



## IV. Development Themes

### Base case

- Conventional development
- Fulfills Metro forecast for jobs and housing



## Development Themes

### Industrial focus

- High wage jobs high quality design access for freight





## Development Themes

### Creative mixed-use

- Integrate employment and housing, best practices, new ideas, great amenities

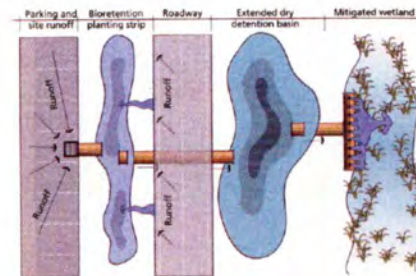


71

## Development Themes

### Strong natural features shape the scenario

Project Concept Diagram



72

## V. Discussion

73

## VI. Next Steps

- **October**
  - Discussion of alternative land use scenarios
- **November**
  - Refined land use scenarios
  - Draft findings on infrastructure to serve scenarios
- **December: Joint City Council Work Session**
  - Develop and Review Alternative Scenarios
- **January**
  - Take to the public for feedback at open house

74



# 10 states where manufacturing still matters

Alexander E.M. Hess, Michael B. Sauter and Thomas C. Fröhlich, 24/7 Wall St. 6:19 a.m. EDT August 10, 2013



(Photo: Mike De Sisti, AP)

In July, America's manufacturing sector grew for the second month in a row. This improvement is in line with longer-term trends, according to the Institute for Supply Management. While some experts are predicting a revival, manufacturing has lagged the economy for years. The country has lost nearly 2.5 million manufacturing jobs in the past 10 years.

Last year, the manufacturing sector was responsible for 12% of the nation's total economic output. In Indiana, the state where manufacturing contributes most, the figure was 28.2%. 24/7 Wall St. (<https://www.247wallst.com/>) reviewed the 10 states where manufacturing represented the largest total share of the state economy.

The states with the biggest manufacturing economies specialize in different industries. In Oregon, nearly \$38 billion of the state's \$50 billion manufacturing sector came from computer and electronic product manufacturing. In Louisiana, more than 10% of the state's entire economic output in 2011 came from the manufacturing of petroleum and coal-based products. Michigan and Indiana both have sizable auto industries, with Michigan's auto industry accounting for slightly less than a third of all its manufacturing output in 2011.

During the recession, and in many cases before the recession even started, many states' manufacturing employment faced steep job losses. Between January 2007 and mid-2009, Indiana lost more than 100,000 manufacturing jobs. In Michigan, nearly 125,000 manufacturing jobs were lost between January 2008 and January 2009 alone.

Now, many of these states have seen employment rebound. Michigan had the fastest manufacturing job growth in the nation from the end of 2009 to the end of 2011. According to Chad Moutray, chief economist at the National Association of Manufacturers, "the auto sector has been one of the driving sectors in the economy, pardon the pun, over the course of the last couple of years."

In addition to Michigan, many parts of the Midwest benefited as well, he added. In Indiana, manufacturing employment has risen more than 3.5% a year for each of the past three years, especially impressive in the context of the nation's slow job growth overall.

While some believe that the benefits of a potential manufacturing renaissance are largely a myth, Moutray told 24/7 Wall St. that investments in manufacturing has a positive impact on the economy overall. He also noted that the prospect of added manufacturing jobs may appeal to many Americans because manufacturing jobs pay well.

To identify the 10 states where manufacturing matters, 24/7 Wall St. used state gross domestic product (GDP) figures published by the Bureau of Economic Analysis for 2012. We determined from these data which states had the largest percentage of output attributable to manufacturing. Data on specific industries within the manufacturing sector from 2011 represent the most recent available figures. Employment figures for each state come from the Bureau of Labor Statistics and are seasonally adjusted.

Seasonally adjusted manufacturing job totals were not available for Alabama and Oklahoma.

These are the 10 states where manufacturing matters.

## 10. Alabama

--Manufacturing share of output: 16.3%

--Manufacturing output 2012: \$30 billion (22nd highest)

--2012 Unemployment rate: 7.3%

More than 16% of Alabama's \$183 billion worth of total output in 2012 came from manufacturing industries, about \$30 billion. Last year, much of this



output — \$16.6 billion worth — came from the manufacturing of durable goods, which in 2012 accounted for 9.1% of total GDP, the ninth highest percentage in the country. This includes the manufacturing of wood products, nonmetallic mineral products and so forth. News reports suggest a strong tradition of manufacturing in Alabama. Mobile County, for example, will now be the site of Airbus's new A320 jetliner final assembly line, which will likely be the company's first U.S.-based production facility. The project, which is scheduled to begin in 2015, is expected to create thousands of jobs, a welcome prospect in the wake of declining manufacturing industries this past decade.

#### 9. Michigan

--Manufacturing share of output: 16.5%

--Manufacturing output 2012: \$66.2 billion (8th highest)

--2012 Unemployment rate: 9.1%

Each of the "Big Three" U.S. auto manufacturers — Chrysler, Ford and General Motors — is based in Michigan, and car sales are trending upward. This likely will be critical for the state: motor vehicle manufacturing accounted for nearly 5% of the state's total GDP in 2011, far more than any other state. Michigan also led the nation with \$18.8 billion in motor vehicle manufacturing output in 2011. The resurgence in the auto industry has not only boosted output, but also led to job growth. Manufacturing employment in Michigan rose 7.9% between the ends of 2010 and 2011, leading all states, and then by an additional 3.9% between the ends of 2011 and 2012, also among the most in the nation. But this did little to help Detroit avoid a bankruptcy filing, since extremely few auto manufacturing jobs exist within the city limits.

#### 8. Iowa

--Manufacturing share of output: 16.7%

--Manufacturing output 2012: \$25.4 billion (25th highest)

--2012 Unemployment rate: 5.2%

Iowa had the 30th largest state economy in the nation last year. However, relative to its GDP, Iowa is still one of the nation's largest manufacturers. This is especially the case for non-durable goods, which accounted for 8.4% of the state's total output in 2012, the fifth-highest percentage in the nation. In 2011, when non-durable goods manufacturing accounted for 8.3% of Iowa's output, nearly half of this contribution came from food, beverage and tobacco manufacturing. At 4% of state GDP, this was more than any other state except North Carolina. Despite low crop yields due to drought, Iowa was the leading producer of both corn and soybeans in 2012, according to the USDA.

#### 7. Ohio

--Manufacturing share of output: 17.1%

--Manufacturing output 2012: \$87.2 billion (5th highest)

--2012 Unemployment rate: 7.2%

Ohio is a major manufacturer of a range of products. In 2011, it was one of the largest manufacturers of both primary and fabricated metals products, which together accounted for about 3% of the state's output that year. The state was also the nation's leader in producing plastics and rubber products, which accounted for more than \$5.3 billion in output in 2011, or 1.1% of Ohio's total output. Likely contributing to Ohio's high output of manufactured rubber products, the state is home to Goodyear Tire & Rubber, a Fortune 500 company. At the end of 2012, Ohio was one of the top states for manufacturing employment, with roughly 658,000 jobs, trailing only far-larger California and Texas.

#### 6. Kentucky

--Manufacturing share of output: 17.1%

--Manufacturing output 2012: \$29.75 billion (23rd highest)

--2012 Unemployment rate: 8.2%

In 2011, Kentucky manufactured nearly \$4 billion worth of motor vehicles, bodies, trailers and parts, the fifth-largest output in the nation. As of 2011, this manufacturing industry was worth 2.4% of Kentucky's GDP, the third-largest percentage in the country. In 2011, electrical equipment, appliance and component manufacturing had an output of only about \$1.3 billion the 15th highest, but this may be expected to improve. Louisville is home to the GE Appliance Park, where the company has recently built two new assembly lines. The assembly lines, which cost more than \$100 million, will produce high-efficiency washing machines and will create about 200 jobs, in addition to the thousands of jobs GE has created in the region over the past few years with its opening of several other factories.

#### 5. Wisconsin

--Manufacturing share of output: 19.1%

--Manufacturing output 2012: \$49.98 billion (12th highest)

--2012 Unemployment rate: 6.9%

Wisconsin led the nation in paper manufacturing in 2011, with nearly \$4 billion in output, which was 1.5% of the state's total GDP and the third-greatest portion of total output. In 2012, Wisconsin was a large producer of durable goods, which accounted for 11.3% of its GDP, up from 10.7% the previous year, holding on to its fourth place position. In spite of Wisconsin's high output in the paper industry, the state's Chamber of Commerce has expressed concerns regarding the implementation of government regulations that may hurt current and future job prospects. Officials in Wisconsin claim the new Boiler MACT regulations, for example, will have a negative economic impact on pulp and paper industry jobs in the state.



#### 4. North Carolina

--Manufacturing share of output: 19.4%

--Manufacturing output 2012: \$88.25 billion (4th highest)

--2012 Unemployment rate: 9.5%

--Last year, North Carolina was the fourth-largest manufacturing economy in the country, losing the third-place position to Illinois. In 2011, of the state's \$84 billion manufacturing output, nearly \$24 billion alone came from chemical manufacturing. Roughly 5.5% of the state's GDP arose from chemical manufacturing alone. Another close to \$20 billion came from the food, beverage and tobacco product industry, more than any state but California. North Carolina's tobacco economy is one of the second-largest in the country, and R.J. Reynolds, the second-largest tobacco company by sales in the U.S., is based in the state.

#### 3. Louisiana

--Manufacturing share of output: 22.6%

--Manufacturing output 2012: \$55.10 billion (11th highest)

--2012 Unemployment rate: 6.4%

--None of the nation's manufacturing leaders produced less output from durable goods manufacturing than Louisiana, at \$7.7 billion. Similarly, in 2011, the state produced just \$7.1 billion in manufactured durable goods. Louisiana was among the nation's largest manufacturers of chemicals, as well as petroleum and coal products, that year, helping the state's totals. As of 2011, more than 10% of the state's GDP came from petroleum and coal manufacturing, by far the highest percentage in the nation. The state remains one of the nation's leading oil refiners. According to the U.S. Energy Information Administration, "the Louisiana Offshore Oil Port (LOOP) is the only port in the U.S. capable of offloading deep draft tankers."

#### 2. Oregon

--Manufacturing share of output: 27.8%

--Manufacturing output 2012: \$55.16 billion (10th highest)

--2012 Unemployment rate: 8.7%

Oregon manufactured nearly \$38 billion worth of computer and electronic products in 2011, up from the year before, and second in the nation. That output is behind California, but its percentage of total GDP was 20%, surpassing by far second place Idaho, where computer and electronic manufacturing accounts for only about 5.8% of total output as of 2011. Recent outside investments in the state reinforce the tech-heavy industries in Oregon. In the first half of this year, for example, AT&T invested nearly \$80 million in its Oregon network to improve performance for Oregon residents, according to the Portland Business Journal.

#### 1. Indiana

--Manufacturing share of output: 28.2%

--Manufacturing output 2012: \$84.15 billion (6th highest)

--2012 Unemployment rate: 8.4%

Indiana has added manufacturing jobs at one of the fastest rates in the nation over the past several years, with year-over-year growth in manufacturing at or above 3.7% at the end of each of the past three years. Some of this growth came from companies like Honda expanding their factories and adding thousands of jobs, which made headlines in 2011. Developments like these are critical for the economy of the state, which depends on manufacturing more than anywhere else in the nation. In 2012, Indiana had just the nation's 16th largest economy, while its output from manufacturing exceeded all but a handful of states. In 2010 and 2011, Indiana was one of the leading states in total output from both motor vehicle-related and chemicals manufacturing. Manufacturing of chemical products accounted for 7% of the state's GDP in 2011, at least partly due to the presence of pharmaceutical giant Eli Lilly, which has vendors throughout the state.

*24/7 Wall St.com (<https://www.247wallst.com/>) is a financial news and commentary website. Its content is produced independently of USA TODAY.*

Read or Share this story: <http://usat.ly/1cBVHTv>

## **ORDINANCE NO. 747**

### **AN ORDINANCE OF THE CITY OF WILSONVILLE ADOPTING THE CITY OF WILSONVILLE PUBLIC WORKS STANDARDS – 2014 TO UPDATE AND REPLACE PUBLIC WORK STANDARDS- 2006 AND REPEALING THAT PORTION ORDINANCE 610 ADOPTING PRIOR PUBLIC WORKS STANDARDS -2006**

WHEREAS, the City's current Public Works Standards were last updated in 2006 and adopted by Ordinance No. 610 on May 1, 2006 ; and

WHEREAS, standard engineering practice is to review, revise and update design and construction standards to maintain compliance with the periodic changes to national and state design requirements, guidelines, and specifications; and

WHEREAS, updating the Public Works Standards and being in conformance with national and state guidelines is critical in producing high quality construction, limiting maintenance cost for the City, and limiting the City's exposure to legal liability; and

WHEREAS, the Public Works Standards provide design requirements, material specifications, construction procedures and specifications, testing standards, and acceptance and maintenance requirements for construction of all publicly maintained roadways and pathways, and stormwater, sanitary, and water systems to be used by developers, design engineers, and contractors; and

WHEREAS, the Public Works Standards for designing and constructing public facilities are intended to protect public health, safety, and welfare; and

WHEREAS, it is to the benefit of the City of Wilsonville, developers, design engineers, and contractors to have all specifications and design requirements relating to publicly maintained infrastructure located within a single source of information; and

WHEREAS, after providing due public notice, as required by City Code and State Law, a public hearing was held before the City Council on September 4, 2014, at which time the City Council having received a copy of Public Works Standards – 2006 gathered additional evidence and afforded all interested parties an opportunity to present oral and written testimony concerning the Public Works Standards; and

WHEREAS, the City Council has carefully considered the public record, including all recommendations and testimony, and being fully advised.



NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

1. FINDINGS.

The above-recited findings and those findings and conclusions in the attached staff report, attached hereto as Exhibit A, are hereby adopted as findings of fact and conclusions of law.

2. DETERMINATION.

Based upon such findings, the City Council hereby adopts the Public Works Standards – 2014, a copy of which is on file with the City Recorder and made part of the record hereof, which shall repeal, replace and supersede all prior Public Works Standards adopted by Ordinance, including Ordinance No. 610 , resolution or motion. The provisions of section 3 addressing the land use development code and the findings in section 1 that address section 3 of Ordinance 610 remain in full force and effect.

3. EFFECTIVE DATE OF ORDINANCE.

This Ordinance shall be declared to be in full force and effect thirty (30) days from the date of final passage and approval.

SUBMITTED to the Wilsonville City Council and read for the first time at a special meeting thereof on the 4th day of September, 2014, and scheduled for a second reading at a regular meeting of the Council on the 15th day of September, 2014, commencing at the hour of 7:00 P.M. at the Wilsonville City Hall.

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Sandra C. King, MMC, City Recorder

ENACTED by the City Council on the \_\_\_\_ day of \_\_\_\_, 2014 by the following votes:

Yes: \_\_\_\_ No: \_\_\_\_

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Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this \_\_\_\_ day of \_\_\_\_, 2014.

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TIM KNAPP, Mayor

**SUMMARY OF VOTES:**

Mayor Knapp -

Council President Starr -

Councilor Goddard -

Councilor Fitzgerald -

Councilor Stevens -

**CITY COUNCIL ROLLING SCHEDULE**  
**Board and Commission Meetings 2014-15**

**SEPTEMBER**

DATE	DAY	TIME	MEETING	LOCATION
9/15	Monday	7 p.m.	City Council Meeting	Council Chambers
9/22	Monday	6:30 p.m.	DRB Panel B	Council Chambers
9/23	Tuesday	6 p.m.	URA Task Force Meeting	Willamette River Room
9/23	Tuesday		Aquatic Task Force	TBD
9/24	Wednesday	6:30 p.m.	Library Board	Library

**OCTOBER**

DATE	DAY	TIME	MEETING	LOCATION
10/6	Monday	7 p.m.	City Council Meeting	Council Chambers
10/8	Wednesday	1 p.m.	Wilsonville Community Seniors, Inc.	Community Center
10/8	Wednesday	6 p.m.	Planning Commission	Council Chambers
10/9	Thursday	6:30 p.m.	Parks and Recreation Advisory Board	Council Chambers
10/13	Monday	6:30 p.m.	DRB Panel A	Council Chambers
10/20	Monday	7 p.m.	City Council Meeting	Council Chambers
10/22	Wednesday	6:30 p.m.	Library Board	Library
10/27	Monday	6:30 p.m.	DRB Panel B	Council Chambers

**COMMUNITY EVENTS**

**SPA SATURDAY AT THE CENTER**

**October 4 – 10 a.m. – Noon, Community Center**

Yoga, Tai Chi, Meditation, Massage, Spa Retail Gifts and more!  
 All proceeds raised will benefit the City's Senior Nutrition Program

**ANTIQUE APPRAISAL DAY**

**October 11 – 10 a.m. – 2p.m., Community Center**

Professional antique appraiser David Wilsonville will appraise the value of items for \$10 per item.  
 All proceeds raised will benefit the City's Senior Nutrition Program.

**HARVEST FESTIVAL**

**October 18 – 9:30 a.m. – 11:30 a.m., Stein-Boozier Barn at Murase Plaza**

Pumpkin decorating, horse and wagon rides,  
 costume parade for kids and pets at 10:15 a.m.



But wait, there's more.....



### **CHARBONNEAU ARTS FESTIVAL**

**October 25 – 3 p.m. to October 26 at 5 p.m., Charbonneau Country Club**

### **WILLAMETTE WATER SUPPLY OPEN HOUSE**

**October 28 – 6 p.m., Wilsonville City Hall Willamette River Room**

TVWD and Hillsboro are holding a series of open houses to provide opportunities for the public to give feedback on the water transmission line route alternatives.

Visit [www.OurReliableWater.org](http://www.OurReliableWater.org) to learn more.

### **FROG POND AREA PLANNING**

Frog Pond Technical Advisory Committee

October 2

2:30 p.m. – 4:30 p.m.

City Hall Willamette River Room

Frog Pond Task Force Meeting #3

October 2

6 p.m.

City Hall Willamette River Room

Frog Pond Area Plan Open House

October 16

5:30 p.m. – 8 p.m.

City Hall Council Chambers



## CITY COUNCIL MEETING STAFF REPORT

<b>Meeting Date:</b>  September 15, 2014	<b>Subject: Ordinance No. 748</b> An Ordinance Establishing a Tax on the Sale of Marijuana and Marijuana-Infused Products in the City of Wilsonville  <b>Staff Member: Mike Kohlhoff</b> <b>Department: Legal</b>	
<b>Action Required</b> <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input checked="" type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input checked="" type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	<b>Advisory Board/Commission Recommendation</b> <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable  <b>Comments:</b>	
<b>Staff Recommendation:</b> Approve first and second reading, by title only, of Ordinance No. 748		
<b>Recommended Language for Motion:</b> I move to adopt the first and second reading, by title only, of Ordinance No. 748, "An Ordinance Establishing a Tax on the Sale of Marijuana and Marijuana-Infused Products in the City of Wilsonville."		
<b>PROJECT / ISSUE RELATES TO:</b> <i>[Identify which goal(s), master plans(s) issue relates to.]</i>		
<input type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)	<input type="checkbox"/> Not Applicable

### ISSUE BEFORE COUNCIL:

The Ordinance on this agenda for first reading imposes a gross receipts tax on the sale of medical marijuana, recreational marijuana (should it be legalized by Oregon voters in November) and marijuana-infused products. The Ordinance, which is similar to marijuana taxation ordinances passed by the cities of Hillsboro and Ashland, imposes a lower tax rate on medical marijuana (5%) than that imposed on recreational marijuana (10%). The Ordinance applies to all retailers of marijuana and medical marijuana. The Ordinance allows the seller to retain five percent (5%)



of taxes collected to defray the costs of bookkeeping and remittance. The tax would apply to legal and illegal operations. In order for this Ordinance to be timely enacted prior to the November election, the Ordinance must come before Council for a second reading as well. Two readings at one Council meeting are allowed if both pass by a unanimous vote of all Council members.

#### **EXECUTIVE SUMMARY:**

Oregon voters legalized medical marijuana via initiative petition in 1999. Shortly thereafter, medical marijuana dispensaries began opening around the state. These dispensaries essentially served as a middle-man for marijuana growers and medical marijuana patients. While these dispensaries were at least arguably legal, they were unregulated and the source of controversy in many communities.

The 2013 Oregon Legislature passed House Bill 3460, which created regulatory and licensing requirements for medical marijuana dispensaries. To date, there are approximately 198 approved and 115 provisionally approved dispensaries in Oregon. The City of Wilsonville passed Ordinance No. 740, which effectively bans medical marijuana dispensaries in Wilsonville during the legislatively allowed moratorium period, which ends May 1, 2015. Additionally, the City's business license Ordinance remains in effect and prohibits the operation of any business in Wilsonville that by its very nature violates federal law. This Ordinance therefore effectively bans all marijuana businesses from Wilsonville, with no sunset date, as long as sale and possession of marijuana remains illegal under federal law.

Signature-gathering is currently underway for a ballot measure that would legalize the sale of recreational marijuana in Oregon and prohibit local jurisdictions from taxing its sale. This measure is likely to appear on the November ballot. At this point in time, however, there is nothing in current Oregon law that prohibits a local government from taxing marijuana.

The Ordinance presented for Council consideration is a gross receipts tax on the sale of recreational marijuana, medical marijuana and marijuana-infused products. A gross receipts tax is applied to the total gross taxable revenues of a business. It is similar to a sales tax except that it is levied on the seller rather than the purchaser. The seller is responsible for maintaining accurate records of its gross revenues from taxable goods and services and then remitting a percentage to the taxing entity. Many businesses that are subject to a gross receipts tax will show the tax on the bill of sale they present to the customer, but it is nonetheless the business that is responsible for paying the tax.

Staff elected not to recommend a taxation scenario in which growers and processors are also taxed, for a number of reasons. First, under Oregon law, growers and grow sites must register with the state, but their locations and identities are confidential. City staff would have no way of identifying them in order to apply a tax. Further, City staff has no experience with administering a value added tax, which is essentially what this would be, and is reluctant to even attempt to create the administrative structure for such a tax. In addition, all taxes, regardless of where they are assessed in the supply chain, are ultimately passed on to the consumer. Therefore, the gross receipts of a business would reflect all of the costs incurred along the supply chain and a gross receipts tax would capture tax revenue from each of those elements. How to disperse that tax



liability within the supply chain would be left to the growers, processors, and retailers, rather than to the City. Finally, the proposed ballot measure specifically prohibits a tax on growers. Thus, if our Ordinance contained a tax on growers, it would be in direct conflict with the enacted law and therefore more subject to challenge under the proposed measure's Section 58, which contains language repealing conflicting charters and ordinances.

As stated above, there is nothing in current Oregon law that prohibits the City from taxing marijuana, but it should be noted that the marijuana initiative most likely to be considered by the voters in November contains the following express language:

"SECTION 42. State has exclusive right to tax marijuana. No county or city of this state shall impose any fee or tax, including occupation taxes, privilege taxes and inspection fees, in connection with the purchase, sale, production, processing, transportation, and delivery of marijuana items."

Because the above language does not specifically repeal a local marijuana tax in effect at the time of the measure's passage, and because this language could be interpreted to read "No county or city of this state shall [after the effective date of this measure] impose any fee or tax..." it can be argued that this language would not be in conflict with the ballot measure and that the ballot measure does not preempt this taxation Ordinance, if the Ordinance is adopted by the Council before passage of the ballot measure. Alternatively, the language can be interpreted by the Legislature or Courts as "No county or city of this state shall [be allowed at any time to] impose any fee or tax..." As such, absent adjudication in a state court, there is no guarantee that a local tax imposed prior to passage of this initiative would survive beyond the effective date of the initiative, unless the initiative language is modified by the Legislature or the initiative fails.

**EXPECTED RESULTS:**

Taxing marijuana could limit the number of sellers in the Wilsonville area, with such sellers electing instead to operate in cities without such a tax. On the negative side, taxability has been argued to lead to more black market unlicensed sales and these sellers are harder to catch and tax.

**TIMELINE:**

Passage must occur before the November election to give the Ordinance a better chance of being upheld as not being in direct conflict with the ballot measure, should it become law.

**CURRENT YEAR BUDGET IMPACTS:**

May add some revenue, but legalization will create additional law enforcement costs, so this is not anticipated to be a large revenue generator.

**FINANCIAL REVIEW / COMMENTS:**

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

**LEGAL REVIEW / COMMENT:**

Reviewed by: Michael Kohlhoff Date: September 11, 2014

Author of report.

**COMMUNITY INVOLVEMENT PROCESS:**

Not applicable.

**POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY** (businesses, neighborhoods, protected and other groups):

Fewer retail sales of marijuana within the City of Wilsonville.

**ALTERNATIVES:**

Do not impose the tax now. Wait for the voters to decide.

**CITY MANAGER COMMENT:**

**ATTACHMENTS**

A. Ordinance No. 748



## ORDINANCE NO. 748

### AN ORDINANCE OF THE CITY OF WILSONVILLE ESTABLISHING A TAX ON THE SALE OF MARIJUANA AND MARIJUANA-INFUSED PRODUCTS IN THE CITY OF WILSONVILLE AND ADDING A NEW WILSONVILLE MUNICIPAL CODE SECTION

WHEREAS, Chapter II "Powers," Section 4, of the City of Wilsonville ("City") City Charter provides:

"Powers of the City. The City shall have all powers that the constitutions, statutes and common law of the United States and of this state expressly or impliedly [sic] grant or allow municipalities, as fully as though this charter specifically enumerated each of those powers."; and

WHEREAS, the City desires to tax the sale or transfer of marijuana and marijuana-infused products within the City; and

WHEREAS, the City is aware that Ballot Measure 91 is scheduled for the November 4, 2014 general election and provides for a tax on engaging in the business of producing marijuana; and

WHEREAS, this Ordinance is scheduled to be enacted and take effect prior to November 4, 2014 and is intended to be read *in pari materia* with Ballot Measure 91, should it pass, as the Ordinance excludes any tax on engaging in the business of producing marijuana, which is the tax imposed under Ballot Measure 91;

NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

1. A new Chapter 7, Section 7.500 series, "Marijuana and Marijuana-Infused Products Tax," establishing a tax on the sale of marijuana and marijuana-infused products is hereby added to Chapter 7 "Businesses" of the City of Wilsonville Code, as follows:

#### **7.500 Purpose**

For the purposes of this Section, any Seller of Marijuana, medical Marijuana, or Marijuana-infused products in the City is exercising a taxable privilege. The purpose of this Section is to impose a Tax upon the Retail Sale of Marijuana, medical Marijuana, and Marijuana-infused products and not on the business of producing Marijuana.

### **7.505 Definitions**

When not clearly otherwise indicated by the context, the following words and phrases, as used in Sections 7.500 through 7.565, have the following meanings:

- (1) Director means the City's Finance Director or his/her designee.
- (2) Gross Taxable Sales means the total amount received in money, credits, property, or other consideration from Sales of Marijuana, medical Marijuana, and Marijuana-infused products that are subject to the Tax imposed by Section 7.510.
- (3) Marijuana means all parts of the plant of the Cannabis family Moraceae, whether growing or not; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its resin, as may be defined by Oregon Revised Statutes as they currently exist or may from time to time be amended. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.
- (4) Oregon Medical Marijuana Program means the office within the Oregon Health Authority that administers the provisions of ORS 475.300 through 475.346, the Oregon Medical Marijuana Act, and all policies and procedures pertaining thereto.
- (5) Person means natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business, trust, organization, or any group or combination acting as a unit, including the United States of America, the state, and any political subdivision thereof, or the manager, lessee, agent, servant, officer, or employee of any of them.
- (6) Purchase or Sale means the retail acquisition or furnishing for consideration by any Person of Marijuana within the City and does not include the acquisition or furnishing of Marijuana by a grower or processor to a Seller.
- (7) Registry Identification Cardholder means a Person who has been diagnosed by an attending physician with a debilitating medical condition and for whom the use of medical Marijuana may mitigate the symptoms or effects of the Person's debilitating medical condition, and who has been issued a registry identification card by the Oregon Health Authority.
- (8) Retail Sale means the transfer of goods or services in exchange for any valuable consideration and does not include the transfer or exchange of goods or services between a grower or processor and a Seller.



(9) Seller means any Person who sells Marijuana or Marijuana-infused products to purchasers for money, credit, property, or other consideration within the City.

(10) Tax means either the tax payable by the Seller or the aggregate amount of taxes due from a Seller during the period for which the Seller is required to report collections under Section 7.520.

(11) Taxpayer means any Person obligated to account to the Director for Taxes collected or to be collected, or from whom a Tax is due, under the terms of this Section 7.500 series.

#### **7.510 Levy of Tax**

(1) Every Seller exercising the taxable privilege of selling Marijuana and Marijuana-infused products, as defined in Section 7.505, is subject to and must pay a Tax for exercising that privilege.

(2) The amount of Tax levied is as follows:

(a) Five (5%) percent of the Gross Taxable Sale amount paid to the Seller of Marijuana and Marijuana-infused products by a Person who is a Registry Identification Cardholder.

(b) Ten (10%) percent of the Gross Taxable Sale amount paid to the Seller of Marijuana and Marijuana-infused products by Persons who are purchasing Marijuana and Marijuana-infused products but are not doing so under the provisions of the Oregon Medical Marijuana Program.

#### **7.515 Deductions**

The following deductions are allowed against Sales received by the Seller providing Marijuana:

(1) Documented refunds of Sales actually returned to any purchaser.

(2) Documented adjustments in Sales that amount to a refund to a purchaser, providing such adjustment pertains to the actual Sale of Marijuana or Marijuana-infused products and does not include any adjustments for other services furnished by a Seller.

#### **7.520 Seller Responsible for Payment of Tax**

(1) Every Seller must, on or before the last day of the month following the end of each calendar quarter (in the months of April, July, October, and January), make a return to the Director, on forms provided by the City, specifying the total

Sales subject to Section 7.510 and the amount of Tax collected under Section 7.510. The Seller may request, or the Director may establish, shorter reporting periods for any Seller if the Seller or Director deems it necessary in order to ensure collection of the Tax. The Director may require further information in the return relevant to payment of the Tax. A return is not considered filed until it is actually received by the Director.

(2) At the time the return is filed, the Seller must remit to the City the full amount of the Tax collected. Payments received by the City for application against existing liabilities will be credited toward the period designated by the Taxpayer under conditions that are not prejudicial to the interest of the City. A condition considered prejudicial is the imminent expiration of the statute of limitations for a period or periods.

(3) The City will apply non-designated payments in the order of the oldest liability first, with the payment credited first toward any accrued penalty, then to interest, then to the underlying Tax, until the payment is exhausted. Crediting of a payment toward a specific reporting period will be first applied against any accrued penalty, then to interest, then to the underlying Tax.

(4) If the Director, in his or her sole discretion, determines that an alternative order of payment application would be in the best interest of the City in a particular tax or factual situation, the Director may order such a change. The Director may establish shorter reporting periods for any Seller if the Director deems it necessary in order to ensure collection of the Tax. The Director also may require additional information in the return relevant to payment of the liability. When a shorter return period is required, penalties and interest will be computed according to the shorter return period. Returns and payments are due immediately upon cessation of business for any reason. Sellers must hold in trust all Taxes collected pursuant to Section 7.510 for the City's account until the Seller makes payment to the City. A separate trust bank account is not required in order to comply with this provision.

(5) Every Seller required to remit the Tax imposed by Section 7.510 is entitled to retain five percent of all Taxes collected and due to the City to defray the costs of bookkeeping and remittance.

(6) Every Seller must keep and preserve, in an accounting format established by the Director, records of all Sales made by the Seller and such other books or accounts as the Director may require. Every Seller must keep and preserve for a period of three years all such books, accounts, and other records. The Director has the right to inspect all such records at all reasonable times.



#### **7.525 Penalties and Interest**

- (1) Any Seller who fails to remit any portion of any Tax imposed by Section 7.510 within the time required must pay a penalty of ten percent (10%) of the amount of the Tax, in addition to the amount of the Tax.
- (2) If any Seller fails to remit any delinquent remittance on or before a period of 60 days following the date on which the remittance first became delinquent, the Seller must pay a second delinquency penalty of ten percent (10%) of the amount of the Tax, in addition to the amount of the Tax and the penalty first imposed.
- (3) If the Director determines that the nonpayment of any remittance due under Section 7.510 is due to fraud, a penalty of twenty-five percent (25%) of the amount of the Tax will be added thereto, in addition to the penalties stated in Section 7.525(1) and (2).
- (4) In addition to the penalties imposed, any Seller who fails to remit any Tax imposed by Section 7.510 must pay interest [at the rate of one percent (1%) per month] or fraction thereof on the amount of the Tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
- (5) Every penalty imposed, and any interest that accrues under the provisions of Section 7.525(4), becomes a part of the Tax required to be paid.
- (6) All sums collected pursuant to the penalty provisions in Section 7.525(1), (2), and (3) will be distributed to the City's general fund.
- (7) Penalties for certain late Tax payments may be waived or reduced pursuant to policies and processes adopted by the Director. However, the Director is not required to create a penalty waiver or reduction policy. If the Director does not create a policy for waivers or reductions, no waivers or reductions are allowed.

#### **7.530 Failure to Report and Remit Tax**

- (1) If any Seller fails to make any report of the Tax required by Section 7.510 within the time provided in Section 7.520, the Director will proceed to obtain facts and information on which to base the estimate of Tax due. As soon as the Director procures such facts and information upon which to base the assessment of any Tax imposed by Section 7.510 and payable by any Seller, the Director will determine and assess against such Seller the Tax, interest, and penalties provided for by Section 7.525.
- (2) If the Director makes a determination as outlined in Section 7.530(1), the Director must give notice to the Seller of the amount assessed. The notice must

be personally served on the Seller or deposited in the United States mail, postage prepaid, addressed to the Seller at the last known place of address.

(3) The Seller may appeal the determination as provided in Section 7.535. If no appeal is timely filed, the Director's determination is final and the amount assessed is immediately due and payable.

#### **7.535 Appeal**

(1) Any Seller aggrieved by any decision of the Director with respect to the amount of Tax owed, along with interest and penalties, if any, may appeal the decision to the City Manager.

(2) The Seller must file the appeal within 30 days of the City's serving or mailing of the determination of Tax due. The Seller must file using forms provided by the City.

(3) Upon receipt of the appeal form, the City Manager will schedule a hearing to occur within 20 business days. The City Manager will give the Seller notice of the time and date for the hearing no less than seven days before the hearing date. At the hearing, the City Manager will hear and consider any records and evidence presented bearing upon the Director's determination of amounts due and make findings affirming, reversing, or modifying the determination. The Director and the appellant may both provide written and oral testimony during the hearing. The findings of the City Manager are final and conclusive. The City will serve the findings upon the appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due is immediately due and payable upon the service of notice.

#### **7.540 Refunds**

(1) The City may refund to the Seller any Tax, interest, or penalty amount under any of the following circumstances:

- (a) The Seller has overpaid the correct amount of Tax, interest, or penalty;
- (b) The Seller has paid more than once for the correct amount owed; or
- (c) The City has erroneously collected or received any Tax, interest, or penalties.

(2) The City may not issue a refund under Section 7.540(1) unless the Seller provides to the Director a written claim under penalty of perjury stating the specific grounds upon which the claim is founded and on forms furnished by the City. The Seller must file the claim within one year from the date of the alleged incorrect payment to be eligible for a refund.



(3) The Director has 20 calendar days from the date of the claim's receipt to review the claim and make a written determination as to its validity. After making the determination, the Director will notify the claimant in writing of the determination by mailing notice to the claimant at the address provided on the claim form.

(4) If the Director determines the claim is valid, the claimant may either claim a refund or take as a credit against Taxes collected and remitted the amount that was overpaid, paid more than once, or erroneously received or collected by the City. The claimant must notify the Director of the claimant's choice no later than 15 days following the date the Director mailed the determination, and the claimant must do so in a manner prescribed by the Director.

(5) If the claimant does not notify the Director of the claimant's choice within the 15-day period and the claimant is still in business, the City will grant a credit against the Tax liability for the next reporting period. If the claimant is no longer in business, the City will mail a refund check to claimant at the address provided in the claim form.

(6) The City will not pay a refund unless the claimant establishes by written records the right to a refund and the Director acknowledges the claim's validity.

#### **7.545 Actions to Collect**

(1) Any Tax required to be paid by any Seller under the provisions of Section 7.510 is a debt owed by the Seller to the City. Any Tax collected by a Seller that has not been paid to the City is a debt owed by the Seller to the City. Any Person owing money to the City under the provisions of Section 7.510 is liable to an action brought in the name of the City of Wilsonville for the recovery of the amount owing. In lieu of filing an action for recovery, the City, when Taxes due are more than 30 days delinquent, may submit any outstanding Tax due to a collection agency. So long as the City has complied with the provisions set forth in ORS 697.105, if the City turns over a delinquent Tax account to a collection agency, it may add to the amount owing an amount equal to the collection agency fees, not to exceed the greater of Fifty Dollars (\$50) or fifty percent (50%) of the outstanding Tax, penalties, and interest owing.

#### **7.550 Violation Infractions**

(1) All violations of Sections 7.510 and 7.520 are punishable as set forth in City Code Section 1.013. It is a violation of Sections 7.510 and 7.520 for any Seller or other Person to:

(a) Fail or refuse to comply as required herein;

- (b) Fail or refuse to furnish any return required to be made;
  - (c) Fail or refuse to permit inspection of records;
  - (d) Fail or refuse to furnish a supplemental return or other data required by the Director;
  - (e) Render a false or fraudulent return or claim; or
  - (f) Fail, refuse, or neglect to remit the Tax to the City by the due date.
- (2) The remedies provided by Sections 7.525, 7.545, and 7.550(1) are not exclusive and do not prevent the City from exercising any other remedy available under the law.
- (3) The remedies provided by this Section do not prohibit or restrict the City or other appropriate prosecutor from pursuing criminal charges under state law or City ordinance.

#### **7.555 Confidentiality**

- (1) Except as otherwise required by law, it is unlawful for the City, any officer, employee, or agent to divulge, release, or make known in any manner any financial information submitted or disclosed to the City under the terms of Section 7.520. Nothing in this Section 7.555 prohibits any of the following:
- (a) The disclosure of the names and addresses of any Person who is operating a licensed establishment from which Marijuana is sold or provided;
  - (b) The disclosure of general statistics in a form which would not reveal an individual Seller's financial information;
  - (c) Presentation of evidence to the court, or other tribunal having jurisdiction, in the prosecution of any criminal or civil claim by the City or an appeal from the City for amounts due the City under Section 7.510;
  - (d) The disclosure of information when such disclosure of conditionally exempt information is ordered under public records law procedures; or
  - (e) The disclosure of records related to a business' failure to report and remit the Tax when the report or Tax is in arrears for over six months or when the Tax exceeds \$5,000. The City Council expressly finds that the public interest in disclosure of such records clearly outweighs the interest in confidentiality under ORS 192.501(5).



#### **7.560 Audit of Books, Records, or Persons**

(1) The City may examine or may cause to be examined by an agent or representative designated by the City for that purpose, any books, papers, records, or memoranda, including copies of Seller's state and federal income Tax return, bearing upon the matter of the Seller's Tax return for the purpose of determining the correctness of any Tax return, or for the purpose of an estimate of Taxes due. All books, invoices, accounts, and other records must be made available within the City limits and be open at any time during regular business hours for examination by the Director or an authorized agent of the Director. If any Taxpayer refuses to voluntarily furnish any of the foregoing information when requested, the Director may immediately seek a subpoena from the municipal court to require that the Taxpayer or a representative of the Taxpayer attend a hearing or produce any such books, accounts, and records for examination.

#### **7.565 Forms and Regulations**

(1) The Director is authorized to prescribe forms and promulgate rules and regulations to aid in the making of returns, the ascertainment, assessment, and collection of the Marijuana Tax, and to provide for:

(a) A form of report on Sales and Purchases to be supplied to all vendors;

(b) The records that Sellers providing Marijuana and Marijuana-infused products must keep concerning the Tax imposed by Section 7.510.

2. Severability. The sections, subsections, paragraphs, and clauses of this Ordinance are severable. The invalidity of one section, subsection, paragraph, or clause does not affect the validity of the remaining sections, subsections, paragraphs, and clauses.
3. Savings. Nothing in this Ordinance affects the validity of prosecutions related to marijuana use and possession under state or federal laws, or Wilsonville Code, currently in effect.
4. The City Recorder is directed to amend Wilsonville Code Chapter 7, to add Sections 7.500 through 7.570, as approved above, and to make such format, style, and conforming changes to match the format and style of Chapter 7 of the Wilsonville Code.

SUBMITTED to the Wilsonville City Council and read for the first time at a meeting thereof on the 15<sup>th</sup> day of September, 2014, commencing at the hour of 7 p.m., at the Wilsonville

City Hall, 29799 SW Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading at the same hour and place.

\_\_\_\_\_  
Sandra C. King, MMC, City Recorder

ENACTED by the City Council on the \_\_\_\_ day of \_\_\_\_\_, 2014, by the following votes:            Yes: \_\_\_\_            No: \_\_\_\_

\_\_\_\_\_  
Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
TIM KNAPP, MAYOR

**SUMMARY OF VOTES:**

Mayor Knapp  
Council President Starr  
Councilor Goddard  
Councilor Fitzgerald  
Councilor Stevens



## CITY COUNCIL MEETING STAFF REPORT

<b>Meeting Date:</b>  September 15, 2014	<b>Subject: Ordinance No. 748</b> An Ordinance Establishing a Tax on the Sale of Marijuana and Marijuana-Infused Products in the City of Wilsonville  <b>Staff Member: Mike Kohlhoff</b> <b>Department: Legal</b>
<b>Action Required</b> <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input checked="" type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input checked="" type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	<b>Advisory Board/Commission Recommendation</b> <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable  <b>Comments:</b>  <div style="height: 80px;"></div>
<b>Staff Recommendation:</b> Approve first and second reading, by title only, of Ordinance No. 748	
<b>Recommended Language for Motion:</b> I move to adopt the first and second reading, by title only, of Ordinance No. 748, "An Ordinance Establishing a Tax on the Sale of Marijuana and Marijuana-Infused Products in the City of Wilsonville."	
<b>PROJECT / ISSUE RELATES TO:</b> <i>[Identify which goal(s), master plans(s) issue relates to.]</i>	
<input type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)
<input type="checkbox"/> Not Applicable	

### ISSUE BEFORE COUNCIL:

The Ordinance on this agenda for first reading imposes a gross receipts tax on the sale of medical marijuana, recreational marijuana (should it be legalized by Oregon voters in November) and marijuana-infused products. The Ordinance, which is similar to marijuana taxation ordinances passed by the cities of Hillsboro and Ashland, imposes a lower tax rate on medical marijuana (5%) than that imposed on recreational marijuana (10%). The Ordinance applies to all retailers of marijuana and medical marijuana. The Ordinance allows the seller to retain five percent (5%)



of taxes collected to defray the costs of bookkeeping and remittance. The tax would apply to legal and illegal operations. In order for this Ordinance to be timely enacted prior to the November election, the Ordinance must come before Council for a second reading as well. Two readings at one Council meeting are allowed if both pass by a unanimous vote of all Council members.

#### **EXECUTIVE SUMMARY:**

Oregon voters legalized medical marijuana via initiative petition in 1999. Shortly thereafter, medical marijuana dispensaries began opening around the state. These dispensaries essentially served as a middle-man for marijuana growers and medical marijuana patients. While these dispensaries were at least arguably legal, they were unregulated and the source of controversy in many communities.

The 2013 Oregon Legislature passed House Bill 3460, which created regulatory and licensing requirements for medical marijuana dispensaries. To date, there are approximately 198 approved and 115 provisionally approved dispensaries in Oregon. The City of Wilsonville passed Ordinance No. 740, which effectively bans medical marijuana dispensaries in Wilsonville during the legislatively allowed moratorium period, which ends May 1, 2015. Additionally, the City's business license Ordinance remains in effect and prohibits the operation of any business in Wilsonville that by its very nature violates federal law. This Ordinance therefore effectively bans all marijuana businesses from Wilsonville, with no sunset date, as long as sale and possession of marijuana remains illegal under federal law.

Signature-gathering is currently underway for a ballot measure that would legalize the sale of recreational marijuana in Oregon and prohibit local jurisdictions from taxing its sale. This measure is likely to appear on the November ballot. At this point in time, however, there is nothing in current Oregon law that prohibits a local government from taxing marijuana.

The Ordinance presented for Council consideration is a gross receipts tax on the sale of recreational marijuana, medical marijuana and marijuana-infused products. A gross receipts tax is applied to the total gross taxable revenues of a business. It is similar to a sales tax except that it is levied on the seller rather than the purchaser. The seller is responsible for maintaining accurate records of its gross revenues from taxable goods and services and then remitting a percentage to the taxing entity. Many businesses that are subject to a gross receipts tax will show the tax on the bill of sale they present to the customer, but it is nonetheless the business that is responsible for paying the tax.

Staff elected not to recommend a taxation scenario in which growers and processors are also taxed, for a number of reasons. First, under Oregon law, growers and grow sites must register with the state, but their locations and identities are confidential. City staff would have no way of identifying them in order to apply a tax. Further, City staff has no experience with administering a value added tax, which is essentially what this would be, and is reluctant to even attempt to create the administrative structure for such a tax. In addition, all taxes, regardless of where they are assessed in the supply chain, are ultimately passed on to the consumer. Therefore, the gross receipts of a business would reflect all of the costs incurred along the supply chain and a gross receipts tax would capture tax revenue from each of those elements. How to disperse that tax



liability within the supply chain would be left to the growers, processors, and retailers, rather than to the City. Finally, the proposed ballot measure specifically prohibits a tax on growers. Thus, if our Ordinance contained a tax on growers, it would be in direct conflict with the enacted law and therefore more subject to challenge under the proposed measure's Section 58, which contains language repealing conflicting charters and ordinances.

As stated above, there is nothing in current Oregon law that prohibits the City from taxing marijuana, but it should be noted that the marijuana initiative most likely to be considered by the voters in November contains the following express language:

"SECTION 42. State has exclusive right to tax marijuana. No county or city of this state shall impose any fee or tax, including occupation taxes, privilege taxes and inspection fees, in connection with the purchase, sale, production, processing, transportation, and delivery of marijuana items."

Because the above language does not specifically repeal a local marijuana tax in effect at the time of the measure's passage, and because this language could be interpreted to read "No county or city of this state shall [after the effective date of this measure] impose any fee or tax..." it can be argued that this language would not be in conflict with the ballot measure and that the ballot measure does not preempt this taxation Ordinance, if the Ordinance is adopted by the Council before passage of the ballot measure. Alternatively, the language can be interpreted by the Legislature or Courts as "No county or city of this state shall [be allowed at any time to] impose any fee or tax..." As such, absent adjudication in a state court, there is no guarantee that a local tax imposed prior to passage of this initiative would survive beyond the effective date of the initiative, unless the initiative language is modified by the Legislature or the initiative fails.

#### **EXPECTED RESULTS:**

Taxing marijuana could limit the number of sellers in the Wilsonville area, with such sellers electing instead to operate in cities without such a tax. On the negative side, taxability has been argued to lead to more black market unlicensed sales and these sellers are harder to catch and tax.

#### **TIMELINE:**

Passage must occur before the November election to give the Ordinance a better chance of being upheld as not being in direct conflict with the ballot measure, should it become law.

#### **CURRENT YEAR BUDGET IMPACTS:**

May add some revenue, but legalization will create additional law enforcement costs, so this is not anticipated to be a large revenue generator.

#### **FINANCIAL REVIEW / COMMENTS:**

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

#### **LEGAL REVIEW / COMMENT:**

Reviewed by: Michael Kohlhoff Date: September 11, 2014

Author of report.

**COMMUNITY INVOLVEMENT PROCESS:**

Not applicable.

**POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY** (businesses, neighborhoods, protected and other groups):

Fewer retail sales of marijuana within the City of Wilsonville.

**ALTERNATIVES:**

Do not impose the tax now. Wait for the voters to decide.

**CITY MANAGER COMMENT:**

**ATTACHMENTS**

A. Ordinance No. 748



## ORDINANCE NO. 748

### AN ORDINANCE OF THE CITY OF WILSONVILLE ESTABLISHING A TAX ON THE SALE OF MARIJUANA AND MARIJUANA-INFUSED PRODUCTS IN THE CITY OF WILSONVILLE AND ADDING A NEW WILSONVILLE MUNICIPAL CODE SECTION

WHEREAS, Chapter II "Powers," Section 4, of the City of Wilsonville ("City") City Charter provides:

"Powers of the City. The City shall have all powers that the constitutions, statutes and common law of the United States and of this state expressly or impliedly [sic] grant or allow municipalities, as fully as though this charter specifically enumerated each of those powers."; and

WHEREAS, the City desires to tax the sale or transfer of marijuana and marijuana-infused products within the City; and

WHEREAS, the City is aware that Ballot Measure 91 is scheduled for the November 4, 2014 general election and provides for a tax on engaging in the business of producing marijuana; and

WHEREAS, this Ordinance is scheduled to be enacted and take effect prior to November 4, 2014 and is intended to be read *in pari materia* with Ballot Measure 91, should it pass, as the Ordinance excludes any tax on engaging in the business of producing marijuana, which is the tax imposed under Ballot Measure 91;

NOW, THEREFORE, THE CITY OF WILSONVILLE ORDAINS AS FOLLOWS:

1. A new Chapter 7, Section 7.500 series, "Marijuana and Marijuana-Infused Products Tax," establishing a tax on the sale of marijuana and marijuana-infused products is hereby added to Chapter 7 "Businesses" of the City of Wilsonville Code, as follows:

#### **7.500 Purpose**

For the purposes of this Section, any Seller of Marijuana, medical Marijuana, or Marijuana-infused products in the City is exercising a taxable privilege. The purpose of this Section is to impose a Tax upon the Retail Sale of Marijuana, medical Marijuana, and Marijuana-infused products and not on the business of producing Marijuana.

### **7.505 Definitions**

When not clearly otherwise indicated by the context, the following words and phrases, as used in Sections 7.500 through 7.565, have the following meanings:

- (1) Director means the City's Finance Director or his/her designee.
- (2) Gross Taxable Sales means the total amount received in money, credits, property, or other consideration from Sales of Marijuana, medical Marijuana, and Marijuana-infused products that are subject to the Tax imposed by Section 7.510.
- (3) Marijuana means all parts of the plant of the Cannabis family Moraceae, whether growing or not; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant or its resin, as may be defined by Oregon Revised Statutes as they currently exist or may from time to time be amended. It does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks (except the resin extracted therefrom), fiber, oil, or cake, or the sterilized seed of the plant which is incapable of germination.
- (4) Oregon Medical Marijuana Program means the office within the Oregon Health Authority that administers the provisions of ORS 475.300 through 475.346, the Oregon Medical Marijuana Act, and all policies and procedures pertaining thereto.
- (5) Person means natural person, joint venture, joint stock company, partnership, association, club, company, corporation, business, trust, organization, or any group or combination acting as a unit, including the United States of America, the state, and any political subdivision thereof, or the manager, lessee, agent, servant, officer, or employee of any of them.
- (6) Purchase or Sale means the retail acquisition or furnishing for consideration by any Person of Marijuana within the City and does not include the acquisition or furnishing of Marijuana by a grower or processor to a Seller.
- (7) Registry Identification Cardholder means a Person who has been diagnosed by an attending physician with a debilitating medical condition and for whom the use of medical Marijuana may mitigate the symptoms or effects of the Person's debilitating medical condition, and who has been issued a registry identification card by the Oregon Health Authority.
- (8) Retail Sale means the transfer of goods or services in exchange for any valuable consideration and does not include the transfer or exchange of goods or services between a grower or processor and a Seller.



(9) Seller means any Person who sells Marijuana or Marijuana-infused products to purchasers for money, credit, property, or other consideration within the City.

(10) Tax means either the tax payable by the Seller or the aggregate amount of taxes due from a Seller during the period for which the Seller is required to report collections under Section 7.520.

(11) Taxpayer means any Person obligated to account to the Director for Taxes collected or to be collected, or from whom a Tax is due, under the terms of this Section 7.500 series.

#### **7.510 Levy of Tax**

(1) Every Seller exercising the taxable privilege of selling Marijuana and Marijuana-infused products, as defined in Section 7.505, is subject to and must pay a Tax for exercising that privilege.

(2) The amount of Tax levied is as follows:

(a) \_\_\_\_\_ percent [*Hillsboro 0%; Ashland 5%*] of the Gross Taxable Sale amount paid to the Seller of Marijuana and Marijuana-infused products by a Person who is a Registry Identification Cardholder.

(b) \_\_\_\_\_ percent [*Hillsboro 10%; Ashland 10%*] of the Gross Taxable Sale amount paid to the Seller of Marijuana and Marijuana-infused products by Persons who are purchasing Marijuana and Marijuana-infused products but are not doing so under the provisions of the Oregon Medical Marijuana Program.

#### **7.515 Deductions**

The following deductions are allowed against Sales received by the Seller providing Marijuana:

(1) Documented refunds of Sales actually returned to any purchaser.

(2) Documented adjustments in Sales that amount to a refund to a purchaser, providing such adjustment pertains to the actual Sale of Marijuana or Marijuana-infused products and does not include any adjustments for other services furnished by a Seller.

#### **7.520 Seller Responsible for Payment of Tax**

(1) Every Seller must, on or before the last day of the month following the end of each calendar quarter (in the months of April, July, October, and January), make a return to the Director, on forms provided by the City, specifying the total

Sales subject to Section 7.510 and the amount of Tax collected under Section 7.510. The Seller may request, or the Director may establish, shorter reporting periods for any Seller if the Seller or Director deems it necessary in order to ensure collection of the Tax. The Director may require further information in the return relevant to payment of the Tax. A return is not considered filed until it is actually received by the Director.

(2) At the time the return is filed, the Seller must remit to the City the full amount of the Tax collected. Payments received by the City for application against existing liabilities will be credited toward the period designated by the Taxpayer under conditions that are not prejudicial to the interest of the City. A condition considered prejudicial is the imminent expiration of the statute of limitations for a period or periods.

(3) The City will apply non-designated payments in the order of the oldest liability first, with the payment credited first toward any accrued penalty, then to interest, then to the underlying Tax, until the payment is exhausted. Crediting of a payment toward a specific reporting period will be first applied against any accrued penalty, then to interest, then to the underlying Tax.

(4) If the Director, in his or her sole discretion, determines that an alternative order of payment application would be in the best interest of the City in a particular tax or factual situation, the Director may order such a change. The Director may establish shorter reporting periods for any Seller if the Director deems it necessary in order to ensure collection of the Tax. The Director also may require additional information in the return relevant to payment of the liability. When a shorter return period is required, penalties and interest will be computed according to the shorter return period. Returns and payments are due immediately upon cessation of business for any reason. Sellers must hold in trust all Taxes collected pursuant to Section 7.510 for the City's account until the Seller makes payment to the City. A separate trust bank account is not required in order to comply with this provision.

(5) Every Seller required to remit the Tax imposed by Section 7.510 is entitled to retain five percent of all Taxes collected and due to the City to defray the costs of bookkeeping and remittance.

(6) Every Seller must keep and preserve, in an accounting format established by the Director, records of all Sales made by the Seller and such other books or accounts as the Director may require. Every Seller must keep and preserve for a period of three years all such books, accounts, and other records. The Director has the right to inspect all such records at all reasonable times.



### **7.525 Penalties and Interest**

- (1) Any Seller who fails to remit any portion of any Tax imposed by Section 7.510 within the time required must pay a penalty of ten percent (10%) of the amount of the Tax, in addition to the amount of the Tax.
- (2) If any Seller fails to remit any delinquent remittance on or before a period of 60 days following the date on which the remittance first became delinquent, the Seller must pay a second delinquency penalty of ten percent (10%) of the amount of the Tax, in addition to the amount of the Tax and the penalty first imposed.
- (3) If the Director determines that the nonpayment of any remittance due under Section 7.510 is due to fraud, a penalty of twenty-five percent (25%) of the amount of the Tax will be added thereto, in addition to the penalties stated in Section 7.525(1) and (2).
- (4) In addition to the penalties imposed, any Seller who fails to remit any Tax imposed by Section 7.510 must pay interest [at the rate of one percent (1%) per month] or fraction thereof on the amount of the Tax, exclusive of penalties, from the date on which the remittance first became delinquent until paid.
- (5) Every penalty imposed, and any interest that accrues under the provisions of Section 7.525(4), becomes a part of the Tax required to be paid.
- (6) All sums collected pursuant to the penalty provisions in Section 7.525(1), (2), and (3) will be distributed to the City's general fund.
- (7) Penalties for certain late Tax payments may be waived or reduced pursuant to policies and processes adopted by the Director. However, the Director is not required to create a penalty waiver or reduction policy. If the Director does not create a policy for waivers or reductions, no waivers or reductions are allowed.

### **7.530 Failure to Report and Remit Tax**

- (1) If any Seller fails to make any report of the Tax required by Section 7.510 within the time provided in Section 7.520, the Director will proceed to obtain facts and information on which to base the estimate of Tax due. As soon as the Director procures such facts and information upon which to base the assessment of any Tax imposed by Section 7.510 and payable by any Seller, the Director will determine and assess against such Seller the Tax, interest, and penalties provided for by Section 7.525.
- (2) If the Director makes a determination as outlined in Section 7.530(1), the Director must give notice to the Seller of the amount assessed. The notice must

be personally served on the Seller or deposited in the United States mail, postage prepaid, addressed to the Seller at the last known place of address.

(3) The Seller may appeal the determination as provided in Section 7.535. If no appeal is timely filed, the Director's determination is final and the amount assessed is immediately due and payable.

#### **7.535 Appeal**

(1) Any Seller aggrieved by any decision of the Director with respect to the amount of Tax owed, along with interest and penalties, if any, may appeal the decision to the City Manager.

(2) The Seller must file the appeal within 30 days of the City's serving or mailing of the determination of Tax due. The Seller must file using forms provided by the City.

(3) Upon receipt of the appeal form, the City Manager will schedule a hearing to occur within 20 business days. The City Manager will give the Seller notice of the time and date for the hearing no less than seven days before the hearing date. At the hearing, the City Manager will hear and consider any records and evidence presented bearing upon the Director's determination of amounts due and make findings affirming, reversing, or modifying the determination. The Director and the appellant may both provide written and oral testimony during the hearing. The findings of the City Manager are final and conclusive. The City will serve the findings upon the appellant in the manner prescribed above for service of notice of hearing. Any amount found to be due is immediately due and payable upon the service of notice.

#### **7.540 Refunds**

(1) The City may refund to the Seller any Tax, interest, or penalty amount under any of the following circumstances:

- (a) The Seller has overpaid the correct amount of Tax, interest, or penalty;
- (b) The Seller has paid more than once for the correct amount owed; or
- (c) The City has erroneously collected or received any Tax, interest, or penalties.

(2) The City may not issue a refund under Section 7.540(1) unless the Seller provides to the Director a written claim under penalty of perjury stating the specific grounds upon which the claim is founded and on forms furnished by the City. The Seller must file the claim within one year from the date of the alleged incorrect payment to be eligible for a refund.



(3) The Director has 20 calendar days from the date of the claim's receipt to review the claim and make a written determination as to its validity. After making the determination, the Director will notify the claimant in writing of the determination by mailing notice to the claimant at the address provided on the claim form.

(4) If the Director determines the claim is valid, the claimant may either claim a refund or take as a credit against Taxes collected and remitted the amount that was overpaid, paid more than once, or erroneously received or collected by the City. The claimant must notify the Director of the claimant's choice no later than 15 days following the date the Director mailed the determination, and the claimant must do so in a manner prescribed by the Director.

(5) If the claimant does not notify the Director of the claimant's choice within the 15-day period and the claimant is still in business, the City will grant a credit against the Tax liability for the next reporting period. If the claimant is no longer in business, the City will mail a refund check to claimant at the address provided in the claim form.

(6) The City will not pay a refund unless the claimant establishes by written records the right to a refund and the Director acknowledges the claim's validity.

#### **7.545 Actions to Collect**

(1) Any Tax required to be paid by any Seller under the provisions of Section 7.510 is a debt owed by the Seller to the City. Any Tax collected by a Seller that has not been paid to the City is a debt owed by the Seller to the City. Any Person owing money to the City under the provisions of Section 7.510 is liable to an action brought in the name of the City of Wilsonville for the recovery of the amount owing. In lieu of filing an action for recovery, the City, when Taxes due are more than 30 days delinquent, may submit any outstanding Tax due to a collection agency. So long as the City has complied with the provisions set forth in ORS 697.105, if the City turns over a delinquent Tax account to a collection agency, it may add to the amount owing an amount equal to the collection agency fees, not to exceed the greater of Fifty Dollars (\$50) or fifty percent (50%) of the outstanding Tax, penalties, and interest owing.

#### **7.550 Violation Infractions**

(1) All violations of Sections 7.510 and 7.520 are punishable as set forth in City Code Section 1.013. It is a violation of Sections 7.510 and 7.520 for any Seller or other Person to:

(a) Fail or refuse to comply as required herein;



- (b) Fail or refuse to furnish any return required to be made;
  - (c) Fail or refuse to permit inspection of records;
  - (d) Fail or refuse to furnish a supplemental return or other data required by the Director;
  - (e) Render a false or fraudulent return or claim; or
  - (f) Fail, refuse, or neglect to remit the Tax to the City by the due date.
- (2) The remedies provided by Sections 7.525, 7.545, and 7.550(1) are not exclusive and do not prevent the City from exercising any other remedy available under the law.
- (3) The remedies provided by this Section do not prohibit or restrict the City or other appropriate prosecutor from pursuing criminal charges under state law or City ordinance.

#### **7.555 Confidentiality**

- (1) Except as otherwise required by law, it is unlawful for the City, any officer, employee, or agent to divulge, release, or make known in any manner any financial information submitted or disclosed to the City under the terms of Section 7.520. Nothing in this Section 7.555 prohibits any of the following:
- (a) The disclosure of the names and addresses of any Person who is operating a licensed establishment from which Marijuana is sold or provided;
  - (b) The disclosure of general statistics in a form which would not reveal an individual Seller's financial information;
  - (c) Presentation of evidence to the court, or other tribunal having jurisdiction, in the prosecution of any criminal or civil claim by the City or an appeal from the City for amounts due the City under Section 7.510;
  - (d) The disclosure of information when such disclosure of conditionally exempt information is ordered under public records law procedures; or
  - (e) The disclosure of records related to a business' failure to report and remit the Tax when the report or Tax is in arrears for over six months or when the Tax exceeds \$5,000. The City Council expressly finds that the public interest in disclosure of such records clearly outweighs the interest in confidentiality under ORS 192.501(5).



### **7.560 Audit of Books, Records, or Persons**

(1) The City may examine or may cause to be examined by an agent or representative designated by the City for that purpose, any books, papers, records, or memoranda, including copies of Seller's state and federal income Tax return, bearing upon the matter of the Seller's Tax return for the purpose of determining the correctness of any Tax return, or for the purpose of an estimate of Taxes due. All books, invoices, accounts, and other records must be made available within the City limits and be open at any time during regular business hours for examination by the Director or an authorized agent of the Director. If any Taxpayer refuses to voluntarily furnish any of the foregoing information when requested, the Director may immediately seek a subpoena from the municipal court to require that the Taxpayer or a representative of the Taxpayer attend a hearing or produce any such books, accounts, and records for examination.

### **7.565 Forms and Regulations**

(1) The Director is authorized to prescribe forms and promulgate rules and regulations to aid in the making of returns, the ascertainment, assessment, and collection of the Marijuana Tax, and to provide for:

(a) A form of report on Sales and Purchases to be supplied to all vendors;

(b) The records that Sellers providing Marijuana and Marijuana-infused products must keep concerning the Tax imposed by Section 7.510.

2. Severability. The sections, subsections, paragraphs, and clauses of this Ordinance are severable. The invalidity of one section, subsection, paragraph, or clause does not affect the validity of the remaining sections, subsections, paragraphs, and clauses.
3. Savings. Nothing in this Ordinance affects the validity of prosecutions related to marijuana use and possession under state or federal laws, or Wilsonville Code, currently in effect.
4. The City Recorder is directed to amend Wilsonville Code Chapter 7, to add Sections 7.500 through 7.570, as approved above, and to make such format, style, and conforming changes to match the format and style of Chapter 7 of the Wilsonville Code.

SUBMITTED to the Wilsonville City Council and read for the first time at a meeting thereof on the 15<sup>th</sup> day of September, 2014, commencing at the hour of 7 p.m., at the Wilsonville

City Hall, 29799 SW Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading at the same hour and place.

\_\_\_\_\_  
Sandra C. King, MMC, City Recorder

ENACTED by the City Council on the \_\_\_\_ day of \_\_\_\_\_, 2014, by the following votes:            Yes: \_\_\_\_            No: \_\_\_\_

\_\_\_\_\_  
Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
TIM KNAPP, MAYOR

**SUMMARY OF VOTES:**

Mayor Knapp  
Council President Starr  
Councilor Goddard  
Councilor Fitzgerald  
Councilor Stevens



# Monthly Report

COMMUNITY DEVELOPMENT DEPARTMENT

JULY-AUGUST 2014

## FROM THE DIRECTOR'S OFFICE

### Community Development Highlights for July and August:

CD staff joined school and neighborhood volunteers to repaint the Safe Routes to Schools white dots that help navigate students to Lowrie Primary School.

The City's first bike buffers were installed in Villebois on Barber Street (west of Costa Circle East) to provide a safety and comfort zone for cyclists in the bike lanes. A secondary goal with the narrower lanes is to influence traffic speeds to travel the 25 mph posted speed.

Double yellow centerline striping was installed on Barber Street in Villebois to further influence the perception of travel lane width to achieve a typical traveling speed of 25 mph. This striping configuration also regulates no passing or crossing the double stripe unless exiting the right-of-way. This pavement striping change resulted from coordination with the residents.

High demand and excellent response from Building Division for building inspections throughout the city—residential, commercial, and industrial.

Wilsonville Road repaving and ADA ramp improvements were completed. Last minute adjustments were made to sidewalk work to reduce inconvenience to Murase Park users. Warm mix asphalt mix was used for the pavement overlay. The warmer mix results in lower volatile organic compound emissions and reduces air quality impacts.

The stormwater rate study is progressing. Detailed information will be provided to City Council in October where they will be asked to weigh in on the rate increase needed to address required capital needs.

CD staff continues to be actively involved in the Willamette Water Supply Program, Basalt Creek Concept Plan, and Frog Pond/Advance Road Concept.

Nancy Kraushaar, PE

## Building Department

Single Family Dwelling Permits YTD: 170

### Major Projects Under Review:

Anytime Fitness  
Calais grading  
Chrysler dealership  
Thriftway re-siding  
W3 I-5 Corporate Park Shell Building

### Temporary or Certificates of Occupancy Issued:

Café Yumm! 8689 SW Robert Burns Drive  
Guesthouse Inn, 8855 SW Citizen's Drive  
In-N-Out Market, 29020 SW Town Center Loop East  
Parks & Recreation building, 29600 SW Park Place  
Ron Tonkin Gran Turismo, 25300 SW Parkway Avenue  
Salem Quilt Shop, 8502 SW Main Street



Remodeled 76 Gas Station



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## Engineering Division, Capital Projects

**Annual Pedestrian Enhancements (4717):** Installation of the protected crosswalk on Camelot Street at Lancelot Lane has been completed. This improved street crossing will provide a safer passage for children walking to Wood Middle School and Boones Ferry Primary.

**Barber Street Extension (4116):** Bids were opened August 7th, with the winning bidder (Cascade Bridge) approximately \$1.2 M under Engineers' Estimate. Construction will begin in September and take approximately 14 months.

**Canyon Creek Road Extension (4184):** Construction is well underway; we anticipate needing to temporarily close Vlahos Drive for 6-8 weeks starting in the second half of August to allow the contractor to construct the new street configuration. Impacted residents will be notified via mail; the detour will be via Courtside Drive to Town Center Loop E.; additional information is posted on the City's construction web page.

Vlahos Drive was closed August 18 and demolished shortly thereafter. Project is running on-schedule.

**Charbonneau Consolidated Improvement Plan (3500):** Council approved a Resolution adding the project list to the Master Plan project lists on August 4th. Funding remains to be determined.

**Street Maintenance (4014):** North Santiam Paving completed grinding and paving of Wilsonville Road between Town Center Loop West and the bridge over Boeckman Creek. Striping of the road was completed August 8th. Several ADA ramps along Wilsonville Road have been removed and replaced to meet current national standards. Town Center Loop E. has been resurfaced with a micro-seal slurry, the first time this specific product has been used in the City.

**Tonquin Trail (9135):** Work is in progress. Sidewalks will be completed before school starts, and the entire project be completed by September 30, 2014.

**Transit ADA Improvements (8104):** In-house design of ADA improvements at approximately two dozen Transit Stops is approximately 80% complete, with construction to occur this fall.

**Water Treatment Plant Tracer Study (1111):** A high flow (15 MGD) chlorine tracer study was successfully performed at the Water Plant, allowing the City to request a permanent increase in production from 9.6 MGD to 15 MGD. Approval from the Oregon Health Authority (OHA) is pending.

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## Engineering Division, Private Development

**Villebois Tonquin Woods 6 & 7, Calais, and Grande Pointe:** Plan review is underway for these 32-lot, 84-lot and 56-lot (respectively) subdivisions.

Engineering has issued Public Works Permits to Polygon NW for the Villebois Tonquin Woods 6 & 7 and Calais subdivisions. Construction is underway.

Engineering also expects to issue permits soon to **Renaissance Homes** for an 8-lot project near Canyon Creek Road and to **Lennar Homes** for construction of a 27-lot project in Brenchley North on Parkway Avenue.

Engineering has issued Public Works Permits for **Chrysler Wilsonville** (southeast corner of Elligsen and Parkway Center) and to **Jack Martin** for a 35,000 sq. ft. building on Parkway Avenue between OIT and Xerox.

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## Planning Division, Current

On July 14<sup>th</sup> DRB Panel 'A' voted to approve the application for 12 townhome units for rent or lease on approximately .79 acres located at 10450 SW Wilsonville Road. West Coast Real Estate Holdings LLC. Owner. Application Numbers: DB014-0027 - 0030. Staff: Blaise Edmonds.



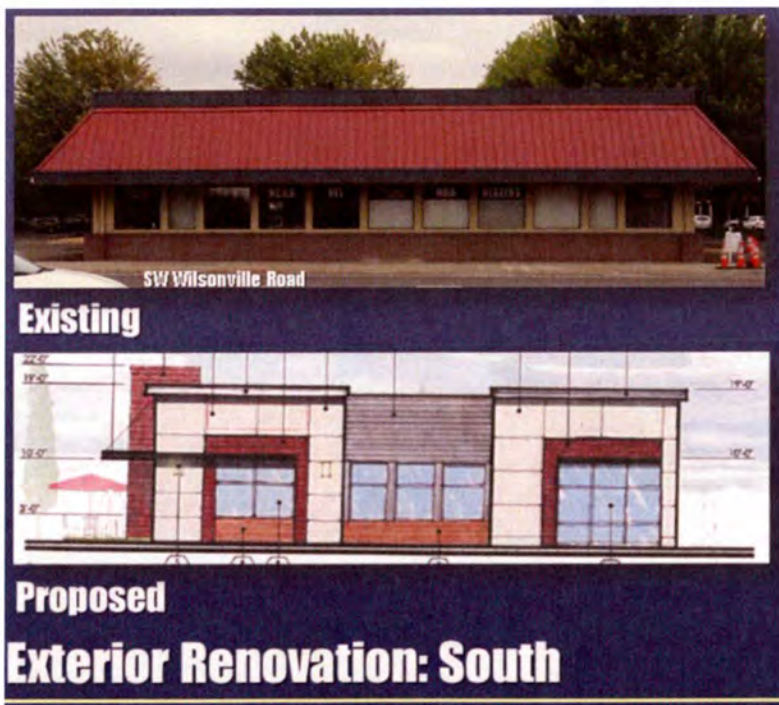


## Planning Division, Current, cont'd

On August 11<sup>th</sup> DRB Panel 'A' voted to approve Resolution 287 for development of six (6) small Carriage Homes for rent or lease located at Villebois Center No. 2. Sage Group LLC, Owner. Application Number: DB014-0047. Staff: Blaise Edmonds.



FRONT ELEVATION



On August 25<sup>th</sup> DRB Panel 'B' voted to approve Resolution 289, Wilsonville Crossing Restaurants. The approval includes a full exterior remodel of the former Kraven's restaurant to include 2 restaurants located at 29991 SW Town Center Loop West. Nathan Sasaki, Applicant. Application Numbers: DB014-0049 and DB14-0054. Staff: Dan Pauly, AICP.



## Planning Division, Long Range

### Metro Releases Urban Growth Report

Planning staff is tracking the Metro process to consider adding land to the urban growth boundary in 2015.

A significant step in this process is the release of the Urban Growth Report by the Metro Chief Operating Officer. The report mentions Wilsonville as one of two cities that have expressed interest in UGB expansions for housing. The report is worth reading and can be found at [www.oregonmetro.gov/growth](http://www.oregonmetro.gov/growth).

The report outlines how land is being used across the region and a forecast for population and employment growth over the next 20 years. The forecast includes High, Middle, and Low growth forecasts, and points out that "Only the high end of the growth forecast shows any need for additional land." The Middle growth forecast shows the region has a surplus of land (enough to provide 1,700 more single family units than needed).

Planning staff will continue to coordinate with Metro staff as the process moves forward, particularly with regard to planning for future development of the Frog Pond Area's urban reserve.

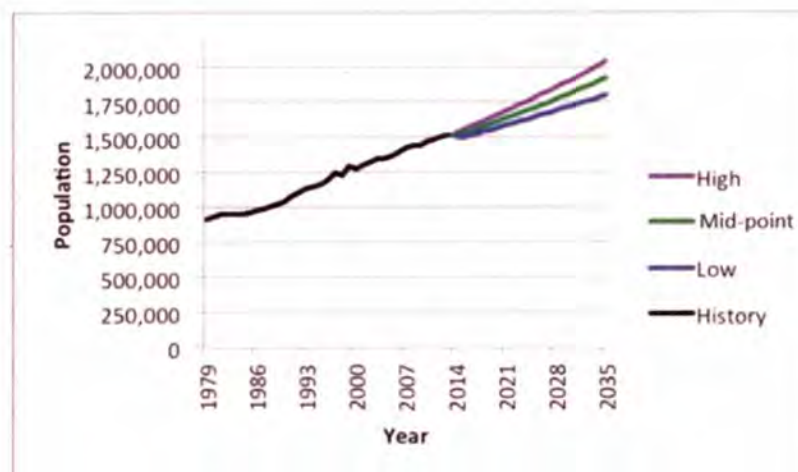


Figure 4 Population history and forecast for Metro UGB 1979-2035

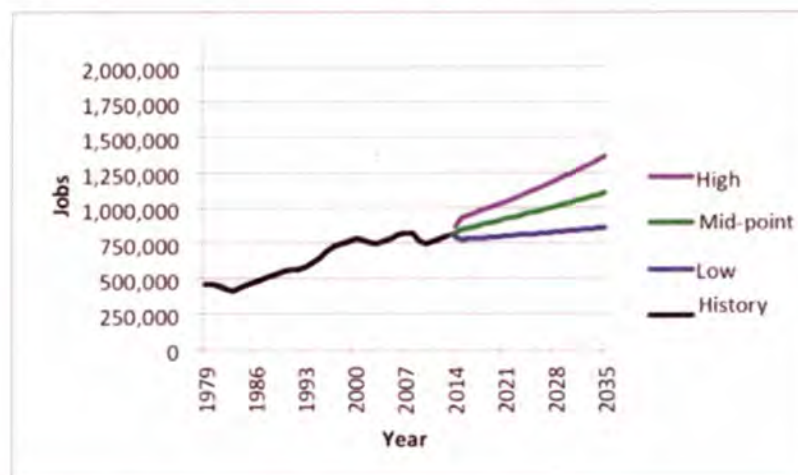


Figure 5 Employment history and forecast for Metro UGB 1979-2035

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## Economic Development Division

During July & August staff conducted multiple business site visits, including meetings with TE Connectivity, Hartung Glass and Columbia Bank. Two meetings were held with the Chamber to discuss potential joint efforts for the next year. Business recruitment was active with two RFI responses to Business Oregon and work with three other businesses looking to locate in the south Metro area. Staff participated in the Oregon Economic Development Association summer conference, Business Oregon's regional economic development forum held in Portland, and held a Congressional Roundtable in partnership with Oregon Tech.

Also, staff conducted a tour of Wilsonville facilities for the incoming Executive Director at Greater Portland, Inc. and is working with this organization to arrange visits to foreign-owned Wilsonville companies as a part of GPI's Foreign Direct Investment outreach program. Staff is also working on the Team Oregon—Advanced Manufacturing steering committee. In partnership with the Oregon Economic Development Association, Business Oregon, and other partners, this team will focus on leveraging resources to create more proactive and strategic retention, expansion and recruitment efforts for businesses engaged in advanced manufacturing, which happens to be Wilsonville's largest business cluster.

Staff began the process of unwinding three TIF Zones which are now owned and/or occupied by businesses that will not qualify for the TIF Zone incentive within the five-year qualification window. This effort will be completed in September. Staff also developed and presented alternative urban renewal strategic plan scenarios for Council consideration in August, and is in the process of convening an additional Urban Renewal Task Force meeting in September to provide additional input on these scenarios.

The Economic Development Division also manages real estate activity for the City, and has continued to be busy during July and August with a large number of private development easements tied to development in Villebois as well as capital project acquisitions.

Kristin Retherford, Economic Development Manager.



Congressional Round Table with the business community

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# Parks and Recreation

## July and August 2014 Report



### Summer Activity Round Up

July and August are traditionally the busiest two months of the year for the Parks and Recreation Department and this year was no different. From city-sponsored camps and programs, to community events, the summer season proved to be one of the busiest Wilsonville has ever seen.

Parks staff did an excellent job keeping up with the high volume of use at park shelters and on the fields, as well as, preparing for large scale special events. The customer service provided by the parks crew received excellent reviews by both sports organizations and event producers alike.



Art and Action Camp



Self Defense for Active Adults

### Summer Program Highlights:

- Four Movies in the Park at the River Shelter (1,350 total attendees)
- Fun in the Park at Town Center Park (10,000 attendees)
- Four mile on the 4th race (300 participants)
- Nine weeks of Farmers Markets at Sofia Park (6,000 total attendees)
- Four Rotary Concert at Town Center Park (3,000 total attendees)
- Food Allergy Awareness Walk at the River Shelter (200 attendees)
- Two WUSC Soccer Tournaments at Memorial Park (4,000 attendees)
- Art and Action Camp (80 participants)
- Self Defense for Active Adults (23 participants)
- Tai Chi Classes (77 total participants)
- Seventeen Skyhawks Sports Camps (229 total participants)
- Four Coach Nics Hoop Camps (55 total participants)





# Parks and Recreation

## Parks Maintenance Update

The Parks staff was busy with activities caused by the normal surge of community and City-sponsored events. Staff members made great efforts and took great pride in making sure that the park areas were ready to handle the events being held. With three park areas (Murase Plaza, Memorial Park and Town Center Park) being home to the majority of events and reservation use, staff are often busy with multiple rentals/events several days straight.

### Summer Project and Maintenance Highlights:

- Fenced the two new pickleball courts in Memorial Park *(at right)*
- Prepared for and hosted a number of day camps, tournaments, and events at Memorial Park, Murase Plaza, Town Center Park and Sofia Park
- Painted all bollards and fence posts in Memorial Park
- Painted Memorial Park soccer goals
- Pruned all shrubs, pressure washed fence and applied bark dust at Canyon Creek Park
- Responded to and repaired vandalism/graffiti
- Pruned all shrubs and trees around the new Parks and Recreation Building
- Pruned and removed understory vegetation at the Dog Park
- Improved the line of sight/pruned at the Memorial Drive to Memorial Park trailhead
- Heavily weeded and pruned at Murase Plaza walkway near Memorial Drive
- Automated Memorial Park entrance gate *(at right)*
  - Solar-powered
  - Increased safety and park security
  - Repaired damaged post
- Prepared for Farmers Markets at Sofia Park
- Replaced lights at Sofia Park
- Cleaned Water Treatment Plant water feature and installed new pump
- Moved into the new Parks and Recreation Building
- Backfilled large sinkhole at the Boeckman Creek Trail with large and small stone and soil *(below)*





# Parks and Recreation

## Memorial Park Hosts Pickleball Tournament



On a rainy August 30, more than sixty participants and spectators attended a Pickleball 'Invitational Exhibition and Speed Drills' day at Wilsonville Memorial Park. Six teams of high-skill pickleball players treated the audience to games with finesse, speed, and power, and demonstrated that all ages and athletic abilities can have fun and exciting competition with this sport. The day's activities included educational drills taught by advanced pickleball players.

## Trolley Tours

Wilsonville Parks and Recreation and SMART partnered to offer 6 trolley tours this summer. Nearly 200 individuals took advantage of the 60 minute sightseeing tour aboard the open air trolley. The tours were free but participants were asked to bring a toothbrush for donation to Community Sharing.

The partnership continues this winter when folks will have the opportunity to board a SMART bus and travel to Portland International Raceway's "Winter Wonderland".



## Upcoming Events and Programs

- \* Mini Hooper Basketball Registration Deadline: September 26th. Registration available online.
- \* Spa Saturday: Saturday, October 4th from 10:00am to noon. Community Center
- \* Antique Appraisal Day: Saturday, October 11th from 10:00am to 2:00pm. Community Center
- \* Fall Harvest Festival: Saturday, October 18th from 9:30am to 11:30am. Stein-Boozier Barn





## **Director's Report**

As discussed in June, SMART has now completed the initial phases of the "Triennial Review" process with the Federal Transit Administration (FTA). As the name implies, it is a review process that transit agencies all across the country have to undergo every three years. Because SMART receives federal funds and uses those funds to support our transit system, we are required to complete this detailed review (akin to an audit, but much more far-reaching than just financial accounting) every three years. The total process actually spans several months. It started in June with SMART responding to numerous written questions from the lead reviewer. That was followed in July with SMART and the City's Finance Department providing more information. In August, SMART completed two days of on-site meetings with FTA's reviewers. A detailed report will follow, but for now we have the reviewers' preliminary findings.

SMART, and to a lesser extent the City's Finance and Public Works Departments, will be expected to prepare or update procedures manuals and management plans for various programs. That will mostly involve listing all of the steps that are already routinely followed.

SMART was also told to do a more thorough job of screening passengers who seek service under the Americans with Disabilities Act (ADA). We have not historically required our passengers to undergo a very strict screening process, but that will be changing as a result of the Triennial Review process.

SMART will also be increasing our outreach to disadvantaged businesses to bid on providing goods or services to SMART, and to emphasize our non-discrimination policies.

This may seem like a cumbersome process, but it is not surprising that the FTA wants to be sure that we are spending federal funds as they have prescribed and that SMART is complying with all applicable federal requirements. For those of us undergoing the review, it has been a lot like a prolonged visit to the dentist – it wasn't much fun, but it will help us to do a better job in the long run.

***Stephan Lashbrook***





**Unicycle commuter at SMART Central Station — July 2014.**  
**Should we rename *Bike SMART* to *Wheel SMART*?**

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**SMART's new Farmers Market Shuttle provided over 100 rides in July and August.**

**Shoppers hopped aboard from SMART Central Station and rode directly to the Market. Due to the popularity of this new service, SMART will look to provide a similar shuttle again in 2015.**



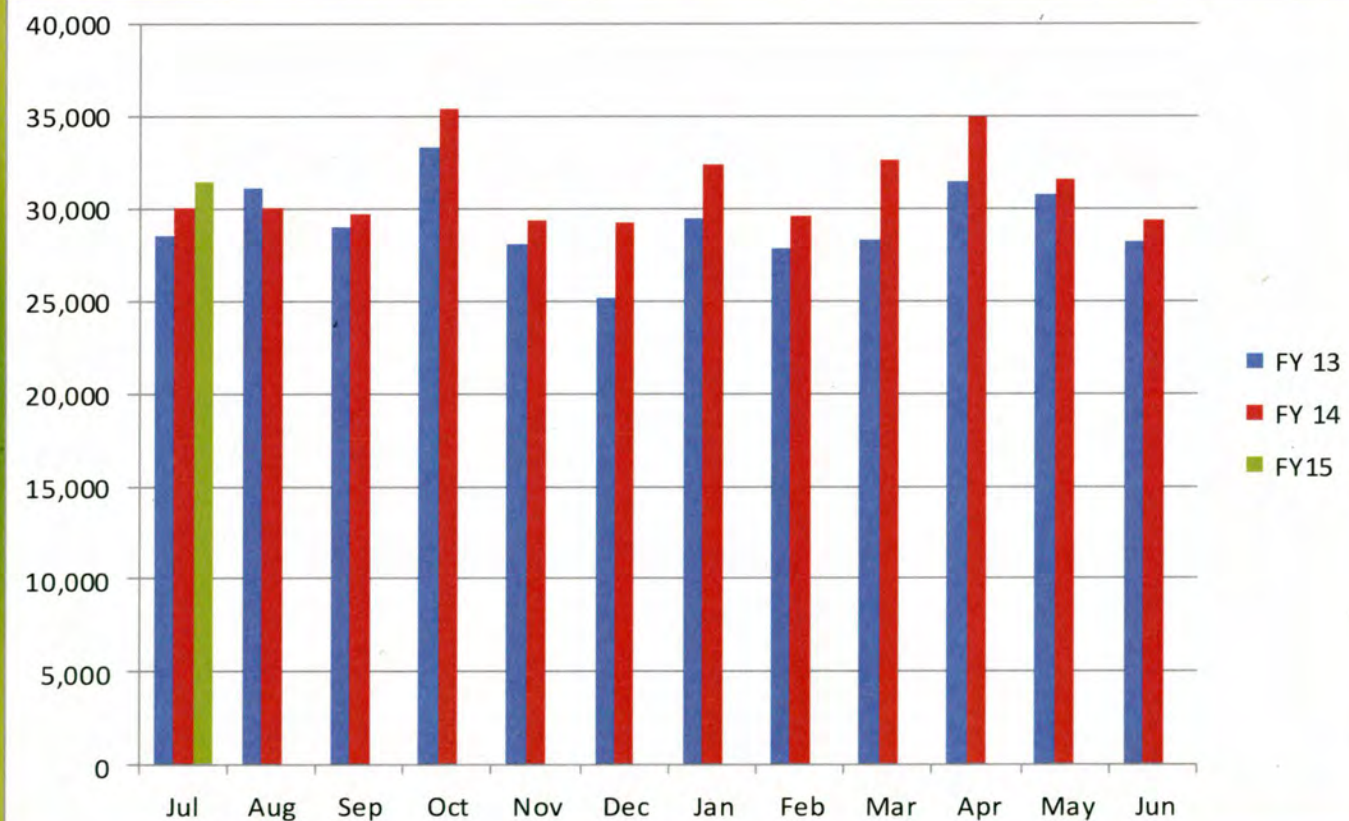
## July Operations Report:

Ridership for July reached 31,421, which is somewhat high for this month. With schools off and many employees on vacation, ridership is usually in the high 20,000's. Last year's record ridership started off at an excellent pace of 30,094, yet we are tracking 4.4% higher for this month.

Two routes with high increases are the Routes 2X Barbur Blvd. (18.5%) and 6 Argyle Sq. (13.3%). Route 6 delivers fast service from WES to the large employers in the northeast corner of the city.

Through the normal process of attrition, two drivers have left SMART. We are in the process of hiring replacements.

Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
28,511	31,067	29,066	33,326	28,027	25,199	29,525	27,812	28,356	31,492	30,776	28,217	351,374
30,094	30,024	29,661	35,481	29,342	29,216	32,432	29,551	32,645	35,010	31,581	29,371	374,408
31,421												





**Walk SMART's Walk Wednesday** summer series came to an end on August 27th. Walk SMART participants reported over 1.5 million steps during the month of July. SMART would like to thank our 2014 business partners for providing treats and inspiration for our *Walk SMART* walkers and for helping to promote active transportation in Wilsonville.

Special thanks to all of the employees at:





## Transit Project Updates

The final public comment period for the Transit Integration Project ends on September 15, 2014. Public input on possible changes to the Route 2X and out-of-town Medical Dial-a-Ride services will be compiled along with a final project report and presented to City Council later this fall. Findings and recommendations from this study may result in proposed future service changes that could provide a platform to look at all SMART services during the upcoming Transit Master Plan update which is scheduled to begin later this year. The Transit Master Plan provides guidance from the Council and the community on how SMART will prioritize services in the next few years and beyond.

More info at [ridesmart.com/tip](http://ridesmart.com/tip)



*Fun in the Park—August 2nd  
275 passengers rode the  
SMART Trolley!*





We have  
**14 DAYS**  
to eliminate  
**ONE MILLION MILES.**  
-Discover your options.-



DriveLessConnect.com  
October 6 – October 19, 2014

----- Carpool - Vanpool - Telework - Bus - Train - Walk - Bike - Skate -----

### Did You Know?

Oregon drivers are responsible for traveling about 33.1 billion vehicle miles annually, resulting in 14.1 million metric tons of CO<sub>2</sub>.

Biking, walking and taking transit helps you and your community stay healthier.

Visit [DriveLessConnect.com](http://DriveLessConnect.com)  
to register for the *Challenge*!

### Contact Us

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City of Wilsonville  
September 15, 2014 City Council Meeting

SPEAKER CARD

NAME: Peter Dekker

ADDRESS: 8550 Ash Meadows Rd Apt 441

TELEPHONE: 9086344250 E-MAIL: Peter Dekker <sup>for Wilsonville</sup> @ Wilsonville.org

AGENDA ITEM YOU WANT TO ADDRESS: Pot Merge

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Please limit your comments to 3 minutes. Thank you.



City of Wilsonville  
September 15, 2014 City Council Meeting

interested in promoting  
ARTS programs  
in WV.

SPEAKER CARD

9-15-14

NAME: Peter De Kluver

ADDRESS: 8550 Ash Meadows Rd 911

TELEPHONE: 906344250 E-MAIL Peter+theThinker@xblkg.com

AGENDA ITEM YOU WANT TO ADDRESS: ARTS in town

Please limit your comments to 3 minutes. Thank you.

City of Wilsonville  
September 15, 2014 City Council Meeting

Concave for fasting  
ARTS programs in  
WV.

SPEAKER CARD

9-15-14

NAME: Theonie Gilmore

ADDRESS: 24242 SW Gage Road

TELEPHONE: 503-638-6933 E-MAIL Theonie@Wilsonville.ORG

AGENDA ITEM YOU WANT TO ADDRESS: ART

Please limit your comments to 3 minutes. Thank you.



**City of Wilsonville  
City Council Meeting  
September 15, 2014 Sign In Sheet**

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