



A place where families and businesses thrive.

City Council Regular Meeting Minutes

Monday, March 14, 2016
7:00 p.m., Community Auditorium

***Minutes are unofficial until approved by Council.
Council approved minutes as presented March 28, 2016.***

1. CALLED TO ORDER AND ROLL CALL:

Mayor Peter Truax called the regular City Council meeting to order at 7:08 p.m. and led the Pledge of Allegiance.

ROLL CALL: COUNCIL PRESENT: Thomas Johnston, Council President; Richard Kidd; Victoria Lowe; Ronald Thompson; Malynda Wenzl; and Mayor Peter Truax.

COUNCIL ABSENT: Elena Uhing, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; Rob Foster, Public Works Director; Tom Gamble, Parks and Recreation Director; Jon Holan, Community Development Director; Dan Riordan, Senior Planner; Derek Robbins, Project Engineer; George Cress, Light and Power Director (in the audience); Michael Kinkade, Fire Chief (in the audience) and Anna Ruggles, City Recorder.

1. A. PROCLAMATION:

National Community Development Week

Mayor Truax publicly proclaimed March 28 – April 2, 2016, as “National Community Development Week in Forest Grove”.

2. CITIZEN COMMUNICATIONS:

Dale Feik, Forest Grove, distributed a written article titled “Our Children’s Trust, Meet the Youth Plaintiffs” and encouraged Council to read the article, noting the article contains a list of 21 youths who are securing the legal right to a healthy atmosphere and stable climate for the benefit of all present and future generations.

Jim Vance, Forest Grove, addressed Council pertaining to a letter that he received from the City advising him that he was in violation of Code Section 10.7.020 as it pertains to accessory structures, such as shipping containers, which Vance noted are prohibited by code in residential zones beyond 60 days. Vance pointed out his storage unit is not visible from the street, it is not a public hazard or nuisance and, in his opinion, his storage unit does not adversely affect livability or his three neighbors. Vance stressed he feels the City is selectively enforcing the Code, to which Mayor Truax advised code enforcement is often citizen complaint driven, so it is likely that a citizen concern was conveyed to the City.

3. CONSENT AGENDA:

Items under the Consent Agenda are considered routine and are adopted with a single motion, without separate discussion. Council members who wish to remove an item from the Consent Agenda may do so prior to the motion to approve the item(s). Any item(s) removed from the Consent Agenda will be discussed and acted upon following the approval of the remaining Consent Agenda item(s).

- A. Approve City Council Work Session (Fire Services Study, Next Steps) Meeting Minutes of February 8, 2016.
- B. Approve City Council Goal-Setting Retreat Meeting Minutes of February 20, 2016.
- C. Approve City Council Regular Meeting Minutes of February 22, 2016.
- D. Accept Community Forestry Commission Meeting Minutes of January 20, 2016.
- E. Accept Historic Landmarks Board Meeting Minutes of January 26, 2016.
- F. Accept Planning Commission Meeting Minutes of January 19, 2016.
- G. Accept Public Arts Commission Meeting Minutes of January 14, 2016.
- H. Accept Public Safety Advisory Commission Meeting Minutes of January 27, 2016.
- I. Community Development Department Monthly Building Activity Informational Report for February 2016.
- J. **ENDORSE NEW LIQUOR LICENSE APPLICATION (OFF-PREMISES SALES) FOR SMOKE 4 LESS, 3010 PACIFIC AVENUE (APPLICANT: WAE RAFEH).**
ITEM REMOVED
- K. **ENDORSE LIQUOR LICENSE RENEWAL APPLICATIONS FOR YEAR 2016:**
 - 1. McMenamins Grand Lodge (Full On-Premises Sales) *ITEM REMOVED*

MOTION: Councilor Kidd moved, seconded by Councilor Thompson, to approve the Consent Agenda as amended. **ABSENT:** Councilor Uhing. **MOTION CARRIED 6-0 by voice vote.**

Lowe removed Consent Agenda Items 3. J. and 3. K., pointing out four businesses recently sold to minor decoys (Rainbow Lanes Bowling Alley, Half Moon Sports Bar, Forest Grove Tobacco and Tyson's Pub & Grub), to which Ruggles advised when these types of situations occur, the Oregon Liquor Control Commission, along with Forest Grove Police, issue citations to the servers for Furnishing Alcohol to a Minor. Although, the City does not have final authority, Ruggles noted the City does send a letter of warning to the businesses indicating the City takes violations very seriously when considering annual renewal of their existing liquor license.

MOTION: Councilor Lowe moved, seconded by Councilor Thompson, to approve Consent Agenda Items 3. J. and 3. K. as presented. **ABSENT:** Councilor Uhing. **MOTION CARRIED 6-0 by voice vote.**

4. **ADDITIONS/DELETIONS:** None.

5. **PRESENTATIONS:**

5. A. **Audit Report Period Ending June 30, 2015**

Downey introduced Brad Bingenheimer, City Auditor, who presented a PowerPoint presentation outlining the audit process and Financial Audit Report for period ending June 30, 2015, noting he is pleased to report no significant management advisory suggestions were made and no difficulties were encountered while performing and completing the City's audit. Bingenheimer highlighted the City's financial activities and financial position, noting the General Fund reported a fund balance of \$6,156,806, a decrease of \$32,910 from the prior fiscal year. Bingenheimer highlighted the City's capital assets and long-term debt, noting the City issued no additional debt in Fiscal Year 2015. In addition, Bingenheimer highlighted the City's economic factors, noting the City recognizes that costs of providing General Fund services at the current level will continue to increase at a faster rate than the revenue used to fund those services. The City has been able to increase General Fund Balance due to increased property tax revenue and departments spending less than appropriated mostly due to unanticipated vacancies in public safety. Bingenheimer advised the City would need to be diligent to maintain the fund balance while trying to address the increased need for services from growth over the next five years and retirement costs will continue to be a challenge as the City addresses potential actuarial changes for mortality and the assumed rate of return in the City's Defined Benefit Plan. Bingenheimer reported new single-family home construction continued at a high pace in FY 2014-15 with 102 building permits issued, noting the City is reliant on residential growth to increase its property tax revenue as new industrial and commercial property development has not shown any increase. Bingenheimer added electric and water rates are expected to increase for the next three years as the City continues to address updating aging infrastructure for both those utilities and additional capacity to address future electric and water needs; however, due to changes in some long-term capital projects, the City was able to reduce the amount of projected increases over what was originally forecasted, noting electric rates were increased by 4.5 percent instead of six percent and water rates were increased by three percent instead of eight percent. In conclusion of the above-noted presentation, Bingenheimer addressed various Council inquiries pertaining to the auditor's report, internal control and financial analysis, noting he commends staff for their excellent assistance and outstanding support during the City's audit process.

5. B. **Metro Quarterly Exchange Update, Kathryn Harrington, Metro Councilor District 4**
Kathryn Harrington, Metro Councilor District 4, presented a PowerPoint presentation highlighting District 4 Quarterly Exchange Report. Harrington reported on Metro's

Equity Strategy; Regional Jobs Snapshot; Equitable Housing; Moving Metro's Region; Southwest Corridor; Powell-Division Transit and Development Project; Flexible Transportation Funds; Parks and Natural Areas Updates; Natural Areas System Plan; Killin Wetlands; Solid Waste Roadmap; Convention Center Hotel; Oregon Zoo; various upcoming community events; and distributed various handouts. In response to Councilor Lowe's concern pertaining to Harrington's presentation on equitable housing and Harrington's testimony heard during the hearing for Tokola's mixed-use development project, Harrington explained her testimony was specific to the market rate housing application and not as the whole city, noting every community needs a mixture of housing.

5. C. Parks, Recreation and Open Space Master Plan Update and Community Center Feasibility Study

Gamble presented a PowerPoint presentation overview of the Parks, Recreation and Open Space Master Plan Update, noting the purpose of this evening's presentation was to provide a brief update to Council on the progress of the study and next steps. Gamble reported the purpose of the master plan update was to identify community needs for parks, recreation facilities, open space, trails, programs and events in Forest Grove; investigate opportunities and needs for community center development; recommend capital projects, programs and services to enhance the park and recreation system; and develop coordinated funding and short and long-term implementation strategies. In addition, Gamble reported a four-phased planning effort was conducted, which included community engagements; focus groups (recreation/sports providers and Hispanic/Latino community group); community recreation questionnaire (total of 488 responses); needs assessment; community center feasibility study; park and recreation survey; and next steps. In conclusion of the above-noted presentation, Gamble addressed various Council inquiries pertaining to the City's partnership with the school district; cities with community centers; and energy audit conducted on the Aquatic Center.

6. PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2016-02 AMENDING FOREST GROVE TRANSPORTATION SYSTEM PLAN (TSP) FOR INCLUSION OF COUNCIL CREEK REGIONAL TRAIL PREFERRED ALIGNMENT THROUGH THE CITY OF FOREST GROVE; FILE NO. 311-15-00033-PLNG

Staff Report:

Robbins, Foster, Riordan and Holan presented the above-proposed ordinance for first reading, noting the proposed ordinance is requesting to adopt the proposed text amendments to the Transportation System Plan (TSP) to incorporate the preferred alignment of the Council Creek Regional Trail (located at the Portland/Western Railroad corridor, Oak Street and Highway 47) as recommended by the Planning Commission. Staff presented a PowerPoint presentation overview of the proposed TSP amendments for Council Creek Regional Trail alignment as outlined in Exhibit A

of the staff report:

- Table 5-1 deleted Council Creek Trail Feasibility Study Project as this study has been completed and insert Council Creek Regional Trail Improvements Project, Segment 3, construct Council Creek Regional Trail through Forest Grove consistent with the Council Creek Regional Trail Master Plan (August 2015), and insert Planning Level Cost Estimate of \$5,200, which amends total amount shown from \$5,155 to \$10,355;
- Figure 5-4 Council Creek Regional Trail Preferred Alignment through Forest Grove, Segment 3 (including Oak Street option); and
- Table 6-2, add Council Creek Regional Trail Improvements Project, Segment 3, construct Council Creek Regional Trail through Forest Grove consistent with the Council Creek Regional Trail Master Plan (August 2015), and insert Planning Level Cost Estimate of \$5,200, which amends total amount shown from \$1,769 to \$6,979.

In addition, staff referenced Attachment 1, Planning Commission Meeting Minutes, Staff Report and Findings, noting the multi-agency study was completed in August 2015, and is a 16-mile multi-use trail from Hillsboro to Banks, from the end of the Westside Max in Hillsboro through Washington County and cities of Cornelius, Forest Grove and Banks, connecting to Banks-Vernonia State Trail, with added short trail south to Tualatin River. Staff added the Forest Grove trail, Segment 3 of the CCRT, is approximately 1.5 miles and primarily follows the existing Portland/Western Railroad corridor through central Forest Grove (near Senior Center), noting there are two possible routes going north, with one route at Quince Street, following the north side of Highway 47, and one route going north on Oak Street to Porter Road, which is less defined and will require more preliminary design and review with the public for specific segment alignment. In conclusion of the above-noted staff report, staff recommended Council adopt the above-noted ordinance amending the TSP to incorporate the preferred alignment of the Council Creek Regional Trail, as outlined in Exhibit A, File No. 311-15-00033-PLNG.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2016-02 for first reading.

Mayor Truax read Ordinance No. 2016-02 by title for first reading.

MOTION: Councilor Kidd moved, seconded by Councilor Wenzl, to adopt Ordinance No. 2016-02 Amending Forest Grove Transportation System Plan (TSP) for Inclusion of Council Creek Regional Trail Preferred Alignment through the City of Forest Grove; File No. 311-15-00033-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the deadline of March 14, 2016, 7:00 p.m.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Council Discussion:

In response to Council President Johnston's inquiry pertaining to funding, Foster advised the TSP identifies funding options and funds from the Major Streets Transportation Improvement Program (MSTIP) were used to conduct the multi-agency study.

Hearing no further discussion from the Council, Mayor Truax recessed the Public Hearing until the next meeting of Monday, March 28, 2016.

Public Hearing Recessed:

Mayor Truax recessed the Public Hearing until the next Council meeting of Monday, March 28, 2016.

7. PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2016-03 AMENDING FOREST GROVE DEVELOPMENT CODE ARTICLE 3, ARTICLE 4, ARTICLE 7 AND ARTICLE 12 AND DESIGN GUIDELINE HANDBOOK TO IMPLEMENT POLICIES OF THE FOREST GROVE COMPREHENSIVE PLAN; FILE NO. 311-15-00020-PLNG

Staff Report:

Riordan and Holan presented the above-proposed ordinance for first reading, noting the staff report will be heard concurrently with Agenda Item 8, first reading of Ordinance No. 2016-04 amending the Comprehensive Plan, and Agenda Item 9, first reading of Ordinance No. 2016-05 amending the Zoning Map. Riordan reported the above-noted ordinances are implementing the Comprehensive Plan policies related to mixed-use areas, efficient use of land in the Town Center and encourage housing within the Community Commercial District. Riordan referenced the above-noted ordinance, noting the ordinance is proposing to amend Development Code Article 3,

Article 4, Article 7 and Article 12, and Design Guideline Handbook as recommended by the Planning Commission, Decision No. 2016-01. In addition, Riordan presented a PowerPoint presentation overview of the proposed amendments as outlined in Exhibit A of the staff report:

1. Increase residential density in Town Center from 20 units to 40 units per net acre and set maximum density at 100 units per net acre based on project design/amenities;
2. Increase residential density in Community Commercial from 20 units to 30 units per net acre to encourage housing near transit and shopping;
3. Rezone Town Center Expansion Area consistent with Comprehensive Plan (from Town Center Support to Town Center Transition and Community Commercial to Town Center Transition; Town Center core along Main Street will remain);
4. Establish a new Neighborhood Mixed Use Zone (NMU) District to promote complete neighborhoods; consistent with Comprehensive Plan Map and
5. Amend Zoning Map to apply the new NMU in the following locations:
 - a. Generally east of Sunset Drive, south of Highway 47 (approximately 25 gross acres);
 - b. North of Gales Creek Road and west of Thatcher Rd (approximately 6.5 gross acres);
 - c. North of David Hill Road, west of Thatcher Road and east of creek (approximately 8.5 gross acres).
6. Establish NMU development review and approval process through a Planned Development process; and
7. Design Guideline Handbook updates for consistency with Development Code.

In addition, Riordan indicated a robust public involvement process was used to support the City's planning efforts, which included stakeholder interviews, two public community open houses and four Planning Commission work sessions and one joint work session with the Planning Commission and Council. In conclusion of the above-noted staff report, Holan and Riordan recommended Council adopt the above-noted ordinance amending the Development Code and Design Guideline Handbook, noting the amendments will provide an opportunity to increase residential density in the Town Center and near commercial areas; thereby, expanding housing choice and providing an opportunity to promote "complete neighborhoods" with a variety of housing located near shopping and services, as outlined in Exhibit A, File No. 311-15-00020-PLNG.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2016-03 for first reading.

Mayor Truax read Ordinance No. 2016-03 by title for first reading.

MOTION: Councilor Kidd moved, seconded by Council President Johnston, to adopt Ordinance No. 2016-03 Amending Forest Grove Development Code Article 3, Article 4, Article 7 and Article 12 and Design Guideline Handbook to Implement Policies of the Forest Grove Comprehensive Plan; File No. 311-15-00020-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the deadline of March 14, 2016, 7:00 p.m.

Proponents:

No one testified and no written comments were received.

Opponents:

Nancy Russell, Forest Grove, signed in to testify but was not present when her name was called, to which Holan indicated he spoke with Russell prior to the start of the meeting and was able to address her concern.

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Council Discussion:

In response to Wenzl's inquiry pertaining to net density definition/calculation in the Town Center, Riordan noted the Planning Commission had considerable discussion to apply a revised definition that would increase density in the Town Center; however, the Planning Commission's motion failed so no revision occurred.

In response to Lowe's inquiry pertaining to rapid transit corridor, Holan explained the Comprehensive Plan updated in 2014 expanded the Town Center zone from Cedar Street to Elm Street and south of 19th Avenue to 21st Avenue, which is now identified as the Town Center Expansion Area.

Hearing no further discussion from the Council, Mayor Truax recessed the Public Hearing until the next meeting of Monday, March 28, 2016.

Public Hearing Recessed:

Mayor Truax recessed the Public Hearing until the next Council meeting of Monday, March 28, 2016.

8. **PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2016-04
AMENDING FOREST GROVE COMPREHENSIVE PLAN MAP FOR PROPERTIES
DESIGNATED TOWN CENTER SUPPORT AND COMMUNITY COMMERCIAL IN
THE TOWN CENTER EXPANSION AREA ON THE COMPREHENSIVE PLAN,
DATED JANUARY 27, 2014; FILE NO. 311-15-00020-PLNG**

Staff Report:

Riordan and Holan presented the above-proposed ordinance for first reading, noting the staff report was heard concurrently under Agenda Item 7. The above-proposed ordinance is amending the Comprehensive Plan Map (2014) in the Town Center Expansion Area from Town Center Support to Town Center Transition and Community Commercial to Town Center Transition as recommended by the Planning Commission, Decision No. 2016-01. In conclusion of the above-noted staff report, Riordan and Holan recommended Council adopt the above-noted ordinance amending the Comprehensive Plan Map to apply the proposed Town Center Transition zone for consistency with the proposed amendments under Agenda Item 7 and Agenda Item 9, as outlined in Exhibit A, File No. 311-15-00020-PLNG.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2016-04 for first reading.

Mayor Truax read Ordinance No. 2016-04 by title for first reading.

MOTION: Councilor Wenzl moved, seconded by Councilor Kidd, to adopt Ordinance No. 2016-04 Amending Forest Grove Comprehensive Plan Map for Properties Designated Town Center Support and Community Commercial in the Town Center Expansion Area on the Comprehensive Plan, dated January 27, 2014; File No. 311-15-00020-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the deadline of March 14, 2016, 7:00 p.m.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Council Discussion:

Hearing no discussion from the Council, Mayor Truax recessed the Public Hearing until the next meeting of Monday, March 28, 2016.

Public Hearing Recessed:

Mayor Truax recessed the Public Hearing until the next Council meeting of Monday, March 28, 2016.

**9. PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2016-05
AMENDING OFFICIAL FOREST GROVE ZONING MAP FOR PROPERTIES
DESIGNATED NEIGHBORHOOD MIXED USE AND TOWN CENTER EXPANSION
ON THE COMPREHENSIVE PLAN MAP, DATED JANUARY 27, 2014; FILE NO.
311-15-00020-PLNG**

Staff Report:

Riordan and Holan presented the above-proposed ordinance for first reading, noting the staff report was heard concurrently under Agenda Item 7. The above-proposed ordinance is amending the Zoning Map for properties designated Neighborhood Mixed Use and Town Center Expansion on the Comprehensive Plan Map (2014) as recommended by the Planning Commission, Decision No. 2016-01. In conclusion of the above-noted staff report, Riordan and Holan recommended Council adopt the above-noted ordinance amending the Zoning Map to apply the proposed Neighborhood Mixed Use and Town Center Transition zones consistent with the amendments under Agenda Item 7 and Agenda Item 8, as outlined in Exhibit A, File No. 311-15-00020-PLNG.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2016-05 for first reading.

Mayor Truax read Ordinance No. 2016-05 by title for first reading.

MOTION: Councilor Kidd moved, seconded by Councilor Thompson, to adopt Ordinance No. 2016-05 Amending Official Forest Grove Zoning Map for Properties Designated Neighborhood Mixed Use and Town Center Expansion on the Comprehensive Plan Map, dated January 27, 2014; File No. 311-15-00020-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the deadline of March 14, 2016, 7:00 p.m.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Council Discussion:

Hearing no discussion from the Council, Mayor Truax recessed the Public Hearing until the next meeting of Monday, March 28, 2016.

Public Hearing Recessed:

Mayor Truax recessed the Public Hearing until the next Council meeting of Monday, March 28, 2016.

**10. PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2016-06
AMENDING FOREST GROVE DEVELOPMENT CODE ARTICLE 3 TO ESTABLISH
THE BUSINESS INDUSTRIAL PARK ZONE; FILE NO. 311-15-00027-PLNG**

Staff Report:

Riordan and Holan presented the above-proposed ordinance for first reading, noting the proposed ordinance is requesting to amend Development Code Article 3 to establish a new zoning district and applicable development standards for the proposed Business Industrial Park (BIP) Zone areas, which is to correspond to the Campus Employment in the Comprehensive Plan Map (2014) designation applicable within the Urban Growth Boundary as recommended by the Planning Commission, Decision No. 2016-02. Riordan presented a PowerPoint presentation overview of the new zoning district, noting the Campus Employment designation is intended for development of industrial and office parks with a high level of amenities, including landscaping and open space, noting the Campus Employment designation and the proposed BIP zone responds to a need identified in the City's Economic Opportunities Analysis for long-term manufacturing and corporate office employment land. In conclusion of the above-noted staff report, Riordan and Holan recommended Council adopt the above-noted ordinance amending the Development Code to establish the proposed BIP zoning district and applicable development standards, noting the proposed zoning map amendments include the Neighborhood Mixed Use Area 1 (David Hill); Neighborhood Mixed Use Area 2 (Commercial Planned Development Area); Neighborhood Mixed Use Area 3 (Davidson Site); Town Center Consolidation (Town Center Transition); and Town Center Expansion Area (Town Center Transition), as outlined in Exhibit A, File

No. 311-15-00027-PLNG.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2016-06 for first reading.

Mayor Truax read Ordinance No. 2016-06 by title for first reading.

MOTION: Council President Johnston moved, seconded by Councilor Wenzl, to adopt Ordinance No. 2016-06 Amending Forest Grove Development Code Article 3 to Establish the Business Industrial Park Zone; File No. 311-15-00027-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the deadline of March 14, 2016, 7:00 p.m.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Council Discussion:

In response to Lowe's inquiry pertaining to the new BIP designation, Riordan explained the new zone is intended to implement the Campus Employment designation, which was established in the Comprehensive Plan update in 2014, noting the designation will allow for high tech companies, call centers, research and development firms and flexible space for small emerging companies and could also include supportive retail and business services.

Hearing no further discussion from the Council, Mayor Truax recessed the Public Hearing until the next meeting of Monday, March 28, 2016.

Public Hearing Recessed:

Mayor Truax recessed the Public Hearing until the next Council meeting of Monday, March 28, 2016.

**11. PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2016-07
AMENDING FOREST GROVE DEVELOPMENT CODE ARTICLE 3, ARTICLE 7 AND**

ARTICLE 8 TO ADDRESS MARIJUANA FACILITIES; FILE NO. 311-15-00028-PLNG

Staff Report:

Holan presented the above-proposed ordinance for first reading, noting the proposed ordinance is amending Development Code Article 3, Article 7 and Article 8, to address marijuana facilities as recommended by the Planning Commission, Decision No. 2016-03. Holan referenced Attachment 1, Planning Commission Findings and Decision No. 2016-03; Attachment 2, Marijuana Zoning Analysis; Attachment 3, League of Oregon Cities Regulation of Marijuana in Oregon; and Attachment 4, House Bill 3400 and presented a PowerPoint presentation overview of the proposed Development Code amendments as outlined in Exhibit A of the staff report:

1. Prohibit marijuana retail sales in Residential Districts;
2. Prohibit marijuana grow sites within Residential Districts;
3. Prohibit marijuana retail outlets in the Neighborhood Commercial District and prohibit taverns, lounges and other commercial uses intended for the on-site consumption of marijuana related products;
4. Allow medical marijuana dispensaries and marijuana retail activities within the Town Center Districts and prohibit taverns, lounges or other commercial uses intended for the on-site consumption of marijuana related products;
5. Prohibit marijuana related activities as a Home Occupation;
6. Apply same design standards and operational requirements for medical marijuana dispensaries to marijuana retailers;
7. Reduce hours of operation for medical marijuana dispensaries and marijuana retailers open to the public between the hours of 8:00 a.m. to ~~8:00 p.m.~~ ~~10:00 p.m.~~ **Council consideration: As proposed, leave code as is, and/or modify code, i.e., closing at 8:00 p.m. Sunday to Thursday and closing at 10:00 p.m. on Friday and Saturday.**
8. Add new subsection 10.8.1110, Other Marijuana Facilities, code requirements for marijuana related warehouses, processing and grow facilities; provide for a method for odor control for indoor/outdoor grow operations; and allow use of removable greenhouses and open field grow operations. **Council consideration: As proposed, allows use of portable greenhouses, either permanent or temporary, which may be of concern under such circumstances; and**
9. Other minor editing revisions.

In addition, Holan indicated the framework for future discussions with Council may include other potential development requirements, such as buffers, setbacks in residential districts, signage, building design and additional lighting, noting HB 3400 requires adopting an ordinance referred to the voters, if imposing a tax or fee of up to three percent on marijuana retail sales. In conclusion of the above-noted staff report, Holan recommended Council adopt the above-noted ordinance amending the

Development Code to address marijuana facilities, as outlined in Exhibit A, File No. 311-15-00028-PLNG.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2016-07 for first reading.

Mayor Truax read Ordinance No. 2016-07 by title for first reading.

MOTION: Councilor Wenzl moved, seconded by Councilor Lowe, to adopt Ordinance No. 2016-07 Amending Forest Grove Development Code Article 3, Article 7 and Article 8 to Address Marijuana Facilities; File No. 311-15-00028-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the deadline of March 14, 2016, 7:00 p.m.

Proponents:

Stewart Wilson, Hillsboro, testified in support of the recommendations as it relates to outdoor grow operations, pointing out the Oregon Liquor Control Commission requires 8' fences to block views of outdoor grow operations.

Adrian Perte, business located at 3821 Pacific Avenue, Forest Grove, testified in support and reported his business hours of operation are Monday through Thursday 10:00 a.m. to 8:00 p.m.; Friday through Saturday 10:00 a.m. to 10:00 p.m.; and Sunday 10:00 a.m. to 8:00 p.m., pointing out that 8:00 a.m. is the best time for medical users.

No one else testified and no written comments were received.

Opponents:

John Schwan, Senior Director, TTM Technologies, Poplar Lane, Forest Grove, submitted into the record a copy of TTM Technologies' written testimony, noting he is testifying on behalf of TTM and their attorneys who were unable to attend this hearing. Schwan stated TTM is testifying in opposition due to the recent marijuana grow operation adjoining their property, noting TTM currently employs around 650 full-time employees and TTM has a very strict drug policy that prohibits the possession or use of federally illegal drugs, such as marijuana, on all their manufacturing operations and in places in which they do business. Schwan referenced a list of additional opposition reasons, as outlined in his written testimony, noting the Forest Grove operations are under the control of the Department of Defense and Department of Homeland Security,

and any threats or potential threats that “could” have an effect on Forest Grove operations will require both customer and federal government notifications. Schwan noted any federal government notifications would trigger inquiries related to business threats and whether their site’s security is or has the potential to be compromised. Schwan added, as a result, their customers and TTM will consider or be forced to move products into one of their 12 other United States based facilities, noting the loss in revenue will force financial hardship to the Forest Grove operations with an increased likelihood of a full facility shutdown. In addition, Schwan pointed out TTM is also very concerned about employee safety and the environmental implications that the grow operation will have on wildlife and preserves in the local area, noting TTM owns a substantial amount of property around the Forest Grove site.

Council Response to Testimony Heard:

In response to a Council inquiry pertaining to the adjoining property owners’ responsibilities, Schwan indicated TTM would be held responsible for any threats or potential threats to their business operations and their site security being compromised, noting having drugs within close proximity to their federally controlled operations would be detrimental and would force the Forest Grove operations to implement further “significant” security controls that would have a high financial hardship to the Forest Grove operations.

In response to a Council inquiry pertaining to if TTM testified at the state level or Planning Commission hearing, Schwan indicated TTM did not testify at either hearing, noting he is one week into the hearing process, to which Mayor Truax advised Schwan that the hearing would be continued until Monday, March 28, 2016, if TTM would like to provide any additional testimony.

No one else testified and no written comments were received.

Others:

No one testified and no written comments were received.

Council Discussion:

In response to Lowe’s inquiry pertaining to consumption locations, Holan advised public consumption is prohibited under State law and cannabis falls under the regulation of Oregon’s Clean Air Act in 2016.

In response to Kidd’s inquiry pertaining to hours of operation, Holan explained the Planning Commission’s recommendation is to reduce hours of operation at 8:00 p.m. instead of 10:00 p.m. to coincide with other business hours in the community, noting the police department concurs due to safety and patrol.

Thompson voiced concern that marijuana state laws do not address hash oil, pointing

out two recent fires caused by using butane.

Hearing no further discussion from the Council, Mayor Truax recessed the Public Hearing until the next meeting of Monday, March 28, 2016.

Public Hearing Recessed:

Mayor Truax recessed the Public Hearing until the next Council meeting of Monday, March 28, 2016.

Council collectively concurred to extend the meeting past 9:30 p.m. adjournment, to which, Mayor Truax called for a recess at 9:37 p.m. and reconvened the meeting at 9:41 p.m.

12. PUBLIC HEARING AND FIRST READING OF ORDINANCE NO. 2016-08 AMENDING FOREST GROVE CITY CODE CHAPTER 7 BY RENAMING CODE SECTIONS 7.850 THROUGH 7.865 FROM “MEDICAL MARIJUANA DISPENSARIES” TO “MARIJUANA ACTIVITIES”; AMENDING CODE SECTIONS 7.850 THROUGH 7.860 TO ADDRESS MARIJUANA FACILITIES; AND REPEALING PORTIONS OF ORDINANCE NO. 2015-03; FILE NO. 311-15-00028-PLNG

Staff Report:

Holan presented the above-proposed ordinance for first reading, noting the proposed ordinance is requesting to amend City Code Sections 7.850 through 7.865 to address marijuana facilities as recommended by the Planning Commission, Decision No. 2016-03. Holan presented a PowerPoint presentation overview of the proposed amendments as outlined in Exhibit A of the staff report:

1. Code Section 7.855, deleted ~~Medical Marijuana Dispensary~~ and added Marijuana Related Activities: An activity involved with the growing, processing, wholesaling or selling of marijuana, cannabinoid product, cannabinol concentrate or cannabinoid extract regulated by Oregon Health Authority or Oregon Liquor Control Commission);
2. Code Section 7.860(A), amended, marijuana related activity must comply with all applicable requirements of State laws (ORS 475B (2015));
3. Code Section 7.860(B), amended, marijuana related activity must obtain a business license pursuant to City Code, Chapter 7;
4. Extend opaque bag requirement to include dispensaries and retail facilities; and
5. Prohibiting on-site consumption of marijuana related products at commercial establishments; and
6. Hours of operation for marijuana activities, City Code currently allows between the hours of 8:00 a.m. to 10:00 p.m. ***Council consideration: Leave code as is and/or modify closing at 8:00 p.m. for consistency purpose with the Development Code under Agenda Item 11.***

In conclusion of the above-noted staff report, Holan recommended Council adopt the above-noted ordinance amending City Code Sections 7.850 through 7.865 to address marijuana facilities, as outlined in Exhibit A, File No. 311-15-00028-PLNG.

Before proceeding with the Public Hearing and Council discussion, Mayor Truax asked for a motion to adopt Ordinance No. 2016-08 for first reading.

Mayor Truax read Ordinance No. 2016-08 by title for first reading.

MOTION: Councilor Wenzl moved, seconded by Councilor Lowe, to adopt Ordinance No. 2016-08 Amending Forest Grove City Code Chapter 7 by Renaming Code Sections 7.850 through 7.865 from “Medical Marijuana Dispensaries” to “Marijuana Activities”; Amending Code Sections 7.850 through 7.860 to Address Marijuana Facilities; and Repealing Portions of Ordinance No. 2015-03; File No. 311-15-00028-PLNG.

Public Hearing Opened:

Mayor Truax opened the Public Hearing and explained hearing procedures.

Written Testimony Received:

No written testimony was received prior to the deadline of March 14, 2016, 7:00 p.m.

Proponents:

No one testified and no written comments were received.

Opponents:

No one testified and no written comments were received.

Others:

No one testified and no written comments were received.

Council Discussion:

Hearing no discussion from the Council, Mayor Truax recessed the Public Hearing until the next meeting of Monday, March 28, 2016.

Public Hearing Recessed:

Mayor Truax recessed the Public Hearing until the next Council meeting of Monday, March 28, 2016.

13. **RESOLUTION NO. 2016-20 AUTHORIZING THE EXPENDITURE OF MACC PCN GRANT FUNDS IN THE INFORMATION SYSTEMS FUND FOR FIREWALL REPLACEMENT FOR THE CITY’S COMPUTER NETWORK SYSTEM**

Staff Report:

Downey presented the above-noted resolution requesting authorization of expenditure of MACC PCN grant funds, noting the City was awarded \$49,210 to replace the City's aging firewall server with a new firewall that has more features than the current system. Downey advised receiving the grant means the City will not have to find the additional funds that would have been necessary to purchase an advanced firewall, noting the City will accumulate replacement funds for eventual replacement of the firewall similar to all other information technology assets. In conclusion of the above-noted staff report, Downey advised staff is recommending Council adopt the proposed resolution so grant funds can be spent, noting a supplemental budget hearing is not required pursuant to budget law for expenditure of grant funds.

Before proceeding with Council discussion, Mayor Truax asked for a motion to adopt Resolution No. 2016-20.

Mayor Truax read Resolution No. 2016-20 by title.

MOTION: Councilor Wenzl moved, seconded by Councilor Thompson, to adopt Resolution No. 2016-20 Authorizing the Expenditure of MACC PCN Grant Funds in the Information Systems Fund for Firewall Replacement for the City's Computer Network System.

Council Discussion:

Hearing no discussion from the Council, Mayor Truax asked for a roll call vote on the above-noted motion.

ROLL CALL VOTE: AYES: Councilors Johnston, Kidd, Lowe, Thompson, Wenzl, and Mayor Truax. NOES: None. ABSENT: Councilor Uhing. MOTION CARRIED 6-0.

14. CITY COUNCIL COMMUNICATIONS:

Due to time, Mayor Truax postponed Council Communications to the next Council meeting of March 28, 2016.

15. CITY MANAGER'S REPORT:

Due to time, Mayor Truax postponed City Manager's Report to the next Council meeting of March 28, 2016, noting the City Manager's Report was distributed electronically to Council and was added to the online Council Packet.

16. MAYOR'S REPORT:

Due to time, Mayor Truax postponed Mayor's Report to the next Council meeting of March 28, 2016.

17. **ADJOURNMENT:**

Mayor Truax adjourned the regular meeting at 10:00 p.m.

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder



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**City Council Work Session Meeting Minutes
Goal-Setting and Team Agreement**

**Monday, March 14, 2016
5:30 p.m., Conference Room**

***Minutes are unofficial until approved by Council.
Council approved minutes as presented March 28, 2016.***

1. CALLED TO ORDER AND ROLL CALL:

Mayor Peter Truax called the Work Session to order at 5:34 p.m.

ROLL CALL: COUNCIL PRESENT: Thomas Johnston, Council President; Richard Kidd; Victoria Lowe; Ronald Thompson; Malynda Wenzl; and Mayor Peter Truax.

COUNCIL ABSENT: Elena Uhing, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager, and Anna Ruggles, City Recorder.

2. WORK SESSION: CITY COUNCIL GOAL-SETTING AND COUNCIL TEAM AGREEMENT

Ruggles and VanderZanden facilitated the above-noted work session, noting the purpose of the work session was so Council could review their proposed goals and objectives for Fiscal Year 2016-17, which were identified at the Council Retreat, held on February 20, 2016. Ruggles and VanderZanden reported the Council made no changes to their three existing key goals and Council identified 12 new proposed objectives and carried over 13 objectives from the previous year that were identified as ongoing for a total of 25 proposed objectives for Fiscal Year 2016-17. In conclusion of the above-noted staff report, Ruggles referenced Exhibit A of the staff report, noting the newly revised spreadsheet contains columns showing Council Direction/Actions Needed; Fiscal Impact, if any; projected Time Frames; Departments Assigned; Council Direction as proposed by Council; and Next Steps and/or Status of each proposed objective.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued, to which Council collectively concurred to make no changes to their three key goals and no changes to the 12 new proposed objectives for Fiscal Year 2016-17. In conclusion of the above-noted discussion, Ruggles and VanderZanden advised proposed resolutions adopting the three Council key goals and Council Objectives for Fiscal Year 2016-17 will be presented for Council consideration at the next regular meeting of Monday, March 28, 2016.

Council Team Agreement:

Ruggles and VanderZanden referenced Council's drafted Team Agreement, noting the

Team Agreement was reviewed at the Council Retreat, held on February 20, 2016, and Council made minor edits as outlined in Attachment B of the staff report. Ruggles and VanderZanden reported staff researched other team agreements as directed at the retreat, noting staff found that most team agreements were very similar to Forest Grove's and/or did not contain improvements that would be useful as part of Council's decision-making process.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued, to which Council collectively concurred to a minor edit/deletion as following: #8. *"No use of personal electric communication devices while conducting business at the dais."* ~~except to send a text message if an urgency arises.~~ However, Lowe warned of potential meeting violations if electronic communication was occurring while at the dais, to which Council collectively concurred that they would leave the dais if the need arises, but that there was no need to include this statement in the agreement. Lowe also stated that she is not signing the Team Agreement as is, unless #10 is wiped out, which reads: *"Agree to be diplomatic about disagreement; leave disagreement at the dais and do not try to polarize other Councilors."* In addition, Lowe noted that additional time was needed to review the Council Team Agreement, pointing out Uhing has not provided her feedback. Kidd stated through his own research, he has found that every business has a "Code of Conduct" instead of a team agreement, pointing out he has some ideas that he would like to present as well. In conclusion of the above-noted Council discussion, Mayor Truax advised he would accept comments up until the next Council meeting, to which Ruggles and VanderZanden advised staff would schedule a follow-up Work Session for review of the Team Agreement for the next meeting of Monday, March 28, 2016.

Council took no formal action nor made any formal decisions during the above-noted work session.

3. ADJOURNMENT:

Mayor Truax adjourned the regular meeting at 6:20 p.m.

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder



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**City Council Work Session Minutes
Defined Benefit Retirement**

**Monday, March 14, 2016
6:00 p.m., Conference Room**

***Minutes are unofficial until approved by Council.
Council approved minutes as presented April 11, 2016.***

1. CALLED TO ORDER AND ROLL CALL:

Mayor Peter Truax called the Work Session to order at 6:23 p.m.

CALL: COUNCIL PRESENT: Thomas Johnston, Council President; Richard Kidd; Victoria Lowe; Ronald Thompson; Malynda Wenzl; and Mayor Peter Truax. **COUNCIL ABSENT:** Elena Uhing, excused.

STAFF PRESENT: Jesse VanderZanden, City Manager; Paul Downey, Administrative Services Director; and Anna Ruggles, City Recorder.

2. WORK SESSION: DEFINED BENEFIT RETIREMENT

Downey and VanderZanden facilitated the work session, noting the purpose of the work session was to discuss the status of the City's Defined Benefit (DB) Retirement Plan, which includes 1) Defined Benefit Plan managed by the City; 2) Defined Contribution Plan managed through ICMA; and 3) Public Employees Retirement System (PERS); review Milliman's, City's actuary firm, recommended changes to the City's DB Plan; discuss the cost to fund the recommended changes; and discuss staff's recommendation to implement independent actuary's recommended changes to the actuarial assumptions for the City's DB Plan. Downey reported staff held a similar work session with Council on January 26, 2015, noting at that work session, staff was directed to schedule a follow-up work session with Council to provide an update on the City's retirement plan assumptions. Downey introduced Milliman's actuary representatives, Chris Jasperson and Lacey Engle, who were present, noting staff and the Actuary are presenting recommended changes centered around three areas as outlined in the staff report:

1. Change Mortality Assumptions for FY2016-17 – these changes would increase contributions to the Plan;
2. Change Valuation Interest Rate Assumption from 7.25 percent to 6.75 percent – this change would increase contributions to the Plan; and
3. Change Salary Scale Assumption from 4.5 percent to 3.75 percent annually – this change would decrease contributions to the Plan

Actuary comments as outlined in the staff report:

- Adopt the recommended assumptions, but step into the higher contribution levels over time, for example three to five years. This approach is similar to how the PERS Rate Collar currently limits the change in contribution rates for many PERS

employers.

- Adopt the recommended mortality assumption, but wait to lower the interest rate assumption. Then lower the interest rate assumption 0.25 percent per year until the recommended assumption is reached.
- Any deferral of contributions would result in relatively higher future contribution levels due to the time value of money.

Downey presented a PowerPoint presentation background overview on the City's DB Plan and referenced a table titled "Retirement Program Members in Plans as of October 1, 2015", noting the Plan includes 123 defined benefit members, 30 defined contribution full-time members, and 16 defined contribution part-time members; referenced a table titled "Budget Contributions FY2015-16", noting the total of Retirement Payments in the General Fund is \$2,458,001; and referenced a table titled "Estimated Impact of Recommended Assumptions Changes Based on Preliminary July 1, 2015, Valuation Results", which reflected the recommended changes noted above (reducing interest rate and salary scale assumptions). In conclusion of the above-noted work session presentation, Downey advised the total annual estimated additional costs to implement all changes are \$1,223,000, or a 54 percent increase in contributions, noting the costs of implementing all the changes at one time would be difficult for the General Fund to fund and would deplete reserves too quickly unless additional revenue is generated or service reductions are made. In conclusion of the above-noted work session report, Downey and VanderZanden advised staff is proposing a strategy to phase-in the actuarial assumptions changes over the next three to five years, starting in FY2016-17 budget year, which is one of the alternative approaches suggested by the Actuary.

Council Discussion:

Mayor Truax opened the floor and roundtable discussion ensued pertaining to status of the City's Defined Benefit Plan and overall budgetary effect on the City's General Fund and options to implement the recommendations over time. Downey and Actuary responded to various concerns, inquiries and scenarios Council presented pertaining to implementing the recommendations and costs to the General Fund departments, to which Downey noted in order to absorb the potential increased costs, Light and Power Fund would need to increase rates by 1.8 percent and Water Fund would need to increase rates by 2.4 percent. The Enterprise Funds would have less difficulty implementing the changes due to the ability to increase rates. Downey pointed out waiting to make any changes would ultimately increase the costs of making changes, noting staff would work with Actuary on an allocation method to charge contributions to the various departments in the General Fund. Downey also noted the phase-in would allow the City to factor the increased retirement contributions in the financial projections to be prepared as part of the process to review the renewal of the five-year local option levy, which expires June 30, 2018. In conclusion of the above-noted Council discussion, Downey and VanderZanden advised staff will factor the rate increases into a phasing plan that staff and Actuary will develop and bring back to Council for consideration in a follow-up work session at a later date.

Council took no formal action nor made any formal decisions during the above-noted work session.

3. **ADJOURNMENT:**

Mayor Truax adjourned the work session at 6:59 p.m.

Respectfully submitted,



Anna D. Ruggles, CMC, City Recorder