

CITY OF McMinnville
MINUTES OF CITY COUNCIL WORK SESSION
Held via Zoom Video Conference and at the Kent L. Taylor Civic Hall on Gormley Plaza
McMinnville, Oregon

Tuesday, April 14, 2020 at 5:30 p.m.

Presiding: Scott Hill, Mayor

Recording Secretary: Claudia Cisneros

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Adam Garvin	
	Zack Geary	
	Kellie Menke, Council President	
	Sal Peralta	
	Remy Drabkin	
	Wendy Stassens	

Also present were City Manager Jeff Towery, City Attorney Spencer Parsons, Finance Director Jennifer Cuellar, Planning Director Heather Richards, Senior Planner Tom Schauer, Senior Planner Chuck Darnell, Building Official Stuart Ramsing, Police Chief Matt Scales, Operations Chief Amy Hanifan, Human Resources Manager Kylie Bayer, Information System Director Scott Burke, and member of the News Media –and Jerry Eichten, McMinnville Community Media.

1. CALL TO ORDER: Mayor Hill called the virtual meeting to order at 5:30 p.m.

2. 2003 UGB SUBMITTAL REVIEW FOR DIRECTION

Planning Director Richards said the Council had directed staff to explore whether or not the City could respond to the 2012 remand for the 2003 UGB expansion submittal. This was a follow up to the January 22 Work Session. McMinnville was trying to decide how it would move forward with growth planning to accommodate 20 years of population growth within the City’s Urban Growth Boundary. Today’s discussion would focus on what a response to the Court of Appeals 2012 Remand to the 2003 McMinnville Growth Management and Urbanization Plan looked like in terms of time, costs, and risks, in comparison with starting a new UGB expansion effort. The need to expand had not been the issue, it was how and where the City expanded that had been a contested dialogue for 20 years, plagued by opposition, challenges, and appeals. McMinnville’s UGB history was as follows:

- 1981: Adopted UGB for 1980-2000 Planning Period
- 1988: Entered Periodic Review with DLCD
- 1993-1995: Residential inventory/projections
- 1994-1995: Commercial land inventory and projection
- 1995-1997: HB 2709 retrofit to Residential inventory and needs
- 1999: Community Growth and Land Use Analysis project

- 2000-2002: Residential BLI, adoption, DLCD appeal, LUBA remand
- 2001-2003: Economic Opportunities Analysis
- 2002-2003: Additional local review produced the McMinnville Growth Management and Urbanization Plan adopted in 2003
- 2003-2013: Continued defense of Growth and Expansion plan
- 2013: Remand by Oregon Circuit Court of Appeals
- 2013: Decision to let it rest. – battle worn and resource depleted
- 2018: Start work again with HNA/EOA and direction to pursue URA/UGB

Land supply was constrained which led to higher land costs, lack of affordable housing opportunities, lack of overall housing opportunities, increasing homeless population, loss of economic opportunities, more population growth in unincorporated areas, deficit in tax revenue to fund public levels of service, and infill in a vacuum. A quick snapshot of McMinnville showed that:

- McMinnville was beginning to gentrify.
- Lower and moderate income households were being displaced.
- Homelessness was increasing.
- Average home sale price in 2019 was \$398,200.
- Employers were losing employees due to housing scarcity.
- Last successful UGB amendment was adopted in 1981 for the planning horizon of 1980-2000.
- Started next effort in 1994, and then decided to shelve it in 2013 after 20 years of challenges and appeals.
- McMinnville spent \$1,000,000 on the MGMUP effort, hundreds of hours of staff time, and hundreds of hours of community engagement.

Home prices in McMinnville were escalating. Not even those making \$60,400, which was 120% of median family income, could afford the median housing price in the City. There had been a lot of dialogue recently about how McMinnville should grow, whether up, out, or both. ORS 197.298 discussed the priority lands for UGB amendments:

First priority = Urban Reserve Land

Second priority = Land adjacent to the UGB that was an exception area or non-resource land

Third priority = Land designated as marginal land

Fourth priority = Agricultural and Forest Lands

- Low Value Farmland
- High Value Farmland

Surrounding McMinnville were exception lands and high value farmland, which were second and fourth priority lands. The exception lands were already developed and there was not a lot of opportunity for redevelopment. In the high value farmland area there was land that was development constrained with high slopes and landslide soils. Potential paths forward were:

1. URA/UGB

2. UGB
 - a. Dust off 2003 submittal, resubmit with revised findings
 - b. new alternatives analysis
 - c. concurrent with URA
3. Regional Problem Solving
 - a. RPS – 2003 UGB Plan
 - b. RPS – URA/UGB
4. Legislative Bill
5. Quasi-Judicial UGB Amendments
6. Do Nothing (wait for a state-wide fix)
7. Negotiate a Deal

The decision making filter included:

1. Does it achieve success – reality not monopoly
 - a. Housing
 - b. Economy
 - c. Parks
 - d. Livability
 - e. Infrastructure
 - f. Master planning
 - g. Local Control
2. Achievement of Goals
3. Costs
4. Time

The City Council had directed staff to evaluate responding to the 2012 remand of the 2003 MGMUP. The MGMUP (2003-2023) UGB history was as follows:

- 1994-2000 Coordinated Population Forecast, Draft HNA work
- 2001: HNA Adopted. Appealed to LUBA. Remanded back to City.
- 2002: City started work on the UGB Alternative Analysis (2003-2023)
- 2003: Ordinance No. 4795 (EOA) and Ordinance No. 4976 (MGMUP)
- 2004: LCDC Hearing on MGMUP. Objections filed. LCDC Remands to the City.
- 2006: Ordinance No. 4840 and 4841 – Amended MGMUP. Approved by DLCD staff. Appealed to LCDC. LCDC Affirms DLCD staff decision. Appealed to Court of Appeals.
- 2011: Court of Appeals Decision – one assignment of error. Remanded back to LCDC.
- 2012: LCDC remanded back to the City of McMinnville (Yamhill County was not part of the remand)

- 2013: City adopts Ordinance No. 4961, unwinding all of its work, electing to delay a response to the remand.
- 2014-2015: DLCD Rulemaking
- 2016: New rules become effective. All UGB work prior to new rules can still be forwarded under previous rules.

Councilor Drabkin left the meeting at 5:53 p.m. due to an emergency.

Planning Director Richards continued by stating the City had established the need for 1,188 acres. In 2004 (Ordinance No. 4796), the City brought in 217 acres of rural residential lands and 42 acres for a future school. None of the rural residential lands had annexed into the City and developed since that time. In the west hills, there was no infrastructure to support development and there were areas of high susceptibility for landslides. A conservation easement was put on 81 acres of land that was already inside the UGB and no development could occur. McMinnville could legally respond to LCDC's remand. DLCD supported this interpretation pursuant to statutes and administrative rules in effect at the time of the submittal in 2006.

Councilor Stassens said this UGB expansion was for the time period up to 2023. If they decided to finish that process now, would it satisfy the next 20 year planning horizon? Planning Director Richards said it would still be for the horizon up to 2023. They would still be using the data that was put together for the Housing Needs Analysis and Economic Opportunities Analysis associated with the 2006 submittal. When compared with the data of today, they were very similar in terms of need for the community. They had asked DLCD if they could use data from that time period and DLCD said that they could.

Councilor Geary asked if those documents would still achieve the goals they had today. Planning Director Richards said the planning horizon for 2023 was for a population of 45,000 people. The planning horizon they had been working on for 2041 was for a population of 48,000 people. The number of housing units and types of housing needed was very similar.

DJ Heffernan, consultant, gave a review of the remand. In the Court of Appeals decision was a general critique of the buildable land analysis and how to do it correctly. There was also a specific critique of the UGB analysis to include/exclude areas. For the buildable land analysis, the cost did not make the land unbuildable. The solution was to revise the BLI maps to only exclude hazards, steep slopes, and topographic/physical barriers. From the buildable land maps, they would need to select land to include in the UGB based on statutory priorities. They could skip priority areas only if they could not meet a specific land need. DLCD's remand order said they had to follow the Court's instructions or proceed in any other manner that complied with the statewide planning goals. The response-remand work outline was as follows:

- Re-Map Buildable Land
- Cost to Serve Analysis
- Land Development Cost Analysis
- Refine Housing Need Analysis
- Revise UGB Expansion Map
- Revise Plan Documents/Findings

For the buildable lands map:

- Most land in the expansion areas would be classified as buildable.
- Exclude: flood plains, steep slopes, severe and high risk landslide.
- Topographic/Physical Barriers: Baker Creek, Yamhill River.

Mr. Heffernan then discussed the candidate expansion areas including exception land subareas, resource land subareas, and UGB expansion proposal areas. The Cost to Serve Study would include water, sewer, and roads. The serviceability cost rating would be low, medium, and high costs per buildable acre. Jacobs Engineering would do the study for the City. This would be used as criteria for evaluating which areas came into the UGB. The Land Development Cost Analysis would be for a typical 5 acre site in West Hills, Riverside South, and 3-Mile Lane. It would look at the feasibility and cost per dwelling to develop single family residential and multi-family residential. The Housing Needs Analysis would be refined to use the data from the 2001 HNA. They would define land needs and cost parameters for housing types from executive to affordable. They would revise the UGB expansion map to follow the Court of Appeals screening process to justify inclusions and exclusions. They would also use the 2006 plan designations and zoning (NAC, R-5 zone). The plan documents and findings would be revised to use the 2006 amendments where possible. Appendix C would be revised to document the UGB land selection process. They would also outline implementation steps. He then explained the costs for these tasks, which totaled around \$83,000. There would also be a cost to update the City's public facility plans plus any legal expenses incurred. The pros of the remand process were:

- Built upon previous work and investment, had community support.
- All of the challenges had been legally resolved except for one assignment of error.
- Court decision laid out a path for response.

Mayor Hill asked if other cities had been successful in this process. Mr. Heffernan said other cities had used this path and had been successful. Planning Director Richards said there hadn't been a city go through the new rules from 2016 yet with a substantial UGB amendment. Angela Carnahan, representing DLCD, confirmed there had not been any cities that had gone through the expansion process under the new priority rules. Mr. Heffernan said other cities had done it, but not with data as old as the City's, however everything came to a standstill with the recession and very little had changed in terms of the forecast for housing and employment needs. Planning Director Richards said both Woodburn and Springfield finalized and affirmed their UGB amendments with data that was almost 17 years old.

The cons of the remand process were:

- One assignment of error was a big one – priority structure
- Could not use new rules adopted in 2016 which allowed for impractical infrastructure analysis.

Senior Planner Schauer discussed what a new submittal would look like as far as process, cost, and time. The new work started in 2018 with planning for a UGB for 2021 to 2041 and an Urban Reserve to 2067. So far they had done a draft Needs Analysis for residential, employment, and public/semi-public land, draft Buildable Lands Inventory to determine sufficiency, but had not yet begun evaluating the expansion areas per the new rules. It also had not yet been vetted through a public process or adopted. Challenges or appeals at any step in the process were unknown. They were still on Step 1 of the process. The tasks yet to be done for Step 1 were:

Needs Analysis Tasks:

- Housing Needs Analysis and BLI
- EOA and BLI, Public/Semi Public Land Needs
- Urbanization Report
- Housing Strategy (not a land use document)

All Items:

- Complete remaining items in drafts
- Distribute to PAC for review
- Public vetting
- Public hearing process for adoption
- Need to submit PAPA “Notice of Proposed Amendment” for drafts to DLCD in May

The City would then need to go to Step 2, evaluate alternatives to meet the need and Step 3, develop and select the preferred alternative. Step 4 was to adopt the plan, Step 5 was to adopt supporting plans, and Step 6 was to implement the plan. Under the new rules, the City had to establish a preliminary study area which included all land within an Urban Reserve (not applicable), all lands within one mile from the UGB, and all exception areas contiguous to an exception area that included land within one mile of the UGB and that were within 1.5 miles of the UGB. At the discretion of the local government, the preliminary study area could contain lands in addition to those above. The City could exclude land from the preliminary study area if it was impracticable to provide necessary public facilities or services to the land, subject to significant development hazards due to risks like landslides, flooding, or tsunamis, consisted of significant scenic, natural, cultural, or recreational resources, and owned by the federal government and managed primarily for rural uses. Impracticable was defined as:

- an area of at least 5 acres where the majority, 75% or more, was slope of 25% or greater, but not if the majority of the area had a slope less than 25%
- isolated from existing service networks by physical, topographic, or other impediments to service provision. . .if impracticable to serve during planning period, based on evaluation of:
 - amount of development likely during planning period
 - likely cost of facilities and services
 - substantial evidence how similarly situated land in the region had/hadn't developed over time

Impediments were rivers/water bodies requiring new bridge crossings to serve, topo features (canyons/ridges), freeways, rail lines, restricted access corridors requiring grade separation to serve, official significant scenic, natural, cultural, recreational resources that would prohibit or significantly impede public facilities and services. Existing development patterns that might affect capacity were not an allowable exclusion. After the allowed exclusions were removed from the preliminary study area, if it was not already two times the identified deficiency, they had to adjust the area to include two times the amount of land needed to address deficiency by expanding the distance. Then the land in the study area had to be evaluated for inclusion in the UGB. To evaluate the land, they had to apply land priorities and to include as much land in the highest priority before the next priority.

Senior Planner Schauer explained the costs of the tasks for the new work program, which would be about \$260,000. Added to that cost would be the updates to the public facility plans plus any legal expenses. Any decision, analysis, or assumption that wasn't a safe harbor was subject to appeal at each step of the process. The potential areas for appeal were:

1. Needs Analysis: housing, employment, other lands, needs, BLI, capacity, surplus/deficit
2. UGB/UR Expansion Study Area Analysis: analysis of areas eligible for inclusion
- 3-4. UGB/UR Expansion Proposal and Plan: selection of proposed expansion area from eligible areas, Comprehensive Plan Map for expansion areas, Comprehensive Plan policies
5. Supporting Plans: Public facility plans, Goal 5 and Goal 7 resource plans
6. Implementation: area planning, code amendments, efficiency measures, rezoning, etc.

The pro of going through the new process was that the investment in the HNA/EOA had already occurred. The cons were exposure to significantly more challenges and appeals, costs of alternatives analysis and new public facility planning, and McMinnville would be the test case for the new rules in an environment that had historically been strife with challenges, opposition, and legal appeals.

Planning Director Richards said when comparing the remand and new process, there would be a December 2020 submittal with the remand and a December 2022/23 submittal with the new process. It would cost \$83,000 for the remand plus the facility plans estimated to be \$500,000 as opposed to \$260,000 for the new process plus the facility plans estimated to be \$815,000. The appeals had been resolved on all issues but one for the remand, but the adoption process had not yet started and everything was on the table for challenges and appeals for the new process. The outcome for the remand was satisfying the land need for a total population of 44,055 and the outcome for the new process was satisfying the land need for a total population of 47,498. Some of the options for use of the new work were: continue with the new work instead of the remand, continue with the new work in addition to the remand, add an Urban Reserve to the remand, after remand completion update the UGB to 2021-2041, and after remand completion update the UGB and add an Urban Reserve.

Councilor Peralta discussed the difference between the two approaches. Going with the new process would net them housing for 3,000 more people. How big of a factor should that be in this decision? Planning Director Richards said if they wanted the most bang for the buck and if there wasn't a critical need right now, following the new process might be the recommendation because it was a larger population forecast. However, the City was in a critical position right now regarding land constraints and housing affordability and there was a timeliness issue associated with this work. There was a large margin of error in population forecasts and 3,000 additional people was not a lot of difference. If they only did the remand, they would need to do this type of growth planning again in 10-15 years.

Council President Menke liked the idea of moving forward with the remand and then looking at adding an urban reserve.

Councilor Drabkin joined the meeting again at 6:58 p.m.

Councilor Geary asked about the deadline to decide the path moving forward. Planning Director Richards would like the decision tonight.

Councilor Garvin asked if the state was still willing to move forward with the remand. Planning Director Richards said they had been in discussions with the state and they were in support of the City responding to the remand.

There was consensus for staff to move forward with preparing a response to the remand. The work for the remand would be done with cognizance that it could be work to support a future urban reserve area effort, but the focus would be on the remand.

3. ADJOURNMENT: Mayor Hill adjourned the Work Session at 7:03 p.m.

Claudia Cisneros

Claudia Cisneros, City Recorder

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Recording Secretary: Claudia Cisneros

Councilors:	<u>Present</u>	<u>Excused Absence</u>
	Adam Garvin	
	Remy Drabkin	
	Zack Geary	
	Kellie Menke, Council President	
	Wendy Stassens	
	Sal Peralta	

Also present were City Manager Jeff Towery, City Attorney Walt Gowell, Police Chief Matt Scales, Finance Director Jennifer Cuellar, Community Services Director Mike Bisset, Planning Director Heather Richards, Human Resources Manager Kylie Bayer, Information System Director Scott Burke, Fire Chief Rich Leipfert, Parks and Recreation Director Susan Muir, Senior Planner Chuck Darnell, Operations Chief Amy Hanifan, and member of the News Media –and Jerry Eichten, McMinnville Community Media.

1. CALL TO ORDER: Mayor Hill called the virtual meeting to order at 7:04 p.m. and welcomed all in attendance.

2. PLEDGE OF ALLEGIANCE

3. PROCLAMATION
Arbor Day

Mayor Hill read the proclamation declaring April 24, 2020, as Arbor Day.

Planning Director Richards said the City had been participating in Arbor Day for 23 years. Typically there was an event, however this year there would be an educational program for the community about the value of trees.

4. INVITATION TO CITIZENS FOR PUBLIC COMMENT: Mayor Hill invited the public to comment.

Mayor Hill said public comments had been received from Jerry Hart discussing the use of TLT dollars.

Mark Davis, McMinnville resident, thanked the Council for their time and effort in the Baker Creek North hearing. There had been thoughtful discussion and important issues were raised. As he had listened to the discussion about growth over the years, there had been a lot of discussion about the pros and cons. Some of the positives were providing needed housing, greater business choices, expanded tax base, higher paying jobs, more parks were created, and additional cultural opportunities. The cons were traffic congestion, more crime, loss of open space, higher taxes, more homelessness, and loss of the small town feel. It was the Council's task to try to maximize the positives and minimize the negatives. Regarding the Work Session that was held earlier, it was important how they implemented the ordinances and the neighborhood activity centers in the Growth Management and Urbanization Plan were a great idea. He was glad to see they were moving in that direction. At the Baker Creek North hearing he did not hear a lot of positives about that concept. He thought there needed to be more education on the idea if that was what they wanted to do. He thought the neighborhood activity centers and Great Neighborhood Principles were in agreement and the direction they should go in the City.

5.

PRESENTATION

League of Oregon Cities Presentation

Patty Mulvihill, General Counsel for the League of Oregon Cities, discussed local Transient Lodging Tax. McMinnville's lodging tax was established via Ordinance No. 4970 on June 11, 2013. The original tax rate was 8%. Tax collectors were permitted to withhold 5% of the net tax due to cover expenses they incurred in collecting and remitting the tax. The original ordinance had been amended six times since its enactment. The 2017 amendment raised the rate from 8% to today's rate of 10%. The most recent amendment in September of 2019 ensured that online travel companies and hosting platforms must collect McMinnville's lodging tax from their guests. There were limitations on how McMinnville could use its lodging tax revenues. 70% of the net revenue must be used to fund tourism promotion or tourism-related activities or finance or refinance the debt of tourism-related facilities. 30% of the net revenue may be used to fund non-tourism related city services. Tourism promotion was:

- Advertising, publicizing, or distributing information for the purpose of attracting and welcoming tourists
- Conducting strategic planning and research necessary to stimulate future tourism development
- Operating tourism promotion agencies
- Marketing special events and festivals designed to attract tourists.

A tourist was a person who, for business, pleasure, recreation, or participation in events related to the arts, heritage, or culture, travelled from the community in which that person was a resident to McMinnville. The trip required the person to travel more than 50 miles from their community or

residence or included an overnight stay in McMinnville. A tourism promotion agency included any of the following:

- An incorporated non-profit organization or governmental unit that was responsible for the tourism promotion of a destination on a year-round basis
- A non-profit entity that managed tourism-related economic development plans, programs, and projects
- A regional or statewide association that represented entities that relied on tourism-related business for more than 50% of their income.

A tourism related activity was a conference center, convention center, or visitor information center or other improved real property that had a useful lifespan of ten or more years and had a substantial purpose of supporting tourism or accommodating tourist activities. A conference center was a facility that was owned or partially owned by a unit of local government, a governmental agency, or a non-profit agency and met the current membership criteria of the International Association of Conference Centers. A convention center was a facility that:

- Was capable of attracting and accommodating conventions and trade shows from international, national, and regional markets requiring exhibition space, ballroom space, meeting room space, or other associated space.
- Had a total meeting room and ballroom space between 1/3 and 1/2 of the total size of the center's exhibition space.
- Generated a majority of its business income from tourists.
- Had a room-block relationship with the local lodging industry.
- Was owned by a unit of local government, a governmental agency, or a non-profit organization.

A visitor information center meant a building or a portion of a building the main purpose of which was to distribute and disseminate information to tourists. What types of real property supported tourism or accommodated tourist activities? There was no statutory definition or Oregon appellate case that gave guidance. There was a 2008 General Opinion from the Attorney General that provided some guidance. That opinion was that the legislature most likely intended local roads, sewer plants, and transportation facilities to qualify as tourism related facilities only if they drew tourists themselves, directly served a specific attraction, or were part of the infrastructure for a specific tourist attraction. The legislature likely did not intend tourism related facilities to encompass roads and other infrastructure simply because they were used, even heavily, by tourists as well as locals. In 2019, the League of Oregon Cities had two bills that attempted to expedite ways in which cities could spend local lodging taxes. While neither attempt was successful, both bills had large support and they might have more leverage in future legislative sessions.

Councilor Garvin asked how much of the TLT dollars could be used for Covid impact relief and could restaurants receive the funds?

Ms. Mulvihill said that was a gray area of the law. There were valid arguments on both sides and it came down to a risk/reward decision. Each city needed to weigh it individually.

Councilor Peralta asked of the law suits that had been filed against cities for using the TLT for other projects, who had brought the law suits against the cities?

Ms. Mulvihill said the ones that had come to the Court of Appeals were mostly from the Oregon Restaurant and Lodging Association. She didn't know about the ones from Circuit Court. She suggested if giving these funds for Covid relief was something the City wanted to consider, they should get an opinion from the City Attorney.

Councilor Peralta said the city of Seaside declined to collect their TLT tax for the first three months of this year. He asked if that went against the state statute.

Ms. Mulvihill said no, because it was a local tax.

Councilor Peralta said the city of Keizer used their TLT to fund a portion of their civic center. How did that qualify?

Ms. Mulvihill said they met the standards for a convention center.

Councilor Garvin asked about using TLT funds for police or first responder staff for events.

Ms. Mulvihill said they had a bill put forward in the 2019 legislative session where they asked to be able to spend TLT funds that way and it died in committee. They would bring it back to the 2021 session.

Jeff Knapp, Executive Director of Visit McMinnville, said the last month had been a shock for the community and it was an unsettling time for businesses and the visitor economy. They were proud of the work they had done over the last five years in building a strong foundation of trust. They had secured dozens of national and international earned media pieces with millions of impressions and had received the highest industry acknowledgement for their work in the state. They had supported over 25 new visitor facing businesses open and jobs associated with those. They had redirected funding to leverage grant funding from the Willamette Valley Visitors Association to form the Yamhill County tourism partnerships to funnel resources back into the community. They were able to move the national and international perception of the epicenter of Oregon wine country from Dundee to McMinnville. They worked closely with the City on the Economic Development Plan. The original plan was to come to Council today with diversifying their destination and development efforts, however with Covid

they were now likely two years out from that course of action. There had been a lot of discussion about doing something with the TLT that would be meaningful and impactful to the community during this crisis. They were a small organization and did not have large reserves of funding to deploy for economic situations such as this. He thought the best use of the TLT was to deploy a data driven, targeted, well-crafted campaign to get people back to our local businesses as fast and safely as possible. Visit McMinnville was a very competent organization and had a history of success. They would weather the pandemic and come out the other side with their pedal to the floor. He thought they would have a leg up on other destinations in terms of potential bounce back due to the rural location, spaces to explore, and types of leisure travel. With well-crafted and targeted information they could get people back here faster than other surrounding cities. He explained their strategic milestones of planting for the first 1-5 years, fertilizing in the next 5-10 years, growing in 10-15 years, and maturing in 15-20 years. They were anticipating at minimum a 50% decrease in revenue which would put them back to where they were in 2016. They were excited that they now had the Economic Vitality Leadership Council to help bring additional connections to the work that they did as it related to the Economic Development Plan for the City. He hoped the Council viewed them as trusted partners and that they were working to be the best they could be. He would be bringing back their recommended business plan and contract in the upcoming months. Their plans would be flexible to accommodate for the pandemic. Currently they were focusing on local business messaging and working closely with the Stable Table on collaborative projects and grants. They were also working on a community based website to let people know what businesses were open and what they were offering and would be launching a community pride campaign called Our Roots Run Deep focusing on McMinnville history and resiliency and connecting resources. They were also monitoring travel sentiment with a plan to deploy as quickly as possible post-Covid. He discussed the historic TLT collections from 2014 to 2019 and the results of going back to the 2016 numbers which would be a big hit. He requested that the City extend their contract duration, support their business plan that would be focused on deploying all efforts to get business back to local stakeholders, and understand they were committed to investing in research and data to help drive the City's Economic Development Plan forward and work with the Economic Vitality Leadership Council to achieve the City's goals. Tomorrow they would be receiving the Visitor Economic Development Impact Study which would be shared with the City.

Councilor Stassens expressed appreciation for all of their efforts to support local businesses. She asked if he knew how many businesses would not be able to recover from the Covid shut downs.

Mr. Knapp said there would be a percentage of small businesses that would not be able to recover. He was not sure what those numbers might be. What

could make the biggest impact was capital for getting some of the businesses back up and the perishable products they needed. People's shopping habits would also change as they got comfortable with shopping online.

Councilor Stassens asked how the local government could support businesses.

Mr. Knapp said the most viable option was grants that might need matching funds or revolving loan funds. He did not have an answer, but there were many groups working on coming up with ideas.

Councilor Stassens asked if the local businesses were communicating to Visit Newberg and each other to help support them through the pandemic.

Mr. Knapp said each organization was staying in contact with their members. Surveys were also going out to assess the full impact on the community. They did not have the results yet, but businesses needed capital.

Councilor Peralta clarified there was no intent or funds for Visit McMinnville to be part of a grant program. What was the balance on their funding right now?

Mr. Knapp said as of April 1, they had \$95,000. They spent about \$27,000 per month on staff and other commitments. Beyond that they had a \$75,000 reserve. They did not have a pool of money that could be used for grants.

Councilor Drabkin asked what austerity measures they were taking as an organization.

Mr. Knapp said they had done quite a few things to cut expenditures. They had paused all Seattle media pieces and cut the group sales and destination development contract employee. They had also cut their media buying agency and the only marketing they were doing was for the Oregon Wine Press local messaging. They were focused on social media and email communication for local businesses.

6. ADVICE/ INFORMATION ITEMS

6.b. Department Head Reports

City Manager Towery said about a third of the City's workforce was working from home. Those who were on site were practicing social distancing and wearing PPE when appropriate and staggering shifts. They had been exploring a shelter partnership with the County, YCAP, and Newberg. They had landed on an expanded hotel voucher program that would provide an additional 20-30 beds for 2-3 months. They had a conceptual agreement for a cost share and McMinnville's share would be \$20,000. Regarding a business support program, they had been working with Stable Table partners seeking grant resources to focus on a short term support program and resiliency during recovery. He would like to provide \$10,000 to YCAP to help support the active meal services in McMinnville. The home delivery of library

materials program was launched on April 1 and as of yesterday there had been 331 deliveries and 72 more were set for today. They were real time answering patron questions for reference and other programs by phone and email. They were pushing downloadable audio books and streaming video resources. They were getting Spanish and English information out on social media about a variety of library resources. In Fire and ambulance, they transitioned the Monday through Friday peak units to a 24 hour ambulance to deal with the increased time it was taking to decontaminate the facilities. Due to the reduction of calls, they had gone back to just four 24 hour ambulances. They were doing full shift meals and trainings in the trainings room where there was room for social distancing. They received a little over \$51,000 from the Cares Act provider relief fund which was being used to offset revenue losses from decreased call volume. The PPE numbers were holding steady and a full decontamination of the fire station, house on Baker Creek Road, all of the ambulances, and front line engines would continue on a weekly basis. Planning and Building was still operating at full service through e-permitting and electronic plan reviews. The prescription delivery program was launched a week ago and 13 had already been filled and delivered. They were working with partnerships to utilize a compliance team to help deliver food pantry boxes. The Police Department was continuing to work on social distancing and limiting non-essential travel. They had done about ten birthday party parade drive-bys and staff had been working with elementary schools for virtual story times. They were also working with the School District to remind children about social distancing at bus stops when buses were delivering meals. Human Resources had been working on a number of policies and they had extended employee assistance programs to include all part time, seasonal, and temporary employees. They had laid off part time parks employees last week and had given them a comprehensive fact sheet of other work opportunities in the community and help with navigating unemployment claims. Finance had been operating at a distance and all payroll and accounts payable were being processed according to normal schedules. The finance team was also being used to provide support for grant awards in response to Covid. Wastewater services were participating in a Harvard based study to test treatment plant influent for signs of the Covid-19 virus. Public Works crews were working on staggered shifts. They were repurposing an old library book drop into a secure construction bid submission receptacle. Public bid openings would be done outdoors in the parking lot. Parks and Recreation had launched a Mac to You program with downloadable videos and games. Staff had called about 400 active seniors and volunteers to check in with them and delivered about 150 activity packs to seniors. A scholarship fund had been started for kids and families that had been particularly hard hit so they could get back into recreation once the programs started again. The park ranger season had begun early to focus on social distancing education and to remind people what was allowed in the parks.

Councilor Peralta asked if each department was looking at their budgets and alternatives to further layoffs. He suggested furlough days and other reductions instead of layoffs.

City Manager Towery said that would be part of the conversations during the budget process.

Councilor Garvin asked about possible grant funding.

City Manager Towery said they were looking into the Oregon Community Foundation Grant. Planning Director Richards said the Foundation might consider the McMinnville Downtown Association Economic Improvement District for the funds. They had also been in discussion with Craft 3 who was the community development financial institution about a program as well. The Oregon Community Foundation had about \$14 million for small business stabilization funds and she hoped they would be successful.

6.a. Reports from Councilors on Committee & Board Assignments

Mayor Hill had attended the Governor's meeting today regarding Covid. The League of Oregon Cities was meeting on a weekly basis. There were also County meetings with state senators and representatives along with Chambers and City Managers. They had also been involved with McMinnville Water & Light and providing funds for those struggling with paying utilities. He gave the latest statistics; Yamhill County had a total of 6 deaths. So far there had been no deaths in McMinnville. There were 814 individuals who had been tested and 32 were positive. Testing was going to be ramped up to 1,500 tests per week throughout the state. He was attending a lot of meetings and keeping up to date with the information.

Council President Menke said there would be a Visit McMinnville Board meeting tomorrow and League of Oregon Cities meeting on Friday. The soup kitchen was closed for two weeks. Some churches had filled in and were serving meals in the interim.

Mayor Hill said the Yamhill Rescue Mission had about 50 individuals in the emergency shelter during the cold weather. They were now serving about 25 individuals.

Councilor Geary said the Historic Landmarks Commission had met. A Landscape Review Committee meeting would be held tomorrow. The KOB Technical Advisory Committee joint meeting with the Council and School District had been put on hold due to Covid. The Mac Pac Committee would be getting together digitally to talk about how to move forward with their 18 month process. The climate initiative still remained an issue and would be coming back to Council. He asked when they planned to bring the Council's Level 10 meeting discussions regarding fire and EMS staffing back to Council, especially if the SAFER Grant had opened.

City Manager Towery said the SAFER Grant rules came out last week and the window was open for about another month. Staff would bring back a recommendation to Council at the next meeting. The consultant study on the

district assessment was still continuing. He thought preliminary data could be brought back to the next meeting as well.

Councilor Peralta said the Mid Willamette Council of Governments expected in this quarter to generate triple the revenues from loans than they had budgeted for the entire year due to Covid. Several cities had reached out to them for help with loans for gap funding as a result of Covid, and it was an option for McMinnville as well. The Council of Governments was the host for the new continuum of care and in addition to Marion and Polk Counties, the Grand Ronde Tribes had joined into that rural continuum. Yamhill County was the only Mid Willamette Valley jurisdiction that did not join the continuum to help address the homelessness situation.

Councilor Stassens said MURAC was not meeting this month. Regarding the Level 10 meetings, they had decided to wait until they could meet in person again or until they were more comfortable with the Zoom meeting format before continuing with the Level 10 meetings.

Councilor Garvin said the Airport Commission and YCOM Budget meetings were postponed. He thought the Level 10 meetings could resume in May. He thought they should make a decision on the SAFER grant at the next meeting. He suggested the City put together a small business assistance grant program. He thought they should give grocers the flexibility to not enforce the bag ban right now and allow grocers to ban the use of reusable bags in the store to protect staff.

Councilor Drabkin said the Community Home Builders had been working closely with the Planning Department for their subdivision. The City had provided \$236,861.90 in development fee incentives for affordable housing since July 1, 2017. She was also attending the League of Oregon Cities meetings and had been working on a number of initiatives. There was an effort through Nike to connect government with local businesses that had sewing machines and 3D printers to produce PPEs. She had discussions about the role of the City in assisting with commercial leases for businesses. First Baptist Church had stopped providing overnight housing for the homeless. There was a work group who was meeting to discuss solutions for the homeless. She had also been helping YCAP and other organizations by being a conduit of information. She had been helping to support foodbanks who planned to distribute 2,000 food boxes per week. She had been having conversations with non-profits and business owners about PPE loans. They were experiencing in McMinnville the inequitable distribution of loans based on access to the banking system, especially for minorities, which would be impactful to the community. She encouraged everyone to donate blood with the American Red Cross.

City Manager Towery said the SAFER grant window of application closed on May 15. There would likely be a local match required.

Councilor Geary would like to see the grant come to Council sooner rather than later.

Fire Chief Leipfert said they had partnered with Life Flight on the Fire Med Program. Life Flight would now be managing the program. Regarding the SAFER grant, they would have a professional grant writer helping them.

7. CONSENT AGENDA

a. Authorize City Manager to sign the Airport Property Lease Amendment with Van Holland Farms.

b. Customers Helping Customers Program.

Councilor Peralta MOVED to adopt the consent agenda as presented; SECONDED by Councilor Drabkin. Motion PASSED unanimously.

8. RESOLUTIONS

8.a. Consider **Resolution No. 2020-20**: A resolution to award a contract for the McMinnville Municipal Airport Jet A Fueling System, Project No. 2019-8, to Mascott Equipment

Community Development Director Bisset said this was for a new Jet A fueling system at the Airport. Two bids were received and the lowest responsible bidder was Mascott Equipment in the amount of \$229,850.

Councilor Garvin clarified there would not be any down time on the fuel tank. Community Development Director Bisset said that was correct, the existing fuel tank would be in service and remain in service until the new tank was put in by September 2020.

Councilor Garvin MOVED to adopt Resolution No. 2020-20, awarding a contract for the McMinnville Municipal Airport Jet A Fueling System, Project No. 2019-8, to Mascott Equipment; SECONDED by Council President Menke. Motion PASSED 6-0 by the following vote:

*Ayes – Councilors Drabkin, Garvin, Geary, Stassens, Menke, and Peralta
Nay – None*

8.b. Consider **Resolution No. 2020-21**: A resolution to award a contract for the 2020 Spring Street Repair, Project No. 2020-1, to K&E Paving Inc., dba H&H Paving

Community Development Director Bisset said this contract was for pavement repairs on Linfield Avenue and Second Street. Three bids had been received and the lowest responsive bidder was K&E Paving.

Councilor Drabkin MOVED to adopt Resolution No. 2020-21, awarding a contract for the 2020 Spring Street Repair, Project No. 2020-1, to K&E Paving Inc., dba H&H Paving; SECONDED by Councilor Geary. Motion PASSED 6-0 by the following vote:

*Ayes – Councilors Drabkin, Garvin, Geary, Stassens, Menke, and Peralta
Nay – None*

- 8.c. Consider **Resolution No. 2020-22**: A resolution authorizing an interfund loan from the Wastewater Capital Fund to the General Fund and Consider **Resolution No. 2020-23**: A resolution making a budgetary transfer of resources and appropriation authority for fiscal year 2019-2020 in the Wastewater Capital Fund and General Fund budgets.

Finance Director Cuellar said there were two resolutions associated with this action. The first would authorize internal borrowing from the Wastewater Capital Fund to the General Fund. It would be used to purchase equipment for the Emergency Operations Center. It would also cover 3 vehicles that were in the budget for the Police Department. The second resolution was the actual budget transfers for these items. It would also transfer funds they would have otherwise budgeted next year so that parks could utilize it in the current fiscal year to do basic maintenance projects for facilities that were currently closed to avoid closures later in the summer.

Councilor Garvin asked if they were originally going to lease the police vehicles but now they were going to purchase them outright. Finance Director Cuellar said it would be an internal borrowing, which would be a five year payback to the Wastewater Fund as opposed to a five year lease with a commercial agency. The total for the vehicles was \$175,000 and the Emergency Operations equipment was \$62,000.

Council President Menke MOVED to adopt Resolution No. 2020-22, authorizing an interfund loan from the Wastewater Capital Fund to the General Fund and Resolution No. 2020-23, making a budgetary transfer of resources and appropriation authority for fiscal year 2019-2020 in the Wastewater Capital Fund and General Fund budgets; SECONDED by Councilor Garvin. Motion PASSED 6-0 by the following vote:

*Ayes – Councilors Drabkin, Garvin, Geary, Stassens, Menke, and Peralta
Nay – None*

- 8.d. Consider **Resolution No. 2020-24**: A resolution authorizing the closure of one fund, the Ambulance Fund, and authorizing the change of the Building Fund from an enterprise fund to a special revenue fund and Consider **Resolution No. 2020-25**: A resolution authorizing a budgetary transfer of resources and appropriation authority for FY 2019-20 of the Ambulance Fund to the General Fund – Fire Department.

Finance Director Cuellar said there were two resolutions associated with this action as well. The first would close the Ambulance Fund and re-appropriate those funds to the Fire Department. The reason for the change was for programmatic purposes as right now the Fire and Ambulance staff was the same staff and fully integrated but historically had been separated financially. The Ambulance Fund had not been sustainable and there was not a year where current costs were covered by current revenues. The General Fund had to support it significantly and it did not make sense to continue it. They had received an internal control finding on the City's audit and part of that was the complexity of the hand work involved in producing financial statements. By changing the fund from an enterprise fund to a special revenue fund, it would still be a stand-alone fund but the accounting for it would be less complicated. The second resolution shifted the appropriations previously given to the Ambulance Fund to the Fire Department in the General Fund.

Councilor Garvin asked if they would still be able to see the trends for EMS and Fire separately in the budget. Finance Director Cuellar said it was structured so that it would be a transparent one to one change.

Council President Menke MOVED to adopt Resolution No. 2020-24, authorizing the closure of one fund, the Ambulance Fund, and authorizing the change of the Building Fund from an enterprise fund to a special revenue fund and Resolution No. 2020-25, authorizing a budgetary transfer of resources and appropriation authority for FY 2019-20 of the Ambulance Fund to the General Fund – Fire Department; SECONDED by Councilor Peralta. Motion PASSED 6-0 by the following vote:

*Ayes – Councilors Drabkin, Garvin, Geary, Stassens, Menke, and Peralta
Nay – None*

9. ORDINANCE

- 9.a. Consider first reading of **Ordinance No. 5092**: Adopting New Requirements and Regulations to Campaign Finance

City Attorney Gowell said this was a Work Session topic in February where the Council discussed the status of campaign finance. At the conclusion of the meeting the Council had directed staff to prepare an ordinance that emulated the Portland campaign finance disclosure provisions that were upheld by the Circuit Court of Multnomah County. That was the ordinance before them tonight. It would establish the rights of employees to have payroll deductions made from their salaries for campaign contribution purposes, required registration of campaign entities and committees with the Oregon Secretary of State within three days after they had spent \$750 on an election cycle for a candidate campaign in McMinnville, required timely disclosure of large contributions and expenditures in connection with campaign communications, and those disclosures must include the five dominant contributors who had supported the campaign communications

and if any of the dominant contributors was a political committee then that committee had to disclose its top three funders during the current election cycle. The disclosures had to be done within 10 days of the printed material and within 5 days of any video or audio communications. The ordinance also contained implementation and enforcement procedures and created a financial penalty, appointed the City's Finance Director to be the point person for receiving and investigating complaints and issuing orders, empowered the Finance Director to issue subpoenas, and allowed for appeal to the Circuit Court.

Council President Menke clarified this only addressed candidate campaigns, not ballot measures.

Mayor Hill asked if the Council wanted to schedule a public hearing on the ordinance or a first reading.

There was consensus to continue to a first reading.

No Councilor present requested that the Ordinance be read in full.

City Attorney Gowell read by title only Ordinance No. 5092.

Council President Menke MOVED to pass Ordinance No. 5092 to a second reading; SECONDED by Councilor Peralta. Motion PASSED 6-0 by the following vote:

*Ayes – Councilors Drabkin, Garvin, Geary, Stassens, Menke, and Peralta
Nay – None*

City Attorney Gowell read by title only for a second time Ordinance No. 5092.

Councilor Peralta MOVED to approve Ordinance No. 5092, adopting new requirements and regulations to campaign finance; SECONDED by Council President Menke. Motion PASSED 6-0 by the following vote:

*Ayes – Councilors Drabkin, Garvin, Geary, Stassens, Menke, and Peralta
Nay – None*

10. ADJOURNMENT: Mayor Hill adjourned the meeting at 9:28 p.m.



Claudia Cisneros, City Recorder