

SPECIAL P.M. CITY COUNCIL MEETING OF THE CITY OF REDMOND WAS HELD FEBRUARY 17, 2015, IN THE CITY COUNCIL CHAMBERS.

COUNCIL MEMBERS PRESENT: Tory Allman – Joe Centanni – George Endicott – Anne Graham – Camden King – Ginny McPherson – Jay Patrick

STAFF PRESENT: City Manager Keith Witcosky – City Attorney Steve Bryant – Airport Director Jeff Tripp – Police Lieutenant Brad McMurrin – Public Works Director Bill Duerden – City Engineer Mike Caccavano – City Recorder Kelly Morse – Community Development Director Heather Richards – CIS Administrator Sheri Cleveland – Deputy Director of Central Services Jason Neff – Deputy Director of Central Services Jodi Burch – Airport Executive Assistant Nettice Honn

MEDIA PRESENT: Gary Newman, Redmond Spokesman – Beau Eastes, Bend

Mayor Endicott called the workshop to order at 6:30 p.m.

PRESENTATIONS

A. Eastside Sewer Interceptor Financial Strategy / DSL Property

City Manager Keith Witcosky described the background information and purpose of both presentations.

City Engineer Mike Caccavano provided informational on how to fund and build the Eastside Sewer Interceptor (ESSI). Areas highlighted include the wastewater collection system and how it flows to the treatment plant; the purpose of ESSI and why it is necessary; and project phases, acres served, vacant acres, and cost.

Deputy Director of Central Services Jason Neff reviewed the financial assumptions and how to approach the investment. Assumptions and considerations are:

- No General Fund impact
- No Full Faith & Credit
- No/Minimal impact to wastewater rate payers
- To be paid for by Wastewater System Development Charges (SDC)
 - Improvement fees (35 percent)
 - Reimbursement fees (65 percent)
 - Consider impact to other future projects
- Funding through the Department of Environmental Quality
 - 20 years at 2.63 percent
 - 30 years at 3.13 percent
- No growth in Wastewater SDC revenue
 - No development growth
 - No fee growth
- Maintain Wastewater SDC reserves (> \$2 million)
- Annual Debt Capacity vs. Project Debt Service

Mr. Caccavano explained that forming a Reimbursement District would:

1. Recover the “local” portion of construction costs
2. When property develops
3. 10-year life can be extended to 20 years
4. Up to 65 percent of project costs could be recouped

The proposed timeline for phase 1 indicates funding, right-of-way acquisition, railroad permitting, surveying, and design occurring in 2015 with construction completed in January 2017.

Staff addressed questions from the Council. Concurrence of the Council was to move forward with submitting an application to DEQ for funding.

Community Development Director Heather Richards provided a presentation on the submission of a large lot industrial site submission to Central Oregon Intergovernmental Council for the Regional Economic Opportunity Analysis (REOA) project. Ms. Richards reviewed the history of the discussion which started in 2008 when Oregon Economic and Community Development Industrial Lands Specialist Bev Thacker identified a need for 100 and 200 acre sites statewide. Deschutes County authored a grant application for REOA in 2009 with development of the analysis occurring from 2010 to 2012. An appeal by 1000 Friends of Oregon was considered in 2012-2013 with adoption of the analysis occurring in 2013.

Ms. Richards explained the difference between regional EOA versus Urban Growth Boundary (UGB) EOA, how regional needs were determined in support of the REOA vision statement, and the findings which included:

- The regional large lot industrial land needs exceeds the existing capacity of any single jurisdiction.
- A critical mass of competitive and diverse vacant, developable industrial sites are needed in order for site selectors representing potential industrial recruitment to consider the region.
- Competing as a cohesive region allows Central Oregon market a larger available work force, the size of which is often a key locational criterion for firms.

Ms. Richards described the entitlement process to get land to a development ready status noting that six of the nine steps have been completed. The next step in the process is to: 1) negotiate an agreement with the property owner; 2) submit the site to Central Oregon Intergovernmental Council (COIC) for endorsement; and 3) start the local land-use process through a UGB amendment. Ms. Richards summarized COIC's review process, components of the site submission application, and Redmond's pilot project process.

Mr. Caccavano discussed the current challenges with serving the large lot industrial land and highlighted the following options:

1. Long Term Solution – Eastside Sewer Interceptor
 - 450 gallons per minute (gpm) of excess capacity
 - Serves 650 acres of industrial land
 - \$10 million for the mainline, \$16 million complete
2. Interim Option 1
 - Connect to existing line in SW 19th St
 - Utilizes Yew Avenue Pump Station and Dry Canyon Interceptor
 - Assumes Phase 1 of the Eastside Interceptor
 - 390 gpm of available capacity
 - Serves 560 acres of industrial use
3. Interim Option 2
 - Build a new pump station
 - Pump to Westside Interceptor at 27th Street/Yew Avenue/Canal Boulevard
 - Utilizes excess capacity in the Westside Sewer Interceptor (WSSI)
 - 670 gpm available capacity
 - Serves 965 acres of industrial
 - \$500,000 to Division of State Lands (DSL)

Mr. Caccavano explained that excess flow from tenants will be reviewed on a case by case basis and may require on-site improvements such as temporary storage or pre-treatment. Staff recommends Interim Option 2 because it will accommodate the entire DSL property, does not impact the Dry Canyon line with limited capacity, and it utilizes excess capacity in the WSSI. Ms. Richards added that for the site

submission application to COIC, the City needs to show that the site is developable within 180 days and Option 2 is not dependent on construction of the ESSI.

Ms. Richards shared information on the South Redmond Tract Land Use and Management Plan. In addition to the Option 2, Staff recommends identifying the full tract to allow for flexibility, railroad spur, and potential access to US Highway 97. Ms. Richards and Mr. Caccavano addressed questions from the Council regarding transportation, replenishing local land supply, sewer capacity for high technology users, and amending the UGB.

DSL representative John Russell and Oregon Military Department representative Stan Hutchison spoke in support of the proposal and site submission application.

The Council directed staff to move forward with the site submission application per staff recommendations.

EXECUTIVE SESSION

Mayor Endicott convened the Council into Executive Session at 7:55 p.m.in accordance with ORS 192.660(2)(f) authorizing executive sessions to consider information or records that are exempt by law from public inspection and ORS 192.660(2)(h) authorizing executive sessions to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

Mayor Endicott closed the Executive Session portion of the meeting at 8:42 p.m.

The regular portion of the meeting was called to order at 8:42 p.m.

MOTIONS AS A RESULT OF EXECUTIVE SESSION

There were no motions as a result of Executive Session.

OTHER BUSINESS

Councilor Graham provided an update on the testimony she provided today for House Bill 2435.

Mayor Endicott will travel to Salem tomorrow to testify on the Senate Bill 120.

There being no further business, the meeting was adjourned at 8:44 p.m.

Prepared by Kelly Morse, City Recorder

APPROVED by the City Council and SIGNED by the Mayor this 10th day of March, 2015.

/s/ George Endicott
George Endicott, Mayor

ATTEST:

/s/ Kelly Morse
Kelly Morse, City Recorder