

City of Springfield
Regular Meeting

MINUTES OF THE REGULAR MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, JUNE 20, 2005.

The City of Springfield Council met in regular session in the Council Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, June 20, 2005 at approximately 7:50 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Ballew, Fitch, Lundberg, Woodrow and Pishioneri. Also present were City Manager Mike Kelly, Assistant City Manager Cynthia Pappas, City Attorney Joe Leahy, Administrative Coordinator Julie Wilson and members of the staff.

Councilor Ralston was absent (excused).

PLEDGE OF ALLEGIANCE

The pledge of allegiance was led by Mayor Leiken.

SPRINGFIELD UPBEAT

CONSENT CALENDAR

Assistant City Manager Cynthia Pappas noted for the record that council had at their places a corrected version of:

- 5(b) Contract with the City Attorney's. The contract term expiration date is 2008.
- 5(d) A corrected Board of Canvassers Report was provided to council. The revised version stated that the measure passed, not failed.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO APPROVE THE CONSENT CALENDAR WITH THE NOTED REVISION TO ITEM NUMBERS 5(B) AND 5(D). THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST (1 ABSENT – RALSTON).

1. Claims
2. Minutes
 - a. June 6, 2005 – Work Session
 - b. June 6, 2005 – Regular Meeting
 - c. June 13, 2005 – Work Session
3. Resolutions
4. Ordinances

5. Other Routine Matters

- a. Agreement with Independent Contractor David Logan to Provide Municipal Prosecutor Services to the City of Springfield.
- b. Agreement with Leahy and Kieran to Provide City Attorney Services to the City of Springfield.
- c. Authorize the City Manager to Negotiate Justice Center Programming Consultant Contract.
- d. May 17, 2005 Election Report of Board of Canvassers and Proclamation.
- e. Approval to Award the Subject Contract to Wildish Construction for Project P20390, South 32nd Street and Main Street Signal, Intersection Improvements and North Leg Construction in the Amount of \$497,403.80
- f. Approval to Award the Subject Contract to Morse Bros., Inc. for Project P20424, 5th and Centennial Overlay Project, in the Amount of \$777,039.75.

ITEMS REMOVED FROM THE CONSENT CALENDAR

PUBLIC HEARINGS

1. Fiscal Year 2005/06 City Budget Adoption.

RESOLUTION NO. 05-39 – A RESOLUTION ADOPTING THE FISCAL YEAR 2005/06 SPRINGFIELD CITY BUDGET, MAKING APPROPRIATIONS, LEVYING A PROPERTY TAX, AND APPROVING THE CITY OF SPRINGFIELD’S PARTICIPATION IN THE STATE REVENUE SHARING PROGRAM.

Finance Director Bob Duey introduced this item. The City Council is requested to hold a public hearing on the Fiscal Year 2005/06 (FY06) Approved City Budget and approve a resolution to adopt the Fiscal Year 2005/06 City Budget, make appropriations, levy a property tax, and approve the City of Springfield’s participation in the State Revenue Sharing Program.

Mr. Duey reviewed the differences between last year’s and this year’s budget, full time employee (FTE) count, service levels, justice center budget, Springfield Economic Development Agency (SEDA) loan, contract with the Museum, City Manager’s Office FTE increase, DARE program, and other highlights. See agenda packet, attachment A for details.

Mr. Duey did note a recommended change. These resulted from data entry errors for the Police Special Levy and Fire Special Levy funds. It was discovered that in the data entry to the budget system for the expected tax revenue for both funds, the amounts for current and delinquent taxes were inaccurately inputted. The error was made in both of these funds in the same manner and does not have any impact on either available funds or long range projections.

1. Fred Simmons, 312 52nd Place, Springfield, OR. Mr. Simmons testified regarding this item. Mr. Simmons had comments regarding several points on the proposed city budget.
 - Mr. Simmons objected strenuously to the position of the \$100,000 for Main Street storm drain function. He said the state appeared to have that responsibility, and had

- not seeded it to the city in any way he could find in any 195 agreement or otherwise. He thought spending money out of the city funds for that purpose was inappropriate.
- Mr. Simmons' second objection was the issue on the \$1.5 loan to SEDA. If a bank were to make a loan to the Springfield Economic Development Corporation there would be some real serious questions about "how that organization would pay" the 2.9 percent or thereabouts, such as their source of funds. The adopted SEDA budget did not show a revenue source suitable to pay the city back that money. He understood that Mr. Duey had said the loan was not yet made, but Mr. Simmons felt there was no way in the foreseeable future that the Urban Renewal District was going to generate enough tax increment financing to pay that money back. The budget issue with that loan made him nervous, because he did not want the city to get into a position where it loaned money and then had to forgive the loan. He said that in November when the Urban Renewal in Glenwood was discussed, there was an assertion that it would not negatively impact tax payers in the process. He said the additional burden of police and fire in that process was going to be there and the resources to pay for them were going to be inhibited by the twenty-year period on the Urban Renewal District.
 - Mr. Simmons also objected that council had adopted the consent calendar, including the Jail Consultant Contract, without further discussion. He said he would have to leave that as a sour spot and would rather not say anything negative beyond that.
2. Zachary Vishanoff, Patterson Street, Eugene, OR. Mr. Vishanoff provided council a copy of an article published by the Oregonian, titled *Civic Duty Doesn't Play on the Islands*. He read a portion of the article. He suggested that when council considered urban renewal, they should take a look at the low-income housing in the area and conduct an audit on it. In five years, council could decide if urban renewal was impacting low income housing. Urban renewal tended to divert and pile up costs on the outlying areas. He asked council to try to attend an interagency forum on the Basketball Arena at the University of Oregon (U of O) this fall. They were trying to gather people from all over the area together to talk about whether or not an arena was wanted, how it should be financed, where it should be located and whether or not it tied together with many Springfield development issues.

Mayor Leiken closed the public hearing.

Councilor Ballew asked for clarification on the agenda item packet, page A-3, Museum Contract, regarding the statement "including art exhibits, staffing and supplies". She said this was contrary to what was financed in Attachment C. She said council was financing Attachment C items noted, not operating expenses or staffing and supplies. Council was doing what was requested, additional financing for exhibits noted.

Mr. Duey said the \$15,560 was specifically referring to the bottom paragraph on page A-3. Councilor Ballew understood this but said it was contrary language when it initially stated art exhibit, staffing and supplies. Mr. Duey acknowledged this and it was made clear for the record.

Councilor Lundberg reminded staff that council received a one year status report from the Museum with feedback about how things were going, how the money had been spent, and the kind of attendance at the Museum.

Mayor Leiken said Councilor Ralston was the council representative for the Lane Regional Air Pollution Authority (LRAPA) Board. He said \$50,000 was earmarked for LRAPA contributions. He was a bit uncomfortable passing a budget without an update from Councilor Ralston.

Mr. Duey offered the suggestion that council could adopt the budget tonight and later in the discussion through an independent motion, direct staff not to pay that amount until staff came back to council to receive authorization to pay it. They could hold the appropriation in check until authorization was provided to staff.

Councilor Ballew echoed similar concern noted by Mayor Leiken. She said it might be appropriate to make a statement of some sort that we could rescind payment.

Mayor Leiken said this was the reason he suggested council receive a report from Councilor Ralston. He asked if a motion could be made later that at council's next public meeting, Councilor Ralston could provide a report on where Springfield would like to go with LRAPA.

Councilor Lundberg said one of the final issues was the Public Information Officer (PIO). At this point it was a half-time position. She would like to propose that the dollars for that position be put into the City Manager's Office (CMO) budget, with the timeframe that these funds could be looked at and utilized when the new City Manager was hired. The timing would help to reduce the budget by holding the position open for a period of time, until the new City Manager was hired. She said council needed to recognize the upcoming transition the city would be facing. The new City Manager could re-evaluate the need of the position and prioritize accordingly.

Councilor Ballew agreed with comments made by Councilor Lundberg. Currently a half-time position was approved. It would be appropriate for the new City Manager to appoint the new position. The new City Manager may need to weigh into this decision.

Councilor Fitch said she had a concern with that proposal. She said council approves FTE, but does not become involved in individual positions. It was the city that did the recruiting and hiring for positions. To tie hiring of a new City Manager would take this issue into a different realm that council had not exercised previously. Council contracted with the City Manager, and everything else was done through the direction of this position. She appreciated the discussion for a possible compromise.

Councilor Lundberg said this recommendation was not to interfere with hiring but with the position reporting to the City Manager. The funding was provided to the department budget, but direction was to delay hiring.

Councilor Woodrow was concerned that if there was a delay, the new position would not be filled until January if a City Manager was hired in October or November. It seemed that the PIO could be the best asset the City Manager could have even if that person was only partially up to speed. He suggested a friendly amendment that we go forward at half time now, and leave it up to the new City Manager to come back to council for one FTE if necessary.

Councilor Fitch said if this was a position council was moving forward with, and the new City Manager could be part of the process for hiring. The process could be initiated. She asked if a compromise of .75 FTE would work to begin the process and the new City Manager could be ready to help with the hiring process and/or final interview process.

Mayor Leiken asked City Manager Mike Kelly for his recommendation.

Mr. Kelly clarified that the position would be an Executive Team level, at-will position. If the position was not a fit due to incompatibility or other reasons, the employee could be let go by the new City Manager. Mr. Kelly said he would support whatever the council recommended. He recognized a new City Manager may want to hire the PIO. He said from a practical position, his view was that they may have a few internal applicants for the City Manager position. Each Executive Team member on his staff supported this position and this was not a position they would recommend eliminating. Department heads have committed they would, department by department, eliminate one or more of their own staff positions prior to elimination of the PIO position. If an outside individual was selected as City Manager, it might be difficult for that person to be completely knowledgeable on hiring a PIO, due to not being familiar with our community. He appreciated the discussion but did not know that waiting was in the best interest of the city.

Councilor Lundberg said if we select someone from the outside for the City Manager, they may not deem the position as important. She said she respected Mr. Kelly but did not support this as a key position and it was not appropriate for the City Manager to lobby for the position. She said we are trying to staff the jail operation, and to indicate we would lay off other people for this one position went against the grain of what she felt was important to the public.

Councilor Pishioneri said the PIO worked for the entire city not just CMO. Everyone agreed the city was busy and this was an important position. He supported funding the position.

Councilor Fitch agreed.

Councilor Ballew suggested the item be pulled aside at this time and council act on the rest of the budget.

Councilor Fitch said she understood that the council could pass the budget and then go back step by step on separate issues.

Mr. Duey recommended council make a motion to adopt the budget as presented with the following changes. He said council had never adopted a budget previously that was not a single resolution. Once they adopt it, it was officially adopted.

The changes may be made first, then the final motion made.

City Attorney Joe Leahy recommended a move to adopt the budget, and then offered amendments on each one, all in the same motion.

Assistant City Manager Cynthia Pappas clarified they could approve the resolution as presented with the following changes, all in one motion.

City Attorney Joe Leahy said they did not need to do that, they could move to adopt the budget. Discussion would ensue, someone could move to amend the motion, discussion could be held on amendment one, someone could move to amend amendment two, and then when complete, they would have the entire package on an affirmative or no vote, following Roberts Rules of Order. The motion would be presented first.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR PISHIONERI, TO ADOPT THE BUDGET AS PRESENTED.

IT WAS MOVED BY COUNCILOR PISHIONERI, WITH A SECOND BY COUNCILOR FITCH, TO AMEND THE BUDGET TO STAFF INCREASE ONE FULL TIME EMPLOYEE (FTE) OR FULL FTE FOR THE PUBLIC INFORMATION OFFICER. THE MOTION PASSED WITH A VOTE OF 3 FOR AND 2 AGAINST (BALLEW AND LUNDBERG)

IT WAS MOVED BY COUNCILOR FITCH, THAT WE INCREASE THE FUNDING FOR THE MUSUEM CONTRACT BY \$16,560.

Mr. Duey explained that this was already included in the budget and no motion was required.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO AMEND THE BUDGET TO INCLUDE THE FUNDING OF \$53,000 FOR THE DARE PROGRAM, BASED ON THE ALTERNATIVE FUNDING OPTION FOR CITY'S \$53,000 SHARE, PER ATTACHMENT A-6 – 4.

Councilor Lundberg said she would like to include some wording somewhere that matched the school district's wording that stated that the city would not do anymore fundraising for the DARE program so there was a final cut-off point after this year.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR LUNDBERG, TO AMEND THE MOTION TO FUND IT TO THE \$53,000 LEVEL, ACCORDING TO ATTACHMENT A-6, PROVIDED THE SCHOOL DISTRICT MATCHES THAT AMOUNT AND WITHOUT FURTHER FUNDRAISING. THE MOTION PASSED WITH A VOTE OF 4 FOR AND 1 OPPOSED (BALLEW)

(Discussion regarding the motion below)

Councilor Ballew said that she had stated last year that it was the last year she would vote for DARE. She would not, therefore, vote for this because of that position.

Councilor Fitch said the only way she would support this was if she saw a committee actually formed between the school district and the city to look at alternatives to see what programs actually proved they had results, if DARE was the program we should have, or if there should be another program. She would like to know the cost associated with it, what was appropriate and if there was current instruction within the school that did the same type of training and expertise. Without that she would be joining Councilor Ballew next year, with a negative vote on this if that type of information was not available.

Councilor Lundberg did work within the prevention programming at the school district and also agreed that this was her last year of support.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO MAKE THE RECOMMENDED AMENDMENT ON C-1, ADJUSTING THE TAX AMOUNTS FOR THE POLICE AND FIRE SPECIAL LEVIES. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO CALL FOR THE QUESTION ON THE BUDGET IN TOTAL, WITH THE CHANGES, AS AMENDED. THE MOTION PASSED WITH A VOTE OF 4 FOR AND 1 AGAINST (LUNDBERG)

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, NOT TO AUTHORIZE EXPENDITURES OF FUNDS FOR LRAPA WITHOUT FURTHER APPROVAL BY COUNCIL. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST.

2. Annexation of Territory to the City of Springfield (Symantec) Case Number LRP2005-00018.

RESOLUTION NO. 05-40 – A RESOLUTION INITIATING ANNEXATION OF CERTAIN TERRITORY TO THE CITY OF SPRINGFIELD AND REQUESTING THAT THE LANE COUNTY LOCAL GOVERNMENT BOUNDARY COMMISSION APPROVE THE ANNEXATION BY EXPEDITED PROCESS.

City Planner Colin Stephens presented the staff report on this item. The purpose of the hearing this evening was for the council to accept public testimony on the resolution. The resolution described that the Lane County Boundary Commission approved the annexation request by their expedited process. Annexation was for approximately fourteen acres of the plan in Gateway Campus Industrial district. It was located just to the west of the existing Symantec facility. He referenced the map of the area on the second page of Attachment 2. The applicant was Symantec. They now own the property. They would be coming forward soon with a development application to put another call center in next door to their existing facility. The property was not yet annexed and this was the first step in the development process. Criteria for annexations are contained within the Springfield Development Code, Article 6, as well as the Metro Plan. The main criteria was having key urban services available to serve the site. Staff reviewed this annexation request and found that all key urban services were available to serve the site in the short term. In the long term, there needed to be improvements to both the transportation system, particularly the Gateway Beltline intersection. To address the two key urban services, the city and Symantec entered into an annexation agreement in which Symantec agreed to provide funding to help pay for those improvements for those public facilities. The annexation agreement was in the attachment. With the annexation agreement in place, staff found that the criteria in article 6, and the Metro Plan had satisfied this request and recommended council approve the resolution.

Mr. Stephens introduced two documents into the record. The first was Exhibit 2, of the resolution. He spoke to the Boundary Commission and for their purposes, they needed a boundary description. He revised Exhibit 2, which he had placed at council places, so that it

included a boundary description at the bottom of the page. That would become Exhibit 2 of the resolution.

The second document introduced into the record was a signed annexation agreement. The one included in the agenda packet was unsigned.

Staff report: Symantec has indicated a desire to develop the subject property with a call center similar in size and shape as the existing Symantec call center. Upon annexation of the property, a call center will be a permitted use in the Campus Industrial zoning district. It is anticipated that Symantec will submit an application to the city for Site Plan Review and associated permits by the end of June, 2005, if the council approves the attached resolution. No final approvals, including the issuance of building permits, will be made until the Boundary Commission approves the annexation.

The City Council is authorized by ORS 199.490(2)(a)(B) to initiate annexation upon receiving consent in writing from a majority of the electors registered in the territory and written consent from owners of more than half the land in the territory proposed to be annexed. Symantec owns the entirety of the property and there are no individuals residing on the site.

The applicant, Symantec, has requested annexation of a 14.14 acre property located in the Gateway Campus Industrial area west of Maple Island Way, between Game Farm Road East on the south and International Way to the north. The existing Symantec facility abuts the property to the east. Because two urban services, transportation and stormwater drainage, were not fully available to serve the property, the city and Symantec would enter into an annexation agreement (Attachment 3) through which Symantec agreed to provide funding for offsite improvements to public transportation and storm drainage facilities. All other urban services were currently available to serve the site. A signed Annexation Agreement would be entered into the record at the June 20th hearing.

Mayor Leiken opened the public hearing.

1. Jeff Birdwell, President of the Commercial Division of Sares Regis Group, 901 Mariners Island Blvd, Ste 700, San Mateo, CA. Mr. Birdwell said Sares Regis was the developer of the first phase Symantec project and were proud to be the developer of the second phase for them as well. He thanked the elected officials and staff for efforts in helping them consummate the first phase and in the efforts they have seen staff and the community express toward them as they commence the second phase. The level of professionalism and competence they saw in staff was extraordinary. In the twenty years with the company and \$2 billion dollars in projects all across the United States, Springfield was right at the top of the list of all the cities they had ever worked for. He said that sincerely and said thank you.

Mayor Leiken closed the public hearing.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO ADOPT RESOLUTION NO. 05-40, WITH THE NEW EXHIBIT 2 AND THE SIGNED ANNEXATION AGREEMENT IN THE RECORD. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST.

Mayor Leiken thanked Mr. Birdwell for his kind comments about the City of Springfield. The city prides itself on these very things. He said the city was fortunate to have a staff in place that understood negotiating significant projects and appreciated his comments. He said they had an opportunity to look at their world wide operations and the fact they were selecting to expand this facility said a lot about our community. He thanked Mr. Birdwell for that as well.

BUSINESS FROM THE AUDIENCE

1. Fred Simmons, 312 52nd Place, Springfield, OR. Mr. Simmons wished to raise the following issues regarding the findings on the staff report on the justice center contract.

- He referenced page 2 of 5, which listed that among the types of contracts included which were exempt, were contracts for architectural services. Mr. Simmons' understanding was that Mr. Liebert was not an architect with license to practice in Oregon, nor was he an architect.
- He referred to the proposed contract on page 4 of 5, which stated an exempt personal services contract with an architect. He said that was a misstatement of fact, as Mr. Liebert was not an architect licensed to practice in the state of Oregon.
- He referred to page 5 of 5, section 2.7, which requires that amendments to a contract must fall within the scope of the original contract and contract amendments must be in writing. It also stated that the amendments to public contracts valued in excess of \$35,000 may not cause a contract price to exceed an amount that is greater than thirty percent of the original contract price.

Mr. Simmons said the reason this was stated was that on page 14 of 37 of the contract it stated that upon completion of the pre-architectural programming, this consultant team would remain under contract to the City of Springfield as the owner's representative. In this capacity, the city would serve as the design and security consultant for the owner and architect. That was an intimation that this contract would continue on beyond the existing terms of the preliminary contract to do the programming. It struck Mr. Simmons that the comment that was made by one of the councilors about limited resources during the work session was clearly defined. Mr. Simmons said he had no statement as to the professional qualifications of Mr. Liebert, although it appeared that he was quite good. He thought there was more work that needed to be done and in this process, since it tied into land use and everything, there needed to be a comprehensive Goal 1 process in the entire length of this process. It might extend the term a short time but he thought the city was doing the citizens a disservice not to do that.

Mr. Simmons raised the objection on the record that the contract did not meet all the findings required under the city ordinance.

2. Curtiss Greer, 357 55th Street, Springfield, OR. Mr. Greer read the following statement to council. He said this was not unique to Springfield, but it was unique to many cities within the entire country. He said he could only speak about what went on in Springfield.

Having looked at the budget hearing update it shows direct and indirect dollars to schools that already receive over 50 percent of our tax dollars. The amount of additional dollars is \$107,000. This is hiding the true cost of schools from the ratepayers.

In the interest of the citizens of Springfield, I would suggest you pull out of LRAPA. If for no other reason than the covert approach to funding schools.

This repeat of history is very disturbing to me. I fought the same battle about 12 years ago in the room next to this Council Chamber and also with a staff member. Why staff decays into this criteria can be explained. The truth is that they do not have the ideals and values that my generation grew up with.

Two short examples:

- 1. Glenwood Urban Renewal: We were lead to understand that it would not cost the ratepayers of Springfield. Now we find out that we will be subsidizing Glenwood for the next 20 years.*
- 2. Statements by staff that the public at large is too dumb to make decisions. This is like the kid who knows more than its parents do.*

In closing I wish to leave you with my observations.

This is not Leyete, Peleau, Tarawa, or Omaha. This is Springfield. We do not need absolute dictatorial control. When putting troops in harms way you always make sure subordinates know and understand why and the whole picture. What we are up against here is decay from within. This decay will in time destroy the ideals that many in past generations gave up their lives to uphold.

COUNCIL RESPONSE

CORRESPONDENCE AND PETITIONS

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO ACCEPT AND FILE CORRESPONDENCE 1-4. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST.

1. Correspondence from Brook Bamforth, 2287 Marcola Road, Springfield, OR Regarding a Public Information Request.
2. Correspondence from Dennis Hunt, 3044 Yolanda Ave., Springfield, OR Regarding a Public Information Request.
3. Correspondence from Lance Barkley, 3796 Franklin Boulevard, Eugene, OR Regarding a Proposed Glenwood Bike Path on East 14th Street.
4. Correspondence from Laurie Adams, Springfield School Board Chair, 525 Mill Street, Springfield, OR Regarding Enterprise Zone and Public Safety District.

BIDS

ORDINANCES

BUSINESS FROM THE CITY COUNCIL

The council was reminded of the Martin Luther King Jr. Parkway groundbreaking ceremony scheduled for Thursday, June 23, 2005, 10:00 a.m. Councilor Fitch thanked staff for sending invitations to those that served on the naming committee.

BUSINESS FROM THE CITY MANAGER

Mayor Leiken announced that item 4 will be pulled from the agenda. This is the item titled Property Acquisition for the South 42nd Street Reconstruction Project, Phase I (P20347), Resolution No. 5. This item was settled.

1. Bond Sales Approval Resolution.

RESOLUTION NO. 05-41 – A RESOLUTION OF THE CITY OF SPRINGFIELD, LANE COUNTY, OREGON AUTHORIZING THE SALE OF THE CITY’S GENERAL OBLIGATION BONDS TO REFUND THE CITY’S GENERAL OBLIGATION BONDS, 1996 SERIES A, TO FINANCE A PROJECT, AND TO PAY COSTS OF ISSUING THE BONDS.

Finance Director Bob Duey presented the staff report on this issue. The City Council is requested to approve issuance of general obligation bonds in the principal amount not to exceed \$4,000,000 in order to finance pre-construction expenditures for a police, courts, and municipal jail facility; and, in addition, authorize the issuance of Series 2005 General Obligation Refunding Bonds in the amount of \$8,020,000.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO ADOPT RESOLUTION NO. 05-41. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST.

2. 2005/06 Fire Service Contracts.

Finance Director Bob Duey presented the staff report on this issue. The city provides fire services to the property owners of three special purpose districts in the immediate proximity. Each of these contracts has automatic renewal clauses but reviewed on a regular basis for appropriateness. City staff has completed the review with Rainbow Water District and Willakenzie Fire District and are recommending approval of these two contracts. The review and negotiations with Glenwood Water District are still continuing.

The city and three special purpose districts (Rainbow, Willakenzie and Glenwood) have had long standing fire service contracts. Each of the three contracts has historically been automatic renewing contracts but can be open for re-negotiations by either party with six months notice. The city last initiated the re-opening clause in the contracts when staff was directed to implement a non-resident charge of 12% on the value of the contracts to bring the costing structure of these contracts in line with what is expected when the city sells a service to an outside third party. With other minor changes in the costing structure and slightly protracted negotiations, the contracts presented for Rainbow and Willakenzie reflect the desired changes. For the 2005/06 fiscal year the contract price with Rainbow will be \$881,995. For next year, the contract price for Willakenzie will be \$273,719.

The contract negotiations with the Glenwood Water District have been at an impasse but conversations were continuing and would hopefully be concluded soon. The Glenwood area

having seen limited growth in past years, uncertainty created by last year's fire district merger and the recent creation of the Urban Renewal District has made it difficult for the Glenwood Board of Directors to commit to a long-term escalating contract. Although an option for the city could be to discontinue fire services to the unincorporated areas of Glenwood, staff is continuing to work with Glenwood representatives and looking to see how the creation of the Urban Renewal District can be worked into the long-term contract requirements for the provision of services.

Mr. Duey explained that the Glenwood contract had not yet been brought back. Negotiations were not complete at this time. There were some concerns regarding the impact the Urban Renewal District may have on the ability to enter into a long term contract, cost wise, recognizing that the Urban Renewal District freezes their tax base for 20 years. Staff would continue to work on negotiations with them. Glenwood Water District was making payments toward fire services.

Councilor Lundberg said she felt strongly that if you only want to buy one service you need to pay premium price for that one service. She had no issue with raising that service fee.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO AUTHORIZE CITY MANAGER TO SIGN FIRE SERVICE CONTRACT WITH THE RAINBOW WATER DISTRICT FOR THE FISCAL YEAR BEGINNING JULY 1, 2005. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO AUTHORIZE CITY MANAGER TO SIGN FIRE SERVICE CONTRACT WITH THE WILLAKENZIE RURAL FIRE PROTECTION DISTRICT FOR THE FISCAL YEAR BEGINNING JULY 1, 2005. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST.

3. Acquisition of Real Property.

RESOLUTION NO. 05-42 – A RESOLUTION AUTHORIZING AND DIRECTING THE CITY MANAGER TO SIGN A PURCHASE AND SALE AGREEMENT WITH MCKENZIE FOREST PRODUCTS, LLC, TO ACQUIRE CERTAIN REAL PROPERTY DESCRIBED THEREIN, AND TO EXECUTE ALL CLOSING DOCUMENTS REQUIRED TO COMPLETE SUCH TRANSACTION.

Technical Services Manager Len Goodwin introduced this topic. Negotiations with McKenzie Forest Products have resulted in an agreement consistent with direction given to staff by council.

The cash consideration to be paid for the property is \$1,277,000. That amount is consistent with the funds budgeted for the purpose of this acquisition. The city and the U.S. Army Corps of Engineers have executed a Project Cooperation Agreement. This assures that the project will go forward, and that the value of the property owned by the city, including portions of the property to be acquired in this transaction, will be counted toward the city matching requirement under the terms of the Project Cooperation Agreement.

Mr. Goodwin reminded council of where the city was on this project. He said he was seeking formal action from council on this item. He said this was the property the city would be using to meet the local match for our obligations with the Corps of Engineers. He noted that the

\$1,277,000 was funded. With council approval, staff would deposit that money in escrow and upon completion by McKenzie Forest Products to comply with the escrow, the transaction will be closed.

Len Goodwin answered questions from council.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO APPROVE RESOLUTION NO. 05-42. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST.

4. Property Acquisition for the South 42nd Street Reconstruction Project, Phase I (P20347).

Mayor Leiken announced that this item was removed from the agenda.

RESOLUTION NO. 5 – A RESOLUTION QUTHORIZING THE INSITITUION OF A PROCEEDING IN EMINENT DOMAIN FOR THE ACQUISITION OF PROPERTY INTEREST FOR THE SOUTH 42ND STREET IMPROVEMENT PROJECT (SOUTH 42ND STREET RECONSTRUCTION PROJECT, MAIN TO JASPER ROAD) LANE COUNTY PROJECT NO. 79882-2, CITY OF SPRINGFIELD PROJECT NO. P20347 AND THE IMMEDIATE POSSESSION OF PROPERTY.

MOTION: NO ACTION – REMOVED FROM CALENDAR.

5. Approval of Award by Lane County of a Construction Contract for Project P20347: South 42nd Street Improvements, Phase I, Jasper Road to Mt. Vernon Road.

Mayor Leiken recused himself from discussion due to personal financial interest / conflict related to this matter.

Ms. Pappas announced that council had a revised AIS document at their places.

Civil Engineer Jeff Paschall introduced this item and noted that the bid summary was included in the AIS document and Wildish was the low bidder on this project.

Mr. Paschall provided brief information about agenda item number 4, removed from the agenda. He updated council on property negotiations. This was negotiated and settled, therefore removed from the agenda. He noted that the city was still in negotiations with another property owner and hoped to have that resolved soon. He stated that the Schoettle's have signed. The city did pass condemnation, but they did sign and accepted a final counter offer.

Staff Report: Bids will be opened by Lane County on June 16, 2005. Because of the timing of the county's bid opening and the need for a fast city approval of award, a bid summary and staff recommendation will be provided at the council meeting during the staff report. Lane County will wait for City Council approval before awarding the construction contract for the project.

Through an IGA dated December 27, 2004, Lane County has been working for the city to provide design, right-of-way acquisition, award of a construction contract and construction management services for the South 42nd Street reconstruction project. Bids for the construction of this project will be opened by Lane County on June 16, 2005 and they will wait for Springfield City Council direction approving the award before executing a contract for the construction of the project. Due

to the compressed timeframe to get the contract award completed and the notice to proceed processed in time to meet the target start date of July 15, 2005, staff will present the bid summary to the council during the staff presentation.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR LUNDBERG, TO APPROVE AWARD OF THE SUBJECT CONTRACT BY LANE COUNTY TO WILDISH CONSTRUCTION COMPANY. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 0 AGAINST.

6. United States Bakery Request Regarding Enterprise Zone Extension in Glenwood.

RESOLUTION NO. 05-43 – A RESOLUTION AUTHORIZING THE CITY MANAGER TO SIGN AGREEMENTS WITH LANE COUNTY AND THE UNITED STATES BAKERY TO EXTEND THE PROPERTY TAX EXEMPTION TWO YEARS FOR A NEW BAKERY IN THE GLENWOOD AREA.

Economic Development Manager John Tamulonis provided the staff report on this item. United States Bakery has requested that both sponsors (Lane County and the City of Springfield) of the Springfield Enterprise Zone approve extending enterprise zone benefits. In its decision to build a \$29.975 million new Williams Bakery facility in the Glenwood area of Springfield, US Bakery needs to know if it will have an additional two years (five years total) of enterprise zone benefits to ensure compensation and hiring meets the zone requirements. A three-year exemption requires the firm to merely increase its employment level by 10% and maintain it throughout the exemption period. The extended five-year exemption also requires that the average compensation level for new hires be maintained above \$45,474 that is 150% of Lane County's average wage of \$30,316.

Councilor Lundberg asked about the tax equivalent for the two referenced years the bakery would contribute \$134,000 to the City of Springfield.

Mr. Tamulonis confirmed that would be part of the agreement, if council authorized this. He said they would be paying approximately the equivalent of \$4.50 cents, and the city's tax rate was \$4.74 per thousand. They were fairly close to covering fire and police and most of the other services the city had for that additional two years. It would be equivalent to what they would have been paying in taxes. They also had exemption from all the other taxing agencies during that period, not only the city funding.

Councilor Ballew asked if we normally do the upfront extension.

Mr. Tamulonis replied yes. We are required by the enterprise zone rules of the state to do them prior to committing to those five years of benefits.

Councilor Ballew thought it was three and two (years).

Mr. Tamulonis said it was three and two, but the city always did this at the front end of the first five years because the request was to have the wage levels maintained at 150 percent throughout the five year period. If the company was not sure if they would receive the exemption at the end, years four and five, then the first three years they could have wage levels that could be substantially below that.

City Attorney Joe Leahy asked if there was something we had, over the delta, for a certain amount of employees at Sony that they had to hit.

Mr. Tamulonis replied the city did not have a requirement with Sony for years four and five. They made no commitment to employment numbers. They were planning to hire 230, but they were required by state law to only hire one employee because they were a brand new firm to our area. The bakery was an existing firm and because it was within 30 miles of the enterprise zone, they have to increase their full-time year-round employment by ten percent above what it was in the previous twelve months from their application. In the lower corner of the application form under review, on Attachment 2-1, it was noted that they were looking at employment levels of 159 currently, as their average over the previous twelve months. They would be increasing that figure by sixteen employees.

City Manager Mike Kelly discussed the first three years, and factors of negotiation. Mr. Kelly said this council could negotiate with the company through the staff, for whatever they would like for years four and five as this was a negotiable situation. If they would like the extra two years of waiver of taxes, then the law did allow the zone sponsors to negotiate. Staff suggested a figure that the city had used in the past regarding an amount that covered most of the city taxes, not quite, but about ninety percent of what they would otherwise pay. Then they had to negotiate with Lane County, which was the law. The city and Lane County were the zone sponsors. Mr. Kelly brought this matter to the attention of the TEAM Springfield partners and indicated that we would be negotiating both with Williams Bread and likely with Symantec on years four and five. He indicated to the partners that we would be negotiating on behalf of the city, some in-lieu of tax payment to us. If they (TEAM Springfield Partners) had any special needs or requests they would like the city to speak to these companies about, they needed to do that very quickly. The companies could then speak to Lane County to see what they had in mind. In the end, based on what the city and Lane County felt was fair, the applicant/business would decide if they wanted to go forward with years four and five. If council would like to allow TEAM Springfield partners some ability to talk to the bakery, along with the city, council could indicate when they passed their motion that the city may negotiate along the lines suggested on behalf of TEAM Springfield agencies with reasonable requests. Symantec, for example, in their first phase, honored the \$25,000 contribution to Willamalane toward the skate park. Symantec did agree to pay that in year one. That is an example of the type of things that can be done through negotiations. To date, TEAM Springfield agencies had not made any requests. They were now aware of this and in the next week or two, they may ask for certain donations.

Mr. Tamulonis clarified that this was within the Urban Growth Boundary area. Regarding impact to SEDA, having an Enterprise Zone would delay the tax increment from that particular building for a few years. During the Urban Renewal Process some development would be anticipated over the first several years, years nine or year ten. This was in line with what might be anticipated with a year difference.

Mr. Kelly said if council wished to extend to SEDA the right to comment, that would be council choice, but was not legally required.

Councilor Lundberg asked if Symantec was going into the 4-J School District.

Mr. Tamulonis replied that was correct. Both Glenwood and the Campus Industrial area in Gateway were in the 4-J School District. The way the funding worked for the schools was that there was a property tax portion of that, and the State of Oregon, through income tax and other

taxes, made up the balance. No one had really conducted a close analysis if the income levels that were much higher than average may off-set all the property tax losses over the same period of time. That may be an analysis that was done at some point. There was an offsetting income gain by the State of Oregon which came from the employees paying income taxes, if you worked for Symantec or Williams Bakery.

Councilor Ballew said it was difficult to weigh advantages and disadvantages of the enterprise zone. The point of enterprise zone was to attract development to our city. Eventually everyone gained with the property taxes. If you start inviting people to make demands in the second two years, you sometimes dilute the attractiveness and undermine your original purpose, yet it was difficult and we would like to be fair to our partners.

Mr. Kelly acknowledged this and stated we were essentially waiving their property taxes for a three to five year period. At the same time, the reason people selected our community was because of the three or five year exemption. It did allow by state law a complete waiver.

Mr. Kelly said this issue was explained at the TEAM Springfield meeting and the city was not encouraging them to make demands or negotiation requests, but wanted them to be aware that we would be negotiating with the companies and their taxes to some degree were up for debate. If the partners did have a special request, they would like to make sure they made them known quickly.

Mr. Tamulonis said when the city asked to establish the enterprise zone in Springfield in the late 1980's and reinstitute it about five years ago, the city consulted with all the other organizations about the potential impacts. They saw the potential the first time around. The second time around, they could actually evaluate if it was a plus or minus. None strenuously objected to having it in place.

Councilor Fitch said in Springfield we have a good partnership and good working relationship. With that in mind, Springfield did tend to look at the big picture and look out for the future. The fact that something like this was going in, and they would be paying substantial taxes down the road, was very good. Most organizations were willing to look at that. With that in mind, providing input / opportunity to our partners, who may have a request, if it could be honored, knowing it is negotiable makes sense. Willamalane's request was an example of negotiating and the benefits of fulfilling a need at that time. Other corporations may step up and do some giving and donations. The city retained the control for negotiations. We could listen to our partners and if they make logical requests then we could try to honor them. Knowing we are going forward, we need to look at the big picture and the long term benefits.

Mr. Kelly said we have not been contacted by partners for any identified needs but the communication with TEAM Springfield partners was the middle of last week, indicating we would be dealing with this issue this evening and requests should be discussed soon. It was clarified that the request would come to council or through staff to council. Council would make the decision on requests to include in negotiations. Requests had not been submitted by tonight's meeting.

Mr. Tamulonis recognized the Williams Bakery Operations' Manager present in the audience.

Mayor Leiken said this was quite a bit larger site than where the bakery was located now. He asked if there was an update regarding the possibility of some consolidation of the US Bakery to this site.

Mr. Tamulonis replied that they don't build too many bakeries. The last one they had built in Eugene was in 1903. This one may be around for awhile. There may be some opportunities for expansion but we don't know exactly when. There was enough property nearby to do that.

Councilor Lundberg said she was usually in support of many of these programs, but in this case she was not comfortable discussing funding and the lack of funding, then offering corporations tax breaks. She said she was not going to support this at this point.

Councilor Pishioneri asked about the possibility of the expansion of this building in two years and how that related to the enterprise zone.

Mr. Tamulonis said there would be several options. If the bakery wanted to do another facility they would have to increase their employment by 10 percent and if they want an extension, they would need to come back to council. Otherwise they could apply for another three year exemption. There could be another enterprise zone application in the future if they expand. It would only include the additional incremental increase in value plus the number of employees at that time.

Mr. Tamulonis said a \$68,000 investment was made by a business and employment went from one employee to about 10-12 employees. This company has done well with the enterprise zone.

IT WAS MOVED BY COUNCILOR WOODROW, WITH A SECOND BY COUNCILOR FITCH, TO ADOPT RESOLUTION NO. 05-43. THE MOTION PASSED WITH A VOTE OF 4 FOR AND 1 AGAINST (LUNDBERG).

BUSINESS FROM THE CITY ATTORNEY

1. Writ of Review / Opinion and Order.

City Attorney Joe Leahy noted that the council was provided with a copy of a memo dated June 20, 2005 to the Mayor and Council, regarding the Writ of Review: Homebuilders Association of Lane County v. City of Springfield, City of Eugene and MWMC. The memorandum provided information regarding the letter of opinion and order from Lane County Circuit Court in the matter affirming the city's Resolution 04-28.

2. City Attorney Joe Leahy will follow-up on concerns expressed regarding findings included in the staff report regarding the Justice Center Contract for architect services. See testimony received earlier this evening.

3. City Attorney Contract Renewal.

Mr. Leahy thanked council for renewal of their contract. He reminded council that even though the contract duration was through 2008, it was understood that contract could be terminated at any time.

He explained the court box number identification contained in the contract. Each firm has a mailbox for courier services.

ADJOURNMENT

The meeting was adjourned at approximately 9:21 p.m.

Minutes Recorder: Julie Wilson

Sidney W. Leiken
Mayor

Attest:

City Recorder