

City of Springfield
Regular Meeting

MINUTES OF THE REGULAR MEETING OF
THE SPRINGFIELD CITY COUNCIL HELD
MONDAY, APRIL 16, 2007

The City of Springfield Council met in regular session in the Council Meeting Room, 225 Fifth Street, Springfield, Oregon, on Monday, April 16, 2007 at 7:00 p.m., with Mayor Leiken presiding.

ATTENDANCE

Present were Mayor Leiken and Councilors Lundberg, Wylie, Ballew, Ralston, Woodrow and Pishioneri. Also present were City Manager Gino Grimaldi, Interim Assistant City Manager Mike Harman, City Attorney Joe Leahy and members of the staff.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Leiken.

The Mayor asked for a moment of silence for the tragedy at Virginia Tech.

The order of the Agenda was changed slightly with the Mayor's approval.

COUNCIL BUSINESS

1. Committee Appointments

a. Historic Commission Confirmation.

City Planner Kitti Gale presented the staff report on this item. On April 9, 2007, the Council interviewed and came to consensus to appoint Paula Guthrie to complete the term of Commissioner McNett. McNett resigned from the Commission to accept employment in Seattle, Washington.

Paula is a Computer System Administrator for the City of Springfield. She resides in Eugene; however, she has been an active volunteer at the Springfield Museum, the Springfield Chamber of Commerce, the Oregon Genealogical Society, Lane Community College's ACCESS Group and LCC's Transitions to Success panel.

One of Paula's goals is to help preserve and maintain the historical components of Springfield, as well as continue to survey historic homes in all areas of the City and move forward to help the owners and the Historic Commission preserve and maintain them.

Councilor Ballew asked about another Historic Commission member that was up for re-appointment and whether or not the full process of recruitment needed to be followed.

Ms. Gale responded that the position would be advertised and the normal process followed.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO APPOINT PAULA GUTHRIE TO THE HISTORIC COMMISSION WITH A TERM EXPIRATION OF APRIL 3, 2010. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

Mayor Leiken acknowledged Ms. Guthrie and her family in the audience.

SPRINGFIELD UPBEAT

CONSENT CALENDAR

Councilor Lundberg asked to pull Item 1.a from the Consent Calendar as she had a conflict of interest.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO APPROVE THE CONSENT CALENDAR. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST

2. Minutes

- a. January 20, 2007 – TEAM Springfield JEO Meeting
- b. April 2, 2007 – Work Session
- c. April 2, 2007 – Regular Meeting
- d. April 9, 2007 – Work Session

3. Resolutions

4. Ordinances

5. Other Routine Matters

- e. Authorize the City Manager to Enter into a Contract with GeoEngineers, Inc. in the Amount of \$45,440.00 for GeoTechnical Services for Document Review and Construction Observation.
- f. Authorize the City Manager to Enter into an Agreement with Lane County to act as an Agent for the City for Engineering and Materials Testing Services.
- g. Approve the Subject Intergovernmental Agreement Between Lane County and the City of Springfield for Striping Services.
- h. Approval of Liquor License Endorsement for El Taco Express, located at 647 W. Centennial Blvd., Springfield, Oregon.

ITEMS REMOVED FROM THE CONSENT CALENDAR

1. Claims

- a. Approval of the March 2007, Disbursements for Approval.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR PISHIONERI TO APPROVE ITEM 1.A. FROM THE CONSENT CALENDAR. THE

**MOTION PASSED WITH A VOTE OF 5 FOR, 0 AGAINST, AND 1 ABSTENTION
(Lundberg).**

PUBLIC HEARINGS - Please limit comments to 3 minutes. Request to speak cards are available at both entrances. Please present cards to City Recorder. Speakers may not yield their time to others.

1. Proposed Amendments to the Metropolitan Area General Plan Diagram and the Springfield Zoning Map.

City Planner Gary Karp presented the staff report on this item. The applicant requests approval of a Type II Metro Plan diagram amendment to change the Campus Industrial portion of the subject site (currently 56 acres) to Commercial/Nodal Development Area, Community Commercial and Medium Density Residential/Nodal Development Area; and to amend the Springfield Zoning Map from Campus Industrial to Community Commercial, Mixed Use Commercial and Medium Density Residential. The intent of the applicant is to obtain the proper Metro Plan designations and zoning to allow the construction of a phased mixed-use residential and commercial development with nodal attributes called the Villages at Marcola Meadows.

The subject site, formerly known as the "Pierce" property, is located north of Marcola Road, west of 31st Street, east of Mohawk Marketplace Shopping Center and south of the EWEB bike path. The Planning Commission held a work session and conducted a public hearing on March 27th on the Metro Plan diagram and Zoning Map amendments. Two letters were entered into the record and nine persons spoke at the hearing, mostly in opposition. Issues raised included whether adjacent properties would be required to be annexed, traffic safety, school capacity, residential density, and housing costs. Two persons requested that the written record be held open. In order to accommodate this request, the Planning Commission will meet on April 17th to consider additions to the written record, deliberate and make a recommendation to the City Council. This required rescheduling the April 16th Council work session to May 7th, and to open and immediately continue the April 16th Council hearing to May 7th, waiting until that date for the Council to receive public testimony about the subject application. A revised notice was mailed advising property owners and interested parties of the schedule change.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO OPEN AND KEEP THE PUBLIC RECORD OPEN UNTIL MAY 7, 2007. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

2. Fiscal Year 2007-2008 Community Development Block Grant and HOME Investment Partnerships Program Recommended Funding Allocations.

Housing Manager Kevin Ko presented the staff report on this item. The Springfield Community Development Advisory Committee (CDAC) has reviewed proposals and prepared CDBG and HOME funding recommendations for the FY2007-2008 program year. The recommendations are being forwarded to the City Council for consideration and approval. The CDAC's funding recommendations are consistent with Springfield's local funding priorities and identified community development needs as documented in the Eugene-Springfield Consolidated Plan. The CDAC is also recommending approval of a one-year extension of the existing CDBG funding set-aside for downtown redevelopment.

The City of Springfield is allocating \$628,101 in Community Development Block Grant (CDBG) funds and \$723,672 in HOME Investment Partnership (HOME) funds to develop viable urban communities. The amount available from HOME consists of a FY07-08 grant of \$435,512 plus approximately \$280,000 HOME program income and reprogrammed funds from previous years. Also included in HOME is \$8,160 the City will receive from HUD under the American Dream Downpayment Incentive (ADDI). Selected projects and services will provide decent, safe and affordable housing for persons of low income; a suitable living environment, and economic opportunities for persons of low and moderate income. At a public hearing on January 23, 2007, the CDAC recommended set-asides totaling \$379,835 for CDBG and \$173,488 for HOME for the following activities: City administered housing programs, grant administration and planning, social service programs administered by the Intergovernmental Human Services Commission and operating assistance for area Community Housing Development Organizations (CHDO). The City Council also authorized a reservation of 24% of the annual CDBG allocation to be used for activities that reduce or eliminate blighted conditions in the Downtown Revitalization Area. This amount is \$150,744 for FY07-08.

Requests for Proposals were issued on February 2, 2007. The deadline for completed proposals was March 9, 2007. The City received seven requests for funding totaling \$752,400. The Springfield CDAC held a Public Hearing on March 22, 2007 to hear testimony, review proposals and develop funding recommendations. The CDAC recommends funding of the seven proposals for the requested amounts.

The CDAC discussed the Wynant's Family Nutrition proposal at length during the meeting. There was confusion over how the project would be funded and what effect funding this project would have on the City's ability to fund future downtown projects. A memorandum regarding the CDAC discussion of the Wynant's Family Nutrition proposal and clarification of the Downtown set-aside of CDBG funds is attached for Council's review. Also included in the memorandum is a discussion of funding options available.

The CDAC is recommending that Council approve a one-year extension to the annual CDBG set-aside for downtown redevelopment projects, citing the new projects and the current momentum of change that is happening downtown as the reasons to continue. The original three-year set-aside was for FY2004-06. Council action on April 17, 2006 extended the set-aside through FY2007. If the recommended extension is not approved, the downtown set-aside will expire at the end of the current fiscal year. Extending the CDBG set-aside for downtown will also extend the moratorium on CDBG assisted street improvement projects for one year. The downtown set-aside is 24% of the CDBG allocation.

Mayor Leiken opened the public hearing.

1. Roddy Toyota, 972 Sunset, Springfield, OR. Mr. Toyota said he represented the Springfield/Eugene Habitat for Humanity chapter. He said he worked as a construction coordinator for the projects, dealing mainly with the design and construction of the homes. He requested that Council fund the proposal as requested. The City had a good idea about what Habitat for Humanity tried to do and had accomplished. Their efforts were to reduce poverty housing and provide housing at an affordable level for new homeowners. Because the 49th Street project was a subdivision, they were trying to design housing that would

enhance the neighborhood aspect and was affordable. A construction committee was working hard to make sure the houses would enhance the neighborhood atmosphere.

2. Rick Medlen, 57 Sandalwood Loop, Creswell, OR. Mr. Medlen said he was the Vice President on the Board of the Springfield/Eugene Habitat for Humanity. He said he had been involved with Habitat for Humanity for about six years, and very involved with this project. He had been working with the homeowners association that was being developed for this subdivision and the construction committee on this 10 lot subdivision. City staff was working with them to develop new rules to help with cluster developments in Springfield in the future. He said they were trying hard to make sure the rules were in place to help the homeowners become good neighbors to Springfield and take those skills with them wherever they went. He thanked Council for their consideration of the grant request.
3. Charley Snellings, 3584 High Street, Eugene, OR. Mr. Snellings said he wanted to convey the commitment of the (Habitat for Humanity) board, enthusiastically supporting this project. The board would follow through on the funding for all of the houses. They were actively working to secure house sponsors and the first house was sponsored by a church. The infrastructure in Meyer Park had been completed and funds were set aside. The board had been a major player in fundraising with events such as the "Satin Love Concert" with the generous support of Windermere Real Estate in Eugene and the "Raise the Roof" auction in October. Several more fundraising events were planned for the near future. He said Habitat for Humanity was making citizens and had been a good partner with Springfield. The new homeowners were becoming taxpayers, consumers and good neighbors. He thanked Council for allowing them the opportunity to get support for their grant application.

Mayor Leiken noted that Mr. Snellings was one of the finest guitar players and had played with Stevie Ray and Jimmy Vaughn.

4. Don Griffin, 1175 G Street (office), 926 1st Place (home), Springfield, OR. Mr. Griffin said he was the Executive Director for the Eugene/Springfield Habitat for Humanity. He thanked the Mayor and Council for allowing them to speak in support of their HOME grant for the Meyer Park development on 49th Street in Springfield. Habitat's purpose was to aid in the elimination of substandard and poverty housing in our community. They accomplished this by building homes in partnership with families in our service area with incomes of between 30-60 percent of the area median income. Habitat built basic, decent affordable homes using mostly volunteer labor, including the partner family's labor. They received substantial funds as in-kind donations from area businesses and national partnerships. These funds totaled nearly \$13,000 per house. In addition to 500 hours of volunteer labor the partner families contributed to the building of homes, Habitat could offer zero percent mortgages over twenty years. The partner family contributed a one percent downpayment towards the actual cost of the house. The partner families had a strong investment of both labor and finances in the home, which helped them feel more accountable for the house and drew them into the relationship of other homeowners. Of the 38 homes they had built since founded in 1990, none had been foreclosed. Through the HOME grant proposal, Habitat for Humanity was requesting \$60,000 in funding to help build the initial three houses. Habitat had already paid for and completed the site infrastructure and they were ready to begin construction. He thanked Council for the opportunity to be here and appreciated their support.

5. Tom Draggoo, 664 Sunset Drive, Springfield, OR Mr. Draggoo said he was representing the Springfield Renaissance Development Corporation (SRDC). He thanked Council for the support they had given to the Wildish Theater in years past through CDBG funds. SRDC was able to take advantage of the set-aside for downtown development and he encouraged Council to continue that set-aside. He said SRDC did not apply for CDBG funds for downtown development because they were still wrapping up the theater project and were in the process of transitioning to an operating board. Once the theater was transferred on to an operating group, SRDC would take on other projects. There was momentum in downtown Springfield and he would hate to see that slow down. He hoped Council would vote to extend the set-aside for downtown development for another year.

6. Hanalei Rozen, 1551 B Street, Springfield, OR. Ms. Rozen thanked Council for the investment of CDBG funds for the benefit of the community. It took dedicated, ongoing, visionaries and action people to make a community grow well. She felt the money had been well spent in the past. She would like to see the extension of time for the funds for projects downtown. She particularly supported Habitat for Humanity and noted that their project, as well as Wynant's Health Food Store coming downtown, reflected thinking globally and acting locally. She discussed the development Habitat for Humanity was building and felt it would positively change the atmosphere in that area. She lived downtown and liked to see family people downtown. She felt that Wynant's store would be a magnet for people and could be very beneficial. She hoped Council would fully support the Wynant's store request.

7. Erin Bonner, 26113 Fawver Drive, Veneta, OR Ms. Bonner said she was Assistant Executive Director with ShelterCare. She encouraged Council to support the CDBG budget committee's recommendation to provide funding for ShelterCare and their Safe Haven Program. She explained that Safe Haven was a transitional housing program for chronically homeless adults with psychiatric disabilities, and was located in Glenwood. They were requesting \$15,000 to add a wheelchair accessible ramp and walkway for this property. The ramp and walkway were needed to provide safe egress from the covered deck on the back side of the property for those in wheelchairs or with limited mobility in case of fire or other emergency. She explained the current situation and how difficult it would be for those individuals to get to the existing ramp. She thanked Council for their past support of ShelterCare.

8. Joan Haydn, 1859 Pioneer Parkway East, Springfield, OR Ms. Haydn said she represented the National Food Store Project on 722 South A in the downtown. Wynant's Family Health Foods was founded in Springfield in 1981 and was a well-established health food store with a stable customer base. The store owners purchased the property at 722 South A Street and planned to relocate there to expand their natural food section to include bulk and produce from local farms. They would like to work with the City to ensure design compatibility and develop the building on South A to be an attractive and functional consumer destination in keeping with the downtown theme. They wanted to be part of the solution in the ongoing regeneration and rebirth of the downtown core. The location had easy access and visibility for the homeward bound South A Street traffic and would compliment other downtown businesses. In its present state the building was an eyesore and could use substantial upgrades to reflect good community values. The owners planned to add parking lot landscaping, repair the parking lot, and upgrade the façade. The entire estimated cost for the project was \$675,000. This project would help boost the economy downtown, bring a total of five to ten part-time and full-time jobs and up to five hundred consumers to the downtown

area daily. There would be better exterior lighting and security systems, and they also planned to remove the South A Street access and relocate it to 7th Street, a much safer location. Response from customers and downtown businesses had been very supportive. She said the store's goals coincided with most of the Council goals for the downtown area. They looked forward to participating in upcoming downtown activities and hoped the Council would make it possible for the store to make a positive impact on the downtown core and better serve the Springfield community for another twenty-six years.

9. Jami Sterling, 820 SpyGlass Drive, Eugene, OR Ms. Sterling said she was the owner of Sterling Management Group and had been involved with the Relief Nursery for a number of years on the Board of Directors and as Chair of the Building Committee. She acknowledged and thanked the Community Development Block Grant Committee and all those that had supported the Relief Nursery project in Springfield. She said this process was started five years ago with the vision of having a Relief Nursery in Springfield and she was happy to say they were on their way for the families in Springfield. She said this project could not come to fruition without a lot of support from the people and communities that the nursery served. The nursery was very motivated to move forward with their plan to make a full service Relief Nursery in Springfield, but it couldn't happen without the help of CDBG funds. She said she appreciated everyone's help and support.
10. Sharri daSilva, 89924 Spiers Lane, Eugene, OR Ms. daSilva said she was the Executive Director of programs at the Relief Nursery. She thanked everyone on the Community Development Advisory Committee (CDAC) for making the recommendation for the Relief Nursery's CDBG application. She thanked the Springfield community on behalf of herself, the Board, staff and the families that could be served, for embracing the idea of having a Relief Nursery in Springfield and assisting them over the last year to move toward this goal.
11. Faye Brabham, 644 North 4th Street, Springfield, OR Ms. Brabham said she was speaking on behalf of Wynant's Health Food Store. She provided letters of support for the store signed by a number of residents and businesses in the downtown area. She said it had come to her attention that there were special funds through the City that were available to assist certain businesses and that Wynant's had applied for one of those grants as they had outgrown their present location. A building in downtown would be a great asset to our community. She said she and her husband had shopped at Wynant's for several years and were looking forward to their expansion. She asked Council to consider welcoming Wynant's into the downtown area. She thanked Council for their consideration.
12. AlethaLou Harmon, 1258 Dola, Eugene, OR (home)/145 Pioneer Parkway East, Springfield, OR (business). Ms. Harmon said she supported Wynant's Food Store. She noted a petition that had been signed by a number of her vendors in support of Wynant's moving downtown. She said she couldn't have dreamed of a better tenant or neighbor to have in downtown. The store would bring so many people downtown and she encouraged Council to support them in the needs they had for the funds to restore the building they had purchased. She noted the steps taken by the City to encourage the St. Vincent DePaul building and Wildish Theater. She was thrilled as a downtown tenant and had great hopes that there would be a different light set on downtown. She asked Council to support Wynant's request for the funds.
13. Diana Garcia, 956 56th Street, Springfield, OR. Ms. Garcia spoke as the Chair of the CDAC. She read from a letter in support of the Wynant's Food Store written by David Reesor. As

Chair she reminded Council of the packet received by them that included at least twenty-four downtown businesses that signed their names, including City Prosecutor Dave Logan. She quoted from Mr. Logan's letter, "if you pay a visit to the present Pioneer Parkway location, you will see a clean, well-maintained business that is professionally staffed". Ms. Garcia said as a community person, she felt Wynant's would be a great role model for downtown as they served seniors, commuters, and bus riders. They were also a good role model for good relationships between businesses and to their customers. The store would bring with them their great reputation. She felt a vote in support of Wynant's would support our town and the pride in having diversity in downtown. A vote in favor would also show the community that the City valued the community's efforts in supporting each other in local businesses. A vote in favor would preserve an open dialogue and continue a good relationship with our community businesses. She encouraged Council to support one of the community's own.

Mayor Leiken closed the public hearing.

Councilor Ballew said she had a concern about the financial statement from Wynant's Food Store. She referred to pages 14 and 15 in the application and said she didn't see the owners' investment being represented. She was concerned about the amount of debt and would like to see the investment from the owner.

Ms. Haydn came forward to address Councilor Ballew's questions. She said they had put \$47,000 in cash on downpayment and there were ongoing expenses for the engineers, etc. She said there was quite a bit of personal funds that had been put into this project. She said she was unclear on what to put in the application since it was her first application.

Councilor Ballew asked Ms. Haydn if they felt they could meet all the loan obligations.

Ms. Haydn said yes. She said her current lease payments were a couple of hundred dollars less than her loan payments would be, so she felt comfortable she could make those payments.

Councilor Ralston referred to some of the other applications and the criteria. Wynant's was asking for nearly fifty percent of what they were going to put into it and others had asked for much less. He said a good business plan would show a better bottom line. He would support a lower amount.

Mr. Ko said the total project costs listed on page 3 of Attachment 2, were \$197,000, but that only represented the actual construction costs to bring the building up to standards to open. That amount did not include the purchase of the lot, the parking lot, architect fees, engineering fees and landscaping. Ms. Haydn gave a figure of \$675,000 which was the total project cost that included everything.

Councilor Ralston said it would be a good fit for downtown, but he had concerns about their income.

Councilor Ralston discussed the request from Habitat for Humanity. He asked if the project cost of \$534,000 was the cost for all ten houses. A representative from Habitat for Humanity said it was only for the first three houses plus the infrastructure. Councilor Ralston said Habitat for Humanity was one of the finest projects for creating affordable housing. He had worked on about

ten homes since 1980 and felt Habitat for Humanity did a fine job of using the money they had and leveraging other people's money to build something people could afford.

Councilor Woodrow thanked Mr. Ko for doing a great job, and the CDAC for their work. He said he was fully supportive of what was brought forward, including the proposal from Wynant's. He understood the questions, but noted that Council designated it a blighted area because they wanted development in the downtown. Council also reduced SDC's to encourage businesses to come to downtown. He said he understood the question about the bottom line, but explained how these programs assist businesses to continue and grow. He felt Wynant's would be an excellent addition to downtown.

Councilor Pishioneri also thanked the staff and CDAC. There were a lot of great projects on the list. He confirmed that all were non-profit except for the food store. The Wynant's project would be great for downtown and the City did want to revitalize downtown, but there wasn't a process in place to revitalize downtown. He said he was not comfortable with funding the money, but would like to look at some of the options submitted that could be fair to the community and to the business.

Councilor Wylie confirmed the Wynant project did meet all of the requirement and guidelines. She asked when the planned construction date was for the Relief Nursery and if they had the necessary funds to begin.

A Relief Nursery representative said they were doing due diligence for the property and had a group of fundraising people ready to go out. They did have some commitments on fundraising. It was noted that the nursery had three years to start construction, and they actually hoped to have it built in three years.

Mr. Ko noted that on May 7, he would bring a re-submittal to Council regarding the purchase of the property by the Relief Nursery from the City which Council had already approved. Since Council first approved the sale, it was found that the property was smaller than first thought. Staff would bring a new offer from Relief Nursery to Council for another public hearing.

Councilor Wylie asked how long the CDBG funds were eligible.

Mr. Ko said there was no sunset for CDBG funds. There was a recapture permission included in the process.

Mr. Leahy said if the Relief Nursery didn't build in a certain amount of time, the sale agreement included a clause allowing the City to re-purchase at the original sale price.

Councilor Ralston asked about the NEDCO house. It appeared that the total project cost was nearly \$400,000 to renovate one house.

A representative from NEDCO addressed Councilor Ralston's question. She said the proposal was for four homes and the total proposal was \$787,000. They had received funds during the first year from the City, and were able to leverage another \$150,000 from the State, which enabled them to purchase an additional property. The project was for four houses. The request was for \$60,000 for one house and \$100,000 for another.

Councilor Ralston said the houses would be more expensive than his and would be subsidized.

She said the reality was the cost to build or renovate was much higher than it was in the past. She said she was a member of the Springfield Residential Committee, which just reviewed all the costs and found that the average cost for all types of homes was \$200,000 to \$250,000. NEDCO was building or renovating for just under \$200,000.

Councilor Ballew noted that Habitat for Humanity built homes for \$100,000-\$150,000.

The NEDCO representative said that was correct. NEDCO used general contractors and Habitat for Humanity used volunteers.

Councilor Lundberg said she had served on CDAC for a long time. She recalled the TEAM Springfield meeting when set-asides for the downtown area were first discussed. All four public agencies and LTD had investment downtown, so it made sense to set-aside funds to renovate downtown. She said they had not set any direction at that time. She had concerns about the downtown allocation for one private business because she didn't have a sense on where the Council wanted to go regarding the downtown. Council talked about options last week and about setting that in motion first. She said they had other private entities come forward in past years that were either denied or didn't work out for one reason or another, so she was concerned. She would prefer to have a policy direction set first. She felt Wynant's would put in the store whether or not they received the funds, and she supported having them come to downtown. She would like a clearer direction, especially regarding private businesses, and how the Council could help in a more general way or with a signature project with the set-aside. She would advocate not giving \$90,000 for Wynant's project, but to make it a Council goal by next year to make it clear what to accomplish with those funds.

Councilor Woodrow said he understood, but didn't want to wait another year to advocate for businesses to come downtown. Council designated downtown a blighted area, and reduced SDC's to try to get businesses downtown. He referred to other projects downtown that the Council had approved funding for through this process. He appreciated the idea of having a cohesive plan, but if Council didn't start they might not get there. He said the funds from CDBG were for this purpose and it was incumbent on the Council to help those businesses that were willing to take a risk. He said it would be a very beneficial downtown redevelopment. He thought it was important for Council to go forward and take a risk as they had in other things to make downtown a better place.

Councilor Ballew said she would defer action on the health food store, but would like to see more financial information on their financial stability before putting forward public funds. She was supportive of everything else on the list.

Councilor Pishioneri concurred. He said it was a good project and would be good downtown. He had concerns about how it was being funded. He would like to defer it for now and come back with some clarifications. He would also like the options listed in Mr. Ko's memo to be considered seriously. He said he felt a responsibility to protect the citizens' money going to private citizens when there was a profit to be made. He asked for a quick return on this proposal.

Mayor Leiken asked about a time frame on this process.

Mr. Ko said Council could accept all of the recommendations except the Wynants. Staff could work with Wynant's to address council's concerns. He said he would be back in front of Council on May 7 with the One-Year Action Plan and could try to come to some sort of agreement with the Wynant's to bring back to Council at that time.

Councilor Lundberg said she was comfortable with that. She said she did take issue that things weren't happening downtown, because a number of things had happened downtown already. She noted the many positive things that had happened and were in place downtown. She felt it was important for Council to get on board to make it the downtown they wanted.

Mayor Leiken said the owner of Wynant's had been in business since 1994, when Ms. Haydn purchased it from her parents. He understood Councilor Lundberg, Pishioneri and Ballew's concerns, but Councilor Woodrow also made a compelling argument. Asking for more information and not waiting for a year would be appropriate. He would like Mr. Ko to work with the owners and bring back a proposal by May 7. He wanted to make sure Council was comfortable with that timeline. Yes. Council had begun a process for redeveloping downtown, but it would be the private sector that drove it.

Councilor Ralston said Council needed to have some formula or criteria regarding a percentage of total cost of project that Council could approve CDBG funding for on private businesses. There were other blighted things downtown and Council may want to save the funds for a bigger project that could have a better benefit. He would support half the amount requested.

Mayor Leiken said consideration of businesses that were ready, like this business, should be part of the criteria. Council could look for bigger projects, but this business was ready. Council needed to look at criteria. He asked Mr. Ko to do due diligence on this business and get a financial statement from them. Information needed to come to Council to make them more comfortable.

Councilor Lundberg said she agreed there should be a percentage on projects allocated to for-profit businesses. She said their request could also be addressed in some type of loan program, which might be better. She asked staff to take a look at interest rates available.

Councilor Pishioneri said the City wanted businesses and this was another way to provide funding for business that was not tax deferrals. A successful business would be generating funds for the City. He wanted this item to come back with more clarity, showing the citizens' interests were protected.

Councilor Woodrow read from Attachment 1, page 2. which stated "the Wynant's proposal qualifies for both the 'Area Slums and Blight' and the LMI (low and moderate income)-benefit national objectives". Tax money from the CDBG was not any different than an urban renewal project in how it funded projects in specific areas of town. This private business matched the criteria the Federal Government and the Block Grant had established, so he did not feel it was an issue giving private business those funds. He made the following motion:

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR WYLIE TO RE-EVALUATE AND VOTE ON THE WYNANT PROPOSAL ON MAY 7 REMOVING IT TONIGHT FROM THE OTHER CDBG REQUESTS.

Discussion was held regarding the information Council wanted when this came back on May 7.

Councilor Lundberg asked staff to consider funds for the infrastructure of the project. Moving the access from South A to 7th Street would benefit many.

THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO ADOPT WITH MODIFICATIONS THE FY2007-2008 CDBG AND HOME FUNDING ALLOCATIONS WITH THE EXCEPTION OF THE WYNANT'S PROPOSAL. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO APPROVE A ONE-YEAR EXTENSION OF CDBG DOWNTOWN SET-ASIDE. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

Mayor Leiken thanked those that had come forward to testify on this subject.

3. Liquor License Endorsements for the Renewal Period of 2007-2008.

Community Services Manager Dave Puent presented the staff report on this item. On December 19, 1994, Council approved Ordinance No. 5768 that established specific criteria to be used when reviewing an application for a liquor license endorsement. Council may recommend denial based upon reliable, factual information as it relates to any of the criteria listed in Section 7.302 of the Springfield Municipal Code.

Some of the required information for liquor license renewal, i.e., ownership of the establishment, cannot be determined until staff receives the actual application. However, some determination about meeting the listed criteria can be made now since the criteria relates to the level of police activity associated with the establishment.

The public hearing this evening is scheduled for Council to receive community testimony relative to the liquor license renewal endorsement. At the conclusion of the public hearing, Council is requested to provide one of the following recommendations to the Oregon Liquor Control Commission for the license renewal of the listed establishments: 1. Grant; 2. No Recommendation; 3. Do Not Grant Unless (applicant demonstrates commitment to overcome listed concerns); or 4. Deny.

Mayor Leiken opened the public hearing.

No one appeared to speak.

Mayor Leiken closed the public hearing.

Councilor Woodrow requested that the City make a recommendation for denial for Club 420.

Councilor Ralston noted the number of calls for service at this location. It's hard for him not to approve a legal business, although he may disagree with the clientele. He said he would not support denial.

Councilor Woodrow said until the City Council stood up and said they were not satisfied with the results from what OLCC had implemented and the continuation of people loitering, nothing would improve. Council needed to make a stand for the majority of citizens that didn't appreciate that type of business or atmosphere. The loitering of those outside create most of the problems. If they were not able to serve alcohol for awhile, maybe the owner would take care of their own premises.

Mayor Leiken asked what a denial meant in regard to OLCC.

Mr. Puent said it took OLCC through an investigation process of the establishment.

Councilor Lundberg said things which happened outside an establishment were not always under the control of the business owners. She recalled an ongoing plan with the Mill Camp when they had frequent police calls to their establishment. She would prefer the City took a proactive role with the business to work with them. She didn't feel the numbers were such that she would support recommending denial.

Mr. Puent said there had been certain conditions set on the Mill Camp when it was still in business.

Councilor Pishioneri concurred with Councilor Woodrow. The City didn't have the authority to take away their license, but could send a message to OLCC that the levels of service this business was demanding on our public safety system was unacceptable. It was the business's responsibility to keep it within acceptable limits. He suggested the City send the message to OLCC that Council recommend denial and let OLCC do their investigation as the licensing authority.

Councilor Ballew discussed some of the specific incidents on all businesses. She said she would also suggest including the 7-11 for denial. She asked what would happen if the City had no recommendation.

Discussion was held regarding the different types of calls to the establishments.

Mr. Puent said if the City had no recommendation, OLCC would still do an investigation of the establishment, but not at the same level as a recommendation of denial.

Mayor Leiken asked Chief Smith to explain the difference in calls to 7-11 and Club 420.

Councilor Lundberg said if the City recommended denial, the business would not lose their license.

Mr. Puent said OLCC would do the investigation of the establishment to determine whether or not to re-issue the license.

Chief Smith discussed the environment in front of Club 420. Club 420's management met with OLCC and the Police Department last year after Council's direction. They established a business plan and were on probation, but nothing rose to a level of additional OLCC intervention. The 7-11 Store didn't sell open containers of alcohol, but the business across the street did. He said

until each case was investigated, it was hard to determine the cause of the calls. Fight and weapons calls were an issue at the Club 420, but some of the acts could have been precipitated for other reasons besides the establishment itself.

IT WAS MOVED BY COUNCILOR WOODROW WITH A SECOND BY COUNCILOR PISHIONERI TO RECOMMEND DENIAL OF THE OLCC LICENSE FOR CLUB 420. THE MOTION PASSED WITH A VOTE OF 5 FOR AND 1 AGAINST (Lundberg)

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO APPROVE LIQUOR LICENSE ENDORSEMENTS FOR THE RENEWAL PERIOD OF 2007-2008 FOR ALL BUSINESSES WITH THE EXCEPTION OF CLUB 420. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

4. Justice Center Contract – P50434.

RESOLUTION NO. 07-13 – A RESOLUTION EXEMPTING FROM PUBLIC BIDDING PURSUANT TO ORS 279C.335 AND THE SPRINGFIELD PUBLIC CONTRACTING ORDINANCE SMC 2.710(2)(D) A CONTRACT WITH JOHN HYLAND CONST., INC. FOR THE CONSTRUCTION OF THE SPRINGFIELD JUSTICE CENTER AND AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH JOHN HYLAND CONST., INC. SUBJECT TO CERTAIN CONDITIONS.

Project Manager Carole Knapel presented the staff report on this item. Oregon Revised Statutes (ORS) provides for an exemption from public bidding requirements when the exemption is unlikely to encourage favoritism or substantially diminish competition in the awarding of public improvement contracts and when the award of the public improvement contract under the exemption will result in substantial cost savings to the City and the public. In order to approve an exemption, Council must conduct a public hearing, consider testimony, and adopt a resolution exempting the project from competitive bidding.

In November 2005, the City selected Heery+Hyland to perform Construction Manager/General Contractor (CM/GC) services on the Justice Center project. This selection was based on a process which included written proposals (including cost proposals), interviews and reference checks. As the selected CM/GC, Heery+Hyland participated in the design of the Justice Center, providing cost estimates, schedules and constructability review. In February 2007, Heery+Hyland presented a Guaranteed Maximum Price (GMP) for the construction of the Justice Center, however, the GMP was greater than the City's approved budget. In an effort to bring the project within budget, Heery determined to end their participation and allow Hyland to continue to work to develop a GMP which is within the City's budget. Hyland is currently soliciting bids for subcontractor work in an effort to obtain this GMP. Hyland will submit their GMP to the City on May 3, 2007. If the GMP presented by Hyland meets the City's budget as determined by the project's value engineering process, it is recommended that the Council authorize the City Manager to execute a construction contract with Hyland. Because Hyland was part of the original team selected for CM/GC services, approval of this exemption has not encouraged favoritism or diminished competition in the awarding of this contract. The City will be continuing on the course previously established without one of the initial participants. Because Hyland has participated in the design process and is currently bidding subcontractor work, the approval of this Resolution allows for the best opportunity for the City to receive a GMP proposal which is within budget and which includes substantial construction cost savings.

Ms. Knapel said the public hearing had been scheduled to allow Council to take testimony from members of the community regarding any concerns they may have about this. Staff felt they had met the obligations to encourage competition in the contracting process. The draft findings attached to the resolution identified the extensive process used to select the project team of Heery+Hyland. Staff believed the City would financially be better off proceeding in this manner. Hyland would provide a GMP to the City. In order to get to a GMP, Hyland was currently bidding the subcontracting work to get the City the best possible price. Staff was asking Council to conduct the public hearing and then take action to ratify the Memorandum of Understanding between Heery, Hyland and the City and adopt the resolution and the findings.

Mayor Leiken opened the public hearing.

1. Fred Simmons, 312 South 52nd Place, Springfield, OR. Mr. Simmons said he opposed the contractual agreement with Hyland on the basis that there were no facts. He was on the committee when the process was reviewed in 2005 with the joint venture of Hyland+Heery. He said he did not believe that the public had sufficient information regarding Hyland's cost and their process and felt the City would regret this decision. He said history was sufficient to state that the City needed to be very careful as public purchasers when the specifics of contract weren't in hand and there wasn't a clear way to do this. The only way to cut costs in the project would be to not do certain things, and that would be problematic in the operational side of the project. Since there was no attempt to get the prevailing wage modified to benefit the public, the same construction work being done at PeaceHealth, was being done at a reduction that would not be possible on this project. The City could not longer afford to do the standard prevailing wage process. This project with Hyland was a very risky venture, and he asked Council to look at it more carefully in the process. He discussed completions and change orders and asked Council to be conservative about how the public's money was spent. He said he supported the project, the Police Department and had put a lot of time and energy into the project, so he didn't come to Council lightly with this request.
2. Curtiss Greer, 357 55th Street, Springfield, OR Mr. Greer said he spoke to the City Manager some time ago about rebuilding the trust and confidence in City staff. Staff had said there was no public input into some of the interior design of the Justice Center. Errors in design had been pointed out only to be ignored until the staff found them out on their own. Mr. Greer said one Council member stated he didn't want any attempt made to create any reduction in waste cost on this project. Given only these facts, Mr. Greer requested in writing a guarantee from the City Manager that the people would receive a fully complete Justice Center for the amount approved by the people. He said he hoped the City Manager had that kind of confidence in his staff. He believed the people deserved this guarantee from the City Manager and felt Council had the responsibility to the citizens to make it happen.
3. Mark Molina, 146 C Street, Springfield, OR. Mr. Molina spoke in support of moving forward with John Hyland. The Council demonstrated tonight that they would go the extra mile to have the necessary discussion to make sure there was prudence in any decision that had to be made. He said it was a pleasure to hear the Council contend and contest all points of view on the items that came before the Council tonight. He had confidence as a citizen that Council would ask the right questions. Carole Knapel had the expertise and the contractors in the local area had the expertise and skill as well. He was in favor of moving forward with John Hyland. The City had worked hard and the citizens needed the jail. He

said he agreed with aspects of Mr. Simmons and Mr. Greer's testimonies about prudence, cost awareness and commitment to the citizens, but he believed we had that from all here. He asked, as a citizen, that Council favorably consider moving forward with John Hyland on this project.

Mayor Leiken closed the public hearing.

Councilor Lundberg said it was not in question whether or not the City would stay in budget. That was why the City was moving in this direction.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO RATIFY THE PROPOSED MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF SPRINGFIELD, HEERY INTERNATIONAL, INC. AND JOHN HYLAND CONST., INC. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

Councilor Ballew said she assumed Council would receive periodic reports regarding financing and spending, but she would also like to see frequent reports on spending.

Mr. Grimaldi said not only would Council get those reports, but also any change orders or other cost information. Any design changes would come to Council for approval before entering into a contract.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO ADOPT RESOLUTION NO. 07-13. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST,

BUSINESS FROM THE AUDIENCE

1. Hanalei Rozen, 1551 B Street, Springfield, OR Ms. Rozen came to tell Council that although she has had good luck with people looking after her bicycle (which she rides to town regularly), but there were no locking bike racks downtown and that was a concern. In all plans being approved and made, bicyclists were just as critical as other vehicles.

Ms. Rozen also wanted to address the way Council conducted business on certain items. She suggested that before Council made a decision on anything substantial like CDBG grants, that they open the floor one more time for three minutes in case there were other points of view as a result of listening to Council deliberations. She sensed an antagonistic mood in some of the public this evening, and noted it was important for citizens to respond to some of that deliberation. She felt it was better public discourse to spend the extra few minutes before making decisions. She was hoping that could happen on May 7. Statistically everyone coming before Council represented 500 citizens. There was a lot more public forum needed on what should happen downtown. She discussed other programs that were in place for downtown. She urged Council to open it up.

COUNCIL RESPONSE

CORRESPONDENCE AND PETITIONS

1. Correspondence from Leon Thompson, 2777 Marcola Road, Springfield, OR Regarding the Pierce Property.

IT WAS MOVED BY COUNCILOR LUNDBERG WITH A SECOND BY COUNCILOR WOODROW TO ACCEPT THE CORRESPONDENCE FOR FILING. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0.

BIDS

ORDINANCES

BUSINESS FROM THE CITY COUNCIL

1. Committee Appointments (moved to beginning of meeting)
2. Business from Council
 - a. Committee Reports
 1. Councilor Pishioneri said Megan Finnessy had left the McKenzie Watershed Council and a new person had been hired to fill her spot. He said the last meeting was very refreshing and productive.
 2. Mayor Leiken reported on MPC. A discussion was held regarding the idea of linking land use and transportation infrastructure. He said it was a good debate, but he and Councilor Ballew and the majority of others were opposed. Tomorrow at noon, Mayor Leiken and Councilor Ballew would be meeting with MPC members from the City of Eugene, Lane County and the administrators, to discuss Metro Plan issues, including the urban growth boundary issue and how that related to each jurisdiction. At 3:00pm on Tuesday, a work session was scheduled in Salem on House Bill 3337. Most of the feedback the Mayor had received had been positive on that bill. Eugene wanted to begin discussions on this further. He said if the legislature truly wanted to save regional planning in this area, approval of this bill was imperative. If it failed, Springfield would most likely proceed to go their own way. He said he would report back after the two meetings. He asked Development Services Director Bill Grile to send out a memo following the legislative session.

Councilor Ballew said she would like to know who was opposed to the bill, who was not and who remained neutral.
 3. Mayor Leiken said he met with delegates from Shanghai for the fourth year. They were visiting through the University of Oregon. He said the delegation met with Lane County and Eugene together, and with Springfield separately. There had been a lot of positive interactions over the years between Springfield and the delegation. He related a story where he discussed the U.S. Basketball Academy up the McKenzie River and that they had been instrumental in bringing Chinese basketball player Yao Ming here. The delegation recognized Yao's name and although they didn't speak English were very enthused.

Mayor Leiken reported that McKenzie Forest Products was selling their operation to the Swanson Group, which owned several operations in Oregon. He said it was a strong organization and he felt it was good news.

4. Councilor Ralston reported on the Human Services Commission (HSC). They had recently held two special meetings and were planning two more, to discuss the loss of funds from Lane County. The HSC was creating two budgets in case they lost funding. They were hearing from all providers, and some were very critical. The HSC would be going to both Springfield and Eugene to ask for more money. Last year Springfield gave them a one time discretionary amount of money.

Councilor Ralston reported on Lane Regional Air Protection Authority (LRAPA). He said someone wanted to know what LRAPA was going to do regarding CO2 emissions at the local level. He discussed the many things people thought LRAPA should regulate.

BUSINESS FROM THE CITY MANAGER

1. Intergovernmental Agreement with Lane County for Construction of Phase 2 of the Bob Straub Parkway.

City Engineer Ken Vogeney presented the staff report on this item. Lane County is proceeding with the construction of Phase 2 of the Bob Straub Parkway and anticipates advertising the project for bids in May, 2007, issuing Notice to Proceed in July, 2007, and completing the project by the end of September, 2009. The work includes extending the Parkway from its current terminus at S. 57th Street to a new intersection at Jasper Road near Brand S Road.

Under the terms of the attached Agreement, the City's obligations are to pay for widening the new pavement in the area of 2 future intersections; conduits for future traffic signals and communications; 50 percent of the cost to remove an existing railroad track switch that will be impacted by the project; and some other minor construction. In addition, the City will be responsible to landscape and maintain the median island that will be constructed from Mt. Vernon Road to the north end of the project. This landscaping project will be designed and constructed by the City under a separate contract once the Parkway construction is completed. Lastly, the Agreement obligates the City to annex and take jurisdiction of Jasper Road as the City annexes properties along Jasper Road for urban development.

The City's financial obligations to the County under the terms of this Agreement are estimated to be about \$241,000, with the actual costs to be determined during construction. Prior Agreements for this project obligate the City to pay an additional \$826,900 towards right-of-way and removal of a railroad spur track. A portion of the funds for the City's obligations are included in the current budget (\$422,900), with an additional amount included in the Capital Budget for FY08 (\$379,800), and the remainder to be appropriated via an upcoming Supplemental Budget action (\$265,200).

Jurisdiction of the Bob Straub Parkway will remain with Lane County until such time as the City annexes the right-of-way and requests jurisdictional transfer from the County.

Staff recommends that the City Council authorize the City Manager to execute the Agreement.

Councilor Woodrow commended staff and the City Manager for their work on the hillside on Eastgate. He thanked them for watching out for the citizens.

Councilor Ballew asked what would be the worse case expense for this project.

Mr. Vogeney said the total costs for the City included \$241,000 plus \$827,000, equaling about \$1M. The County was committing \$5.7M towards construction.

Mayor Leiken asked Mr. Grimaldi to begin follow-up dialogue with Bob Warren and the Oregon Economic and Community Development Department (OECDD) regarding potential public works grants to help with potential infrastructure costs for people wanting to develop properties along this roadway.

IT WAS MOVED BY COUNCILOR LUNDERG WITH A SECOND BY COUNCILOR WOODROW TO APPROVE AUTHORIZING THE CITY MANAGER TO EXECUTE THE ATTACHED INTERGOVERNMENTAL AGREEMENT WITH LANE COUNTY FOR CONSTRUCTION OF PHASE 2 OF THE BOB STRAUB PARKWAY – CITY PROJECT P50529. THE MOTION PASSED WITH A VOTE OF 6 FOR AND 0 AGAINST.

BUSINESS FROM THE CITY ATTORNEY

ADJOURNMENT

The meeting was adjourned at 9:00 p.m.

Minutes Recorder Amy Sowa



Sidney W. Leiken
Mayor

Attest:

Amy Sowa
City Recorder