

**CANBY CITY COUNCIL
REGULAR MEETING MINUTES
September 16, 2015**

Presiding: Mayor Brian Hodson.

Council Present: Todd Rocha, Greg Parker, Traci Hensley, Tim Dale, Tracie Heidt, and Clint Coleman.

Staff Present: Rick Robinson, City Administrator, Joseph Lindsay, City Attorney; Bryan Brown, Planning Director; Renate Mengelberg, Economic Development Director; and Matilda Deas, Project Planner.

Others Present: Bob Cornelius, Todd Roberts, Martin Lackner, Scott McCormack, Bill McCormack, Irene Breshears, Dave Rankin, Pam Seelye, Mallory Gwynn, Esther Morford, Aaron Jones, and Jason Larsen.

CALL TO ORDER: Mayor Hodson called the Regular Meeting to order at 6:35 p.m. in the City Hall Conference Room.

****Councilor Dale moved to go into Executive Session pursuant to ORS 192.660(2)(e) Real Property. Motion was seconded by Councilor Heidt and passed 6-0.**

OPENING CEREMONIES: Mayor Hodson reconvened the Regular Meeting at 7:30 p.m. in the Council Chambers, followed by the invocation and the flag salute.

POW/MIA Recognition Day Proclamation – Mayor Hodson read a proclamation proclaiming September 18, 2015, as POW/MIA Recognition Day in Canby and presented the proclamation to Martin Lackner from the Canby-Aurora VFW Post 6057.

Mr. Lackner said recently they had taken over responsibility for the Vietnam Veterans Memorial. He invited everyone to attend the Spaghetti Dinner on September 25.

Manufacturing Day Proclamation – Mayor Hodson read a proclamation proclaiming October 2, 2015, as Manufacturing Day in Canby and presented it to Todd Roberts, Canby High School Teacher.

Renate Mengelberg, Economic Development Director, discussed the Manufacturing Day event on October 2, which was a collaboration of Canby High School, Chamber of Commerce, and the City. Nine manufacturing companies would be offering tours to High School students. There would be a Chamber lunch with manufacturers presenting on October 6, Canby School Board meeting also with manufacturers presenting on October 15, and a Career/Technical Education Center Open House on October 28.

Mr. Roberts said over 100 students would be participating in the tours and would be able to see how what they were learning in school related to the real world.

COMMUNICATIONS: None.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS: Dave Rankin was representing JustServe.org, a web-based registry of organizations that needed volunteers. The website matched people who wanted to volunteer to organizations that needed volunteers. It was supported by the Church of Jesus Christ of Latter-day Saints. He explained how organizations could register on the website and find volunteers. He also listed some of the volunteer opportunities in Canby.

MAYOR'S BUSINESS: Mayor Hodson reported on the last C4 meeting and Area Commission on Transportation meeting.

COUNCILOR COMMENTS & LIAISON REPORTS: Councilor Rocha attended Canby's Big Night Out and Street Dance and groundbreaking for the new Library/Civic building. He welcomed Kathleen Myron to the Library Board. Canby Fire extended their thanks to the Urban Renewal Agency for helping with funding for their apparatus needs. This Saturday was the Safety Fair and Chili Cook-off at the Fairgrounds.

Councilor Hensley attended Canby's Big Night Out and Street Dance, groundbreaking for the Library/Civic building and Hope Village cottage homes, Clackamas County Arts Alliance Advisory Council's State of the Arts presentation, and 9-11 Remembrance event.

Councilor Dale attended the Street Dance, 9-11 Remembrance, and groundbreaking of the Library/Civic building. Bonneville Power Administration had increased rates, and Canby Utility was doing a rate study. New rates would go into effect in November.

Councilor Heidt thanked the Canby Adult Center Board members whose terms expired and welcomed the incoming members. She discussed several programs being offered at the Adult Center. She attended the last School Board meeting, groundbreaking of the Library/Civic building and Hope Village, Fire Board meeting, Street Dance, Kiwanis, Rotary, Bridging Cultures, and 9-11 Remembrance.

Councilor Coleman attended the Street Dance, groundbreaking for the Civic building, Canby Cruise In, 9-11 Remembrance, and Traffic Safety Commission meeting. There was an opening on the Planning Commission. He also attended the Municipal Audit and Financial Oversight Committee meeting.

CONSENT AGENDA: ****Councilor Dale moved to adopt the minutes of the August 19, 2015, City Council Regular Meeting; appointment of Bruce Parker to the Bike and Pedestrian Committee for a term to end on June 30, 2018; appointment of Kathleen Myron to the Library Board for a term to end on June 30, 2019; a Change of Ownership Liquor License Application for 76 Food Mart of Canby; and Amendments to Employment Contracts for the City Administrator, City Attorney and Municipal Judge. Motion was seconded by Councilor Hensley and passed 6-0.**

PUBLIC HEARING: CPA 15-02/TA 15-01 North Redwood Development Concept Plan – Rick Robinson, City Administrator, said the Planning Commission did not have a quorum on September 14 and could not hold their public hearing on this matter. That Planning Commission public hearing had been rescheduled to September 28. He recommended continuing the City Council the public hearing to October 7, 2015.

Mayor Hodson confirmed the public hearing would be continued to October 7, 2015.

CPA 15-01/ZC 15-01/LLA 15-04 Canby Commons Apartments – Mayor Hodson read the public hearing format.

Conflict of Interest:

Councilor Rocha – His wife was on the Planning Commission, but was not at the meeting when it came before them. Plan to participate.

Councilor Parker – No conflict, plan to participate.

Councilor Hensley – No conflict, plan to participate.

Councilor Dale – No conflict, plan to participate.

Councilor Heidt – No conflict, plan to participate.

Councilor Coleman – Liaison to the Planning Commission, but did not attend the meeting when it came before them. Plan to participate.

Mayor Hodson – No conflict, plan to participate.

Ex Parte Contact:

Councilor Rocha – No contact.

Councilor Parker – No contact.

Councilor Hensley – Driven by the site, but drew no conclusions.

Councilor Dale – No contact.

Councilor Heidt – No contact.

Councilor Coleman – No contact.

Mayor Hodson – Driven by the site, but drew no conclusions.

Bryan Brown, Planning Director, presented the staff report. This was a Comprehensive Plan Amendment for a property in the Industrial Park. The applicant was requesting to change the property from M-2 heavy industrial, to R-2, high density residential, to accommodate a proposed apartment complex. It would be a 166 unit complex with a mix of 1, 2, and 3 bedrooms. There was also a lot line adjustment so the property boundaries would match the area that would be rezoned. The total property was 12.6 acres, and the portion proposed to be rezoned was 7.6 acres, leaving a five acre track that would retain M-2. He reviewed the criteria for the Comprehensive Plan amendment. ODOT determined the project was suitable. A traffic study was done and found that the intersection of Hazel Dell and Sequoia Parkway had an existing deficiency and the rezone incrementally added to the deficiency. Because of that the Transportation Planning Rule came into play and the City was responsible for mitigating the deficiency. The proposal was to mitigate through the installation of a traffic signal at that intersection. The project was not listed in the Transportation System Plan, and the Plan would be amended to add the project to the Capital Improvement Plan to be done in the next 20 years. This project would replace the left turn bays on Township Road where it met Sequoia. He explained the additional conditions recommended by ODOT when the signal was erected which were documented in the transportation study. Staff recommended adding condition of approval #7 to have the applicant pay 4% of the cost of the signal. The Department of Land Conservation and Development wanted additional information to convince them the City was not unduly lessening employment lands. Staff performed an update of the Comprehensive Plan dealing with industrial land supply. That study convinced DLCD that there was an adequate supply of industrial land even if this parcel was rezoned to residential to serve the City's needs for the next 20 years. DLCD also asked for clearer addressing of the Statewide Planning Goals to show the City was not lessening the opportunities for employment.

Mr. Brown continued to say there was a lot of evidence that Canby was in great need of additional multi-family housing for the community. The question was if this was the right location or not. Initially there was concern by the area industrial business owners, but they were now in support of the application once they found out the conditions of approval addressed the concerns. The Planning Commission was concerned about the compatibility between the residential and commercial. They voted 3-1 to deny the request. The vote in favor recognized that potential residents of this apartment complex would be well aware they were moving in to a surrounding industrial site. This was on the edge of the Industrial Park on an odd shaped lot with very little frontage on Sequoia Parkway. It was not unusual for apartments to be built in industrial parks. The Bicycle and Pedestrian Committee submitted a report requesting tying this development to the Logging Road Trail, but there was a rail spur between this property and the Trail and the owner indicated it was a liability if there was a crossing on the railroad track. This could be looked at further in the development application when it was submitted. There was a Comprehensive Plan amendment and rezone request in 2008 for the Industrial Park to build a motel. It did not go forward because it would add traffic to the Highway 99E and Sequoia intersection. If this application was approved, erecting the signal light as proposed would take care of the transportation issue. He then reviewed the conditions of approval.

Mayor Hodson opened the public hearing at 8:58 p.m.

Public Testimony

Applicants: Aaron Jones gave a background on the UrbanIDM Company, a multi-family and industrial developer that built and managed properties long term. They planned to manage this property once it was built. He showed pictures of the proposed location and conceptual layout of the apartment complex. There would be a community area with a pool, and the entire property would be fenced. There would be buffers from the industrial properties and they would build the apartments to block out sound, such as using triple paned windows and extra insulation. He then showed pictures of other similar projects that had been done in Vancouver, WA.

Jason Larsen said they built and managed a higher quality product, and wanted to build a better community through strict application process and fostering a relationship with residents so they would stay for many years. There were no apartments available right now in Canby, and the wait lists were long. Those who graduated from High School could not stay in Canby if they wanted to move into an apartment, and some apartments did not have the amenities that this complex would. There was a nearby park and retail area, and light industrial uses surrounded it. People wanted to live where they worked and become good residents and community builders. The people who worked in the Industrial Park would be able to afford to live in the complex. He thought this was the right size of project to absorb some of the demand.

Mr. Jones looked around the community and did not find another available site that was the size needed for this type of multi-family development. It would take six to seven months to go through the planning design phase. The site would be developed in phases. He explained the average size of the apartments and rates. They had marketed the industrial parcel for over seven years and due to its odd shape it had not been a marketable piece. It had been priced below market value, and there had been no interest. With the lot line adjustment, he thought having a smaller industrial piece would allow them to attract a smaller build to suit user. The apartment rents were aligned with standard rents and the jobs that were available in Canby. This would provide additional options for people who wanted to upgrade to a new apartment with more amenities and for those

who had been on a waiting list for a long time. They were open to setting aside 20% of the units and renting those at a lower rate for lower income families.

Proponents: Scott McCormack was an owner of Trend Business Center, a real estate development company that owned and leased two industrial buildings in the Industrial Park and would be constructing a third building next year. These buildings were close to this site. They were in favor of the application as it would provide another housing option for the workers in the Industrial Park. These would be quality apartments, surrounded by fencing, and he had confidence in the developer. The conditions of approval met their other concerns, such as a limited number of driveways and the other five acres would remain industrial. The Planning Commission was concerned about taking away property with rail service, but there was another property in the Industrial Park that was 60 acres on the outside of the Park, which had rail service and would be a better fit for that type of industry. Pioneer Pump was concerned about industrial activities being a nuisance to the apartment residents. He suggested adding another condition of approval to state, "The applicant shall record a deed restriction in favor of all the industrial zoned lots in the Canby Pioneer Industrial Park acknowledging that industrial uses on the industrial zoned properties were pre-existing and did not constitute a nuisance and the apartment owners and residents waived any future claims for nuisance arising out of the current or future industrial uses of those properties."

Bill McCormack, Trend Business Center, said he had owned two companies, a construction and a development company since the 1980s and had built hundreds of industrial buildings. In the last ten years, they had built several buildings in the Industrial Park. There were 367 acres of raw industrial land in Canby which was at least a 20 year supply. He thought this type of development would help the Industrial Park be successful as they needed more than just industrial buildings. People wanted to be able to live near where they worked and there was a trend for young adults to stay in rentals longer than other generations had. The Industrial Park needed housing, shopping, restaurants, medical facilities, and day cares nearby. This was a good development and there would be nice fencing with controlled gates to go in and out which would provide security and safety. As someone trying to develop land in the Industrial Park, he thought this was a great idea and should be approved.

Mallory Gwynn, Chamber Director, said one of the most common comments he received from people who were looking for a place to move to was that there was no housing in Canby. This was a constant conversation among different entities. The staff report presented good factual information. There was a need for additional housing in Canby. This project would be beneficial to the economy of Canby and it would help grow the Industrial Park. There were issues, but they were able to be overcome. They had a common vision and mission of a community that maintained its character, grew, and prospered. They could attract more world-class businesses by providing these types of amenities. He thought this was a good idea and they could overcome any of the obstacles. He was in favor of the project.

Renate Mengelberg, Economic Development Director, was in support of the project. There was a significant supply of industrial land, which was prime and ready to go but was not moving as fast as she would like. This property had been on the market at significantly below market value and the property owner could do a build to suit or creative arrangement. The property still had not sold. Industrial developers did not want irregularly shaped pieces of property. They had also looked at a team track idea for the property, and there was not a market demand for use of the rail access. A housing study was done that demonstrated most of the housing in Canby was 35 years

old. When apartment vacancies came up they did not have to advertise to fill them, and there was a long waiting list. The new development trend was integrating housing with industrial. Industrial manufacturers were having difficulty finding qualified workers for their needs. Part of attracting employees was having nearby affordable housing and to be walking distance of work, stores, and medical. This parcel had all of those amenities. This would be a high quality development, would be a secure space, and the rents would be at a price workers could afford. Without this proposal, this site would remain vacant for many years to come, which was too bad as it was the first industrial site coming into the Industrial Park. Or worse, it could become an outside storage yard as that was what it was currently zoned for. She encouraged the Council to support the project.

Opponents: None.

Mayor Hodson closed the public hearing at 9:45 p.m.

Mayor Hodson clarified the condition suggested by Mr. McCormack could be incorporated and the ordinance amended.

Mr. Brown said Condition #6 needed to be amended as well to be simpler and the dollar figures removed. He read the amended condition. Sequoia Parkway was designed to handle this level of traffic.

Councilor Coleman thought there were very few places in Canby that were walkable like this site. It would be a positive impact on the nearby businesses and a good investment.

NEW BUSINESS: None.

RESOLUTIONS & ORDINANCES: Ordinance 1423 – ****Councilor Heidt moved to approve Ordinance 1423, AN ORDINANCE AMENDING CANBY’S COMPREHENSIVE PLAN LAND USE MAP AND ZONING MAP FROM HEAVY INDUSTRIAL (HI & M-2) TO HIGH DENSITY RESIDENTIAL (HDR & R-2) RESPECTIVELY FOR AN APPROXIMATE 7.6 ACRE PORTION OF TAX LOTS 2101 AND 4900 OF TAX MAP 31E34C AS ADJUSTED BY LLA 15-04 AT 235 S SEQUOIA PARKWAY along with amending Condition #6 and adding Condition #8 to come up for second reading on October 7, 2015. Motion was seconded by Councilor Coleman.**

There was discussion regarding the Council’s authority for a Comprehensive Plan amendment and not following the recommendation made by the Planning Commission.

Commissioner Heidt said there was a need for this type of housing and thought the application met all of the criteria.

Councilor Parker appreciated the Chamber’s and business support of this application. Employers were seeking employees and there was a need for affordable housing where people could walk to work, stores, and services.

Councilor Rocha was not convinced residential should go in the Industrial Park. The needs for more housing did not necessitate the City to do a zone change in the Industrial Park.

Councilor Hensley thought it would set a precedent for changing the zoning. Rezoning to residential meant they would need police, fire, and school services and this property was in the Urban Renewal District and funding would not go to those services until the District closed.

There was discussion regarding possible Urban Renewal impacts.

Councilor Coleman said they wanted to attract businesses to the Industrial Park and by having a good housing inventory, more businesses would be attracted. They needed to be flexible.

Councilor Parker said the Fire Chief, Police Chief, and School Superintendent were not in attendance that night. Schools were funded on a per pupil basis. There was no testimony on negative effects to fire, police, or schools and they had to rule on the testimony before them.

Councilor Heidt thought this was a great opportunity and they should not let obstacles stand in the way.

Mayor Hodson asked if not here and now, where would the apartments go and when would it occur. This was a worthwhile project. He was concerned that the other five acre parcel would not sell and they would try to make it residential in the future. He calculated that residents in the complex would have to make \$40,000 to \$50,000 per year. The Council needed to look at housing as a whole as a future discussion. They had to decide if this application would enhance the vision of the City or take away from it.

Councilor Coleman thought they should put this challenging shaped lot to an effective use rather than having it vacant for many years. If there was not adequate housing, businesses might not want to come to Canby

The motion passed 4-3 with Councilors Rocha, Hensley, and Dale opposed and Mayor Hodson voting in favor to break the tie.

Ordinance 1421 – ****Councilor Hensley moved to adopt Ordinance 1421, AN ORDINANCE AUTHORIZING THE PURCHASE OF ANAL120-EZ AIRLESS SLIDE-IN STRIPER FROM EZ-LINER; AND DECLARING AN EMERGENCY. Motion was seconded by Councilor Parker and passed 6-0 by roll call vote.**

ADMINISTRATOR'S BUSINESS & STAFF REPORTS: Mr. Robinson said on September 22 at 6:00 p.m. the Clackamas County Board of Commissioners would be having a Town Hall meeting at the Fairgrounds.

CITIZEN INPUT: None.

ACTION REVIEW:

1. Approved the Consent Agenda.
2. Continued the Public Hearing for CPA 15-02/TA 15-01 North Redwood Development Concept Plan to October 7, 2015.
3. Adopted Ordinance 1421.
4. Approved Ordinance 1423 to come up for second reading on October 7, 2015.

There was no Executive Session.

Mayor Hodson adjourned the meeting at 10:36 p.m.



Kimberly Scheafer, MMC
City Recorder



Brian Hodson
Mayor

Assisted with Preparation of Minutes - Susan Wood