

Memorandum

Date: April 18, 2014

To: John Kovash, Mayor
Members, West Linn City Council

From: Chris Jordan, City Manager *CJ*

Subject: Follow-up to Joint Work Session with the Planning Commission

At the Council's April 7 discussion with the Planning Commission, the Council asked that staff provide information regarding some of the issues brought forth by one or more members of the Planning Commission.

- **Technology**
 - The Planning Commission would like to select a means for receiving agendas and other materials. Staff would suggest that each member of the Planning Commission determine if he/she would like an iPad or a Windows tablet, and we will provide each with the instrument of choice. We will put all agenda items, etc. in Dropbox for them, or they can review the materials from the City's website.
- **Copies of Council materials to the Planning Commission**
 - The Planning Commission would like copies of all planning-related materials that go to the Council. All Council materials are provided in one of two methods to the Council – as part of an agenda package or by a memorandum from the City Manager. Both of these are available on the City's website. Anyone interested in either or both of these may go on the City's website to review them; may subscribe to an automated email that notifies subscribers; or may subscribe to an RSS feed from the City which provides an update to the subscriber.
- **Planning Docket**
 - The Council asked to review/update the docket at an upcoming Council work session. We have scheduled this for April 21.
- **Communication from the Council to the Planning Commission**
 - The Planning Commission would like more direct communication from a member of the Council when the Council initiates a legislative proposal. The Council liaison (currently the Mayor) will need to attend Planning Commission meetings to provide this level of support.

- **Commission for Citizen Involvement (CCI)**
 - The Planning Commission would like input into the CCI. The Council previously directed that the CCI should consist of the Council and the chairs of the Historic Review Board and the Planning Commission. Staff is attempting to schedule the next CCI meeting in the next 2-3 months at which the CCI can adopt a scope of work and procedures.

- **Planning Commission Presentations to the Council**
 - The Planning Commission does not believe staff reports to the Council accurately reflect the Planning Commission's position on issues. The Planning Commission would like to make presentations to the Council. This is a Council decision.

Please let me know if you have any questions.

Memorandum

Date: April 18, 2014

To: John Kovash, Mayor
Members, West Linn City Council

From: Chris Jordan, City Manager *CJ*

Subject: Oregon City Franchise Fee

At the direction of the City Council, this week we sent the attached letter to the City of Oregon City requesting a waiver from the Oregon City franchise fee.

We have also reviewed the possible impacts to the West Linn budget and to West Linn citizens of this franchise fee. Attached are three spreadsheets showing the following:

- The impact on Tri City Service District (TCSD): It is our understanding the 2014 franchise fee for TCSD will be \$191,000. This based on a rate of 6% of TCSD revenues generated within Oregon City. TCSD also supplied the Tri City Advisory Board with estimated rates for the 9-year period of 2014-2022. The spreadsheet shows the amount of the franchise fee for each of these years and the total for the period. It also shows the share of the fee paid by West Linn, Gladstone, and Oregon City customers *if* the fee were to be distributed equally among all customers based on usage. You will see that the West Linn share over the 9-year period totals \$842,000.
- The impact on the South Fork Water Board: Based on rate possible rate increases provided by the South Fork General Manager, South Fork would be required to pay a total of \$843,000 over the 9-year period. West Linn's share would total \$295,000. Again, these totals are based on 6% of revenues generated within Oregon City.
- The total impact on West Linn: Based on the projected rate increases and on an equal distribution by both South Fork and TCSD to all rate payers, West Linn's total contribution to Oregon City over the 9-year period would amount to \$1,183,000. This averages \$131,000 annually and, by 2022 would be \$169,000. (Please note that based on this distribution, Oregon City rate payers would make total payments of over \$1.5 million during this period).

Please let me know if you have any questions.

Attachment



City of West Linn

April 17, 2014

City of Oregon City
Attn: Oregon City Mayor and Commissioners
David Frasher, City Manager
P.O. Box 3040
Oregon City, OR 97045

Dear Mayor, Commissioners, and Mr. Frasher:

The City of West Linn respectfully requests that the Oregon City Commission enter into a written franchise agreement that waives or modifies provisions of your utility facilities public rights of way ordinance. Oregon City Municipal Code 13.34.070(E) allows your city to enter into a written franchise agreement to "waive or vary" the requirements of the public rights of way ordinance based solely upon whether "the public interest warrants" such action.

West Linn has lines in Oregon City rights of way that convey water from the South Fork Water Board facilities to the citizens of West Linn. The fee for these lines will be \$5,000 this year. In addition, as a partner with Oregon City in South Fork Water Board, West Linn residents will likely see water rates increase to pay approximately \$85,000 in franchise fees to Oregon City based on Oregon City's water use. Finally, Tri-City Service District, of which West Linn is member, may be forced to increase rates to pay the franchise fees assessed to the District, and West Linn's portion could be as high as \$68,000 if it is assessed a portion of the fee. In total, West Linn residents and businesses will be paying approximately \$105,000 to Oregon City in this first year alone. The total impact of these fees is substantial; therefore, the City is requesting relief from its charges.

The public interest warrants a waiver or variance from the City of West Linn's pipeline franchise charge for the following reasons:

1. West Linn is a municipal corporation, formed in 1913, and it has been a member of South Fork Water Board since 1914. The City's lines have been in the right of way for almost 100 years, and the line that now exists has been in place since 1972. This charge is assessed on preexisting infrastructure; therefore, the City is essentially a captive audience, and it does not have viable alternatives to these charges.
2. West Linn's use of the City's rights of way is passive, and West Linn's use does not increase the cost to Oregon City of managing its right of way.

3. Water is a critical service necessary for the public's health, safety, and welfare. The City's Charter limits increases in water rates to 5% or less per year unless the City receives voter approval. The increase in water rates required to pay the franchise fees associated with water cripples the City's ability to raise rates to obtain funds to replace much needed water infrastructure, such as the City's pipes and its 100-year-old Bolton Reservoir.

The public interest compellingly supports the City's request for a waiver. In addition, the City requests that the Commission reconsider the waiver request of Clackamas County because the City agrees with the County that the public's interest is not furthered by one public entity charging another for the shared use of facilities that benefit multiple jurisdictions. For similar reasons, the City would also support a request for a waiver or modification if one were made by South Fork Water Board.

Sincerely,



Chris Jordan
City Manager

Oregon City Franchise Fee Estimated Calculation
Impact on TCSD

4/8/2014

	2014	2015	2016	2017	2018	2019	2020	2021	2022	9 Year Total	
Rate/EDU	\$ 17.35	\$ 17.79	\$ 20.00	\$ 21.75	\$ 23.87	\$ 25.20	\$ 27.08	\$ 29.47	\$ 32.46		
Annual increase in rate/EDU		2.536%	12.423%	8.750%	9.747%	5.572%	7.460%	8.826%	10.146%		
Annual increase	\$ 191,000	\$ 4,844	\$ 24,329	\$ 19,265	\$ 23,338	\$ 14,641	\$ 20,696	\$ 26,311	\$ 32,916		
Annual total franchise fee paid	\$ 191,000	\$ 195,844	\$ 220,173	\$ 239,438	\$ 262,776	\$ 277,418	\$ 298,114	\$ 324,425	\$ 357,341	\$ 2,366,529	
Cumulative total	\$ 191,000	\$ 386,844	\$ 607,017	\$ 846,455	\$ 1,109,231	\$ 1,386,649	\$ 1,684,763	\$ 2,009,188	\$ 2,366,529		
Allocation of Annual Total:											
West Linn's share	35.6%	\$ 67,996	\$ 69,720	\$ 78,382	\$ 85,240	\$ 93,548	\$ 98,761	\$ 106,129	\$ 115,495	\$ 127,213	\$ 842,484
Gladstone's share	14.4%	27,504	28,202	31,705	34,479	37,840	39,948	42,928	46,717	51,457	340,780
Oreogn City's share	50.0%	95,500	97,922	110,086	119,719	131,388	138,709	149,057	162,212	178,670	1,183,264
	100.0%	\$ 191,000	\$ 195,844	\$ 220,173	\$ 239,438	\$ 262,776	\$ 277,418	\$ 298,114	\$ 324,425	\$ 357,341	\$ 2,366,529

Oregon City Franchise Fee Estimated Calculation
Impact on SFWB

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	9 Year Total	
% increase		4.00%	5.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Annual increase	\$ 81,000	\$ 3,240	\$ 4,212	\$ 2,654	\$ 2,733	\$ 2,815	\$ 2,900	\$ 2,987	\$ 3,076		
Annual total franchise fee paid	\$ 81,000	\$ 84,240	\$ 88,452	\$ 91,106	\$ 93,839	\$ 96,654	\$ 99,554	\$ 102,540	\$ 105,616	\$ 843,000	
Allocation of Annual Total:											
West Linn's share	35.1%	\$ 28,431	\$ 29,568	\$ 31,047	\$ 31,978	\$ 32,937	\$ 33,926	\$ 34,943	\$ 35,992	\$ 37,071	\$ 295,893
Gladstone's share	19.5%	15,795	16,427	17,248	17,766	18,299	18,848	19,413	19,995	20,595	164,385
Oreogn City's share	45.4%	36,774	38,245	40,157	41,362	42,603	43,881	45,197	46,553	47,950	382,722
	<u>100.0%</u>	<u>\$ 81,000</u>	<u>\$ 84,240</u>	<u>\$ 88,452</u>	<u>\$ 91,106</u>	<u>\$ 93,839</u>	<u>\$ 96,654</u>	<u>\$ 99,554</u>	<u>\$ 102,540</u>	<u>\$ 105,616</u>	<u>\$ 843,000</u>

Oregon City Franchise Fee Estimated Calculation
Impact on West Linn

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	9 Year Total
Franchise Fee portions which West Linn will pay Oregon City:										
WL Transmission Line	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 45,000
SFWB	28,431	29,568	31,047	31,978	32,937	33,926	34,943	35,992	37,071	295,893
Tri City	67,996	69,720	78,382	85,240	93,548	98,761	106,129	115,495	127,213	842,484
Total	\$ 101,427	\$ 104,289	\$ 114,428	\$ 122,218	\$ 131,486	\$ 137,686	\$ 146,072	\$ 156,487	\$ 169,285	\$ 1,183,377
Annual % increase		2.82%	9.72%	6.81%	7.58%	4.72%	6.09%	7.13%	8.18%	

Memorandum

Date: April 18, 2014

To: John Kovash, Mayor
Members, West Linn City Council

From: Chris Jordan, City Manager

Subject: Miscellaneous Items

April 21 Agenda

We have made a few changes to Monday night's agenda:

- Removed the Stafford Hamlet Update. Thane Eddington was to provide this update but cannot be in attendance. We will attempt to reschedule.
- Added an amendment to the contract for police station project management. As usual with a project the size of the police station, there have been several changes to the project's scope and schedule over the past three years. Our contract for project management with Bob Galante needs to be amended to accommodate the changes to the scope and timing. Mr. Galante's hourly rate does not change; just the total cost and the termination date of the contract.

Clackamas County Library Leadership

At the April 11th Clackamas County Library Director's meeting, West Linn Library Director Holly Mercer was voted Chair for the next fiscal year. In that role, Holly will be the leader for the group, organizing agendas and meetings, facilitating discussions and contributing to the future strategic direction of the libraries in LINCC.

Tree City USA

This week, the Mayor received the attached letter from the Arbor Day Foundation recognizing West Linn as a Tree City USA.

Attachment

April 02, 2014

Mayor John Kovash
22500 Salamo Road
West Linn, OR 97068

Dear Tree City USA Supporter,

On behalf of the Arbor Day Foundation, I write to congratulate West Linn on earning recognition as a 2013 Tree City USA. Residents of West Linn ought to be proud to live in a community that makes the planting and care of trees a priority.

Your community joins more than 3,400 Tree City USAs, with a combined population of 140 million. The Tree City USA program is sponsored by the Arbor Day Foundation in partnership with the U.S. Forest Service and the National Association of State Foresters.

As a result of your commitment to effective urban forest management, you already know that trees are vital to the public infrastructure of cities and towns throughout the country, providing numerous environmental, social and economic benefits. In fact, trees are the one piece of community infrastructure that actually increases in value over time.

We hope you are excited to share this accomplishment. Enclosed in this packet is a press release for your convenience as you prepare to contact local media and the public.

State foresters are responsible for the presentation of the Tree City USA flag and other materials. We will forward information about your awards to your state forester's office to coordinate presentation. It would be especially appropriate to make the Tree City USA award a part of your community's Arbor Day ceremony.

Again, we celebrate your commitment to the people and trees of West Linn and thank you for helping to create a healthier planet for all of us.

Best Regards,



John Rosenow
Chief Executive

cc: Mike Perkins

enclosure

For more information, contact:
Anthony Marek, 402-473-9563
amarek@arborday.org



FOR IMMEDIATE RELEASE:

Arbor Day Foundation Names West Linn Tree City USA

West Linn, OR was named a 2013 Tree City USA by the Arbor Day Foundation in honor of its commitment to effective urban forest management.

West Linn achieved Tree City USA recognition by meeting the program's four requirements: a tree board or department, a tree-care ordinance, an annual community forestry budget of at least \$2 per capita and an Arbor Day observance and proclamation.

The Tree City USA program is sponsored by the Arbor Day Foundation, in partnership with the U.S. Forest Service and the National Association of State Foresters.

“Everyone benefits when elected officials, volunteers and committed citizens in communities like West Linn make smart investments in urban forests,” said John Rosenow, founder and chief executive of the Arbor Day Foundation. “Trees bring shade to our homes and beauty to our neighborhoods, along with numerous economic, social and environmental benefits.”

Cleaner air, improved storm water management, energy savings and increased property values and commercial activity are among the benefits enjoyed by Tree City USA communities.

More information on the program is available at arborday.org/TreeCityUSA.

About the Arbor Day Foundation: The Arbor Day Foundation is a million member nonprofit conservation and education organization with the mission to inspire people to plant, nurture, and celebrate trees. More information is available at arborday.org.