



# City of Tigard

## Special Joint Meeting of Tigard and Lake Oswego City Councils – Minutes

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### TIGARD CITY COUNCIL

**MEETING DATE/TIME:** May 26, 2009 – 7:15 p.m. - Special Meeting

**MEETING LOCATION:** City of Tigard – Town Hall, 13125 SW Hall Blvd., Tigard, OR 97223

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#### 1. SPECIAL MEETING

1.1 Mayor Dirksen called the meeting to order at 7:17 p.m.

1.2 Roll Call:

- Tigard City Council: Mayor Dirksen; Council President Wilson, Councilors Buehner (arrived at 7:40 p.m.), Henderson, and Webb
- Lake Oswego City Council: Mayor Hoffman, Council President Jordan, Councilors Hennagin, Johnson, Olson, and Tierney. Absent: Councilor Moncrieff

1.3 Pledge of Allegiance

1.4 Council Communications & Liaison Reports

Mayor Dirksen announced he recently attended a JPACT retreat to work toward completion of the Regional Transportation Plan. He has information and material from this meeting that will be made available for the City Council.

Lake Oswego Council President Jordan also attended this JPACT session and said it has become obvious around the region that the money needed to fix all of the transportation problems in the metropolitan area is not going to be there. How to find funding needs to be examined along with determining how to concentrate available transportation dollars.

1.5 Call to Council and Staff for Non-Agenda Items

City Manager Prosser advised there would be an Executive Session for the Tigard City Council at the end of the meeting.

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#### 2. LAKE OSWEGO/TIGARD WATER PARTNERSHIP UPDATE

Public Works Director Koellermeier introduced this agenda item. He introduced Lake Oswego Water Treatment Plant Manager Duncan.

Public Works Director Koellermeier:

- The cities of Tigard and Lake Oswego formed a partnership in 2008 to jointly construct water system improvements and obtain water for both communities.
- The partnership was formed by an Intergovernmental Agreement.
- The buy-in fee has been established. The initial payment by the City of Tigard is now set at \$2.8 million; payment will be made by June 30, 2009.
- A Technical Committee was created (staff).
- An Oversight Committee was created (elected officials).
- The annual budget was established. The budget will reside within the City of Lake Oswego's budget process. This will be a stand-alone budget with oversight by the City Councils of both cities.

Water Treatment Plant Manager Duncan:

- The Budget for the Lake Oswego/Tigard Water Supply Partnership budget was distributed.
  - Three full-time positions were allocated.
  - Total budget: \$3.8 million
- Lake Oswego
  - implemented new conservation-based water rates
  - established a budget structure to accommodate the partnership
  - jointly defending a proposed final order from the Water Resources Department to extend access to its water rights (a prehearing conference is scheduled for June 23, 2009)
  - incorporated the partnership in the water conservation and management plan (update)
  - has begun work on the preferred project delivery method (consultants)
  - developing a public outreach plan

Public Works Director Koellermeier:

- Tigard
  - submitted documentation to discontinue its membership in the Joint Water Commission (Hillsboro, Tualatin Valley Water District, Beaverton and Forest Grove) – withdrawal process takes two years
  - withdrawn from the group of partners pursuing the dam raise project at Hagg Lake
  - participating in the joint defense of the water rights extension process
  - recently completed a water conservation management plan (Tigard's first), which was written to complement the existing Lake Oswego Water Conservation and Management Plan
- Tigard's plans to accomplish the following in the immediate future:
  - paralleling the work that Lake Oswego did with renewing water rates; update the Water Master Plan to provide the basis for the capital improvement plan that will drive the rate-setting process

Councilor Webb commented that the Oversight Committee is still in the early forming stages.

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Lake Oswego City Manager McIntyre advised they have just closed a recruitment for a Deputy Director, who will be the key person working with Lake Oswego Community Development Director Komarek on this project.

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Lake Oswego Councilor Hennagin referred to a chart for another project outlining the stages of the project; he suggested it would be helpful to develop a similar tool for this project. Public Works Director Koellermeier said he would be in contact with Lake Oswego Community Development Komarek about this. This will be

one of the first tasks to accomplish after the budget year is established; that is, they will retain some outside assistance to establish scheduling and cost estimates.

Mayor Hoffman asked about the withdrawal of the partnership and Hagg Lake and whether the City of Tigard would have physical pipelines connections. Public Works Director Koellermeier advised that, yes, the City of Tigard would have the ability to bring about 3 mgd from Beaverton. Mayor Hoffman said it was his understanding that one of the advantages of having the joint project is that if something were to happen at the Clackamas River, there would be alternative, emergency sources of water. Public Works Director Koellermeier confirmed emergency water sources would include Hagg Lake and the City of Portland.

Mayor Hoffman asked about Tigard's water rate plan and would there be an increase in water rates. Public Works Director Koellermeier confirmed there would be an increase. One of the challenges will be whether to adopt a tiered water rate in Tigard.

In response to an inquiry by Mayor Hoffman, Lake Oswego Attorney Powell commented on the water rights matter for the Clackamas River. The next event is the prehearing conference. The purpose will be to determine if there are any stipulations or agreements on any of the issues. The final hearing will likely be this fall. Water Watch filed a protest against all of the permit extensions, citing a number of issues. The jurisdictions (Clackamas River providers) at the Water Resources Division stage were in general agreement with the conditions placed on it by the State. Water Watch then challenged primarily on environmental grounds. The South Fork Water District also filed a protest primarily based upon whether the curtailment condition should take into account their priority in terms of the chronology of when their water rights were achieved with relation to the others. Secondly, South Fork suggested that the State was overly protective and requiring curtailment to a greater degree than necessary. Attorney Powell said he understands there is a tentative settlement on the South Fork's priority issue. There will be efforts to settle a number of issues prior to the prehearing conference.

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### 3. TRANSIT/TRANSPORTATION/GROWTH ASPIRATIONS

(Councilor Buehner arrived at 7:40 p.m.)

Community Development Director Bunch introduced Senior Planner Farrelly, the staff person working on the downtown urban renewal. Information presented and discussed included the following:

- Tigard expects it will have to accommodate additional population growth.
- Tigard's primary position is that new urban development should occur within a municipal governance structure.
- Tigard made an effort to annex a large area on Bull Mountain that was urbanized County lands.
- Tigard is now landlocked by County lands. Tigard's development aspiration is to increase urban densities inside the City in the downtown, Washington Square area, along Highway 99W, and in the Tigard Triangle.
- Tigard aspires to increase employment densities in the same areas. Tigard has a jobs-to-housing ratio of about 1.7 jobs for each housing unit, which is one of the highest in suburban communities in the Metro region. Tigard would like to keep this ratio.
- Tigard's major problem is traffic congestion. New development must be served by high-capacity transit.
- Tigard accepts that new lands will have to be added to the urban growth boundary to accommodate population and employment growth coming in the next few decades. Tigard wants to retain the low-density residential character. Tigard is primarily a suburban community that has intact, high-quality single-family residential areas and we want to retain the zoning designation for these areas.

- Tigard’s 30-50 year growth scenario (outlined in the Agenda Item Summary) was reviewed.

Senior Planner Farrelly shared the following about Tigard’s downtown:

- Reviewed the history of forming the Downtown Urban Renewal District.
- The young District has a modest “increment.” Tigard has many projects planned with limited means to finance at this time. In the early stages of the Urban Renewal District, the City will concentrate on projects intended to increase the “increment”; i.e., storefront improvement grants, development opportunity studies to demonstrate to property owners how they might redevelop their property into transit-oriented development, mixed-used development, and higher density housing.
- A new senior housing project is likely to go forward within the District.
- Tigard staff worked with the University of Oregon’s Graduate Architect School to create a visual representation of what is contained within the Downtown Improvement Plan.

Community Development Director Bunch added that Tigard is doing a similar project with the U of O Graduate School for Highway 99W. The purpose will be to create a visual aid showing how we can develop a high-amenity, dense and prosperous urban corridor served by high-capacity transit. The objective is to make this a place where people will want to live, work, and recreate.

Community Development Director Bunch named some of Tigard’s aspirations:

- Add about 14,000 housing units to the existing 19,000 housing units and achieve a population of about 100,000.
- Add about 8,300 housing units to lands outside the Urban Growth Boundary.

Community Development Director Bunch referred to a map of the area and identified Areas 63 and 64. Tigard has the water to serve these areas. It is expected there will be 5,000 units built in those areas. In addition, lands to the south will likely urbanize. Washington County, along with others in the Metro area, is going through its urban and rural reserve planning process. If areas that urbanized were included within cities, the City of Tigard would expect it would extend to Vandermost Road. Community Development Director Bunch said this is a significant aspiration for a landlocked city. The City of Tigard has gone on record as willing to do this if we have cooperation and a partnership with Washington County as well as other partners in the area.

Community Development Director Bunch referred to the information contained in the Council meeting packet material including an illustration of the areas Tigard anticipates to infill (Tigard Triangle, Tigard Town Center, Highway 99W, and the Washington Square Regional Center), with a link by westside light rail. It is foreseen in the future, when high-capacity transit comes to Tigard that close to the downtown, there will be an integrated transit hub (bus, light rail, and commuter rail).

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Transportation Planning Rule – Community Development Director Bunch advised the City of Tigard would be considering a major legislative amendment for the Tigard Downtown. We are now preparing land use design standards and applying a new Comprehensive Plan/Zoning Map Overlay District. Tigard’s aspirations are 80 units an acre but this is not feasible to pursue because of the Transportation Planning Rule.

Community Development Director Bunch explained that the Transportation Planning Rule is a rule adopted by the State and the Land Conservation Development Commission (Goal 12 TPR). It is intended to maintain the capacity of state highways. When land use actions affect the capacity and cause congestion on the state highways, the Oregon Department of Transportation (ODOT) requires an extensive analysis of what will occur and if the congestion will become worse, a jurisdiction must either fix it or pay for it.

The TPR is problematic for Highway 99W, the Tigard Triangle and the vicinity of Washington Square (Highway 217). Everyone in the region has problems with the TPR. Tigard met with ODOT senior staff and they are willing to discuss the TPR as Tigard does its Transportation System Plan update. It will take a concerted effort on the part of all Metro jurisdictions, working with ODOT and DLCD to address these concerns.

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Mayor Hoffman said Lake Oswego is experiencing the same problem on Highway 43.

In response to a question from Mayor Hoffman, Community Development Director Bunch advised that Tigard accumulated about \$117,000 from the Urban Renewal District last year and \$171,000 this year. The District is supplemented by the City General Fund for staff salaries and some specific downtown projects. The budget last year for projects was \$159,000. Despite the economy, a lot is being done for the Downtown, with assistance from the City's General Fund. There was discussion on leveraging funding including applying for and receiving grants. City Manager Prosser noted that in the 2010/11 Fiscal Year, Tigard would have a grant to rebuild Main Street. The southern half of Main Street, from the railroad to 99W, will be built as a green street. It will be the first downtown green street in the Metro area.

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Mayor Dirksen said as Tigard moves forward with the Burnham Street project, that the funding is coming from many different sources including committing gas tax (Tigard's share of the State gas tax) for the next few years. The City's gas tax is committed to a specific project – the intersection of 99W and Greenburg Road.

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Community Development Director Bunch said the City of Tigard is borrowing against the Transportation Improvement Fee to pay for portions of major projects such as Burnham Street.

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In response to a question from Mayor Hoffman, City Manager Prosser described the similarities between streets in Lake Oswego and the downtown. Burnham Street is roughly analogous to Lake Oswego's First Avenue. The City of Tigard envisions Burnham Street to become pedestrian friendly and supports mixed uses with ground-level retail and offices or residential above.

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Mayor Dirksen advised referred to aspirations for growth and advised he needed to make a comment for the record. Sometimes we hear from our citizens asking why Tigard wants growth and density. It is not a question of whether we want it or not – we were told by the Metro regional government that the area would grow. As we look to the future, we need to anticipate what the growth will be so we can respond and plan for it.

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Community Development Director Bunch said Tigard has been successful in the past few years in working with other communities and Metro. He referred to increasing density on Highway 99W to accommodate several thousand more housing units and employment that will need to be accomplished in a way that increases livability and prosperity of everyone in Tigard. The City of Tigard firmly believes it is better to have urban growth inside of a City.

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In response to a question from Councilor Hennagin, Community Development Director Bunch identified the rough outline of the Urban Renewal District (193 acres). Councilor Hennagin commented that it appears that one of the concepts suggested by the University of Oregon was to create two new north/south roads through

the Urban Renewal District. Senior Planner Farrelly advised that one of those roads partially exists; Ash Avenue does not connect all of the way through and will need to cross the railroad. The second conceptual street is only an idea at this time. Senior Planner Farrelly said the City is about to undertake a circulation plan for the Downtown to identify potential new streets. A new street would likely be residential. The important thing now is to address lacking connectivity of streets in the Downtown.

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Community Development Director Bunch advised that creating the structure for the Downtown with a new street system would be the first step. Along with this there are about 16 other projects with the thought being that during this economy, Tigard could accomplish many small things at the same time.

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### **Transportation**

Community Development Director Bunch advised that one of the City of Tigard's goals for 2009 was to continue to lobby for light rail and the Highway 99W corridor. A longer-term goal is to obtain 99W designation as the next light rail corridor. Tigard has had successful relationships with Metro, ODOT, Washington County, and others by working on the high-capacity transit study. Now, 99W/Barbur Boulevard is the highest priority corridor for the next light rail in the region.

The light rail corridor would extend from downtown Portland to Sherwood. It would provide the potential linkage to light rail up and down the Willamette Valley.

Another high-scoring corridor that came out from the study was to connect the Clackamas Regional Center to the Washington Square Regional Center with a likely extension to the Beaverton Transit Center.

99W represents an opportunity and an enormous challenge. In the last four years, many things have been occurring on 99W:

- Completed a 99W access management/improvement plan. This was the basis for what ODOT is doing at this time – a major sidewalk connection project.
- ODOT has agreed to access management on the highway. We need access management and capacity added to the highway to develop employment lands next to the highway.
- The City established a city gas tax, which is dedicated to a specific project: 99W and Greenburg Road intersection improvements. This project will solve, in conjunction with the 99W and Hall Boulevard improvements, a significant bottleneck on Highway 99W.

The WES Commuter Rail forms the recognition of Tigard by the commuter as a community where we can anticipate transit-oriented development. Once light rail is established and we get the integrated transit corridor, we will be looking at some realities of development in the Downtown and in the vicinity of Highway 99W. The ridership on WES is about 6,000 per week. One of the biggest issues has been the noise from the horn; the cities of Tigard and Tualatin have worked together to try to resolve this. Tigard has worked with Lake Oswego staff to resolve signal controller issues at the Bonita Road crossing.

Tigard shares a boundary with Lake Oswego. There are matters that could be worked on; in particular, capacity and improvements on the freeways. Bonita Road and Durham Road are also quite congested. Community Development Director Bunch referred to some "Fact Cards" that show that within the City of Tigard, we have the four or five highest traffic count areas in the entire state – traffic volume and congestion are big issues. In the next Regional Transportation Plan, the City of Tigard looks forward to working with Lake Oswego to resolve these issues.

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Mayor Dirksen commented that along with the intersection improvements on Highway 99W, there are three traffic controllers for 99W in the City of Tigard that do not “talk to one another.” One of those controllers is at 99W and Highway 217, which means that the traffic signals at 217’s interchange and those on Hall Boulevard are not synchronized. The City of Tigard recently receive a grant to replace the entire traffic control system the full length of Highway 99W from I-5 to Durham Road with a single, state-of-the-art interactive/reactive control system to adjust for traffic levels at certain times of day.

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Mayor Hoffman said he thinks the high-capacity transit projects in the region are lined up as:

- I-205 Light Rail Transit (Clackamas Town Center)
- Portland Street Car Loop on the east side
- Milwaukie Light Rail
- Lake Oswego Street Car
- Barbur/99W Light Rail
- Light rail extension – Oregon City
- Powell Avenue street car

Mayor Hoffman said that to the extent Lake Oswego could support Tigard in its efforts to get light rail along Barbur, perhaps Tigard could support Lake Oswego for the streetcar. Both jurisdictions would get what they want in the correct order and timeframe.

The corridors are important to Tigard, Lake Oswego and the region since that is where the development appears to be headed.

Mayor Hoffman said the Clackamas Town Center/Washington Square line (using the Pacific & Western line, which goes through Lake Oswego), is something that needs to be monitored. Mayor Dirksen asked what the feeling is on the Lake Oswego City Council and among Lake Oswego citizens about supporting that line. Council President Jordan advised, “frankly, I don’t think many people in Lake Oswego have it on their radar yet. It may be on Metro’s radar, but it is not on Lake Oswego’s residents’ radar.” Mayor Dirksen said he could appreciate that and said he was startled when this line appeared on the list; it was not one he anticipated. However, it does make sense.

Council President Jordan commented she attended a meeting recently and the Portland representative was excited about connecting to Lake Oswego and Tigard; however, there was also the comment regarding the Barbur Boulevard “stretch” where there is no redevelopment district to help them with financing or with matching funding for light rail projects. All light rail projects in the past have had money “cobbled” together from a lot sources. It is getting more difficult to assemble the large sums of cash to receive matching funds.

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Mayor Dirksen commented he received information at the JPACT retreat showing the history of all of the light rail projects that have been done in the Portland Metro region and the sources of funding. Funding sources varied considerably from project to project.

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Mayor Dirksen said one item that came from this JPACT retreat was that the interstate highway system was supported by the federal government in the 1950’s and 1960’s. We should lobby for a higher degree of involvement from the federal government (in the past, it has been about 60 percent).

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Councilor Buehner advised she used to live in the Barbur Boulevard area. One of the recurring issues was the fact that part of Portland was being ignored. All of the money for redevelopment was going to other parts of the City. She referred to the problem for this area identified by Council President Jordan and suggested it might be worthwhile to suggest to both the Portland City Commission and Portland Development Commission that it is time to reinvest in southwest Portland.

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Councilor Hennagin said he was the Lake Oswego representative on the strike force beginning in 1986 that decided to purchase the Jefferson Street railway line when it was abandoned to preserve it for possible future use for mass transit. He said he was active and the President of the “Friends of the Trolley.” For the last 15 years he has been approached by people that it might be better to connect Lake Oswego to light rail over the bridge and into Milwaukie rather than coming down Macadam and through John’s Landing. He said people have also talked to him for a number of years about using that rail line as a commuter line to connect Lake Oswego to Washington Square. Mayor Dirksen said there are always alternatives, which makes it necessary to perform studies to determine the best course of action.

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Council President Jordan said there was an estimate for using the bridge as a light rail connection to bring it from Milwaukie to Lake Oswego (rather than using the trolley) – it was several million dollars more than the trolley.

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Mayor Hoffman summarized that he thinks it is important for Lake Oswego to support Tigard’s efforts in terms of bringing light rail down 99W. It would be helpful for Lake Oswego if Tigard would support their streetcars as they enter into this next round to seek federal money. Mayor Hoffman observed that it is interesting as to how much investment Tigard is putting into the downtown to get the light rail here. City Manager Prosser pointed out that Tigard is not investing in the downtown to get light rail here; we are investing in the downtown because we want a strong, vibrant downtown and light rail is a tool that helps us achieve that. Mayor Dirksen added that a similar distinction had to be made when working with the University of Oregon students. The students were saying, “these are the things you need to do to the corridor in order to make light rail work.” Mayor Dirksen told the students that light rail is not a goal – light rail is a tool to achieve a goal of having a corridor that works.

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Community Development Director Bunch said Tigard has learned a lot from Lake Oswego; i.e., the patience, tact, and skill it took to redevelop the downtown. This effort took about 14 years. Mayor Dirksen commented that Lake Oswego’s successful downtown did not happen “overnight,” but they are seeing results. Tigard will also see results in the years ahead.

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#### 4. FINANCE CHALLENGES/SOLUTIONS- DISCUSSION

Finance and Information Services Department Director LaFrance reviewed the approved budget for the City of Tigard, which will be presented to the City Council on June 9 for adoption. A copy of the PowerPoint presentation is on file in the City Recorder’s office.

Lake Oswego City Manager McIntyre commented on the Lake Oswego budget process:

- Significant changes were made this last year to the budget process: format, layout, and fund structure.

- Previously, Lake Oswego had a multiple fund structure that was funded through property taxes. This year there is only a General Fund, which is the government services fund. The citizens' budget committee approved a \$72 million budget and about \$42 million is in the General Fund for Police, Fire, Parks and Recreation, Administration, Library, Community Development, and a portion of Public Works. It is the City Council's discretion to determine what gets funded at what levels and to identify the services to be provided.
- Lake Oswego formerly followed a two-year budget process and, as of this year, this was reduced to a single-year process.
- A better baseline will be available in Fiscal Year 2009/10.
- Lake Oswego is relatively financially stable.
- Lake Oswego recently was awarded a AAA bond rating for sewer bonds.
- Lake Oswego is scheduled to adopt its budget in mid-June.

Councilor Buehner referred to the Intergovernmental Water Board (IWB) in Tigard. The IWB is an Advisory Committee to the City Council that provides input from our partner cities and the Water District. One of the things that helped make the water system financially stable is a rate structure review every year or two. Last summer a four-year plan called for seven percent rate increases each year. This will cover the increases in what Tigard pays for water along with setting money aside in a capital savings plan. This has helped to keep the City from needing to bond for water capital improvements. Bonds will be needed for the Lake Oswego/Tigard partnership, however. Mayor Dirksen noted that Tigard could take a lesson from Lake Oswego when it comes to the process to get a good bond rating.

City Manager Prosser said the last rated bond Tigard issued was in the 1980's. The Library bond was a G.O. Bond, which was sold to the Oregon Economic and Community Development Department – this saved the City a lot of money.

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Council President Wilson said that Tigard is financially stable. When Measure 5 passed a few years ago, long-range projections show that Tigard's expenditures will outpace revenue within a short time. We have always been conservative and managed to push off a potential local option levy for voter consideration. Tigard, in this economy, took a "hit" in our Building Division, which was funded entirely with fees. There were cuts to get expenses in line with income. In this budget cycle, the Tigard Budget Committee decided to subsidize the Building Department with a certain amount of General Fund revenue.

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In response to a question from Council President Wilson, City Manager McIntyre advised that last Thursday was the last day for a number of Lake Oswego city employees due to the shrinking building funds. Four of ten Building Division employees were laid off. Lake Oswego now provides a minimum level of service in the Building Division. He said Lake Oswego, in a different forum, would like to talk to the City of Tigard regarding whether there are opportunities to share building services. Mr. McIntyre said he has also talked to West Linn and Tualatin about possibly sharing building services.

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City Manager McIntyre advised that when they went to secure bonds, they realized they had not raised rates quickly enough. They decided to raise rates ten percent a year for ten years and discovered that this was not enough. Lake Oswego officials then had to decide how to readjust the rates to support a revenue issue and determined they probably would be unable to keep their good rating. City Council achieved the AAA rating by approving a 30 percent rate increase and another 30 percent is anticipated on July 1, 2010. Lake Oswego did

not issue revenue bonds; they are issuing full faith and credit bonds against the City's General Fund. They will likely convert to revenue bonds when we "get ourselves realigned."

### **Street Maintenance Fee/Pavement Preservation Program Discussion**

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Councilor Johnson said if street maintenance rates had been raised more consistently earlier on, the City would be able to pay for more consistent street maintenance. When the economy is in a decline, the importance of City services becomes greater; i.e., economic development. Cooperation becomes important among the cities as budgets become strained to look for cost savings so extended services can be provided and funds can be redirected to other projects.

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Councilor Webb commented that public relations aspects become important. The cities should work together to communicate that we are all working on the same issues. For example, cities in the region are reviewing street maintenance fees.

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Community Development Director Bunch referred to a booklet distributed to the City Councils regarding Tigard's Street Maintenance program. It is vitally important to get the message out regarding the need for infrastructure. He reviewed Tigard's program to engage the public in a dialogue about the street maintenance fee.

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There was discussion about cities that have begun street maintenance fee programs and the courage it took to begin this type of a program. The smaller cities have taken this action, while the City of Portland has not. Council President Jordan said the City of Portland wants to institute a street maintenance fee, but they will call it a street utility fee to take care of pavement maintenance, sidewalks, bike paths, and trails. Community Development Director Bunch said that right-of-way (collector streets) is part of the proposed program for Tigard. This is essential because we have a multi-modal transportation system. He observed that Lake Oswego has quality right-of-way areas.

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Mayor Dirksen said one of the alternatives suggested at the JPACT retreat was that a regional street utility fee be enacted to replace gas tax dollars so the gas tax dollars could be used elsewhere. Many of the cities indicated they were not enamored with this idea.

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Community Development Director Bunch commented cities used to be able to multi-task with the gas tax; however, this is no longer possible. We have capital investment, street maintenance, and pavement needs. Street maintenance includes sweeping, picking up debris, dealing with signs, etc. Pavement maintenance is taking care of the road itself and the capital investments are improvements. It is important for us, from a management perspective, to try to develop separate funding sources for each of these areas of need.

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Councilor Johnson said the public outreach is particularly important on something such as street maintenance. Additional public education areas (preventative maintenance) were noted.

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Councilor Webb noted Lake Oswego faces some of the same problems as Tigard. Hall Boulevard is a state highway and is a “mess right now” and people think that the City of Tigard is not maintaining its streets. Mayor Hoffman commented a similar situation exists for Lake Oswego with Highway 43; however, it is in relatively good shape. The situation is similar with County roads as well.

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Councilor Buehner asked about Lake Oswego’s fee structure for pavement preservation in terms of percentages charged for residential and commercial. Mayor Hoffman said he does not recall the specifics regarding the breakdown between residential and business. He said there was a lot of discussion with the commercial representatives arguing that they were paying too much. The calculation formula for the street maintenance fee for business was derived from the transportation system development charges (trip generation manual). He said there was a compromise applied with more being placed on residential than commercial.

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### **State Transportation Package**

City Manager Prosser advised Tigard has been following this bill very closely. The current structure is a six-cent state gas tax increase and an increase to vehicle registration fees, which will provide an additional \$300 million a year for projects. A list of specifically identified projects was included. The bill provides for some lottery-backed bonds for some projects. The City of Tigard has been talking to our legislators to obtain state funding to do the alternatives analysis and environmental impact study for the Highway 99W corridor high-capacity transit (state share \$2.5 million, federal share \$2.5 million and local share \$2.5 million). This analysis and study was not identified in the bill and is something the City of Tigard is “nervous about.” However, the Oregon Transportation Commission has identified federal funds from the Surface Transportation Program can be used for planning transit projects (there is \$25 million). City Manager Prosser said he understands there will be money in that portion of the state transportation-financing package for the state’s share of the Highway 99W studies – but it is not a done deal. Tigard will monitor this closely.

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City Manager Prosser said the gas tax includes a moratorium on any new or increased local gas taxes. Initially the state legislature was talking about preempting local gas tax authority. The City of Tigard is concerned about its three-cent local gas tax. If the state had preempted existing local gas taxes, the state gas tax would need to be nine cents to replace Tigard’s revenue. This drives home the point that Tigard, and likely the entire Metro area, is a net-exporter of gas tax revenues. This is an issue. Unfortunately, when statewide funding decisions are made, the Metro area does not receive its fair share. This concerns the City of Tigard and we will continue to follow up.

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The City of Tigard has been inviting the Region I ODOT administrator (initially Matt Garrett and now Jason Tell) to a Council meeting on a semi-annual basis to discuss issues.

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City Manager Prosser said existing law allows counties in the Metro area to impose a local registration fee. It is a strange structure. For example, if Washington County wanted to have a local vehicle registration fee, they would first have to get the approval of Clackamas County, Multnomah County, Metro and (possibly) Portland. This structure was called the “spider web” – it has been cleared away and will no longer be part of the state law when the package is approved.

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Mayor Dirksen said that after the passage of the transportation package, any future local gas tax would only be able to be enacted by a vote of the people; that is, the City Council would not be able to enact a gas tax by its own authority.

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Council President Jordan said she believes the bill still contains a special dispensation for Clackamas and Multnomah County to do a registration fee directed toward improving the Sellwood Bridge. This would not be a part of the moratorium on local, additional taxes. This will impact Lake Oswego residents.

[9:02:57 PM](#)

In response to a question from Councilor Webb, JPACT has recently considered tolling as an option. The feeling was that tolling might make sense to pay for specific projects or facilities (i.e., Columbia River crossing or Highway 217 on new lanes). There was concern that using tolling as a general form of revenue collection was not well supported. This is accepted in the eastern half of the United States; however, in the west it is not politically accepted.

[9:04:27 PM](#)

Councilor Buehner referred to the possibility that ODOT would reallocate its districts. Mayor Dirksen said this did not remain within the bill. Councilor Buehner strongly advised Lake Oswego to talk to their representatives. Our population in District 1 has been going up quickly and our relative share of state funds from ODOT has remained the same.

[9:05:13 PM](#)

Mayor Dirksen advised that the League of Oregon Cities has created a task force to talk about state and city relationships. Meetings have been held all over the state. In July there will be a meeting in Troutdale and a meeting in Tigard. Mayor Dirksen said he asked the task force to consider holding another meeting in the Portland metro area. One of the things that has come up so far as part of that discussion is cities', counties', and districts' relationship with ODOT as a No. 1 topic of conversation. In the next legislative session, there might be support to consider a change to the model used to distribute monies from the state and federal government. The state is much more urban than it was at one time.

[9:07:20 PM](#)

In response to a question from Council President Jordan, Mayor Dirksen advised the City of Tigard is paying the University of Oregon Architectural School for their assistance. Community Development Director Bunch added that the U of O Portland office has a research lab and they are interested in how the entire urban system works, including the suburbs. The City of Portland has been studied, planned and designed – but the real future of urban areas are these vast suburbs. The school is looking for practical experience. The U of O in Eugene, through their neighborhood lab, has done some work for Lake Oswego and the Lake Grove neighborhood. The City of Tigard would be happy to make introductions. The U of O also has an excellent journalism/communication school and one of their areas is “strategic messaging.”

[9:09:51 PM](#)

Councilor Buehner asked about Lake Oswego's policy on annexation relating to islands. Mayor Hoffman shared some of the history in Lake Oswego concerning annexation. In about 2000 they approached unincorporated areas of Lake Oswego for annexation and these efforts were unsuccessful. Councilor Hennagin advised Lake Oswego annexes one parcel at a time. Mayor Dirksen confirmed this is similar to what Tigard does. Councilor Hennagin commented that this method of annexation results in a checkerboard effect and

takes a lot of staff time. Mayor Hoffman said the Lake Oswego Council plans to discuss annexation in the next 60-90 days to reexamine the policy of piecemeal annexation and whether to consider another approach.

- Mayor Dirksen thanked the Lake Oswego City Council for meeting with the Tigard City Council. He said he hoped this could happen again. Mayor Hoffman invited the City Council to Lake Oswego for the next meeting.

9:12:30 PM

Joint meeting concluded.  
Council meeting recessed.

5. EXECUTIVE SESSION: The Tigard City Council went into Executive Session at 9:25 p.m. under ORS 192.660(2)(d) to discuss labor negotiations.

- Executive Session concluded at 9:55 p.m. and the City Council met in open session.

Motion by Mayor Dirksen, seconded by Councilor Webb, that there would be no Cost of Living Allowance increase in the upcoming fiscal year for non-represented employees. Three floating holidays would be granted to non-represented employees.

Discussion on the motion: Council members asked that the non-represented employees be advised that the City Council members are appreciative of their willingness to forego the cost-of-living allowance next fiscal year.

The motion was approved by a unanimous vote of Council present:

Mayor Dirksen	Yes
Council President Wilson	Yes
Councilor Buehner	Yes
Councilor Henderson	Yes
Councilor Webb	Yes

6. ADJOURNMENT: 9:57 p.m.

/s/ Catherine Wheatley  
Catherine Wheatley, City Recorder

Attest:

/s/ Craig Dirksen  
Mayor, City of Tigard

Date: July 21, 2009