

**City of Phoenix
City Council Meeting
Public Works Office
1000 S. "B" Street
Monday, August 19, 2013**

CALL TO ORDER

Mayor Jeff Bellah called the regular meeting of the City Council to order on Monday, August 19, 2013 at 6:30 p.m. in the Public Works Office.

ROLL CALL

PRESENT: Stan Bartell, Bruce Sophie, Karen Jones, Carolyn Bartell, Terry Helfrich, Chris Luz, Jeff Bellah

Staff Present: Steve Dahl, City Manager/Recorder
Janette Boothe, Deputy City Recorder
Derek Bowker, Chief of Police
Steve Weber, Finance Director
Dale Schulze, Planning Director
Jeff Ballard, City Engineer
Kurt Knudsen, City Attorney

PLEDGE OF ALLEGIANCE

MAYOR'S COMMENTS:

- 1) He announced Council has the right to go to any meeting, representing himself or herself as a citizen; however, he urged Council to be careful not to represent as a Councilor.

CONSENT CALENDAR:

- 1) Approval of the Minutes of the August 5, 2013 City Council Executive Session/Meeting.
- 2) Appointment of Member to the Urban Renewal Board
- 3) Approval of Minutes of the April 29, 2013 Joint Study Session.
- 4) Approval of Minutes from June 26, 2013 Joint Study Session. **MOVED BY S. BARTELL, SECONDED BY JONES, TO APPROVE THE CONSENT CALENDAR.** There was no further discussion.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, Jones, S. Bartell, Chris Luz, and Helfrich
MOTION APPROVED WITH SIX AYES

NEW BUSINESS:

- 1) Resolution to Ratify the Urban Renewal Second Minor Amendment Resolution 13-5. Mayor Bellah presented this item by giving background to the resolution amendment. He explained Council held an Executive Session with Urban Renewal, regarding the purchase of property outlined in the resolution. He further explained he listened to the audio recording of the minutes to determine if he had recalled what had transpired in the meeting correctly. He further expressed he heard an informal agreement regarding how the proposal could best be dealt with; however, he expressed he could not discuss the details of the meeting unless Council agreed to make the meeting public. He further explained the reason for holding an Executive Session was to enable discussion of price and parameters for purchasing property; however, that is no longer a need to require this information be kept from the public, as Urban Renewal has a tentative contract regarding the property. Further discussion followed. **MOVED BY SOPHIE, SECONDED BY LUZ, THE AUDIO RECORDED MINUTES OF THE EXECUTIVE SESSION HELD JULY 15, 2013 AT 6:00 P.M. BE MADE PUBLIC.** Councilor Jones inquired why this action was necessary. Mayor Bellah explained he was concerned the amendment may bring questions that Council or Marla Cates would not be able to answer without making the meeting public.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, Jones, S. Bartell, Chris Luz, and Helfrich
MOTION APPROVED WITH SIX AYES

Mayor Bellah explained that during the meeting held July 15, 2013 that is now public, several Council members were inquiring about what the plans were for the property once purchased, and he kept reminding Council they could not debate the issue, the purpose of the meeting was to discuss whether purchasing the property was something the Council would endorse. He further expressed he felt that near the end of the meeting Council and Urban Renewal came to somewhat of an agreement that Ms. Cates would go to her Board to discuss the use of the land. Several councilors expressed their concern with being comfortable with the purchase of the land without having their input on the use of the land; however, they expressed they understood that the executive session meeting was not the appropriate time for this discussion. He further expressed Ms. Cates had indicated that they would have that opportunity to discuss all different options, once the land was purchased; however, there may have been a misunderstanding, as the proposed amendment includes the use of the land in addition to the purchase of the land. Further discussion followed.

CITIZEN'S COMMENT:

- 1) Louis Junghans, Phoenix, expressed he is opposed to moving the Steadman House to Main Street, as it does not maintain the same architectural charisma that other historical houses have in the city.
- 2) David van de Velde, Phoenix, commented he is concerned the cost involved with the property and the rehabilitation of the Steadman House is too high; however, he does like the appearance of the Steadman House. He added that for less money, the City could probably build from the ground up, as there is a lot involved with rehabilitation.

Councilor Luz inquired about the asking price for the property to confirm whether Urban Renewal's tentative agreement was for the same amount. David van de Velde responded the amount is the same at \$90,000.

Ms. Cates summarized the overall project and the plans for the Steadman House. She additionally explained Urban Renewal has determined there is enough room on the site to accommodate the Steadman House, a small meeting room, and there is room on the west side of the property to construct up to a 2,000 square foot building. She further explained Urban Renewal is envisioning the additional structure being a great public facility that the City could decide how to best utilize. She added that Urban Renewal has plans for the east side of the property to be utilized as an office for Urban Renewal in the Steadman House, and the west side has yet to be determined, as Urban Renewal is unaware of the Council's needs for the space. She further added that if the Council approves the ratification, Urban Renewal would work with City Council on site planning for the west side of the property. Ms. Cates added Urban Renewal has completed due diligence in investigating the value of the property and felt the asking price was fair for the land.

Mayor Bellah asked for Council discussion from each councilor.

Councilor S. Bartell expressed Urban Renewal has not discussed concrete plans for City Hall with Council as of yet, and he would like to have plans for a structure that is meant to be around for at least 50 years and he is not sure the additional space with the Steadman House would be the best suit for City Hall. He added that he is not against the use of the Steadman House; however, the property it sits on now would most likely be less expensive than the property suggested.

Councilor Helfrich noted that Council needs a vision for City Hall; however, Urban Renewal has a vision for historical preservation and it would fit in with the design of the downtown façade. Further discussion followed.

Councilor C. Bartell commented that Jackson County has the real market value of the land as \$51,000 and the assessed value is \$30,000. She added that she does not agree with moving the Steadman House. She further added that the purchase of the land would be a good investment; however, the needs for City Hall should be established before moving the Steadman House onto the property, as City Hall should not be constructed around the house, the use of the property should be worked around the needs for City Hall.

Councilor Jones expressed Council discussed the purchase of the land a year ago, and Council decided against the purchase at that time because there was not any use defined for the property. She added that now that there is a use defined for the property Council is objecting to the purchase of the property because Council would like the option to purchase the property without a use defined. Further discussion followed, as she expressed the work that Urban Renewal has put into finding a location for the preservation of the historical Steadman House. Additionally, she commented that Urban Renewal needs a building and this way it would not require rent for Urban Renewal. She further commented that the clock is ticking on the Steadman House.

Councilor Luz expressed he is a firm believer in Urban Renewal; however, he feels Urban Renewal has a fiduciary responsibility to spend the money wisely and he is unsure paying the full asking price is accomplishing that responsibility. He inquired about whether the inside of the house will be kept intact, as this would only leave 386 square feet of space that could be utilized as a meeting room. He further added that moving the Steadman House onto the property would not be an efficient use of the property with such a small amount for a meeting space.

Ms. Cates expressed this project would purchase a lot that has been vacant for a long time; it would do a streetscape improvement; it would be an opportunity to rehabilitate an historical building; it would give a rent free space to Urban Renewal, and there would be an investment for the City, as when Urban Renewal is finished years down the road, they would turn the property over to the City. Further discussion followed, as Ms. Cates explained the proposed utilization of the land where the Steadman House would be located.

Mayor Bellah reiterated that he and several members of the Council came away from the executive session discussed earlier with the understanding that the purchase of the land makes sense and a joint session should be scheduled immediately following the purchase to discuss the use of the land.

Mr. Dahl expressed that he felt this was a good project and that it would be less costly to move the Steadman House and rehabilitate than it would be to start from scratch. He added that the Council has the right to change the resolution as presented if they are not comfortable with the whole package and then Ms. Cates could bring back the changes to Urban Renewal for their approval and go from there. Mayor Bellah called for a motion. **MOVED BY SOPHIE, SECONDED BY HELFRICH, TO ADOPT RESOLUTION NO. 874 RATIFYING PHOENIX URBAN RENEWAL AGENCY RESOLUTION NO. 13-5 APPROVING A MINOR AMENDMENT TO THE PHOENIX URBAN RENEWAL PLAN, SECTIONS 701.F AND 800.C.**

Councilor S. Bartell inquired whether Urban Renewal would consider altering the resolution and come back to Council. Mayor Bellah replied that Urban Renewal may decide to proceed in that manner, depending on the outcome of Council vote; however, there is a motion on the floor.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, Jones, and Helfrich

Nays: S. Bartell, Chris Luz, C. Bartell, Mayor Bellah

MOTION DEFEATED WITH FOUR NAYS

Further discussion followed, as Councilor Helfrich commented that the City would need to buy the property on its own, as he feels Urban Renewal will not want to move forward with only part of the amendment.

- 2) Request for Waiver of Variance Fee – 115 S. “C” Street. Mayor Bellah expressed the staff report was confusing and the action suggested by staff requires a resolution. He suggested tabling the agenda item until staff brings a resolution. Council’s consensus was to table the item. Council additionally requested a more detailed staff report.
- 3) Approval of a Liquor License for Joe’s Restaurant, 723 N Main Street Suite A. Mayor Bellah expressed the application appears standard. **MOVED BY SOPHIE, SECONDED BY HELFRICH, TO AUTHORIZE THE MAYOR TO SIGN THE APPLICATION FOR A LIQUOR LICENSE FOR JOE’S RESTAURANT FULL ON-PREMISES SALES.**

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, Jones, S. Bartell, Chris Luz, and Helfrich

MOTION APPROVED WITH SIX AYES

- 4) Discussion of Council’s Responsibilities in Urban Renewal. Mayor Bellah explained he would like to suggest Council hire an Urban Renewal attorney or related expert to consult with Council so Council is aware of their responsibilities and oversight expectations. Further discussion followed, as Councilor Helfrich stated he would agree to this motion if the total cost would be less than \$500. **MOVED BY JONES, SECONDED BY C. BARTELL, TO INSTRUCT THE CITY MANAGER TO IDENTIFY AND CONTRACT WITH AN INDEPENDENT URBAN RENEWAL ATTORNEY OR RELATED EXPERT TO PRESENT TO COUNCIL AND ANSWER QUESTIONS WITH A COST LESS THAN \$500.**

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, Jones, S. Bartell, and Chris Luz

Nays: Helfrich

MOTION APPROVED WITH FIVE AYES

PRESENTATIONS:

Update from ODOT for Fern Valley Interchange. Dick Leever and Gary Leaming presented a PowerPoint presentation (on file) on an update on the Fern Valley Interchange project. Mr. Leaming expressed they had received several questions from Council prior to the presentation and he included the answers to the questions in his presentation. The updated schedule includes the project being bid in October 2013, the construction beginning after January 2014, and the construction being complete sometime after the year 2016.

During the presentation, Mr. Leaming displayed the initial outline for the storyboard for the project and he noted he would have the finalized storyboard by the end of October. Mr. Leever described the proposed construction and the types of lanes involved with the project. The presentation included a 3D draft of the Fern Valley Interchange, a draft of the Grove Road/NPR turn lanes, and Oregon 99 & North Phoenix Road Bike/Pedestrian crossing, along with drafts detailing the types of access ways for both vehicles and pedestrians.

Discussion moved toward the Greenway crossing for pedestrians during the construction phase, as both presenters explained in detail how pedestrians will be affected and the consideration that

has been taken to accommodate the Greenway traffic. Further discussion followed as the illumination and driveway accesses were discussed.

Councilor Luz left the meeting at 8:05 p.m. Before the presentation ended, Councilor Jones requested the large tree on Fern Valley be donated to the City for Christmas to decorate. They responded that this request could be accommodated; however, he would need to run the idea by the appropriate people. Mr. Leever and Mr. Leaming concluded their presentation with informing Council they would come back to Council with updates as frequent as needed.

UNFINISHED BUSINESS:

Approval of Letter between the City of Phoenix and ODOT concerning the Cooperative Improvement (Utility) Agreement: Fern Valley Interchange Waterlines. Mr. Ballard expressed ODOT did not deem most of the suggested modifications to the agreement appropriate. He reviewed the reasons given for ODOT's reservations. Mr. Ballard further expressed he is comfortable with the agreement as it stands at this time. Attorney Knudsen expressed he is concerned with certain aspects of the agreement, as it relies on trust between the parties, rather than the wording in the contract itself. He further noted that his understanding for the reason for the wording to be left alone by ODOT is their fear that Council will micromanage the project. Further discussion followed, as Mr. Ballard expressed his confidence in the intent behind the contract. **MOVED BY SOPHIE, SECONDED BY JONES, TO AUTHORIZE THE MAYOR TO SIGN THE COOPERATIVE IMPROVEMENT AGREEMENT BY AND BETWEEN THE OREGON DEPARTMENT OF TRANSPORTAION AND THE CITY OF PHOENIX.** Mayor Bellah noted a couple of typos in the agreement.

ROLL CALL VOTE AS FOLLOWS:

Ayes: Sophie, C. Bartell, Jones, S. Bartell, and Helfrich

MOTION APPROVED WITH FIVE AYES

Mayor Bellah noted that Mr. Dahl has changed the format for staff reports moving forward. He noted department heads will now be preparing weekly updates of information in written form. He asked that Council consider the reports and express whether they would like to see more information regarding a topic highlighted in the staff reports.

STAFF REPORTS:

1) City Attorney's Report:

- a) Attorney Knudsen noted that there is still no word regarding the RVS case.
- b) He reported La-Z-Boy has received Council's counter offer on their offer; however, he has not received a response yet.
- c) He noted the case with the Greenery has been delayed for a month, per the request of their attorney. Further discussion followed.

2) City Manager's Report:

- a) Mr. Dahl reviewed the tracking log updates. He inquired about how Council would like to be updated regarding the changes moving forward. Mayor Bellah suggested Mr. Dahl give a detailed update of the log once a month and the other meeting Mr. Dahl would

simply highlight the changes made. Council's consensus was to review the tracking log as Mayor Bellah suggested in the future.

- b) He announced he is hosting a dinner at Colver Road Park for staff from 5-7 p.m. on Friday, August 23, 2013, and invited City Council, and their families to join.
- c) He requested Mr. Weber update Council on the motel that is in arrears for motel taxes. Mr. Weber gave a brief background and noted the most recent payment was returned to the City for insufficient funds. He further reported that per the discussion with Mr. Dahl, the City is not imposing another fine for the late payment; however, the City has more evidence to pursue legal actions, should he discontinue payments as agreed.

Mayor Bellah inquired when the transient tax ordinance will go into effect. Mr. Dahl replied that he would look into it and get back with him.

COUNCIL ITEMS, COMMENTS/REPORTS:

- 1) Councilor Helfrich gave an update on Urban Renewal regarding a façade grant.
- 2) Councilor S. Bartell suggested holding a study session on what Council would like to recommend regarding Urban Renewal. Mr. Dahl noted that there are a couple of opportunities to discuss this information at the upcoming meetings with Urban Renewal. Mayor Bellah suggested holding the session with an Urban Renewal Attorney to establish what Council's role is regarding Urban Renewal. He additionally noted Councilor Jones brought up a very nice point by stating that the next step may be for the Council to make a move if they are interested in the property next to City Hall. Councilor Jones expressed her frustration with Council disagreeing with Urban Renewal's suggestions. Additional discussion followed, as Councilor Sophie noted that the Council should have qualified their stance on the Steadman House as it appears after tonight's proceedings that Council is against saving the Steadman House. Council further debated their suggestions for alleviating the situation involved with Urban Renewal.
- 3) Councilor C. Bartell noted she appreciated the information given in the staff reports and felt that staff reports were a better fit for the end of the meeting as presented on this agenda.
- 4) Councilor C. Bartell updated Council on the bikes that were donated to the Boys & Girls Club.

The meeting adjourned at 8:59 p.m.

Respectfully submitted,

Attest:

Janette Boothe
Deputy City Recorder

Steve Dahl
City Manager/Recorder