



lot owned by Mosier Heights (Tanawashee) which currently has utility services. Grim said due to these two situations the number of lots were revised to potentially 50 lots in the zone of benefit and does not include any existing developed properties. Grim asked Council to verify their intent of the (tentative) interest rate in the resolution and the 20 year term and explained the effect of this action on the properties. Grim spoke about setting precedent and typical interest rates across the State for reimbursement districts and passed out a list of current rates around Oregon regarding reimbursement districts.

City Attorney Kearns recognized John Able, representative for Mosier Bluffs. Able provided a large visual with three changes he said need to be made to the proposed reimbursement district. 1. Eliminate non-developers from the reimbursement district. Able said he looks at this from a purely economic standpoint and the non-developers offer very little economic advantage to Mosier Bluffs. 2. Give value for the tank lot being provided by Mosier Bluffs appraised at \$125,000. 3. Make deadline December 2012. Councilor Fitzpatrick asked why Mosier Bluffs doesn't get a typical bank loan. Able said that sort of loan is not available in this economic climate. Grim asked if Mosier Bluffs has a property valuation of the lot mentioned. Able said he provided an appraisal and it was included in the paperwork before Council. Grim stated the appraisal presented was for the entire lot without separating out the lot for the tank and the remainder of the lot available for development. Able spoke about including the cost of formation, which Mosier Bluffs has already been paid to the City, in the calculations for reimbursement. Attorney Kearns mentioned a performance bond or other financial guarantee sufficient to ensure construction and completion of the Tank and stated the non-developers are either in or out but not set a different percentage rate for the non-developers.

Darrin Eckman from Tenneson Engineering spoke about the extension of time request. Eckman felt a little wiggle room of time would help with regards to the economic environment.

Kearns spoke about bonding around, before the tank completion, in order to go to final plat, by supplying a financial guarantee. Grim said the date in Section 5. Duration of the Resolution should say October 19, 2011.

Duane Blanchard spoke about owning 3 parcels of property in the proposed Reimbursement District and objected to being included in the reimbursement district. Blanchard traded property with the City and mentioned the appraisal at that time. Blanchard said he has a development agreement in place for property donated to the City and during that arrangement there was an agreement of services guaranteed to Blanchard. Blanchard updated Council about his involvement in maintaining the pump. Blanchard said he has been paying for service for 41 years and he couldn't support the fact that Mosier Bluffs, Tanawashee and the City can't get together and provide services that he will be charged for in order to get that service. Blanchard stated this is a burden being put on his property.

Councilor Mortenson agreed with Blanchard on the fact that services have been paid for by current property owners and this is putting a burden on them financially. Mortenson agreed that the current property owners who are not developers could be removed from the Zone of Benefit.

Steve Bachelder representing Mosier Heights (Tanawashee development) asked for paying as development occurs rather than pay for the entire 42 lots right away at first phase. Bachelder felt anyone benefiting from this Tank, and the oversizing of it, should pay into it. Bachelder spoke about the economic climate for development and the advantage to making an incentive to get things going. Bachelder said it would be reckless to start development without the ability to receive water services.

Kearns mentioned striking the last sentence of the second paragraph of Section 3.

Able asked for the multiplier to be established for interest to accrue monthly up to the annual increase.

Kearns mentioned the ease of calculations for establishing it on an annual yearly basis. Rogers mentioned the incentive to pay it as it is established.

The public testimony portion of the public hearing was closed at 9:25pm, and after a short break, Council deliberations began at 9:32pm.

Rogers asked for a review of changes discussed.

Kearns reviewed the proposed/requested changes; 1) to not include non-developers in the Zone of Benefit, 2) the date changed to October 19, 2011 in Section 5. in order to be consistent, 3) Section one; make changes to show performance guarantee, 4) Section 3.; to strike the last paragraph or revise the language, 5) Section 3.; remove the language that creates payment at building permit stage, 6) Section 4.; interest rate and dates of increased interest rate, 7) the appraised value of the lot in the Engineer's report Page 11. Councilor Princehouse spoke about the estimated costs and the actual costs which will be established by the time the Reimbursement District is actually ready to be paid back and could be subject to change at the end of the construction of the tank.

Councilor Wallace stated her opinion on the 10% interest rate by saying she would like to see a six percent (6%) or lower. Wallace felt that was more within the current market.

Councilor Princehouse agreed that 10% was too high but did not have an opinion, one way or the other, on taking out the non-professional developers. Princehouse suggested 6%. Grim said his highest recommendation was 7% and his lowest was 3%.

Kearns suggested making a revised Resolution and presenting it at a later date in order to review the changes and have time to consider the changes.

Fitzpatrick has no interest in removing any of the lots from the Zone of Benefit. Fitzpatrick said they all benefit from this project and should pay for that benefit.

McKibben said it would only be fair for all benefiting properties to pay for that benefit.

Mortenson said his opinion was to remove the non-developers.

Princehouse said the non-developers will benefit only if they divide and develop and should pay for that.

Rogers said the Zone of Benefit should be left as it is with all properties that will benefit.

Rogers reviewed the decisions agreed to by Council present to be included in a revised resolution. All above requests except that the non-developers will be included in the Zone of Benefit and the lot value needs an appraisal in order to establish value since the Council could not agree on how to figure the lot value.

Able could not provide a current appraisal and was speculating on the value of all lots in question. Grim asked for an appraisal of true value of the lots being traded.

Rogers said the meeting should be postponed to the first meeting in February so a true appraisal can be presented in order to make a final decision.

### **The Public Hearing was postponed and will reconvene on February 2, 2011.**

#### 5. Ordinance #154: Utility billing ordinance question and answer period

This item was tabled until the first meeting in February due to time constraints.

COMMITTEE REPORTS – Rogers postponed reports due to time constraints.

1. Cemetery committee
2. Park Committee
3. "Art in Mosier" committee

CORRESPONDENCE – Hadley passed out the guide for Public Officials regarding the Ethics law. Hadley reported about the next efforts to compel Iva Harmon to return property owned by the City. Hadley said she will draft a letter to Harmon explaining the City’s position which is to consider the property stolen and file charges with the County Sheriff if the property is not returned. The letter to Harmon will be sent certified return/receipt requested so we know that Harmon received it. The Fire District Board agreed to City services at \$30 an hour and the City Attorney agreed to work on an Intergovernmental Agreement. Hadley asked Council to notice the letter from Athena Ghiz-Moss who had a motor vehicle accident involving City Cemetery property and the plan to remedy the situation in order to avoid filing a claim on her insurance. Hadley mentioned a private party being held at the American Legion Hall and the OLCC event permit requesting the Mayor’s signature. Hadley mentioned the light trespass from the City Maintenance shed light glaring onto Demosthenes property and reported her efforts to find out why that light is on at night and to remedy the situation. Wilson trucking is driving trucks loaded with gravel through the City and they have not returned calls asking whether the trucks are oversized trucks. McKibben said confidently that the trucks are not oversized.

Meeting adjourned at 10:53 p.m.

Approved this 19th day of January, 2011

Attest:

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Andrea Rogers, Mayor

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Jean M. Hadley, City Recorder