

update, thus the City should have an update since 2013. Ms. Talmage said she has the expertise to update the PCI, but does not have the time it takes to perform an update on a yearly basis. Councilor Sears recalled the report calling for an update every five years. She said it would make more sense to do it that way. Councilor Sears stated it would be nice to update the PCI every five years so Council knows where to allocate resources. Some streets, likely the streets with a higher ADT, might be deteriorating faster than others. Ms. Talmage said the five year time period is doable. Councilor Sears requested a copy of the criteria and rating system. He said he is struggling to see how a sidewalk would fit into a PCI which is for the motoring public. He said he would remove sidewalks from the criteria, but leave the curbs. He also questioned the proximity component which is measuring the closeness to downtown when the focus should be arterials and collectors. She explained this is from a network analysis that eliminates the small dead roads. He would like City Council to pigeon hole money for different aspects of the PCI and spend a certain amount on reconstruction, arterials, collectors and residential streets.

Councilor Smith asked about the timing of the PCI and if there should be a relationship between the update of the Transportation System Plan (TSP).

Councilor Sears said it would be nice if the City could do traffic counts and get some ADTs. He explained there should be a higher weighting system for streets that are traveled more heavily. He also said Mill Street is designated on city maps as a neighborhood collector due to the traffic volumes.

City Manager Wurster said this information will be utilized in the same way as the TSP and will help form policy questions through the budget cycle. The Public Works Director will be able to see which projects are needed in the coming year and can formulate a funding recommendation to City Council. Staff will need to collect all the information and then have City Council look at it from a policy standpoint. Councilor Sears said there has to be some subjectivity to it and should not be a political decision. He said the PCI should drive where maintenance dollars are spent while the TSP will have more enhancement projects associated with it.

2.2 Non-Profit/Low Income Tax Exemption

Community Development Director Jason Gottgetreu explained the catalyst for this item is the Silvertowne Apartments. Located in the packet is a letter submitted by the apartment complex explaining they are going through some substantial upgrades to the property. They are able to perform these upgrades through the low income housing tax credit program. This means a private investor is involved with the project, so when this occurs they lose their tax exemption under ORS 307.130. Since they are still a non-profit managing the day-to-day operations of the complex and just partnering with an investor they can request a tax exemption through the City.

The City Council will need to decide if they would like to grant the continuation of their tax exemption and for how long. It is possible to grant them an exemption for one year or 20 years. The 20 year exemption would require the Council to adopt a policy and program for the tax exemption. The annual tax exemption would require the non-profit to apply for the exemption on an annual basis subject to approval by City Council. He explained the exemption would be the City's portion of assessed value. The overall tax number for Silverton is about \$16.50 per \$1,000 of assessed value and of that about \$3.50 is the City of Silverton taxes. They can request the same exemption for the other taxing entities, such as the School District, Library District, Soil and Water Conservation District, and the Fire District. The non-profit will need to receive 51% of the property tax exemption before they can receive full exemption status. Then the money they save in property taxes will go back to the residents they are serving through lower rent. This is for renters that are within the 60 percent median income. The non-profit will need to show in their application how they plan to use the money not being paid through the property taxes to benefit their renters. The ORS does allow the City Council to place additional provisions through the application process such as a rent regulatory agreement, in order to ensure the tax exemption is going back to the residents. This can also include a provision that the complex is being properly maintained through a no notice inspection program. Silvertowne is currently tax exempt and they plan to continue to operate in the same manner. If they do not go through this tax exemption process and their assessed value becomes approximately \$5 million, Silvertowne would pay \$18,300 in property taxes to the City and \$82,500 to all

taxing jurisdictions. This equates to about \$100 per month for each unit, if City Council were to grant the exemption Silvertowne would need to show how this \$100 per month would go to benefit their residents.

The policy question for tonight is if the City Council wants to create the policies and guidelines for the 20 year exemption or just use the existing ORS to grant the one year exemption. Councilor Sears asked about the 20 year criteria and how the City would know if anything changes to the program. Director Gottgetreu explained there are provisions where the nonprofit must meet the application requirements. The 20 year program could require Silvertowne to submit an annual report to ensure compliance each year. The ORS provides for a variety of ways the nonprofit could lose their exemption status. The City could also add a provision where an audit could occur if the City deemed it necessary. The application requires the nonprofit to have certification of the income levels of their residents. Councilor Sears said there should be something written in the program that ensures the City's confidence in the information that is being provided.

Councilor Freilinger voiced his concern regarding the one year approach and said he would prefer the 20 year approach with a large amount of verification regarding maintenance and financials. He also asked if the City has to adhere to the 60 percent median income threshold or could the City say 40 percent should be allowed. Director Gottgetreu explained that would be in conflict with statute. Councilor Freilinger explained 60 percent of the area median income in Silverton is close \$1,000 per month and that is nowhere near the target he feels the City should be addressing.

Councilor Smith asked how much the improvements will increase the assessed value. He explained if the assessed value goes up and an exemption is granted then that amount would have to also go towards benefiting the residents.

Council members discussed the need to ensure the property is being properly maintained after the upgrades are complete and the difference between granting an annual tax exemption versus a 20 year exemption. This would be an opportunity for the City Council to place safeguards on the property. Additional provisions placed on the property by City Council can be the same for both one year and 20 years. Every year the nonprofit would have to show the City how the residents are benefiting from the exemption through lower rent. Director Gottgetreu further explained if the program is not adopted it is very likely the rent will increase in order to cover the property tax payment, which will likely be \$100 per month. By adopting this program City Council will have more oversight on the property through the application process.

The majority of the Council was supportive of creating a program for a 20 year tax exemption, but there needs to be specific criteria in the application that they must adhere to in order to safeguard the residents. It needs to be clear that if they do not adhere to the policy and program then their exemption will be taken away. Councilor Smith said there also needs to be adequate documentation showing they are adhering to the criteria and assign a specific staff person to evaluate the documentation and ensure the program criteria is being followed.

2.3 2nd and Jefferson Street Improvement Options

City Engineer Mike White reviewed a map of the proposed project area showing the existing ditches and where the proposed 725 feet of sidewalk would be placed. He explained the existing ditch would need to be piped to allow for the installation of the sidewalk. He is recommending no curb and gutter and taking a low income development approach. There would be a shallow swale adjacent to the road with a concrete sidewalk. The installation of the sidewalk and storm pipe on the east side of the road will cost approximately \$720,000. He provided an overview of what it would take to install sidewalks on the west side of 2nd Street and reviewed the major construction concerns and stated staff is not recommending the installation of sidewalks on the west side of the street. He explained just north of Washington there are sidewalks, good pavement condition, and some curb and gutter. The staff recommendation is to refurbish about 670 linear feet of pavement through a grind and overlay, replace and upgrade the existing water main and to take the low impact development approach and not install curb and gutter. The estimated cost associate with this part of the project is close to \$700,000. The water main replacement and storm

drain installation could be performed by the Public Works Department in house, which could result in a significant cost savings.

Councilor Sears inquired about using a swale to collect the stormwater and voiced his support for installing curbs to contain the water in the area. Mr. White explained the benefits of this type of low impact development including improving the water quality of the runoff which is dumping into existing waterways and provided assurance that the water will be contained. Councilor Sears said this is a collector street and reiterated his support for a curb installation. He said he would like to see the development go further down. Staff explained the procedures for being able to perform the project in house instead of contracting out.

Mayor Palmer asked if upsizing the water line would qualify for SDC money. Councilor Smith agrees the southern end of the project needs to be extended to the railroad tracks. She likes the concept of the green swale filtering the runoff from the road before entering the storm drain. She supports installing the sidewalks only on the east side until Washington and then making the crosswalk connect to the Jefferson Street crossover.

Councilor Plummer supports the staff recommendation and feels it is a way to get to more, knowing there is a long list of areas that need sidewalks. This would give pedestrian a safe place to walk away from traffic and he would like to see the project move further south to ensure a connection. Mayor Palmer agreed and would like to see the pedestrian traffic funneled to one single cross walk.

Councilor Sears said a study was done in the area and City Council had a discussion about making those improvements, because of the concern about the open ditches and the drainage. All the drainage goes north and is not sure it makes sense to improve only this area and leave the rest substandard. There were improvements made with the Castlebrook Courts development and the plan was to make the storm improvements starting there and move south. These improvements would not connect to the Castlebrook development which could create a bottleneck. Mr. White explained how he would address the storm drainage issues in the area and the materials he would use. He also explained further evaluation is needed prior to the start of the project and information could be brought back to City Council to decide how far to extend the storm drainage. Council discussed the funding mechanisms for the project.

2.4 Community Pool Slope Stability Improvements

City Engineer White reviewed the boring that was performed by Terracon last year and indicated staff is recommending two additional borings take place. He explained Terracon does not specialize in slope stability and the study was not specific to address the need and/or risk associated with the stabilizing of the slope. He has since been meeting with contractors who specialize in slope stability. Staff is recommending an additional geotechnical analysis, including two additional borings, be performed and has received a bid for \$14,700. Terracon recommended constructing a soldier retaining wall which will be difficult due to the environmental constraints and permitting issues on the site. ACF West is recommending a geoweb earth retention wall which would provide structural integrity for the soil. It would be about 32 feet high and extend approximately 18 feet back. He reviewed pictures of what this type of retention wall would look like after the vegetation takes root.

City Engineer White reviewed the project objectives and items City Council needs to consider before moving forward. This includes the project urgency, exploring other solutions and revisiting the cost associated with the design/construction of the slope stability. He stated the preliminary cost estimates for shoring is \$350,000 which will be a necessary first step for both stabilization methods. The total estimated cost for the project is \$650,000-\$750,000. The City has budgeted \$50,000 for this project. Staff is recommending the City hire a different consultant who can determine if the bank is failing, the urgency of the project, and identify temporary solutions that can allow the City to continue to budget for the project.

Councilor Smith asked about the shoring process. Staff explained the process and said it is necessary to ensure the pool does not fall into the creek while the soil is being removed. Mr. White explained the geoweb layering process. Councilor Smith said it was her hope something could have been done with soil nails that would not require a large amount of excavation. Discussion ensued about the ground water that

is flowing from the bank and whether it is impacting the stability which is unknown at this point. City Council was agreeable to perform the additional analysis as recommended by staff.

III. CITY MANAGER UPDATE

City Manager Wurster said over 200 volunteers participated in a clean-up event to remove invasive vegetation from the creek bank over the weekend. City staff is partnering and participating in an Emergency Preparedness Fair taking place in Silverton on Saturday, September 21, 2019. Lastly, the rededication of Lincoln Park will be taking place on Monday, September 30, 2019 at 12:00 p.m. This event will include a ribbon cutting ceremony with the Silverton Rotary Club.

IV. COUNCIL COMMUNICATIONS

Councilor Freilinger asked about the status of the legal review regarding annual annexation applications. Staff indicated they have not received a response.

Councilor Plummer said the pool bank area looks very nice and he appreciates the ability to see the creek. Public Works Director Petra Schuetz explained staff was able to pull funds from other restoration projects to apply aqua safe herbicidal deterrent to help keep the invasive vegetation down and will plant native plants in the area.

Mayor Palmer asked Director Schuetz to share information about a presentation that Water Quality Division Supervisor Steve Starner made at a national water conference in San Diego. Director Schuetz explained the presentation was regarding the Oregon Garden project and was well received. Mayor Palmer thanked the volunteer group for not only removing vegetation from the stream bank, but also transporting chairs from the Emmanuel Church to the Gordon House for their Sing Along event.

V. ADJOURNMENT

Councilor Freilinger made a motion to adjourn and Mayor Palmer adjourned the meeting at 8:05 p.m.

Respectfully submitted by:

/s/Angela Speier, Assistant to the City Manager/City Clerk