



Harrisburg City Council Minutes May 5, 2016

The Harrisburg City Council met on this date at City Hall, located at 120 Smith St., at the hour of 6:36pm. Presiding was Mayor Robert Duncan. Also present were as follows:

- Mike Caughey
- Sarah Puls
- John Loshbaugh
- Adam Keaton
- City Administrator Brian Latta
- City Recorder/Asst. City Administrator Michele Eldridge

Absent were Councilors Kimberly Downey, and Robert Boese.

Concerned Citizens in the Audience: Everyone present was there for items on the agenda.

Mayor Duncan noted that he had received a thank you note for the letter of condolence that was sent on behalf of City Council for the death of Herb Nil.

The matter of Discussing the Sale of the Cedar Square, Duplex Lot, and Portion of Museum Property to the Fire District.

Staff Report: Latta noted that the agenda bill states most of the detail, so he'll only give a summary of that. On April 13th, the Fire District Board, with Bart Griffith, the fire chief, asked if we are open to discussion about selling the Cedar Square property and the area around it. We decided to have a couple of councilors, and Fire Board members, plus the Chief and himself to meet. Bart Griffith and he, with John Loshbaugh and Rob Boese met with members of the fire board on 2 occasions. The first time, we talked about coming up with a way to determine the value of the property. The Fire District looked at doing commercial appraisals, but found that they are very expensive and cost prohibitive. We met a 2nd time, and determined the value, by looking at the appraised and assessed value from the Linn County Tax Assessor. We did that, and those are included as exhibits. We found also, that we weren't selling all of tax lot 3901; it is where most of the gravel lot is, and only a portion of that. The Fire District only wants to purchase 25% of the overall museum tax lot 3901, so we took the land value, without any buildings included, and added it to the low market value of the duplex lot property. The land

value and property value came up to a total market value, as of January 1st of 2015 that was \$302,398. At the meeting, the city councilors, asked for him to breakdown the values to 75%, 50% and 25%; that is table two on pg. 4. Councilors Rob and John, wanted to offer the property at the lesser value, with the sale reduced by 75%, to \$75,600. Staff in making the recommendation felt that the price was too low, so staff thought about it a little more. One of the things we considered was possibly a swapping of the land, which is 3 acres off of S. 6th St, and the property they bought down there, which is currently valued at \$154,030. While we don't think we are interested in acquiring that land, the purpose of the land was for the fire station. At some point, they will dispose of that, so he felt that we can take that value, and add it to the recommendation from the councilors, to come up with a total value, that he felt was more appropriate, at \$229,600. In addition to the price of land, there are statutory requirements in the ORS (Oregon Revised Statutes) that we need to follow after this meeting, if we come up with an agreeable price. One of the requirements is if the property is within 300' or 500' feet of a rail line, then you have to notify ODOT, in case there are opportunities for rail extensions. So we will need to notify them. We are also required to have to disclose the nature of the sale, etc. to the public at a hearing. If the City Council agrees with staff's recommendation, the suggested motion is on pg. 5.

- Bart Griffith thanked the Council for meeting tonight, because we know it's not your normal evening. He especially appreciates Rob and John for meeting with us several times, and appreciates them working with us, towards a common goal. On behalf of his board and volunteers, thank you. Having said that, it was a very generous offer you made at \$75,000 but you guys answer to the same voters we do, and we feel uncomfortable accepting a value of \$75,000. However, if you start at \$175,000, then he feels that you are being responsible to the voters.
- Loshbaugh said that at the higher price we sell that property, then the tax payers pay the bill, to the fire district. The lower you make that; the tax raise to the tax payers is less. To try to get a bond passed, so they can build a new station, they need to keep the price as low as possible, without us giving it away. That's why they proposed the \$75,600, so it wouldn't jack up tax rates for the next 20 to 25 years.
- Mayor Duncan asked Chief Griffith if it was too early to have the amount of the bond figured out yet.
- Chief Griffith thought that they should have those figures next month. They met recently with the architect, and they have redesigned everything, to make it more streamlined, and single story, instead of the 2nd story they originally wanted. That will help to get the numbers down to a more appropriate amount.

Mayor Duncan asked about whether they would sell the property on 6th St., but Chief Griffith told him that they will probably hold on to it, because they wouldn't make any money from it. However, the business there gives them income, unless someone comes along and really wants it. Caughey asked him if they have discussed price with them, and Chief Griffith told him no. We hadn't discussed the sale with any other parties prior to the first meeting with Council. At that time, if we were going to swap or trade, we didn't want to bring a 3rd party into it. Mayor Duncan asked when the last bond was proposed, and Chief Griffith said it was in 2013. Mayor Duncan thought it cost him about \$10 extra on his taxes; it was pretty low. Chief Griffith said

that his was about \$7 a year more. One of the fire board members said that taxpayers are getting wiser to that. Chief Griffith said that since we talked to people about moving to this property, we've been getting great public opinion on it. Not a single person said that they didn't like it, but then people said they wouldn't have voted for the other property. They said that they will now, for the property under discussion.

- Caughey said that we had talked about the property on S. 6th, adjacent to the 100 acre park, and he could see why there was some value to us. After looking, and doing measurements, if someone parked on 6th, and walked to the parking in the 100 acre park, it would be a third of a mile. However, you have to cross 2 different private parcels. While we could probably get permission, his feeling is that it's not something that would be really valuable to us. On the value of the land, his feeling is that we had that land for the library, and we've already earmarked the space and money for it. If we sell that, we have no replacement. He wasn't on Council when that happened, but his understanding is that we have an obligation to have that location for new library. We need to look at this very seriously, with how to replace it. We are selling an asset that we have earmarked for something. We were hoping to get the lot next door, (to current City Hall) but that doesn't seem like it's happening anytime soon. The money we are talking about here, and the values we are talking, is rational to his mind. The Cedar Square property is worth a fair amount for the building, plus its zoned commercial; that has no use whatsoever for the fire department. It has a walkway, and a shared roof. He thinks that physically, that structure is two separate ones.

Loshbaugh told him that the roof goes clear though. Council discussed whether it could be moved, or if the building could be separated into two parts. Caughey's main point was that it has no value to the fire department, but it does have a value to us. Mayor Duncan asked if he meant as far as a rental for the city. Caughey told him no; as an asset. We are looking at the tax payers, and we have a stewardship responsibility to maintain the value of our assets, and to not give it away. He's very much against the low number for that reason. Charging the full price to the Fire District, has lots of good rationale to not doing that, because we want to try to help the fire department. He likes the number staff came up with for a lot of reasons. Loshbaugh said that he and Rob had talked, about the possibility of getting rid of the two old buildings from the high school, and to move the Cedar Square building from across the street; it's a more usable building than the old modules. Both Puls and the Mayor liked that idea.

Puls asked if the money from the sale of this property could buy property for the library. Latta told her that when we sold the (Upmeyer) property, we used some of the money to purchase the duplex lot, east of City square. The funds resulting from the sale of the Upmeyer house, was put into the building fund. He asked Eldridge if she could give more detail on that requirement. Eldridge told him that the City Council had agreed to put the \$160,000 from the sale of the Upmeyer House into the building fund for the future library, and then named the property at the duplex formally as the site of the future library. We use the value of that property as part of the Harrisburg Library Guild Capital Campaign. Latta said then if we sold the property, we have no promise for the money to go to the library. However, to be successful, we do have to have land for a library. We did make an offer on the property next door, but the seller was

asking for too much. We need to come up with a short term plan, so if a benefactor gives us money to build a library, we have a place for it. We do own land, at the old water tower lot; it's a sufficient size, and it's located downtown, on two streets with planned improvements, so that lot makes sense in the short term. The long term plan is that we acquire property here, or purchase the two homes next door, and maybe even the VFW; we would then construct the library, with a spot for the VFW. They may want the Quonset hut because it's sentimental, but that's a possibility.

Puls asked who owns that property, and Latta told her that one owner is in New Jersey, and the other one is Eugene. They are both rentals. We can reach out and find out if they are willing to sell, since we know that lot is out of our price range. Caughey asked if we could buy replacement land. Latta told him yes, nothing prevents us from buying, or acquiring available land. Loshbaugh said that there is one other issue that the Council understands, in the sale of the property, it isn't just a City venture, and it's a fire protection district. You've got a lot more valuation outside of town than in town. Mayor Duncan said that it's important to have fiduciary responsibility to tax payers. There was the Upmeyer house, and we did a great job with that, selling it to someone who loved it and did something wonderful with it. They even donated something for it, didn't they? Eldridge told him yes, they donated \$15,000 which was the seed money for the capital campaign.

Latta said that when the fire department bought that 3 acres, they bought it for around \$150,000, and at some point, they will sell that. That's why he felt that some of the future value of the property should go to the purchase of this property. What we are selling has commercial value, in downtown. That's why he thought that it was a way, to not be giving away the farm, and also not burdening the tax payers on that. Loshbaugh thought that on libraries, that they would not be used as much in the future, with the evolution of Kindles, etc. But he knows that a lot of people may not have those. Caughey said that he is an electronics guy, and has tablets, etc., but he likes that paper. Libraries now, are a resource for the community. They have computers, and the people that run them have access to reference materials; Google is not always the ultimate answer.

Puls liked Latta's rationale with how he came up with that number. But maybe we can negotiate to come closer to what they are suggesting. She'd be open to that. Keaton said that both the lots on S. 6th St., and our lot with the Cedar Square building, have value, and were bought by tax dollars. He felt that the original \$75,000 was still only half the value of the Cedar Square property. He felt that the initial value of \$75,000 was too low, and it felt more like it was gifted, rather than an exchange. Mayor Duncan said that what he is hearing is that we are not concerned about the area for a future City hall; rather we are more concerned about stabilizing the location of a future library building, so they can get grants. That way the grant people realize that they have a piece of property. Maybe the property to the east of us is something that we will need to look at in the future.

Bob Bronson, Fire Board member, said that he understands that, as well as looking at the value they will get for selling that property in the future. It's got value, and we have to have a

hard number for a building bond. We are looking at how much per \$1,000 we will need for the bond. He thought that we are willing to meet somewhere in the middle of those numbers. He understands where Council is coming from, and he thinks that you have good talking points. He thought that Council could talk with itself, and we can get back together right away, so we can have something certain. Mayor Duncan asked how long the last bond was for, and Chief Griffith told him 20 years. Caughey asked how long this one would be. Bronson said that the historically low rates is one of the reasons why we are looking on getting money locked in right now. We don't want this thing to be blown apart for a few dollars per year. Maybe we can talk about that. Does that sound like something the City can work towards? Latta told him that we don't want this to drag on, we were at \$229,600, and you were at \$175,000, so maybe we could split it, and maybe \$200,000 is a compromise. Is that acceptable? Chief Griffith asked if they could take 15 minutes, and talk about it.

The Fire Board left the chambers at 7:14pm, and took their conversation to the parking lot.

The matter of Judging and Selecting Winners for the "If I Were Mayor Contest"

- Latta explained the rules, and noted that staff had narrowed the choices down to 5 essays, and 5 posters. We actually received 55 essays, and 15 posters. It was very impressive.
- Council started reviewing the essays, and posters, and would turn in the results by the end of the meeting.

The Fire Board returned to the Council Chambers at 7:26pm

- Latta reminded everyone that the last figure the Fire Board offered was \$175,000, and we were at \$229,600, and we talked about splitting the difference.
- Chief Griffith said that we talked, and we valued the opinions you gave us. Because this is such a tremendous thing for the community, especially in another 40 or 50 years, we'd like to take you up on the \$200,000 offer contingent on the bond being successful.
- Latta said that there are options available; we can do an option to buy, and make it so if you pass the bond, we sell it to you. That's something we can give to you; you can record it if you like, but we wouldn't sell it regardless. We can create an option to buy, and notify citizens as required by the ORS, and notify ODOT. He thought that May 18th might work for that meeting, but if we can't do it by then, we'll push it to June 8th. That way we both have surety that this will happen.
- Chief Griffith said that on behalf of the Fire Board, thank you.
- **Puls motioned to direct staff to prepare an 'option to purchase agreement' with the Fire District for the sale of the following properties for a sum of \$200,000: Linn County Assessor's Map 15S4W16D Tax Lots 3400, 2402 and a portion of 3901, and to bring the option back to the City Council consistent with the requirements of ORS 221.725. She was seconded by Caughey, and the City Council voted unanimously to approve the act of following the requirements of ORS 221.725, and**

for preparing the option to purchase agreement for the Cedar Square building, the old duplex property, and a portion of tax lot 3901.

- Mayor Duncan said that he will do anything you want to help with the bond, other than setting him on fire. Whatever promotion they want to do, he can help with.
- Bronson said that we really appreciate that. We've got a time line all the way up to November 8th which is Election Day. We have an entire timeline put out for all the requirements we have to meet, including meetings with the architect, etc., up until Election Day.
- Mayor Duncan said that this is a great thing in this City. We bought that land for the future municipal center and then ended up coming here instead. We feel really blessed that this is taking place, and we can't wait to see it take place. We will help you as much as we can.
- Bronson said that we are looking at how they passed the school bond, because we'd like to use that as a model to try to pass ours.

Others:

- Latta told the City Council that he is on vacation next week, so if there is a problem, it's up to Michele to take care of it. We do have a RFP out for municipal court judge, a week and a ½, ago, we put that out. We've received 5 to 7 copies of the RFP, which are due on the 16th at noon. The day he gets back, we'll have proposals to look through. Bobby and he will narrow down the field to the top 1 or 2 to Council. He has a meeting with the Judge tomorrow; he reached out to him on the lease agreement. He is working on that, and should have something to sign soon. Latta is trying not to lose money on rent, but the Judge thinks that because we had arrangement, that it enabled them to pay more rent. That's the Judge's justification for changing it, but he doesn't see the logic. We'll talk about it. We have a really strange way of splitting out the utilities, and he'd like to discontinue that practice. He wants to just set a dollar amount that they pay us each month based on an average.
- Caughey asked who pays for that.
- Latta told him it was the county. They will also be bringing up the storage for file space for the Municipal court files.

- Latta brought up an issue, which is the reason that Suzan Jackson is present tonight. There is a strange line that we can see on the map we were looking at for the fire district. There's 15' right there, of property, that used to be part of the city right-of-way. When that was vacated, they didn't get that strip of land. When we were talking about the county rent issue, she brought that up, and was interested in purchasing this strip, so she could make it a straight line for her property. She is still interested in buying that, correct?
- Suzan Jackson told him yes. Her house was built before the town was platted, and is one of the oldest homes in town. When they built the streets, Moore was supposed to go straight across there. Every time her property was sold and bought, that street was

sold and brought with the property; she's the 7th person to get it. The City started vacating streets and alleys they didn't think we're going through, back in 1954 she thinks. She has documentation that shows that this isn't going to be a street, so they gave half back to this person, and half to another, but since this portion has always been with your property, we'll give you that back. When she bought it in 1991, the Cedar Square building was built. Bill Morse and Charlie Kizer, insisted that half of that street should go with their property. The previous owner said that we'll tie this whole thing up in court, because we think this half is ours. She said no, what if we give you half, and you provide a quit claim deed, for half of the street. So until 1991, it was legally with her property. There is a legal quit claim deed, it's legal, and that's why that is 15'.

- Mayor Duncan said then the 15' should be yours.
- Jackson said that every owner paid taxes on it, every time it was sold; it's how it was sold and purchased. Then it was vacated, and half was to go to one owner, and half to the other. Then the Cedar Square building came along, along with Bill and Charlie.
- Caughey said it's also where the community garden plot is.
- Latta wanted to bring it to your attention, because if we sell to the fire district, Suzan is interested in acquiring that, for a dollar, or something similar. It would be appropriate, now that the City owns that, to try to fix it for her.
- Mayor Duncan said he's been there, so we can do some sort of money exchange, \$1 is fine. The property should have been hers from beginning.
- Caughey said that when you look at the plat, it's obvious.
- Jackson showed the Council the contract, and vacation papers. That was done back in 1965.
- Latta said that would create a straight line for her. The Fire District does know about that. They said that would be fine. Jackson came to him when she found out that we were possibly selling the property to the fire department. We don't need to take care of this tonight, but he didn't want to make Council aware of it.

The matter of Judging and Selecting Winners for the "If I Were Mayor Contest"

- Latta announced the contest results from earlier in the evening. Essay winners were as follows:
 - #2 1st Place E. Parmenter
 - #3 2nd Place T. Prater
 - #4 3rd Place P. Holliday
 - #1 4th Place M. Anderson
 - #5 5th Place J. Ramirez
- Poster Winners were as follows:
 - #5 1st Place M. McNulty
 - #1 2nd Place T. Bennett
 - #3 3rd Place M. Martin
 - #2 4th Place T. Kahle
 - #4 5th Place G. Harriott

- Latta further remarked that he and the Mayor will be part of a public assembly at the school in order to present the awards.

With no further business, the Council adjourned at the hour of 7:53pm.

Mayor

City Recorder