

The meeting was called to order by Mayor Sandy Toms at 6:54 p.m.

Roll call was taken:

Council members: Marc Rogelstad, Brandon Hammond, Brenda Profitt, Sandy Toms, David Jones, Delbert Turner and Art Kegler
Staff: Karen Pettigrew-City Manager, Joanna Dahm-Recorder, Chief Stokoe, Barry Beyeler-Community Development Director and

WORKSHOP

City Manager Karen Pettigrew began the meeting by explaining the numbers sheet Community Development Director Beyeler put together. She explains this is for 66 units. She stated the Water SDC's are not 1 for 1. That makes it 22 EDUs. So for that many it would be \$27,561. Then for the Sewer it would be \$23,542. Total SDC's charges would be \$51,103. If we take off the \$10,000 we give them now they would be down to \$41,103. Then you add on the zoning permit and the 2 inch water connection the total would be \$46,744.

The next thing is the room tax. There is a difference from what they had calculated because the City does not receive the entire 5%. The City only receives 4%. City Manager Pettigrew stated at 78% occupancy the City would receive roughly \$80,422. She stated the room tax goes back into tourism. City Manager Pettigrew next explained the Property Taxes. She stated she spoke with the assessor and got figures for the Real Market Value and the Actual Value. Councilor Jones asked since the CREZ expanded their zones the hotels will not pay these taxes for three years. City Manager Pettigrew stated yes. She said if you give these hotels a break everyone else is going to ask for the same.

She stated the Profutt Apartments do not get the same benefits as the hotels so you need to decide what kind of deal you want to offer. If you are going to offer this to the new hotels you should offer something to the guys who have been here paying the way. She stated Tradewinds is going to put in another 120 homes as well. Councilor Turner stated some of these developers come in and build a few and then sell them they usually don't build all at once. City Manager Pettigrew stated when Profutt comes in they will just do it all at once in two phases.

Councilor Jones states if the room tax goes to the Chamber and tops out at \$100,000 but we collect another \$80,000 what are we going to do with that money. City Manager Pettigrew stated she has a lot of ideas, maybe the street fund. Councilor Hammond asks if we do give the hotels the break on SDC's will they leave. City Manager Pettigrew and Mayor Toms stated no they do not believe so. They feel Boardman is a great area and Boardman is providing a ton of business for Hermiston.

The Council and staff discussed possible alternatives to offer to the hotels. City Manager Pettigrew stated she doesn't want people to go away but they hotels are already getting a break on the SDC's and a tax break with the CREZ Boundary Expansion. However, she said the apartments are entitled through the Government to get money the hotels are not able to get. Councilor Jones proposed landing in the middle, such as they have to have 60 units (rooms) and we give them a \$30,000 SDC break.

City Manager Pettigrew stated she felt Council should invite Gary Neil to come to one of our City Council meetings and discuss the Port of Morrow's water usage. She stated the Ports water usage is causing issues with the pumps at the water building. Chief Stokoe stated they are raised their water rates to their customers to try to reduce the water usage.

The Council gave a consensus to allow City Manager Pettigrew to present the options to the hotels. Councilor Kegler agreed with what Councilor Jones stated earlier, with so many units you get so much of a break. Councilor Hammond stated you could defer the SDC costs for three years. City Manager Pettigrew contributed the idea of the possibility of contributing 1% or 2% of the room tax back to help pay for advertising. Councilor Hammond believes that would help promote Boardman. Community Development Director stated that would equal about what they are asking for in the SDC charges. Councilor Hammond stated obviously we want business here but we need the money for infrastructure so there has to be a balance.

Councilor Rogelstad stated 20 years ago when the Enterprise Zone was brought to the area it was for industrial only not meant for hotels. He stated it's easier to give away another Special Districts money. He stated he loses $\frac{3}{4}$ of a million dollars out of his operating budget. Councilor Rogelstad brought up the hotels bringing in more work for special districts such as the Fire Department, ambulance and the Police Department. He stated if these businesses are not paying taxes and SDC's where does the money come from to support the services? He stated he understands all sides. As for the SDC's he will vote to give them the SDC's but he likes Councilor Jones idea of the 60 rooms and getting a break of \$30,000. He stated he also likes the 2% idea and kicking the money back into our community through tourism.

City Manager Pettigrew stated when we first started waving the SDC's we felt it was fair to only give the new guys a deal. They gave the older businesses a break for 6 months. Councilor Jones likes the 1% or 2% idea because it takes the apartments off the table. Councilor Hammond states apartments bring people to Boardman to live and hotels bring people who are here then gone. Councilor Rogelstad stated the apartments will bring an increase of about 30% workload to things like Police, Fire and Ambulance. All the Councilors seemed to be in agreement with the 1% of the room tax going back into the advertising for tourism.

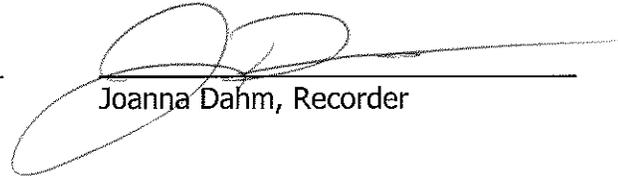
Councilor Jones stated he feels it is easier to negotiate face to face then 3rd party. He stated he feels City Manager Pettigrew should go to the parties of the hotels and present the ideas and feel them out. He stated we should go with something in the middle. Councilor Hammond likes the idea of deferring the payment for 3 years until they establish themselves. Council Jones stated they could make payments on it. Mayor Toms stated the money is needed for infrastructure. Councilor Kegler asked if the general thinking is we defer the payments for three years. Councilor Turner said yes. Councilor Kegler states that also moves over to the apartments so the best they could get is deferment. Councilor Turner stated there are programs for the apartments.

Councilor Profitt stated she feels we have a couple of great ideas. She feels for this event we should defer the payments and give them the 1% for the advertisement fees. Councilor Jones feels we should give them \$20,000 SDC break then deferment the remainder. City Manager Pettigrew asked the Councilor for clarification. Councilor Jones stated just cut the total in half, maybe \$25,000 off then deferment the balance for 3 years. Councilor Hammond and Mayor Toms stated they really like the 1% for advertisement. City Manager asked if the 1% should be

given to all the hotels. Councilor Jones stated he felt there should be stipulations on the 1% that it has to be for Boardman strictly not locations in other areas. Councilor Kegler stated any startup has issues with money, it is tough so he advocates for deferment.

Workshop was adjourned at 8:13 p.m.


Sandy Toms-Mayor


Joanna Dahm, Recorder