



Anne McEnery-Ogle, Mayor
Bart Hansen · Ty Stober · Linda Glover
Laurie Lebowsky · Erik Paulsen · Sarah J. Fox

March 15, 2021 - Vancouver City Council Meeting Minutes

WORKSHOPS

Workshops were conducted remotely over video conference utilizing a GoToMeeting platform. Members of the public were invited to view the meeting via the live broadcast on www.cvtv.org and CVTV cable channels 23 or HD 323, or on the City's Facebook page, www.facebook.com/VancouverUS, or listen via the GoToMeeting conference call.

4:00-6:00 p.m. Retreat follow-up: Council Values and 2021-22 Priorities Review

Jeanne Lawson and Adrienne Dedona, JLA Public Involvement; Eric Holmes, City Manager, 360-487-8600; Aaron Lande, Program and Policy Manager, 360-487-8612

Summary

Consultants from JLA Public Involvement facilitated a discussion regarding Council values and refinement of 2021-2022 priorities. This workshop was a continuation of the discussions from the Council's January 15 and 16 retreat. A [full summary](#) is available on the City's website.

REGULAR COUNCIL MEETING

This meeting was conducted remotely over video conference utilizing a GoToMeeting platform. Members of the public were invited to view the meeting via the live broadcast on www.cvtv.org and CVTV cable channels 23 or HD 323, or on the City's Facebook page, www.facebook.com/VancouverUS. Public access and testimony on Consent Agenda and Public Hearing items were also facilitated via the GoToMeeting conference call.

Call to Order and Roll Call

The regular meeting of the Vancouver City Council was called to order at 6:30 p.m. by Mayor McEnerny-Ogle. This meeting was conducted remotely over video conference.

Present: Councilmembers Fox, Paulsen, Lebowsky, Glover, Stober, Hansen, Mayor McEnerny-Ogle

Absent: None

Also present on the call were the following: Eric Holmes, City Manager; Jonathan Young, City Attorney; Amanda Delapena, Assistant to the City Council; Jan Bader, Special Projects; Brian Carlson, Deputy City Manager; Frank Dick, Wastewater Engineering Supervisor; Chad Eiken, Community and Economic Development Director; Brian Enslow, State Government Affairs Liaison; Sheryl Hale, Senior Engineering Supervisor; Julie Hannon, Parks and Recreation Director; Aaron Lande, Program and Policy Manager; Dan Lloyd, Assistant City Attorney; James McElvain, Vancouver Police Chief; Cara Rene, Communications Director; Peggy Sheehan, Community Development Programs Manager; Alicia Sojourner, Director of Diversity, Equity, and Inclusion; Dan Swensen, Interim Public Works Director; Brent Waddle, Risk Analyst; and members of the public.

Approval of Minutes

Minutes - February 22, 2021

Motion by Councilmember Glover, seconded by Councilmember Fox, and carried unanimously to approve the meeting minutes of February 22, 2021. Councilmember Hansen abstained.

Minutes - March 1, 2021

Motion by Councilmember Fox, seconded by Councilmember Hansen, and carried unanimously to approve the meeting minutes of March 1, 2021.

Citizen Communication (Items 1-6)

Mayor McEnerny-Ogle opened Citizen Communication and, receiving no testimony, closed Citizen Communication.

Consent Agenda (Items 1-6)

Staff requested Item 2 be pulled for separate discussion, as summarized below.

Councilmember Fox explained she had reached out to staff to get more information about the Sewer Connection Incentive Program (SCIP), and asked staff to summarize that information for Council and the public.

Sheryl Hale, Senior Engineering Supervisor, provided a summary of the process, and explained that once Council accepts the construction of the East Vancouver Phase 2 sewer improvements, the City will send letters to property owners in the area to notify them the sewer is now available for residential connections. The City will provide the property owners with the costs for connecting, which typically are lower under the SCIP program, and information about the two-year guarantee for connecting to their property. She explained that typically about one-third of the eligible properties will take advantage of the SCIP program, about one-third will connect to the sewer main because of an eventual failure of a septic tank, and the remaining property owners will connect at the time of the sale of the property.

Motion by Councilmember Stober, seconded by Councilmember Paulsen, and carried unanimously to approve the Consent Agenda.

1. Construction Acceptance - Sewer Pump Station Wet Well Lining

Staff Report 038-21

Summary

Stettler Supply Company of Salem, Oregon, has completed construction of the Sewer Pump Station Wet Well Lining project. The project repaired deficiencies to the inside walls of the wet wells at 9 existing pump stations using an epoxy-based lining system.

The work was completed satisfactorily in accordance with the plans and specifications. Contract costs are summarized below:

TOTAL CONTRACT COSTS	
<i>Labor, Equipment and Material</i>	<i>\$306,861.60</i>
<i>Sales Tax</i>	<i>\$25,776.37</i>
<i>Total</i>	<i>\$332,637.97</i>
<i>Retainage</i>	<i>\$15,343.08</i>

The original contract amount, including sales tax, was \$312,291.73. The final project cost was \$332,637.97, which was \$20,346.24 (approx. 6.5%) more than the original contracted amount. The difference between original contract amount and final contract amount can be attributed to typical variances in unit prices and/or quantities commonly encountered during construction.

The contract amount fell below the \$500,000 limit and therefore did not trigger the apprenticeship utilization requirement.

Request: On March 15, 2021, accept the new wet well epoxy lining systems as constructed by Stettler Supply Company of Salem, Oregon, and authorize release of the retainage in the amount of \$15,343.08 subject to receipt of all documentation required by law.

Sheryl Hale, Senior Engineering Supervisor, 360-487-7151

Motion approved the request.

2. **Construction Acceptance - East Vancouver PH2 Sewer Improvements**

Staff Report 039-21

Summary

Advanced Excavating Specialists of Longview, Washington, has completed construction of the East Vancouver PH2 Sewer Connection Incentive Program (SCIP) project. The project provided reliable sewer service to 49 parcels by installing 3,771 linear feet of 8-inch gravity sewer mains in the following roadways: NE Rosewood Ave, NE 107th Ave, NE 133rd Ave, NE 134th Ave and NE 71st St.

During the course of the construction it was determined that an existing steel water main had a significant number of leaks and needed to be replaced. This replacement created additional work and cost to the contract.

The work was completed satisfactorily in accordance with the plans and specifications. Contract costs are summarized below:

TOTAL CONTRACT COSTS	
<i>Labor, Equipment and Material</i>	<i>\$695,011.13</i>
<i>Sales Tax</i>	<i>\$58,380.93</i>
<i>Total</i>	<i>\$753,392.06</i>
<i>Retainage</i>	<i>Bond</i>

The original contract amount, including sales tax, was \$594,713.84. The final project cost was \$753,392.06, which was \$158,678.22 (approx. 27%) more than the original contracted amount. The difference between original contract amount and final contract amount can be attributed to

additional unforeseen work to replace an existing deteriorating water main and additional pavement required by Clark County for final restoration, in addition to typical variances in unit prices and/or quantities commonly encountered during construction.

The contract amount fell within the \$500,000 to \$1,500,000 range requiring a minimum 3% apprenticeship utilization. The contractor utilized 636 apprenticeship hours, which equated to 17% to meet and exceed the requirement.

Request: On March 15, 2021, accept the facilities as constructed by Advanced Excavating Specialists of Longview, Washington, and authorize release of the retainage bond subject to receipt of all documentation required by law.

Sheryl Hale, Senior Engineering Supervisor, 360-487-7151

Motion approved the request.

3. Third Party Workers Compensation Administration and Related Services Contract C-89940, Contract Increase

Staff Report 040-21

Summary

The City of Vancouver, through its Risk and Safety Department, currently contracts with Gallagher Bassett as its Third Party Administrator (TPA) for the Workers Compensation program. The contract with Gallagher Bassett began on 12/31/17 and ends on 12/31/21. The contract amount (C-89940) has been exhausted by March of this year. Staff is requesting an increase to the authorized amount of the contract for the remainder of the year.

Request: Approve an increase of \$200,000 to the authorized amount of the Contract with Gallagher Bassett Services, Inc. and authorize the City Manager, or his designee, to increase the contract to \$500,000.

Brent Waddle, Risk Analyst, 360-487-8436

Motion approved the request.

4. Bid Award for construction of upgrades to equipment and structures at Industrial Pretreatment Lagoon, per Bid 21-02

Staff Report 041-21

Summary

The IPL has been operating since 1979 with original electrical and mechanical equipment. The aerator grid in the IPL was reconfigured in 1983 to provide better wastewater treatment. Other than the installation of an additional aeration blower in 2000 to provide redundancy, no major construction or replacements have occurred during its 40-plus years of operation. It is currently operating with treatment equipment that is beyond its expected service life.

The proposed project will replace the aging and outdated electrical system with modern equipment that meets current electrical codes for safety and reliability; upgrade mechanical aeration equipment for efficient and better-controlled delivery of air to the IPL; restore process cell walls and slide gates in the IPL; and provide floating walkway docks for operators' safe access to the gates and instrumentation. Another project phase, which will replace additional IPL equipment, is scheduled for 2023.

On February 18, 2021, bids were opened for this project (ITB 21-02). Bids were received from 5 firms:

SUMMARY OF BIDS	
BIDDER	AMOUNT
<i>Tapani, Inc., Battle Ground, WA</i>	<i>\$5,287,752.00</i>
<i>Slayden Constructors, Stayton, OR</i>	<i>\$5,582,600.00</i>
<i>McClure and Sons, Inc., Mill Creek, WA</i>	<i>\$5,597,776.00</i>
<i>Stellar J Corporation, Woodland, WA</i>	<i>\$5,706,826.40</i>
<i>Carlson Testing, Tigard, OR</i>	<i>Non-responsive</i>
<i>Engineer's Estimate</i>	<i>\$6,100,000</i>

The low bidder, Tapani, was found to be responsive and responsible. They also met the minimum requirements listed in the Supplemental Bidder Responsibility Criteria.

The City's apprenticeship policy sets a 5% apprenticeship utilization goal for this project. Tapani has submitted an apprenticeship utilization plan that will deliver apprenticeship hours in excess of the required 5% of total project labor hours..

Request: Authorize the City Manager or his designee to award and execute a contract and any required amendments with Tapani, Inc., of Battle Ground, Washington, to purchase equipment and construct upgrades to the Industrial Pretreatment Lagoon at their bid price of \$5,287,752.00, which includes Washington State sales tax; and authorize the City Manager to approve any legal action necessary to enforce the terms of the same.

Frank Dick, Wastewater Engineering Supervisor, 360-487-7179

Motion approved the request.

5. Amendment to Professional services agreement C-90662 with engineering firm Brown and Caldwell to include construction management services during construction associated with upgrades to Vancouver's industrial wastewater pretreatment lagoon system (IPL)

Staff Report 042-21

Summary

The 40-plus year old IPL receives food-process wastewater from three industries in Vancouver. The IPL is integral to Vancouver's wastewater treatment strategy, particularly with operations at the Westside Wastewater Treatment Plant. The IPL is currently operating with treatment equipment that is beyond its expected service life.

To date the consultant engineering firm and City staff evaluated a wide range of technology options for upgrades to the lagoon system and determined the existing system, with pertinent upgrades, is the most cost effective. The upgrades will include an electrical system overhaul, rehabilitation of infrastructure structures and equipment, a new high efficiency aeration blower and instrumentation for improved process control. Consultant engineering plans and specifications are complete, and approved by the City's building department.

Construction support services were anticipated and included as an optional Phase 7 in contract C-90662. City Construction Engineering staff reviewed the project scope and schedule, and determined a contract construction manager with specialized relevant experience and committed availability through the construction timeline is needed for this unique project.

Request: Authorize an amendment to contract C-100481 (previously C-90662) with Brown and Caldwell, Inc. to include construction management services for construction of upgrades at Vancouver's industrial wastewater pretreatment lagoon system and authorize the City Manager or his designee to execute the attached professional services agreement with Brown & Caldwell, Inc. of Portland, Oregon, with a not-to-exceed total cost of \$1,630,201.00, and authorize the City Manager or his designee to approve amendments to this contract, as needed.

Frank Dick, Wastewater Engineering Supervisor, 360-487-7179

Motion approved the request.

6. Approval of Claim Vouchers

Request: Approve claim vouchers for March 15, 2021.

Motion approved claim vouchers for March 15, 2021, in the amount of \$2,798,436.32.

Public Hearings (Item 7)

7. Multi-Family Tax Exemption Program Phase 1 Changes

Staff Report 037-21

AN ORDINANCE amending Chapter 3.22 VMC related to the multi-family property tax exemption changing definitions, deleting references to public amenities and expanding the area eligible for the program; and providing for an effective date.

Summary

On December 7, 2020, staff proposed an ordinance for Council approval that would have adjusted the Area Median Income (AMI) used to determine maximum affordable rents by -30% to be more representative of Vancouver's median income. Following a discussion after the public hearing, Council voted to not approve the ordinance, citing concerns about how such a change might inadvertently reduce participation in the MFTE Program and therefore decrease the supply of new units.

Council remains concerned about the disparity between the HUD-based "affordable income" benchmark used by the program and Vancouver-specific incomes, and asked staff to return with a proposal that would balance the desire to base the affordable options on Vancouver median income with a desire for the program to continue to provide an attractive incentive for development of new housing targeted to a range of income levels. The current reference to "affordable" in the MFTE ordinance communicates that the program is designed to deliver housing that is affordable to Vancouver residents when in fact – because of the disparity noted above - it is not. The MFTE is, however, effective at stimulating development of additional multi-family housing available to a range of income levels.

Council discussion suggested that the benefits of the program could be maintained and the ordinance be made more accurate if the term “affordable housing” were replaced throughout the ordinance with some other term that is more accurate. While it will take some time to develop an alternative to the current “affordable” option that balances the above goals, staff could return to Council on a fairly short time frame with an ordinance that replaces “affordable housing” with “below market,” “work force,” or “income-based.”

Based on feedback from Council on December 7, 2020 regarding the proposal to revise the Area Median Income (AMI) benchmark used by the program, staff revised the proposed work program to combine an analysis of the affordable options into more comprehensive look at how the program is working, areas where it might be expanded, and how the program can be further refined to address specific policy goals in each area. At the January 4, 2021, Council workshop, staff provided more data on how the MFTE program has been used since 2001, and proposed a revised work program for addressing the above issues in a more holistic manner.

At the January workshop, Council acknowledged more time would be needed to develop a more comprehensive set of revisions to the program, and confirmed their interest in more quickly advancing changes to the MFTE ordinance that address: 1) the lack of clarity in the public benefit requirement for market rate housing, and 2) elimination of the use of the term “affordable” in the ordinance when the maximum rents under the “affordable” options have been found to not be affordable to families earning below the Vancouver-specific median income level. These are seen as potentially being interim changes until a set of more comprehensive changes can be considered later this year.

The proposed ordinance would provide for the following phase 1 program revisions:

- 1. Replacement of the term “affordable” with the term “income-based,” as an interim solution to the discrepancy between Vancouver incomes and the income benchmark used by the program.*
- 2. Refine the public benefit requirements regarding type of qualifying amenity/infrastructure under the market rate option, such as deleting enhanced design, enhanced landscaping, energy efficiency, and consistency with the subarea plan, the relative value of which have been found to be difficult to quantify, or have been difficult to administer.*
- 3. A proposed revision to the downtown MFTE boundary to bring in a 2-acre property that is adjacent to the downtown VCCV area, which would facilitate a major mixed use redevelopment proposal.*

At the February 22, 2021, workshop, City Council asked staff to return with several changes to the public benefit requirements, which have been incorporated into the draft ordinance, as follows:

- 1. For parking to be considered a "public benefit," Council requested that the ordinance require a minimum number or percentage of additional spaces above the minimum parking requirement. Staff is proposing that the developer provide 10% more parking spaces than the minimum requirement in order for this to qualify as a benefit;*
- 2. Additionally in regard to parking as a public benefit, Council requested that only spaces within a parking structure, versus surface parking, be eligible as a public benefit and this change has been incorporated into the ordinance.*
- 3. Council requested that a minimum size of any proposed public plaza be established, and that any public plaza used to qualify for the incentive be accessible to the public after the tax exemption period expires. Staff is recommending that public plazas be at least 1,000 square feet in size and permanently accessible to the public (which can be formalized through an easement or covenant);*
- 4. Lastly, Council asked that staff propose a minimum value/cost of the features so that collectively the public benefit is something substantial. Staff is proposing that the cost of the features, which would be "up front" be no less than 25% of the estimated tax benefit over the abatement period.*

The second phase, which would likely take most of 2021 to complete, would consist of a more comprehensive evaluation of how the MFTE Program is working and ways that it should be adjusted to be a more effective tool in furthering city goals. The second phase would include:

- 1. Additional analysis regarding the use of the MFTE program for affordable housing, in order to base maximum rent on Vancouver median incomes while maintaining participation in the program;*
- 2. Consideration of an expansion of geographic boundaries of program to include Mill Plain Corridor to include the Heights District, broaden Fourth Plain Corridor, and potentially other areas where multi-family housing is desired; and*
- 3. Analysis of the overall efficacy of the program to review and refine policy goals and adjust the incentive by area as needed to accomplish policy goals.*

Request: On Monday, March 15, 2021, subject to second reading and

public hearing, approve ordinance.

*Chad Eiken, Community and Economic Development
Director, 360-487-7882*

Mayor McEnerny-Ogle read the title of the ordinance into the record.

Chad Eiken, Community and Economic Development Director, provided an overview of the proposed amendments to the MFTE program, noting that staff would be returning to Council with recommendations for further program changes following a more complete evaluation of the program.

Mayor McEnerny-Ogle opened the public hearing and received the following testimony:

- Terence Ibert, Vancouver, expressed concerns about the proposal to change the term "affordable" to "income-based" as the change would not address housing stock available at a truly affordable level to Vancouver residents, and about expanding the MFTE boundary as part of this package of amendments.
- Teresa Hardy, Vancouver, expressed concerns that the change to terminology does not address equity issues pertaining to providing affordable housing; she also urged the Council to include some language in the ordinance that would incentivize a developer building alternative energy infrastructure as a public benefit.
- Glen Yung, Vancouver, stated the MFTE program is a great tool available to the City to catalyze development and some changes to Vancouver's program are needed.

There being no further testimony, Mayor McEnerny-Ogle closed the public hearing.

Mr. Eiken, responding to public testimony, explained that the change to the terminology from "affordable" housing to "income-based" housing has been proposed in an effort to be more accurate and transparent that those levels of rent are not truly affordable for all Vancouver residents, but Council has directed staff to conduct a thorough analysis of the MFTE program and recommend comprehensive updates. The change to the terminology would be an immediate and interim measure to increasing transparency while that analysis is conducted.

Regarding expansion of the MFTE boundary to the two-acre parcel adjacent to downtown, Mr. Eiken agreed it is not a "fix" to the MFTE program, like the other proposed provisions, but made sense because the subject property is a small parcel with the same zoning as and is adjacent to the downtown area.

Regarding language pertaining to providing energy efficiency as a public

benefit, Mr. Eiken explained staff is recommending striking that specific language at this time because it is difficult to quantify what would qualify as a public benefit, and excluding it from the specific list of public benefits does not preclude a developer from proposing energy efficiency or alternative energy infrastructure as a potential public benefit, which staff could review at that time. He noted the list of public benefits in the ordinance is not an all-inclusive list.

Councilmember Hansen noted a developer could propose alternative energy infrastructure investments as a portion of the public benefits required to meet the 25 percent value of the overall estimated tax exemption.

Councilmember Fox expressed concerns about expanding the MFTE boundary while the Council continues to discuss what types of public benefits are acceptable and should be allowed to qualify a project for an exemption. She also stated that during the comprehensive review of the program, the Council may want to customize portions of the program depending on unique areas of the city, and it does not feel like the program is ripe for boundary expansion until that more complete picture is understood.

Motion by Councilmember Fox to approve the portions of the ordinance that do not involve expanding the MFTE program boundaries failed for lack of a second.

Motion by Councilmember Paulsen, seconded by Councilmember Glover, and carried 6-1 to approve Ordinance M-4332. Councilmember Fox voted No.

Communications

A. From the Council

B. From the Mayor

C. From the City Manager

- a. Fort Vancouver Regional Library Headquarters Update
- b. State Legislative Session Update
- c. Staff Introduction - Alicia Sojourner, Director of Diversity, Equity and Inclusion
- d. Community Task Force on Policing Update

Adjournment

8:32 p.m.

DocuSigned by:



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Anne McEnerny-Ogle, Mayor

Attest:

DocuSigned by:



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Natasha Ramras, City Clerk

Meetings of the Vancouver City Council are electronically recorded on audio and video. The audio files are kept on file in the office of the City Clerk for a period of six years.