

# City of St. Helens

## City Council

Public Hearing Minutes

December 18, 2019

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**Members Present:** Rick Scholl, Mayor  
Doug Morten, Council President  
Keith Locke, Councilor  
Ginny Carlson, Councilor  
Stephen R. Topaz, Councilor

**Staff Present:** John Walsh, City Administrator  
Matt Brown, Assistant City Administrator  
Kathy Payne, City Recorder  
Margaret Jeffries, Library Director  
Sue Nelson, Interim Public Works Director

**Others:** Frank Brandon  
Patrick Birkle  
Christine Menges  
Shauna Harrison  
Mark Kirchmeier, Spotlight Reporter

THE VIDEO RECORDING DID NOT WORK FOR THIS MEETING. THE AUDIO FILE CAN BE REQUESTED AT CITY HALL.

- 1) **6:30 P.M. - Open Public Hearing**
- 2) **Topic - Sale of City-Owned Property: Approximate 8.35 acre parcel at 1400 Kaster Road for Industrial Agriculture Facility**

### Staff Report

City Administrator Walsh briefed the Council and the attendees on the subject of the hearing. A copy of the proposed resolution for the sale is included in the archive meeting packet. The City acquired the site in July 2015. They paid \$3 million for the 204 acres, including submerged lands in the channel. They have been working on redevelopment since then. Moving from a mill site to a business park has proven to be very complicated. In 2017, the City entered into a lease with ACSP. The lease had an option to purchase. The initial acreage was 9.5 acres. The proposed sale is less than that due to the proposed roadway. The sale will put the property back on the tax rolls. It is included in the urban renewal district. If approved, a partition will be done.

Testimony received at the November 2018 hearing expressed that an independent appraisal had not been done to determine the fair market value. The City had that done. The price came back significantly lower. The initial price was not to exceed \$3.4 million. The appraisal valued

the property at \$1.5 million. Negotiations were conducted with the tenant to lower the sale cost to \$1,550,000.00. The public hearing is being conducted due to the lowered cost.

Councilor Topaz pointed out the economic development, environmental, and public use goals when the City purchased the property:

- Whereas #3. There is no public description of the 9.5 acres; such as overhead lines, drains, Brownfields, property lines, access, and egress.
- Whereas #4. There is no recorded document of the public body.
- Whereas #7. The terms of termination of the 9.5 acres needs to be documented.

Mayor Scholl argued that there is documentation of the 9.5 acres. Councilor Topaz said the lease has to be recorded for the public to know. It's a liability.

Councilor Topaz went on to talk about payments that were not received. Councilor Locke explained that it was mutually agreed by both parties.

Mayor Scholl talked about the City being sued by VanNatta and Petersen and delaying the process. The City discovered during that time that the lease did not qualify. Having the appraisal done cost the City \$1.5 million. They were finally able to sign an agreement in October 2019. Councilor Topaz pointed out that the agreement eliminated anyone else from purchasing the property. There was no written document, which creates a legal problem.

Councilor Topaz brought up a question from the February 2018 meeting, will we get into trouble leasing the property to a marijuana operation. Staff said it was not. That was the beginning of the legal problems. The appraisal requirement for the State is so that the City does not sell a piece of property for way under its appraised value, and then the buyer turns around and sells it. He pointed out that the original agreement is still in place if there is no documentation that it was terminated. Lawyers need to be involved so the City does not get sued. Mayor Scholl pointed out that lawyers have been involved. He feels comfortable with this. This is the first piece of property that the City is selling in our industrial park that creates jobs and tax rolls. Even if Topaz and the people he aligns himself with don't agree with marijuana... Councilor Topaz interrupted that he has not even brought up marijuana. He went on to say that it's not documented who is paying for the property to be fenced. Topaz went on to express his concerns with the sale of the property.

Council President Morten expressed that Councilor Topaz is out of order. Council will have an opportunity to deliberate on this but Topaz is deliberating on it right now.

Councilor Topaz pointed out Section Five of the resolution. The word "or" used with Administrator and Mayor is a legal problem.

Mayor Scholl pointed out the significant change is the price of the purchase agreement, which created the need for this public hearing.

## Public Comments

♦Shauna Stroup-Harrison. She was concerned about the change in price. Was a second appraisal done on the property? Or did the City just accept the findings?

Mayor Scholl responded that the appraiser understood the price the City was asking. He gave the best appraisal he could.

Shauna asked where the comparables came from. Councilor Locke responded that there weren't very many. Mayor Scholl added that the Brownfields added to the difficulty.

Shauna explained that people in the City feels that this deal has been railroaded in. She does not know why they would reduce the sale price that significantly.

Mayor Scholl talked about the pylons that would have to be used because of the Brownfields. It's questionable what they can even do with the property. Two-thirds of that property is a Brownfield hole.

Shauna talked about people addressing the liquefaction zones. Has anything been stated in regards to that?

Councilor Locke reported that this is a very unique situation. The mill is isolated. There are no City services other than City water. It has to be a partnership between the City, ACSP, and Cascades to sell it. They have learned a lot about this property. It's been very complicated. Mayor Scholl added that's why it has taken so long.

Shauna finds it interesting that Councilor Locke was going to step down and then decided to stay on due to this. She knows Locke has lived here and worked there, so sees the potential. She has her doubts. She agreed it's a unique piece of property with limited occupants. She has concerns about expanding Parks and Recreation in that area. The process is new, so they really don't know all the implications at this time.

Councilor Locke expressed that lot of research was done. ACSP wants to be part of the community. They are helping clean the site. Without them, the site would have nothing done today.

### 3) **Close Public Hearing – 6:57 p.m.**

Respectfully submitted by Lisa Scholl, Deputy City Recorder.

ATTEST:

  
Kathy Payne, City Recorder

  
Rick Scholl, Mayor