

**MINUTES
KEIZER CITY COUNCIL
WORK SESSION
SKAPAC JOINT ELECTED OFFICIALS MEETING
Thursday, October 12, 1995
Robert L. Simon Council Chambers
Keizer City Hall
Keizer, Oregon**

CALL TO ORDER

Mayor Koho called the work session to order at 5:45 p.m.
Roll call was taken as follows:

Present:

Dennis Koho, Mayor
Carl Beach, Councilor
Jim Keller, Councilor
Al Miller, Councilor
Bob Newton, Councilor
Jerry Watson, Councilor

Absent

Jerry McGee, Councilor

Salem City Council

Loren Collins
Ann Gavin Sample
George Puentes
David Glennie
Jacqueline Zimmer
Bill Burgess (arrived at 5:50 p.m.)

Polk County Commission

Ron Dodge

Marion County Commission

Mary Pearmine
Gary Heer

Staff

Dotty Tryk, City Manager
John Morgan, Community Development Director
Shannon Johnson, City Attorney
Tracy L. Davis, City Recorder

DISCUSSION

Willow Lake Treatment Plant Dual Interest Agreement

Mayor Koho briefly reviewed the progression of the SKAPAC negotiation process leading to tonight's joint elected officials meeting. Referring to map drawings, Mayor Koho's pointed out the disputed area proposed for removal from the SPA, and noted that it remained the only "stumbling block" to reaching final agreement.

Salem Councilor Loren Collins pointed out that the primary area of contention has been the area north of Lockhaven. However, the Salem City Council, in April, had also rejected its staff's recommendation to remove from the SPA the area south of Lockhaven. Councilor Collins recalled that subsequently when he met with Mayor Koho representing the Salem City Council he had indicated that if all other issues were resolved he would be prepared to return to Salem's Council and recommend approval of the original staff recommendation to remove the area south of Lockhaven from the SPA. Since all other issues were not resolved, there is still no agreement on the area south of Lockhaven. Councilor Collins noted that Salem's Council had not met to discuss the boundaries since he met with Mayor Koho.

Bill Healy, Community Development Director for the City of Salem, concurred with Mayor Koho and Councilor Collins' description of events leading to this meeting. He, however, wished to point out that the Keizer request originally involved revision to the dual-interest agreement between Marion County and the two cities, involving text changes as well as boundary changes. He noted that in staff to staff discussions, and discussions with both Councils, a point had been reached where there was substantial agreement with the text changes. He felt that even if the boundary issue was not amended, agreed to, or changed, the text had been significantly improved.

Mr. Healy felt that progress had been made by the successful efforts to "flush out" the text changes and narrow the policy issue before the decision makers to revolve around the policy of the boundary itself.

Mr. Healy noted that Salem's City Manager, its Public Works Director, and other staff were in the audience and available to answer questions.

Marion County Commissioner Mary Pearmine stated that she had discussed the meeting with both staff and the remaining commissioners. She had indicated to them her feeling that as far as Marion County was concerned the issue was one to be resolved between the two cities. But, that Marion County did reserve the right for there to be issues of concern, and of concurrent interest, citing as an example Marion County's concerns over some industrial properties within the City of Salem. Thus, Marion County could appreciate Salem's concern about wanting to be able to preserve that particular type of contract.

Commissioner Pearmine stated that both other Marion County Commissioners had understood her reasoning, but felt that she had forgotten a couple of things. For example, that Marion County does have jurisdictional interest because it is, in fact, the body for both the East Salem District and the Lake Labish District, who are rate payers within the system. Therefore, decisions that may cause liability upon those rate payers, or increase costs to those rate payers should be of interest to Marion County.--thus, Marion County should ask for more participation. Because of that the Commission instructed its staff to let Salem and Keizer's staffs know that Marion County did want to see if it could be a constructive compromise facilitator. Commissioner Pearmine noted that the Commission has been working on some different issues which may or may not be relevant later on tonight depending on what the two cities decide and how Marion County may agree to those decisions.

Commissioner Pearmine stated that she had been directed to be more proactive--less laissez-faire, waiting for the two cities to make a decision, and then deciding whether or not it was appropriate for Marion County to be participants. It was her feeling that it was important for her at this time to share the difference in how she saw her role since she last met with the other two entities.

Mayor Koho indicated appreciation for any additional participants who could help reach agreement.

Marion County Commissioner Gary Heer, in looking at the land in the SPA beyond the half-mile radius, felt that

obviously there must have been a reason why the radius wasn't used specifically to come up with a property line, but he wondered how the configuration came about.

Mayor Koho responded that Commissioner Heer was correct, that the SPA followed property lines. He indicated that he wasn't involved in the discussions at the time the SPA was established.

Councilor Bob Newton pointed out that the agreement predates the City of Keizer, almost. He noted that the SKAPAC process was instituted, not because of this issue, but for any other differences that the parties might have. It was intended as a tool for appropriate negotiations. As far as he could recall, it was property lines that dictated the boundaries that are outside the half-mile zone.

Commissioner Heer wondered what was the understanding of the property owners before the lines were drawn.

Mayor Koho had heard, possibly second and third hand, that the understanding amongst the property owners pretty clearly was that there was a half-mile radius. And then when a group of policy-makers got together, for whatever reasons, they chose to follow the property lines. Basically if the half-mile radius fell within the property, then the entire property was within the SPA. He did not know if the thinking was based on convenience, or some specific issue.

Mr. Blake, a major property owner adjacent to the area, commented that originally it was a half-mile circle. He indicated that a 1979 map shows a quarter-mile circle, and then the half-mile circle. The half-mile circle arched across one of his family's properties, and because it took about half of their orchard they were asked if they wished to be inside or outside. Because they wanted the EFU farm deferral, his dad said to go ahead and include the whole property. He explained that for a few years they operated on an arch basis, and then they quickly realized from the other land owners that they had an arch across their property and they got an EFU farm deferred inside the curved line, whereas outside it was not EFU, creating confusion. After a few years it came up that it would be a lot cleaner to follow the tax lot line.

Mr. Blake emphasized that when his family was approached and asked whether they wished to be inside or outside the line, there was no suggestion whatsoever that since the arch touched the property, all of the property would fall within the SPA. He noted that if that were the case, then all of the Chandler properties, since they are touched, would have been in, and also since the arch went across the McNary development, it would go all the way to the club house. He first heard, only about six months ago, terminology that "if the arch touches the property, all of the property is in." Summarizing, he stated that for a few years it was an arch, and then it went to the tax lot line.

Councilor Keller indicated his understanding that the City of Salem would like to see that properties stay within the boundary in order to limit the City of Salem's liability. Referring to the map, he pointed out properties that were built immediately up against the division line, but noted another area further north and seemingly no closer to the treatment plant where building was precluded. He could not understand why building was permitted in one area and not the other.

Councilor Keller also wondered if the City of Salem had received any threat or any filings from the residences on the south end.

Councilor Collins responded that after he met with Mayor Koho he went to Salem's legal department to see if there was anything that Keizer could give Salem that would satisfy Salem's legal department about releasing Salem from liability. The advice received was that there was not. It was Councilor Collins' understanding that the last study gave additional concern about removing any of the area.

Salem Councilor Bill Burgess was unsure whether Salem's liability might have increased as a result of the last study. The study had identified a problem with the plumes of influence that was not previously recognized, possibly making Salem liable for an area even greater than the half-mile radius. He noted that the half-mile radius was a first approximation, before this information was available.

Councilor Burgess asked Salem's city attorney, David DeMartino, if he felt Salem's liability was increased as a result of the study. It was Mr. DeMartino's recollection that it did give the City of Salem more exposure.

In response to the concern about liability, Councilor Watson noted that a City always operates with some degree of uncertainty, and some degree of liability. He wondered, given that conditions can be attached to deeds, and various other things can be done, why the degree of liability that might exist was so compelling that the two cities couldn't reach agreement, or at least had not been able to reach agreement until now.

Mayor Koho read from a letter to him from the City of Salem dated August 28, in which they relayed their legal department's opinion that an indemnification agreement between Keizer and Salem would be found unenforceable.

Councilor Watson felt that the paragraph quoted by Mayor Koho was speaking as to whether or not the two cities could reach an indemnification-type agreement, and that it did not respond to his question. He wondered why this particular liability was unacceptable, and yet in any number of transactions that the City of Salem would enter into, it would operate with some liability. Councilor Watson reiterated that many things might be done such as establishing conditions, providing notice to purchasers, etc. to reduce any potential liability.

Mr. DeMartino, informally responding to the liability question, pointed out that the legal department gave an opinion to the City Council; the Council weighed the issues, and also additional staff discussed the issues, and it was determined at that point in time that it was an unacceptable risk.

Commissioner Pearmine interjected that although the County is not responsible for this facility, they do have facilities relating to solid waste. She pointed out that the issue is that if you know that you are creating the potential of harm, you have to do everything you can do to mitigate the circumstances in order to create a case if you are challenged. She explained that at the County's solid waste facility in

Woodburn, whenever there is any sense of concern that there may be a potential of contamination, although no contamination has been shown, the County purchases the property. She noted that the County has created a buffer zone around that facility, minimizing the County's liability.

Councilor Watson reiterated that there is always some liability and suggested that there has to be some degree of balance in order for a city to operate. He acknowledged Mr. DeMartino's comment on what the City of Salem had concluded, but felt that this issue went beyond what they were looking at.

Salem Councilor Jacqueline Zimmer, in response to Councilor Watson's comments, suggested that for Salem to take on the potential liability the City would need to go to every single rate payer and say to them "we are setting ourselves up for a potential lawsuits in the future--would you mind paying for that lawsuit through increased rates should such lawsuits ever occur." She was sure the public would say "no."

In response to a question from Councilor Watson about circumstances in which Salem assumes risks, Councilor Zimmer felt that every time an issue that brings on an assumption of risk comes to the Salem Council, the Council backs off from it.

Councilor Collins noted that Commissioner Pearmine had earlier mentioned something about how under similar circumstances the County considers purchasing the property where there is potential risk. He had heard that there may have been tendered a suggestion by Marion County about a purchase arrangement. He indicated an interest in hearing about such a proposal.

Mayor Koho suggested that such a discussion be deferred until a little later.

Commissioner Pearmine explained that her earlier illustration was given as an example of a situation where it is known that a risk is being created. She pointed out that to be a responsible jurisdiction, everything possible must be done to minimize the risk. She noted that Salem and Keizer are

working with a contract, however, in Marion County's situation there was no contract and therefore they had to purchase the properties.

Councilor Collins felt that Salem was now in a similar situation, wherein the risk was known. He concurred that his Council faces numerous policy decisions where there may be a risk. However, in this situation the risk was known, creating a different judgment call.

Mayor Koho stated that he lives just a little over two miles from the plant. He noted that three or four years ago the odor from the plant was noticeable, and he received two to twenty complaint calls a week. However, since the study was done and action was taken he no longer could detect any odor and had received no phone calls.

Mayor Koho pointed out that even at the worst time when he was receiving the complaints, no one ever sued the City of Salem, and the chances of such an occurrence were not likely now with the improved conditions. He emphasized that in the unlikely event a suit were to occur, Keizer is willing to step up and say "we'll assume all the liability." In response to Salem's legal counsel's opinion that Salem might not prevail in a lawsuit against Keizer for failure to live up to the agreement, Mayor Koho emphasized that by making the agreement Keizer would be giving its word. He felt that speculation that the agreement might not be enforceable if action had to be taken represented a level of decision-making beyond what is necessary.

Salem Councilor Puentes pointed out that just as the odor situation had improved over the last two or three years, it could reverse at some future point. He pointed out that increasing capacity demands and other unknown circumstances could worsen the situation in the future. He felt that basing a decision on today's facts would be unwise in that the facts could change in the future.

Councilor Beach, having lived in the area for about 45 years, had never received complaints about the odor. Considering the history of the plant, he felt the liability issue had been blown out of perspective.

Councilor Collins, referring to Councilor Puentes observation that the odor problem could reverse, noted that at a water and sewer task force meeting earlier today efforts to clean up the Willamette River and the impact on the Willow Lake facility were discussed. The more effort spent to clean up the Willamette River results in harder and more intense work on the part of the Willow Lake facility, creating more potential for odor problems.

Councilor Miller called attention to a policy on page 5 of the Keizer Proposed Strategy, requiring that a disclosure statement be recorded against all properties within the Special Policy Area, and against all properties now or ever removed from the Special Policy Area, informing potential purchasers of property that there is a potential odor impact. He felt that the hold-harmless agreement would greatly limit the liability of both the City of Salem and the City of Keizer, and should alleviate a great deal of the City of Salem's concerns.

Councilor Watson agreed that the proposed recorded interest described by Councilor Miller would be beneficial. Additionally, he suggested adding as a condition that any property owner in the area outside the half-mile limit who wants his property to be free of the requirements post a bond indemnifying the city or both cities against liability, and have that as some additional security.

Councilor Bill Burgess was favorable to Councilor Watson's proposal, and indicated that Salem would take it back for Salem's legal staff to review. He pointed out that the legal staff had reviewed Keizer's Proposed Strategy policy referred to by Councilor Miller, and had felt that although it tended to give some protection, it was not enough. Councilor Burgess acknowledged that the "word" of Keizer's Council was unquestioned. He noted, however, that Council members change and a Council in the future might see the agreement as to costly a responsibility.

With regard to the decrease in the odor problem, Councilor Burgess pointed out that it was partly due to changes made since the study, but also partly due to weather and crop patterns. He felt that even without increasing capacity and river cleanup efforts, the odor problems were still within the

realm of possibility. He emphasized his reluctance to be put in a position of buying back peoples' homes.

Councilor Zimmer also liked Councilor Watson's suggestion for a property owner to post a bond. However, she pointed out that its not just the people who build housing who potentially will live in it. She wondered if it would be possible to keep every potential renter from filing some sort of suit, or to keep landlords from suing because of their inability to rent their property.

Councilor Newton pointed out that the two-year study on odor resulted in some major changes to the facility, to his understanding, dealing with the agriculture waste going into the system. He noted that there has been a marked improvement to the air quality in the City. He felt that the best solution was to address the source of the odor, and indicated that he would like to see that effort continue. He suggested that a method to store some of the waste water during the canning season, and let it enter the system without overloading the system might bring further improvement.

Councilor Zimmer noted that the facility is operating at capacity, and efforts are currently underway to implement some of the suggestions. She ask that Assistant Public Works Director Floyd Collins respond to issues about the facility.

Salem Assistant Public Works Director Collins explained that Salem has been working with cannery operators to require them to do additional pretreatment. He stated that it was staff's opinion that no matter what level of pretreatment is done at their specific sites, because of the magnitude of the discharge and the distance from their facilities to the plant, the potential for problems remains. Mr. Collins noted that Salem is now in the process of doing its master plan review for both the collection system and the treatment plant. One of the questions being asked is "Is there a better way to deal with it through the processing the waste, and perhaps not even bring it to the lake." He explained that if the answer is "yes," a big portion of the problem goes away. When the task force meets Keizer's representatives will be advised to take back to their Council a request to participate in discussions. He noted that if the plan comes about and a

facility is financed and constructed, Keizer will be called off-loading.

Commissioner Pearmine wondered what kind of process Keizer had gone through to make sure that its citizens are really willing to accept the financial burden of a lawsuit, protecting the rest of the payers in the treatment plant area.

Mayor Koho acknowledged that, of course, it had not been taken to a vote.

Commission Pearmine then asked if a public hearing had been held on the matter, or if there was any assurance from the citizens.

Mayor Koho answered that no public hearing on the matter had taken place--a willingness to accept Keizer's offer had not yet been demonstrated, thus there was no basis for that kind of process. He reiterated his belief that since no one had ever brought about suit even when the odor problem was at its worst, with the improved conditions a lawsuit seemed very remote.

Mayor Koho perceived that the discussion was not leading to some sort of agreement, and suggested looking at other alternatives. He believed there was a presumption that if Keizer was free to zone the area as it saw fit, the result would be fairly intensive housing development throughout the area. He stated that it was not necessarily true. He suggested that some of the area might become some park land. Also, that the two cities could discuss some sort of density limitation. He stressed that it would never be possible to eliminate the liability of the operation of the plant for any of the neighboring residents. He emphasized the need to find a way to get the exposure to liability to an acceptable level to the City of Salem, whether with Keizer's indemnification, or by whatever other means that could be agreed upon.

Commissioner Pearmine requested that copies be made of a memorandum dated October 10, 1995, from the Willow lake SWAT Team to the Board of Commissioners, and distributed to all the participants.

Commissioner Pearmine gave an update on the concept discussed in the memorandum. She noted that Marion County doesn't like to suggest adding EFU land into urban growth boundaries. She felt, however, that this might be a case where Marion County would consider working with Keizer at perhaps attempting to find some other places around the area. Whether it had to be 195 acres, she was unsure because it would still include some land within the sphere of influence, or whether it had to be one big block, or maybe small blocks cutting off some edges of urban growth boundary, allowing some development of a fairly similar size package in other areas away from the plant. In response to Marion County doing something like this, maybe the cities combined could pay market value for some of the more volatile land and create perhaps an AI zone. She suggested a park, with perhaps some hiking and running areas, etc. that would create a buffer and allow some use by people around there, but would keep it in a state where its not going to be developed. She indicated that she could appreciate staff's thinking that AI allows for some tax income towards the community. She also understood the political sensitivity of putting a fertilizer plant next to McNary. She was not sure that AI might not have some pretty caustic uses, maybe not any better or worse than the treatment plant itself. She felt that it might be necessary to do some overlay relating to that too.

Commissioner Pearmine confirmed that everyone had received a copy of the subject memorandum. She pointed out that some other concepts were also discussed, however, that was the one considered by staff.

Mayor Koho indicated that he would be looking closely at anybody's idea and trying very hard not to reject any idea. He was not sure that the proposed concept would not create more issues for himself, personally, than it would solve. He acknowledged that other members of the Council might react differently. The whole idea of paving over farm land was not attractive to Mayor Koho.

Mayor Koho also indicated that he would not like to set a precedent with the idea that every time the City starts to get full it can just push over some farm land.

Mayor Koho was asked if the Keizer City Council had discussed the suggested concept. Mayor Koho answered that they had not, he had found out about it only a couple hours ago and hadn't had a chance to discuss it with anyone, and hadn't even known if it would come up at this meeting.

With respect to the development of parks within Keizer, Salem Councilor Ann Gavin Sample asked if the suggestion to use some of the land for park development would fit into Keizer's scheme, and if it had been considered for this area.

Mayor Koho noted that 40 to 50% of Keizer's park land is currently undeveloped. If the City owned a large "chunk" of the land, it would not necessarily, today, have any money to do anything with it--perhaps in five or ten years it might. Mayor Koho felt the City might currently be "under-parked," but suggested that there is always room to think of parks regionally--perhaps another discussion that the two Councils should have at some time.

Councilor Burgess asked what might be the chance of the property owners in that area being amiable to making the area all park, something like Minto-Brown Island where there is agriculture and park coexisting.

Mayor Koho suspected that some of the property-owners in the audience might have more flexibility on what they could do with their property than not. He also suspected that there were some real money-making opportunities that would no longer be available to the property owners. He indicated, however, that they could be approached with such a plan.

Commissioner Pearmine was asked if there was any idea of the "price tag" when talking about the two cities or some group joining together to buy some of the land. Also, when expanding the urban growth boundaries, was the suggestion that some of that land be bought.

Commissioner Pearmine answered "no" to the second part of the question. She noted that a change to the urban growth boundary would just change the potential of the land owners with respect to their properties. Commissioner Pearmine was unaware of what the staff may have discussed, but felt there was no intention of taking farm land that people

were continuing and intending to continue to farm in the present method. But, perhaps when they were considering using some incompatible options, like land development or industrial development, at that time. She noted that some of the properties are good size chunks and could be individual parcels by themselves, whether or not the entire area becomes a park.

Mayor Koho commented that perhaps some combination of solutions would work.

Commissioner Puentes noted that from around the table a list of alternatives were coming forward. He noted that the City of Salem was not prepared to say yes or no on any one given issue. He felt that his Council would like to see a list of alternatives allowing them to go back and make a more informed type of decision. He was unsure if any suggestion might be a definite no or yes, and felt that being able to look at alternatives would give a clearer picture. He pointed out the need to know more about the property; how many total acres, what type of development is being looked at, what type of liability is being assumed by Salem, and more information relative to the possibility of park lands.

Mayor Koho sensed that there was no desire among the participants to tonight shut down the process. He suggested that maybe some of the stakeholders should be involved in the process, and they might be asked "by the way, what were your plans, or what are some of your alternatives." He felt that maybe there would be a series of alternatives that everyone could agree would fit, and others that pretty clearly might not. It was Mayor Koho's feeling that the City was not inclined to merely stack up the property with dense housing.

Commissioner Pearmine asked if anyone knew the amount of acreage outside the circle, inside the zone. She noted that material she had indicated a total of 195 acres for all of the area within the SPA.

Community Development Director Morgan answered that the area represented approximately 40 acres.

Councilor Watson was pleased that the discussion seemed to be focusing on being creative. He agreed that discussions would benefit from putting a lot of ideas on the table. In addition to solving the problem with the land that lies outside the half-mile circle, he noted that there are benefits even if part of the solution is to allow ordinary development to occur, with some liability. He felt there might be some offsetting gains either in terms of reduced liability somewhere else, in the creation park land or industrial land, or if not a reduction in liability directly, there might be enough gains to the broader community to justify doing it.

Councilor Watson noted that in casual conversations with some County Commissioners there had been some discussion about what to do with Spongs Landing. He wondered about creation of some type of a true regional park that links up part of the area with Spongs Landing, but leaves a decent tax base by allowing some lower-density industrial in part of it, a continuance of agriculture in part of it, and maybe, with some protections, some residential development. He felt it might be of benefit to everyone if the County, City of Salem and City of Keizer were to participate in such a plan.

Councilor Miller felt that his suggested language requiring property owners to hold harmless the two cities was "sluffed off" by Salem's Council, saying that they were sure their legal counsel looked at it, etc. He commented that if, in fact, Salem's legal counsel did review the language, he would like for them to say specifically what their objection to the language as a solution is, as far as liability goes. He strongly felt that it would satisfy the liability to have something that ran with the land so that any purchasers would agree that they indemnify and hold harmless the jurisdictions.

It was Mayor Koho's understanding that the feeling was that it was not that it didn't have an impact, but that it didn't eliminate liability. He asked if his understanding was correct, that the indemnification might be part of the solution, but not the total solution.

Councilor Collins surmised that the indemnification could be done, but he wondered why since the two cities were making progress in looking at other alternatives. He assured

Keizer's Council that as Salem met to discuss the alternatives talked about they would revisit the legal advice, as well. He indicated that he would like to hear from some of the other Salem Councilors about what process they would like to take from this juncture. With the many ideas and alternatives now on the table, he felt it was important for his Council to discuss them among themselves.

Mayor Koho suggested that a couple members from each council, together with some of the property owners, meet to try to find some consensus and some series of solutions.

Councilor Gavin Sample indicated that for her personally, the issue of liability presents the most concern. She noted that Salem is a little sensitive right now in that it is involved in a lawsuit for \$12 million. She emphasized that she didn't want to knowingly walk into any situation where the City would be expositing itself to that risk. She indicated that she would like to know what kind of development potential the area has, what the landowners have planned to do with it, and from that draw some "what if's," and how the landowners needs can be supported, but at the same time be able to utilize that land in a way that will not create a conflict in the future.

Councilor Keller indicated his appreciation for the Salem City Council's willingness to listen. For clarification, he asked if his understanding was correct that Salem is willing to look at several approaches to reduce and limit the liability, and hopefully, there is a recognition from Salem's point of view that there is probably nothing that can be done to completely eliminate liability, but that it can be reduced to an acceptable level.

There was no disagreement.

Councilor Newton asked if he understood the issue correctly, that the line drawn around the plume represented an arbitrary line, but a reasonable line. He wondered if there was anything from the County's standpoint that if Keizer resurveyed the properties and divided the area outside the half-mile circle off, that it could not go ahead and be developed; and then the issue with regard to park lands, etc represented the area within the half-mile circle.

Mayor Koho clarified that the area outside the half-mile circle identified as being within the SPA is the issue, and the reason for this discussion.

Councilor Zimmer indicated that she did not wish to "rain on" any future negotiations for potential development of the area, but anticipated that unless there was some dramatic change, Salem would have some more comment in that regard. She pointed out that although there seemed to be optimism in exploring alternatives, she wished to be realistic about the possible results.

Mayor Koho commented that if Salem's response is an emphatic "no," then the whole aspect of the discussions will change. He hoped that negotiations would not get to that point; that it would be possible to find a way to get to some form of agreement.

Councilor Zimmer agreed, but pointed out that the issue of alternatives had come up in the past and had been taken back to staff, with still no resolution.

Mayor Koho felt that maybe some of the discussion needed to be kept at the Council level. He pointed out that in his professional life he found it sometimes helpful to go to staff and tell them "this is what we want to do--tell us how its going to work--how we can find a way for it to work." He noted that otherwise, in his experience, staff will say "no" until they are told "we want to do something."

Councilor Zimmer commented that it was still the issue of liability that presented the greatest problem.

Mayor Koho again emphasized that there was no way a city could be free from all liability.

Commission Pearmine indicated that she was getting a sense that Salem thinks that everybody is comfortable with working issues around just where the treatment plant is, and not some of the issues like Marion County suggested that maybe some of the development could be considered someplace else to take up for that. She was unclear where everyone stood in this regard.

Neither Mayor Koho nor Councilor Collins had the same interpretation as Commissioner Pearmine. Councilor Collins felt that the proposal was very much one of the issues that would be taken back for discussion.

Councilor Gavin Sample pointed out that she would hate to see the agricultural land surrounding Keizer "gobbled up" for housing development.

Mayor Koho pointed out that some of the property is not flat land; some being the exact kind not appropriate for farms, and maybe also not appropriate for very dense housing. He reiterated his desire to bring into discussion some of the people who own or plan on developing the property to get a clearer picture and avoid speculation.

Mayor Koho was asked where Keizer stood in relation to its need for industrial land. He answered that there was not a lot of industrial need, and even less industrial land. He noted that there were some opportunities at the Chemawa Road interchange, and another piece of industrial land at the Parkway. He explained that Keizer is a residential community. He indicated a desire to develop some industrial, but there was no great demand.

Councilor Beach asked if in discussions the extent of the agreement as far as its expiration had ever been resolved.

Mayor Koho answered that the agreement does not have a time-certain expiration. He noted that it indicates being effective until the study is completed and implemented. Implementation is difficult to pin down.

Mayor Koho suggested that each Council go back to their respective bodies and give thought to the ideas and suggestions and possibly come up with some more. He suggested picking a couple representatives from each group to meet with each other and the property owners to discuss the realm of possibility, and the willingness of the property owners to participate.

Mayor Koho agreed to have staff put together an inventory of the owners of parcels within the area.

Councilor Collins indicated that the Salem Council would discuss the suggestion to appoint two members to participate in discussions with Keizer's representatives and the property owners.

It was agreed that the two cities would be in contact by the end of the month.

ADJOURNMENT

The meeting was adjourned at 6:50 p.m.

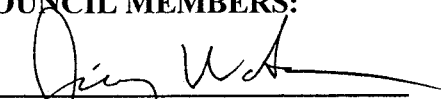

Tracy L. Davis, City Recorder

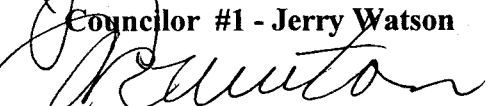
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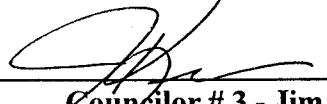
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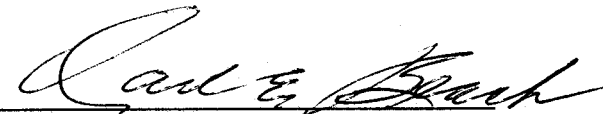

Dennis Koho

COUNCIL MEMBERS:


Councilor #1 - Jerry Watson


Councilor #2 - Bob Newton


Councilor #3 - Jim Keller


Councilor #4 - Carl Beach


Councilor #5 - Al Miller

(absent)
Councilor #6 - Jerry McGee

Minutes approved:

11-6-95
