

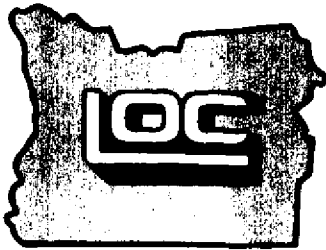
Agenda

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1992



1991 JUN -3 AM 11:45

RECEIVED
CITY OF OREGON CITY

League of Oregon Cities

Local Government Center, 1201 Court St. N.E., P.O. Box 928, Salem 97308 • Telephone: (503) 588-6550; 1-800-452-0338 toll free; FAX: 378-5859

May 31, 1991

TO: City Managers of Urban Renewal Cities
FROM: *BJ* B.J. Smith
RE: Senate Action

This past Monday, the Senate Revenue and School Finance Committee adopted an amendment to HB 2550A which contained certain urban renewal provisions. The amendment is the -A50 to HB 2550. Its provisions are the following:

1. Requirement for a debt limit.
2. Requirement for substantial amendments process to be followed for (a) adding land to the urban renewal area; (b) extending the date after which no bonded indebtedness shall be issued; and (c) increasing the maximum amount of bonded indebtedness issued, except for bonded debt to refund bonds.
3. Requirement for consultation with overlapping taxing districts.
4. Option 3 tax treatment.
5. For plans adopted after the effective date of the Act, a description of how a public building serves or benefits the urban renewal area.
6. Grandfather, from the date and debt limit, projects in process where written agreements between parties have been signed.
7. All provisions, unless specifically noted otherwise in the above, apply to tax years beginning on or after July 1, 1991.

The language in the provisions above generally reflect the language which was discussed in the House Revenue Committee. However, you will note that certain House provisions of HB 2609 were not addressed in the Senate bill.

There was also some consideration of an amendment sought by Rep. Bauman of Portland regarding urban renewal funds for low income housing. The amendment was presented on Monday; on Thursday, alternate language was presented to the Committee. As of today, it appears that the Senate Committee will forego any housing amendments. I'm not really sure all the dust has settled yet, however, so we're very carefully watching this to see what develops.

Urban Renewal Cities
May 31, 1991
Page 2

HB 2609 still resides in the Senate Committee. It could be sit -- with no action ever being taken this session -- or it could become a vehicle for taking on the urban renewal issues which remain. However, unless we advise you otherwise . . . HB 2550A is now the urban renewal vehicle.

The future of HB 2550A is still too cloudy to tell. The Senate property tax system amendments to the bill are not yet complete, so it's difficult to guess how much difference there will be between the House and Senate versions. Then, the Senate bill must pass the Senate floor and be returned to the House for repassage. If the House does not concur (which will surely be the result IF there are significant unresolved differences between the H and S), then a Conference Committee from both sides will be convened to work out those differences. The Conference Committee version of a final bill must also pass both houses before it goes to the Governor. On the other hand, if the House does concur with the Senate and repasses HB 2550B, the bill then goes to the Governor for signature.

"Agreement" can obviously occur in the methods above. However, there are other methods to get "enough" agreement to move HB 2550B (please note that this is the prospective number for the final Senate bill . . . it does not yet exist). One mechanism is to agree to study urban renewal over the interim. Another mechanism is to use HB 2609 for some additional urban renewal items, such as notification.

The position we have taken on behalf of urban renewal cities is still as we had earlier agreed at the Legislative Committee meeting. However, the decision now really rests between the strong views of certain members of both Committees; it is not being driven by our testimony in front of a Committee. Also, we have not encountered the need for education/familiarization with urban renewal issues in the Senate Committee because several of the members have been personally involved in local plans.

Thanks for your help so far . . . we'll let you know if/when we need another big effort. From now on, we expect to have very little advance notice of events and, unfortunately, we may have to pass some of that hardship on to you when we call. Please phone us if you have any questions . . . likewise, we'll advise you if we're needing more assistance.

bjs
Enclosure

OREGON CITY URBAN RENEWAL AGENCY

There will be a regular meeting of the Oregon City Urban Renewal Agency on **Wednesday, February 12, 1992 at 6:30 p.m.** in the Commission Chambers, City Hall, 320 Warner-Milne Road, Oregon City, Oregon.

AGENDA

1. Approval of minutes.
2. Red Soils Access Road: Close Out.
3. Red Soils Access Road Phase II: Information.
Project Cost and Schedule.
4. Adjourn and convene into Executive Session.
ORS 192.660 (1)(e) Real Property Transactions.

Report on negotiations.

OREGON CITY URBAN RENEWAL AGENCY

January 26, 1992

A special meeting of the Oregon City Urban Renewal Agency was held on the above date at 6:30 p.m., in the Commission Chambers of City Hall.

Those Present:

Dan Fowler, Chairman
Carol Powell, Secretary
Suzanne VanOrman, Board Member
Robert Light, Board Member
James Ebert, Board Member

John Block, Executive Director
Charles Leeson, City Manager
J. Scott Harper, Finance Officer
Irmgard Marggi, Recording Sec.

Also present were Charles Kupper and John Spencer, 2 members of the press, one department director and an interested citizen.

The meeting was called to order at 7:08 p.m. and apologies were extended by the Chairman for the tardiness of the Agency. The Civic Improvement Trust meeting, scheduled for 5:30 was unable to conclude its business any earlier, and members of the Agency are also members of the Trust.

It was moved by Light, seconded by VanOrman, to approve the January 8 minutes of the regular meeting; also the executive session meeting minutes of the same date.
UNANIMOUS APPROVAL

Tri-Met Transit Center Borrowing Agreements - Block stated that at the December meeting the Agency directed staff to prepare agreements between Oregon City and the Urban Renewal Agency for approximately \$25,000 and with Clackamas County for approximately \$50,000. The attorneys have reviewed the agreements which are now ready to be adopted and executed. Powell asked if funds are available to guarantee these agreements. Block responded that no payment is required until money is available, and no interest will be charged. Powell wondered if this action will place a "bind" on the General Fund. Block stated the funds came from the Street Fund and will be reimbursed as the downtown Urban Renewal District has funding.

It was moved by Light, seconded by Powell, to approve the Tri-Met Transit Center Borrowing Agreement between the City of Oregon City and the Oregon City Urban Renewal Agency for \$25,375; repayment of said loan shall be without interest.

Roll call: Powell, Aye; Ebert, Aye; VanOrman, Aye; Light, Aye; Fowler, Aye.

It was moved by Powell, seconded by VanOrman to approve the Tri-Met Transit Center Loan Agreement between the City of Oregon City, the Oregon City Urban Renewal Agency and Clackamas County for \$50,750 at "0%" interest.

Roll call: Light, Aye; VanOrman, Aye, Ebert, Aye; Powell, Aye; Fowler, Aye.

Red Soils Acquisition Update - According to Block, the second environmental report has been completed for the Red Soils property. No contamination problems were detected; however, this is only verbal information at this time, because no copy of the report has been received. It is expected the environmental report will be available within the next several weeks. Based on the environmental report, closing on the property transaction could take place around March 1. Block noted the County was notified that the Agency is desirous of completing the Red Soils acquisition in one transaction. Fowler requested to review the documents for Level 1 and 2 acquisition.

Block stated that Cranston Machinery Company has submitted a purchase offer for Lots 7 and 8, as identified in the Preliminary Plat of the Red Soils Campus Industrial Park. He noted the basic terms of the purchase agreement have been approved; however, these terms and conditions were subject to detailed staff review. There is much detail in the agreement including many suggested changes that are necessary. Block commented that all of the Agency's concerns were mailed verbatim to the attorneys. A letter on the suggested changes was mailed to Cranston's attorney, but no word has been received from them as yet.

Fowler wondered about the number of individuals that Cranston would employ upon completion of their new facility. Block stated 50 people are employed presently, and it is anticipated that number will increase to approximately 100.

There being no further business, the meeting was adjourned to Executive Session, pursuant to ORS 192.660 (1) (e) Real Estate Property Transactions.

Respectfully submitted,

CAROL A. POWELL, Secretary

OREGON CITY URBAN RENEWAL AGENCY

EXECUTIVE SESSION

January 22, 1992

An Executive Session, pursuant to ORS 192.660 (1) (e) Real Property Transactions was held following a special meeting of the Oregon City Urban Renewal Agency on the above date.

Those present:

Dan Fowler, Chairman
Carol Powell, Secretary
Suzanne VanOrman, Board Member
Robert Light, Board Member
James Ebert, Board Member

John Block, Executive Director
Charles Leeson, City Manager
J. Scott Harper, Finance Officer
Irmgard Marggi, Recording Sec.

Also present were Charles Kupper and John Spencer, two members of the press, and several interested department directors.

The executive session was called to order at 7:15 p.m. Block began by stating that two proposals have been received for Agency consideration. Grubb & Ellis have submitted a Letter of Intent to outline, in general terms, a development agreement between Vieira Northwest Corporation and the Urban Renewal Agency for the purpose of acquiring and developing the Dakota Minerals/Riedel properties. The second proposal was received from Chrome Data Corporation, a national computer based information company serving the auto and finance industry, located in Portland.

Jim Adkisson, President, and Mark Boyd, Executive Vice-President, were present to provide an overview of the Chrome Data proposal. Boyd stated Chrome Data is a rapidly growing company, is people intensive, but environmental impact is low because they sell information and provide high paying jobs. They have had some problems in Portland such as security and discouraging services. Chrome Data desires that parking not to be an issue and believe Oregon City will provide an opportunity for beneficial growth. They desire a class "A" building, a good working environment, and a health facility for their employees. The location they have chosen is next to Kentucky Fried Chicken in downtown Oregon City which they believe to be a viable location and site. Their firm is a subscription based company providing information to their subscribers. General Motors has selected Chrome Data for significant long-term contract programming and database maintenance work for a number of auto manufacturers. The firm was founded in 1986, two of the company's founders live in Oregon City, and at present over

and database maintenance work for a number of auto manufacturers. The firm was founded in 1986, two of the company's founders live in Oregon City, and at present over 40 clerical and professional individuals are employed. The present 8,000 square foot leased office space is rapidly becoming too small and Portland is no longer an attractive alternative. It is believed the Oregon City location would provide convenient freeway access and nearby public transportation, as well as providing a sense of security and a more attractive and liveable environment for employees. It is believed this proposal would provide an opportunity for beneficial growth to both Oregon City and Chrome Data.

The proposed site was chosen because of its location, near to freeway and transportation. Their present location is adjacent to Portland State, because it has been found to be beneficial to be located near a college. Clackamas Community College would be able to fill that need. Chrome Data is requesting that the Urban Renewal Agency acquire the property, develop a 30,000 square foot class A building, and enter into long-term lease arrangements. Chrome Data would require 15,000 square feet initially, and would assist the Agency in obtaining one to two year subleases for the remainder of the building. As Chrome Data flourishes, they expect to require the entire building space by at least 1995. Chrome Data will require initial occupancy by September 1993.

Powell inquired if Chrome Data would be willing to sign a 99 year lease. The response was they are serving their customers by telephone or by mail. This business is economical because service is derived from one site. It is believed a 99 year lease could be signed because Chrome Data is willing to make a long-term commitment.

Block commented it is not appropriate, at this time, to discuss much of the detail of what the Urban Renewal Agency is willing to do. Discussion must be done on an Urban Renewal level. A meeting can be arranged with Chrome Data after the Agency has discussed the proposed details. It is unknown if the Agency could build a building for lease back. The attorneys have some concerns as to how far the Agency can go with regard to some of the proposed points. It is a question of economic viability for both the Agency and Chrome Data.

Adkisson continued that their business was begun in the Galleria. They were the first business in that location. Some 1½ years later additional businesses had also located in the same building. Powell commented "Be inventive, but not too inventive". Block stated a more formal negotiating session will be coordinated with Chrome Data and the Urban Renewal Agency. Ebert likes the idea, and is excited over the proposals for Urban Renewal improvements.

Fowler commented that he is thrilled to have Oregon City residents wanting to come to Oregon City to see what can be accomplished here and requested staff to be creative, continuing to discuss the proposal so it will be beneficial to both parties. Mr. Adkisson stated he does not like commuting to Portland and would like to relocate in Oregon City because he lives here. His firm is looking for rapid growth within the next year and would like to move into a new facility by mid-1993. He stated they are working

with General Motors to provide replacement of services produced presently by white collar workers that are anticipated for lay-off in the near future. Adkisson and Boyd left the meeting at the conclusion of their presentation.

Light commented people are beginning to consider Oregon City for future planning. He is thrilled over this prospect, and hopes something can be worked out.

Grubb & Ellis Letter of Intent - Mike Ragsdale, Brian Hilliard, Don Vieira, and Terry Wilson were present to discuss the recently submitted letter of intent. Mike Ragsdale covered some history of Vieira Corporation and their proposal. Vieira Corporation is to provide culpability and is seeking direction from the Urban Renewal Agency. Ragsdale noted he was the listing agent for the property at one time, has worked with staff and knows the concepts. A developer that can deal with the unique characteristics of the property is needed, because the property is a gem having much potential for public benefit. Mr. Ragsdale noted that development financing is extremely difficult at this time and will remain a long-term condition because of the massive overbuilding and other inherent concerns. The targeted site is a sensitive site and practically unfinanceable. Ragsdale's search for developers led to only two possibilities. Don Vieira was one of those two developers and just happens to be located in Portland. Vieira liked the concept and is interested in negotiating a development agreement.

Vieira Northwest Corporation does not want limited ability in decision-making for development of the property, but wishes to play a major role. They want the Urban Renewal Agency to work out an agreement that would identify the developer of the site as Mr. Vieira; to provide direction on a willingness to follow the concept that Oregon City acquire the property; the developer to commit to purchase a 150 unit apartment site when ready to build apartments, and to allow for purchase of a second apartment site that will be under Vieira's control. The projects to be completed in phases, because it is critical to the developer to finish one project before beginning another project. Vieira is a high quality builder who needs the ability to work out arrangements; to be able to work with other developers to come on site and not mess up his project, then to be able to market the development later. Vieira wants to purchase the initial property at cost. In the future the developer would purchase additional property at market value. The purchase "at cost" is to include infrastructure costs.

Ragsdale continued that he met Mr. Vieira on a job in the Sunset Corridor at 185th & Cornell. Mr. Vieira purchased a property, because he knew it would work, even though another developer was practically ready to break ground. Mr. Vieira paid a premium for the land. After development, this property brought higher rents and filled the 188 units faster than any other project in the entire corridor. Most renters are "extended stays". Mr. Vieira's apartments are continuously full, while other units in the vicinity have come into foreclosure.

Slides were shown of Mr. Vieira's projects, including Lake Oswego Point. The slides displayed the old Cement Plant site in Lake Oswego that has been developed into a premiere suburban development in the Portland area. Lake Oswego Point is felt to be

a great achievement and has received a national reputation.

The architects involved in the Lake Oswego Master Plan are proposed to be used for the Oregon City development. Vieira Northwest is impressed with their work. It was noted that the Oregon City development is an ambitious project that can be a successfully worked project that can also provide a stimulus for other development in the area. Albertson's declared they would not have undertaken to rehab their Lake Oswego store if Oswego Point had not been constructed. Vieira's housing is not apartments, but expensive condos for rent of which 50% of the renters have been attracted from single-family housing only because they no longer have a desire to own their housing. Vieira has developed up to 20 acre sites that were flat. Upon completion it would be unknown that the property was originally flat. Much money is spent on landscaping to provide appeal. The units appear to be residential in character with either 2 or 3-story on the view side, while in the rear the appearance is that of a 2-story unit. The floor plans are very large and will accommodate large furniture. Varying colors are used in his projects to provide a subtle, not a regimented look.

The Urban Renewal Agency members commented the slides were "very nice".

It was stated that Vieira Northwest is contemplating a project at the Old Spaghetti Factory. Portland embraced the plan; however, that project will not compete with the Oregon City Plan because it is very urban in character. The lagoon suits Vieira very well, is attractive because of freeway accessibility and shopping, and should be developed. There is, however, a need of an overall Master Plan because development cannot occur in a vacuum. A Master Plan will be a major effort, but could move ahead very quickly. This could be a Catch 22 situation for Vieira because the trends are very real. Even though they have been through 4 major downturns, they feel very confident and would like to begin when the tide begins to upswing. The planning process should be started immediately because only the finest project, with many amenities, will be financed this year. Things need to be accomplished rapidly because Vieira wants to begin the project before year-end. Completion is anticipated prior to January 1994.

Ebert requested discussion on vision for the area. Vieira's plan is for various mixed uses and components. The property has characteristics that can move forward, but they cannot be very definitive at this time. Over the past 22 years Vieira has been very successful and able to get financing when no one else could do so. When other units remain empty, Vieira's units fill within 120 days of completion. It is believed Vieira can have a successful project regardless of what the market is doing.

Fowler asked whether the first phase would be next to Highway 99-E, receiving an affirmative response. This is the only parcel that could be developed early on. It was noted Vieira may want another 10 acres for Phase 2 for a rental/for sale project or a combination of the two. They desire to ultimately develop 15 to 16 acres, containing up to 300 units.

If the Urban Renewal Agency accepts the letter of intent, would this be binding to

concept, asked Powell. Charles Kupper responded that he is not an attorney and the matter on methods to proceed should not be discussed here but with staff. Ragsdale commented this is just a letter of intent; it is not binding, but a commitment. Fowler commented there is enough land to get started on and enough land available for future development. There is, however, a need to interface with the End of the Oregon Trail project. Future control is necessary over developers coming in so their plans will fit in with the Master Plan. Fowler believes the requests are reasonable and doable. Conceptually the requests appear to be reasonable.

Vieira noted the incentive is very real and immediate if commitment from the City is real and consistent. If there is a break-down it will be for both Mr. Vieira and the City. The desire is to move forward with a project that will be beneficial to the mutual interest of both parties. It is believed the proposal could work effectively.

VanOrman commented the proposed plan fits in with "Pioneering Creative Solutions". She is excited with the possibility because Oregon City has been fairly non-progressing for a long time. Oregon City is up-river from Portland, and we should act like it.

Fowler stated the need to discuss the proposal with staff and to give staff further direction. It is his feeling that the Agency is willing to move forward with a desire to reach an agreement. Ragsdale asked what are the next steps necessary to be followed.

Block suggested that an Agency meeting be arranged to outline the important aspects of the agreement. Master Plan discussion should take place at the same meeting. When these issues have been resolved, a meeting with Vieira will be scheduled. The Agency has a willingness to meet Vieira in the best way possible. The next Agency meeting is scheduled for the second week in February and status on the proposal will be provided at that time.

Vieira stated they desire to establish definitive goals as soon as possible, but that requires commitment by the City. Fowler requested an outline of important steps be provided to Vieira. Vieira thought this was appropriate and is willing to discuss the proposal when the Urban Renewal Agency is ready; feasibility being the key item. Vieira is not interested in spending an inordinate amount of time and needs to know whether he has or does not have an opportunity. Fowler thanked the four representatives for their presentation.

Fowler requested that the Agency make sure their handouts and executive minutes do not go astray. Fowler asked staff for their comments. Block stated that Charles Kupper, John Spencer and he met earlier this afternoon to discuss the proposal. They have concerns for making the proposal work. It was noted that if the Master Plan is so important to Vieira/Grubb & Ellis, then they should take on the burden which could be included as condition of the development agreement. The Agency should tie acquisition from Dakota Minerals back to Vieira. Infrastructure should be completed before closure, according to Vieira.

Grubb & Ellis wishes to play the role of purchasing agent for the property owned by Dakota Minerals. They also want to market the balance of the property because they desire to be the Urban Renewal Agency's agent as well. This situation appears to be troublesome according to Block. Dakota Minerals does have a new broker with whom Block has met, so Block doesn't think there is a need for Grubb & Ellis to act represent the Agency. The Agency needs to be made aware of the many unknowns.

Powell expressed concern about an "agreed upon" price before the Agency knows what the costs will be. Kupper commented there should be "per formula" price using a base price plus market value in the next phase. Considerable discussion ensued over control and options, purchase of the property by the Agency, and the creation of values. Block suggested purchase through a "take-down" approach. Kupper commented that the 150 units in Phase 1 cannot provide the acquisition costs for additional property, noting the Agency has been presented with a complicated deal.

Fowler doesn't want to set a low, artificial price that would hamper future sales. VanOrman is curious about rental fees, assuming they may be rather steep, and the probability of "going" in Oregon City. Fowler interjected that the developer knows what he is doing. He is going after the top 1% of the market so they actually have no competition. Block pointed out Vieira gave an accurate picture of the marketability issue. They constructed 422 units in Lake Oswego, but are planning only 150 units for Phase 1 in Oregon City.

Powell noted concern about a termination agreement, requesting it be rewritten. Fowler does not want to offend Grubb & Ellis, but the Urban Renewal Agency doesn't need to "lock in" with Grubb & Ellis. Fowler further stated realtors cannot represent both sides of a transaction. Spencer commented that the Ragsdale outlines are excellent; however, it is imperative to make sure the agreement balances the risks by both parties.

There being no further business, the executive session was adjourned at 8:50 p.m.

Respectfully submitted,

CAROL A. POWELL, Secretary

CITY OF OREGON CITY

Incorporated 1844

February 12, 1992

1 of 1

Subject: Red Soils Access Road
Phase 1 - Close-Out Report

Report No. 92-02-URA

Attached are the close-out documents on the Phase 1 road project for Agency information.

The final project cost for the Brundidge Construction contract was \$718,394.74. Total cost for the project, including engineering and City expenses was approximately, \$870,000.



CHARLES LEESON
Executive Director

JGB/im

attach.

cc - Spencer & Kupper
- Development Services Director

URBAN RENEWAL AGENCY

320 Warner Milne Rd. • Oregon City, OR 97045 • (503) 657-0891

NOTICE OF ACCEPTANCE

The City of Oregon City hereby accepts the project constructed in connection with the Red Soils Project, Phase 1 contract, this 4th day of February, 1992. Acceptance of this project by the City of Oregon City shall not constitute acceptance of work not in accordance with the Contract Documents, nor shall it relieve the Contractor of his continuing obligation of work guarantee for one (1) year after the above date.

A handwritten signature in cursive script, appearing to read 'Ch Leeson', is written above a horizontal line.

Charles Leeson, City Manager

LEE ENGINEERING, INC.

CERTIFICATE OF COMPLIANCE

TO: City of Oregon City

CONTRACT NO.: 1170.24

CONTRACT FOR: Red Soils Project, Phase 1 CONTRACT DATE: June 25, 1991

"I (We) hereby certify that all work has been performed and materials supplied in accordance with the Plans, Specifications, and Contract Documents for the above work, and that:

1. "No less than prevailing rates of wages as ascertained by the governing body of the contracting agency has been paid to laborers, workmen, and mechanics employed on this work.
2. "There have been no unauthorized substitutions of subcontractors nor have any subcontracts been entered into without the name of the subcontractors having been submitted to the engineer prior to the start of such subcontracted work.
3. "No subcontract was assigned or transferred or performed by any subcontractor other than the original subcontractor, without prior notice having been submitted to the engineer together with the names of all subcontractors.
4. "All claims for material and labor and other services performed in connection with these Specifications have been paid.
5. "All monies due the State Accident Insurance Fund, the State Unemployment Compensation Trust Funds, the State Tax Commission, hospital associations, and/or others have been paid."

D. B. [Signature]
Signature

President
Title

Subscribed and sworn to before me this 3rd day of February, 1992

[Signature]
Notary Public for the State of Orego

My Commission Expires 6/9/92

REQUEST FOR FINAL PAYMENT
AND
CONTRACTOR'S AFFIDAVIT OF PAYMENT OF DEBTS AND CLAIMS

TO: City of Oregon City

CONTRACT NO.: 1170.24

CONTRACT FOR: Red Soils Project, Phase 1 CONTRACT DATE: June 25, 1991

STATE OF Oregon)
) ss
County of Clackamas)

The undersigned Contractor, pursuant to the Contract referenced above, hereby certifies that he has paid in full or has otherwise satisfied all obligations for all materials and equipment furnished; for all work, labor and services performed; and for all known indebtedness and claims against the Contractor for damages arising in any manner in connection with the performance of the Contract referenced above for which the Owner or its property might in any way be held responsible, except: (Itemize all exceptions by creditor/claimant and show amount of claim).

CLAIMANT

AMOUNT

WHEREFORE Contractor hereby makes request for final payment under the provisions of said Contract.

Inc.

CONTRACTOR: Jerry Brundidge Construction,

ADDRESS: 17690 S.E. Hemrick Road
 Boring, OR 97009

SIGNED BY :
TITLE :

[Signature]
President

SUBSCRIBED AND SWORN TO BEFORE ME THIS 3rd DAY OF February,
1992.

[Signature]
Notary Public for the State of
Oregon

My Commission Expires: 6/9/92

CITY OF OREGON CITY

Incorporated 1844

February 12, 1992

1 of 1

Subject: Red Soils Access Road
Phase 2 - Project Cost
and Schedule

Report No. 92-01-URA

Attached is a copy of the preliminary design cost estimate and construction schedule from Lee Engineering for the Phase 2 road project for Agency information. Because of budget reasons the Red Soils site grading work will not be included in the project.

The Kaen Road portion of the project is still waiting County authorization. Lee Engineering has been directed to proceed with final design for the project.



CHARLES LEESON
Executive Director

JGB/im

attach.

cc - Spencer & Kupper
- Development Services Director

LEE ENGINEERING, INC.

F. DUANE LEE, P.E.
DAVID A. LEE, P.E., P.L.S.
JAMES G. SMITH, P.E.

February 4, 1992

Project No. 1266.20

Mr. John Block
Director of Community Services
320 Warner-Milne Road
Oregon City, Oregon 97045

Re: Red Soils Phase II
Final Design and Construction

Dear John:

This letter shall be a memorandum of understanding relative to the results of our meeting on this date on the above-referenced project.

It is our understanding that we are to proceed with the final design of the Red Soils Phase II project with the intent to advertise for bidding as soon as possible so that construction can begin in late spring.

Attached is a schedule which outlines the major tasks and target dates. Receipt of bids is to occur on the first Wednesday in April with award of contract to occur on the third Wednesday of April. Construction is to begin in early May with substantial completion occurring within 90 days. Channel work along Danielson's property is to be complete by June 30, 1992.

The County portion of the work along Kaen Road awaits authorization and agreement as to participation from the County.

All work detailed in the preliminary cost estimate spread sheets is to be included in the contract plans and proposal. Certain items such as pavement marking may be deleted later. Funding in excess of the amount currently available will be pursued by the City.

If you have any corrections or comments, please call.

Sincerely,

LEE ENGINEERING, INC.



David A. Lee, P.E.

DAL:nj

CITY OF OREGON CITY
RED SOILS - PHASE II

PRELIMINARY DESIGN COST ESTIMATE
February 4, 1991

RED SOILS II

Schedule A - Street Work	\$ 371,154.95
Schedule B - Waterline Work	87,485.00
Schedule C - Storm Sewer Work	86,545.00
Schedule D - Sanitary Sewer Work	71,772.50
Contingency 10%	61,695.75
Sub Total	\$ 678,653.20

KAEN ROAD (40 Ft. Reconstruction)

Schedule A - Street Work	\$ 75,610.00
Contingency 10%	7,561.00
Sub Total	\$ 83,171.00

RED SOILS SITE WORK

Site Grading (42,200 c ^Y)	\$ 150,000.00
Contingency 10%	15,000.00
Timber Sale	(10,000.00)
Contingency 10%	5,000.00
Sub Total	\$ 160,000.00

<u>TOTAL ESTIMATED CONSTRUCTION COST</u>	<u>\$ 921,824.20</u>
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Engineering and Administration 12.5%	115,228.00
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<u>TOTAL ESTIMATED COST</u>	<u>\$1,037,052.20</u>
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**CITY OF OREGON CITY
RED SOILS - PHASE II**

DAL
2/4/92
1266.20

**DESIGN AND CONSTRUCTION SCHEDULE
1992**

TASK	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG
PRELIMINARY DESIGN		4						
FINAL DESIGN			2					
AGENCY APPROVAL								
OWNER APPROVAL								
ADVERTISE & BID				1				
AWARD OF CONTRACT					15			
SIGN CONTRACT					10 DAYS			
PRECONSTRUCTION CONF					27			
CONSTRUCTION						90 DAYS		
CLOSE-OUT								

OREGON CITY URBAN RENEWAL AGENCY

REPORT (CONFIDENTIAL)

Executive Session
(ORS 192.660(1)(e) Real Property Transactions
February 12, 1992

Subject: Report on Negotiations with Vieira Northwest Corporation.

The Oregon City Urban Renewal Agency received a Letter of Intent dated January 17, 1992 from Grubb & Ellis (GE) representing Vieira Northwest Corporation (VNC) outlining the basis under which VNC would enter into a Development Agreement with the Agency for the purpose of acquiring and developing the Dakota Minerals/Riedel properties. A presentation of the proposal was made to the Agency at its meeting of January 22, 1992 by VNC and GE. The Agency directed staff to review the Letter of Intent and respond to each item contained in the Letter.

Comments on each item were prepared and discussed among staff, and an outline response to each item in the January 17th Letter was prepared and presented to VNC and GE on February 5, 1992. The outline response is attached, and will be briefly reviewed at the February 12 meeting. The intent was to discuss each of the items in general, then to prepare a revised letter of intent within one week.

Discussions at the meeting covered all items, but focused on the need for a Master Plan, and the compensation proposed by VNC for the development of the document. Staff's position is that it is acceptable for VNC to take the lead master planning role, and that compensation is appropriate. However, the Agency does not have adequate revenues to meet the monthly compensation proposed by VNC, and staff proposed crediting VNC for master planning costs (to a maximum) at the time of land purchase. This arrangement may not be acceptable to VNC.

All parties agreed that VNC will prepare a scope of work for a master plan and a schedule for completing master planning work, and will meet again after February 12 to continue discussions.



Spencer & Kupper

attachment

cc C. Leeson, City Manager
J. Block, Executive Director

LETTER OF INTENT/VIEIRA NORTHWEST CORPORATION
AND
OREGON CITY URBAN RENEWAL AGENCY

1. Offer to Purchase
 - Not appropriate for this agreement
2. Master Planning
 - Vieira Northwest Lead
 - Credit the cost at purchase - to a maximum
3. Due Diligence
 - Need List
 - Shared Costs
4. Infrastructure
 - Yes to first phase
 - Improvements defined in Master Plan
5. Phase 1 Land Acquisition
 - 7.5 acres minimum/prefer all 11 ± acres
 - Off-site infrastructure ok as per 4 above
 - On-site infrastructure - developer responsibility
 - Clarify: Remove contingencies
 - Need binding commitment to develop
6. Phase II Option
 - Yes, cost and timeframe to be negotiated
7. Other Water-Oriented Use
 - ok, but not exclusive

8. Public Areas/Park

- ok - All publicly-owned facilities as defined in the Master Plan

9. Grubb & Ellis

- Provision not appropriate for this agreement

10. Buy Out Provision

- Need clarification, but not exclusive

11. Termination Provision

- Current phrasing needs redrafting

LAND FOR SALE

3 Acres to 5 Acres

RED SOILS CAMPUS INDUSTRIAL PARK Oregon City, Oregon

- Description** Seven flat ready-to-build parcels ranging in size from three to five acres. Further division of existing lots, or reconfiguration of lots to create smaller parcels is possible.
- Location** Located in the Hilltop District of Oregon City, the Park is in Clackamas County's fast-growing I-205 Corridor. Parcels are within ten minutes of the I-205 interchange at Park Place, and within 25 minutes of Portland International Airport via I-205.
- Size** Parcel 1- 3.33 acres; Parcel 2- 4.31 acres (offer pending); Parcel 3- 3.30 acres; Parcel 4- 3.30 acres; Parcel 5- 4.65 acres; Parcel 6- 4.54 acres; Parcel 7- 3.23 acres; Parcel 8- 3.23 acres. Parcels are flat and well drained.
- Zoning** The Red Soils Industrial Park is zoned M-1 (Light Industrial District). This zone permits a wide range of light industrial uses including electronics, printing and publishing, distribution and warehousing, medical and dental equipment and related businesses.
- Utilities** The City provides sanitary sewer and water via a newly constructed Red Soils Access Road, connecting the Park to the Beavercreek/Molalla Avenue intersection. Power, gas and communications are provided.
- Area** The Park lies just west of the Hilltop Shopping Center, east of the Clackamas County Office Park, and within a mile of Clackamas Community College. Construction has begun at the adjacent Robert Randall Business Park, and an 80 unit congregate care facility is proposed for Parcel 2.
- Environ.** A Level II environmental audit revealed no environmental problems. Currently awaiting final clearance from DEQ.
- Price** \$2.00 per square foot with Advance Finance District obligation paid or other terms acceptable to the seller.

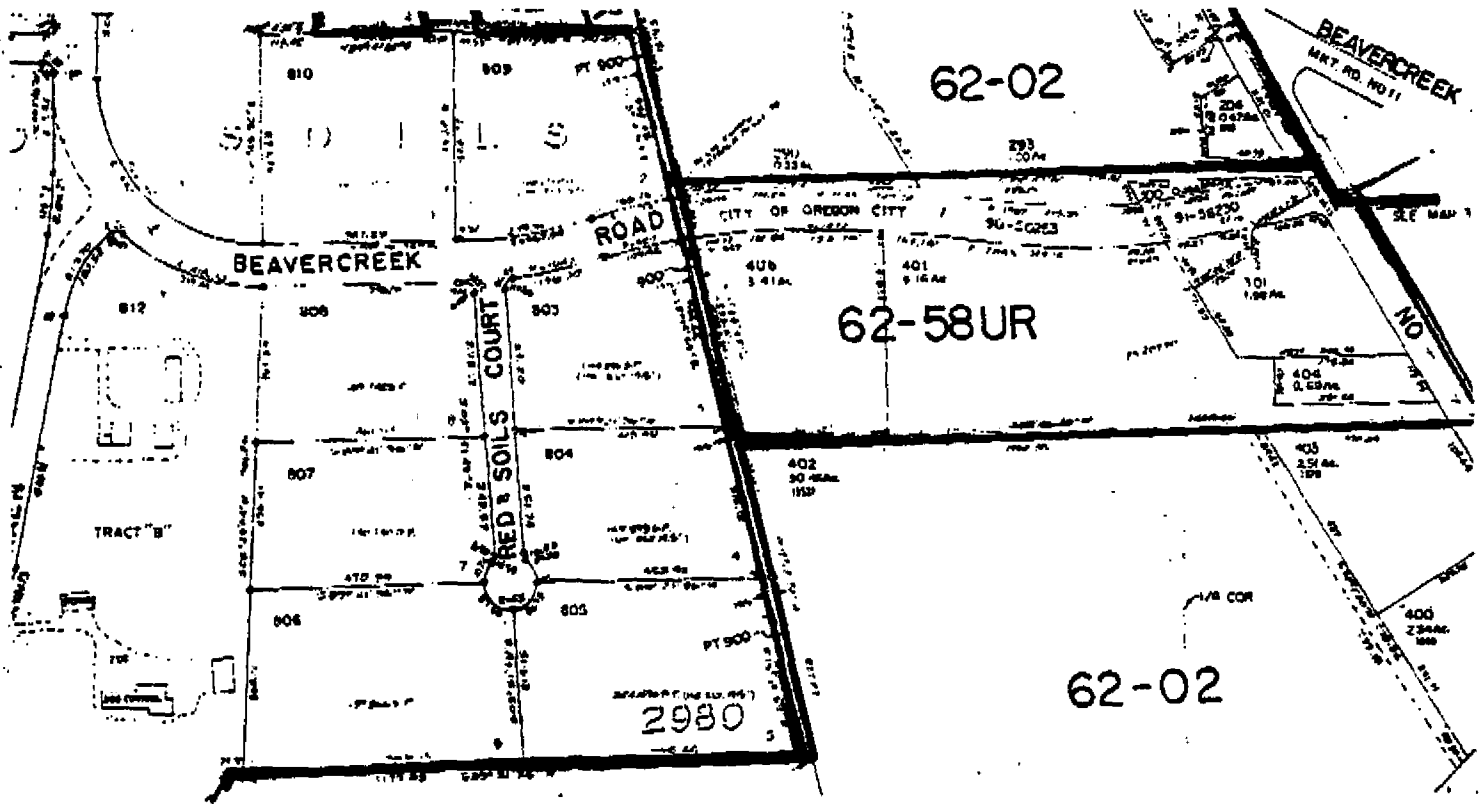
Other

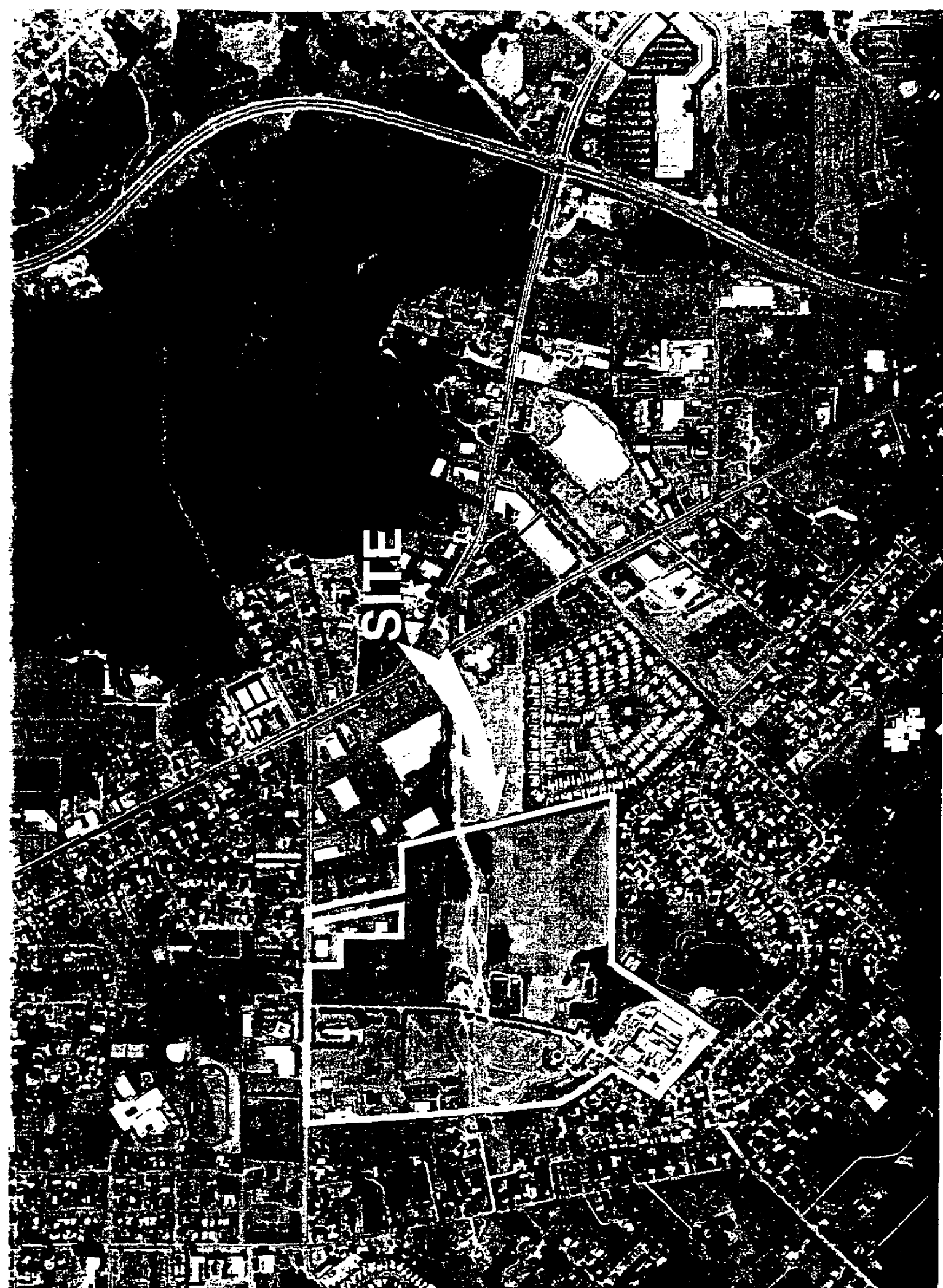
The Red Soils Industrial Park lies within the Hilltop Urban Renewal Area. The Urban Renewal Agency has constructed the Red Soils access road from Molalla Avenue through the property to Kane Road. Reconstruction of the Beavercreek Road/Molalla Avenue intersection is planned for 1993. A number of other transportation improvements near the property will be completed during the next few years, improving the accessibility of the site from I-205 and the Trails End Highway.

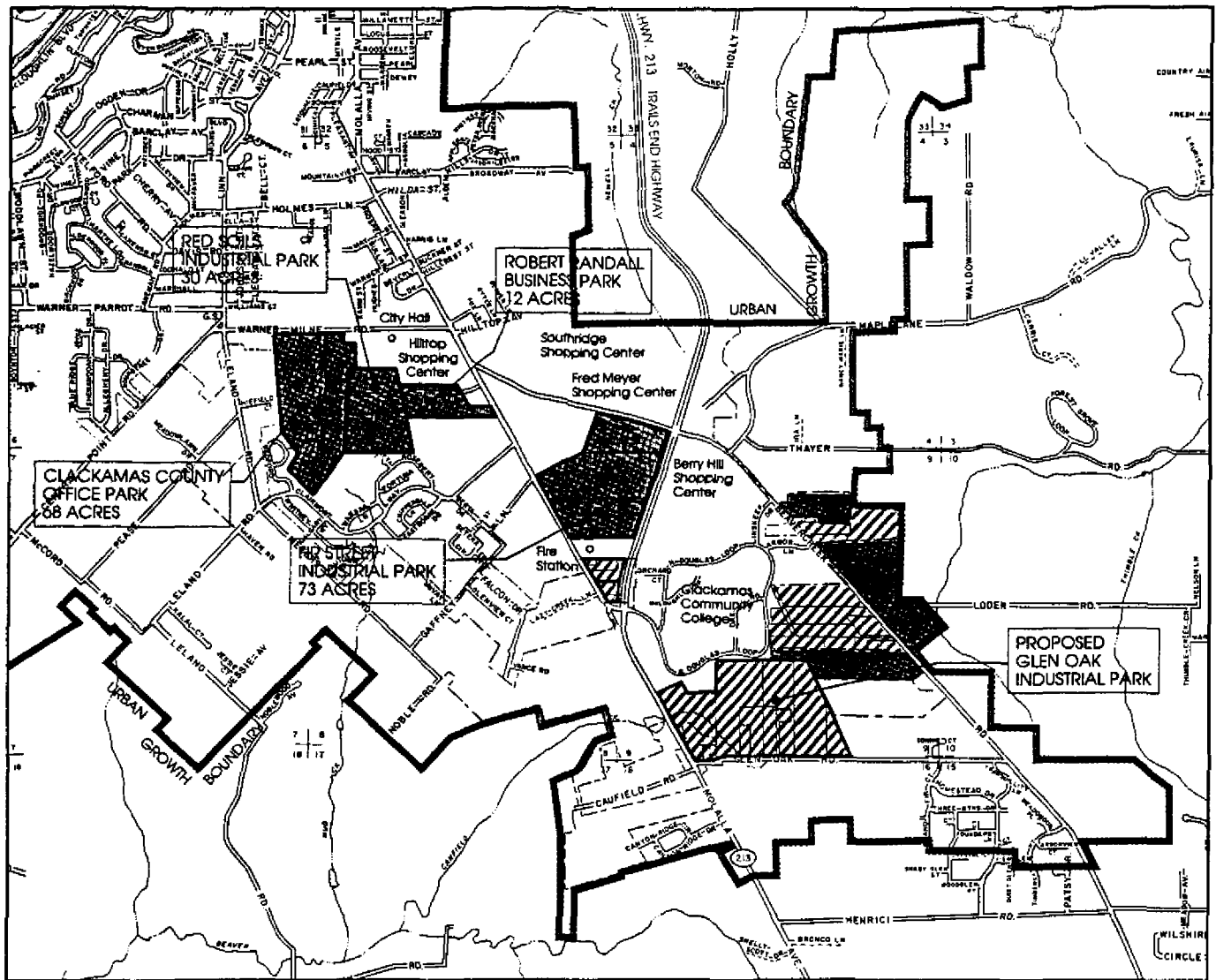
Contacts

John C. Spencer (503 226-1067) or
Charles Kupper (503 284-0342)

Oregon City Urban Renewal Agency
320 Warner Milne Road
Oregon City, Oregon 97045
Charles Leeson, Executive Director (503 657-0891)







CITY OF OREGON CITY (HILLTOP DISTRICT)

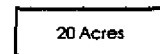
INDUSTRIAL PROPERTY

 EXISTING ZONED INDUSTRIAL PROPERTY

 PLANNED INDUSTRIAL PROPERTY

PARCEL SCALE

 5 Ac.  10 Ac.

 20 Acres

for more information

CITY OF OREGON CITY
320 Warner Milne Road
Oregon City, Oregon 97045
Phone (503) 657-0891

CLACKAMAS COUNTY
DEVELOPMENT AGENCY
902 Abernethy Road
Oregon City, Oregon 97045
Phone (503) 655-8521

OREGON CITY CHAMBER OF COMMERCE
500 Abernethy Road
Oregon City, Oregon 97045
Phone (503) 656-1619

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2550**

1 On page 2 of the printed A-engrossed bill, line 1, after "454.225," insert
2 "457.010, 457.075, 457.085, 457.190, 457.420, 457.430, 457.440, 457.450, 457.460,".

3 On page 118, after line 26, insert:

4 "(p) The total amount of revenue to be collected from the property to be
5 distributed for urban renewal within the limits imposed under section 11b,
6 Article XI of the Oregon Constitution, and the total amount of revenue to
7 be collected from the property to be distributed for urban renewal bonded
8 debt service that is not within the limits of section 11b, Article XI of the
9 Oregon Constitution."

10 On page 164, delete lines 43 and 44 and insert:

11 **"URBAN RENEWAL**

12 **"SECTION 330. ORS 457.010 is amended to read:**

13 **"457.010. As used in this chapter, unless the context requires otherwise:**

14 **"(1) 'Blighted areas' means areas which, by reason of deterioration, faulty**
15 **planning, inadequate or improper facilities, deleterious land use or the ex-**
16 **istence of unsafe structures, or any combination of these factors, are detri-**
17 **mental to the safety, health or welfare of the community. A blighted area is**
18 **characterized by the existence of one or more of the following conditions:**

19 **"(a) The existence of buildings and structures, used or intended to be used**
20 **for living, commercial, industrial or other purposes, or any combination of**
21 **those uses, which are unfit or unsafe to occupy for those purposes because**
22 **of any one or a combination of the following conditions:**

23 **"(A) Defective design and quality of physical construction;**

24 **"(B) Faulty interior arrangement and exterior spacing;**

1 “(C) Overcrowding and a high density of population;

2 “(D) Inadequate provision for ventilation, light, sanitation, open spaces
3 and recreation facilities; or

4 “(E) Obsolescence, deterioration, dilapidation, mixed character or shifting
5 of uses[.];

6 “(b) An economic dislocation, deterioration or disuse of property resulting
7 from faulty planning;

8 “(c) The division or subdivision and sale of property or lots of irregular
9 form and shape and inadequate size or dimensions for property usefulness
10 and development;

11 “(d) The laying out of property or lots in disregard of contours, drainage
12 and other physical characteristics of the terrain and surrounding conditions;

13 “(e) The existence of inadequate streets and other rights-of-way, open
14 spaces and utilities;

15 “(f) The existence of property or lots or other areas which are subject to
16 inundation by water;

17 “(g) A prevalence of depreciated values, impaired investments and social
18 and economic maladjustments to such an extent that the capacity to pay
19 taxes is reduced and tax receipts are inadequate for the cost of public ser-
20 vices rendered;

21 “(h) A growing or total lack of proper utilization of areas, resulting in a
22 stagnant and unproductive condition of land potentially useful and valuable
23 for contributing to the public health, safety, and welfare; or

24 “(i) A loss of population and reduction of proper utilization of the area,
25 resulting in its further deterioration and added costs to the taxpayer for the
26 creation of new public facilities and services elsewhere.

27 “(2) ‘Certified statement’ means the statement prepared and filed
28 pursuant to ORS 457.430 or amendment to the certified statement
29 prepared and filed pursuant to ORS 457.430.

30 “[(2)] (3) ‘City’ means any incorporated city.

1 "[3] (4) 'Fiscal year' means the fiscal year commencing on July 1 and
2 closing on June 30.

3 "[4] (5) 'Governing body of a municipality' means, in the case of a city,
4 the common council or other legislative body thereof, and, in the case of a
5 county, the board of county commissioners or other legislative body thereof.

6 "[5] (6) 'Housing authority' or 'authority' means any housing authority
7 established pursuant to the Housing Authorities Law.

8 "(7) 'Increment' means that part of the assessed value of a taxing
9 district attributable to any increase in the assessed value of the prop-
10 erty located in an urban renewal area, or portion thereof, over the
11 assessed value specified in the certified statement.

12 "[6] (8) 'Municipality' means any county or any city in this state. 'The
13 municipality' means the municipality for which a particular urban renewal
14 agency is created.

15 "(9) 'Shared property' of a taxing district and an urban renewal
16 agency means the property within:

17 "(a) The taxing district; and

18 "(b) The municipality that activated the urban renewal agency or
19 any portion of an urban renewal area of the agency outside the
20 municipality.

21 "[7] (10) 'Taxing body' or 'taxing district' means the state, city, county
22 or any other taxing unit which has the power to levy a tax.

23 "[8] (11) 'Urban renewal agency' or 'agency' means an urban renewal
24 agency created under ORS 457.035 and 457.045.

25 "[9] (12) 'Urban renewal area' means a blighted area included in an ur-
26 ban renewal plan or an area included in an urban renewal plan under ORS
27 457.160.

28 "[10] (13) 'Urban renewal project' or 'project' means any work or
29 undertaking carried out under ORS 457.170 in an urban renewal area.

30 "[11] (14) 'Urban renewal plan' or 'plan' means a plan, as it exists or is

1 changed or modified from time to time for one or more urban renewal areas,
2 as provided in ORS 457.085, [and] 457.095, 457.105, 457.115, 457.125, 457.135
3 and 457.220.

4 "SECTION 331. ORS 457.075 is amended to read:

5 "457.075. If the governing body of a municipality which has an urban re-
6 newal agency under ORS 457.035 finds that there no longer exists a need for
7 an urban renewal agency in the municipality, the governing body shall pro-
8 vide, by ordinance, for a termination of the agency and a transfer of the
9 agency's facilities, files and personnel to the municipality. The termination
10 of an urban renewal agency shall not affect any outstanding legal actions,
11 contracts or obligations of the agency and the municipality shall be substi-
12 tuted for the agency and, for the purpose of those legal actions, contracts
13 or obligations, shall be considered a continuation of the urban renewal
14 agency and not a new entity. No urban renewal agency shall be terminated
15 under this section unless all indebtedness to which a portion of taxes is
16 irrevocably pledged for payment under ORS 457.440 [(6)] is fully paid.

17 "SECTION 332. ORS 457.085 is amended to read:

18 "457.085. (1) An urban renewal agency [should] shall provide for public
19 involvement in all stages in the development of an urban renewal plan.

20 "(2) An urban renewal plan proposed by an urban renewal agency shall
21 include all of the following:

22 "(a) [Describe] A description of each urban renewal project to be
23 undertaken[;].

24 "(b) [Provide] An outline for the development, redevelopment, improve-
25 ments, land acquisition, demolition and removal of structures, clearance, re-
26 habilitation or conservation of the urban renewal areas of the plan[;].

27 "(c) [Contain] A map and legal description of the urban renewal areas of
28 the plan[;].

29 "(d) [Explain] An explanation of its relationship to definite local objec-
30 tives regarding appropriate land uses and improved traffic, public transpor-

1 tation, public utilities, telecommunications utilities, recreational and
2 community facilities and other public improvements[;].

3 “(e) [*Indicate*] An indication of proposed land uses, maximum densities
4 and building requirements for each urban renewal area[;].

5 “(f) [*Describe*] A description of the methods to be used for the temporary
6 or permanent relocation of persons living in, and businesses situated in, the
7 urban renewal area of the plan[;].

8 “(g) [*Indicate*] An indication of which real property may be acquired and
9 the anticipated disposition of said real property, whether by retention, resale,
10 lease or other legal use, together with an estimated time schedule for such
11 acquisition and disposition[; and].

12 “(h) If the plan provides for a division of ad valorem taxes under
13 ORS 457.440, either (A) a date after which no bonded indebtedness shall
14 be issued with respect to the plan or any project undertaken with re-
15 spect to the plan or (B) the maximum amount of bonded indebtedness
16 excluding bonded indebtedness issued to refinance or refund existing
17 bonded indebtedness to be issued under the plan.

18 “[*(h) Describe*] (i) A description of what type of possible future amend-
19 ments to the plan are [so] substantial [as to] amendments and require the
20 same notice, hearing and approval procedure required of the original plan
21 under ORS 457.095 as provided in ORS 457.220, including but not limited
22 to amendments:

23 “(A) Adding land to the urban renewal area.

24 “(B) Extending the date after which no bonded indebtedness shall
25 be issued with respect to the plan or any project undertaken or to be
26 undertaken under the urban renewal plan.

27 “(C) Increasing the maximum amount of bonded indebtedness ex-
28 cluding bonded indebtedness issued to refinance or refund existing
29 bonded indebtedness issued or to be issued under the urban renewal
30 plan.

1 “(j) For a project which includes a public building, an explanation
2 of how the building serves or benefits the urban renewal area.

3 “(3) An urban renewal plan shall be accompanied by a report which shall
4 contain:

5 “(a) A description of physical, social and economic conditions in the ur-
6 ban renewal areas of the plan and the expected impact, including the fiscal
7 impact, of the plan in light of added services or increased population;

8 “(b) Reasons for selection of each urban renewal area in the plan;

9 “(c) The relationship between each project to be undertaken under the
10 plan and the existing conditions in the urban renewal area;

11 “(d) The estimated total cost of each project and the sources of moneys
12 to pay such costs;

13 “(e) The anticipated completion date for each project;

14 “(f) The estimated amount of money required in each urban renewal area
15 under ORS 457.420 to 457.440 and the anticipated year in which indebtedness
16 will be retired or otherwise provided for under ORS 457.440;

17 “(g) A financial analysis of the plan with sufficient information to deter-
18 mine feasibility;

19 “(h) A fiscal impact statement that estimates the impact of the tax in-
20 crement financing, both until and after the bonds are repaid, upon all enti-
21 ties levying taxes upon property in the urban renewal area; and

22 “(i) A relocation report which shall include:

23 “(A) An analysis of existing residents or businesses required to relocate
24 permanently or temporarily as a result of agency actions under ORS 457.170;

25 “(B) A description of the methods to be used for the temporary or per-
26 manent relocation of persons living in, and businesses situated in, the urban
27 renewal area in accordance with ORS 281.045 to 281.105; and

28 “(C) An enumeration, by cost range, of the existing housing units in the
29 urban renewal areas of the plan to be destroyed or altered and new units to
30 be added.

1 “(4) An urban renewal plan and accompanying report shall be forwarded
2 to the planning commission of the municipality for recommendations, prior
3 to presenting the plan to the governing body of the municipality for approval
4 under ORS 457.095.

5 “(5) An urban renewal plan and accompanying report shall be
6 [presented] forwarded to the governing body of each taxing district affected
7 by the urban renewal plan and the agency shall consult and confer with
8 the governing body prior to presenting the plan to the governing body
9 of the municipality for approval under ORS 457.095. Any^{written} recommen-
10 dations of the governing body of each taxing district shall be accepted,
11 rejected or modified by the governing body of the municipality in
12 adopting the plan.

13 “(6) No urban renewal plan shall be carried out until the plan has been
14 approved by the governing body of each municipality pursuant to ORS
15 457.095 and 457.105.

16 “SECTION 333. ORS 457.190 is amended to read:

17 “457.190. (1) An urban renewal agency may borrow money and accept ad-
18 vances, loans, grants and any other form of financial assistance from the
19 Federal Government, the state, county or other public body, or from any
20 sources, public or private, for the purposes of undertaking and carrying out
21 urban renewal projects.

22 “(2) An urban renewal agency may do all things necessary or desirable
23 to secure such financial aid, including obligating itself in any contract with
24 the Federal Government for federal financial aid to convey to the Federal
25 Government the project to which the contract relates upon the occurrence
26 of a substantial default thereunder, in the same manner as a housing au-
27 thority may do to secure such aid in connection with slum clearance and
28 housing projects under the Housing Authorities Law.

29 “(3) Notwithstanding subsection (1) of this section, on or after the
30 effective date of this 1991 Act, no urban renewal agency may issue

1 bonded indebtedness for which taxes divided under ORS 457.440 are to
2 be pledged, unless the urban renewal plan for which the bonded
3 indebtedness is to be issued either established:

4 “(a) A date after which no bonded indebtedness shall be issued un-
5 der the plan (and under any and all projects undertaken with respect
6 to the plan); or

7 “(b) A maximum amount of bonded indebtedness excluding bonded
8 indebtedness issued to refinance or refund existing bonded indebt-
9 edness that may be issued under the plan.

10 “SECTION 334. ORS 457.420 is amended to read:

11 “457.420. (1) Any urban renewal plan may contain a provision that the
12 ad valorem taxes, if any, levied by a taxing *[body upon the taxable real and*
13 *personal property situated in]* district in which all or a portion of an urban
14 renewal area is located, shall be divided by rates as provided in section
15 1c, Article IX of the Oregon Constitution, and ORS 457.440 *[if that*
16 *property is not, at that time, subject to a division of ad valorem taxes under*
17 *ORS 457.440]*. Ad valorem taxes shall not be divided if there is no pro-
18 vision in the urban renewal plan for the division.

19 “(2) No plan adopted after October 3, 1979, shall provide for a division
20 of ad valorem taxes under subsection (1) of this section if:

21 “(a) For municipalities having a population of more than 50,000, according
22 to the latest state census:

23 “(A) The assessed value for the urban renewal areas of the plan, when
24 added to the total assessed value previously certified by the assessor for
25 other urban renewal plans of the municipality for which a division of ad
26 valorem taxes is provided exceeds a figure equal to 15 percent of the total
27 assessed value of that municipality, exclusive of any increased assessed value
28 for other urban renewal areas; or

29 “(B) The urban renewal areas of the plan when added to the areas in-
30 cluded in other urban renewal plans of the municipality providing for a di-

1 vision of ad valorem taxes, exceed a figure equal to 15 percent of the total
2 land area of that municipality.

3 "(b) For municipalities having a population of less than 50,000, according
4 to the latest state census:

5 "(A) The assessed value for the urban renewal areas of the plan, when
6 added to the total assessed value previously certified by the assessor for
7 other urban renewal plans of the municipality for which a division of ad
8 valorem taxes is provided exceeds a figure equal to 25 percent of the total
9 assessed value of that municipality, exclusive of any increased assessed value
10 for other urban renewal areas; or

11 "(B) The urban renewal areas of the plan, when added to the areas in-
12 cluded in other urban renewal plans of the municipality providing for a di-
13 vision of ad valorem taxes, exceed a figure equal to 25 percent of the total
14 land area of that municipality.

15 **"(3) Property may not be included in more than one urban renewal**
16 **area.**

17 **"SECTION 335. ORS 457.430 is amended to read:**

18 **"457.430. (1) As soon as practicable after the approval of a plan containing**
19 **a provision authorized by ORS 457.420, the county assessor of each county**
20 **in which an urban renewal area is located shall prepare, in duplicate, a**
21 **certified statement of the total [true cash] assessed value, as shown on the**
22 **county [tax] assessment roll last equalized prior to the effective date of the**
23 **ordinance approving the plan, of all of the taxable real and personal property**
24 **contained in the urban renewal area in the county.**

25 **"(2) Wherever only a part of an urban renewal area is located in a taxing**
26 **[body] district, the assessor also shall show in the statement required by**
27 **subsection (1) of this section the [true cash] assessed value of the real and**
28 **personal property in the part of the urban renewal area located in the taxing**
29 **[body] district.**

30 **"(3) One copy of the certified statement shall be filed by the assessor with**

1 the agency and the other copy shall constitute a part of the public records,
2 of the county assessor's office.

3 "(4) Whenever a part of an urban renewal area comes within the territory
4 of a taxing *[body]* district either by annexation, incorporation of a new
5 taxing *[body]* district or consolidation, after the approval of a plan con-
6 taining a provision authorized by ORS 457.420, the county assessor shall in
7 the same manner as under subsection (3) of this section file a certified
8 statement or an amendment to a certified statement to show the *[true cash]*
9 assessed value of the real and personal property in that part of the urban
10 renewal area incorporated by annexation or consolidation into the taxing
11 *[body]* district. The *[true cash]* assessed value of the real and personal
12 property so incorporated shall be determined in the same manner and as of
13 the same date as provided in subsections (1) and (2) of this section.

14 "(5) When a *[certificate]* certified statement is filed as required by sub-
15 section (1) of this section, if the law provides a percentage reduction or in-
16 crease of the valuation for tax purposes of the taxable property contained in
17 the urban renewal area at the time of the filing, the assessor shall state the
18 total *[true cash]* assessed value as it is so reduced or increased. After a
19 *[certificate]* certified statement has been filed as required by subsection (1)
20 of this section, if a law is enacted which provides a percentage reduction or
21 increase of the valuation for tax purposes of the taxable property contained
22 in the urban renewal area at the time the *[certificate]* certified statement
23 was filed, the assessor shall amend the certified statement annually or as
24 otherwise required to reduce or increase the stated total *[true cash]* assessed
25 value of the real and personal property accordingly. An amendment to the
26 *[certificate]* certified statement shall be filed in the manner provided by
27 subsections (3) and (4) of this section.

28 "(6) All certified statements and amendments thereto filed under
29 this section before the effective date of this 1991 Act shall continue to
30 remain in effect. ^{for purposes of this section} The total true cash value contained in those certified

1 statements shall constitute the total assessed value of the property **[in]**
2 **[an urban renewal area.]**

3 "SECTION 335a. ORS 457.440 is amended to read:

4 "457.440. [(1) During the period specified in ORS 457.450, the county
5 assessor shall compute the rate percent of levy for each taxing body in which
6 all or part of the urban renewal area is located in the manner provided by
7 ORS 310.090, except that the assessed valuation to be divided into the total
8 amount of money proposed to be raised by the taxing body shall not include
9 that part of the assessed value attributable to any increase in the true cash
10 value of the property located in the urban renewal area, or portion thereof, over
11 the true cash values specified in the certificate or amendment to the certificate
12 prepared by the assessor under ORS 457.430.]

13 "[(2) The rate percent determined under subsection (1) of this section for the
14 taxing body shall be extended by the assessor on the county assessment roll for
15 that year against the entire assessed valuation of all the taxable property in
16 the taxing body including the increase, if any, in true cash value of property
17 located in the urban renewal area or portion thereof exceeding the value spec-
18 ified in the certificate or amendment thereto filed under ORS 457.430, although
19 such increased value or valuation attributable thereto was not included in
20 computing the rate percent of levy.]

21 "[(3) That portion of the taxes produced by the rate upon which the tax is
22 levied each year by or for each of the taxing bodies upon the true cash value
23 of the taxable property in the urban renewal area, or part thereof, specified in
24 the certificate or amendment to certificate filed under ORS 457.430, shall be
25 allocated to and when collected shall be paid into the funds of the respective
26 taxing bodies in the same manner as taxes by or for said taxing bodies on all
27 other property are paid.]

28 "[(4) That portion of the taxes representing the levy against the increase,
29 if any, in true cash value of property located in the urban renewal area, or part
30 thereof, over the true cash value specified in the certificate or amendment to

1 the certificate filed under ORS 457.430, shall, after collection by the tax col-
2 lector, be paid into a special fund of the agency and shall be used to pay the
3 principal and interest on indebtedness incurred by the agency to finance or
4 refinance the carrying out of the urban renewal plan.] During the period
5 specified under ORS 457.450:

6 “(1) The county assessor shall determine the amount of funds to
7 be raised each year for urban renewal within the county by dividing
8 the ad valorem taxes levied by taxing districts in accordance with
9 section 1c, Article IX of the Oregon Constitution, ORS 457.420 and this
10 section.

11 “(2) Not later than July 15 of each tax year, each urban renewal
12 agency shall determine and certify to the county assessor the follow-
13 ing:

14 “(a) The amount of funds to be raised each year for the purpose of
15 paying principal and interest on bonded indebtedness from each urban
16 renewal area through the levy of taxes that are not subject to the
17 limits of section 11b, Article XI of the Oregon Constitution.

18 “(b) If the municipality that activated the urban renewal agency
19 has limited the funds to be received by the agency under subsection
20 (3) of this section, the amount of funds to be raised each year for the
21 purpose of paying other indebtedness from each urban renewal area
22 through the levy of taxes that are subject to the limits of section 11b,
23 Article XI of the Oregon Constitution.

24 “(c) If the municipality that activated the urban renewal agency
25 has not limited the funds to be received by the agency under sub-
26 section (3) of this section, a statement that the maximum amount of
27 funds that may be raised by dividing the ad valorem taxes levied by
28 taxing districts under this section shall be raised.

29 “(3) The amounts certified under paragraph (b) of subsection (2) of
30 this section may be limited by the municipality in which the urban

1 renewal agency is located. The decision of the municipality to limit the
2 amount of funds to be certified shall be reflected in the certified
3 statement filed by the urban renewal agency with the county assessor.

4 “(4) Not later than September 25 of each tax year, the assessor of
5 any county in which a joint district is located shall provide, to the
6 assessor of each other county in which the joint district is located, the
7 assessed values of the property in the joint district that is located
8 within the county, including the certified statement value and the in-
9 crement for any urban renewal area located within the joint district,
10 and a copy of the certificate filed by the urban renewal agency for the
11 area located within the joint district under subsection (2) of this sec-
12 tion.

13 “(5)(a) The county assessor shall compute the tax rate for each
14 taxing district in which all or part of an urban renewal area is located
15 in the manner provided by ORS 310.090, except that assessed value to
16 be divided into the total amount of money proposed to be raised by the
17 taxing district shall not include the increment for the taxing district.

18 “(b) The assessor shall determine the amount of taxes that would
19 be produced by extending the tax rate computed under paragraph (a)
20 of this subsection against the increment of each taxing district.

21 “(6) For each taxing district, the assessor shall divide and attribute
22 the tax rate determined under paragraph (a) of subsection (5) of this
23 section between the taxing district and each urban renewal area of the
24 urban renewal agency and shall calculate, extend and, subject to sec-
25 tion 11b, Article XI of the Oregon Constitution, collect the following
26 amounts:

27 “(a) The assessor shall calculate the urban renewal rates by dividing
28 the amount determined under paragraph (b) of subsection (5) of this
29 section attributable to the agency by the assessed value of the shared
30 property of the taxing district and the urban renewal agency.

1 “(b) The portion of each urban renewal rate determined by multi-
2 plying that urban renewal rate by the ratio, not greater than one, of
3 the amount certified under paragraph (a) of subsection (2) of this
4 section for the urban renewal area to the total amounts determined
5 in paragraph (b) of subsection (5) of this section for the area shall be
6 extended against the shared property of the taxing district and the
7 urban renewal agency. Any amounts collected pursuant to this portion
8 of the urban renewal rate shall be paid into a special fund of the urban
9 renewal agency and shall be used to pay the principal and interest on
10 bonded indebtedness incurred by the agency to finance or refinance
11 the urban renewal plan for the area.

12 “(c) Any portion of each urban renewal rate not extended under
13 paragraph (b) of this subsection shall be extended against the shared
14 property of the taxing district and the urban renewal agency. However,
15 if a municipality has limited the funds to be received by an urban re-
16 newal area under subsection (3) of this section, the rate for the area
17 shall not exceed the rate determined by multiplying the urban renewal
18 rate by the ratio of the amount certified under paragraph (b) of sub-
19 section (2) of this section to the total amounts determined in para-
20 graph (b) of subsection (5) of this section for the area. Any amounts
21 collected pursuant to this portion of the urban renewal rate shall be
22 paid into a special fund of the urban renewal agency and shall be used
23 to pay the principal and interest of any indebtedness incurred by the
24 agency to finance or refinance the urban renewal plan of the area.

25 “(d) Any remaining portion of the urban renewal rate shall not be
26 extended against the shared property of the taxing district and the
27 urban renewal agency.

28 “(e) The portion of the rate determined under paragraph (a) of
29 subsection (5) of this section after subtracting the urban renewal rate
30 shall be extended against the shared property of the taxing district and

1 the urban renewal agency. Any amounts collected pursuant to this
2 portion of the taxing district rate shall be distributed to the taxing
3 district.

4 "(f) The entire rate determined under paragraph (a) of subsection
5 (5) of this section shall be extended against the property of the taxing
6 district that is not shared property of the taxing district and any ur-
7 ban renewal agency. Any amounts collected pursuant to this rate shall
8 be distributed to the taxing district.

9 "(7) Any amount collected for an urban renewal agency pursuant
10 to this section shall be deposited into the unsegregated tax collections
11 account and distributed to the urban renewal agency based upon the
12 distribution schedule established under ORS 311.390.

13 "[5] (8) Unless and until the total *[true cash]* assessed value of the
14 taxable property in an urban renewal area exceeds the total *[true cash]* as-
15 sessed value specified in the *[certificate or amendment to certificate filed*
16 *under ORS 457.430]* certified statement, all of the ad valorem taxes levied
17 and collected upon the taxable property in such urban renewal area shall be
18 paid into the funds of the respective taxing *[bodies]* districts.

19 "[6] (9) The agency may incur indebtedness, including obtaining loans
20 and advances in carrying out the urban renewal plan, and the portion of
21 taxes received under *[subsection (4) of]* this section may be irrevocably
22 pledged for the payment of principal of and interest on such indebtedness.

23 "(10) The department shall by rule establish procedures for certif-
24 ication of amounts to be raised, calculation of rates and determination
25 of amounts to be raised and distributed under this section.

26 "SECTION 335b. ORS 457.450 is amended to read:

27 "457.450. (1)(a) *[The provisions of]* ORS 457.440 *[(1) to (5)]* shall first apply
28 to the assessment roll next following the tax roll referred to in ORS 457.430
29 if the assessor is provided notice of a plan adoption or amendment
30 changing area boundaries by the agency prior to January 1 *[of the assess-*

1 *ment]* before the tax year to which the plan first applies.

2 “(b) If the assessor is not provided notice of plan adoption or amend-
3 **ment changing area boundaries** by the agency prior to January 1 [*of the*
4 *assessment year]* before the tax year to which [*the provisions of*] ORS
5 457.440 would otherwise first apply [*under paragraph (a) of this subsection*],
6 then [*the provisions of*] ORS 457.440 [(1) to (5)] shall first apply to the as-
7 sessment roll next following the assessment roll described in paragraph (a)
8 of this subsection.

9 “(2) When the principal and interest on indebtedness to which the portion
10 of taxes is irrevocably pledged for payment under ORS 457.440 [(6)] is fully
11 paid, or it is found that deposits in the special fund are sufficient to fully
12 pay principal and interest on that indebtedness either through direct pay-
13 ment of the indebtedness or by payment of principal and interest on bonds
14 or notes issued to finance the indebtedness, the agency shall notify the
15 assessor of that fact and for the tax year [*in*] for which the notice is received
16 and each year thereafter the county assessor shall compute the rate percent
17 of the levy for each taxing [*body*] **district** in which an urban renewal area,
18 or part thereof, is located without regard to the limitations provided in ORS
19 457.440.

20 “(3) All moneys remaining unexpended from the special fund provided for
21 in ORS 457.440, after payment of all the principal and interest on indebt-
22 edness is provided for, shall be turned over to the county treasurer by the
23 agency and prorated by the treasurer back to the taxing [*bodies*] **districts**
24 in which the area, or part thereof, is located, in proportion to the amount
25 of money in the fund attributable to each taxing [*body*] **district** for the last
26 fiscal year in which tax levy moneys were paid into the special fund of the
27 agency under ORS 457.440.

28 “SECTION 335c. ORS 457.460 is amended to read:

29 “457.460. (1) An agency shall, by August 1 of each year, prepare a state-
30 ment containing:

1 “(a) The amount of money actually received during the preceding fiscal
2 year under ORS 457.440 [(4)] and from indebtedness incurred under ORS
3 457.440 [(6)];

4 “(b) The purposes and amounts for which any money received under ORS
5 457.440 [(4)] and from indebtedness incurred under ORS 457.440 [(6)] were
6 expended during the preceding fiscal year;

7 “(c) An estimate of moneys to be received during the current fiscal year
8 under ORS 457.440 [(4)] and from indebtedness incurred under ORS 457.440
9 [(6)];

10 “(d) A budget setting forth the purposes and estimated amounts for which
11 the moneys which have been or will be received under ORS 457.440 [(4)] and
12 from indebtedness incurred under ORS 457.440 [(6)] are to be expended during
13 the current fiscal year; and

14 “(e) An analysis of the impact, if any, of carrying out the urban renewal
15 plan on the tax rate for the preceding year for all taxing [bodies] districts
16 included under ORS 457.430.

17 “(2) The statement required by subsection (1) of this section shall be filed
18 with the governing body of the municipality. [and] Notice shall be published
19 that the statement has been prepared and is on file with the municipality
20 and the agency and the information contained in the statement is available
21 to all interested persons. The notice shall be published once a week for not
22 less than two successive weeks before September 1 of the year for which the
23 statement is required in accordance with ORS 457.115. The notice shall
24 summarize the information required under paragraphs (a) to (d) of subsection
25 (1) of this section and shall set forth in full the information required under
26 paragraph (e) of subsection (1) of this section.

27 “**SECTION 335d.** Section 335e of this Act is added to and made a part
28 of ORS 457.010 to 457.460.

29 “**SECTION 335e.** Notwithstanding ORS 457.190 (3), an urban renewal
30 agency may issue bonded indebtedness to undertake an urban renewal project

1 to carry out an urban renewal plan if, prior to the effective date of this 1991
2 Act, a written contract or other written agreement for the project was made,
3 the instrument setting forth the contract or agreement was executed and the
4 parties were bound. The urban renewal agency of the municipality [may as-
5 sume payment of the general obligation bonds issued under this section and]
6 may use any of the money available to it from the issuance of the bonds for
7 carrying out the project in accordance with the contract or agreement.

8 "SECTION 335f. (1) The amendments to ORS 311.250 (2) by section 238
9 of this Act creating a new paragraph (p) and the amendments to ORS 457.010,
10 457.075, 457.085, 457.190, 457.420, 457.430, 457.440, 457.450 and 457.460 by
11 sections 330 to 335c of this Act apply to tax years beginning on or after July
12 1, 1991.

13 "(2) The amendments to ORS 457.085 (2) by section 332 of this Act creat-
14 ing a new paragraph (j) apply to urban renewal plans and substantial plan
15 amendments adopted after the effective date of this Act."

NE



KNOW ALL MEN BY THESE PRESENTS, That Oregon City Urban Renewal Agency,
a municipal corporation
hereinafter called the owner, in consideration of \$ 3,000.00 paid to owner by Cranston Diversified
Industries, Inc., an Oregon corporation
hereinafter called the second party, the receipt of which hereby is acknowledged by the owner, has given and granted
and does hereby give and grant unto the second party the sole, exclusive and irrevocable right and option for a period
commencing this date and ending the 10th day of August, 19 91 (hereinafter for
brevity called the expiration date) to purchase the following described real property in
County, State of Oregon, to-wit:

Lots 7 and 8 Redsoils Industrial Area, in Clackamas County, Oregon

Additional terms and conditions to this Option on Real Estate are set
forth in Exhibit A, attached hereto and by reference incorporated
herein.

at and for a price of \$.1.15^{ft} per sq., payable at the times and in the manner following:

- (a) Owner shall, prior to the Closing Date, calculate the square
footage of the property for determining the purchase price
based upon the final recorded plat.
- (b) Once the purchase price has been calculated, the purchase price
shall be paid in cash. The square footage shall be calculated
prior to the Closing Date so that the cash payment can be made
upon the Closing Date.

If the second party elects to exercise this option, second party shall deliver written notice thereof to the owner on or before the said
expiration date; said notice shall be accompanied by a cashier's check or by a certified check made payable to the owner in the amount of
\$ 0.00, to be applied on said purchase price. In lieu of making manual delivery of said notice and check, the second party may
place the same in a sealed envelope addressed to the owner at the owner's address below, said envelope then to be deposited in the United
States registered mails, with postage thereon fully prepaid, and delivered at the owner's said address on or before said expiration date.



If this option is exercised, then for the purpose of closing the sale and purchase of said premises, the parties hereto hereby constitute and appoint Ticor Title Insurance Company, 820 Main, PO Box 69, Oregon City, Oregon 97045 as their escrow agent. Within five days after the delivery of second party's said notice of election to purchase, the owner shall deposit owner's deed with said escrow agent and the second party shall deposit with said escrow agent all sums of money required by the above terms of said sale to be paid by second party on the delivery of deed, together with all written instruments, fully executed, whatsoever required of second party at said time. The owner's deed mentioned above shall be a good and sufficient warranty deed conveying said described property to the second party, second party's heirs and assigns, free of all incumbrances excepting zoning ordinances, building, use and other restrictions of record and the following incumbrances:

covenants, conditions and restrictions of record; provided, however, that Owner agrees to amend such covenants, conditions and restrictions of record as outlined in the letter marked Exhibit C, attached hereto and by reference incorporated herein.

Upon said deposit in escrow being made, the owner and the second party shall execute and deliver to the said escrow agent suitable and appropriate escrow instructions which shall direct and authorize said escrow agent to deliver the owner's said deed to the order of the second party to deliver to the order of the owner the moneys and written instruments so deposited by the second party as soon as the owner has delivered to the escrow agent for the grantee named in said deed a policy of title insurance issued by a reputable title insurance company authorized to do business within the State of Oregon, insuring (in a sum equal to said option price) the owner's marketable title in and to said real estate, free and clear of all incumbrances whatsoever excepting only those above stated and the usual printed exceptions.

Should said option be exercised and should either party hereto fail to deposit the written instruments and the moneys required of them to be deposited pursuant to the foregoing terms and conditions, or should the owner fail to deliver to the escrow agent said title insurance policy within fifteen days after the execution and delivery of said escrow instructions, each party may withdraw from escrow all moneys and written instruments previously deposited by them.

All adjustments between the parties relative to taxes, insurance premiums, interest, rents and other matters shall be made as of the date of delivery of deed out of escrow; the expense of title insurance and preparation of deed shall be borne by the owner; the fees and expenses of the escrow agent shall be shared equally between the owner and the second party.

The owner covenants and agrees to and with the second party that owner is the owner of said property and has a valid right to sell and convey the same and to contract so to do.

This document is an option and nothing more than an option and does not pass to or vest in the second party any right, title or interest whatsoever in or to the said described real estate. In the event that the second party does not so elect to exercise second party's said option within the time and in the manner stated, time being of the essence hereof, this instrument forthwith shall become null and void and of no further force or effect.

This contract shall bind and inure to the benefit of, as the circumstances may require, not only the immediate parties hereto but their respective heirs, administrators, executors, successors-in-interest and assigns as well.

It is understood that either party hereto may be more than one individual or a corporation; therefore, the parties hereto agree that if the context and the circumstances so require, the singular includes the plural and that all grammatical changes shall be made so that the provisions of this agreement shall apply equally to individuals and to corporations. If the owner is a corporation, it has caused its name to be signed and its seal affixed by an officer duly authorized thereto by order of its board of directors.

IN WITNESS WHEREOF, the owner has executed this option on April 10, 1991

OREGON CITY

URBAN RENEWAL AGENCY, a municipal
corporation

By:

John G. Block, Executive Director

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

(OWNER'S ADDRESS)

IMPORTANT NOTICE: If the one who gives the above option is a creditor and the one to whom it is given is a customer as those words are defined in the Truth-in-Lending Act and Regulation Z, legal advice should be obtained as to whether Disclosures and other notices are required — and when. For a Notice of Right to Cancel see Stevens-Ness Form No. 1324 and for a Notice of Non-Cancellation, Form No. 1325.

STATE OF OREGON, County of Clackamas) ss.

This instrument was acknowledged before me on , 19 ,

by

This instrument was acknowledged before me on April, 1991,

by John G. Block

as Executive Director

of The Oregon City Urban Renewal Agency

Notary Public for Oregon

My commission expires

**EXHIBIT A TO OPTION ON REAL ESTATE
BETWEEN
THE OREGON CITY URBAN RENEWAL AGENCY ("Owner")
AND
CRANSTON DIVERSIFIED INDUSTRIES, INC.,
an Oregon corporation ("Second Party")**

This Exhibit A constitutes additional terms and conditions to the above-referenced Option and to the extent of a conflict between the printed provisions of the Option and this Exhibit A, the terms of this Exhibit A shall control:

1. **Option Consideration.** The consideration for this Option consists of \$3,000 to be paid upon execution hereof. If the Option is exercised, the \$3,000 amount shall apply to the purchase price. If the Option is not exercised, Owner shall be entitled to retain the \$3,000 paid for the Option.

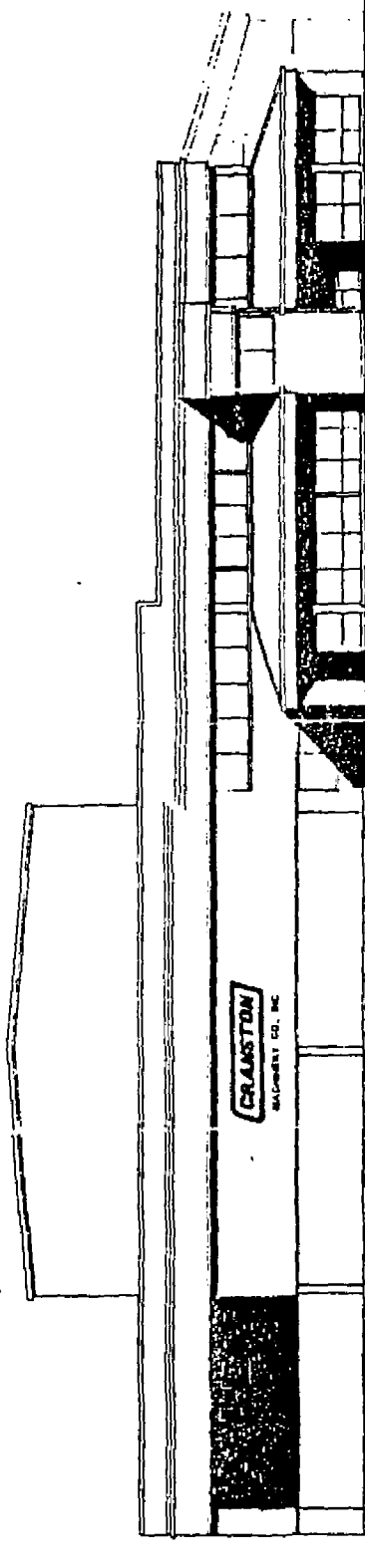
2. **Construction and Purchase Price.**

(a) The purchase price, set forth in the Option, is \$1.15 per square foot, which was calculated assuming that Second Party commences construction upon the property within twelve (12) months from the date hereof. Such construction must be commenced by the undersigned in general conformance with those certain conceptual drawings, copies of which are marked Exhibit B, attached hereto and by reference incorporated herein. If Second Party does not commence construction, in general conformance with said conceptual plans, within the twelve (12) month period, and thereafter diligently pursue completion of such construction, then Owner shall be entitled to a greater purchase price in accordance with subparagraph (b) below.

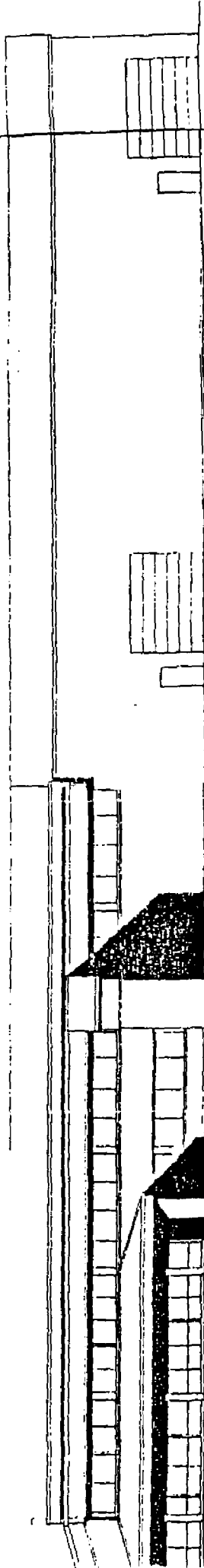
(b) If Second Party has not complied with the construction covenants, as set forth in subparagraph (a) above, then Second Party shall pay to Owner, as additional purchase price, the sum of \$1.10 per square foot thereby bringing the total purchase price to \$2.25 per square foot. This amount shall be paid within ten (10) days following Owner's demand and, if not paid within such time period, shall accrue interest at the rate of twelve (12%) percent per annum from the date such payment was due until the date actually paid. The obligation to pay the additional purchase price shall be secured by a first position trust deed upon the property utilizing Stevens-Ness Form 881 Trust Deed. Owner shall be entitled to obtain a mortgagee's policy of title insurance on the trust deed, at the time of closing, to insure its first position.

3. **Recording of Final Plat.** Section 92.016(1) of the Oregon Revised Statutes provides that no person shall negotiate to sell any lot in a subdivision until a tentative plan has been approved. Second Party acknowledges and agrees that the property which is the subject of this Option is part of a proposed subdivision for which a tentative plan has been approved. A condition precedent to the closing of the sale of the property, following exercise of the Option by Second Party, is the recording of the final plat as specified in ORS 92.016. Owner agrees to use its best efforts to cause such final plat to be recorded prior to the proposed date for closing and to cause the execution of a Construction Compliance Agreement between Owner and the City of Oregon City, Oregon. If the final plat is not recorded, and the Construction Compliance Agreement not executed, by the proposed date of closing, Second Party shall be entitled to a refund of its option consideration and this Option shall thereafter be null and void and neither party shall have any further liability to the other party.

4. **Attorney Fees.** In the event of any legal action in connection with this Option, the prevailing party in such action shall be entitled to recover its reasonable attorney fees and court costs from the nonprevailing party.

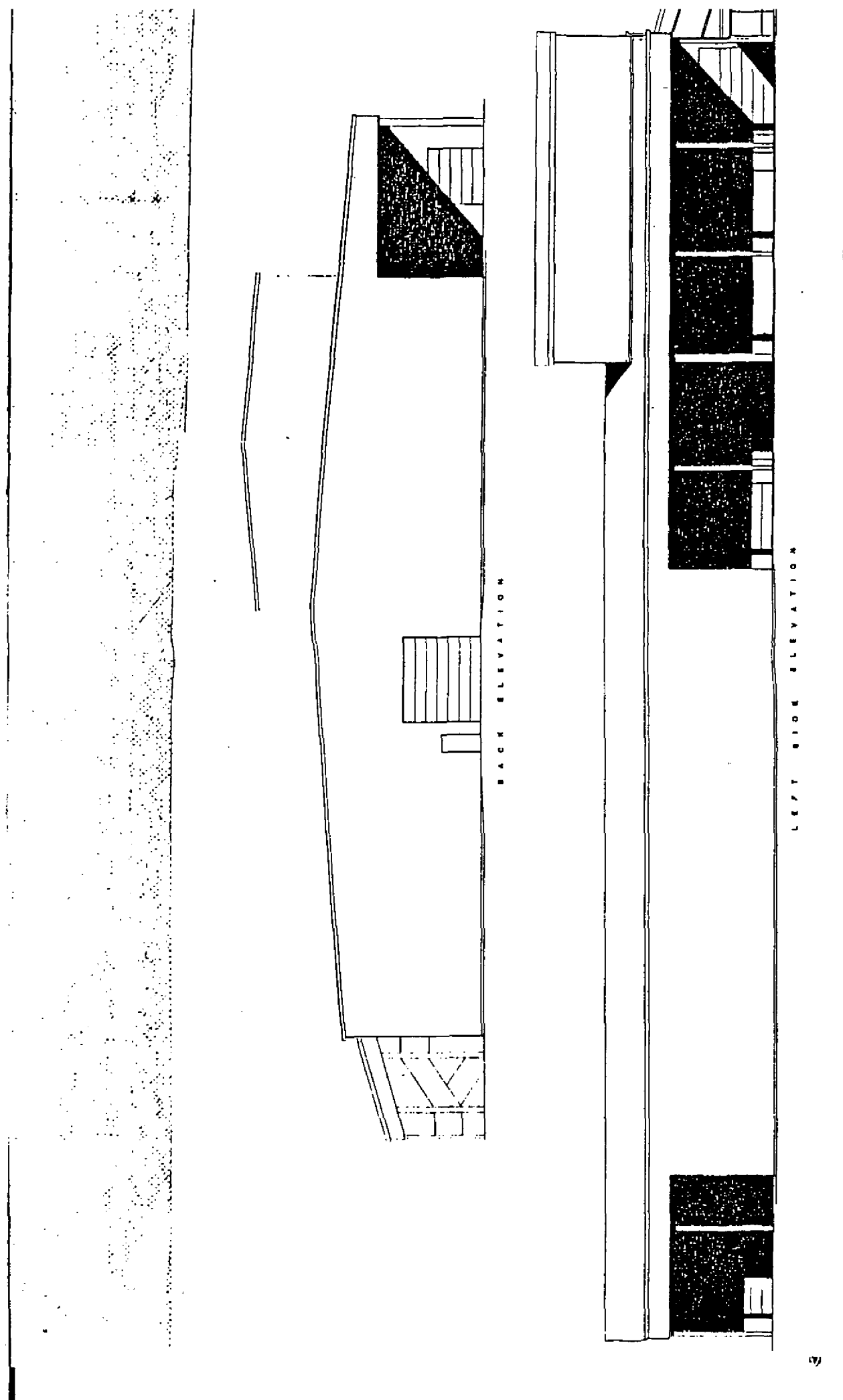


FRONT ELEVATION



RIGHT SIDE ELEVATION

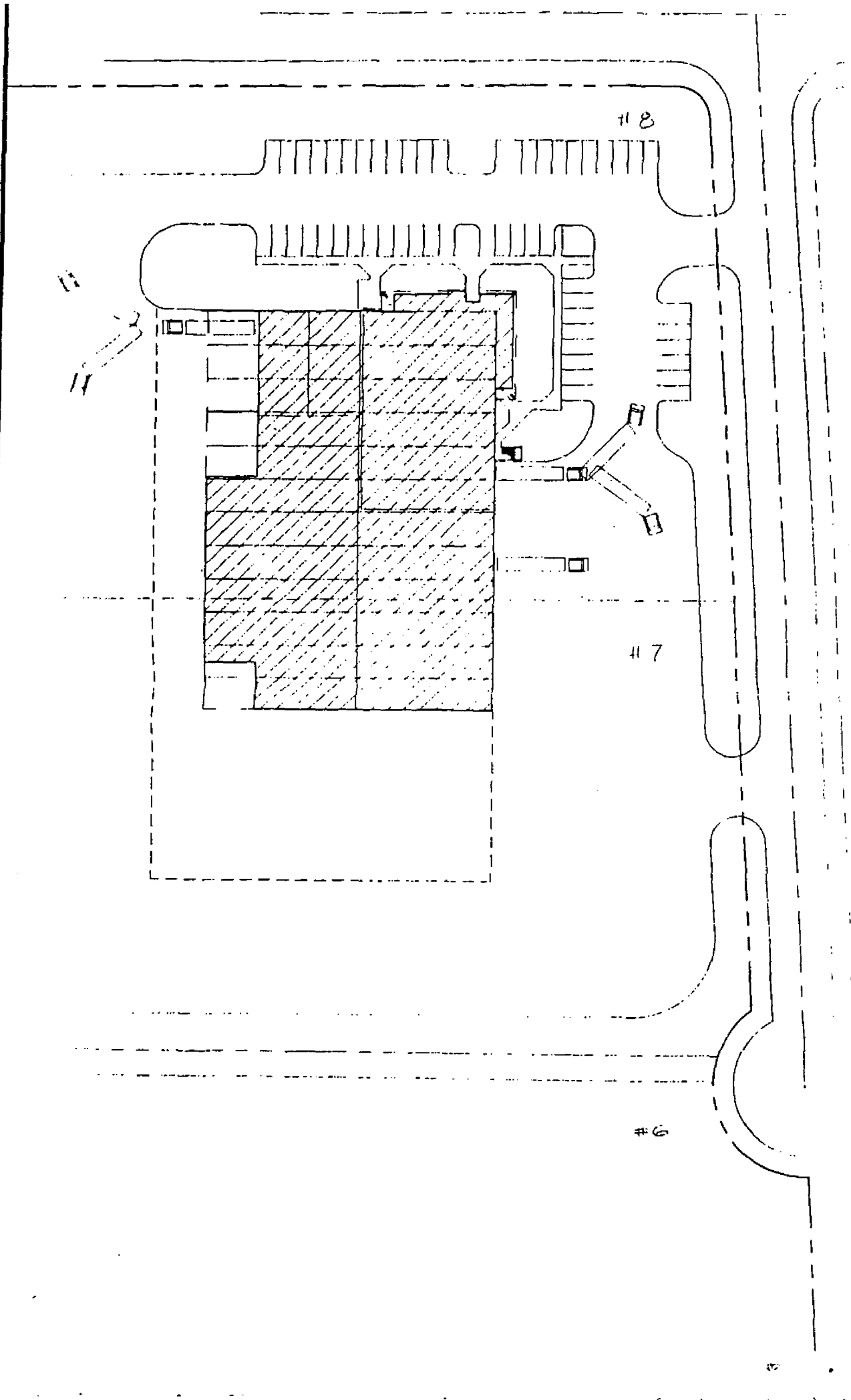
EXHIBIT B-2



BACK ELEVATION

LEFT SIDE ELEVATION

EXHIBIT 8-3



CITY OF OREGON CITY

Incorporated 1844

February 19, 1991

Albert E. Cranston, III, President
Cranston Machinery Co., Inc.
P. O. Box 68207
Milwaukie, Oregon 97268

Subject: Red Soils Acquisition

Dear Bert:

I reviewed your proposal with the Urban-Renewal Agency Board last week. They said they would support:


1. Reducing the landscape requirement from 25% to 15%;
2. Increasing the maximum height allowed from forty feet (40') to forty-five feet (45'), and
3. Changing the sign standards to be consistent with those in the City's M-1 Light Industrial Zone.

I have attached the M-1 zone sign standards for your review.

The Agency Board also supported the concept of selling lot 6; even though it would be reserved for future expansion, it if was sold at a fair market price. I think they would support \$2.00 per square foot for Lot 6.

Because of the time to prepare and execute a purchase and sale agreement and time to refine the site grading plan, I would encourage a decision as soon as possible. Please call me if you have any other questions.

Sincerely,


JOHN G. BLOCK
Executive Director

JGB/am
attach.

cc • David Seigneur, Director, Development Agency, Clackamas County
• Urban Renewal Agency

URBAN RENEWAL AGENCY

320 Warner Milne Rd. • Oregon City, OR 97045 • (503) 657-0891

KNOW ALL MEN BY THESE PRESENTS, That the City of Oregon City, Oregon - Urban

Renewal Agency

(hereinafter called "the Undersigned") for and in consideration of the payment of the sum of four hundred Dollars (\$400.00), the receipt of which is hereby acknowledged, hereby grants unto CRANSTON DIVERSIFIED INDUSTRIES, INC., an Oregon Corporation, its agent, representative or associate, (hereinafter called "the Company") the option to purchase for the total sum of Not to Exceed \$1.15 per Square Foot for Dollars (\$To be calculated), Lots 7 and 8, the following described real property with the tenements, hereditaments, and appurtenances thereto situated in the County of Clackamas and State of Oregon, described as follows, to-wit:

Lots 7 and 8 of Redsoils Industrial Area.

This option shall continue in force for a period of six (6) months from the date hereof, and at any time within said period the Company shall have the right to exercise said option by giving the Undersigned written or verbal notice of its determination to do so, such written notice to be delivered to the Undersigned either in person or by United States Mail to the Undersigned's last known Post Office Address.

If the Company exercises this option the consideration paid therefor shall apply on the total purchase price of the real property mentioned hereinabove. If this option is not exercised by the Company within the above mentioned period the above mentioned option payment may be retained by the Undersigned.

If the Company shall elect to exercise this option, the Undersigned agrees that at such time as the Company may name thereafter the Undersigned shall execute and deliver to the Company a properly executed Warranty Deed containing full covenants of warranty whereby the above described real property is conveyed to the Company free from encumbrances.

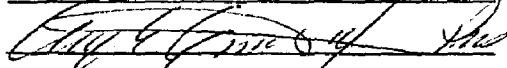
If the Company shall elect to exercise this option the Undersigned will, at their expense, furnish the Company a policy of title insurance insuring the Company of the fee simple title to the above described real property, free from any and all liens and exceptions other than the usual printed exceptions in the policy, in the amount of the purchase price named herein.

The Company shall pay the recording costs of said instrument of conveyance, and the amount of all real property taxes shall be pro-rated as of the date of delivery of said deed or possession of the property, whichever comes last; and the Undersigned understands and hereby agrees that the purchase price above stated, less the amount paid for this option, and plus the pro-rated amount of any real property taxes prepaid by the Undersigned will be paid upon the delivery of said deed.

This option shall be binding upon the Undersigned, their heirs and assigns and inures to the benefit of the Company, its successors and assigns.

Dated this 12th day of March, 1991.

CRANSTON DIVERSIFIED INDUSTRIES, INC.



Albert E. Cranston III, President

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Renewal Agency

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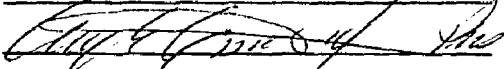
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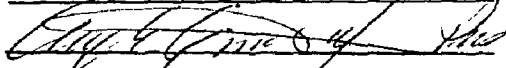
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Dated this 12th day of March, 1991.

CRANSTON DIVERSIFIED INDUSTRIES, INC.



Albert E. Cranston III, President

CLACKAMAS COUNTY



DEVELOPMENT AGENCY

February 19, 1991

John Block
City of Oregon City
320 Warner-Milne Road
Oregon City, Oregon 97045

RE: Developer Round Table/Brainstorm

Dear John,

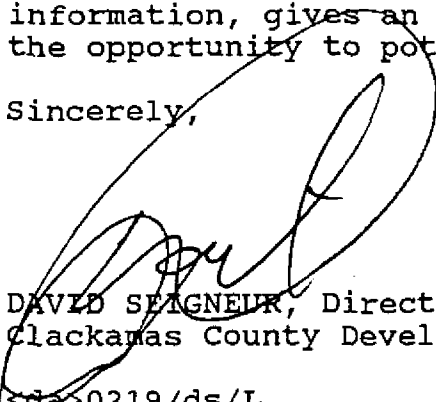
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I believe Milwaukie received credible feedback on the development potential, opportunities, types of uses, problems, etc. that would help the city determine its planning/zoning and urban renewal approach.

If you are ever interested in getting a similar session for a likely development opportunity in Oregon City, we would be glad to help you in organizing such a meeting. Sites like Red Soils, the Clackamas Lake area, downtown Oregon City, etc. might be interesting subjects for such a session.

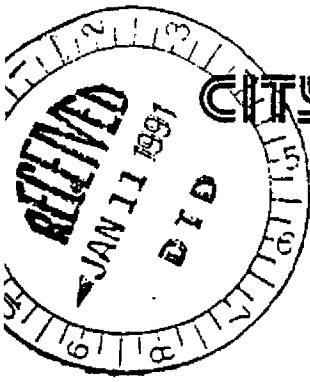
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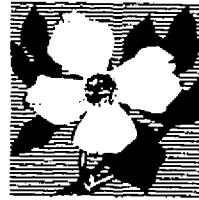


DAVID SEIGNEUR, Director
Clackamas County Development Agency

<da>0219/ds/L



CITY OF MILWAUKIE



COMMUNITY DEVELOPMENT
PUBLIC WORKS

6101 S.E. JOHNSON CREEK BLVD.

TELEPHONE 652-4410

February 7, 1991

Dave Seigneur and Gary Cook
Clackamas County Development Agency
902 Abernethy Road
Oregon City, OR 97045

Dear Dave and Gary:

Many thanks for your able assistance in setting up the January 23rd future options discussion on Milwaukie Economic Development Target Area A! We found the comments refreshing and useful. We look forward to future discussion and assistance on City strategies and participation in development of this Area.

Enclosed are copies of the summary notes taken at the meeting. Please let us know if we missed anything, or feel free to advance any suggestions or comments that you might have for the next steps. Your coordination efforts are much appreciated.

Sincerely,

Maggie Collins
Community Development Director

MC/mgh
91.00081

cc: Dan Bartlett

Target Area A

Meeting Notes - January 23, 1990

Development Factors to be Considered

NOW -- Hospital is a motivator for some types of development.
City's "downtown" has shifted to the east (Milwaukie Marketplace now presents realistic shifting of Milwaukie retail center to Hwy 224).
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Approach in part depends on answers to questions:

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- (5) Does Milwaukie see itself investigating assisted housing possibilities in Area A?

FUTURE USES -- AREA A

Depends in part on a good understanding of future plans of hospital.
Promotion of several types of uses could work in different combinations within Area A, i.e., industrial health care center, medical clinics, destination type use (commercial), Class B office space, light manufacturing areas (3-4 acres).

FUTURE USES -- MURPHY'S SITE

Warehousing as an interim use?
What's the site worth? Depends on its use.
City building location?
Upscale office use?
Extended care use?

OBSTACLES

Too many stoplights, substandard housing units.
Railroad creates poor image, needs a tree buffer.
Existing internal circulation and railroad tracks defeat access needs for Murphy site and for "triangle" area.
Railroad Avenue needs improvements and better linkage to 32nd.

A summary of specific points and observations about both the Murphy site and Target Area A are found on the next page.

Target Area A
Meeting Notes - January 23, 1991

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- Window to Milwaukie, currently an eyesore.
- Access problems - destination comm. could work/office-medical the easiest use.
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- Destination-oriented location with City facilities. Access is solvable problem.
- Industrial in character.
- Small industrial sites are scarce.
- Light industrial or Class B office.
- Donate site because of environmental problems - needs to be checked out.
- Light industrial/Class B - medical uses.

Area A

- City locate at one end or other.
- Getting through the area a problem.
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Target Area A

Meeting Notes - January 23, 1990

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CITY OF MILWAUKIE



COMMUNITY DEVELOPMENT
PUBLIC WORKS

6101 S.E. JOHNSON CREEK BLVD.

TELEPHONE: 652-4410

February 7, 1991

Ron Kawamoto
Norris, Beggo & Simpson
720 SW Washington St.
Portland OR 97204

Dear Ron:

On behalf of the City of Milwaukie, I should like to thank you for taking the time to join Dave Seigneur, Gary Cook, Dan Bartlett and me in our discussion about future options for Milwaukie Target Area A. Attached are some notes that I hope accurately summarize the conversation on January 23, 1991. These thoughts and comments have already been used to further articulate City directions for this Area.

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Sincerely,

Maggie Collins
Community Development Director

MC/mgh
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cc: Dan Bartlett
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Milwaukie OR 97222

CLACKAMAS COUNTY



DEVELOPMENT AGENCY

February 19, 1991

John Block
City of Oregon City
320 Warner-Milne Road
Oregon City, Oregon 97045

RE: Developer Round Table/Brainstorm

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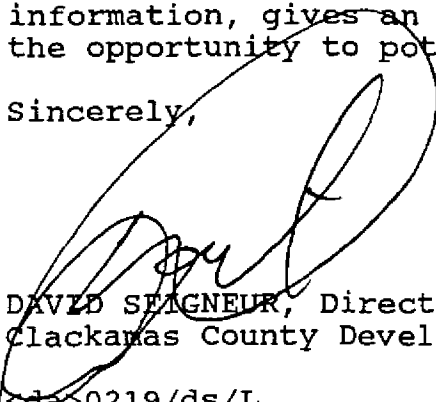
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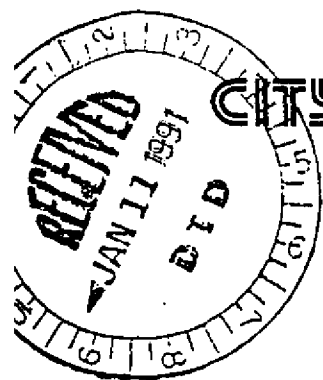
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CITY OF MILWAUKIE



COMMUNITY DEVELOPMENT
PUBLIC WORKS

6101 S.E. JOHNSON CREEK BLVD.

TELEPHONE: 652-4410

February 7, 1991

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902 Abernethy Road
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Dear Dave and Gary:

Many thanks for your able assistance in setting up the January 23rd future options discussion on Milwaukie Economic Development Target Area A! We found the comments refreshing and useful. We look forward to future discussion and assistance on City strategies and participation in development of this Area.

Enclosed are copies of the summary notes taken at the meeting. Please let us know if we missed anything, or feel free to advance any suggestions or comments that you might have for the next steps. Your coordination efforts are much appreciated.

Sincerely,

Maggie Collins
Community Development Director

MC/mgh
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Target Area A

Meeting Notes - January 23, 1990

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Target Area A
Meeting Notes - January 23, 1991

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Meeting Notes - January 23, 1990

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Meeting Notes - January 23, 1991

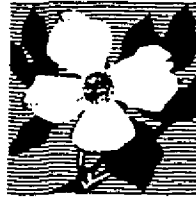
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CITY OF MILWAUKIE



COMMUNITY DEVELOPMENT
PUBLIC WORKS

6101 S.E. JOHNSON CREEK BLVD.

TELEPHONE: 652-4410

February 7, 1991

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Portland OR 97204

Dear Ron:

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CLACKAMAS COUNTY



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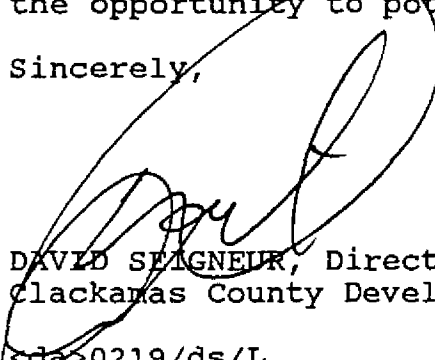
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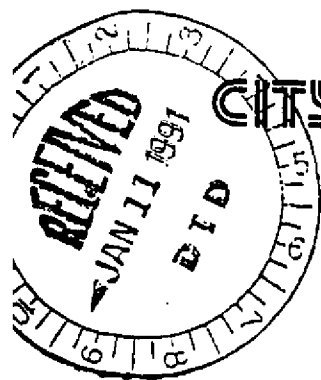
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Meeting Notes - January 23, 1990

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- Railroad Avenue improvement is a strong link to Milwaukie Marketplace.
- Explore Urban Renewal.
- Attract more business with less service demand.
- If downtown is changing, then look at creating a service downtown. Also connect Milwaukie Marketplace to Class B office.
- Harrison access needs to be resolved.
- City and hosp. "control" property until good decisions can be made.
- Access issue for the hospital.
- Image of entire Area A a critical consideration.

CITY OF MILWAUKIE



COMMUNITY DEVELOPMENT
PUBLIC WORKS

6101 S.E. JOHNSON CREEK BLVD.

TELEPHONE: 652-4410

February 7, 1991

Ron Kawamoto
Norris, Beggo & Simpson
720 SW Washington St.
Portland OR 97204

Dear Ron:

On behalf of the City of Milwaukie, I should like to thank you for taking the time to join Dave Seigneur, Gary Cook, Dan Bartlett and me in our discussion about future options for Milwaukie Target Area A. Attached are some notes that I hope accurately summarize the conversation on January 23, 1991. These thoughts and comments have already been used to further articulate City directions for this Area.

It is hoped that you can participate as an informal advisory group in the future, when we look at appropriate development strategies. Knowing how full your schedule is, we are most appreciative of your willingness to share your knowledge with us. Thanks again.

Sincerely,

Maggie Collins
Community Development Director

MC/mgh
91.00082

cc: Dan Bartlett
✓ Dave Seigneur
Gary Cook

Ron Kawamoto
Norris, Beggo & Simpson
720 SW Washington St.
Portland OR 97204

Tim McGrath
Schnitzer Investment Corp.
3200 NW Yeon Avenue
PO Box 10047
Portland OR 97210

Gerald Foy
Westwood Corporation
3030 SW Moody Avenue
Portland OR 97201

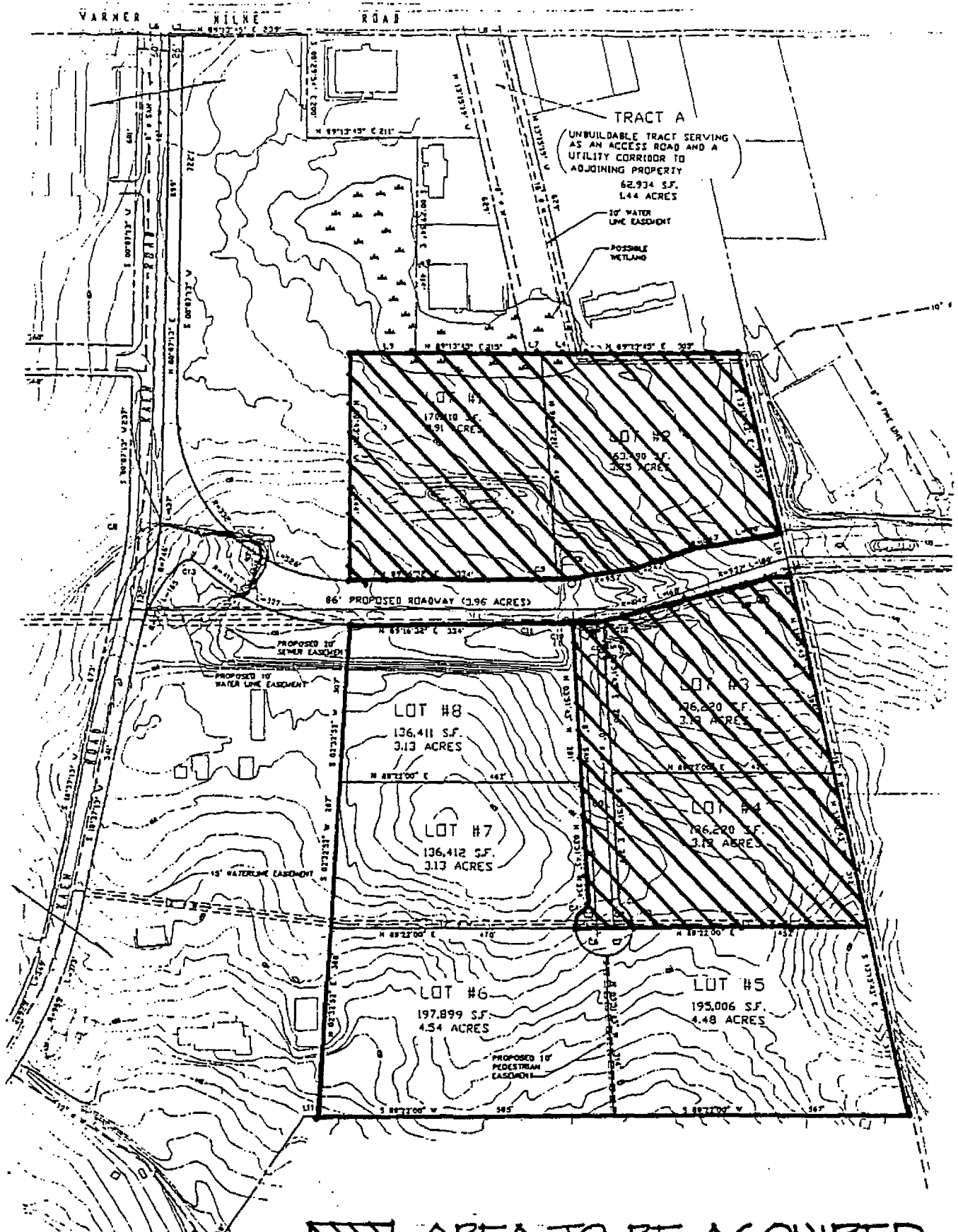
Glen Triplett
Macadam Forbes
1800 SW 1st
Portland OR 97201

Gordon Jones
Clackamas Sand & Gravel
12000 SW Capps Road
Clackamas OR 97015

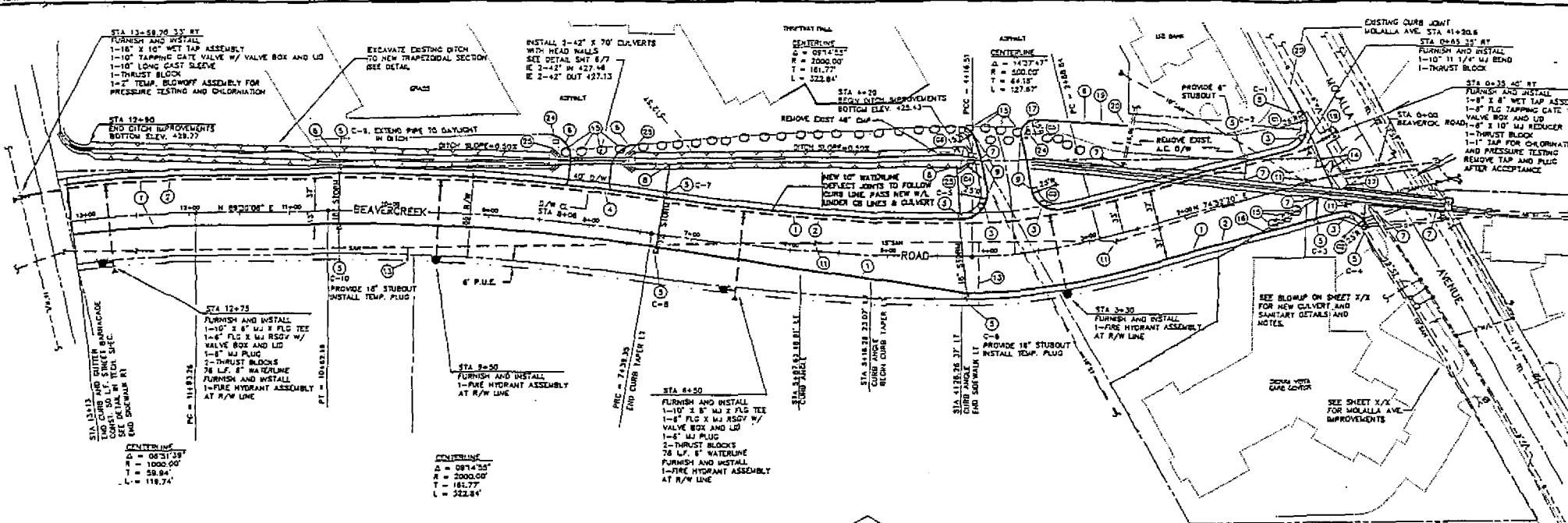
Allen Patterson
Coldwell Banker
First Interstate Tower
1300 SW 5th, Suite 2600
Portland OR 97201

Bob Vial
Administration Office
Providence Milwaukie Hospital
10150 SE 32nd
Milwaukie OR 97222

Marina Applegate
Marketing & Planning
Providence Milwaukie Hospital
10150 SE 32nd
Milwaukie OR 97222



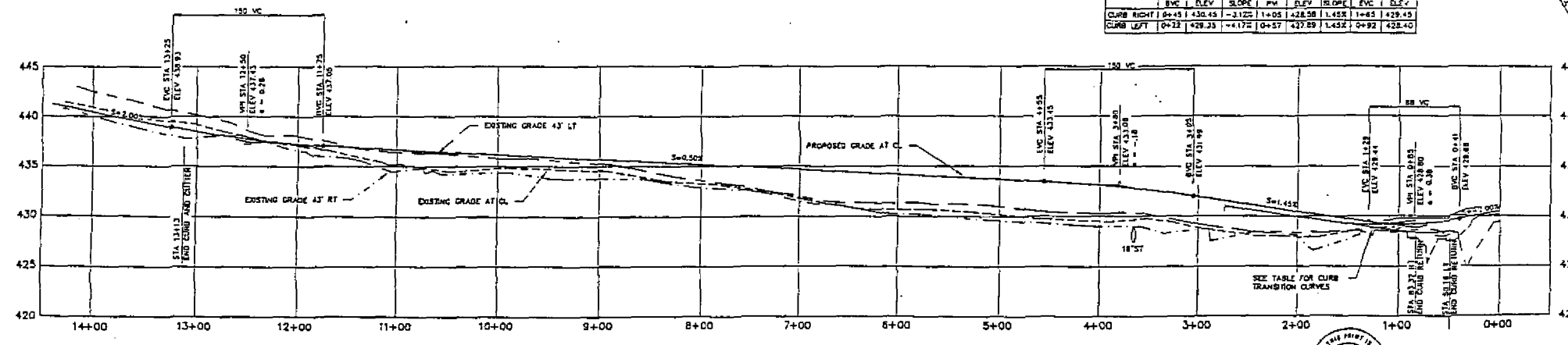
RED SOULS ACQUISITION AND PHASE 2 ACCESS ROAD PROJECT **EXHIBIT 1**



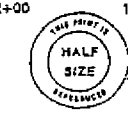
PLAN
1" = 50'

CURS TRANSITION VERTICAL CURVE TABLE

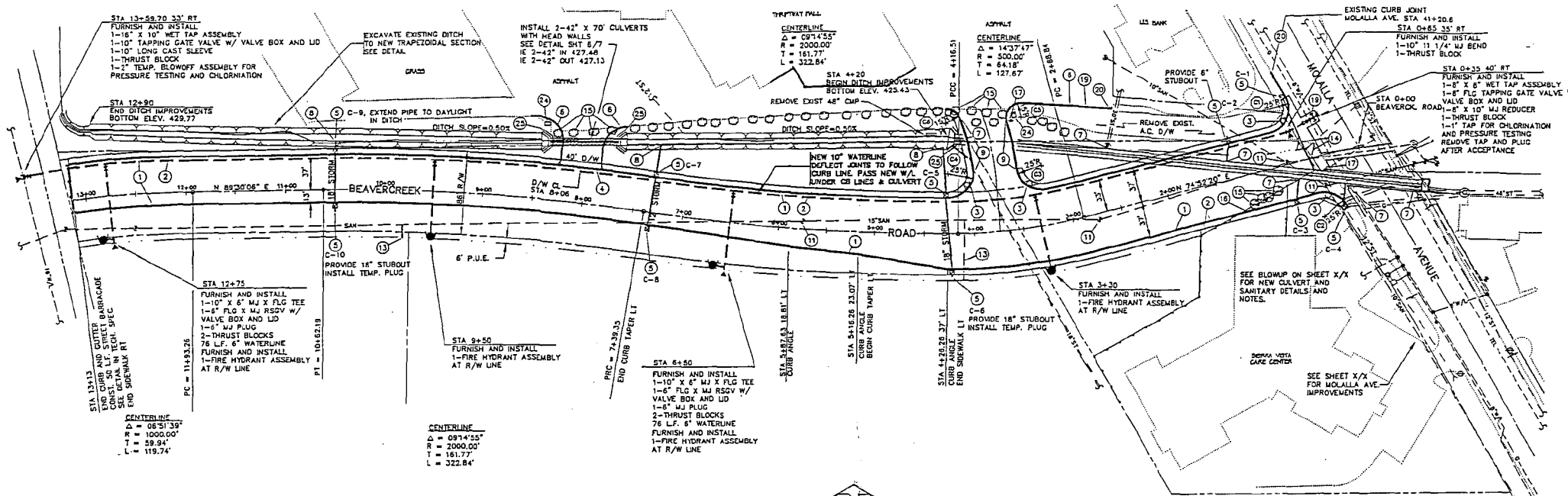
	1	BVC	ELEV	SLOPE	PM	ELEV	SLOPE	PVI	ELEV
CURS RIGHT	0+45	430.45	-2.125	1+05	428.58	1.458	1+65	429.45	
CURS LEFT	0+23	429.33	-4.175	0+57	427.89	1.432	0+92	428.40	



PHASE I RED SOILS ACCESS ROAD PROFILE
1" = 30' HORIZ.
1" = 5' VERT.



DATE	NO.	REVISION	BY	P. M.D.	1170.18	PROJECT	OREGON CITY URBAN RENEWAL AGENCY RED SOILS PROJECT	SHEET NO.	BEAVERCREEK ROAD - PLAN AND PROFILE STA 0+00 TO STA 13+25	LEE ENGINEERING, INC. CONSULTING ENGINEERS OREGON CITY, OREGON
				S.D. LEE	AS SHOWN	APR 1981				

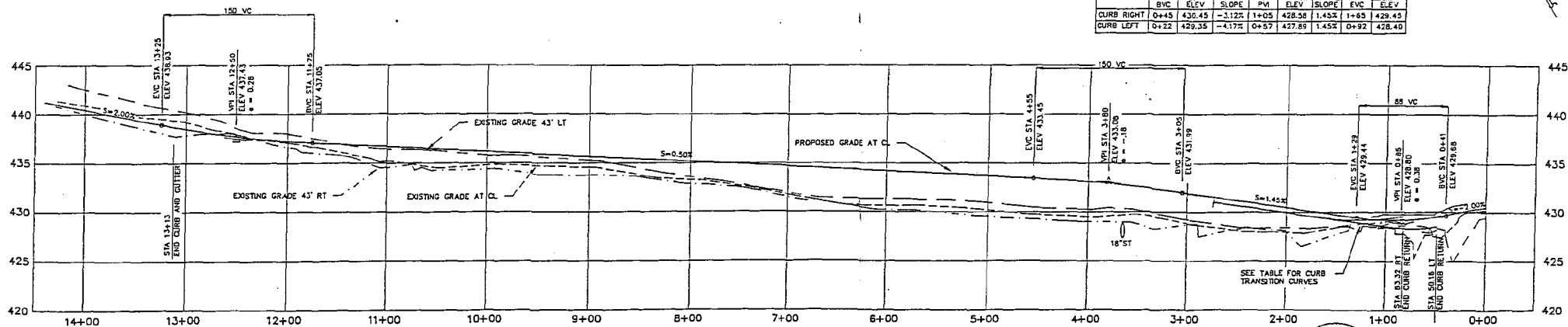


PLAN

1" = 50'



CURB TRANSITION VERTICAL CURVE TABLE									
	BVC	ELEV	SLOPE	PVI	ELEV	SLOPE	EVC	ELEV	
CURB RIGHT	0+45	426.45	-3.12%	1+05	428.58	1.45%	1+65	429.45	
CURB LEFT	0+22	429.35	-4.17%	0+57	427.88	1.45%	0+92	428.40	



PHASE I RED SOILS ACCESS ROAD

PROFILE

1" = 50' HORIZ.
1" = 5' VERT.



117018

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2

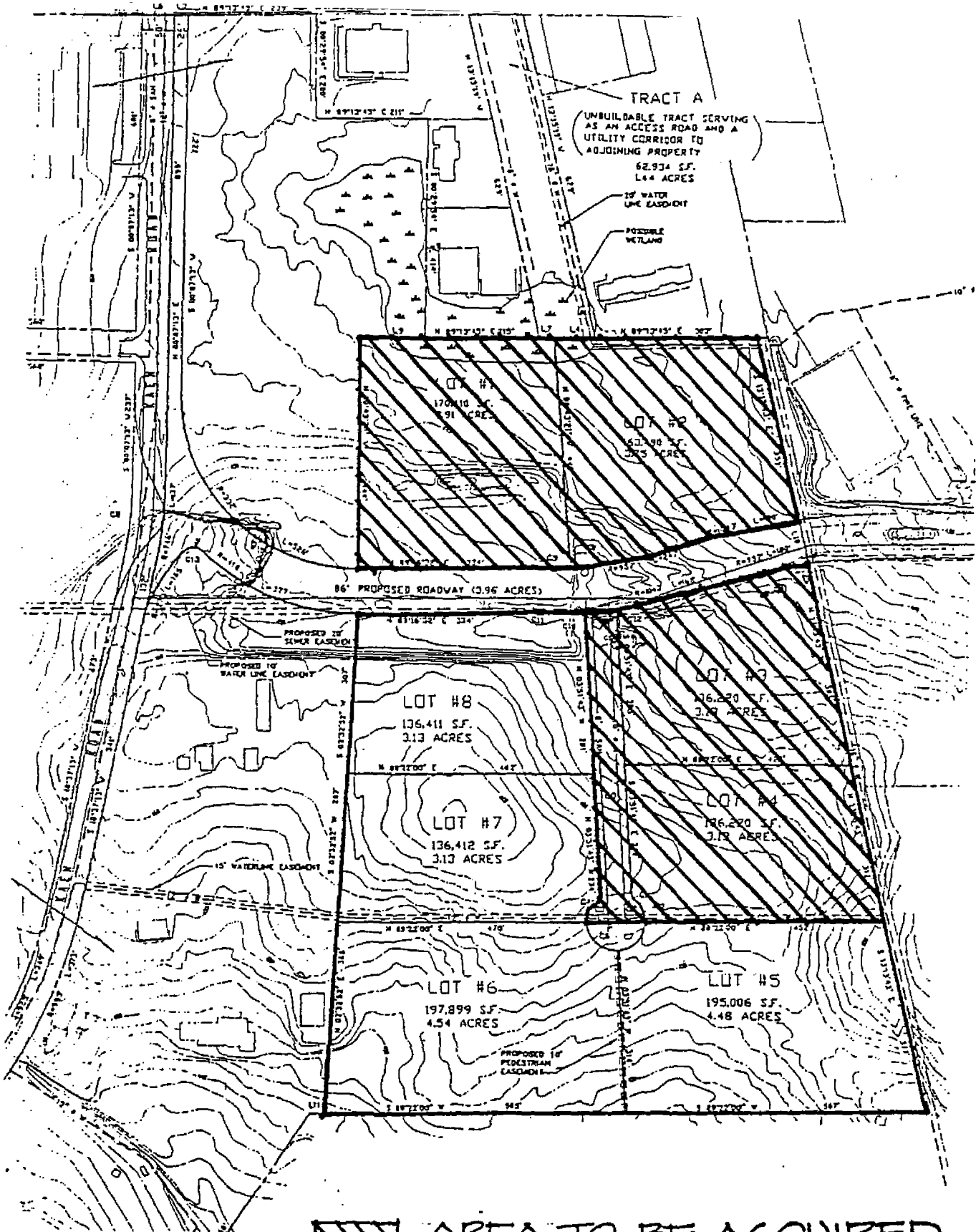
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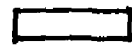
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PROJECT: OREGON CITY URBAN RENEWAL AGENCY
RED SOILS PROJECT

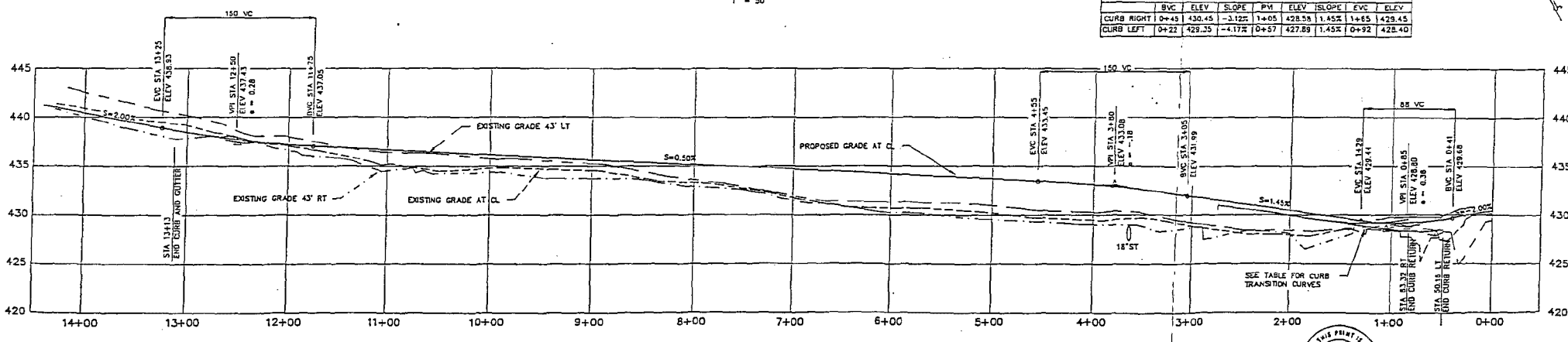
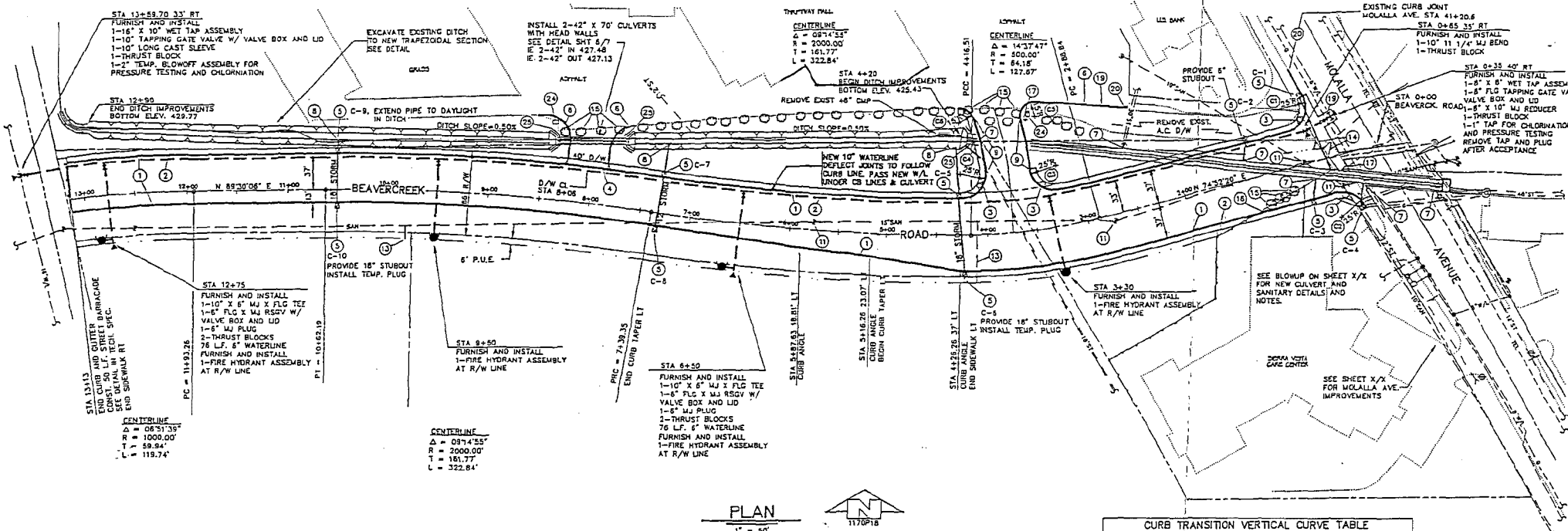
SHEET TITLE: BEAVERCREEK ROAD - PLAN AND PROFILE
STA 0+00 TO STA 13+25

LEE ENGINEERING, INC.
CONSULTING ENGINEERS
OREGON CITY, OREGON



 AREA TO BE ACQUIRED
 AREA TO BE OPTIONED

RED SOILS ACQUISITION AND PHASE 2 ACCESS ROAD PROJECT EXHIBIT "1"



PHASE 1 RED SOILS ACCESS ROAD