

AGENDA
City of Oregon City, Oregon
TUESDAY, DECEMBER 8, 2009

REGULAR MEETING OF THE URBAN RENEWAL COMMISSION
7:00 p.m.

Urban Renewal Commission:

Don Slack, Chair

Robb Crocker, Vice Ch.

Alice Norris

Doug Neeley

Daphne Wuest

James Nicita

Rocky Smith, Jr.

Graham Peterson

Brian Shaw

Nancy Walters

Meeting Held at:

City Hall

Commission Chambers

625 Center St.

Oregon City, OR 97045

503-657-0891

1. Convene Regular Meeting of December 8, 2009, and Roll Call
2. Citizen Comments
3. Future Agenda Items
4. Adoption of the Agenda
5. General Business
 - a. Update on the Rivers
 - b. Update and Amendments to Cove DDA
6. Consent Agenda

Staff: Nancy Ide, City Recorder

- a. Minutes of the June 17, 2009 Regular Meeting
- b. Minutes of the July 1, 2009 Regular Meeting
- c. Minutes of the August 11, 2009 Regular Meeting
- d. Minutes of the September 16, 2009 Regular Meeting
- e. Minutes of September 30, 2009 Regular Meeting
- f. Minutes of October 21, 2009 Regular Meeting
- g. Minutes of the November 4, 2009 Regular Meeting
- h. Minutes of the November 12, 1009 Regular Meeting
- i. Minutes of the August 19, 2009 Regular Meeting

7. City Manager's Report
8. Adjournment

Agenda Posted December 4, 2009 at City Hall, Pioneer Community Center, Library, [City Web site](#).

Video Streaming & Broadcasts: The meeting is streamed live on the Internet on Oregon City's Web site at www.orcity.org and available on demand following the meeting.

City Hall is wheelchair accessible with entry ramps and handicapped parking located on the east side of the building. Hearing devices may be requested from the City Recorder prior to the Commission meeting. Disabled individuals requiring other assistance must make their request known 48 hours preceding the meeting by contacting the City Recorder's Office at 503-657-0891.

COMMENT FORM



PLEASE PRINT CLEARLY

- SPEAK INTO THE MICROPHONE AND STATE YOUR NAME AND ADDRESS
- Limit Comments to **3 MINUTES**.
- Give to the City Recorder in Chambers **prior** to the meeting.

Date of Meeting 12-08-09 URC

Item Number From Agenda 5a

NAME: Fred Bruning, CenterCal

ADDRESS: Street: _____
City, State, Zip: _____

PHONE NUMBER: _____

SIGNATURE: _____

COMMENT FORM

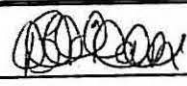


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Date of Meeting 12-08-09 URC

Item Number From Agenda 5a

NAME: Dave Leland - 
Leland Consulting

ADDRESS: Street: _____
City, State, Zip: _____

PHONE NUMBER: _____

SIGNATURE: _____

COMMENT FORM



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Date of Meeting 12-08-09 URC

Item Number From Agenda 5b

NAME: Ed Darrow Pacific Prop. Search

ADDRESS: Street: _____

City, State, Zip: _____

PHONE NUMBER: _____

SIGNATURE: _____



Agenda Item No. 5a
Meeting Date: 08 Dec 2009

COMMISSION REPORT: CITY OF OREGON CITY

TO:	Urban Renewal Commission
FROM:	Larry Patterson, City Manager
PRESENTER:	Larry Patterson, City Manager
SUBJECT:	Update on the Rivers
Agenda Heading: General Business	
Approved by: Larry Patterson, City Manager	

RECOMMENDED ACTION (Motion):

This item is a report item only. However, we continue to work on a Disposition and Development Agreement to forward to Center Cal. The Commission may want to direct staff regarding the preparation of this DDA.

BACKGROUND:

Representatives from Center Cal, Parker Family Trust, Leland Consulting Group and StastnyBrun Architects will be at the meeting to review the status of the Rivers project and planning regarding north end development associated with the Cove and Rivers projects.

BUDGET IMPACT:

FY(s):

Funding Source:

ATTACHMENTS:

None.



PROJECT UPDATE

The Oregon City Regional Center: Catalyst and Supporting Projects

PRESENTED TO



Oregon City
Urban Renewal
Commission

PRESENTED BY



LELAND
CONSULTING
GROUP
Urban Strategists



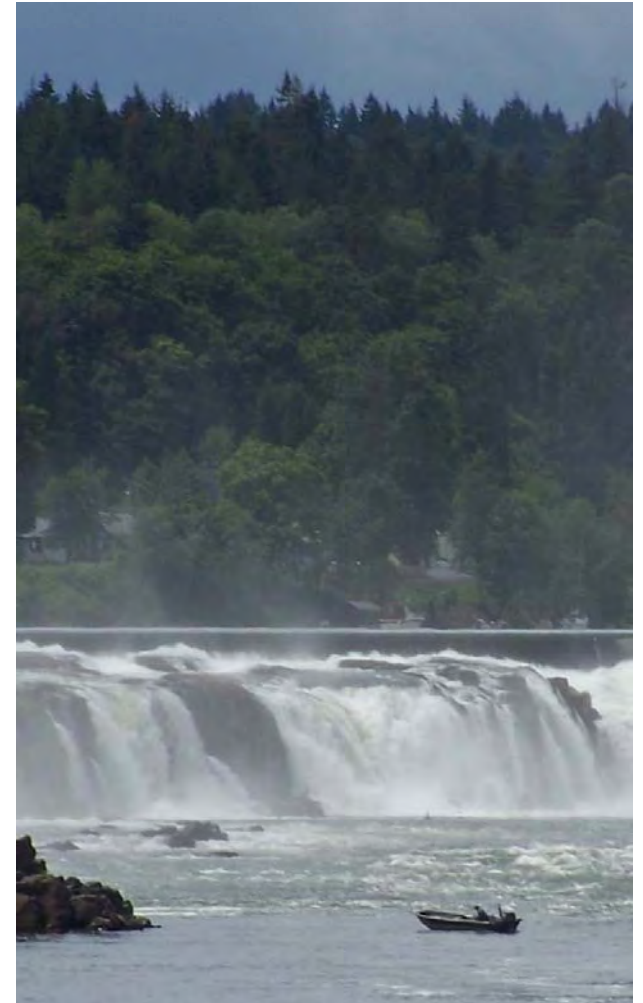
StastnyBrun
Architects



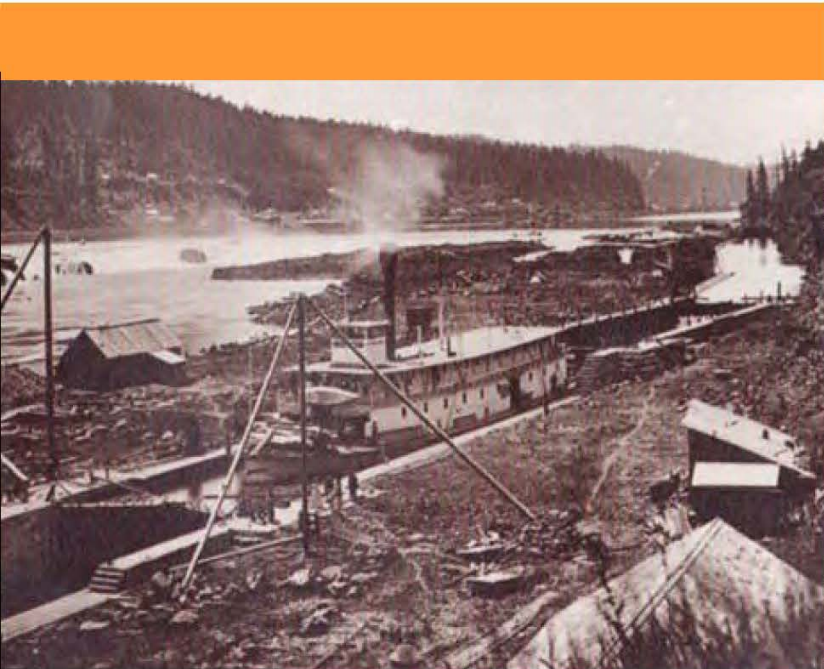
8 DECEMBER 2009

Presentation Overview

- Regional Center Strategy
- Project Updates
 - Public elements
 - The Rivers
 - The Cove
 - Supporting Projects
 - Implications for City and bonding capacity
- Conclusions and Discussion



Oregon City Regional Center Strategy



Regional Center Timeline

2004

OREGON CITY FUTURES: ECONOMIC DEVELOPMENT STRATEGY

To initiate major Regional Center projects that will form the financing base for other, smaller projects.

2006

OREGON CITY FUTURES: REGIONAL CENTER STRATEGY

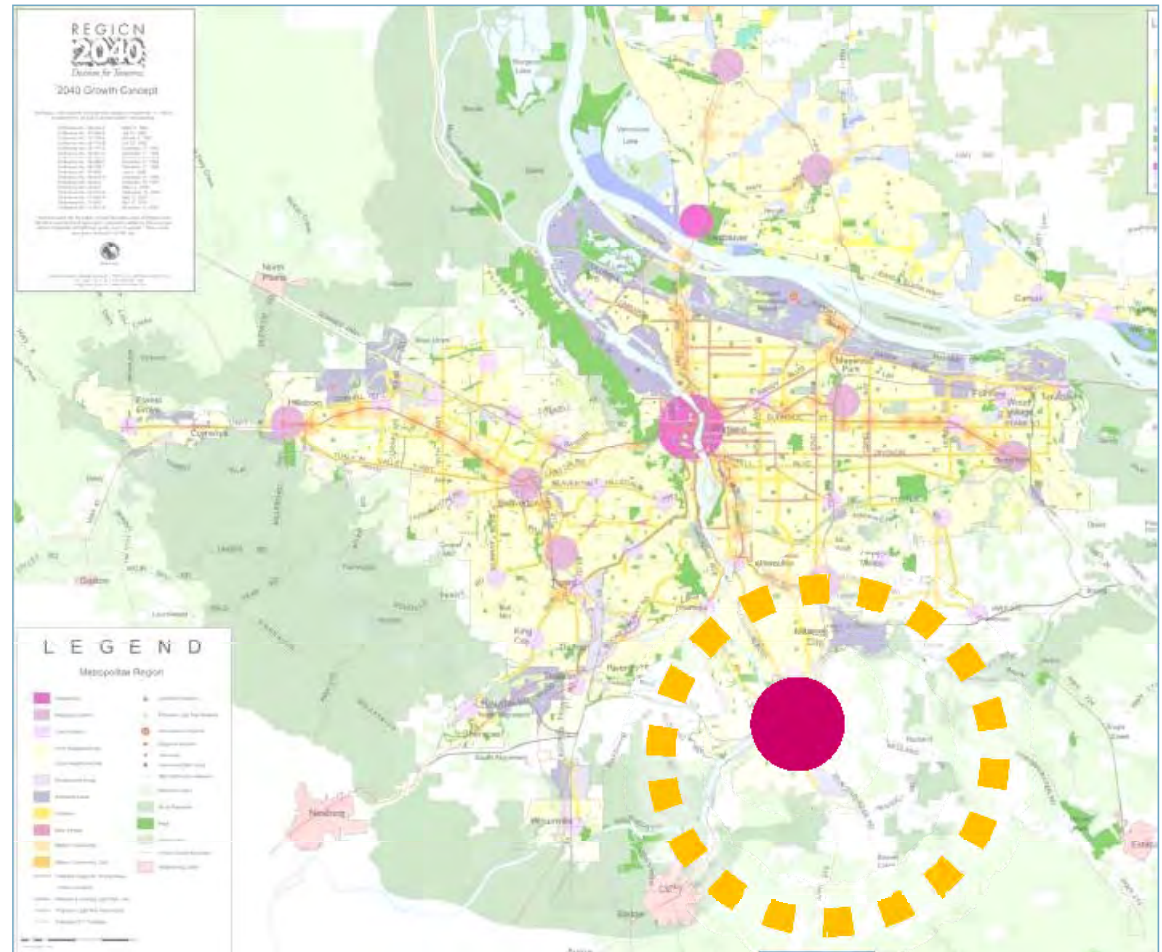
Negotiate major public-private partnerships while encouraging smaller projects

2009

PARTNERSHIPS AND IMPLEMENTATION

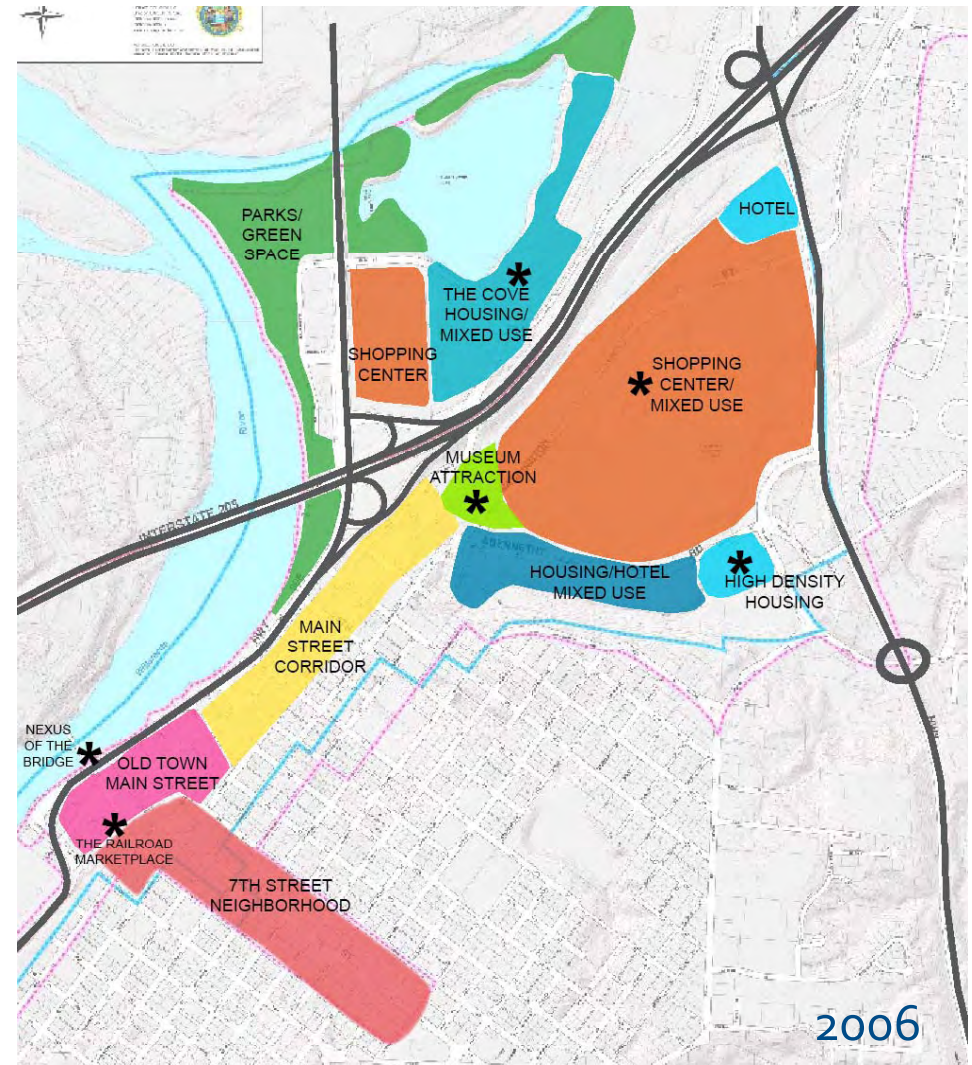
Adopted Strategy: Regional Center

- Shift in thinking:
Big picture focus
- Outreach to
outlying
communities
- Build relationships &
create partnership
 - Local
 - Regional
 - State
 - Federal

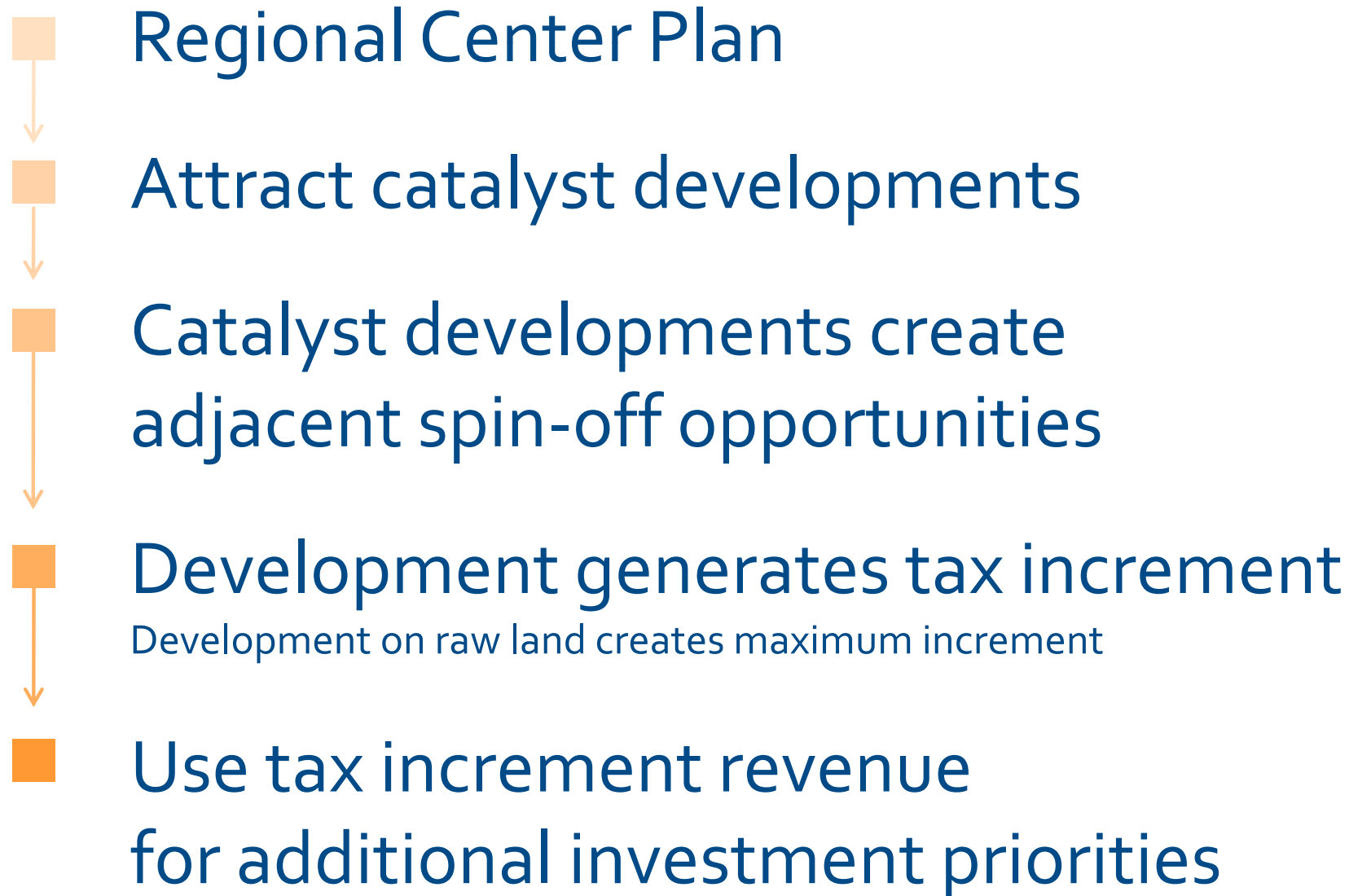


Regional Center Principles

- A collection of districts with different roles and characters
- Key catalyst projects:
 - Rossman Landfill
 - Clackamette Cove
- Many, many projects

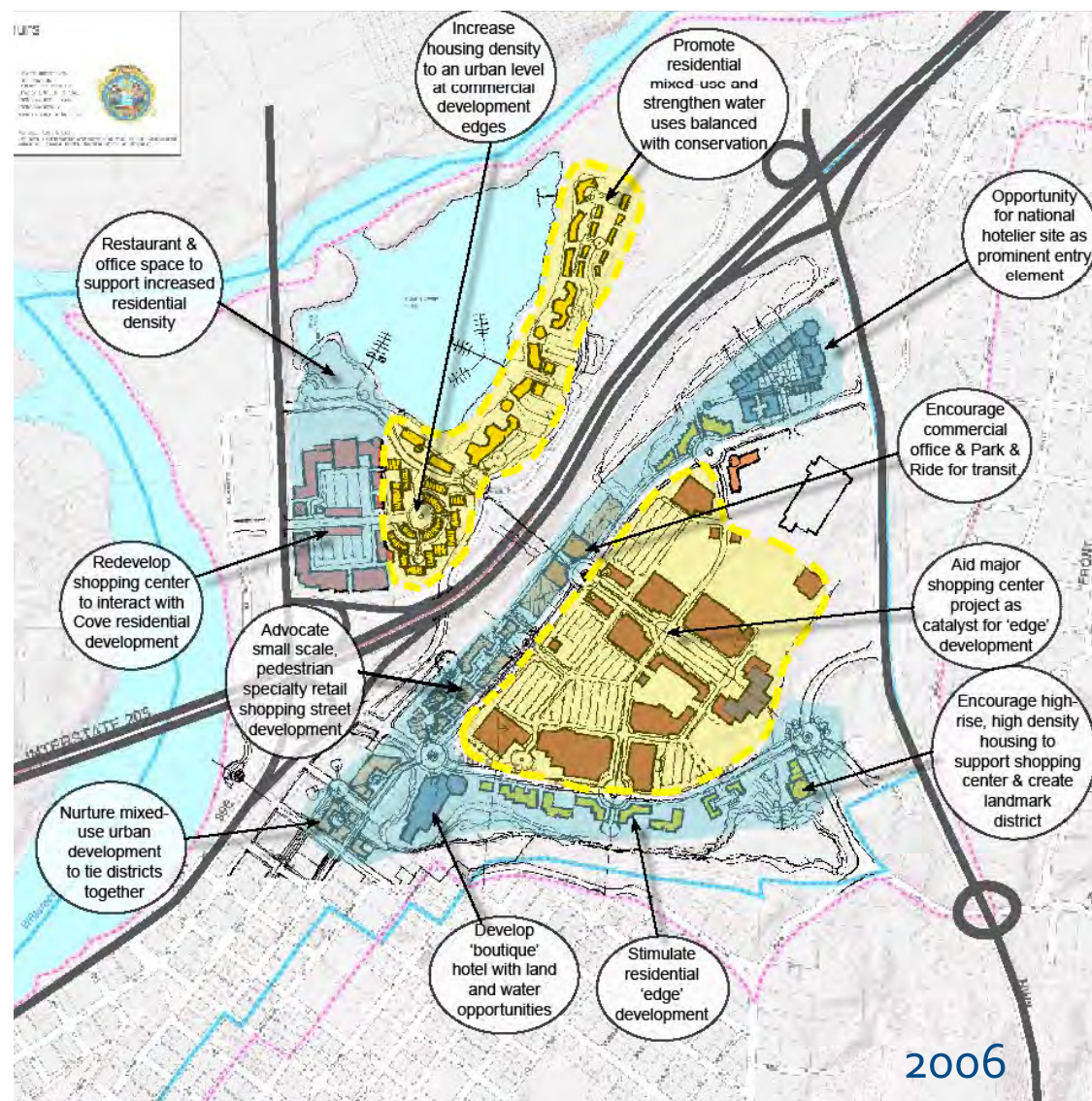


Timing for Maximum Leverage



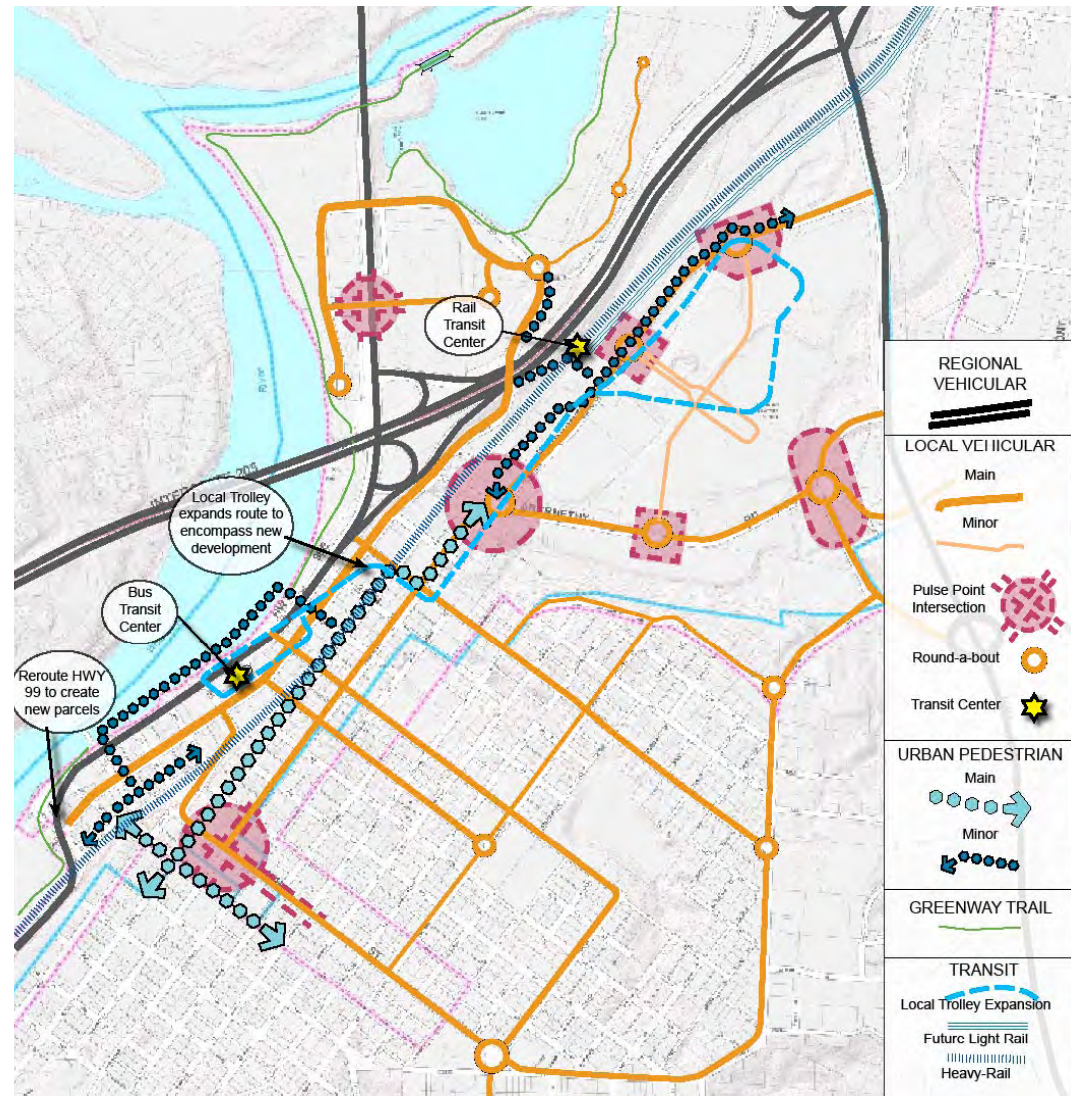
Integrated Supporting Development

- Integrate new development projects into the urban fabric
- Range of uses:
 - Housing
 - Office
 - Retail
 - Hotel
 - Public spaces
- Initiate two major developments—the landfill and cove sites
- Additional complementary development along edges



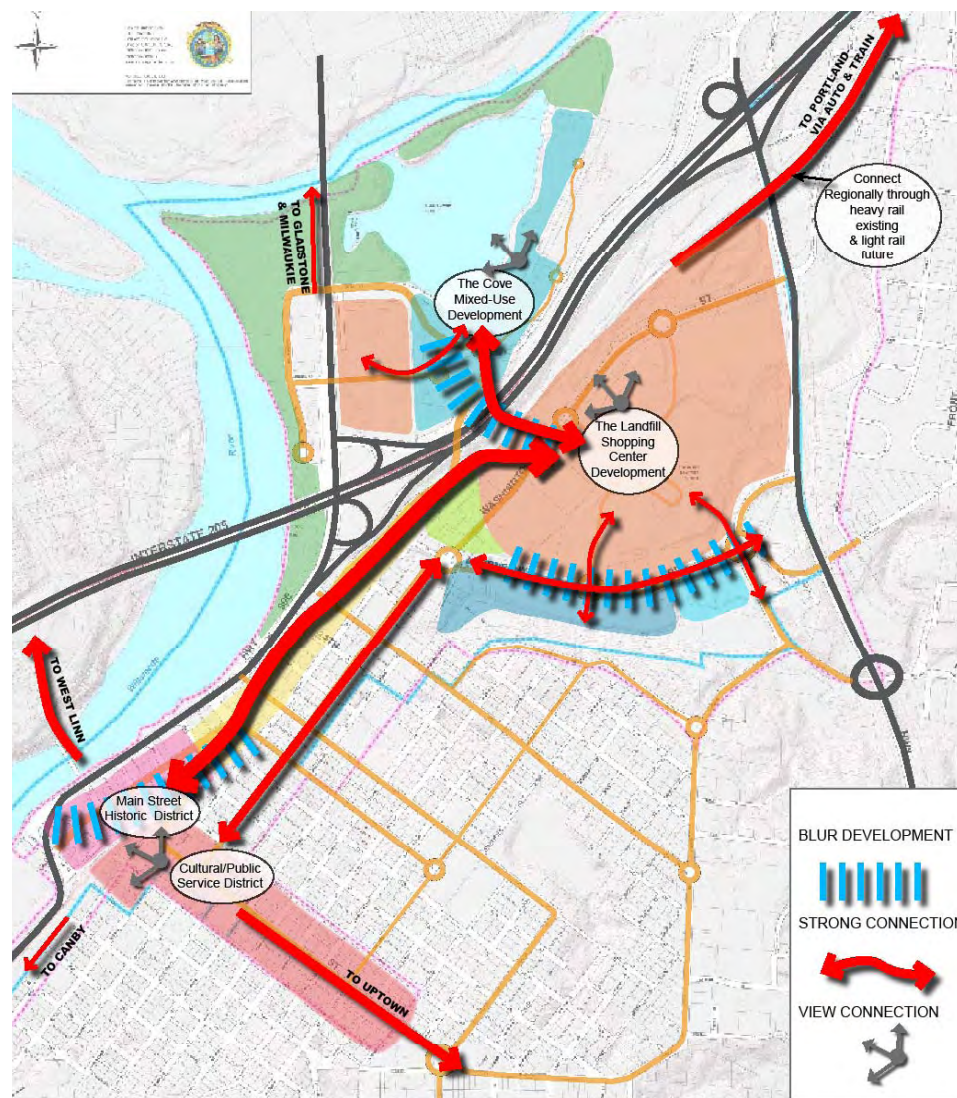
Hierarchy of Streets

- Establish a hierarchy of streets
- Create intersections with Character & Identity
 - provide art and historic markers to make a “place” within the city.
- ‘Pulse Points’ of economic development
- Explore round-a-bouts with art



Create Connectivity

- Create connectivity between proposed and existing development.
- Blur 'islands' of development.
- Create opportunities for adjacent properties to develop.
- Use transportation options to link people, places, districts, developments and communities together.



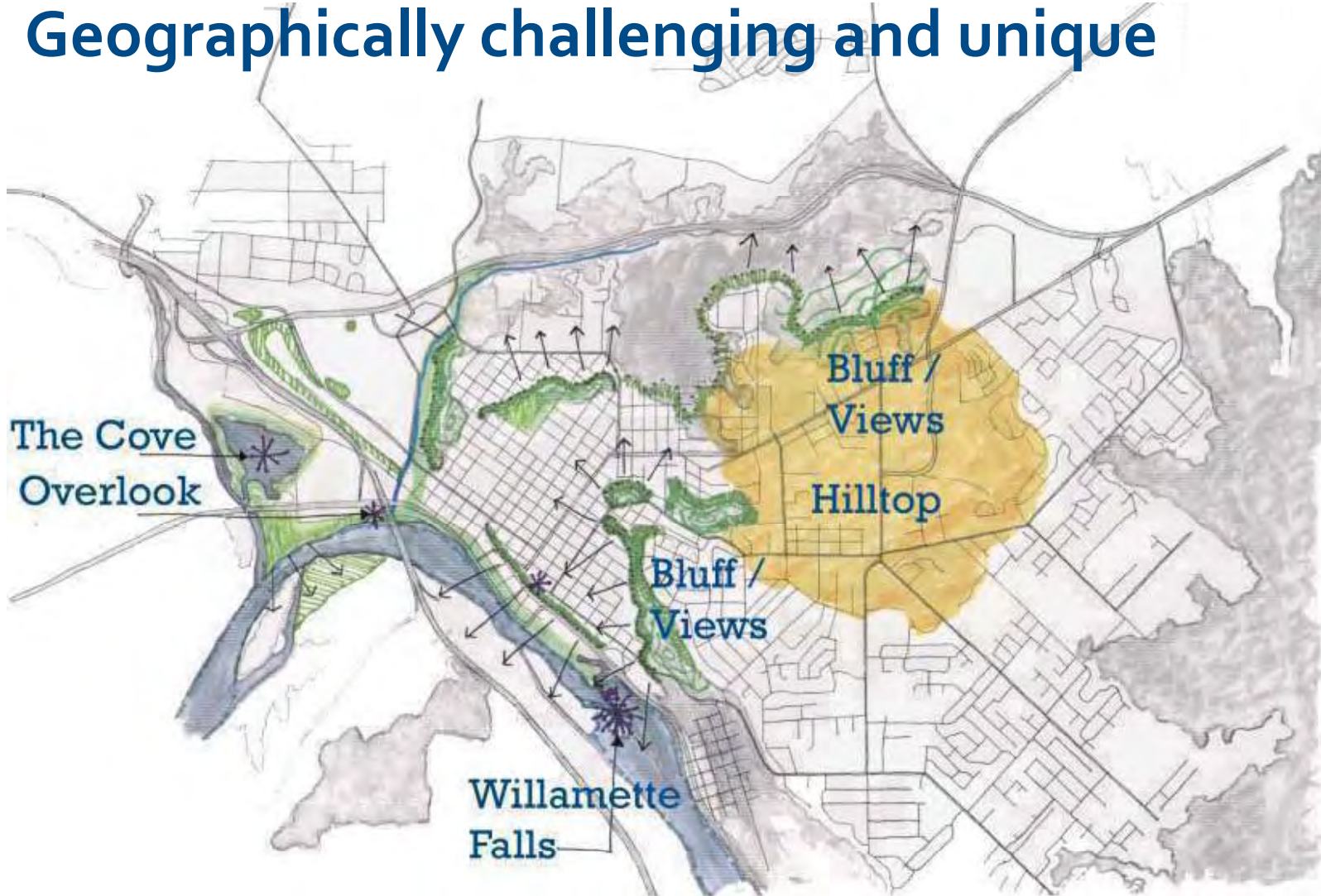
Economic Development Goals

- Increase community's assessed value
- Increase diversification of business / industry
- Increase number and quality of jobs
- Develop businesses with staying power
- Enhance community appeal and attractiveness
- Provide environment for growth
- Leverage public dollars
- Create increment with each investment or urban renewal



Regional Center Challenges

Geographically challenging and unique



Challenges: Multiple Identities

Oregon City Shopping Center



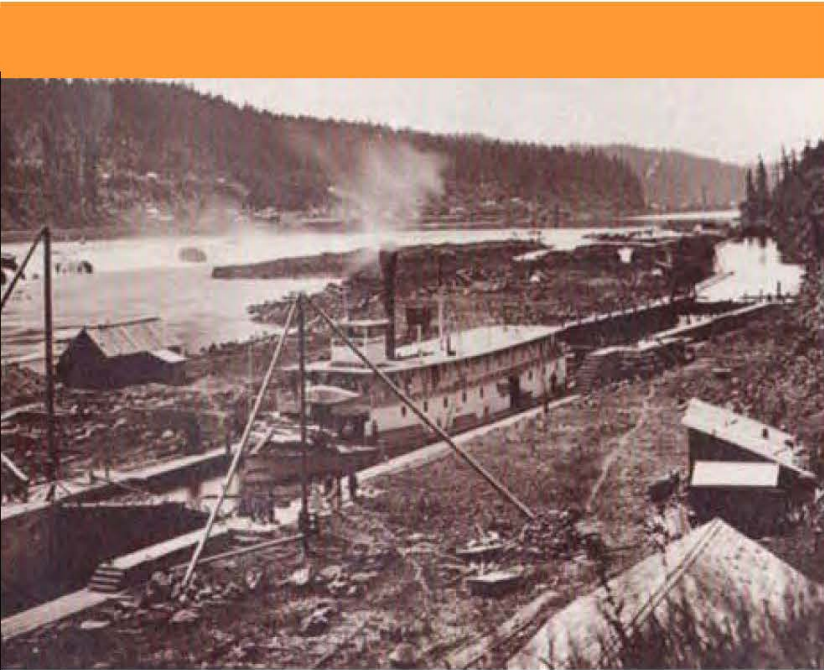
Historic Old Town



Blue Heron



Project Updates



Update: Public Elements

- Cove and Rivers moving forward despite recession
- Hwy 213 – Washington St funded
 - Strengthens development opportunities, Regional Center and City



The Rivers

- Interest from major new anchor tenant
 - Confidential
 - Conducting due diligence
 - Interested in development context
 - May accelerate timing
- Finalizing Development Agreement
- Advancing infrastructure funds
- Generates \$2.5M annual property tax



Current Market Conditions

Real Estate Business Barometer, Urban Land Institute, October 2009

● worse ● same ● better

	Compared to..		Year-to-Year Change
	Previous Month/Qtr	Historic Average	
Vacancy Rates: ¹			
Office	●	●	+340 bp
Retail	●	●	+570 bp
Warehouse	●	●	+320 bp
Apartments	●	●	+190 bp
Hotel Occupancy ²	●	●	-680 bp
Completions, % of Existing Stock: ¹			
Office (% of sf)	●	●	
Retail (% of sf)	●	●	
Warehouse (% of sf)	●	●	
Apartments (% of units)	●	●	
Hotel (% of rooms) ³		●	
Rents: ¹			
Office (psf)	●		-8.7%
Retail (psf)	●		-8.2%
Warehouse (psf)	●		-8.9%
Apartments (per unit)	●		-5.8%
Hotel RevPar Index ⁴ (1997, 4th Qtr=100)			-20.1%
Office Absorption (000 sf) ¹	●	●	

■ Nationwide

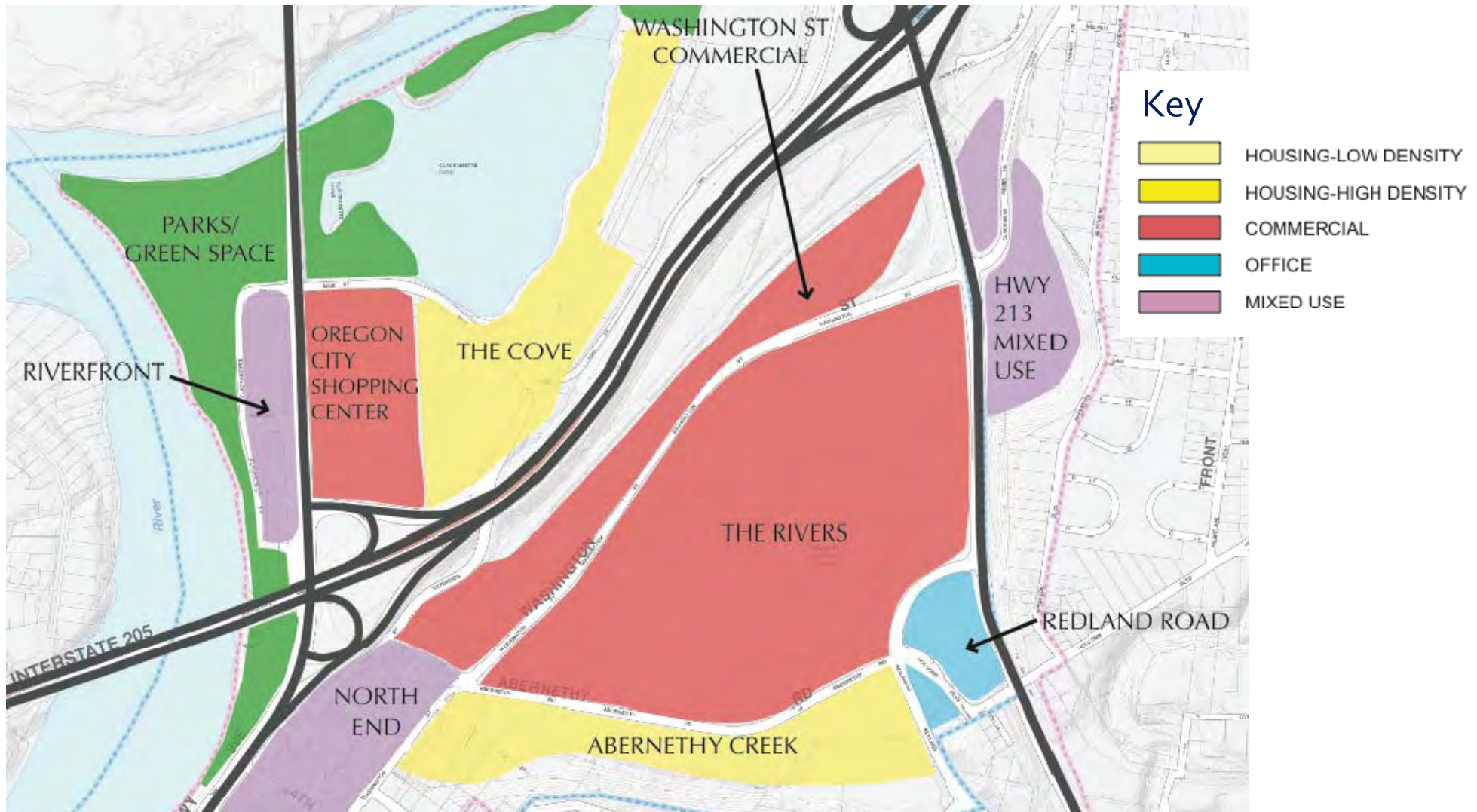
- Vacancies up 5.7%
- Completions down
- Rents down 8%
- Credit very tight

The Cove

- Public private partnership
- Financing in escrow
- Program
 - 400 units
 - 138,000 sf office/med office
- Generates \$1.9M annual property tax

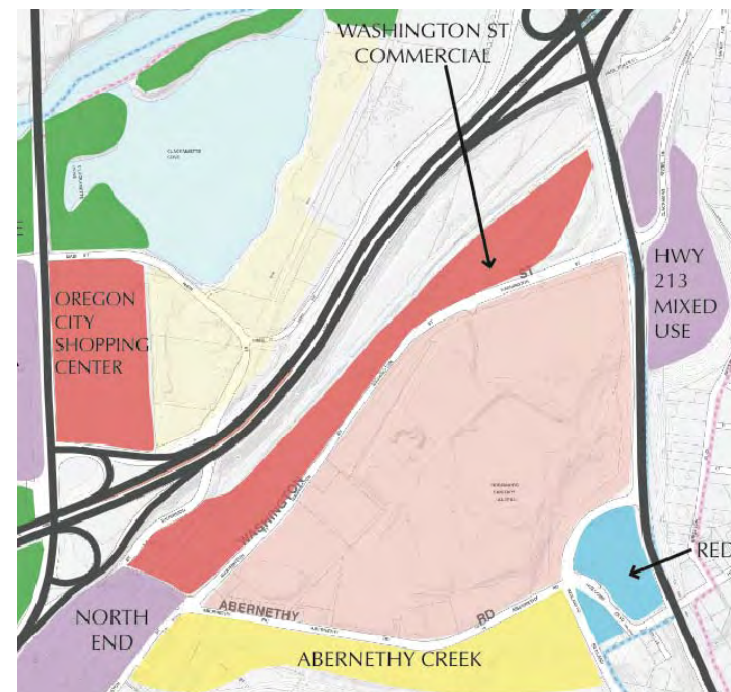


Development Areas - 2009



Methodology

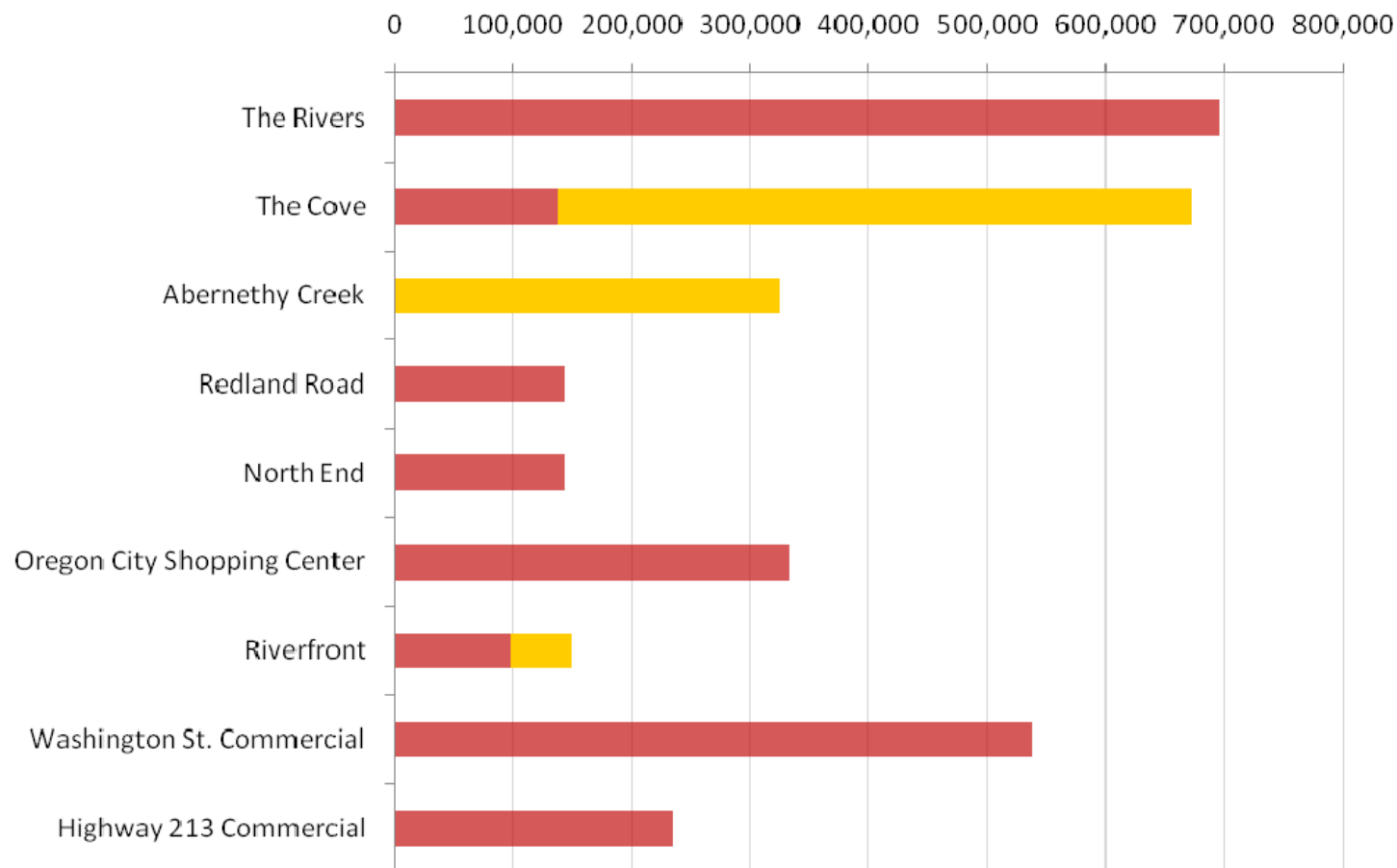
- Reviewed Regional Center plans, recommended uses
- Development area sizes and site conditions
- Removed unbuildable land
- Evaluated sites for most likely uses
- Applied range of floor area ratios and development values
- Discounted values 25%
- Projected UR tax revenue and supportable debt



Development Program

■ Commercial ■ Residential

Gross Building Area (square feet)



Development Program



Housing

- The Cove: 400 units
- Other: Appox. 380 units
- Total: 780 units

Commercial Space

- The Rivers: 696,000 sf
- Other: Appox. 1.8M sf
- Total: 2.5 M sf

Development Program

Area	Development Type					Development Value (RMV)	
		Ret.	Ofc.	Res.	Hotel	Low	High
The Rivers	Retail					\$240,000,000	
The Cove	Residential					\$180,415,100	
Supporting Development							
Abernethy Creek	Residential					\$63,000,000	\$70,875,000
Redland Road	Retail and Office					\$32,670,000	\$39,204,000
North End	Retail and Office					\$32,670,000	\$39,204,000
Oregon City Shopping Center	Retail and Office					\$19,241,600	\$34,052,000
Riverfront	Mixed Use					\$33,759,000	\$40,510,800
Washington St. Commercial	Retail and Office					\$107,418,960	\$134,273,700
Highway 213 Commercial	Retail and Office					\$47,044,800	\$58,806,000
Subtotal						\$335,804,360	\$416,925,500
Total						\$756,219,460	\$837,340,600

Bonding Implications

Area	Annual UR Taxes		Estimated Supportable Debt	
	Low	High	Low	High
The Rivers	\$2,530,018	\$2,530,018	\$31,500,000	\$31,500,000
The Cove	\$1,901,889	\$1,901,889	\$23,700,000	\$23,700,000
Supporting Development	\$2,654,972	\$3,296,340	\$33,000,000	\$41,200,000
Total	\$7,086,878	\$7,728,247	\$88,200,000	\$96,400,000

- Uses 25% discounted development value
- Uses 2010 Clackamas County and UR levy rates
- All 2010 numbers, will increase with inflation (3% annual)
- Past projections of supportable debt have been highly accurate

Conclusions

- Despite economy, Regional Center moving ahead
- A new gateway: The Rivers, Cove, and 213 improvements
- Catalyst projects set stage for additional housing, office, and retail
- Tax base from development supports future UR priorities



Conclusions

- Catalyst projects fund downtown
- Downtown alone cannot generate sufficient increment
- Peripheral development does not occur without catalyst projects
- CenterCal and PPS have invested \$12M
- This is the only city in Oregon with an opportunity of this magnitude





LELAND CONSULTING GROUP

Urban Strategists



StastnyBrun Architects





The Rivers at Oregon City

Oregon City, OR



VILLAGE COURT AT THE RIVERS

OREGON CITY, OREGON

View 1

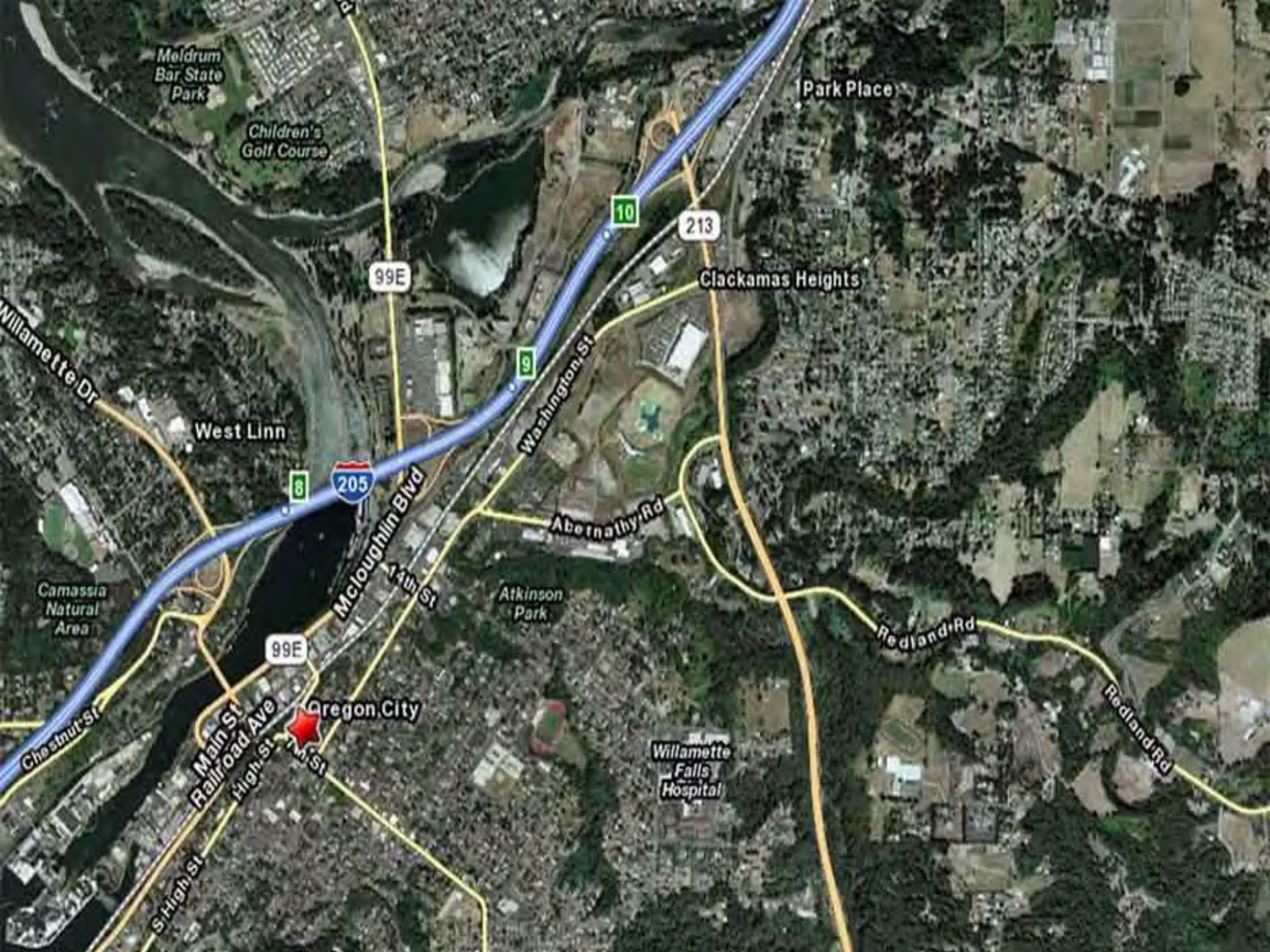
08-441 September 03, 2008

This plan, elevation and all information herein is preliminary. The information contained on this plan has been obtained from sources that we deem reliable. However, we assume no responsibility for its accuracy. It is subject to change and is neither a presentation, warranty or agreement. All buildings, terrain and the plan as shown on the plan will change during the design process.





PRELIMINARY SITE PLAN



Meldrum
Bar State
Park

Children's
Golf Course

Park Place

10

213

99E

Clackamas Heights

Washington St

West Linn

8

205

Abernathy Rd

Camassia
Natural
Area

Atkinson
Park

99E

McCloughlin Blvd

14th St

Redland Rd

Redland Rd

Oregon City

Willamette
Falls
Hospital

Main St
Railroad Ave

High St

S High St

Chestnut St

K:\projects\6084 - CR213 Jug Handle Stimulus Project\dwg\design\7019_functional-design_1.dwg Dec 08, 2009 - 1:25pm - mcdadden Layout Tab: Option C2



DRAWING FOR DISCUSSION PURPOSES ONLY

PROPOSED IMPROVEMENTS (JUG HANDLE CONCEPT)
KEY CONSTRUCTION ELEMENTS
OREGON CITY, OREGON

FIGURE
1

Item 5a

Teri Bankhead

Subject: FW: URC - Dec. 8, 7:00 pm

From: BRIAN D SHAW [mailto:brian_d_shaw@msn.com]

Sent: Tuesday, December 08, 2009 5:27 PM

To: Nancy Ide

Subject: RE: URC - Dec. 8, 7:00 pm

ENTERED INTO THE RECORD

DATE RECEIVED: 12-08-09

SUBMITTED BY: Brian Shaw

SUBJECT: Item 5a

Nancy

As per a message I left today about my absence tonight. I would like express my concerns about the Rivers project.

I am always interested in people with open minds, anywhere from Architecture to Health Care. But from what I am hearing, the Rivers has acquired financing and can now move forward. With all the time and talent involved, this project does need to move forward. In my mind it meets all aspects of what Urban Renewal funds are generated for.

The latest proposal to review the north end is interesting. Although the discussion about the Rivers providing low paying jobs, etc., an alternate energy project or history exhibits are not known to have family wage jobs either.

Creating a more modern shopping complex at the existing shopping center is due. But this can still exist in conjunction with the Rivers as they are two different shopping experiences.

My final comment. Having both the Rivers and the Oregon City Shopping Center means less people driving elsewhere to shop.

We are creating jobs, no matter what their value is, especially students at our own CCC.

And the ideal Urban Renewal element of providing future financing for the city tax base is met with the current concept. The North end proposed concept is what we call 'blue sky', whose financial contribution is dire if any.

The project area is the entrance to our city. This will assist in other economic assets to be generated in the area. And what other developer is going to build here using their own up front financing?

Thanks for this opportunity.

Regards Brian D. Shaw

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Regards Brian D. Shaw



Agenda Item No. 5b
Meeting Date: 08 Dec 2009

COMMISSION REPORT: CITY OF OREGON CITY

TO:	Urban Renewal Commission
FROM:	Larry Patterson, City Manager
PRESENTER:	Larry Patterson, City Manager
SUBJECT:	Update and Amendments to Cove DDA
Agenda Heading: General Business	
Approved by: Larry Patterson, City Manager	

RECOMMENDED ACTION (Motion):

Staff recommends the Commission give us a flexible time line to close on the property purchase as long as we have continual progress on the issues mentioned in the background.

Staff recommends if the City's line of credit cannot be increased to the \$10m the Commission consider alternate actions to address the shortfall if it wishes to continue this project.

BACKGROUND:

At the last URC meeting the Commission approved an extension of the closing date on the Glacier and Parker properties. That date was set for Nov. 23. We were unable to close on that date due three reason. First there was an error at the title company regarding a transfer of a piece of City property. The error has been cleared up. Secondly the plat for the project had not been recorded. This is still in the process, but moving along. Thirdly Parker and Slayden are still finishing up the prospective purchasers agreement and still need to gain DEQ approval. This also is in progress and needs additional time to get to closing.

The next issue is the Agency line of credit. Section 5.2.5 and Section 6.2 sets one of the preconditions to the Agency's obligations to close is that the Agency obtain a \$10m line of credit to perform its funding obligations under the DDA. Bond Counsel only approved the Agency for a \$9m line of credit. After reviewing their reasons it appears they are looking at insufficient data and we are working to get them updated numbers. This issue may be resolved by the time we meet. If however, the updated information does not change the approved line of credit we will be prepared to discuss alternate efforts to address this shortfall if the Commission wishes to continue the project.

At Tuesday nights meeting staff will provide the latest update financial projections regarding the Cove project. We will also provide information from which Bond Counsel has made their determination regarding the \$9 million line of credit.

BUDGET IMPACT:

FY(s): \$10m
Funding Source: Urban Renewal

ATTACHMENTS:

Oregon City Urban Renewal Agency
Sources/Uses
Fiscal Years 2009 - 2021
(amounts in thousands)
December-09

The Cove Project Only - June 2009 Concept
No Development - Version 2.2

		Fiscal Year Ending June 30,												
	Total	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Resources														
Bond proceeds	20,000	10,000	-	-	10,000	-	-	-	-	-	-	-	-	-
Line of credit	10,000	-	10,000	-	-	-	-	-	-	-	-	-	-	-
Internal loan	4,000	-	2,500	-	-	-	1,500	-	-	-	-	-	-	-
Property taxes - excluding Cove	28,610	1,611	1,746	1,824	1,907	1,992	2,082	2,176	2,274	2,376	2,483	2,595	2,711	2,833
Increment - Cove project	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental income	195	75	60	60	-	-	-	-	-	-	-	-	-	-
Interest	878	129	40	59	65	65	65	65	65	65	65	65	65	65
Total sources	63,683	11,815	14,346	1,943	11,972	2,057	3,647	2,241	2,339	2,441	2,548	2,660	2,776	2,898
Uses														
Projects														
Amtrak	1,519	19	1,500	-	-	-	-	-	-	-	-	-	-	-
Elevator	25	25	-	-	-	-	-	-	-	-	-	-	-	-
McLoughlin	3,145	1,145	2,000	-	-	-	-	-	-	-	-	-	-	-
Bluff/Promenade	160	-	160	-	-	-	-	-	-	-	-	-	-	-
Civic complex	5,513	3,213	2,300	-	-	-	-	-	-	-	-	-	-	-
DT Comm Plan	91	91	-	-	-	-	-	-	-	-	-	-	-	-
7th Street	6	6	-	-	-	-	-	-	-	-	-	-	-	-
Grants/loans	1,408	88	110	110	110	110	110	110	110	110	110	110	110	110
Professional services	3,371	671	500	200	200	200	200	200	200	200	200	200	200	200
The Cove	10,000	81	6,919	3,000	-	-	-	-	-	-	-	-	-	-
Amount available other projects	1,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000
Total project/activity costs	26,238	5,339	13,489	3,310	310	310	310	310	310	310	310	310	310	1,310
Debt service requirements														
Existing bonds	2,310	2,310	-	-	-	-	-	-	-	-	-	-	-	-
Bonds - BQ 2008	10,322	795	792	796	795	792	794	794	794	794	794	794	794	794
Line-of-credit	10,825	-	225	450	10,150	-	-	-	-	-	-	-	-	-
Internal loan	4,413	-	38	38	38	38	2,538	45	45	45	45	1,545	-	-
Internal loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonds - BQ 2010	7,543	-	-	-	400	792	792	796	795	792	794	794	794	794
Total debt service	35,413	3,105	1,055	1,284	11,383	1,622	4,124	1,635	1,634	1,631	1,633	3,133	1,588	1,588
Debt service reserve	1,592	796	388	-	408	-	-	-	-	-	-	-	-	-
Total debt service requirements	37,005	3,901	1,443	1,284	11,791	1,622	4,124	1,635	1,634	1,631	1,633	3,133	1,588	1,588
Total uses	63,243	9,240	14,932	4,594	12,101	1,932	4,434	1,945	1,944	1,941	1,943	3,443	1,898	2,898
Sources over/(under) uses	440	2,575	(586)	(2,650)	(129)	126	(786)	296	395	500	605	(783)	878	0
Beginning available balance	1,981	1,981	4,556	3,970	1,320	1,191	1,317	531	827	1,221	1,721	2,326	1,543	2,421
Ending available balance	2,421	4,556	3,970	1,320	1,191	1,317	531	827	1,221	1,721	2,326	1,543	2,421	2,421
Debt coverage ratio														
Property taxes		1,611	1,746	1,824	1,907	1,992	2,082	2,176	2,274	2,376	2,483	2,595	2,711	2,833
Total debt service subject to DCR			792	796	1,195	1,584	1,586	1,590	1,589	1,586	1,588	1,588	1,588	1,588
Debt coverage ratio (DCR)			220.4%	229.2%	159.5%	125.8%	131.3%	136.8%	143.1%	149.8%	156.4%	163.4%	170.7%	178.4%
Required DCR			125.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%	125.0%

Assumptions:

The Cove:

No taxable development through 2021

The project does not receive commercial property tax deferral

Debt issues

Bank qualified bonds (1000s)	10,000	\$10 million calendar 2008 (done)
Line of credit	10,000	\$10 million calendar 2010 and 2011, interest 4.5%
Permanent financing	10,000	convert \$10 million line-of-credit to permanent financing calendar year 2011, 5%, 20 year amortization
Internal borrowing		\$2.5 million FY 2009, 1.5% interest, repaid yr 5, renewal at end of term for additional 5 years until paid
Growth rate in incremental TAV		Actual 5.64% in FY 2010, estimate of 4.50% thereafter

**CERTIFICATE REGARDING ISSUANCE OF ADDITIONAL BONDS
UNDER MASTER BOND DECLARATION**

\$9,000,000

**OREGON CITY URBAN RENEWAL COMMISSION
OF THE CITY OF OREGON CITY, OREGON
DOWNTOWN URBAN RENEWAL AREA
URBAN RENEWAL REVENUE BOND ANTICIPATION NOTE
SERIES 2009**

I, David Wimmer, as Finance Director and a duly Authorized Representative of the Oregon City Urban Renewal Commission of the City of Oregon City, Oregon (the "Agency"), pursuant to the authority of Resolution No. UR09-05 adopted by the Agency on November 4, 2009, the Master Urban Renewal Tax Increment Revenue Bond Declaration, dated as of July 1, 2008 (the "Master Bond Declaration") and the First Supplement to the Master Urban Renewal Tax Increment Revenue Bond Declaration, dated as of November 1, 2009 (the "First Supplemental Bond Declaration"), relating to the Agency's non-revolving line of credit in the aggregate principal amount of \$9,000,000 (the "2009 Credit Facility"), with the payment obligations of the Agency with respect to the 2009 Credit Facility evidenced by an Urban Renewal Revenue Bond Anticipation Note (the "2009 Note"), do hereby certify on behalf of the Agency the following in connection with the 2009 Credit Facility and the 2009 Note:

1. The 2009 Credit Facility is entered into and the 2009 Note is issued as Additional Bonds in accordance with Article IV of the Master Bond Declaration.

2. Upon entering into the 2009 Credit Facility and issuing the 2009 Note, the Agency is in compliance with all covenants as set forth in the Master Bond Declaration and in the First Supplemental Bond Declaration, including those related to the issuance of Additional Bonds as Parity Obligations, and no default has occurred or is continuing.

3. The issuance of the Additional Bonds is duly authorized pursuant to the Constitution and Statutes of the State of Oregon, including Oregon Revised Statutes Chapter 457, as amended, and all laws amendatory or supplemental thereto, as applicable to the Agency and the City of Oregon City, Oregon.

4. As of the date hereof, there is no deficiency in the Parity Obligations Debt Service Account and no obligations with a lien on the Security exist other than the Agency's Series 2008A Bonds and the 2009 Credit Facility and 2009 Note.

5. Section 3.03 of the First Supplemental Bond Declaration requires that a deposit be made in the Reserve Account in connection with the entering into of the 2009 Credit Facility and the issuance of the 2009 Note, in an amount sufficient to cause the balance in the Reserve Account to equal the Reserve Requirement for all Outstanding Bonds, including the 2009 Credit Facility and the 2009 Note. On the date hereof the Agency will make a deposit to the Reserve Account in the amount of \$387,900, to cause the Reserve Account to be fully funded in an amount equal to the Reserve Requirement.

6. On the date hereof, pursuant to Section 4.01(e)(i) of the Master Bond Declaration, and as set forth in Schedule A attached hereto, Available Tax Increment Revenues of the Agency in the Base Period preceding the delivery of the Additional Bonds are not less than the sum of 1.25 times Annual Debt Service due in the Base Period on Outstanding Bonds plus 1.25 times Annual Debt Service on the Additional Bonds.

7. On the date hereof, the Agency will receive an opinion of counsel as required pursuant to Section 4.03(c) of the Master Bond Declaration.

Any capitalized terms used herein but not defined herein shall have the meanings assigned thereto in the Master Bond Declaration.

DATED as of this 23rd day of November 2009.

OREGON CITY URBAN RENEWAL COMMISSION

By: David Wimmer
David Wimmer
Finance Director

SCHEDULE A

<u>Base Period</u>	<u>Available Tax Increment Revenues</u>	<u>Annual Debt Service on Outstanding Bonds*</u>	<u>Annual Debt Service on Additional Bonds**</u>	<u>Coverage Ratio</u>
2009-2010 Fiscal Year	\$1,745,912.16	\$791,322.50	\$595,626.16	1.25826

* Oregon City Urban Renewal Commission, Downtown Urban Renewal Revenue Bonds, Series 2008A (Tax-Exempt).

** Additional Bonds refunding 2009 Note, calculated based on \$9,000,000 principal amount, fixed interest rate of 4.375%, 25 year-term, level debt-service fully amortizing – per attached amortization table.

Balance 9,000,000.00
Rate 4.38%

	Period Ending	Total Payment	Interest	Principal	Check	Balance
1	6/1/2009	297,813.08	196,875.00	100,938.08	297,813.08	8,899,061.92
2	12/1/2009	297,813.08	194,666.98	103,146.10	297,813.08	8,795,915.81
3	6/1/2010	297,813.08	192,410.66	105,402.43	297,813.08	8,690,513.39
4	12/1/2010	297,813.08	190,104.98	107,708.10	297,813.08	8,582,805.28
5	6/1/2011	297,813.08	187,748.87	110,064.22	297,813.08	8,472,741.06
6	12/1/2011	297,813.08	185,341.21	112,471.87	297,813.08	8,360,269.19
7	6/1/2012	297,813.08	182,880.89	114,932.20	297,813.08	8,245,336.99
8	12/1/2012	297,813.08	180,366.75	117,446.34	297,813.08	8,127,890.66
9	6/1/2013	297,813.08	177,797.61	120,015.48	297,813.08	8,007,875.18
10	12/1/2013	297,813.08	175,172.27	122,640.81	297,813.08	7,885,234.37
11	6/1/2014	297,813.08	172,489.50	125,323.58	297,813.08	7,759,910.78
12	12/1/2014	297,813.08	169,748.05	128,065.04	297,813.08	7,631,845.75
13	6/1/2015	297,813.08	166,946.63	130,866.46	297,813.08	7,500,979.29
14	12/1/2015	297,813.08	164,083.92	133,729.16	297,813.08	7,367,250.13
15	6/1/2016	297,813.08	161,158.60	136,654.49	297,813.08	7,230,595.64
16	12/1/2016	297,813.08	158,169.28	139,643.80	297,813.08	7,090,951.84
17	6/1/2017	297,813.08	155,114.57	142,698.51	297,813.08	6,948,253.32
18	12/1/2017	297,813.08	151,993.04	145,820.04	297,813.08	6,802,433.28
19	6/1/2018	297,813.08	148,803.23	149,009.86	297,813.08	6,653,423.42
20	12/1/2018	297,813.08	145,543.64	152,269.45	297,813.08	6,501,153.98
21	6/1/2019	297,813.08	142,212.74	155,600.34	297,813.08	6,345,553.64
22	12/1/2019	297,813.08	138,808.99	159,004.10	297,813.08	6,186,549.54
23	6/1/2020	297,813.08	135,330.77	162,482.31	297,813.08	6,024,067.23
24	12/1/2020	297,813.08	131,776.47	166,036.61	297,813.08	5,858,030.61
25	6/1/2021	297,813.08	128,144.42	169,668.66	297,813.08	5,688,361.95
26	12/1/2021	297,813.08	124,432.92	173,380.17	297,813.08	5,514,981.78
27	6/1/2022	297,813.08	120,640.23	177,172.86	297,813.08	5,337,808.92
28	12/1/2022	297,813.08	116,764.57	181,048.51	297,813.08	5,156,760.41
29	6/1/2023	297,813.08	112,804.13	185,008.95	297,813.08	4,971,751.46
30	12/1/2023	297,813.08	108,757.06	189,056.02	297,813.08	4,782,695.44
31	6/1/2024	297,813.08	104,621.46	193,191.62	297,813.08	4,589,503.82
32	12/1/2024	297,813.08	100,395.40	197,417.69	297,813.08	4,392,086.13
33	6/1/2025	297,813.08	96,076.88	201,736.20	297,813.08	4,190,349.93
34	12/1/2025	297,813.08	91,663.90	206,149.18	297,813.08	3,984,200.75
35	6/1/2026	297,813.08	87,154.39	210,658.69	297,813.08	3,773,542.06
36	12/1/2026	297,813.08	82,546.23	215,266.85	297,813.08	3,558,275.21
37	6/1/2027	297,813.08	77,837.27	219,975.81	297,813.08	3,338,299.39
38	12/1/2027	297,813.08	73,025.30	224,787.78	297,813.08	3,113,511.61
39	6/1/2028	297,813.08	68,108.07	229,705.02	297,813.08	2,883,806.59
40	12/1/2028	297,813.08	63,083.27	234,729.81	297,813.08	2,649,076.78
41	6/1/2029	297,813.08	57,948.55	239,864.53	297,813.08	2,409,212.25
42	12/1/2029	297,813.08	52,701.52	245,111.57	297,813.08	2,164,100.68
43	6/1/2030	297,813.08	47,339.70	250,473.38	297,813.08	1,913,627.30
44	12/1/2030	297,813.08	41,860.60	255,952.49	297,813.08	1,657,674.81
45	6/1/2031	297,813.08	36,261.64	261,551.45	297,813.08	1,396,123.36
46	12/1/2031	297,813.08	30,540.20	267,272.89	297,813.08	1,128,850.48
47	6/1/2032	297,813.08	24,693.60	273,119.48	297,813.08	855,731.00

48	12/1/2032	297,813.08	18,719.12	279,093.97	297,813.08	576,637.03
49	6/1/2033	297,813.08	12,613.94	285,199.15	297,813.08	291,437.88
50	12/1/2033	297,813.08	6,375.20	291,437.88	297,813.08	0.00

**City of Oregon City
Urban Renewal Commission Meeting Minutes
June 17, 2009**

**City Hall – Commission Chambers
320 Warner Milne Road
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Chair Slack called the meeting to order at 5:00 p.m.

Commissioners Present:

Chair Don Slack
Doug Neeley
James Nicita
Graham Peterson
Nancy Walters
Robb Crocker
Brian Shaw
Alice Norris
Daphne Wuest

Staff Present:

City Manager Larry Patterson
City Engineer/Public Works Director Nancy Kraushaar
Community Services Director Scott Archer
City Recorder Nancy Ide
Community Development Director Dan Drentlaw
David Wimmer, Finance Director
Bill Kabeiseman, Assistant City Attorney

Absent:

Rocky Smith, Jr.

Media:

Colin Miner, *The Oregonian*

2. Citizen Comments

There were no citizen comments.

Chair Slack asked that Commissioner Smith's comments be added to the record.

3. Future Agenda Items

No future agenda items were suggested.

4. Discussion Items

a. Minutes of the May 6, 2009 Urban Renewal Commission Meeting

Motion by Commissioner Norris, second by Commissioner Walters, to approve the minutes of the May 6, 2009 meeting. Motion passed unanimously with the following vote: Commissioners Neeley, Wuest, Nicita, Norris, Shaw, Peterson, Walters, Crocker, and Slack voting "aye." [9:0]

b. Project Update—Amtrak Phase 2, Depot and Parking Lot

Nancy Kraushaar, City Engineer/Public Works Director said an appraisal was done and the appraised value was \$230,000. It looked as though the seller was committed to that price. Agreements had been drafted by the seller for the purchase of the depot and a construction document for their company to construct the parking lot and move the depot. Part of that agreement was an option to purchase the Growco site at 1743 Washington Street. David Evans and Associates were given the authorization to proceed on completing the structural design for the foundation of the depot building. Staff also worked with the tenants in the building regarding

lease transfers to the City. Ms. Kraushaar recommended a two year lease with one year options to continue the lease. She would bring the agreements back in July for review.

There was discussion about the price of the building, cost estimates, funding sources, ability to terminate the leases, and planning for the use of the facility.

c. Purchasing Procedures

Bill Kabeiseman, City Attorney, said the question had been raised whether the Urban Renewal Commission was a separate purchasing entity and the statutes supported that it was. Because it was, the Commission was required to go through the Attorney General's model code and he explained the options to do that.

There was discussion about the pros and cons of the Urban Renewal Commission verses the City Commission acting as the purchasing authority.

Mr. Kabeiseman would bring back a resolution stating the Urban Renewal Commission would adopt the City Commission's procedures.

William Gifford of Oregon City supported the Urban Renewal Commission having the responsibility for purchasing. He suggested when decisions were made to purchase property the Commission would get a minimum of two estimates.

d. Discuss City Hall Loan

Larry Patterson, City Manager, explained why the project was important. He discussed how the loan would work and explained what would happen if they did not approve the loan. The Urban Renewal Commission needed to be committed to receiving the loan and the City Commission committed to granting the loan in order to move forward.

There was discussion about using the fleet reserve funds, the location of the proposed building, and the analysis regarding the structural integrity of the building for this use.

Scott Archer, Community Services Director, said any necessary upgrades to current building codes were included in the bid.

Motion by Commissioner Nicita to continue agenda items 4d, 4e, and 4f, to the next Urban Renewal Commission meeting and direct Mr. Patterson to invite Mr. Sperb to answer questions of the Urban Renewal Commission at the next meeting. Motion died for lack of a second.

There was discussion regarding the protocol of asking staff members to come to a meeting.

e. Approval of New City Hall Construction Contract to Team Construction, LLC

Mr. Archer said the recommendation was the Urban Renewal Commission approve the bid award and construction contract to Team Construction, LLC in the amount of \$1,183,950.00 for the new City Hall project. He discussed the competitive bid process. They evaluated the low bid and the contractor came back favorable. The bid was below the engineer's estimate. He explained what the construction contract included and did not include.

Motion by Commissioner Neeley, second by Commissioner Wuest, to approve the bid award and construction contract to Team Construction, LLC for the amount of \$1,183,950.00. Motion passed with the following vote: Commissioners Neeley, Wuest, Norris, Shaw, Peterson, Walters, Crocker, and Slack voting "aye" and Commissioner Nicita voting "no." [8:1]

f. Approval of New City Hall Furnishings Contract to Pacific Office Furnishings

Mr. Archer said this was a recommendation to approve a purchase agreement with Pacific Office Furnishings in the amount of \$248,991.38 for the purchase and installation of the interior furnishings associated with the City Hall project. He explained the cost savings by using this

company. The City did not do competitive bidding for this contract, but it had been done through other agencies previously.

There was discussion regarding awarding the contract without having a competitive process for comparing the costs. Mr. Archer explained the way cooperative agreement purchasing worked and more specifics on the design and furniture fitting that they were purchasing. There was a time factor and additional cost if they redid the process.

Commissioner Neeley suggested postponing this issue to the next meeting and in the interim staff and Commissioners Shaw, Crocker, Slack, and Walters could discuss the concerns. The Commission agreed.

g. Approval of New City Hall Sole Source Contract with Granicus, Inc. for Chambers Electronic Processes

Ms. Ide said this was a proposed sole source contract with Granicus, Inc. for various electronic processes related to the new Chambers of the new City Hall for the amount of \$45,144.00. She explained the phases and what the contract would provide. This was a permissible use.

There was discussion regarding the cost for the hardware. This item would be brought back to the next Commission meeting.

h. Demolition of 1810 Washington St

This item would be held over to a future meeting.

i. Grant Application Process

This item would be held over to a future meeting.

j. Urban Renewal Grant/Match Application—Downtown Sign Fund

Commissioner Slack said they had some money that came from the State that needed to be spent by the end of December.

Ms. Kraushaar said they continued the discussion regarding the criteria from the last meeting. They had the discretion to award a \$13,000 grant instead of a maximum of \$10,000. The markers seemed to be fitting with the Storefront Grant Application Program.

This item would be held over to a future meeting.

5. City Manager's Report

None.

6. Adjournment

Chair Slack adjourned the meeting at 6:52 p.m.

Respectfully submitted,

Nancy Ide, City Recorder

**City of Oregon City
Urban Renewal Commission Meeting Minutes
July 1, 2009**

**City Hall – Commission Chambers
320 Warner Milne Road
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Chair Slack called the meeting to order at 4:30 p.m.

Commissioners Present:

Chair Don Slack
Doug Neeley
James Nicita
Rocky Smith, Jr.
Nancy Walters
Robb Crocker
Brian Shaw
Alice Norris
Graham Peterson (arrived late)

Staff Present:

City Manager Larry Patterson
City Engineer/Public Works Director Nancy Kraushaar
Community Services Director Scott Archer
City Recorder Nancy Ide

Absent:

Daphne Wuest

Media:

Colin Miner, *The Oregonian*

2. Citizen Comments

There were no citizen comments.

3. Future Agenda Items

Mr. Patterson suggested moving item 4h, Review of City Hall Project, after 4d.

4. Discussion Items

a. Minutes of the April 15, 2009 Regular Meeting

Motion by Commissioner Norris, second by Commissioner Neeley, to approve the minutes of the April 15, 2009 regular meeting. Motion passed unanimously with the following vote: Commissioners Neeley, Nicita, Norris, Shaw, Walters, Crocker, Smith, and Slack voting “aye.” [8:0]

b. Grant Application Process

Larry Patterson, City Manager, reviewed the list of grants received, approved, awarded, and pending. They had \$37,000 of remaining grant funds. The criteria were guidelines and they could waive any condition or requirement. They were looking at requests that would improve the aesthetics, citizen experience of downtown, and curb appeal.

There was discussion about setting up a priority system or re-allocation process due to the concern about running out of funds.

Mr. Patterson suggested including a purpose statement on the grants. The policy would be amended and brought back at the next meeting.

c. Urban Renewal Grant/Match Application—Downtown Sign Fund

Mr. Patterson said this was a request from the Main Street Program for a downtown sign fund. They were asking for \$13,300.00 which is more than the \$10,000 limit, because they were trying to match a State funding award. The sign fund would provide incentives to property owners or businesses to upgrade their existing signs, install new signs, or address the awnings in downtown. It met the intent of the criteria and they would form a partnership with Main Street to assist with the improvement of downtown.

Lloyd Purdy, Main Street Manager, said they received \$14,200 from the State. The money could only be used on properties that were historically eligible. He would like to extend the program to the other commercial properties in downtown. Any unexpended funds would be returned to the State. They could do the same scenario for Urban Renewal funds.

There was concern that the criteria were too broad. Mr. Purdy said a peer task force would review applications to make sure they were appropriate and there would be restrictions on the materials used.

Commissioner Shaw was concerned about setting a precedent for going beyond the normal grant amount.

Commissioner Crocker did not think there would be enough interest to meet the State deadline of 60 days.

Commissioner Neeley confirmed that former members of the Historic Review Board and Christina Robertson-Gardiner would be on the task force.

Mr. Purdy said he would have to get 14 out of 43 property owners committed to the State funding in 60 days. Hopefully word of this program would bring more people in, and the Urban Renewal money would not be restricted to the same timeline.

Motion by Commissioner Crocker, second by Commissioner Neeley, to award a \$10,000 grant to Main Street Oregon City with the restrictions that proposals had to go through the design committee for approval and the money had to be spent in one year.

Motion passed unanimously by the following vote: Commissioners Nicita, Neeley, Smith, Norris, Walters, Shaw, Crocker, Peterson, and Slack voting "aye." [9:0]

d. Resolution No. UR 09-02 Purchasing Procedures

Motion by Commissioner Norris, second by Commissioner Neeley, to approve Resolution No. UR 09-02 adopting Oregon City's public contracting code consisting of Oregon City Municipal Code Chapter 2.40 and resolutions adopted there under as the public contracting code of the Oregon City Urban Renewal Commission.

Motion passed unanimously by the following vote: Commissioners Nicita, Neeley, Smith, Norris, Walters, Shaw, Crocker, Peterson, and Slack voting "aye." [9:0]

h. Review of City Hall Project

Mr. Patterson passed out a memo that addressed previous concerns regarding the City Hall project.

Commissioner Nicita said there were no specific provisions in the City's code relating to requirements on the City's part to undertake specific due diligence when purchasing real estate. He thought this issue could be solved in the future by proposing to draft a Code provision

dealing with purchasing of real estate and setting forth due diligence investigations that needed to be answered before they invested tax payer's money in real estate. Mr. Sullivan, City, Attorney, said this was a policy issue for the Commission to decide.

Commissioner Smith did not know why they waited until they purchased the building and awarded the contract to ask these crucial questions. He had a hard time spending Urban Renewal money on a building that would not generate taxes. He could not vote in support of the new City Hall building.

Mr. Patterson said they bought the building for the purpose of either a new Library or City Hall, and neither were essential facilities. They did due diligence to look at the structural stability before they purchased the building.

Mr. Patterson said they would change the parking lot design to close the entrances off 7th Street and make bio swells along 7th Street and the ingress and egress would be off of Center.

Commissioner Shaw asked if a seismic study had been done on the building. Mark Nelson of Sigma Engineering said he did a walk thru of the building to look at the structure for issues, but it was not a formal report. The building had some seismic strengthening completed and it was a permitted item through the City. The previous engineer did some calculations which were completed to the 2003 IBC and 2004 Oregon Structural Specialty Code.

Commissioner Nicita asked why the FEMA checklist was not requested. Scott Archer, Community Services Director, said he was not familiar with that process, but they did do a structural engineer's review of the building and a complete environmental analysis as well.

Guy Sperb, Building Official, said when it was permitted it was done as a shell renovation where the shell remained the same and the interior was for a future tenant use with no specific reviews for occupancy because it was unknown. The renovations were made for seismic and load factors. They assumed it would be used for commercial office use and reviewed it for those capabilities. Prior to occupancy of the building they would need to have plans submitted for the tenant improvement and at that time they would do further fire and life safety reviews. There was some confusion of staff regarding the state requirements and emergency response requirements as to the definition of essential facility. It was found that as long as the server room was not used for 9-1-1 or emergency response it was an office building and did not meet the essential facility requirements.

Commissioner Nicita asked what it would take to make the building seismically adequate for a public city hall. Mr. Sperb thought this building would stand up better in a seismic event than 90% of the buildings in the City. He did not have any reservations regarding the building safety.

Commissioner Nicita asked about the benefit and cost of doing a FEMA checklist.

Motion by Commissioner Neeley, second by Commissioner Nicita, to request a FEMA Seismic Evaluation not to exceed \$7,000. Mr. Archer said this would delay the project.

Commissioner Neeley withdrew his motion.

Motion by Commissioner Nicita to request a FEMA Seismic Evaluation not to exceed \$7,000. Motion died for lack of a second.

Commissioner Slack thought it would be a waste of tax payer money to pursue this issue further.

Mr. Nelson said this building met the life safety standard.

e. Personal Services Agreement with Granicus, Inc. for Electronic Services and Equipment in the Chambers at the New City Hall

Nancy Ide, City Recorder, said this proposal was similar to the one that came before the Commission two weeks ago with a few changes. It gave a 10% discount on the monitors and included a 15% discount extended beyond the June 30 deadline. Granicus also extended a \$1,500 discount on shipping costs. The total reductions were \$3,729. The sole source contract was allowed by State statute and would build on existing technology.

Motion by Commissioner Neeley, second by Commissioner Norris, to approve the sole source personal services agreement with Granicus, Inc. in the amount of \$43,554.92 and adopting the findings.

Commissioner Nicita said based on the decision of the Commission not to go the extra mile to ensure the safety of the citizens through an inexpensive analysis of the structure through a FEMA checklist, he would be opposed on items relating to the new City Hall.

Commissioner Crocker had reservations regarding spending urban renewal funds on equipment which would not help with the tax increment. He also had issues with the contract in general.

Ms. Ide said installing it now while the chambers were being built was a cost savings. Mr. Patterson said the location of the new City Hall would bring revitalization to 7th Street and downtown.

Motion passed by the following vote: Commissioners Neeley, Norris, Walters, Shaw, Peterson, and Slack voting "aye;" Commissioners Nicita and Smith voting "no;" and Commissioner Crocker abstaining. [6:2:1]

f. Approval of New City Hall Furnishings Contract to Pacific Office Furnishings

Mr. Archer said since the last meeting, the Commission received additional information related to the justification of the purchase. The options were to approve this contract as is or rebid the project.

Commissioner Crocker said their hands were tied regarding public purchasing and it did not make sense to rebid the project.

Commissioner Shaw said when they needed to purchase furniture for future City projects, he wanted to do a different approach such as open bids.

Motion by Commissioner Crocker, second by Commissioner Shaw, to approve the purchase agreement with Pacific Office Furnishings in the amount of \$248,991.38 for purchase and installation of interior furnishings associated with the new City Hall project.

Motion passed by the following vote: Commissioners Neeley, Norris, Walters, Shaw, Crocker, Peterson, and Slack voting "aye" and Commissioners Nicita and Smith voting "no." [7:2]

g. Urban Renewal Commission Procedures

Mr. Patterson said at the Commission retreat, Commissioner Nicita proposed a number of policy considerations. This item would be held over to the next agenda.

5. City Manager's Report

There was no city manager's report.

6. Adjournment

Chair Slack adjourned the meeting at 6:43 p.m.

Respectfully submitted,

Nancy Ide, City Recorder

**City of Oregon City
Urban Renewal Commission Meeting Minutes
August 11, 2009**

**City Hall – Commission Chambers
320 Warner Milne Road
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Chair Slack called the meeting to order at 4:30 p.m.

Commissioners Present:

Chair Don Slack
Doug Neeley
James Nicita
Graham Peterson
Nancy Walters
Alice Norris
Daphne Wuest
Rocky Smith, Jr.
Robb Crocker
Brian Shaw

Staff Present:

City Manager Larry Patterson

Community Services Director Scott Archer
City Recorder Nancy Ide
Community Development Director Dan Drentlaw
Finance Director David Wimmer
Police Chief & Public Safety Director, Mike Conrad

Media:

Colin Miner, *The Oregonian*

2. Citizen Comments

There were no citizen comments.

3. Future Agenda Items

Commissioner Crocker wanted a discussion regarding potential solutions for SDC's and future redevelopment. Larry Patterson, City Manager, would give the Commission the pros and cons of using SDC's.

Chair Slack asked for a tour of the properties owned by Urban Renewal.

4. Discussion Items

a. Urban Renewal Policies and Procedures

Mr. Patterson explained each of the items that were being proposed.

Chair Slack suggested creating a sub-committee of the Commission who would bring back recommendations at the next meeting.

Commissioner Nicita preferred the whole Commission dealt with these items. He researched other city's policies and Tigard and Gresham gave citizens the right to vote on urban renewal measures.

Commissioner Norris said the cities mentioned voted whether or not to have an urban renewal district and the components of the district, but none of them voted on debt funding decisions.

There was consensus to have staff gather more information about how other communities handled this issue.

Commissioner Walters thought waiting 30 days to vote on an agenda item was too restrictive. The Commission agreed.

Commissioner Wuest said she thought they should implement the adoption of the agenda and public comment suggestions, but not any of the other items.

Commissioner Nicita thought they should receive regular updates on how Commission money had been spent. Commissioner Walters thought a quarterly report should be done. Chair Slack suggested capturing a before and after regarding the grants.

Commissioner Nicita thought the Commission should formally adopt the design and development guidelines in the 2006 Oregon City Futures Report. Commissioner Wuest said they needed to decide what was appropriate since the Main Street design guidelines were being formed.

Motion by Commissioner Neeley, second by Commissioner Nicita, to put the guidelines discussion on the next Urban Renewal Commission agenda. Motion passed unanimously with the following vote: Commissioners Neeley, Nicita, Smith, Wuest, Shaw, Peterson, Crocker, Norris, Walters, and Slack voting "aye." [10:0]

b. New City Hall Level 2 or 3 Seismic Analysis

Commissioner Neeley suggested at the City Commission level to review the City's standard for seismic structures. He thought rather than looking at the City Hall building, they should look at the buildings that had community use.

Commissioner Shaw said the building met seismic code for an office building.

Commissioner Nicita said he realized it was late in the game for this discussion. If they could have made the determination earlier, there would have been the possibility of building at a higher level. This issue did illustrate a need to review the City's building codes.

c. IGA between City of Oregon City and the Oregon City Urban Renewal Commission for a Loan from City of Oregon City in the Amount of up to but not to exceed \$2.5 Million for Remodel of McLean Clinic for City Hall Operations

Mr. Patterson said it was recommended that the Urban Renewal Commission borrow up to 2.5 million dollars for the remodel and it would be paid back over a five year period with an interest rate of 1.5% per year. They were looking at an interest only loan for the first four years with a balloon at the end of five years with the option to renew.

Motion by Commissioner Norris, second by Commissioner Wuest, to approve the IGA between the City of Oregon City and the Oregon City Urban Renewal Commission.

Commissioner Neeley clarified that the funds were available from the Fleet Replacement Fund and there was no negative impact.

Motion passed with the following vote: Commissioners Neeley, Wuest, Crocker, Peterson, Shaw, Norris, Walters, and Slack voting "aye" and Commissioners Smith and Nicita voting "no." [8:2]

e. Audio Visual Contract for New City Hall Project with MaY Technologies

Commissioner Neeley excused himself from this discussion.

Scott Archer, Community Services Director, said the recommendation was for approval of a personal services agreement in the amount of \$91,488 for all of the audio visual components related to the new City Hall. This was not included in the construction contract due to the technical nature of the work and they would reuse the majority of the current equipment for the

new City Hall. He explained the process of selecting this vendor. The contract included the purchase and installation of three flat screen monitors. The Commission discussed a portable monitor system, but decided not to purchase it, and staff would ask the contractor for a credit back of \$2,300.

Commissioner Wuest said there was a fair amount of trouble with their audio for the meetings and was concerned about staying with the same company. Nancy Ide, City Recorder, said part of the problem was the type of microphone system they had to put in and for the new City Hall they would be able to do it right from the beginning.

Commissioner Crocker clarified what would be reused and confirmed this was a competitive bid.

Motion by Commissioner Walters, second by Commissioner Crocker, to approve the audio visual contract for the new City Hall project with MaY Technologies with the provision to hold a 90-day, 5% retainage for additional warranty work and to ensure satisfactory completion of the project.

Commissioner Smith said this was a crucial component in communicating with citizens, and he would not vote against it. However, he thought it was not an appropriate use of Urban Renewal funds and would abstain from the vote.

Commissioner Neeley was not present for the vote.

Motion passed with the following vote: Commissioners Wuest, Crocker, Peterson, Shaw, Norris, Walters, and Slack voting "aye;" Commissioner Nicita voting "no;" and Commissioner Smith abstaining. [7:1:1]

d. Presentation from Pacific Property Search Regarding Changes to the Cove Development Plan

Randy Tyler and Ed Darrow with Pacific Property Search said the City requested they add additional product to support the tax increment at a higher level. They redesigned the plan with that intent in mind. Slayden Construction Group Inc. was a new partner to do the apartment project. Mr. Darrow discussed the modifications to and phasing of the development plan.

Commissioner Neeley asked about the pedestrian pathway on the Cove side of the project. Mr. Darrow said it was intended to stay in that location.

Commissioner Neeley was concerned that there would be congestion on Agnes around the office complex and parking lot. Mr. Darrow said a traffic analysis showed it worked.

Commissioner Smith was concerned about maintaining a connection to the Oregon City Shopping Center. Mr. Darrow said it was a mandatory requirement by staff.

Commissioner Walters asked if they were looking at geothermal loops, solar technologies, or passive heating and cooling, etc. Mr. Tyler said the project would be a lead neighborhood classification of use and there were a number of things they were doing that helped with the treatment of the water before it went back into the Cove.

Commissioner Nicita asked about the methane issue, and Mr. Darrow said they were doing additional ground water analysis.

Commissioner Nicita asked about the ordinary high water line, and Mr. Darrow said it was 16 to 18 feet.

Commissioner Neeley suggested where the woody material from the riparian trees might be used. Ideas could be brought back for discussion.

Commissioner Nicita thought they could prune the shoreline riparian trees and gave suggestions for where to find the cut balance fill, but still leave a canopy shading the shoreline for the habitat species. Mr. Darrow explained the reasons for removing the trees, primarily due to the fact the area was degraded and they wanted it to be usable to the public.

Mr. Darrow said at the first of the year they would go for bids on the project.

Commissioner Nicita asked how they were addressing seismic issues. Mr. Darrow said it would be dictated by a soils analysis.

Jerry Herrmann of unincorporated Oregon City encouraged the developers to form a working group to look at other funding possibilities and determine what could be done with dredge spoils.

f. Discuss Cove Dredging Permit

Mr. Patterson said they amended the first permit application based on public comment. The agency doing the work wanted to keep the spoils in the Clackamette and Willamette corridor and changes would move the project back which could lead to losing County partnership; who was funding half of the project.

Commissioner Neeley said the issue was whether bringing material into the Cove at this time was feasible without losing support of the County. It could become a longer term plan.

Commissioner Nicita thought they should let the dredging permit proceed as planned and do a habitat enhancement plan as a separate process.

Motion by Commissioner Nicita, second by Commissioner Neeley, to form an inter-jurisdictional working group to explore options for creating habitat enhancement including habitat islands within the Clackamette Cove.

Commissioner Norris thought it should be clear what the purpose of the group was and who would staff it.

Commissioner Nicita amended his motion that the group was not only inter-jurisdictional but multi-stakeholder including.

After a brief discussion, Commissioner Nicita withdrew his motion, and the Commission decided to bring this back to the next meeting for further discussion.

Paul Edgar of Oregon City said the loose gravel would impact the water health and navigation of the river and the economy of Oregon City. The Corps did not envision further dredging and they needed to look at enhancing the ecological environment around the Cove. He thought they could pull together people concerned about the environment and pragmatically come up with good practices and principles.

5. City Manager's Report

Mr. Patterson gave an update on the Rivers project.

6. Adjournment

Chair Slack adjourned the meeting at 6:56 p.m.

Respectfully submitted,

Nancy Ide, City Recorder

**City of Oregon City
Urban Renewal Commission Meeting Minutes
September 16, 2009**

**City Hall – Commission Chambers
320 Warner Milne Road
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Chair Crocker called the meeting to order at 4:00 p.m.

Commissioners Present:

Daphne Wuest
Doug Neeley
James Nicita
Graham Peterson
Rocky Smith, Jr.
Robb Crocker
Brian Shaw
Alice Norris
Nancy Walters (arrived 4:08 p.m.)

Staff Present:

City Manager Larry Patterson
Finance Director David Wimmer
Community Services Director Scott Archer
City Recorder Nancy Ide
Community Development Director Dan Drentlaw
Library Director Maureen Cole
Senior Planner Tony Konkol
Administrative Assistant Kathy Griffin

Media:

Colin Miner, *The Oregonian*
Matthew Graham, *Oregon City News*

2. Citizen Comments

There were no citizen comments.

3. Future Agenda Items

Commissioner Neeley wanted an update on the grant dispersal funds.

Commissioner Smith wanted discussion regarding the grant criteria.

4. Adoption of the Agenda

The agenda was adopted as presented with Chair Crocker switching items 5g and 5f under General Business.

5. General Business

a. Review Changes to Cove DDA

Larry Patterson, City Manager, stated that the Cove DDA was approved with amendments at the September 2, 2009 URC meeting. Tonight's meeting sought approval to revisions to the DDA. The predevelopment costs were still being refined.

Commissioner Shaw commented that he voted against the DDA, as he was not a fan of using urban renewal funds for residential use. Because Keizer pulled out of the project, he wanted something tangible so he was not speculating with the taxpayers' money.

Ed Darrow, Developer, said the City mandated that they make some changes so there would be increment earlier. He explained what Phase I and Phase II would accomplish as far as financial commitments.

Commissioner Smith agreed with Commissioner Shaw.

Commissioner Neeley requested an addition to Section 8.7.2 to include the esplanade and water resource planting area. He also wanted review of the wording related to maintenance through Phase 4.

There was discussion regarding the connection of this project to the Oregon City Shopping Center.

Commissioner Wuest clarified the bike lane would be on the street.

b. The Cove: Phases I and II

Mr. Patterson stated the Commission approved the detailed plans for Phase I and II construction on January 9, 2009. Because of the withdrawal of Keizer from the project, there were some modifications and they had to approve the revisions.

Mr. Darrow and Mr. Tyler said there were eight proposed changes to the previously approved documentation. Six affected the concept development plan, and two affected the detailed development plan. They discussed the following modifications: the 50-foot variance was no longer needed, two driveways to the condominiums were removed; relocation of an up to 80,000 square-foot mixed-use office building which reduced the condominiums to 180 units, adding a 2.5 acre parcel for parking, relocation of the recreation facility, leaving Main Street in its current location, and relocation of the public restrooms. There was discussion regarding pedestrian and bicycle paths on the street.

Commissioner Neeley asked about the vegetative corridor and trail along the peninsula, and Mr. Darrow said it would be done progressively and completed in Phase 4.

Commissioner Neeley discussed Phase 8 being the City's responsibility financially.

Commissioner Nicita explained why he thought this was a better plan than what was done previously. He was concerned that the project was not in compliance with the Water Quality Resource Area Code and the amendments did not change that. He also made suggestions for the design of the apartments and Dunes Drive.

Motion by Commissioner Neeley, second by Commissioner Norris, to approve Phase I and II of the Cove DDA subject to the conditions of the modification to Phase 4 regarding issues with the path and mitigation on the peninsula.

Paul Edgar of Oregon City said the substantial nature of the modifications being proposed would have a high potential for possible litigation because they did not comply with Oregon City planning and rules. He discussed transportation and fish habitat impacts.

Motion passed with the following vote: Commissioners Neeley, Wuest, Crocker, Peterson, Norris, and Walters voting "aye" and Commissioners Smith, Nicita, and Shaw voting "no." [6:3]

c. Urban Renewal Debt Financing

Mr. Patterson said there had been discussion about the cities of Tigard and Gresham submitting urban renewal debt financing to a vote, and neither city required this. They did ask for votes in regard to plan amendments. No city in the state required debt financing go to a vote.

Commissioner Nicita drafted language that offered voters the right to vote on bonds and new and amended urban renewal plans. This issue would be discussed at a future meeting.

d. Urban Renewal Financial Commitment to Rivers Development

Mr. Patterson reviewed the financial commitment to the Rivers project to date. This would be a positive move for the Urban Renewal Commission financially.

e. Changes to City Hall Project Construction Contract

Scott Archer, Community Services Director, said this was a recommendation from staff to approve a change to the contract in the amount of \$210,969.40, which would bring the total contract amount to \$1,394,919.49. The proposed change included an extension of the completion date to November 6, 2009. The most substantial change was the parking lot and landscape redesign. This change order also included a \$5,000 contingency for anything else that might come up for the remainder of the project. He showed them drawings of what the parking lot would look like with the changes.

Commissioner Smith did not support this project. He discussed his concerns with the other change order items.

William Gifford, co-chair of the McLoughlin Neighborhood Association, said everything they had concern about regarding the original parking lot design had been directly and positively ameliorated.

Motion by Commissioner Wuest, second by Commissioner Shaw, to approve the City Hall construction contract change orders in the total amount of \$210,969.40 for a total not to exceed the contract amount of \$1,394,919.49. Motion passed with the following vote: Commissioners Neeley, Wuest, Nicita, Crocker, Peterson, Shaw, Norris, and Walters voting "aye" and Commissioner Smith voting "no." [8:1]

Commissioner Neeley suggested some parking spaces be eliminated due to a dangerous pedestrian crossing. Staff would look into it.

g. Urban Renewal Storefront Improvement Program—1102 7th St

Kathy Griffin, Public Works Administrative Assistant, stated the Commission authorized money for this applicant last fiscal year but since there were modifications the money was awarded in this fiscal year. This was a second application to do Phase 2 to improve landscaping. Mr. Bernhard, applicant, said the project was expensive because he was trying to keep it true to the history of the building and explained how the property would be maintained. He said this would make a positive visual impact on 7th Street.

Mr. Patterson said if they awarded all the grants on the agenda that night, the balance for the grant program would be \$9,792. The only other pending application was the sign for McHale Chiropractic Clinic.

Motion by Commissioner Neeley, second by Commissioner Walters, to award a grant of \$2,451.87 with the understanding that the applicant's contribution would equal or exceed that amount.

Mr. Bernhard explained how much could be done with that amount and the fact that he would have to come back next year for more.

Mr. Patterson clarified that this applicant had already been awarded \$7,500. Mr. Bernhard said those were projected numbers, and he might fall below that based on what the actual cost would be.

Commissioner Neeley amended the motion to say that the combination of the two grant requests be supported up to a total amount of \$10,000. If the applicant did not realize the cost

of the \$7,500, that money could be applied to the landscaping. Commissioner Walters seconded the amendment.

Commissioner Smith would abstain from all grant requests as he did not think they should approve any more grants until the Commission had guidelines to follow.

Motion passed with the following vote: Commissioners Neeley, Peterson, Shaw, Norris, Walters, and Crocker voting “aye;” Commissioners Wuest and Nicita voting “no;” and Commissioner Smith abstaining. [6:2:1]

Commissioner Walters clarified that the Commission gave the applicant permission to exercise judgment on changes to the project without coming back for approval.

Commissioner Crocker left the meeting and Commissioner Norris became the Chair.

f. Urban Renewal Storefront Improvement Program—719 Main Street

Ms. Griffin stated the next three applications were from T5 Equities. They were all on Main Street and they had applied for other grant applications, but none this year and none for these buildings. It was allowed that applicants could apply for more than one building. She explained the improvements requested. The comments from Christina Robertson-Gardiner were that the new awnings be appropriate to the building and be two separate awnings with no Velcro.

Motion by Commissioner Wuest, second by Commissioner Neeley, to approve a grant in the amount of \$10,000 to T5 Equities LLC to update the exterior of 719 Main Street.

Commissioner Shaw said one of the major recipients of these funds would be one of the Commission members, and he clarified it was legal to do so.

Motion passed with the following vote: Commissioners Neeley, Wuest, Peterson, Shaw, Norris, and Walters voting “aye;” Commissioner Nicita voting “no;” and Commissioner Smith abstaining. [6:1:1]

h. Urban Renewal Storefront Improvement Program—706 Main Street

Ms. Griffin stated the applicant had done work on this property before and they wanted to finish the project. Christina Robertson-Gardiner requested that the three windows be compatible with the upper floors with a minimum of six inch spacing between the windows.

Chris Edmonson, applicant, preferred to match the storefront on both sides where the windows were connected.

Commissioner Nicita said the historically inaccurate use of stucco on a building like this was not appropriate. He thought this would be adverse to what the program was about.

Commissioner Nicita moved to deny the application. Motion died for lack of a second.

Motion by Commissioner Neeley, second by Commissioner Wuest, to approve the grant for 706 and 708 Main Street in the amount of \$9,975 with the recommendations of staff.

Commissioner Wuest said it would not be fair if they said he could do the first part of the project and then change it for the second part.

Motion passed with the following vote: Commissioners Neeley, Wuest, Peterson, Shaw, Norris, and Walters voting “aye;” Commissioner Nicita voting “no;” and Commissioner Smith abstaining. [6:1:1]

i. Urban Renewal Storefront Improvement Program—716 Main Street

Ms. Griffin explained what the applicant was proposing for the property. Christina Robertson-Gardiner recommended the approvable to be limited to the non-historic façade and once the

building had been uncovered all effort should be made to rehabilitate and repair the features that remained. If a new window system was required and repair was not an option, the applicant would return to the Commission for a secondary review of the work proposed.

Commissioner Wuest clarified that the applicant would see the project through to completion.

Motion by Commissioner Wuest, second by Commissioner Neeley, to approve the grant in the amount of \$31,250 with the City's share to be \$10,000 to T5 Equities to update 716 Main Street with the restrictions as directed by staff. Motion passed with the following vote: Commissioners Neeley, Wuest, Peterson, Shaw, Norris, and Walters voting "aye;" Commissioner Nicita voting "no;" and Commissioner Smith abstaining. [6:1:1]

Motion by Commissioner Neeley, second by Commissioner Smith, that beyond the one pending application they would not accept any other applications until they dealt with the issues brought forth by Commissioners Smith and Nicita. Motion passed unanimously with the following vote: Commissioners Neeley, Wuest, Smith, Nicita, Peterson, Shaw, Norris, and Walters voting "aye." [8:0]

Commissioner Norris requested that spreadsheets of the numbers and criteria be attached for all applications on the agenda.

4. City Manager's Report

There was no manager's report.

5. Adjournment

Chair Norris adjourned the meeting at 6:05 p.m.

Respectfully submitted,

Nancy Ide, City Recorder

**City of Oregon City
Urban Renewal Commission Meeting Minutes
September 30, 2009**

**City Hall – Commission Chambers
320 Warner Milne Road
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Chair Slack called the meeting to order at 7:00 p.m.

Commissioners Present:

Chair Don Slack
Doug Neeley
James Nicita
Graham Peterson
Rocky Smith, Jr.
Nancy Walters
Daphne Wuest

Staff Present:

City Manager Larry Patterson
City Engineer/Public Works Director Nancy Kraushaar
Community Services Director Scott Archer
City Recorder Nancy Ide
City Attorney Bill Kabeiseman
Finance Director David Wimmer

Media:

Colin Miner, *The Oregonian*

2. Citizen Comments

There were no citizen comments.

3. Future Agenda Items

Commissioner Nicita suggested adding the report of Mr. Leland and it was scheduled for October 21.

4. Adoption of the Agenda

The Agenda was adopted as presented.

5. Public Hearing – Exemption from Public Bidding Requirement for Cove Contract

Mr. Kabeiseman said this was a request from the developer for an exemption from the public bidding requirement. The construction of certain infrastructure projects and purchase of concrete from Glacier Northwest would be the two exemptions. The Commission had to make two findings: the first was that it was unlikely the exemption would encourage favoritism in the awarding of public contracts, and second was the exemption would likely result in substantial cost savings for the Agency.

Ed Darrow, Developer, explained the cost for the concrete and he would make sure it was at market rate.

Chair Slack opened the public hearing.

There was no public comment.

Chair Slack closed the public hearing.

Motion by Commissioner Neeley, second by Commissioner Wuest to approve the exemption from public bidding requirement for the Cove Contract. Motion passed with the following vote:

Commissioners Wuest, Neeley, Peterson, Walters, and Slack voting “aye” and Commissioners Smith and Nicita voting “no.” [5:2]

6. General Business

a. Revisions to Cove DDA

Mr. Patterson said at the last meeting they considered some revisions to the DDA. They changed the wording in Section 8.7.2. The wording was clear that the maintenance went up to Phase 4. He would be working on changing the trail on the exhibit as well.

Motion by Commissioners Wuest, second by Commissioner Neeley, to approve the revisions to the Cove DDA as stated. Motion passed with the following vote: Commissioners Wuest, Neeley, Peterson, Walters, and Slack voting “aye” and Commissioners Smith and Nicita voting “no.” [5:2]

b. Amendments to Storefront Improvement Program Purpose and Guidelines

Mr. Patterson said this was very general in regard to the type of projects and since they were giving grants they had wide discretion in giving that money. The changes expanded some of the eligible improvements and visual areas and drew a parallel to the design criteria that Main Street would be developing. He thought if it was still an area of debate, they might want to appoint a sub-committee.

Commissioner Smith discussed his concerns regarding the proposed guidelines. He wanted a Work Session to discuss the criteria further. Commissioner Neeley thought Christina Robertson-Gardiner and members of the Historic Review Board should be there for that discussion.

Chair Slack said some of the things Commissioner Smith said were overstated and everyone should be able to benefit from this program.

Commissioner Wuest said in her experience anyone on the board who had a building that might receive money excused themselves from the vote and she thought they should give incentives for the people doing the work. She was not sure about inviting the Historic Review Board to the Work Session. Commissioner Neeley explained it might help to create an order of priority for the grants.

Commissioner Wuest suggested awarding the grants twice a year rather than one at a time. Mr. Patterson said that might not work with construction schedules. He thought they should talk about the ramifications of these decisions.

There was discussion about waiting for the Main Street design criteria before meeting in a Work Session.

Commissioner Smith would chair a sub-committee regarding this issue and Commissioners Nicita and Walters and a member from the Historic Review Board would also be on the sub-committee.

c. Budget Projections Related to Storefront Grant Program, Downtown Businesses during Bridge Restoration, and Sale of Houses on Tumwater

Mr. Patterson explained the spreadsheet of the Cove project dated September 2009 with the concept for the apartments and land improvements only. He discussed the debt issued, the projected increase in assessed values, and the ending available balance. It was a question of how much risk they wanted to take, and he had given them a conservative picture. In regard to the sale of the houses, those proceeds would go back into the Urban Renewal Fund and could be used for improvements to the End of the Oregon Trail Interpretive Center.

There was discussion about moving the debt into a bond.

Commissioner Wuest did not want to sell the houses at a loss and would rather wait.

Commissioner Nicita requested a breakdown of the money that was spent in 2008-09.

There was discussion regarding professional services charged to Urban Renewal.

Commissioner Neeley thought they should have representatives from ODOT and Union Pacific come, to discuss the location of high speed rail. Staff would continue to update them on this issue as things evolved.

7. City Manager's Report

There was no manager's report.

8. Adjournment

Chair Slack adjourned the meeting at 8:15 p.m.

Respectfully submitted,

Nancy Ide, City Recorder

**City of Oregon City
Urban Renewal Commission Meeting Minutes
October 21, 2009**

**City Hall – Commission Chambers
320 Warner Milne Road
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Chair Slack called the meeting to order at 5:02 p.m.

Commissioners Present:

Chair Don Slack
Doug Neeley
James Nicita
Graham Peterson
Nancy Walters
Robb Crocker (left the meeting at
6:12 p.m. and did not return)
Brian Shaw
Alice Norris
Daphne Wuest

Staff Present:

City Manager Larry Patterson
City Engineer/Public Works Director Nancy Kraushaar
Community Services Director Scott Archer
City Recorder Nancy Ide
Community Development Director Dan Drentlaw

Absent:

Rocky Smith, Jr.

Media:

Colin Miner, *The Oregonian*

2. Citizen Comments

There were no citizen comments.

3. Future Agenda Items

Commissioner Wuest suggested having an update on the Main Street Program.

Chair Slack wanted a recap on the Storefront Project.

4. Adoption of the Agenda

The agenda was adopted as written.

5. General Business

a. Report from Dave Leland, Leland Consulting Group, on Main Street

Dave Leland, Leland Consulting, and Brian Vanneman, Senior Associate, gave a presentation on the principles of downtown revitalization, north end housing evaluation and potential redevelopment sites, and use of public/private partnerships for revitalization.

Commissioner Neeley spoke about other opportunities on Washington Street.

Commissioner Nicita discussed parking and the use of transit. Mr. Leland said they had to let the market take them there rather than policy.

Commissioner Nicita also asked about residences being possible with the train in downtown. Mr. Leland said the issue was not so much the train, but the sound was the deterrent.

Commissioner Walters asked about incentives for low income and subsidized housing. Mr. Leland explained assisted housing projects and how they would want diversity.

Mr. Drentlaw discussed possible grants and other funding sources to do more studies in this area.

There was discussion about what the next steps should be and ideas for where and what projects could occur first.

Lloyd Purdy, Main Street Manager, discussed a grant opportunity for downtown in regard to these goals.

Mr. Leland would come back with a plan to move forward.

b. Quarterly Budget Format

Mr. Patterson explained the adopted budget for 2009-10 and where they were in the first quarter and the anticipated ending balance for the year. They were better off than they anticipated. He reminded them of the projects they had underway and they should be conservative in spending in case anything went wrong with the projects.

c. Charter Amendment Public Vote on Bonding and Plan

Mr. Patterson said Commissioner Nicita proposed some language changes. He did not recommend putting bond funding for each project to a public vote.

Commissioner Nicita thought it was not unfeasible or unwise to do this. He was unclear why the City Commission decided to bring it before the Urban Renewal Commission since it was a charter amendment. He pointed out a typo in the language.

Commissioner Neeley thought this was the agency that would be impacted by this decision.

Commissioner Norris said if sending urban renewal bonds to a public vote was a good idea, another jurisdiction would have done it.

There was more discussion about the pros and cons of taking these projects to an election.

Chair Slack thought this would limit what they were trying to do and they would be ineffective. The public had the opportunity to be involved. There was discussion about the public process.

Commissioner Nicita said the amendment would give the voters the most say in the way urban renewal operated.

Motion by Commissioner Nicita, second by Commissioner Neeley, that the Urban Renewal Commission recommend to the City Commission to place the draft urban renewal charter amendment, the exhibit to agenda item 5c, to the voters at an election of the City Commission's choosing. Motion failed with the following vote: Commissioner Nicita voting "aye" and Commissioners Neeley, Wuest, Norris, Walters, Shaw, Peterson, and Slack voting "no." [1:7]

d. Urban Renewal Storefront Grant Application for Store Sign at 707 7th Street – McHale Chiropractic

Ms. Kraushaar said this was submitted before the moratorium was requested by the Urban Renewal Commission. It was for a sign for the McHale Clinic. The initial awnings and storefront improvements were approved and the sign needed to go through historic review. Some revisions were made and it was approved by staff.

Motion by Commissioner Wuest, second by Commissioner Shaw, to approve the Urban Renewal Storefront Grant application for the store sign at 707 7th Street for \$1,784.75. Motion passed with the following vote: Commissioners Nicita, Neeley, Wuest, Norris, Shaw, Peterson, and Slack voting “aye” and Commissioner Walters voting “no.” [7:1]

e. Minutes of the June 3, 2009 Regular Meeting

Motion by Commissioner Wuest, second by Commissioner Walters, to approve the minutes of the June 3, 2009 Regular Meeting. Motion passed unanimously with the following vote: Commissioners Nicita, Neeley, Wuest, Norris, Walters, Shaw, Peterson, and Slack voting “aye.” [8:0]

Commissioner Neeley discussed the need to get updated on their minutes and Ms. Ide said they would be brought up to date by the end of 2009.

6. City Manager’s Report

Mr. Patterson said the actual expenditures for professional services for the Cove and Rivers projects were less than the projected expenditures. He updated the Commission on what they were working on in regard to the Cove. The Planning Commission had approved the land use. He also said they would have a joint session with the City Commission regarding the hiring of economic development staff.

7. Adjournment

Chair Slack adjourned the meeting at 6:48 p.m.

Respectfully submitted,

Nancy Ide, City Recorder

**City of Oregon City
Urban Renewal Commission Meeting Minutes
November 4, 2009**

**City Hall – Commission Chambers
320 Warner Milne Road
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Chair Slack called the meeting to order at 5:00 p.m.

Commissioners Present:

Chair Don Slack
Doug Neeley
James Nicita
Graham Peterson
Nancy Walters
Alice Norris
Daphne Wuest
Rocky Smith, Jr.

Staff Present:

City Manager Larry Patterson
City Engineer/Public Works Director Nancy Kraushaar
Community Services Director Scott Archer
City Recorder Nancy Ide
Community Development Director Dan Drentlaw
Finance Director David Wimmer
Library Director Maureen Cole
City Attorney Bill Kabeiseman

Media:

Colin Miner, *The Oregonian*

2. Citizen Comments

There were no citizen comments.

3. Future Agenda Items

There were no future agenda items suggested.

4. Adoption of the Agenda

The agenda was adopted as written.

5. General Business

- a. Resolution No. UR09-05, Authorizing the Issuance, Sale, Execution and Delivery of its Urban Renewal Tax Increment Revenue Credit Facility in an Aggregate Principal Amount Not to Exceed \$10,000,000 to Provide Financing for Projects within the Oregon City Downtown Urban Renewal Area**

Larry Patterson, City Manager, said the first three items on the agenda were pre-conditions called for in the DDA with Pacific Property Search. He explained the work that still had to be done. Staff would try to schedule an Urban Renewal Commission Meeting next week to conclude some of the requirements before the deadline of November 15.

Commissioner Neeley wanted to know what time in the process he could discuss habitat issues. Staff would discuss this issue with him before the next meeting.

Mr. Patterson said the resolution was the action to obtain the credit facility. There was \$3,000,000 worth of cost to be paid by November 15. The \$7,000,000 was needed in the spring contingent on the apartments being constructed. They worked with US Bank to arrange the line of credit. He reminded them of the financial forecast for moving to bonded debt.

There was discussion regarding using a line of credit verses a bond and the ability of going for a bond in three years. David Wimmer, Finance Director, explained the options after three years.

Motion by Commissioner Nicita, second by Commissioner Smith, that should the resolution be approved, the debt issuance would be put to a vote of the people of the City of Oregon City.

Mr. Patterson said this was time sensitive and the line of credit would expire by the middle of the month.

Motion failed with the following vote: Commissioners Smith and Nicita voting "aye" and Commissioners Neeley, Wuest, Peterson, Norris, Walters, and Slack voting "no." [2:6]

Motion by Commissioner Norris, second by Commissioner Wuest, to approve Resolution No. UR09-05. Motion passed with the following vote: Commissioners Neeley, Wuest, Peterson, Norris, Walters, and Slack voting "aye" and Commissioners Smith and Nicita voting "no." [6:2]

b. Partial Assignment of Contract between Parker Pond LLC, Pacific Property Search, LLC and Urban Renewal Agency

Bill Kabeiseman, City Attorney, said this was part of the obligation in the DDA where the Urban Renewal Commission would be taking on the rights and obligations of Pacific Property Search to purchase the property from Parker Pond once the pre-conditions were met.

Commissioner Nicita said he voted against the concept plan for the project because the appraisal for the Cove identified a negative development value and he did not think they should use tax payer money for it.

Commissioner Neeley thought it was in the City's best interest that they have control over the development of the property.

Mr. Patterson said they would recover some of these costs. Commissioner Nicita said there was no guarantee that they would get the money back.

Motion by Commissioner Wuest, second by Commissioner Norris, to approve the partial assignment of the contract between Parker Pond LLC, Pacific Property Search, LLC and Urban Renewal Agency. Motion passed with the following vote: Commissioners Neeley, Wuest, Peterson, Norris, Walters, and Slack voting "aye" and Commissioners Smith and Nicita voting "no." [6:2]

c. Assignment of Purchase and Sale Agreement between Glacier Northwest, Inc., Pacific Property Search LLC and Urban Renewal Agency

Mr. Kabeiseman said the document obligated the Urban Renewal Commission to step in the shoes of Pacific Property Search in its agreement to Glacier Northwest and purchase the property.

Commissioner Nicita said they were spending \$500,000 for a parcel the City sold previously for \$1. He said the appraisal and negative development value were his concerns.

Ed Darrell, property developer, explained the \$500,000 was the cost of moving the previous business off of the property and they were selling the property for less than they purchased it.

Motion by Commissioner Neeley, second by Commissioner Norris, to approve the assignment of purchase and sale agreement between Glacier Northwest, Inc., Pacific Property Search LLC and Urban Renewal Agency. Motion passed with the following vote: Commissioners Neeley, Wuest, Norris, Walters, Peterson, and Slack voting "aye" and Commissioners Smith and Nicita voting "no." [6:2]

d. Minutes of the September 16, 2009 Regular Meeting

Motion by Commissioner Norris, second by Commissioner Wuest, to approve the minutes of the September 16, 2009 Regular Meeting.

Commissioner Nicita had concerns about the minutes not following State statute in regard to including the substance of any discussion on any matter. He gave specific examples. He did not think he could approve the minutes.

Motion failed with the following vote: Commissioners Wuest, Peterson, Norris, and Slack voting "aye" and Commissioners Neeley, Smith, Nicita, and Walters voting "no." [4:4]

Ms. Ide reminded the Commission that the web streaming video recording was also a permanent record in addition to the written minutes which were a summary of the meeting.

Mr. Kabeiseman said the extensiveness of minutes varied in different cities. There was no guidance for how detailed the substance was supposed to be. The Commission should think about what the minutes would be used for.

Mr. Patterson said they had the technology that made minutes an archaic and costly practice. Mr. Kabeiseman said the statute said they had to provide a sound, video, or digital recording or written minutes.

Commissioner Norris thought the purpose was the essence of the discussion. Written minutes were less useful as they moved into the technological age.

Commissioner Neeley said he would like the ability to bring up the web streaming videos of past meetings during current meetings.

Commissioner Wuest thought they should do a brief written summary and if there was need for further clarification they could go to the web streaming video.

The September 16, 2009 minutes would be brought back at the next meeting.

6. City Manager's Report

Mr. Patterson said they were in the process of moving into the new City Hall. There would be an Open House on December 18.

Jerry Herrmann of unincorporated Oregon City explained the Take Pride in Downtown Oregon City event and the projects to be done in downtown. He encouraged everyone to attend.

7. Adjournment

Chair Slack adjourned the meeting at 5:56 p.m.

Respectfully submitted,

Nancy Ide, City Recorder

**City of Oregon City
Urban Renewal Commission Meeting Minutes
November 12, 2009**

**City Hall – Commission Chambers
625 Center Street
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Vice Chair Crocker called the meeting to order at 5:01 p.m.

Commissioners Present:

Doug Neeley
James Nicita
Graham Peterson
Nancy Walters
Rocky Smith, Jr.
Brian Shaw
Robb Crocker
Daphne Wuest
Alice Norris (arrived 5:11 p.m.)

Staff Present:

City Manager Larry Patterson
City Engineer/Public Works Director Nancy Kraushaar
Community Services Director Scott Archer
City Recorder Nancy Ide
Finance Director David Wimmer

Absent:

Don Slack

Media:

Colin Miner, *The Oregonian*

2. Citizen Comments

There were no citizen comments.

3. Future Agenda Items

Commissioner Wuest asked for an update on the Rivers project. She also requested a presentation from the director of the Main Street Program in January.

4. Adoption of the Agenda

The agenda was adopted as written.

5. General Business

a. Statutory Bargaining of Sale Deed Conveying Four Parcels of Property from the City of Oregon City to the Urban Renewal Commission

Larry Patterson, City Manager, said this would put all of the properties at the Cove in the possession of the Urban Renewal Commission so they could move forward with the project. He explained the map of the properties.

Motion by Commissioner Neeley, second by Commissioner Peterson, to request the City Commission to transfer four parcels of property from the City to the Urban Renewal Agency with the understanding that the northern piece of property would be transferred back to the City as a park at the completion of the development.

Motion passed with the following vote: Commissioners Wuest, Nicita, Neeley, Peterson, Walters, Shaw, and Crocker voting "aye" and Commissioner Smith voting "no." [7:1]

b. Payment of an Amount Not To Exceed \$1,176,779 for Project Required Services of CCLLC's Engineers, Architects, Consultants, and Project Managers

Mr. Patterson said the Development Agreement called for the predevelopment advances of these costs. There would be additional interest costs which would be paid by the developers.

Ed Darrow, Developer, said all of the services, reports, and drawings were completed.

Commissioner Nicita was opposed to using taxpayers' money for funding this item. He thought it was a bad precedent to set.

Mr. Patterson explained how they arrived at the cost.

Commissioner Neeley said if this motion failed, they would be in violation of the DDA and could land the City in court. Mr. Patterson said it would end the arrangement they had and it would be up to the developer if they took it to court.

Motion by Commissioner Wuest, second by Commissioner Norris, to approve payment of an amount not to exceed \$1,176,779 for project required services of CCLLC's engineers, architects, consultants, and project managers for costs that had been incurred up to this point.

Motion passed with the following vote: Commissioners Wuest, Neeley, Norris, Peterson, Walters, and Crocker voting "aye" and Commissioners Smith, Nicita, and Shaw voting "no." [6:3]

c. Assignment of Purchase and Sale Agreement between Cal Portland, Pacific Property Search LLC and Urban Renewal Agency for 1.81 Acres

Mr. Patterson said there were changes to the names of the parties. This was an assignment specified in the Development Agreement and the amount for the property was \$500,000.

Motion by Commissioner Norris, second by Commissioner Neeley, to adopt the changes to the second amendment of the Assignment of Purchase and Sale Agreement.

Motion passed with the following vote: Commissioners Wuest, Neeley, Norris, Peterson, Walters, and Crocker voting "aye;" Commissioners Smith and Shaw voting "no;" and Commissioner Nicita abstaining. [6:2:1]

Mr. Patterson said the Development Agreement called for the closing on November 15 and he was requesting to push it back a week to make sure everything was in order and to take the transfer of properties to the City Commission.

There was consensus to move the closing date to November 23.

6. City Manager's Report

There was no manager's report.

7. Adjournment

Vice Chair Crocker adjourned the meeting at 5:25 p.m.

Respectfully submitted,

Nancy Ide, City Recorder

**City of Oregon City
Urban Renewal Commission Meeting Minutes
August 19, 2009**

**City Hall – Commission Chambers
320 Warner Milne Road
Oregon City, OR 97045**

1. Convene Regular Meeting of the Urban Renewal Commission and Roll Call

Chair Slack called the meeting to order at 4:30 p.m.

Commissioners Present:

Chair Don Slack
Doug Neeley
James Nicita
Nancy Walters
Robb Crocker
Brian Shaw
Alice Norris
Rocky Smith Jr.
Graham Peterson (arrived at 4:35 p.m.)

Staff Present:

City Manager Larry Patterson
City Engineer/Public Works Director Nancy Kraushaar
Community Services Director Scott Archer
City Recorder Nancy Ide
Community Development Director Dan Drentlaw
Finance Director David Wimmer
Public Works Admin. Assistant Kathy Griffin

Absent:

Daphne Wuest

Media:

Colin Miner, *The Oregonian*

2. Citizen Comments

There were no citizen comments.

3. Future Agenda Items and Adoption of the Agenda

Commissioner Nicita asked to discuss the Urban Renewal Commission's commitment to the Rivers mall at the next meeting.

4. Discussion Items

a. Disposition and Development Agreement with Pacific Property Search for Development of Clackamette Cove

Commissioner Neeley had some questions regarding the agreement and would submit them in writing to staff.

Commissioner Nicita said when the Commission discussed this in January they had a full staff report from Dave Leland's office and this was a changed project. He thought they needed a new report which included written findings by Mr. Stastny analyzing the project against the design guidelines that were in the 2006 report.

Chair Slack was not in favor of delaying the decision on the agreement.

All questions regarding the agreement would be given to staff and answered at the next meeting.

Commissioner Neeley said the issue of a dredging permit came up at the last meeting and there was discussion on how the gravel could be used. Commissioners Neeley and Nicita put together a task force and recommended that the task force be under the auspices of the City Commission because the issue went beyond the specific boundary of the Urban Renewal Agency. Chair Slack recommended putting this item on the next agenda.

b. Resolution No. UR 09-03, Amtrak Station Phases 1B and 2, Depot Relocation and Parking Lot, Exemption from Public Bidding Requirements

c. Amtrak Station Phase 2, Historic SPRR Freight Depot Relocation and Parking Lot-- Acquisition, Construction, and Lease Agreement

Nancy Kraushaar, City Engineer/Public Works Director, said 4b and 4c would be discussed together. In 2004 Urban Renewal funds were used to build the first phase of the project. The total project cost for phases 1B and 2 was 1.5 million dollars, part of which was federal funding and part Urban Renewal. The project included acquiring a 21,000 square foot depot building, moving it to the Amtrak station site, and constructing the parking lot.

The agreement proposed an acquisition purchase value of \$230,000 which was the appraised value of the building and included the ground lease, construction agreement, and the option agreement for the contractor to purchase the Growco site. The option to purchase the Growco site was good for two years and the proposed sale price was \$175,000. All sub contract items over \$50,000 would be publicly bid. Regarding the exemption from the public bidding requirement for the main construction of the project, it would save money and there was no favoritism shown by using the contractor.

Commissioner Smith thought the sale of the property and potential sale of the Growco site should be separate.

Mr. Fowler explained the agreement had always been considered as a package deal.

Motion by Commissioner Norris, second by Commissioner Neeley, to approve the acquisition, disposition, and development agreement for the depot and 1743 Washington Street and to authorize the executive director to execute the final documents.

Motion passed with the following vote: Commissioners Neeley, Norris, Crocker, Shaw, Walters, Peterson, and Slack voting "aye" and Commissioners Smith and Nicita voting "no." [7:2]

Commissioner Crocker asked about the potential negatives for approving the resolution. Ms. Kraushaar said there might be negative public perception for not following the bidding process.

Mr. Fowler gave examples of how it was more efficient to do the phases together and it would be a cost savings.

Commissioner Smith thought they should purchase the building, it was an asset to the City, and should be moved to this location. However, perception was everything and he would not support it.

Commissioner Crocker said it made good financial sense and the Commission should be willing to go to the citizens and say it was a benefit.

Motion by Commissioner Crocker, second by Commissioner Norris, to approve Resolution No. UR 09-03 exempting the Amtrak Phase 2 project from public contracting rules relating to competitive bidding.

Motion passed with the following vote: Commissioners Norris, Crocker, Shaw, Walters, Peterson, and Slack voting “aye;” Commissioners Smith and Nicita voting “no;” and Commissioner Neeley abstaining. [6:2:1]

d. Urban Renewal Storefront Improvement Program--1009, 1011, and 1015 7th Street Grant

Ms. Kraushaar said this application included three addresses, and 1011 was currently a single family residential and was not part of the application. The request was for painting and storefront improvements. The applicant gave them a handout of what they would do with the middle building which was not part of the application that night.

Camie James of Colton and Nicole Evans of Milwaukie said they had owned the property for five years. Building 1009 was a historic building with four tenants. Building 1015 had three tenants and would eventually be converted to commercial space.

Commissioner Nicita said the cost estimates were based on all three addresses and he was unclear how much should be granted.

The applicants would make the calculations and discuss them after the next application.

f. Urban Renewal Storefront Improvement Program--1625 Washington Street

Ms. Kraushaar said this application was for facade improvements on a portion of the old Krueger's Lumber building. The Planning Department suggested it could be better sequencing to have a master plan done for the building first.

Tracy Orvis, Deloretto Architecture, said there was a large opening in the facade that was open to the elements and a tenant recently moved in. The owner wanted some enclosure first and considered this Phase 1 of future facade improvements.

It was discussed that the changes did not help long term to rehabilitate the building and might not meet the purpose of the grant program.

Commissioner Nicita said since there was no master plan, he would vote no.

Motion by Commissioner Neeley, second by Commissioner Nicita, to deny the application.

Ms. Orvis said there were some draft conceptual plans and overall ideas that could be brought back.

Commissioner Neeley withdrew his motion.

Motion by Commissioner Neeley, second by Commissioner Shaw, to defer the decision on the grant until more information was received regarding the long term development of the building.

Motion passed unanimously with the following vote: Commissioners Smith, Nicita, Neeley, Norris, Crocker, Shaw, Walters, Peterson, and Slack voting “aye.” [9:0]

Continued Discussion Regarding Urban Renewal Storefront Improvement Program for 1009, 1011, and 1015 7th Street Grant

Ms. James said based on the square footage of the buildings, the grant would not exceed \$10,555 and the City share would be \$5,277.50. The cost included a landscaping bid to plant shrubs in the front.

Motion by Commissioner Shaw, second by Commissioner Neeley, to approve the grant application for \$5,277.50.

Motion passed unanimously with the following vote: Commissioners Smith, Nicita, Neeley, Norris, Crocker, Shaw, Walters, Peterson, and Slack voting “aye.” [9:0]

Ms. James said the colors they chose were historical colors and would fit with the neighborhood.

e. Urban Renewal Storefront Improvement Program--616 Main Street

Ms. Kraushaar said this application was for cleaning and repair of the building. The applicant wanted to be historically compatible.

George Diamond of Lake Oswego and Brandon Reynolds of Molalla said they were excited about fixing the building and would come back later regarding the windows. The work to be done was explained and the goal was to keep the building the same look as it was currently.

Commissioner Nicita was favorably disposed to the application to the extent that it assisted in the preservation of the building as a whole.

Commissioner Smith said his concern was the visibility from the back, but the work proposed would be an improvement to the building.

Motion by Commissioner Nicita, second by Commissioner Smith, to approve the grant in the amount of \$9,538.75 to the Stevens Howell Building LLC to restore the exterior of the building located at 616 Main Street.

Motion passed unanimously with the following vote: Commissioners Smith, Nicita, Neeley, Norris, Crocker, Shaw, Walters, Peterson, and Slack voting “aye.” [9:0]

g. Urban Renewal Storefront Improvement Program--Reconsideration of 603 6th St.

Ms. Kraushaar said the work that was done was different than what was originally applied for; instead of putting in brick pavers in front of the Stevens Crawford building a concrete sidewalk was installed in order to meet the applicant's budget.

Commissioner Nicita opposed the application because prior to the change the applicant should have come back to the Commission to ask for approval.

Commissioner Smith could not support the project because the original request had not met the criteria for sidewalks and the project was modified without Commission approval or any communication. He thought it would set a precedent.

David Porter and Patty Brown from Clackamas Heritage Partners said the City's code Compliance Office said they had to repair the sidewalk quickly and they didn't know a change would have to come back to the Commission. The reimbursement request was less than the full grant amount allowed.

Mr. Patterson said once the grants were awarded, staff did not monitor the projects. If anyone made a change to what originally was requested they ran the risk whether or not they would be reimbursed.

Motion by Commissioner Nicita, second by Commissioner Smith, to deny the grant application.

Ms. Brown said volunteers were paying for the landscaping in front of the sidewalk out of their own pockets and a public slapping of the hands of Clackamas Heritage Partners was adequate to satisfy the community of the change that took place.

Commissioner Smith said they were not trying to undermine the volunteers' efforts, the issue was the process needed to be followed.

Motion failed with the following vote: Commissioners Smith and Nicita voting "aye" and Commissioners Neeley, Norris, Crocker, Shaw, Walters, Peterson, and Slack voting "no." [2:7]

Motion by Commissioner Neeley, second by Commissioner Norris, to authorize the reimbursement of \$8,329 to Clackamas Heritage Partners for installation of a concrete sidewalk as part of their grant application.

Motion passed with the following vote: Commissioners Neeley, Norris, Crocker, Shaw, Walters, Peterson, and Slack voting "aye" and Commissioners Smith and Nicita voting "no." [7:2]

5. City Manager's Report

Chair Slack said at the last Commission meeting there was a discussion regarding the approval process for funding of Urban Renewal bonds in other cities. Mr. Patterson said he would give a report on that issue at the next meeting.

Commissioner Nicita wanted to know the status of the planning process for downtown and the north Main corridor. Mr. Patterson said Mr. Leland provided a draft report and it could be brought to the next meeting for an update.

6. Adjournment

Chair Slack adjourned the meeting at 6:28 p.m.

Respectfully submitted,

Nancy Ide, City Recorder