



City of Oregon City

625 Center Street
Oregon City, OR 97045
503-657-0891

Meeting Agenda Urban Renewal Commission

Wednesday, June 4, 2014

6:15 PM

Commission Chambers

1. **Convene Regular Meeting and take Roll Call**
2. **Citizen Comments**
3. **Adoption of the Agenda**
4. **General Business**
 - 4a. [13-400](#) Amendment to Intergovernmental Agreement to Extend the Term of the \$1,934,821 City Hall Remodel Loan for an Additional Five Years

Sponsors: Finance Director Wyatt Parno
Attachments: [Staff Report](#)
[Amendment No. 1 to Loan Agreement](#)
[Loan Agreement - Oregon City and Oregon City Urban Renewal Commission.pdf](#)
 5. **Consent Agenda**
 - 5a. [14-313](#) Commercial Brokerage Services for Urban Renewal Infill Properties

Sponsors: Economic Development Manager Eric Underwood
Attachments: [Staff Report](#)
 - 5b. [14-330](#) Minutes of the May 7, 2014 Regular Meeting

Sponsors: City Recorder Nancy Ide
Attachments: [Minutes of 05-07-2014](#)
6. **Future Agenda Items**
7. **City Manager's Report**
8. **Adjournment**

Citizen Comments: The following guidelines are given for citizens presenting information or raising issues relevant to the City but not listed on the agenda.

- Complete a Comment Card prior to the meeting and submit it to the staff member.
- When the Chair calls your name, proceed to the speaker table and state your name and city of residence into the microphone.
- Each speaker is given 3 minutes to speak. To assist in tracking your speaking time, refer to the timer at the dais.

- *As a general practice, Oregon City Officers do not engage in discussion with those making comments.*

Agenda Posted at City Hall, Pioneer Community Center, Library, and City Web site(oregon-city.legistar.com).

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

ADA: 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 staff member prior to the 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.



City of Oregon City

625 Center Street
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Staff Report

File Number: 13-400

Agenda Date: 6/4/2014

Status: Agenda Ready

To: Urban Renewal Commission

Agenda #: 4a.

From: Finance Director Wyatt Parno

File Type: Contract

SUBJECT:

Amendment to Intergovernmental Agreement to Extend the Term of the \$1,934,821 City Hall Remodel Loan for an Additional Five Years

RECOMMENDED ACTION (Motion):

Staff recommends that the Urban Renewal Commission approve Amendment No. 1 to the Intergovernmental Agreement between the Oregon City Urban Renewal Commission and the City of Oregon City to extend the term of the \$1,934,821 City Hall remodel loan for an additional five year period.

BACKGROUND:

In August of 2009 the Oregon City Urban Renewal Agency borrowed \$1,934,821 from the City of Oregon City, Facilities and Equipment Replacement Fund to remodel the building that is now the current City Hall. The Urban Renewal Agency had previously purchased the Mclean Clinic building with the intent to develop a City Hall location as a community revitalization project in the Downtown/North End Urban Renewal District.

The original loan agreement was executed on August 11, 2009 with a five year term and an option to extend the loan for an additional five year period. Approval of this amendment will extend the term of the loan from August 11, 2014 to a final maturity date of August 11, 2019. Interest on the loan will continue to be paid at the rate of 1.5% on the outstanding balance. The loan extension will allow the Urban Renewal Agency to comply with debt service reserve covenants required by external borrowing agreements.

BUDGET IMPACT:

Amount: The 2013 - 2015 Adopted Biennial Budget includes repayment of one-fifth of the loan principal balance in fiscal year ending 2015. Additional payments will be budgeted until the loan is paid in full by August 11, 2019.

FY(s): 2015 - 2020

Funding Source: Urban Renewal General Funds



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CITY OF OREGON CITY
Amendment No. 1 to Intergovernmental Agreement

Capital Loan for City Hall Remodel

This is an Amendment to the Intergovernmental Agreement by and between the City of Oregon City (the "City"), and the Oregon City Urban Renewal Commission (the "OCURC") which was previously entered into on August 11, 2009 ("Contract") for a loan to remodel the City Hall building; and

Whereas, the parties wish to amend the Contract as set forth below:

WITNESSETH:

1. The Intergovernmental Agreement is hereby amended as follows:

In accordance with Section 7 of the original agreement, the term of the loan is extended for an additional five year period with interest accruing at the same rate (1.5%) as the original five year period. The amended contract will end August 11, 2019.

All other provisions of the Intergovernmental Agreement referenced above shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Contract Amendment to be executed by their duly appointed officers according to law.

CITY OF OREGON CITY

OREGON CITY URBAN RENEWAL COMMISSION

By: _____
David W. Frasher

By: _____
Carol Pauli

Title: City Manager

Title: Chair

DATED: _____, 20____.

DATED: _____, 20____.

APPROVED AS TO LEGAL SUFFICIENCY:

By: _____
City Attorney

INTERGOVERNMENTAL AGREEMENT BETWEEN
THE CITY OF OREGON CITY AND THE
OREGON CITY URBAN RENEWAL COMMISSION

THIS INTERGOVERNMENTAL AGREEMENT is entered into between the City of Oregon City (the "City"), an Oregon municipal corporation, and the Oregon City Urban Renewal Commission (the "OCURC"), a duly activated public body corporate and politic created by ORS 457.035.

RECITALS:

- (a) The City and OCURC have determined that the remodel of the McLean Clinic Building is a project within the Civic Complex classification the Oregon City Downtown/North End Urban Renewal District Plan.
- (b) The OCURC is owner of the McLean Clinic Building and purchased that property with Tax Increment Funds in September 2008.
- (c) The estimated project cost to remodel, furnish and prepare the McLean Clinic Building for use as the Oregon City Hall is estimated to be \$2,400,000.
- (d) The City's 2009-10 Adopted Budget provides for a loan of up to \$2,500,000 to be made from the Fleet Replacement Fund repayable with interest.
- (e) The OCURC's 2009-10 Adopted Budget provides for the receipt of loan proceeds of up to \$2,500,000 with payment of interest only at a minimum
- (f) ORS 190.010 et seq. and ORS 294.460 authorize the City and the OCURC to enter into an Intergovernmental agreement for a loan, as more fully set forth herein.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

Section 1: Effective Date. This agreement shall become effective upon the date of the last signature hereon.

Section 2: Loan.

The City and the OCURC agree that the City will advance funds to the OCURC in the principal amount not to exceed \$2,500,000 to cover the cost of remodeling the McLean Clinic Building. The loan may cover costs incurred prior to the signing of this agreement. The Parties agree that the funds will be an Interfund loan from the City's Fleet Replacement Fund.

Section 3: Term. The City agrees that the loan shall be for a term not to exceed five years, with the potential for a five year extension as described in Section 7 below.

Section 4: Interest. The principal shall bear interest at the rate of return on moneys invested in the local government investment pool under ORS 294.805-294.895, immediately prior to the adoption of the resolution authorizing such loan with a minimum of 1.50 percent per year.

Section 5: Repayment. The loan shall require payment of only the interest amount for the term of the loan with the repayment of the principal due at the end of the initial term unless the loan is extended as described in Section 7 below.

Section 6: Prepayment. The parties agree that the OCURC may repay the entire amount of the loan prior to the expiration of the term with no penalty for such early repayment.

Section 7: Extension. The OCURC shall have the option at the end of the five year term to extend the loan for an additional five year period with interest accruing at the same rate as the original five year period.

Section 8: Termination and Default. This Agreement may only be terminated by written mutual consent of the parties.

Section 9: Modification. This Agreement may not be altered, modified, supplemented, or amended in any manner whatsoever except by mutual agreement of the parties in writing. Any such alteration, modification, supplementation, or amendment, if made, shall be effective only in the specific instance and for the specific purpose given, and shall be valid and binding only if signed by the parties.

Section 10: Waiver. No provision of this Agreement may be waived except in writing by the party waving compliance. No waiver of any provision of this Agreement shall constitute waiver of any other provision, whether similar or not, nor shall any one waiver constitute a continuing waiver. Failure to enforce any provision of this Agreement shall not operate as a waiver of such provision or any other provision.

Section 11: Entire Agreement. This Agreement sets forth the entire understanding between the parties with respect to the subject matter of this agreement, and supersedes any and all prior understandings and agreements, whether written or oral, between the parties with respect to such subject matter.

Section 12: Compliance with Applicable Law. The Parties shall comply with all federal, state and local laws and ordinances applicable to the Agreement, including, without limitation, applicable requirement of federal and state civil rights and rehabilitation statutes, rules and regulations.

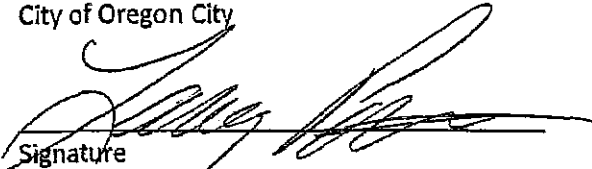
Section 13: Severability. The parties agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining

terms and provision shall not be affected, and the right and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provisions held to be invalid.

Section 14. Construction of Contract. This Agreement shall not be construed against either party regardless of which party drafted it. Other than as modified by this Agreement, the applicable rules of contract construction and evidence shall apply.

IN WITNESS WHEREOF, the execution of which having been first duly authorized according to law.

City of Oregon City

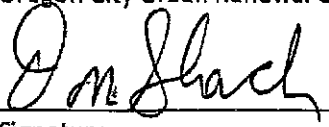

Signature

Larry Patterson
Printed Name

City Manager
Title

8/6/09
Date

Oregon City Urban Renewal Commission


Signature

Don Slack
Printed Name

Chair
Title

8/11/09
Date



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Staff Report

File Number: 14-313

Agenda Date: 6/4/2014

Status: Consent Agenda

To: Urban Renewal Commission

Agenda #: 5a.

From: Economic Development Manager Eric Underwood

File Type: Report

SUBJECT:

Commercial Brokerage Services for Urban Renewal Infill Properties

RECOMMENDED ACTION (Motion):

Staff recommends that the Urban Renewal Commission (URC) authorize staff to enter into an agreement with Colliers International for the marketing and disposition of urban renewal infill properties.

BACKGROUND:

The URC has identified three infill properties inside the Urban Renewal District for redevelopment and has authorized staff to market and dispose of the properties as described in the Urban Renewal Plan for Oregon City. Additionally, the disposition of the identified properties is categorized as a high priority within the Urban Renewal Agency Work Plan. These properties are identified as:

- * 922 Main Street - Taxlot 2-2E-31AB-03200
- * 12th and Main Street - Taxlots 2-2E-30DD-04800; 2-2E-30DD-04900
- * 1910 Clackamette Drive - Taxlots 2-2E-30-00500; 2-2E-30-00601

In an effort to satisfy the URC goals that have been established in the Work Plan and to further promote the disposition of these publically-owned Urban Renewal District infill properties, staff has distributed a Request for Proposals (RFP) to area commercial brokerage firms for brokerage services pertaining to the identified properties. Services would include all tasks associated with the disposition of property from marketing to point of sale. A total of three proposals were submitted to the Urban Renewal Agency by area firms that included Kidder Mathews, Macadam Forbes Commercial Real Estate Services and Colliers International.

After review of the proposals, staff has elected to enter into a Personal Services Agreement with Colliers International for brokerage services. The Agreement will consist of a twelve-month contract for services with an opportunity for renewal. A discounted broker commission rate upon sale has been offered at 5% along with a public sector discount of 25% for any additional services rendered outside of land sale services.

BUDGET IMPACT:

Amount: 5% agent commission upon sale of properties; \$240/hour for additional professional

services, if needed

FY(s): 2013-15

Funding Source: Urban Renewal Funds



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Staff Report

File Number: 14-330

Agenda Date: 6/4/2014

Status: Consent Agenda

To: Urban Renewal Commission

Agenda #: 5b.

From: City Recorder Nancy Ide

File Type: Minutes

Minutes of the May 7, 2014 Regular Meeting



City of Oregon City

625 Center Street
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Meeting Minutes - Draft Urban Renewal Commission

Wednesday, May 7, 2014

5:30 PM

Commission Chambers

1. Convene Regular Meeting and take Roll Call

Chair Pauli called the meeting to order at 5:38 PM. Commissioner Roth arrived at 6:20 PM.

Present: 7 - Betty Mumm, Doug Neeley, Kathy Roth, Derrick Beneville, Renate Mengelberg, Carol Pauli and Rocky Smith

Staffers: 7 - David Frasher, Tony Konkol, Nancy Ide, Scott Archer, Wyatt Parno, Eric Underwood and William Kabeiseman

2. Citizen Comments

There were no citizen comments.

3. Adoption of the Agenda

The agenda was adopted as presented.

4. General Business

4a. 14-255 722 Main Street Grant Extension Request

Eric Underwood, Economic Development Manager, said two storefront grants and an adaptive reuse grant had been approved for this mixed use building. The applicant ran into some unexpected structural issues and the project had taken longer than expected. The request was for a 60 day extension. Staff recommended approval due to the importance of the building to downtown.

Commissioner Beneville wondered if 60 days was enough.

Alex Jansen, resident of Oregon City, stated it would be 60 days from the date of expiration. One expiration date is June 19 and the other is July 17. The structural improvements were done and the new windows had arrived. He was optimistic that he could get it done.

Commissioner Mengelberg clarified the budget would have to be adjusted to carry over the money into the next fiscal year.

A motion was made by Commissioner Beneville, seconded by Commissioner Neeley, to approve the 60 day grant extension for 722 Main Street. The motion carried by the following vote:

Aye: 6 - Betty Mumm, Doug Neeley, Derrick Beneville, Renate Mengelberg, Carol Pauli and Rocky Smith Jr.

4b. 14-257 Urban Renewal Agency Grant Criteria

Mr. Underwood said there had been discussion regarding adding sustainability and art/murals as either bonuses or part of the criteria for Urban Renewal grants. He reviewed the Storefront Grant Evaluation Sheet where sustainability was included and Adaptive Reuse criteria where sustainability was addressed through bonus points.

Commissioner Smith questioned approving grants for paint only. It should be part of the project, not the only improvement being done. There also needed to be discussion regarding how to save the existing murals and adding murals which would require evaluation from an Arts Commission.

Mr. Underwood said that was his concern for adding art to the Storefront Grant as it would be a whole different process.

Commissioner Smith thought in the future there could be a different grant for art and murals. The discussion should be moved to the Metro Enhancement Grant and/or the next budget proposal and goal setting.

Commissioner Beneville did not think they should pursue art or murals as part of the Storefront Grant or Adaptive Reuse. He did not think the sustainability for Adaptive Reuse was clear enough or should only be LEED certification. There should be basic points for sustainability like there were in the Storefront Grants. He also wanted to discuss landscaping as a criteria or bonus points.

Mr. Underwood said landscaping was more temporary, and the grants focused on lasting structural improvements.

Commissioner Beneville thought the evaluation criteria was complicated and at some point he would like to review it.

There was discussion regarding changing the criteria to eliminate painting only applications.

Commissioner Mengelberg encouraged finding a source of funding for art and murals. She suggested bonus points for making a part of the building available for a mural that an Art Commission would approve and other funding source would fund. She thought they should not eliminate painting, but make the criteria that it had to be something interesting and a color scheme that added to the character of the building. She thought the Adaptive Reuse criteria should include a demonstration of market demand and add bonus points to the evaluation matrix for advancing the historic character of the building.

Jonathan Stone, Director of Main Street Oregon City, said there might be some significant projects downtown where a painting project would be significant and a substantial visual benefit. He thought anything the grant criteria could do that supported historic preservation was important as it would further define the character of downtown.

Mr. Underwood said historic preservation was part of the Adaptive Reuse.

Commissioner Neeley did not want the murals to have to go through a land use process to make sure they met the Sign Code. It should be through an Art Commission process.

Mr. Underwood would compile all of the suggestions and bring them back for further discussion.

4c. 14-254

Minutes of the April 2, 2014 Regular Meeting

A motion was made by Commissioner Mumm, seconded by Commissioner Beneville, to approve the minutes of the April 2, 2014 Regular Meeting. The motion carried by the following vote:

Aye: 6 - Betty Mumm, Doug Neeley, Derrick Beneville, Renate Mengelberg, Carol Pauli and Rocky Smith Jr.

5. Future Agenda Items

No future agenda items were suggested.

6. City Manager's Report

David Frasher, City Manager, discussed the removal of the Gladstone/Oregon City bridge and how the City had requested reimbursement and restoration of the site by the railroad. He was happy to report that Oregon City residents would bear no cost for any of the restoration.

Commissioner Roth arrived at 6:20 PM.

Tony Konkol, Community Development Director, stated the Natural Resources Committee provided an advisory recommendation concerning beaver activity in the Cove. They recommended protecting the trees that were identified for protection on the initial Cove tree removal and protection plan by placing wire around the trees and leaving the woody debris and trees that were cut down as habitat for the beavers.

Scott Archer, Community Services Director, explained the logistical concerns regarding park maintenance. He did not think the City had the resources to be able to manage this request.

Mr. Underwood said the timing was an issue as well since there was an agreement for development in that area. This was unimproved property and would be a construction zone and allowing access for the group to maintain the trees would be difficult due to the construction that was pending.

Commissioner Neeley thought putting metal wire around the trees would be problematic and could hurt the trees in the long run.

There was consensus not to pursue the recommendation at this time.

Commissioner Mengelberg reported on the Elks building being painted and thought that it looked very nice.

7. Adjournment

Chair Pauli adjourned the meeting at 6:25 PM.

Respectfully submitted,

Nancy Ide, City Recorder