



# City of Oregon City

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

## Meeting Agenda Urban Renewal Commission

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Wednesday, March 18, 2020

6:00 PM

Commission Chambers

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REVISED

1. **Call To Order and Roll Call**
2. **Citizen Comments**
3. **Adoption of the Agenda**
4. **General Business**
  - 4a. [20-181](#) Personal Services Agreement with Leland Consulting Group for Oregon City Urban Renewal Community Engagement, Education and Plan Review  
**Sponsors:** City Manager Tony Konkol  
**Attachments:** [Staff Report](#)  
[Personal Services Agreement](#)  
[Exhibit A - Scope of Work](#)  
[Exhibit B - Standard Conditions](#)
  - 4b. [20-190](#) Lease Agreement for 1757 Washington Street (Tax Lot 2-2E-29-1403) - Train Depot  
**Sponsors:** City Manager Tony Konkol  
**Attachments:** [Staff Report](#)  
[Lease Agreement](#)
  - 4c. [20-175](#) Minutes of the November 25, 2019 Special Meeting  
**Sponsors:** City Recorder Kattie Riggs  
**Attachments:** [Minutes of 11/25/2019](#)
  - 4d. [20-182](#) Minutes of the February 11, 2020 Regular Meeting  
**Sponsors:** City Recorder Kattie Riggs  
**Attachments:** [Minutes of 02/11/2020](#)
5. **City Manager's Report**
6. **Adjournment**

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*Public 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](http://oregon-city.legistar.com)).*

*Video Streaming & Broadcasts: The meeting is streamed live on Oregon City's Web site at [www.orcity.org](http://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  
Oregon City, OR 97045  
503-657-0891

## Staff Report

File Number: 20-181

**Agenda Date:** 3/18/2020

**Status:** Agenda Ready

**To:** Urban Renewal Commission

**Agenda #:** 4a.

**From:** City Manager Tony Konkol

**File Type:** Resolution

### **SUBJECT:**

Personal Services Agreement with Leland Consulting Group for Oregon City Urban Renewal Community Engagement, Education and Plan Review

### **RECOMMENDED ACTION (Motion):**

Staff recommends the Commission authorize the City Manager to sign the Personal Services Agreement between the Urban Renewal Agency of Oregon City and Leland Consulting Group

### **EXECUTIVE SUMMARY:**

Urban Renewal Commissioners, some stakeholders, and some members of the general public have expressed reservations about how the City's Urban Renewal District has been utilized in the past and whether Urban Renewal is a program to continue in the City. The Urban Renewal Commission directed the City Manager to distribute a "request for proposals" (RFP) to facilitate a public process that provides an opportunity for the community to learn about Urban Renewal, provide input about the program and explores whether the Urban Renewal District should or should not be used as development strategy moving forward.

### **BACKGROUND:**

The adopted 2019-2021 Goals and Priorities of Oregon City includes:

Urban Renewal District - Determine how to proceed with the Urban Renewal Program in Oregon City through further discussion with the Urban Renewal Commission and public outreach/input.

A Request for Proposals (RFP) was advertised for consulting services to provide a wide array of public involvement methods and tools to educate and engage the community about Urban Renewal as an economic development tool, receive input from the community, and achieve consensus around a path forward for the continuation or closure of the Urban Renewal District. The City received two responses to the RFP and the staff selected the Leland Consulting Group's proposal for approval by the Urban Renewal Commission to implement this project.

### **OPTIONS:**

1. Authorize the City Manager to sign the Personal Services Agreement
2. Do not authorize the City Manager to sign the Personal Services Agreement
3. Request changes to the Personal Services Agreement and direct the City Manager to negotiate such changes

**BUDGET IMPACT:**

Amount: \$82,911.00

FY(s): 2020-2021

Funding Source: Urban Renewal



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FY(s): 2020-2021

Funding Source: Urban Renewal

## CITY OF OREGON CITY PERSONAL SERVICES AGREEMENT

This PERSONAL SERVICES AGREEMENT ("Agreement") is entered into between the URBAN RENEWAL AGENCY OF OREGON CITY and Leland Consulting Group ("Consultant").

### RECITALS

A. The Urban Renewal Agency requires services that Consultant is capable of providing under the terms and conditions hereinafter described.

B. Consultant is able and prepared to provide such services as the Urban Renewal Agency requires under the terms and conditions hereinafter described.

The parties agree as follows:

### AGREEMENT

1. Term. The term of this Agreement shall be from the date the contract is fully executed until **October 30, 2020**, unless sooner terminated pursuant to provisions set forth below. However, such expiration shall not extinguish or prejudice the Urban Renewal Agency's right to enforce this Agreement with respect to (i) breach of any warranty; or (ii) any default or defect in Consultant's performance that has not been cured.

2. Compensation. The Urban Renewal Agency agrees to pay Consultant on a time-and-materials basis for the services required. Total compensation, including reimbursement for expenses incurred, **shall not exceed Eighty-two thousand nine hundred eleven and 00/100 dollars (\$82,911) for option A, or not to exceed Seventy-one thousand one hundred one and 00/100 dollars (\$71,101) for Option B** as cited in Exhibit A attached hereto and by this reference incorporated herein.

3. Scope of Services. Consultant's services under this Agreement shall consist of services as detailed in Exhibit A, attached hereto and by this reference incorporated herein.

4. Standard Conditions. This Agreement shall include all of the standard conditions as detailed in Exhibit B, attached hereto and by this reference incorporated herein.

5. Integration. This Agreement, along with the description of services to be performed attached as Exhibit A and the Standard Conditions to Oregon City Personal Services Agreement attached as Exhibit B, contain the entire agreement between and among the parties, integrate all the terms and conditions mentioned herein or incidental hereto, and supersede all prior written or oral discussions or agreements between the parties or their predecessors-in-interest with respect to all or any part of the subject matter hereof.

6. Notices. Any notices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses below. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received. Bills and invoices may be sent by e-mail or United States mail.

To the Urban Renewal Agency:

City of Oregon City  
PO Box 3040  
625 Center Street  
Oregon City, OR 97045  
Attention: City Manager

To Consultant:

Leland Consulting Group  
610 SW Alder Street, Suite 1200  
Portland, OR 97205  
Attn: Sam Brookham, Associate

Consultant shall be responsible for providing the Urban Renewal Agency with a current address. Either party may change the address set forth above for purposes of notices under this Agreement by providing notice to the other party in the manner set forth above.

7. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly appointed officers on this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

THE URBAN RENEWAL AGENCY OF OREGON  
CITY

LELAND CONSULTING GROUP

By: \_\_\_\_\_  
Anthony J. Konkol, III  
Title: City Manager

By: \_\_\_\_\_  
Chris Zahas  
Title: Managing Principal

DATED: \_\_\_\_\_, 2020.

DATED: \_\_\_\_\_, 2020.

By: \_\_\_\_\_  
James N Graham  
Title: Economic Development Manager

APPROVED AS TO LEGAL SUFFICIENCY:

By: \_\_\_\_\_  
City Attorney



EXHIBIT A

## Scope of Work

The following text outlines the consultant team's scope of work. Phase 1 mostly involves comprehensive community and stakeholder engagement and outreach efforts to determine the desired path forward for the District. The specific scope of Phase 2 will be determined by the Commission and may entail the plan amendments, closure process, or other options as directed.

### Assumptions

This project will address the following issues and objectives regarding urban renewal in Oregon City.

- City Commissioners, some stakeholders, and some members of the general public have expressed reservations about how Oregon City's Urban Renewal District has been utilized over the past few years.
- Urban renewal in Oregon City has a questionable reputation among some community leaders and the general public.
- Urban Renewal Commissioners want to take a "second look" at urban renewal as a tool for development/redevelopment in the community.
- The Commissioners want this "second look" at urban renewal to be as transparent as possible engaging important stakeholders and the public in a thoughtful conversation regarding the use of the Oregon City Urban Renewal District and its importance to the community.

Given the assumptions and project goals listed above, the project will feature a wide array of public involvement methods and tools, collaboration with the Urban Renewal Commission, and the development of education and awareness materials to achieve community consensus and establish a universally-supported path forward for the Urban Renewal District. We will frequently engage the Commission to solicit feedback, seek guidance, and generally allow for opportunities to "check-in" on the project.

The financial and technical components of the project will follow the majority of these engagement and outreach efforts once a decision has been made by the Commission.

### Shared Responsibilities

The following bullets outline the specific roles and responsibilities of the consultant and the City throughout the project.

- City to assist with outreach, scheduling, and providing space for meetings.
- City to provide one set of consolidated, nonconflicting comments on all deliverables within two weeks.
- Consultant to provide meeting materials, agendas, and minutes for stakeholder meetings, community workshops, and other non-standing meetings.
- City to provide agenda and minutes for standing meetings (Commission, Council, etc.).
- Consultant to provide website content only; City to maintain a webpage on the City site.
- Consultant to support the City with communications and key messaging, media releases, social media, etc.

## EXHIBIT A

### Phase 1 Tasks

#### 1. Project Initiation

The primary goal of this task is to formulate, refine, and prioritize certain actions to ensure that our work is as effective and inclusive as possible. This will result in a detailed process that engages and facilitates the participation of all stakeholders as early as possible. Doing so will ensure the project is inclusive and maximizes the potential for community buy-in.

**1.1. Kickoff and Scope Refinement.** The project team will travel to Oregon City for a reconnaissance trip to meet with staff and kick off the project. The purpose of this trip is to align expectations and assumptions, finalize the scope of work, identify potential issues, and establish schedule and data and information needs. Specific elements will include:

- **Project Kickoff Meeting.** We will meet with City staff, Urban Renewal Commission representatives, and other valued stakeholders. The City and project team will finalize the scope and schedule that clearly outlines major deadlines and deliverable dates.
- **Urban Renewal Commission Kickoff Meeting.** We will meet with the Urban Renewal Commission to present foundational urban renewal information and confirm the project schedule, assumptions, and the Commission's specific role in each task, meeting, and deliverable.
- **Site Tour.** We will tour the Urban Renewal District (URD) to gain familiarity with the specific area and potential boundaries.
- **Outreach and Goal Setting.** We will coordinate with the City and Commission to refine the outreach process and identify key stakeholders to be interviewed as part of Task 2, including key staff and elected/appointed officials, business and property owners, residents, and taxing jurisdictions.

*April 2020*

**1.2. Branding.** With the City's assistance, we will develop a brand for the project, to include a project name and key messaging. Other discussion points include a project website and logo.

**1.3. Information Gathering and Review.** The project team will work with staff to obtain all background work and feasibility analyses, along with other related financial reports, budgets, project histories, and related documentation to establish a clear and accurate course for this process. We will review this information to gain a foundational understanding of current circumstances and direction, ascertain initial issues and opportunities, and develop a preliminary understanding of financial status and barriers. As described earlier, our team has extensive experience in Oregon City and familiarity with many of these documents, so we anticipate minimal effort in this task.

*April 2020*

*Deliverable: Summary memo documenting initial meeting notes, outreach, goals, and other information.*

#### 2. Community Outreach

Our approach to community outreach involves a wide variety of tools and methods to reach the broadest and most diverse audience.

**2.1. Public and Stakeholder Involvement Plan.** We will prepare a Public and Stakeholder Involvement Plan that establishes public involvement objectives, defines key messages and communications protocols, identifies stakeholder groups, describes the array of tools and methods best suited to inform and engage each stakeholder group, describes City staff, Urban Renewal Commission and consultant roles and responsibilities, and establishes a schedule for community participation.

EXHIBIT A

*April 2020*

*Deliverable: Public and Stakeholder Involvement Plan*

**2.2. Urban Renewal Commission Meetings.** We will participate in the Urban Renewal Commission's standing meetings and an additional three to four extended work sessions with the Commission to cover matters that require more time. These are described below in more detail.

- Standing Meetings. At least one representative from the consultant team will attend and participate in standing Urban Renewal Commission standing meetings. Given the limited time allotted at these meetings, the objective will be to provide project updates, give presentations on specific urban renewal topics, answer questions, and request guidance or feedback.
- Extended Work Sessions. The team will schedule up to four extended (up to two hours) work session meetings with the Commission. These meetings will cover agenda items that require presentations, robust discussions, decision-making, or other matters that require more time. The team will prepare the agendas and facilitate these meetings. These meetings will include, at a minimum:
  - March kickoff to present the overall process, discuss community outreach and the Commissioners' roles.
  - April or May to review financial considerations and check the progress of the engagement efforts.
  - June to present the final community engagement results and establish the next steps.
  - September to present and discuss the direction of the district, as decided in Task 3.

*April to October (Ongoing)*

**2.3. Educational Materials.** We will develop a suite of educational outreach materials based on the information gathered in Task 1, including a project website and several simple handouts using infographics to convey key information about urban renewal and the Oregon City Renewal Plan. The materials will be circulated via email, posted in public places, shared via social media and handed out at community events. All materials and activities will be designed to drive community members to the website for more information and to learn about future opportunities to participate.

We will also educate the public about the Oregon City Downtown/North End Urban Renewal Plan, including URA year of establishment, core values, timeline, boundaries, potential impacts and benefits, revenue and previous and potential projects. This will include a summary of completed projects and revitalization accomplishments in downtown as a result of urban renewal.

Potential questions we wish to answer through these efforts include:

- What is urban renewal?
- How does Tax Increment Financing work?
- When does it make sense to use urban renewal?
- What can urban renewal pay for and what can it not pay for?
- How will it affect my property taxes?
- What about schools?
- How is an urban renewal plan adopted?
- What are some examples of how urban renewal has been used elsewhere in Oregon?

*April to May 2020*



## EXHIBIT A

*Deliverable: Education materials (flyers, presentations, web content)*

**2.4. Stakeholder Outreach.** We will take the educational materials “on the road” to engage the full spectrum of stakeholders identified in Task 1.3 using various tools and activities tailored to each specific stakeholder group. Commissioners will be invited to participate in these activities. These activities will provide a mechanism for two-way communication where we provide a brief overview of urban renewal, the Oregon City Urban Renewal Program and the Plan Review project and process, followed by careful listening and recording of community questions and concerns. Special attention will be given to meeting with affected taxing districts (i.e., the Fire District, School District, and County).

Outreach methods will include, but are not limited to (note that Community Group Meetings are included in Task 2.5):

- Stakeholder interviews via phone or in person. Interviews with taxing districts will be conducted in person. These interviews will inform the development of educational materials by identifying potential areas of agreement and issues that require more information and further discussion.
- Focus groups, which are essentially group interviews with 4-6 people who share similar views and interests.
- Community Conversations with standing community groups, such as neighborhood associations, chamber of commerce, business alliance, civic groups, schools and places of worship. We will reserve time on their agendas to maximize participation.
- Urban Renewal Commissioner listening session. Conduct a 3-4 hour open house staffed by Commissioners, staff, and consultants where community members can drop by, ask questions and share opinions.
- Online community survey to expand our education and outreach efforts and further identify potential community concerns and issues to be resolved during this project. This tool will be available to those who are unable or do not prefer to participate in group activities.

*April to July 2020*

**2.5. Community Workshops (3).** We will design and host three larger community meetings throughout the project. While these meetings attract a small subset of the community, the face-to-face interaction among neighbors is valuable. The first meeting will include a presentation of urban renewal facts and an overview of the project. Following the presentation, community members will review and discuss aspects of the Oregon City Urban Renewal Program, such as core values, boundaries, benefits and negative impacts, and projects/project types.

A second community workshop will invite participants to prioritize potential projects from a list prepared by the Urban Renewal Commission. Community members unable to attend the workshop will provide comments via an online survey. These activities will be advertised using the broad distribution methods used to publicize the first workshop and survey, and through direct emails with all who participated in the previous phase of the project.

The final community workshop and survey will provide community members with an opportunity to review and comment on the draft Urban Renewal Plan. All comments and questions from Community Conversations, community workshops, and online surveys will be tracked throughout the process, compiled and summarized for community and Urban Renewal Commission consideration.

*May to October 2020*

**2.6. Public Involvement Summary.** When the initial round of outreach is completed at the end of June, we will prepare a Public Involvement Summary that compiles and codes all of the comments from the various outreach activities and identifies frequent themes among the comments. These themes will be presented at one of the long-format Urban Renewal Commission meetings and provide Commissioners with a first check-in on how to proceed with the project.

## EXHIBIT A

*July 2020*

*Deliverable: Public Involvement Summary Memorandum*

- 2.7. 2020 Oregon City Community Survey.** We will use the Urban Renewal Commission's direction at the first check-in point to develop questions to be included in the 2020 Community Survey. These questions can be used to verify the Commission's desired course of action. The City will present the results of the 2020 Community Survey at an Urban Renewal Commission meeting, providing a second check-in to determine how to proceed.

*July to August 2020*

### 3. Conclusions and Next Steps

With the majority of the community outreach completed, we will facilitate a work session with the Commission to summarize the process to date and confirm the future of the District. This task will set the scope for tasks in Phase 2, which will largely involve the project's financial and technical work.

- 3.1. Preliminary Projects and Programs List.** We will review the project list in the current plan and identify required changes, if any, based on what we heard during our community outreach efforts. These projects and programs will improve conditions and catalyze private investment in the area, in compliance with ORS 457.170. These projects will be consolidated into a high-level list of project categories and goals—such as multimodal connectivity, affordable housing, and business vitality—and shared with the community to understand their desires and priorities for certain types of projects within the district. This information will subsequently factor into the team's recommendations for project prioritization in the plan. While some projects will be location-specific, the project list should be flexible enough to respond to opportunities and shifting priorities.

*June 2020*

- 3.2. Summary Presentation and Memo.** We will prepare a memo that includes a summary of the public engagement outcomes, preliminary project list, and cost estimates and recommended next steps for the district. These recommendations will be presented to City staff and the Urban Renewal Commission and will, upon City and Commission approval, set the scope of the following task.

*July 2020*

*Deliverable(s): Presentation materials and recommendations memorandum*

## Phase 2 Preliminary Tasks

LCG will reconvene with the City to revise the scope and budget for Phase 2 based on the determination of the City and Commission. The following text outlines two options: making minor amendments to the Plan or closing the district. A major amendment, which would entail all the steps involved with developing a new plan, would need to be completed outside the scope of this project.

### 4. Urban Renewal Plan Amendments (Option A)

The Urban Renewal Plan, if Oregon City chooses to proceed with keeping the existing District open, sets out the parameters of the actions to be undertaken in the district by the Oregon City Urban Renewal Agency. Amendments to the existing Plan are likely needed to reflect the current issues and opportunities as Oregon City's priorities and needs since the adoption of the Plan. This work will be completed in a timely fashion and will include committee and public outreach meetings as described in Task 2.



## EXHIBIT A

**4.1. Final Projects and Programs List.** The consultant team will review the project list, the City's assets, and the indebtedness and timeline of investments or closures. The project team will work with the city engineer to collect information and confirm project costs. If necessary, 3J Consulting will calculate planning-level estimates for projects lacking existing up-to-date cost estimates

*July through August 2020*

*Deliverable(s): Project list and cost estimates*

**4.2. Financial Analysis.** In accordance with ORS 457.085(3)(f)(g), we will conduct a detailed financial analysis that will include cash flow analyses through the completion of the projects and repayment of the debt, tax increment projections, project costs, fiscal impact statements, and various scenario projections. We will gather precise market intelligence to inform the financial analysis and, specifically, build a realistic development forecast. Future projections will account for increment changes due to the completion of planned projects and recognition of inflation.

Specific elements will include:

- General assumptions on the type of debt that will be incurred by the district, and the terms associated with that debt (e.g., interest rates, coverage ratios, reserve requirements, issuance costs, and the amortization period),
- A summary of the impacts on taxes imposed by overlapping taxing districts, and
- An exploration of any potential issues associated with the desired Plan direction (determined by the Commission).

*July through August 2020*

*Deliverable(s): Financial Analysis memorandum*

**4.3. Determination of Amendment Type.** Depending on the type of required amendments (Substantial, Minor, or Major/Council-Approved), we shall outline the necessary steps for the City to take, as described in the Oregon Urban Renewal Best Practices Manual.

- Substantial Amendments are for a land area increase of more than one percent or an increase in the maximum indebtedness. Substantial amendments must be adopted in the same manner as the adoption of a new district plan. Completing this work would need to be undertaken as an independent project outside the scope of this project.
- Minor Amendments are for changes to projects and programs or changes to the existing boundary which do not exceed a one percent increase in land area. Minor amendments only require approval by the URA.

**4.4. Action Plan.** We will prepare a detailed project implementation schedule (action plan) as part of the Urban Renewal Plan and Report. This action plan will guide urban renewal actions for the next five to 10 years based on the project list in Tasks 4.1 and 4.2. The existing Plan would provide our team with the contextual framework on which to develop a new action plan which will leverage the progress of urban renewal and ensure near-term opportunities are realized.

**4.5. Presentation of Findings and Recommendations.** We will travel to Oregon City for final presentations of the Plan and Report to the city council, planning commission, and other committees as required and as desired by the City.

**4.6. Adoption of the Amended Urban Renewal Plan and Convening Urban Renewal Agency.** Our team will help set agendas for Urban Renewal Commission meetings and facilitate productive discussions of pertinent topics throughout the process leading to the adoption of the Urban Renewal Plan amendments, including, as applicable, the Relocation Report, UR Program Property Acquisition and Disposition Report, Summary of Public Involvement, Project List and

## EXHIBIT A

Project Cost Estimates, Detailed Financial Plan and Affected District Impacts, Detailed Project Implementation Schedule, Legal Description, and Legal Review.

### 5. Urban Renewal District Closure (Option B)

If the Urban Renewal Commission decides, after reviewing the financial analysis and community outreach results, to close the District, we will assist the City with the termination process.

**5.1. Develop Findings Report for Urban Renewal Plan adoption or District closure.** Terminating the Plan should be done by express action of the agency through a resolution. The resolution will be accompanied by a closing report summarizing the effects that the plan had in terms of projects and finance. This report will include recommendations, as decided by staff and the Commission, about how to proceed with the closure.

## Schedule

The above scope of work will take approximately seven (7) months, commencing in April 2020 and finishing in October 2020. We expect to complete Phase 1 by August 2020. Most of our community outreach efforts will be completed within four months but will extend throughout the project as necessary.

## Cost Estimate

The following table shows the final budget for Phase 1. Upon completion of Phase 1, we will work with you to refine the budget and adjust as necessary for Phase 2.

Task	LCG	LCG	GEL	3J	3J	Hours by Task	Budget by Task
	Zahas \$225	Brookham \$135	Parks \$200	Faust \$160	Edging \$100		
Phase 1							
1. Project Initiation	12	24	12	16	4	68	\$11,300
2. Community Outreach	20	60	72	80	64	296	\$46,200
3. Conclusions and Next Steps	6	12	8	12	6	44	\$7,090
	38	96	92	108	74	408	
Phase 2							
4. Urban Renewal Plan Amendments (Option A)	20	24	32	10		86	\$15,740
5. Urban Renewal District Closure (Option B)	2	8	12			22	\$3,930
Expenses (estimated)	\$150	\$300	\$225	\$300	\$150		\$1,125
Subconsultant & Expenses Markup	10%						\$2,581
Combined Fee, Phase 1 + 2 (Option A)							\$82,911
Combined Fee, Phase 1 + 2 (Option B)							\$71,101

## STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

1. Contractor Identification. Contractor shall furnish to City its taxpayer identification number, as designated by the Internal Revenue Service, or Contractor's social security number, as City deems applicable.

2. Payment.

(a) Invoices submitted in connection with this Agreement shall be properly documented and shall identify the pertinent agreement and/or purchase order numbers.

(b) City agrees to pay Contractor within thirty (30) days after receipt of Contractor's itemized statement. Amounts disputed by City may be withheld pending settlement.

(c) City certifies that sufficient funds are available and authorized for expenditure to finance the cost of the services to be provided pursuant to this Agreement.

(d) City shall not pay any amount in excess of the compensation amounts set forth in this Agreement, nor shall City pay Contractor any fees or costs that City reasonably disputes.

3. Independent Contractor Status.

(a) Contractor is an independent contractor and is free from direction and control over the means and manner of providing labor or services, subject only to the specifications of the desired results.

(b) Contractor represents that it is customarily engaged in an independently established business and is licensed under ORS chapter 671 or 701, if the services provided require such a license. Contractor maintains a business location that is separate from the offices of the City and bears the risk of loss related to the business as demonstrated by the fixed price nature of the contract, requirement to fix defective work, warranties provided and indemnification and insurance provisions of this Agreement. Contractor provides services for two or more persons within a 12 month period or routinely engages in advertising, solicitation or other marketing efforts. Contractor makes a significant investment in the business by purchasing tools or equipment, premises or licenses, certificates or specialized training and

Contractor has the authority to hire or fire persons to provide or assist in providing the services required under this Agreement.

(c) Contractor is responsible for obtaining all assumed business registrations or professional occupation licenses required by state or local law (including applicable City or Metro business licenses as per Oregon City Municipal Code Chapter 5.04). Contractor shall furnish the tools or equipment necessary for the contracted labor or services. Contractor agrees and certifies that:

(d) Contractor is not eligible for any federal social security or unemployment insurance payments. Contractor is not eligible for any PERS or workers' compensation benefits from compensation or payments made to Contractor under this Agreement.

(e) Contractor agrees and certifies that it is licensed to do business in the State of Oregon and that, if Contractor is a corporation, it is in good standing within the State of Oregon.

4. Early Termination.

(a) This Agreement may be terminated without cause prior to the expiration of the agreed-upon term by mutual written consent of the parties or by the City upon ten (10) days written notice to the Contractor, delivered by certified mail, email, or in person.

(b) Upon receipt of notice of early termination, Contractor shall immediately cease work and submit a final statement of services for all services performed and expenses incurred since the date of the last statement of services.

(c) Any early termination of this Agreement shall be without prejudice to any obligation or liabilities of either party already accrued prior to such termination.

(d) The rights and remedies of the City provided in this Agreement and relating to defaults by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

5. No Third-Party Beneficiaries. City and



## STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

Contractor are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide, any benefit or right, whether directly or indirectly or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

### 6. Payment of Laborers; Payment of Taxes.

#### (a) Contractor shall:

(i) Make payment promptly, as due, to all persons supplying to Contractor labor and materials for the prosecution of the services to be provided pursuant to this Agreement.

(ii) Pay all contributions or amounts due to the State Accident Insurance Fund incurred in the performance of this Agreement.

(iii) Not permit any lien or claim to be filed or prosecuted against the City on account of any labor or materials furnished.

(iv) Be responsible for all federal, state, and local taxes applicable to any compensation or payments paid to the Contractor under this Agreement and, unless Contractor is subject to back-up withholding, the City will not withhold from such compensation or payments any amount(s) to cover Contractor's federal or state tax obligation.

(v) Pay all employees at least time and one-half for all overtime worked in excess of forty (40) hours in any one week, except for individuals excluded under ORS 653.100 to 653.261 or under 29 U.S.C. §§ 201 to 209 from receiving overtime.

(b) If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished by any person in connection with this Agreement as such claim becomes due, the City may pay such claim to the person furnishing the labor or services and shall charge the amount of the payment against funds due or to become due to the Contractor by reason of this Agreement.

(c) The payment of a claim in this manner shall not relieve Contractor or Contractor's surety from obligation with respect to any unpaid claims.

(d) Contractor and subcontractors, if any, are subject employers under the Oregon workers' compensation law and shall comply with ORS 656.017, which requires provision of workers' compensation coverage for all workers.

### 7. SubContractors and Assignment.

Contractor shall neither subcontract any of the work, nor assign any rights acquired hereunder, without obtaining prior written approval from the City. The City, by this Agreement, incurs no liability to third persons for payment of any compensation provided herein to the Contractor.

8. Access to Records. City shall have access to all books, documents, papers and records of Contractor that are pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcripts.

9. Ownership of Work Product; License. All work products of Contractor that result from this Agreement (the "Work Products") are the exclusive property of City. In addition, if any of the Work Products contain intellectual property of Contractor that is or could be protected by federal copyright, patent, or trademark laws, or state trade secret laws, Contractor hereby grants City a perpetual, royalty-free, fully paid, nonexclusive and irrevocable license to copy, reproduce, deliver, publish, perform, dispose of, use and re-use, in whole or in part (and to authorize others to do so), all such Work Products and any other information, designs, plans, or works provided or delivered to City or produced by Contractor under this Agreement. The parties expressly agree that all works produced (including, but not limited to, any taped or recorded items) pursuant to this Agreement are works specially commissioned by City, and that any and all such works shall be works made for hire in which all rights and copyrights belong exclusively to City. Contractor shall not publish, republish, display or otherwise use any work or Work Products resulting from this Agreement without the prior written agreement of City.

### 10. Compliance With Applicable Law.

## STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

Contractor shall comply with all federal, state, and local laws and ordinances applicable to the services to be performed pursuant to this Agreement, including, without limitation, the provisions of ORS 279B.220, 279C.515, 279B.235, 279B.230 and 279B.270. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with (i) Title VI of the Civil Rights Act of 1964; (ii) Section V of the Rehabilitation Act of 1973; (iii) the Americans With Disabilities Act of 1990 (Pub. L No. 101-336), ORS 659.425, and all regulations and administrative rules established pursuant to those laws; and (iv) all other applicable requirements of federal and state civil rights and rehabilitation and other applicable statutes, rules and regulations.

11. Professional Standards. Contractor shall be responsible, to the level of competency presently maintained by others practicing in the same type of services in City's community, for the professional and technical soundness, accuracy and adequacy of all services and materials furnished under this authorization.

12. Modification, Supplements or Amendments. No modification, change, supplement or amendment of the provisions of this Agreement shall be valid unless it is in writing and signed by the parties hereto.

13. Indemnity and Insurance.

(a) Indemnity. Contractor acknowledges responsibility for liability arising out of Contractor's negligent performance of this Agreement and shall hold City, its officers, agents, Contractors, and employees harmless from, and indemnify them for, any and all liability, settlements, loss, costs, and expenses, including attorney fees, in connection with any action, suit, or claim caused or alleged to be caused by the negligent acts, omissions, activities or services by Contractor, or the agents, Contractors or employees of Contractor provided pursuant to this Agreement.

(b) Workers' Compensation Coverage. Contractor certifies that Contractor has qualified for workers' compensation as required by the State of Oregon. Contractor shall provide the Owner, within ten (10) days after execution of this Agreement, a certificate of insurance evidencing coverage of all subject workers under Oregon's

workers' compensation statutes. The insurance certificate and policy shall indicate that the policy shall not be terminated by the insurance carrier without thirty (30) days' advance written notice to City. All agents or Contractors of Contractor shall maintain such insurance.

(c) Comprehensive, General, and Automobile Insurance. Contractor shall maintain comprehensive general and automobile liability insurance for protection of Contractor and City and for their directors, officers, agents, and employees, insuring against liability for damages because of personal injury, bodily injury, death, and broad-form property damage, including loss of use, and occurring as a result of, or in any way related to, Contractor's operation, each in an amount not less than \$2,000,000 combined, single-limit, per-occurrence/annual aggregate. Such insurance shall name City as an additional insured, with the stipulation that this insurance, as to the interest of City, shall not be invalidated by any act or neglect or breach of this Agreement by Contractor.

14. Legal Expenses. In the event legal action is brought by City or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorney fees, costs, and expenses as may be set by a court. "Legal action" shall include matters subject to arbitration and appeals.

15. Severability. The parties agree that, if any term or provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected.

16. Number and Gender. In this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others or other whenever the context so requires.

17. Captions and Headings. The captions and headings of this Agreement are for convenience only and shall not be construed or referred to in resolving questions of interpretation or construction.

## STANDARD CONDITIONS TO OREGON CITY PERSONAL SERVICES AGREEMENT

18. Hierarchy. The conditions contained in this document are applicable to every Personal Services Agreement entered into by the City of Oregon City in the absence of contrary provisions. To the extent there is a conflict, the terms of the Personal Services Agreement will control over the terms of the standard conditions. To the extent there is a conflict between the terms of the standard conditions and any other document, including the scope of services, the terms of the standard conditions shall control those other terms.

19. Calculation of Time. All periods of time referred to herein shall include Saturdays, Sundays and legal holidays in the State of Oregon, except that, if the last day of any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day that is not a Saturday, Sunday or legal holiday.

20. Notices. Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses listed in the Agreement attached hereto. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

21. Nonwaiver. The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights of any future occasion.

22. Information and Reports. Contractor shall, at such time and in such form as City may require, furnish such periodic reports concerning the status of the project, such statements, certificates, approvals, and copies of proposed and executed plans and claims, and other information relative to the project as may be requested by City. Contractor shall furnish City, upon request, with copies of all documents and other materials prepared or developed in relation with or as a part of the project. Working papers prepared in conjunction with the project are the property of City, but shall remain with Contractor. Copies as requested shall

be provided free of cost to City.

23. City's Responsibilities. City shall furnish Contractor with all available necessary information, data, and materials pertinent to the execution of this Agreement. City shall cooperate with Contractor in carrying out the work herein and shall provide adequate staff for liaison with Contractor.

24. Arbitration.

All disputes arising out of or under this Agreement shall be timely submitted to nonbinding mediation prior to commencement of any other legal proceedings. The subsequent measures apply if disputes cannot be settled in this manner.

(a) Any dispute arising out of or under this Agreement shall be determined by binding arbitration.

(b) The party desiring such arbitration shall give written notice to that effect to the other party and shall in such notice appoint a disinterested person of recognized competence in the field as arbitrator on its behalf. Within fifteen (15) days thereafter, the other party may, by written notice to the original party, appoint a second disinterested person of recognized competence as arbitrator on its behalf. The arbitrators thus appointed shall appoint a third disinterested person of recognized competence, and the three arbitrators shall, as promptly as possible, determine such matter, provided, however, that:

(i) If the second arbitrator is not appointed as described above, then the first arbitrator shall proceed to determine such matter; and

(ii) If the two arbitrators appointed by the parties are unable to agree, within fifteen (15) days after the second arbitrator is appointed, on the appointment of a third arbitrator, they shall give written notice of such failure to agree to the parties and, if the parties fail to agree on the selection of the third arbitrator within fifteen (15) days after the arbitrators appointed by the parties give notice, then, within ten (10) days thereafter, either of the parties, on written notice to the other party, may request such appointment by the presiding judge of the Clackamas County Circuit Court.

**STANDARD CONDITIONS TO OREGON CITY  
PERSONAL SERVICES AGREEMENT**

(c) Each party shall each be entitled to present evidence and argument to the arbitrators. The determination of the majority of the arbitrators or the sole arbitrator, as the case may be, shall be conclusive on the parties, and judgment on the same may be entered in any court having jurisdiction over the parties. The arbitrators or the sole arbitrator, as the case may be, shall give written notice to the parties, stating the arbitration determination, and shall furnish to each party a signed copy of such determination. Arbitration proceedings shall be conducted pursuant to ORS 33.210 et seq. and the rules of the American Arbitration Association, except as provided otherwise.

(d) Each party shall pay the fees and expenses of the arbitrator appointed by such party and one-half of the fees and expenses of the third arbitrator, if any.

25. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.



# City of Oregon City

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

## Staff Report

File Number: 20-190

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**Agenda Date:** 3/18/2020

**Status:** Agenda Ready

**To:** Urban Renewal Commission

**Agenda #:** 4b.

**From:** City Manager Tony Konkol

**File Type:** Report

### **SUBJECT:**

Lease Agreement for 1757 Washington Street (Tax Lot 2-2E-29-1403) - Train Depot

### **RECOMMENDED ACTION (Motion):**

The Urban Renewal Commission to discuss the lease agreement for L & B Station, LLC, dba Coasters Crossing at the train depot located at 1757 Washington Street.

### **BACKGROUND:**

The City of Oregon City Urban Renewal Agency (URA) is the owner of real property located at 1757 Washington Street (Tax Lot 2-2E-29-1403). The URA is currently leasing space to L & B Station, LLC, dba Coasters Crossing for a period of three (3) years, June 1, 2018 - May 31, 2021 (Attachment). The discussion is if the URA would like to reduce or suspend lease payments due to the COVID-19 pandemic and Governor Kate Browns restrictions on restaurants.



# City of Oregon City

625 Center Street  
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## LEASE AGREEMENT

This Lease Agreement ("Lease") is dated April \_\_\_\_ 2018 (the "Effective Date"), and is between the URBAN RENEWAL AGENCY FOR THE CITY OF OREGON CITY ("Landlord"), and L & B STATION, LLC, dba Coasters Crossing ("Tenant").

### 1. Summary of Terms.

**Premises:** The building located on the real property commonly known as 1757 Washington Street, Oregon City, OR 97045, consisting of approximately 2,000 rentable square feet. The term "Premises" and "Building" are used interchangeably in this Lease and for avoidance of doubt, have the same meaning.

**Building Address:** 1757 Washington Street, Oregon City, OR 97045

**Commencement Date:** June 1, 2018

**Expiration Date:** May 31, 2021

**Extension Option Period:** One (1) Five (5) Year Extension Option (See Section 2 (c))

**Permitted Use:** A full service restaurant with lottery

<u>Monthly Base Rent</u>	<u>Period</u>	<u>Monthly Base Rent</u>
	Months 1-3	\$700.00
	Months 4-12	\$1,200.00
	Months 13 – 24	\$1,700.00
	Months 25 – 35	\$2,200.00
	Month 36	\$2,000.00

**Security Deposit:** \$1,800.00

**Guarantors:** Brian Grant and Leigh Grant

**Tenant's Payment at Lease Execution:** \$2,500.00 (First Month Rent of \$700.00 and 1,800.00 Security Deposit)

<b>Notice Addresses:</b>	<b>If to Tenant:</b> L & B Station, LLC Attn: Brian Grant, Owner 1757 Washington St Oregon City, OR 97045 Fax: _____	<b>If to Landlord:</b> Urban Renewal Agency for the City of Oregon City Attn: Economic Development Manager 625 Center Street Oregon City, OR 97045 Fax: (503) 657-7026
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<b>Exhibits:</b>	<b>Exhibit:</b>	<b>Description:</b>
	A	Guaranty

### 2. Premises, Commencement Date and Term.

(a) Landlord agrees to lease the Premises to Tenant, and Tenant agrees to lease the Premises from Landlord, subject to the terms and conditions set forth herein. The parties agree that for all purposes of this Lease, the square footage shown in Section 1 of this Lease is approximate, and Landlord does not represent or warrant

the size of the Premises. Tenant acknowledges that neither Landlord, nor any employee or agent of Landlord, has made any representation or warranty with respect to the condition of the Premises, including without limitation with respect to the suitability or use of the same for Tenant's intended Permitted Use or operations. Landlord shall have no liability to Tenant whatsoever in the event Tenant cannot conduct its Permitted Use and/or intended operations in the Premises, and in addition to any other requirements set forth in the Lease, Tenant shall obtain all permits necessary for the Permitted Use or operations. Exhibits, riders and addenda are incorporated into and made a part of this Lease by reference.

(b) The Term will commence at 12:01 a.m. on the Commencement Date and will terminate at midnight on the Expiration Date. Notwithstanding the stated Commencement Date, Landlord shall make the Premises available to Tenant upon the execution of the Lease for the sole purpose of installing Tenant's equipment and trade fixtures so that Tenant is ready to commence business operations on (but not before) the Commencement Date. Tenant's early possession rights shall be subject to all of the terms and conditions of this Lease.

(c) As long as Tenant is not in default under this Lease at the time of exercise, Landlord hereby grants Tenant an option to extend this Lease (the "Option") one time for a period of five (5) years (the "Extended Term"), on the same terms, covenants, and conditions of this Lease, except that the Base Rent will be determined according to Section 3(b) below and Tenant shall have no further option to extend this Lease. Tenant shall exercise the Option, if at all, by giving Landlord irrevocable written notice (the "Option Notice") at least one hundred eighty (180) days before the expiration of the initial Term. The Extended Term shall commence on the day following expiration of the initial Term.

(d) Not earlier than two (2) years but not later than one (1) year prior to the expiration of the Extended Term, Tenant may request in writing that Landlord consider an additional extended term (the "Tenant's Extended Term Request"). Upon Landlord's timely receipt of Tenant's Extended Term Request, Landlord shall notify Tenant in writing the terms and conditions that Landlord may be willing to further extend the term of the Lease. Tenant acknowledges that Landlord is under no obligation to extend the term of the Lease or offer any terms to so extend under this subparagraph (d).

### 3. Rent.

(a) Tenant shall pay to Landlord in advance on the first day of each calendar month the Base Rent specified in Section 1 in addition to any other fees owed and due to Landlord (altogether, "**Rent**"). Tenant shall pay all Rent to Landlord without notice, demand, deduction, abatement or offset of any kind or nature and at the address shown above, or such other place as Landlord may designate in writing from time to time. Rent for any period during the Term hereof which is for less than one (1) full month shall be prorated based upon the actual number of days of the month involved. If Rent is not paid within five days after due, Tenant shall pay to Landlord, without demand: (i) a late fee in an amount of five percent of the overdue sum; and (ii) interest on the sums overdue at the prime rate as quoted in The Wall Street Journal from time to time plus four percent (the "**Default Rate**"). Upon execution of this Lease, Tenant shall pay to Landlord the first monthly installment of Base Rent and the Security Deposit.

(b) If Tenant exercises its Option as provided in Section 2(c) above, the Base Rent for the Extended Term shall be as follows: for year one of the Extended Term, \$2,300.00 per month; for year 2 of the Extended Term, \$2,400.00 per month, and for years 3 through 5 of the Extended Term, \$2,500 per month.

### 4. Use.

(a) Tenant shall use the Premises for the Permitted Use and for no other purpose. Tenant shall at its sole cost cause the Premises to comply with all laws (including environmental laws) ordinances, regulations and directives of any governmental authority applicable to the Premises or the Permitted Use, or to Tenant's use, storage, generation or disposal of Hazardous Substances (defined below) including, without limitation, the Americans With Disabilities Act (collectively "**Applicable Laws**") whether now in effect or as such Applicable Laws are changed, re-interpreted or amended. Tenant shall at its sole cost obtain any and all licenses or permits necessary for the Permitted Use of the Premises.



(b) Tenant shall not use the Premises, or permit the Premises to be used, in any manner that: (a) violates any Applicable Law; (b) causes or is reasonably likely to cause any damage or liability to the Premises, the Building or Landlord; (c) violates a requirement or condition of any insurance policy covering the Building, and/or the Premises, or increases the cost of such policy; or (d) constitutes or is reasonably likely to constitute a nuisance, annoyance or inconvenience to neighbors, or their property, including, without limitation, any immoral or obscene act or any other act tending to injure the reputation of the Building including the Premises. Tenant shall not commit or allow any waste or damage to be committed on any portion of the Building. Tenant shall not do or permit to be done anything which shall increase the costs of operating or maintaining the Building, including, but not limited to, insurance premiums, property taxes and utility bills. Tenant shall, at its sole cost and expense, obtain all governmental licenses and permits required to allow Tenant to conduct its business operations in the Building.

(c) The Premises is located on a portion of Landlord's property that includes an Amtrak passenger platform and parking Lot (the "Property"). Tenant and its customers shall have the non-exclusive right to use the parking lot on the Property and other areas on the Property that are for common use (the "Common Areas") subject to Landlord's rules and regulations for the same.

5. **Signage.** Tenant may, at its sole cost and expense, erect signs on the exterior of the Building stating its name, business, and product; provided (a) Tenant shall first secure Landlord's written approval of the size, color, design, wording and location of the signage, which approval Landlord may withhold or condition at its sole discretion, and (b) Tenant shall erect and maintain all signs in compliance with all Applicable Laws. All signs installed by Tenant shall be removed upon termination of this Lease, with the sign location restored to its former state. Tenant shall at its sole cost maintain the appearance of all of Tenant's signs.

6. **Improvements and Alterations.**

(a) Tenant acknowledges that it has inspected the Premises to Tenant's satisfaction and that Tenant accepts the Premises in its "AS IS, WHERE IS" condition and "WITH ALL FAULTS." Tenant shall not change, modify or alter the interior of the Building or the Building's structure, foundation, or systems in any way without Landlord's prior written approval, which consent shall be given in Landlord's sole discretion and with such conditions as Landlord deems appropriate. If Landlord consents in writing to any proposed alteration of the Building, Tenant will (i) contract only with a Landlord-approved contractor for the performance of the alterations, (ii) obtain all necessary governmental permits and approvals and deliver copies thereof to Landlord, and (iii) cause all alterations to be completed in compliance with Landlord-approved plans and specifications with all due diligence. All work in the Premises by or at Tenant's request must comply with all applicable laws, ordinances and building codes. Upon termination of this Lease, any improvements or alterations made to the Premises by Tenant after the Commencement Date (collectively "**Improvements**"), excluding Tenant's trade fixtures and equipment that may be removed without damage to the Premises, shall at once become part of the Premises. Notwithstanding the foregoing, if requested by Landlord, Tenant shall promptly remove all Improvements and alterations made by Tenant and restore the affected portion of the Building to the condition existing as of the Commencement Date.

(b) Tenant shall pay when due all costs for work performed and materials supplied to the Premises. Tenant shall keep Landlord, the Premises and the Building free from all liens, stop notices and violation notices relating to any alterations, and Tenant shall protect, indemnify, hold harmless and defend Landlord from any and all loss, cost, damage, liability and expense, including attorneys' fees, related to any such liens or notices. During the progress of such work, Tenant shall, upon Landlord's request, furnish Landlord with sworn contractor's statements and lien waivers covering all work theretofore performed. If Tenant fails to pay and remove such lien, claim or encumbrance within ten (10) days after recordation, Landlord, at its election, may pay and satisfy the same and in such event the sums so paid by Landlord, together with interest thereon equal to the Default Rate, will be due and payable by Tenant upon demand. Tenant, at its expense, shall discharge by bonding or making a payment any lien or charge filed against the Premises, or the Building in connection with any work claimed or determined in good faith by Landlord to have been done by or on behalf of, or materials claimed or determined in good faith by Landlord to have been furnished to, Tenant, within thirty (30) days after Tenant's receipt of notice thereof by payment, filing the bond required by law or otherwise in accordance with all Applicable Laws. Tenant shall provide evidence satisfactory to Landlord, in Landlord's sole discretion, that such lien has been removed or bonded within such thirty (30) day period.

7. **Rules and Regulations.** Tenant shall faithfully observe and comply with the Property rules and regulations as promulgated by Landlord on one or more occasions, which Landlord may modify at any time and for whatever reason or for no reason at all (all together, the “**Regulations**”). Landlord’s modifications and amendments will become effective immediately upon Tenant’s receipt of oral or written notice regarding the same.

8. **Connection Fees, Utilities, Taxes and Other Charges.**

(a) To the extent necessary, Tenant shall pay all utility connection fees, traffic impact fees and any other extraordinary fees associated with Tenant’s use of the Premises. Tenant acknowledges that it has inspected and accepts the utility connections and utilities being supplied to the Premises, as of the Commencement Date, as being sufficient in their present condition, “AS IS,” and for the Permitted Use. Commencing on the Commencement Date, Tenant shall pay to the applicable utility provider, or to Landlord if the Utilities (defined below) are furnished by Landlord to the Premises, all charges for Utilities furnished to the Premises during the Term plus applicable state and local taxes (the “**Utility Charges**”). “**Utilities**” or “**Utility**” means electricity, natural gas, water, garbage collection, sewer and/or any other utility consumed by Tenant during the Term. Landlord will not be liable to Tenant for any loss, damage or expense which Tenant may sustain if the Utilities, or the quality or character of the Utilities, used upon or furnished to the Premises are no longer available or suitable for Tenant’s requirements, or if the supply of any such Utility ceases or is interrupted as a result of any cause and no such change, interruption or cessation of service shall constitute an actual or constructive eviction of Tenant or entitle Tenant to an abatement of Rent.

(b) Tenant shall be responsible for paying any real property taxes or assessment of any kind or nature imposed or assessed against the Property (and for avoidance of doubt, specifically imposed against the Building and the Common Areas) as determined by Landlord (the “**Taxes**”). Tenant shall pay the same either directly to the Clackamas County Assessor or by reimbursing Landlord for the same. Landlord reserves the right to require Tenant to pay the Taxes on a monthly basis with Tenant’s Base Rent as reasonably determined and reconciled by Landlord.

(c) On a monthly basis and in arrears, Tenant agrees to reimburse Landlord for fifty percent (50%) of the electricity costs for the Common Areas (e.g. the parking lot and platform lighting) and for the storm water charges for the Property. For electricity costs for the Common Areas, Landlord shall submit an invoice to Tenant for such reimbursement and Tenant shall pay Landlord the amount due within fifteen (15) days of receipt of such invoice, and cost shall be determined as (50%) of the average monthly cost of electricity for the twelve months preceding each year of the lease. Landlord reserves the right to require Tenant to pay the electrical reimbursement amounts on a monthly basis with Tenant’s payment of Base Rent as reasonably determined and reconciled by Landlord. For storm water charges for the Property, Landlord shall calculate charges to be (50%) of the City charge and include that amount on the Tenant’s monthly invoice which Tenant shall pay to Landlord within fifteen (15) days of receipt of such invoice.

(d) Landlord agrees to pay all irrigation charges for the Property.

9. **Parking.** Tenant, its employees, and customers shall have the nonexclusive right to use the Property’s passenger vehicle parking spaces, together with members of the public. Landlord shall have no obligation to police or secure the use of such parking lot. Landlord reserves the right to modify, restrict, regulate and/or remove any parking spaces at any time.

10. **Landlord’s Responsibilities; Tenant’s Responsibilities.**

(a) Landlord shall maintain in good repair, reasonable wear and tear excepted, the structural integrity of the exterior walls (excluding windows, glass or plate glass, doors, special store fronts or office entries), roof, and foundation of the Building. In the event the HVAC system serving the Building requires replacement during the term of the Lease, as determined by Landlord in its reasonable discretion, Landlord shall be responsible for replacement of the system at Landlord’s expense.

(b) Tenant shall at its sole cost do the following: (1) correct and repair any damage to the Premises and Building caused by the negligence or willful misconduct of Tenant or its employees, agents or contractors; (2) keep the Premises Building and every part thereof in good order, condition, and repair (whether or not such portion of the Premises

or the Building requiring repair, or the means of repairing the same, are reasonable or readily accessible to Tenant and whether or not the need for such repairs occurs as a result of Tenant's use, any prior use, the elements, or the age of such portion of the Premises) including, without limiting the generality of the foregoing, glass breakage, all equipment or facilities specifically serving the Premises, such as plumbing, HVAC, electrical, lighting facilities, boilers, fired or unfired pressure vessels, fire hose connectors if within the Premises (provided, however, Tenant shall not be responsible for repair or replacement of such items if they are damaged or broken through no fault of Tenant or its employees, agents or contractors), fixtures, interior walls, interior surfaces of exterior walls, ceilings, floors, floor coverings, windows, doors, plate glass and light bulbs, but excluding any items which are the responsibility of Landlord pursuant to Section 10(a) above; and perform all other maintenance, repairs, and replacements not otherwise the responsibility of Landlord under this Lease. Tenant is responsible for the routine repair and maintenance, as well as all electricity charges for the use, of the HVAC system serving the Building, which shall include, without limitation, a preventive maintenance HVAC service contract. Tenant shall additionally be responsible for keeping the walkways and stairs to the Building free and clear of all ice, snow and other hazards so that such walkways and stairs shall at all times be safe for the general public, including Tenant and its customers.

(c) Landlord will not be liable for injury to Tenant's business or any loss of income therefrom or for damage to the goods, wares, merchandise, equipment and vehicles or other property of Tenant, or its employees, agents or contractors or for injury to the person of Tenant, Tenant's employees, agents or contractors and invitees, except when directly and proximately caused solely by the gross negligence or willful misconduct of Landlord or its employees, agents or contractors. Landlord's liability under this Lease consists of Landlord's interest in the Building as the same may be encumbered and any proceeds of insurance.

(d) If the Premises presently contains a sprinkler system and fire-alarm and life-safety system serving the Premises, Tenant shall maintain such systems in good order and repair. If the fire insurance rating organization or any governmental authority or any of Landlord's insurers requires or recommends any modifications or improvements be made or any additional equipment be supplied in connection with the sprinkler system or fire-alarm and life-safety system serving the Building or the Premises by reason of Tenant's business, or the location of the partitions, trade fixtures, or other contents of the Premises, Landlord (to the extent such modifications or improvements are structural, affect any Building's systems or involve the performance of work outside the Premises), or Tenant (to the extent such modifications or improvements are nonstructural, do not affect any Building's systems and do not involve the performance of work outside the Premises) shall make such modifications or improvements, and supply such additional equipment, in either case at Tenant's expense.

11. **Casualty Damage.** If fire or other casualty causes damage to the Premises, then within 45 days after the date of incident, Landlord shall notify Tenant in writing whether Landlord will restore the Premises or terminate this Lease as of the date of damage. Landlord's determination will be binding upon Tenant. If Landlord elects not to terminate this Lease, Landlord shall use commercially reasonable efforts to repair the damage and restore the Premises (excluding improvements made by Tenant) to their former condition, to the extent of the insurance proceeds made available to Landlord, within 270 days of the date of damage. Base Rent will be abated during the period of restoration to the extent the Premises are not reasonably usable for the Permitted Use unless the fire or other casualty resulted from the negligence or willful misconduct of Tenant, its employees or agents, in which case Base Rent will not abate during the restoration period and Tenant will be liable for the cost of the repair and restoration of the Premises to the extent such cost is not covered by the insurance proceeds. The provisions contained in this Lease shall supersede any contrary laws (whether statutory, common law or otherwise) now or hereafter in effect relating to damage, destruction, self-help or termination.

12. **Insurance.**

(a) Tenant, at its expense, shall maintain the following during the Term: (i) all risk (special form) property insurance covering the full replacement cost of all property and any improvements installed or placed in the Premises by Tenant; (ii) worker's compensation insurance with no less than the minimum limits required by law; (iii) employer's liability insurance with such limits as required by law; (iv) commercial liability insurance with a minimum limit of One Million Dollars and 00/100 (\$1,000,000) per occurrence and a minimum umbrella limit of Two Million Dollars and 00/100 (\$2,000,000) for property damage, personal injury or death of persons occurring in or about the Premises and such other insurance as reasonably determined by Landlord or as required by Landlord's mortgagee or ground lessor of the Building; (v) business interruption insurance with a limit of liability equal to a loss of at least 12 months of income; and (vi)

liquor liability insurance in a form and in such amounts satisfactory to Landlord. The commercial liability policies shall: (a) name Landlord, its managing agent, its ground lessor and its mortgagee(s) (if any) as additional insureds as their interests appear; (b) will insure on an occurrence basis; and (c) will not be cancelable without thirty (30) days written notice to Landlord and its mortgagee(s). Neither party shall be liable to the other for any loss or damage to the Premises or Tenant's personal property thereon caused by any of the risks covered by insurance and there shall be no subrogated claim by one party's insurance carrier against the other party arising out of any such loss. Certificates of such policy shall be delivered to Landlord on or before the Commencement Date and each renewal of said insurance.

(b) Except to the extent caused by the gross negligence or willful misconduct of Landlord, Landlord shall not be liable for, and Tenant hereby waives any claims against, Landlord for injury or damage to the person or the property of Tenant, Tenant's employees, contractors, invitees, customers, or any other person, in or about the Premises or Building from any cause whatsoever, including, but not limited to, damage or injury which is caused by or results from: (i) fire, steam, electricity, gas, water, or rain, or from the breakage, leakage, obstruction, or other defects of pipes, fire sprinklers, wires, appliances, plumbing, HVAC, or lighting fixtures; or (ii) the condition of the Premises or other portions of the Building. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of Landlord nor from the failure by Landlord to enforce the provisions of the Regulations. Notwithstanding any provision in this Lease to the contrary, Landlord shall under no circumstances be liable for injury to Tenant's business, for any loss of income or profit therefrom or any indirect, consequential, special or punitive damages related to or arising from this Lease.

13. **Indemnification.** Tenant shall indemnify, defend by counsel reasonably acceptable to Landlord, and hold harmless Landlord, its employees, agents and contractors from and against liability, loss, damages, claims, liens, costs and expenses, including attorneys fees, it may suffer, sustain or incur as a result of or related to: (a) claims of injury to or death of persons or damage to property or business loss occurring or resulting directly or indirectly from the use or occupancy off the Premises by Tenant, its employees, contractors or agents or from any act or omission of Tenant, its agents, employees or contractors; (b) claims arising from work or labor performed, or for materials or supplies furnished to or at the request of Tenant in connection with performance of any work done for the account of Tenant within the Premises; (c) claims arising from any breach or Default on the part of Tenant in performance of any covenant or obligation contained in this Lease; and (d) claims arising from the negligence or willful misconduct of Tenant, its employees, agents and contractors. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability, or expense resulting from injury or death to persons or damage to property of third parties caused by the gross negligence or willful misconduct of Landlord, its agents, employees or contractors. In addition, the foregoing indemnities in favor of Landlord shall also accrue to the benefit of Landlord's mortgagee(s), its agents, employees or contractors. The obligations under this Section 13 shall survive expiration or earlier termination of this Lease.

14. **Condemnation.** If a condemning authority takes the entire Premises or a portion sufficient to render the remainder of the Premises unsuitable for the Permitted Use, in the reasonable judgment of Landlord only, then Landlord may elect to terminate this Lease within sixty (60) days after receipt of notice of the condemnation, with the termination effective on the date that title passes to the condemning authority ("**Condemnation Date**"). Otherwise, Landlord shall exercise commercially reasonable efforts to restore the remaining Premises, to the extent practical and only to the extent of the proceeds made available in connection with such condemnation, within 180 days after the Condemnation Date to a condition comparable to that existing at the time of the taking. Base Rent shall be abated in proportion to the area of the Premises so taken from the Condemnation Date through the period of restoration to the extent that such area is not reasonably usable by Tenant and not so used by the Tenant, and Base Rent shall be reduced for the remainder of the Term to an amount equal to such Base Rent multiplied by a fraction, the numerator of which shall be equal to the size of the Premises after restoration and the denominator shall be the size of the Premises prior to the condemnation. All condemnation proceeds shall belong solely to Landlord.

15. **Assignment and Subletting.**

(a) Tenant shall not assign, mortgage, pledge, encumber or otherwise transfer all or a part of its interest under this Lease, whether by operation of law or otherwise and shall not sublet, underlet, license, franchise or permit or suffer the Premises or any part thereof to be used or occupied by others, without the prior written consent of Landlord, which consent Landlord may withhold at its sole discretion. Any assignment, sublease, license, franchise, mortgage, pledge, encumbrance or transfer in contravention of the provisions of this Section 15 shall be null and void.

(b) No assignment or subletting shall relieve Tenant of its obligation to pay rent or perform other obligations required by this Lease. Any assignment or sublease consented to by Landlord shall not relieve Tenant (or its assignee) from obtaining Landlord's consent to any subsequent assignment or sublease, and Landlord may collect rent directly from an assignee, sublessee or transferee. Tenant agrees to pay on demand all of Landlord's actual out of pocket costs (including reasonable attorneys' fees) in connection with a request for consent under this Section. Notwithstanding any assignment or subletting or any acceptance of Rent by Landlord from any assignee or subtenant, Tenant shall remain jointly and severally liable for the payment of all Rent due and for the performance of all other terms, covenants and conditions contained in this Lease on Tenant's part to be observed and performed, and any Default under any term, covenant or condition of this Lease by any subtenant shall be deemed a Default under this Lease by Tenant.

16. **Default.** Any of the following will constitute a "**Default**" by Tenant under this Lease:

- (a) Tenant's failure to pay Rent or any other charge under this Lease within five days after it is due.
- (b) Tenant's failure to comply with any other term or condition of this Lease, other than payment of Rent per Subsection 16(a) above, within 30 days of Tenant's receipt of written notice of such failure.
- (c) Tenant's insolvency, assignment for the benefit of its creditors, Tenant's voluntary petition in bankruptcy or adjudication as bankrupt, or the appointment of a receiver for Tenant's properties, or, if Tenant is a natural person, the death of such person.
- (d) Tenant's abandonment of the Premises.

17. **Remedies for Default.** In the event of a Default, Landlord will have the right, with or without notice, to pursue the following remedies in addition to any other remedies provided under applicable law:

- (a) Landlord may make any payment or perform any obligation required of Tenant so as to cure Tenant's Default, in which case Landlord shall be entitled to recover all amounts so expended from Tenant plus interest at the Default Rate from the time disbursed until repaid by Tenant to Landlord.
- (b) Landlord may reenter and retake possession of the Premises, without notice, either by summary proceedings or by any other applicable action or proceeding, or by other means, including self-help. Landlord may expel and remove from the Premises Tenant and any other person occupying the same, including any subtenant or subtenants notwithstanding Landlord's consent to any sublease, by any lawful means, and again repossess and enjoy the Premises without prejudice to any of the remedies that Landlord may have under this Lease, or at law or equity by any reason of Tenant's default or of such termination. Landlord hereby reserves the right, but shall not have the obligation, to recognize the continued possession of any subtenant.
- (c) Upon retaking possession of the Premises, Landlord may use the Premises for Landlord's own purposes or relet the Premises on any reasonable terms without prejudice to any other remedies that Landlord may have by reason of Tenant's default. None of these actions will be deemed an acceptance of surrender by Tenant. To the extent permitted by law, and except as expressly provided in this Lease, Tenant waives the service of (i) any notice of intention to terminate this Lease or to retake the Premises, (ii) any demand for payment of Rent or for possession, and (iii) any and every other notice or demand required or permitted under Applicable Laws.
- (d) Landlord at its option may relet the whole or any part of the Premises, from time to time, either in the name of Landlord or otherwise, to any tenants, for any terms ending before, on, or after the expiration date of the Term, at any rentals, and on any other conditions (including concessions and free-rent periods) that Landlord, in its sole discretion, determines to be appropriate. Landlord is to use commercially reasonable efforts to mitigate any damages incurred by Landlord as a result of any default by Tenant. However, no failure to mitigate damages by Landlord will operate to relieve Tenant of any liability under this Lease or otherwise affect Tenant's liability.
- (e) Whether or not Landlord retakes possession of or relets the Premises, Landlord may recover all damages caused by the Default (including but not limited to unpaid Rent, attorney fees reasonably incurred, all costs of reletting the Premises, the unamortized cost of improvements installed by Landlord for Tenant, and broker commissions)

together with interest thereon at the Default Rate. Landlord may sue periodically to recover damages as they accrue during the remainder of the Term without barring a later action for further damages. Landlord may at any time bring an action seeking accrued damages plus damages for the remaining Term as allowed by law.

(f) All of Landlord's rights, privileges and elections or remedies are cumulative and not alternative.

(g) The specified remedies to which Landlord may resort hereunder are not intended to be exclusive of any remedies or means of redress to which Landlord may at any time be entitled lawfully, and Landlord may invoke any remedy (including the remedy of specific performance) allowed at law or in equity as if specific remedies were herein provided for.

18. **Surrender on Termination; Holdover.** On expiration or early termination of this Lease, Tenant shall surrender the Premises broom clean and free of debris inside the Premises and Tenant shall cause the Building to be free of Tenant debris. Subject to the provisions of Section 6 hereof, the Premises shall be surrendered to Landlord in the same condition as at the commencement of the Term, subject only to wear and tear from ordinary use. Tenant shall remove all of its furnishings and trade fixtures. Failure to remove furnishings and trade fixtures shall be an abandonment of such property and Landlord may dispose of it at Tenant's expense in any manner without liability to Landlord. If Tenant fails to vacate the Premises at the end of the Term, Tenant will be deemed guilty of unlawful detainer; or, at Landlord's election, this Lease, and there terms and conditions hereof, shall remain in full force and effect as a Tenancy at Sufferance except that the definition of Base Rent under Section 2 herein shall be an amount equal to 200% of the greater of the Base Rent last in effect or the then market rental value of the Premises as determined by Landlord assuming a new lease of the Premises on the same terms as this Lease ("**Holdover Rent**"). Landlord's acceptance of Holdover Rent or any other payment will not constitute a renewal of this Lease. In addition, Tenant shall be liable for, and indemnify, defend and hold harmless landlord, its employees and agents from and against, any and all loss, cost, damage and expense that Landlord shall incur as a result of Tenant holding over in the Premises, including consequential damages to Landlord such as lost opportunities with respect to a new Lease or claims by a new tenant against Landlord and/or concessions made to such tenant to prevent any new tenant from terminating such lease due to Tenant's hold-over. There is a built in cooler located within the Building (the "Cooler"). A portion of the Base Rent payable by Tenant under this Lease compensates Landlord for the cost and value of the Cooler. Provided that Tenant fully and faithfully satisfies its obligations under this Lease, Tenant shall have the right to remove the Cooler at the end of the Lease term provided that Tenant shall repair any damage to the Building resulting from the removal of the Cooler. If Tenant has not removed the Cooler prior to the termination of this Lease, Tenant shall be deemed to have abandoned any interest in the Cooler and the Cooler shall be the property of the Landlord free of any claim of Tenant.

19. **Subordination.** This Lease shall, at Landlord's option, be subordinate to any ground lease, mortgage, real estate sale contract or deed of trust ("**Superior Instrument**"), under the holder of such Superior Instrument(s) may claim an interest in the real property of which the Building, and Premises form a part. This clause shall be self-operative and no further instrument of subordination shall be required with regard thereto. Notwithstanding the foregoing, upon Landlord's or such Superior Instrument holder's written request, Tenant or Tenant's successors in interest shall execute and deliver (and shall cause any sublessees under a permitted sublease to execute and deliver), without modification or amendment, any documents including without limitation lender's standard form of Subordination Agreement or such Superior Instrument holder's standard form of ground lease letter (recognition agreement) as the case may be, required to effectuate or confirm such subordination to any Superior Instrument. Failure by Tenant to so execute within ten (10) business days shall be deemed a Default under Section 16(b). Tenant shall attorn to any successor landlord.

20 **Estoppel Certificate.** Tenant and Guarantor shall, at any time upon not less than ten (10) days prior written notice from Landlord, execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the date to which the Rent is paid in advance, if any, and acknowledging that there are not, to Tenant's knowledge, any uncured Defaults on the part of the Landlord hereunder, or specifying such Defaults, if any are claimed and specifying such other matters as reasonably requested by Landlord or its potential mortgagee, ground lessor or purchaser of its interest. Tenant agrees that if Tenant fails to execute and deliver such certificate within such 10 day period, Landlord may execute and deliver such certificate on Tenant's behalf and that such certificate will be binding on Tenant.

21. **Hazardous Substances.**

(a) Except for small quantities of cleaners, copier fluids and toner used in the ordinary course of Tenant's Permitted Use and in compliance with all Applicable Laws, Tenant shall not, and shall not cause or allow any other party to, construct, use, deposit, store, dispose, place or locate on or about the Premises any Hazardous Substances (defined below) without the prior written consent of Landlord, which may be withheld or denied for any reason or no reason at all. If Landlord consents in writing to any Hazardous Substances on the Premises, Tenant shall ensure that such Hazardous Materials remain sealed in their containers at all times while in the Premises, except when necessary for use, and Tenant shall comply with all Applicable Laws in connection with the use, storage and disposal of all Hazardous Substances.

(b) Tenant shall immediately notify Landlord of: (i) any disposal, release, discharge, migration, spill, or leak of Hazardous Substances; (ii) any inspection, enforcement, clean-up or other regulatory action taken or threatened by any regulatory authority with respect to any Hazardous Substances on, about, above, beneath or from the Building or the migration thereof from or to other property; (iii) any demands or claims made or threatened by any party relating to any loss or injury claimed to have resulted from any Hazardous Substances on, about, above, beneath or from the Building; and (iv) any matters where Tenant is required by any Applicable Laws to give a notice to any regulatory authority concerning Hazardous Substances on or from the Building. Tenant shall indemnify, defend, and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities, or losses (including direct, indirect, special and consequential damages of any type) which arise during or after the Lease Term as a result of contamination by Hazardous Substances as a result of Tenant's use or activities or omissions, or the use, activities or omissions of Tenant's employees, agents or contractors. Tenant shall be liable under this Section 21 for the effects of any contamination or injury to person, property, or the environment created or suffered by Tenant, and the cost of investigation (including consultants' and attorneys' fees and testing), removal, remediation, restoration, and/or abatement thereof, or of any contamination therein involved. Tenant's obligations under this Section 21 shall survive the expiration or earlier termination of this Lease.

(c) For purposes of this Lease, "**Hazardous Substances**" means any material or substance: (a) which is defined or becomes defined as a "hazardous substance", "hazardous waste", "infectious waste", "chemical mixture or substance", "dangerous", "toxic", or "air pollutant" under Applicable Laws, or any like or similar term or terms; (b) contains petroleum, crude oil or any fraction thereof; (c) containing polychlorinated biphenyls (PCB's); (d) contains asbestos; (e) which is radioactive; (f) which displays toxic, reactive, ignitable or corrosive characteristics, as all such terms are used in their broadest sense, and are defined or become defined by Applicable Laws; or (g) which cause a nuisance upon or waste to any portion of the Building.

22. **Brokerage Fees.** Tenant represents and warrants to Landlord that it has not dealt with any broker in connection with this Lease. Tenant agrees to indemnify and hold Landlord free and harmless from and against all claims for brokerage commissions or fees and/or finder's fees by any other person or entity claiming to have been retained by Tenant in connection with this transaction or to be the procuring cause of this transaction on behalf of Tenant. Tenant's obligations under this Section 22 shall survive the expiration or earlier termination of this Lease.

23. **Security Deposit.** Upon the execution of this Lease, Tenant shall deposit in cash with Landlord the Security Deposit to secure Tenant's faithful performance of this Lease. If Tenant Defaults under this Lease, Landlord may apply all or any portion of the Security Deposit to cure such Default or to compensate Landlord for any loss or damage which Landlord may suffer thereby. If Landlord so applies any portion of the Security Deposit, Tenant shall immediately, upon written demand, restore the Security Deposit to the full amount hereinabove stated. LANDLORD SHALL NOT BE REQUIRED TO KEEP THE SECURITY DEPOSIT SEPARATE FROM ITS GENERAL ACCOUNTS AND TENANT SHALL NOT BE ENTITLED TO ANY INTEREST ON ITS SECURITY DEPOSIT. Provided Tenant is not in Default of this Lease, within 60 days after the expiration of the Term and the vacation of the Premises by Tenant, the Security Deposit, less any portion thereof to which Landlord may be entitled, shall be returned to Tenant. Landlord will have the right to continue to hold the Security Deposit following the expiration of the Term until all of Tenant's obligations under this Lease have been satisfied.

24. **Alterations to the Building.** Landlord has the right at any time to alter the Building without any such acts constituting an actual or constructive eviction and without incurring any liability to Tenant, so long as such changes

do not deny Tenant access to the Premises or otherwise adversely affect Tenant's Permitted Use of the Premises in an unreasonable manner. Landlord shall use commercially reasonable efforts to minimize interference with Tenant's Permitted Use of the Premises during the making of such changes or alterations, provided that Landlord shall have no obligation to employ contractors or labor at overtime or other premium pay rates or to incur any other overtime costs or additional expenses whatsoever. In the event

**25. General Provisions.**

(a) Waiver by either party of strict performance of any provision of this Lease will not be a waiver nor prejudice the party's right otherwise to require performance of the same provision or any other provision.

(b) Subject to the limitations on transfer of Tenant's interest, this Lease shall bind and inure to the benefit of the parties, their respective heirs, successors and assigns.

(c) If this Lease commences or terminates at a time other than the first day or last day of one of the specified rental periods, then Base Rent shall be prorated as of such date, and in the event of termination for reasons other than Default, all prepaid Rent shall be refunded to Tenant or applied to sums due and owing by Tenant. Tenant warrants that it has full right and authority to enter into this Lease, and, so long as Tenant complies with all terms of this Lease, it shall be entitled to peaceable and undisturbed possession of the Premises free from any eviction or disturbance by Landlord or persons claiming through Landlord.

(d) Notices between the parties relating to this Lease shall be in writing, effective when delivered either in person or by facsimile (as evidenced by transmission confirmation receipt), or if mailed, effective on the second (2nd) day following mailing, postage prepaid, certified mail, return receipt requested, and by regular first class mail, to the address for the party stated in this Lease or to such other address as either party may specify by notice to the other. Rent shall be payable to Landlord at the address set forth on the cover page.

(e) TIME IS OF THE ESSENCE with respect to the performance by Tenant of each and every provision of this Lease. This Lease shall be governed by the laws of Oregon State.

(f) If either party brings legal action against the other party to enforce any provision of this Lease, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to any other damages awarded at arbitration, trial and upon any appeal.

(g) Annually, within ninety (90) days after the end of Tenant's fiscal year, Tenant shall furnish to Landlord, the financial statements of Tenant and any other party which is then liable for any of the obligations under this Lease. In addition, in the event that Landlord is then in the process of selling or refinancing the Building, upon Landlord's request, Tenant shall provide to Landlord financial statements for Tenant and any other party which is then liable for any of the obligations under this Lease for the most recent fiscal quarter then ended, as well as year to date financial statements, provided, however, that if Tenant is a publicly traded company and the information set forth in this Section 25(g) is available through public information, Tenant shall be relieved of its obligations under this Section 25(g).

(h) Landlord, and Landlord's contractors, agents and consultants may enter the Premises at all reasonable times, upon reasonable prior notice, which may be oral, other than in the case of any emergency, in which case any such party may enter the Premises at any time without notice, to (a) inspect the same; (b) exhibit the same to prospective purchasers, prospective mortgagees or tenants; (c) determine whether Tenant is complying with all of its obligations under this Lease, including, without limitation, the handling of Hazardous Substances; (d) supply services to be provided by Landlord to Tenant under this Lease; or (e) post notices of non-responsibility or to make repairs or improvements in or to the Premises. Landlord may at any time place on or about the Premises or Building any ordinary "For Sale" signs, and Landlord may at any time during the last one hundred eighty (180) days of the Term hereof place on or about the Premises any ordinary "For Lease" signs. Tenant hereby waives any claim for damages for any injury to, or interference with, Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by such entry or repair or service work which Landlord deems to be reasonably necessary.

(i) Notwithstanding anything in this Lease to the contrary, Landlord shall incur no liability to Tenant



with respect to, and shall not be responsible for any failure to perform, any of Landlord's obligations hereunder if such failure is caused by any reason beyond the control of Landlord including, but not limited to, acts of the Tenant, its agents, employees or contractors, other occupants of the Building, governmental law, ordinances, rules or regulations, strike, labor trouble, fire, flood, earthquake, civil commotion, act of war, terrorism or failure or disruption of utility services ("**Force Majeure Events**"). The amount of time for Landlord to perform any of Landlord's obligations shall be extended by the amount of time Landlord is delayed in performing such obligation by reason of any Force Majeure Event. Notwithstanding anything in this Lease to the contrary, Tenant shall incur no liability to Landlord with respect to, and shall not be responsible for any failure to perform, any of Tenant's obligations hereunder, other than the payment of Base Rent, if such failure is caused by any reason beyond the control of Tenant including, but not limited to acts of the Landlord, its agents, employees or contractors, other occupants of the Building, governmental law, ordinances, rules or regulations, strike, labor trouble, fire, flood, earthquake, civil commotion, act of war, terrorism or failure or disruption of utility services. The amount of time for Tenant to perform any of Tenant's obligations shall be extended by the amount of time Tenant is delayed in performing such obligation by reason of any Force Majeure Event.

(j) Notwithstanding anything to the contrary contained in this Lease, it is expressly understood and agreed that: (a) the recourse of Tenant against Landlord with respect to the alleged breach by Landlord of any representation, warranty, covenant, undertaking or agreement contained in any of this Lease or otherwise arising out of this transaction or Tenant's use of the Premises or the Building (collectively, "**Landlord's Lease Undertakings**") shall extend only to Landlord's interest in the Property, and not to any other assets of Landlord; and (b) no personal liability or personal responsibility of any sort with respect to any of Landlord's Lease Undertakings or any alleged breach thereof is assumed by, or shall at any time be asserted or enforceable against Landlord (beyond the interest of Landlord in the Property and any insurance Landlord may carry with respect to its interest in the Property) or any of Landlord's agents, representatives or elected or appointed officials. Landlord shall have the right to sell, transfer or assign the Property, or any part thereof, or Landlord's interest in this Lease in which event Landlord shall be automatically freed and relieved from all applicable liability with respect to performance of any covenant or obligation on the part of Landlord after the date of such transfer or conveyance. Any Security Deposits or advance rents held by Landlord shall be turned over to the successor and said successor and all of the obligations of the Landlord hereunder shall be binding on Landlord, its successors and assigns, only during their respective periods of ownership.

(k) The invalidity of any provision of this Lease, as determined by a court of competent jurisdiction, shall not affect the validity of any other provision hereof.

(l) This Lease contains all of the terms, covenants, conditions, warranties and agreements between the parties with respect to any matter mentioned herein. There are no oral or written promises, conditions, representations, understandings, interpretations or terms of any kind as conditions or inducements to this execution of this Lease or in effect between the parties. This Lease may not be amended, altered or modified in any way except in writing signed by the parties.

(m) No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

(n) This Lease shall be binding upon the parties, their personal representatives, successors, and assigns and be governed by the laws of the State of Oregon. Any litigation between the parties hereto concerning this Lease shall be initiated in the County in which the Premises are located or in applicable Federal court.

(o) Tenant assumes all responsibility for the protection of the Premises, Tenant, its agents and invitees and their property from the acts of third parties.

(p) Preparation of this Lease by either Landlord or Tenant or Landlord's agent or Tenant's agent and submission of same to Tenant or Landlord shall not be deemed an offer to lease. This Lease is not intended to be binding until mutually executed and delivered by all parties hereto.

(q) Nothing in this Lease creates any relationship between the parties other than that of lessor and lessee, and nothing in this Lease constitutes the Landlord a partner of Tenant or a joint venture or member of a common enterprise with Tenant.

(r) This Lease may be executed in multiple counterparts, each of which shall constitute an original, but all of which when taken together shall constitute one and the same agreement.

(s) The parties acknowledge that this Lease is the result of negotiations between the parties, and in construing any ambiguity hereunder no presumption shall be made in favor of either party. No inference shall be made from any item that has been stricken from this Lease other than the deletion of such item.

(t) Tenant shall neither be relieved from the performance of any of its covenants or obligations under this Lease, including, without limitation, the obligation of Tenant to pay Rent, nor entitled to terminate this Lease, due to a breach or default by Landlord of any of its covenants or obligations under this Lease, unless otherwise expressly provided in this Lease.

(u) THE PARTIES HERETO SHALL, AND THEY HEREBY DO, WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS LEASE, THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE.

(v) Landlord shall in no event be in default under this Lease unless Landlord shall neglect or fail to perform any of its obligations hereunder and shall fail to remedy the same within thirty (30) days after notice to Landlord specifying such neglect or failure, or if such failure is of such a nature that Landlord cannot reasonably remedy the same within such thirty (30) day period, Landlord shall fail to commence promptly (and in any event within such thirty (30) day period) to remedy the same and to prosecute such remedy to completion with diligence and continuity. No notice from Tenant to Landlord alleging any default by Landlord shall be effective unless and until a copy of the same is given to the holder of any Superior Instrument (provided Tenant shall have been furnished with the name and address of such holder), and the curing of any of Landlord's defaults by such holder shall be treated as performance by Landlord. This Lease shall be construed as though Landlord's covenants contained herein are independent and not dependent, and Tenant hereby waives the benefit of any law or statute to the contrary.

(w) In the event Tenant is obligated to pay any amount under this Lease, whether to Landlord or a third party, Tenant shall pay together with that amount the applicable Oregon state and local sales tax.

[signatures on next page]

The parties are signing this Lease on the Effective Date stated in the introductory clause.

Landlord: **URBAN RENEWAL AGENCY FOR THE  
CITY OF OREGON CITY**

Tenant: **GRANT'S LANDING, LLC**

By: \_\_\_\_\_

Signature: \_\_\_\_\_

Brian Grant, Member

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Leigh Grant, Member

Title: \_\_\_\_\_

Exhibit A  
Lease Guaranty

Brian Grant and Leigh Grant, (individually and together "Guarantor") whose address is 7450 Ridge Drive, Gladstone, Oregon 97027, as a material inducement to and in consideration of the Urban Renewal Agency for the City of Oregon City ("Landlord"), entering into a written lease (the "Lease") with Grant's Landing, LLC d/b/a Coasters Crossing ("Tenant"), of even date herewith, pursuant to which Landlord leased to Tenant and Tenant leased from Landlord, premises located in Oregon City, Oregon commonly known as 1757 Washington Street, Oregon City, Oregon 97045 unconditionally, absolutely and irrevocably and jointly and severally guarantees and promises to and for the benefit of Landlord that Tenant shall punctually perform all of Tenant's obligations under the Lease.

Guarantor waives the benefit of any statute of limitations affecting Guarantor's liability under this Guaranty.

The provisions of the Lease may be changed (including, but not limited to, renewal, extension or modification of the Lease) by agreement between Landlord and Tenant at any time, or by course of conduct, without the consent of or without notice to Guarantor. This Guaranty shall guarantee the performance of the Lease as changed. Assignment of the Lease by either Landlord or Tenant (as permitted by the Lease) shall not affect this Guaranty.

This Guaranty shall not be affected by Landlord's failure or delay in enforcing any of its rights.

If Tenant defaults under the Lease, Landlord may proceed immediately against Guarantor or Tenant, or both, or Landlord may enforce against Guarantor or Tenant, or both, any rights that it has under the Lease, or pursuant to applicable laws. If the Lease terminates and Landlord has any rights it may enforce against Tenant after termination, Landlord may enforce those rights against Guarantor without giving previous notice to Tenant or Guarantor, or without making any demand on either of them.

Guarantor waives the right to require Landlord to (1) proceed against Tenant; (2) proceed against or exhaust any security that Landlord holds from Tenant; or (3) pursue any other remedy in Landlord's power. Guarantor waives any defense based on the termination of Tenant's liability from any cause. If Guarantor becomes insolvent, becomes the subject of any bankruptcy or insolvency proceeding, or makes an assignment for the benefit of creditors, Landlord may, without notice or demand, accelerate all of Guarantor's obligations so that they are immediately due and payable.

Guarantor waives any claim or other right now existing or hereafter acquired against Tenant, or any other person who is primarily or contingently liable on the Lease, that arises from the performance of Guarantor's obligations under this Guaranty, including, without limitation, any right of contribution, indemnity, subrogation, reimbursement, exoneration, and the right to participate in any claim or remedy of Landlord against Tenant or any collateral security therefore which Landlord now has or hereafter acquires, whether or not such claim, right or remedy arises under contract, law or equity. Guarantor agrees to indemnify Landlord and hold it harmless from and against all loss and expense, including legal fees, suffered or incurred by Landlord as a result of claims to avoid any payment received by Landlord from Tenant, or for its account or from collateral, with respect to obligations of Tenant guaranteed herein. Guarantor agrees that the obligations of Tenant guaranteed herein shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Tenant is rescinded or must be otherwise restored by any holder of any of the guaranteed obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and Guarantor agrees that it will indemnify Landlord on demand for all reasonable payments, costs, and expenses, including legal fees, incurred by Landlord in connection with such rescission or restoration.

Guarantor waives its right to enforce any remedies that Landlord now has, or later may have, against Tenant. Guarantor waives any right to participate in any security now or later held by Landlord. Guarantor waives all presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Guaranty, and waives all notices of the existence, creation, or incurring of new or additional obligations.

If Landlord assigns or otherwise transfers its interest in the Lease, "Landlord" as used in this Guaranty, shall mean Landlord's successors.

If Landlord is required to enforce Guarantor's obligations by legal proceedings, Guarantor shall pay to Landlord all costs incurred by Landlord, , including, without limitation, reasonable attorneys' fees.

Guarantor's obligations under this Guaranty shall be binding on Guarantor's successors.

Each Guarantor acknowledges that such Guarantor is a member Tenant, and is receiving valuable consideration for Landlord entering into the Lease, and that Landlord would not have entered into the Lease without each Guarantor jointly and severally guaranteeing Tenant's obligations under the Lease.

This Guaranty shall be governed by the laws of the State of Oregon.

DATED: April \_\_\_\_\_, 2018

GUARANTOR:

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Brian Grant

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Leigh Grant



# City of Oregon City

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

## Staff Report

File Number: 20-175

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**Agenda Date:** 3/18/2020

**Status:** Agenda Ready

**To:** Urban Renewal Commission

**Agenda #:** 4c.

**From:** City Recorder Kattie Riggs

**File Type:** Minutes

Minutes of the November 25, 2019 Special Meeting



# City of Oregon City

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

## Meeting Minutes - Draft

### Urban Renewal Commission

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Monday, November 25, 2019

6:00 PM

Commission Chambers

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#### Special Meeting

#### **6:00 PM - EXECUTIVE SESSION OF THE URBAN RENEWAL COMMISSION**

#### **6:15 PM - SPECIAL MEETING OF THE URBAN RENEWAL COMMISSION**

#### **1. Call To Order**

*Chair O'Donnell called the meeting to order at 6:16 PM.*

**Present:** 7 - Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Dan Holladay, Denyse McGriff, Mike Mitchell and Stephen VanHaverbeke

**Staffers:** 2 - Tony Konkol and Kattie Riggs

#### **2. Roll Call**

**Present:** 7 - Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Dan Holladay, Denyse McGriff, Mike Mitchell and Stephen VanHaverbeke

#### **3. Discussion Items**

##### **3a. The Cove, LLC - Status of Amendment Number 1 to The Cove Disposition and Development Agreement**

*Tony Konkol, City Manager, explained that the Urban Renewal Commission (URC) entered into a Disposition and Development Agreement (DDA) with The Cove, LLC on November 26, 2018. As part of that development agreement, The Cove LLC was to complete 11 preconditions that were to be met within 270 days, or by August 23, 2019. During that time, the developer met 7 of the 11 preconditions and then requested an amendment to the DDA to extend the completion date. On October 2, 2019, the URC approved Amendment 1 to the DDA extending the precondition completion date to May 20, 2020. At no time, did Mr. Mooney, a 60% Cove LLC ownership interest, disclose that there was a serious dispute with Mr. Darrow, a 40% Cove LLC ownership interest, and that Mr. Darrow had taken legal action against Mr. Mooney.*

*On August 1, 2019 Mr. Darrow obtained a substantial judgement against Mr. Mooney with a supplemental judgement for a substantial additional amount on September 12, 2019. Mr. Mooney failed to inform the URC and its representatives of these facts and failed to satisfy the judgments. A Writ of Execution was filed on August 6, 2019, to foreclose Mr. Mooney's member interest in The Cove LLC and the foreclosure sale occurred on October 9, 2019. Mr. Darrow was the successful bidder and now claims 100% membership interest in The Cove LLC.*

*During the time the URC was negotiating Amendment No. 1, the URC and its representatives were unaware that Mr. Mooney had lost his member interest in The Cove LLC, therefore, the amendment was secured by fraud and under Oregon law, a party who enters into a contract due to fraud has the right to disaffirm the contract. Mr. Konkol explained that the URC needed to decide how to move forward.*

*Ed Darrow, Wilsonville resident, testified that the expectation was that Mr. Mooney would come into the project as a financial partner. Mr. Darrow had already made contributions of \$2.8M over the years so it was Mr. Mooney's obligation to support all the capital requirements needed to complete the project and to pay Mr. Darrow a monthly managing fee. Mr. Mooney ended up forcing Mr. Darrow out of the LLC by refusing to expend any more funds unless Mr. Darrow resigned as co-manager. Mr. Darrow indicated that he agreed to resign as co-manager as long as he could still remain involved in the project. Mr. Darrow ultimately found out Mr. Mooney quit paying the consultants and the bills and disappeared. In the meantime, Mr. Darrow consulted with Steve Deacon and Mr. Darrow has signed a letter of intent and expects to execute a personal sale agreement with Mr. Deacon before Thanksgiving. It is Mr. Darrow's plan to help with the project for another six to nine months and Mr. Deacon will be the ultimate developer and builder of the project.*

*Commissioner Holladay noted that the performance of the developer has not been stellar and he didn't feel it made sense for the URC to move forward with the group.*

**A motion was made by Commissioner Holladay, seconded by Commissioner McGriff, to terminate the amendment to The Cove, LLC Disposition and Development Agreement immediately. The motion carried by the following vote:**

**Aye:** 7 - Stephen VanHaverbeke, Mike Mitchell, Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Dan Holladay and Denyse McGriff

**Aye:** 7 - Stephen VanHaverbeke, Mike Mitchell, Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Dan Holladay and Denyse McGriff

**A motion was made by Commissioner Holladay, seconded by Commissioner McGriff, to instruct the City Manager to send the 20-day notice to terminate letter. The motion carried by the following vote:**

**Aye:** 7 - Stephen VanHaverbeke, Mike Mitchell, Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Dan Holladay and Denyse McGriff

**3b.** Minutes of the August 13, 2019 Regular Meeting

**A motion was made by Commissioner Holladay, seconded by Commissioner McGriff, to approve the minutes of August 13, 2019, August 21, 2019, and September 10, 2019. The motion carried by the following vote:**

**Aye:** 7 - Stephen VanHaverbeke, Mike Mitchell, Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Dan Holladay and Denyse McGriff

**3c.** Minutes of the August 21, 2019 Regular Meeting

**3d.** Minutes of the September 10, 2019 Regular Meeting

**4. Communications**



*There were no communications.*

## **5. Adjournment**

*Chair O'Donnell adjourned the meeting at 6:28 PM.*

*Respectfully submitted,*

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*Kattie Riggs, City Recorder*

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# City of Oregon City

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

## Staff Report

File Number: 20-182

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**Agenda Date:** 3/18/2020

**Status:** Agenda Ready

**To:** Urban Renewal Commission

**Agenda #:** 4d.

**From:** City Recorder Kattie Riggs

**File Type:** Minutes

Minutes of the February 11, 2020 Regular Meeting



# City of Oregon City

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

## Meeting Minutes - Draft

### Urban Renewal Commission

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Tuesday, February 11, 2020

6:15 PM

Commission Chambers

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#### **6:00 PM - EXECUTIVE SESSION OF THE URBAN RENEWAL COMMISSION**

#### **6:15 PM - REGULAR MEETING OF THE URBAN RENEWAL COMMISSION**

#### **1. Call to Order and Roll Call**

*Chair O'Donnell called the meeting to order at 6:20 PM. He introduced new citizen member Shawn Cross.*

**Present:** 6 - Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Dan Holladay, Denyse McGriff and Shawn Cross

**Staffers:** 5 - Tony Konkol, William Kabeiseman, Wyatt Parno, John Lewis and James Graham

#### **2. Citizen Comments**

*No citizen comments were received.*

#### **3. Adoption of the Agenda**

*No changes were made to the agenda.*

#### **4. General Business**

##### **4a. Election of Chair and Vice Chair for 2020**

*Chair O'Donnell opened the floor for nominations.*

*Commissioner McGriff noted that she would like to be Chair because she has a lot of experience. She strongly supports the City's efforts to do urban renewal and to do it with a lot of openness and support from the community.*

**Motion made by Commissioner Holladay to nominate Rachel Lyles Smith to be Chair. Motion failed for lack of a second.**

**Motion made by Commissioner Smith to nominated Denyse McGriff to be Chair. Motion failed for lack of a second.**

**Motion made by Commissioner Holladay, seconded by Commissioner Lyles Smith, to nominate Frank O'Donnell to be Chair of the Urban Renewal Commission for 2020. The motion carried with the following vote:**

**Aye:** 5 - Frank O'Donnell, Rachel Lyles Smith, Dan Holladay, Denyse McGriff and Shawn Cross

**Aye:** 5 - Frank O'Donnell, Rachel Lyles Smith, Dan Holladay, Denyse McGriff and Shawn Cross

**Nay:** 1 - Rocky Smith Jr.

**Nay:** 1 - Rocky Smith Jr.

**Motion made by Commissioner Holladay, seconded by Commissioner O'Donnell, to nominate Shawn Cross as the Vice Chair of the Urban Renewal Commission for 2020. The motion failed with the following vote:**

**Aye:** 3 - Frank O'Donnell, Dan Holladay and Shawn Cross

**Nay:** 3 - Rachel Lyles Smith, Rocky Smith Jr. and Denyse McGriff

**Motion made by Commissioner McGriff, seconded by Commissioner Smith, to postpone election of Vice Chair until there is a full Urban Renewal Commission. The motion carried with the following vote:**

**Aye:** 5 - Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Denyse McGriff and Shawn Cross

**Nay:** 1 - Dan Holladay

**4b.**

**Process to Consider Private Development Projects on Urban Renewal Agency Owned Properties**

*Tony Konkol, City Manager, noted that the City doesn't have an established policy to consider such developments, rather, projects have been considered on a case by case basis. City staff were seeking guidance from the Urban Renewal Commission (URC) in order to determine how to proceed with future developments.*

*Chair O'Donnell noted that he would like the URC to be thoroughly educated on the intricacies of urban renewal. He was hoping a training session was set up for February. He felt that a combination of methods outlined in Mr. Konkol's staff report would be the best way to move forward.*

*Commissioner Holladay felt that the process needed to remain at the staff level until the URC had a viable project. He was also okay with the request for proposals process on a site by site basis. He noted that the City just hired an Economic Development Manager and Commissioner Holladay thought it would be best for the manager to vet projects before presenting them to the URC.*

*Commissioner Lyles Smith asked for a recap of the work expected to be provided by the consultant. Mr. Konkol explained that the proposal was to bring in a consultant that would help the URC have a discussion beginning with an understanding of what urban renewal does, what the URC's existing plan says and having a coordinated public engagement process to get feedback from the community. Ultimately, it needed to be determined if the Downtown Urban Renewal District needs to remain in effect. If the decision was to close it down, then staff and the URC needed to work to close down the District. If the decision was to keep it open, things needed to be done such as looking at the relevancy of the existing Urban Renewal Plan and making updates to the Plan.*

*Mr. Konkol noted that staff had issued the notice of intent to award the project to a consultant and they were in the process of negotiating a scope of work. It was his hope to update the URC in March. He was anticipating about a nine-month process with a pretty aggressive meeting schedule.*

*Commissioner Lyles Smith felt the timeline was long and suggested a Saturday work session. She was concerned with moving forward with the issue on the agenda pending the URC getting a better understanding of the process. The URC was amendable to meeting on a Saturday but Commissioner McGriff and Commissioner Smith emphasized that the public needed to be included in the process.*

*Referring to the Commission Report, Commissioner Lyles Smith was in favor of option 1 which was to not move forward with any proposal until the Urban Renewal Community Engagement, Education and Plan Review process was completed.*

**Motion made by Commissioner Lyles Smith, seconded by Commissioner Holladay, to place a hold on moving any projects forward until the completion of the community engagement process, Option 1 in the staff report. The motion carried with the following vote:**

**Aye:** 6 - Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Dan Holladay, Denyse McGriff and Shawn Cross

**4c.** Minutes of the September 18, 2019 Regular Meeting

**Motion made by Commissioner Holladay, seconded by Commissioner McGriff, to approve the meeting minutes of September 18, 2019 and October 2, 2019. The motion carried with the following vote:**

**Aye:** 6 - Frank O'Donnell, Rachel Lyles Smith, Rocky Smith Jr., Dan Holladay, Denyse McGriff and Shawn Cross

**4d.** Minutes of the October 2, 2019 Regular Meeting

**5. City Manager's Report**

*There were no City Manager's reports.*

**6. Adjournment**

*The meeting was adjourned at 6:54 PM.*

*Respectfully submitted,*

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*Kattie Riggs, City Recorder*

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