



City of Tigard
City Center Development Agency Board
and Tigard City Council - Agenda

**TIGARD CITY COUNCIL AND CITY CENTER
DEVELOPMENT AGENCY BOARD**

MEETING DATE AND TIME: May 6, 2014 - 6:30 p.m.

MEETING LOCATION: City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

PUBLIC NOTICE:

Times noted are estimated.

Assistive Listening Devices are available for persons with impaired hearing and should be scheduled for City Center Development Agency Board meetings by noon on the Monday prior to the City Center Development Agency Board meeting. Please call 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

Upon request, the City will also endeavor to arrange for the following services:

- Qualified sign language interpreters for persons with speech or hearing impairments; and
- Qualified bilingual interpreters.

Since these services must be scheduled with outside service providers, it is important to allow as much lead time as possible. Please notify the City of your need by 5:00 p.m. on the Thursday preceding the meeting by calling: 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

SEE ATTACHED AGENDA



City of Tigard
City Center Development Agency Board
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**TIGARD CITY COUNCIL AND CITY CENTER
DEVELOPMENT AGENCY BOARD**

MEETING DATE AND TIME: May 6, 2014 - 6:30 p.m.

MEETING LOCATION: City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

6:30 PM

1. CITY CENTER DEVELOPMENT AGENCY MEETING/TIGARD CITY COUNCIL MEETING
 - A. Call to Order- City Center Development Agency and Tigard City Council
 - B. Roll Call
 - C. Call to Board/Council and Staff for Non-Agenda Items
2. APPROVE CITY CENTER DEVELOPMENT AGENCY MINUTES **6:35 pm estimated time**
 - April 1, 2014 CCDA Minutes
3. PRESENTATION BY CONSULTANT MICHELE REEVES - DOWNTOWN PUBLIC SPACES - **6:40 pm - estimated time**

**Note: Agenda Item Nos. 4 through 8 are business items that will need either City Center Development Agency Board consideration or City Council consideration.
The agenda title reflects whether this is a Board or a City Council action item.**

4. **CITY CENTER DEVELOPMENT AGENCY** RESOLUTION TO AMEND THE CITY CENTER URBAN RENEWAL PLAN (AMENDMENT NO. 1) - **7:40 p.m. - estimated time**
 - Add property acquisition and property disposition to the list of urban renewal projects.
 - Add the acquisition of the property at 9110 SW Burnham to the list of urban renewal projects.
5. **CITY COUNCIL** RESOLUTION TO AMEND THE CITY CENTER URBAN RENEWAL PLAN (AMENDMENT NO. 1) - **7:55 p.m. - estimated time**
 - Add Property Acquisition and Property Disposition to the list of urban renewal projects.
 - Add the acquisition of the property at 9110 SW Burnham to the list of urban renewal projects.

6. **CITY CENTER DEVELOPMENT AGENCY (CCDA)** RESOLUTION TO APPROVE PURCHASE OF THE MILLER PROPERTY AS OUTLINED IN THE PURCHASE AND SALE AGREEMENT AND TO AUTHORIZE THE CCDA EXECUTIVE DIRECTOR TO TAKE ACTION TO COMPLETE THE PURCHASE ON BEHALF OF THE AGENCY - **8:00 p.m. - estimated time**
7. **CITY CENTER DEVELOPMENT AGENCY (CCDA)** RESOLUTION TO AUTHORIZE AN INTERGOVERNMENTAL AGREEMENT (IGA) BETWEEN THE CCDA AND THE CITY OF TIGARD TO ENTER INTO INDEBTEDNESS AND DELEGATE TO THE EXECUTIVE DIRECTOR, OR DESIGNEE, THE AUTHORITY TO DETERMINE THE FINAL TERMS OF THE IGA AND TO EXECUTE THE IGA - **8:10 p.m. - estimated time**
8. **CITY COUNCIL** RESOLUTION TO AUTHORIZE DEBT UP TO \$1,400,000 AND DELEGATE AUTHORITY TO NEGOTIATE AND EXECUTE THE FINANCING AND ENTER INTO AND INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY CENTER DEVELOPMENT AGENCY (CCDA) AND THE CITY OF TIGARD TO ENTER INTO INDEBTEDNESS THAT WILL BE REPAID BY THE CCDA PROPERTY TAX INCREMENT - **8:20 p.m. - estimated time**
9. NON AGENDA ITEMS - **8:25 p.m. - esimated time**
 - EXECUTIVE SESSION: The Tigard City Center Development Agency Board may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.
10. ADJOURNMENT - **8:35 p.m. - estimated time**

AIS-1764

2.

CCDA Agenda

Meeting Date: 05/06/2014

Length (in minutes): Consent Item

Agenda Title: Approve City Center Development Agency Board Minutes

Submitted By: Cathy Wheatley, Administrative Services

Item Type: Motion Requested

Meeting Type: Consent Agenda - Approve Minutes

Public Hearing: No

Publication Date:

Information

ISSUE

N/A

STAFF RECOMMENDATION / ACTION REQUEST

N/A

KEY FACTS AND INFORMATION SUMMARY

Approve City Center Development Agency Minutes for April 1, 2014.

OTHER ALTERNATIVES

N/A

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

N/A

DATES OF PREVIOUS COUNCIL CONSIDERATION

N/A

Attachments

April 1, 2014 CCDA Minutes



City of Tigard
City Center Development Agency Meeting Minutes –
April 1, 2014

1. CITY CENTER DEVELOPMENT AGENCY BOARD MEETING

- A. Chair Cook called the meeting to order at 6:31 p.m.
- B. Roll Call:

<u>Name</u>	<u>Present</u>	<u>Absent</u>
Chair Cook	✓	
Board Member Henderson		✓
Board Member Buehner	✓	
Board Member Snider	✓	
Board Member Woodard	✓	

- C. Call to Council and Staff for Non Agenda – See agenda item No. 7.

Director Buehner read the following Executive Session citation:

- The CCDA will enter into an executive session in the Red Rock Creek Conference Room to discuss real property negotiations, under ORS 192.660 (2) (e). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

Executive Session concluded at 7:27 p.m.

**TIGARD CITY CENTER DEVELOPMENT AGENCY
MEETING MINUTES – APRIL 1, 2014**

2. APPROVE CITY CENTER DEVELOPMENT AGENCY MINUTES

- February 4, 2014 CCDA Minutes
- March 4, 2014 CCDA Minutes

Motion by Director Snider seconded by Director Buehner to approve the CCDA minutes as listed.

The motion passed by a unanimous vote of City Center Development Agency Board members present:

Chair Cook	Yes
Director Buehner	Yes
Director Henderson	Absent
Director Snider	Yes
Director Woodard	Yes

Director Buehner left the meeting.

3. UPDATE FROM CITY CENTER ADVISORY COMMISSION

Redevelopment Project Manager Farrelly introduced two new members of the CCAC: Richard Shavey and Henry March. Another new CCAC member, Lynn Scroggin was unable to attend tonight’s meeting. Mr. Shavey and Mr. March shared with the CCDA board why they volunteered to serve on the CCAC.

CCAC Chair Tom Murphy presented the update to the CCDA board. Highlights:

- At the next meeting the CCAC will be considering its goals for the remainder of 2014.
 - He noted Michele Reeves will be making a presentation on downtown public spaces to the CCDA board at its May meeting. Chair Murphy asked what feedback the board would like from the CCAC on this topic.
 - Director Snider said the CCDA board would be looking for advice and information on what the commission collectively thinks is important on that subject. This is becoming an important topic.
 - Chair Cook said specifically the CCDA would like to know what CCAC thinks would be integral components to a large plaza location or, if there was only smaller “pocket plaza locations,” what would those consist of. Director Snider added the CCDA board would be interested in hearing proposals for important criteria; i.e., what are the “must haves” and the “nice to haves.” Chair Cook asked for thoughts on what would attract people; i.e., the uses and functions of these spaces. Amenities such as a water feature might be

**TIGARD CITY CENTER DEVELOPMENT AGENCY
MEETING MINUTES – APRIL 1, 2014**

one or more of the elements in the public spaces. Chair Cook asked how the public spaces could be utilized for everything from a community garden to a farmers market. What is the best timing for creating the plaza; that is, if a large parcel of property can be purchased soon, should the CCDA invest in improvements now or wait until after additional business development happens?

- Redevelopment Project Manager Farrelly said he thought that for the upcoming CCAC meeting, the CCAC will put together the collective thoughts on what else they would like to see Michele Reeves review. The CCAC developed criteria to site a public plaza about three years ago.
- Director Woodard suggested the CCAC examine opportunities and risk for activation of a public space. As an example, should connectivity hubs be identified (trail systems) to site public meeting areas. Another suggestion was to perform a gap analysis (identify the current situation and the future state desired). Policies also need to be identified and articulated regarding public spaces and storefronts; i.e., are street vendors acceptable in these spaces, and if so, what types of vendors are desired. Would different spaces call for different ambiances/characterizations?
- CCAC Chair Murphy said he would comment on the commission's discussion on the concept of a vertical housing zone after Economic Development Manager Purdy's presentation later on the agenda.
- CCAC Chair Murphy referred to the impact of Measure 34-210 on the Urban Renewal District. Mr. Murphy prefaced his remarks and advised Measure 34-210 was not discussed by the CCAC and the following statements were his opinion:
 - In the short-term the approval of Measure 34-210 will have little or no impact. It is likely that substantial new development in the area is several years out, with the exception of the development of the public works yard. He anticipates that the city will continue to work with what is in existence in the area in the short term.
 - Substantial new development must be the goal for the Urban Renewal Area since this is the only way the tax increment will grow to fund the urban renewal process. Over the long term, Mr. Murphy said he believes that Measure 34-210 is a negative because it introduces delay and uncertainty into the development process. He said he is unsure if the area has adequate HCT transit to support a vibrant VHDZ and this translates to uncertainty to developers as well.
 - Mr. Murphy said he believes the passage of Measure 34-210 will burden and complicate any new development of substantial scale in the Urban Renewal District. The only way to deal with this is to mitigate the delay and eliminate the uncertainty.
 - Redevelopment Project Manager Farrelly commented that the presence of WES in the downtown area would "give us some points."

TIGARD CITY CENTER DEVELOPMENT AGENCY MEETING MINUTES – APRIL 1, 2014

4. PREVIEW DOWNTOWN PUBLIC SPACE PRESENTATION

Redevelopment Project Manager Farrelly gave the preview. He advised that Consultant Michele Reeves will be at the CCDA Board meeting in May to give a presentation on the downtown public space. In preparation, she asked for input from the board members on topics.

Redevelopment Project Manager Farrelly reviewed her draft presentation outline:

- What is public space?
- What makes public space successful?
- Review of the mechanics of plazas and squares, green spaces, hybrid spaces.
- Impact of public spaces in commercial districts.
- Phasing public space development.
- Leveraging public space for economic development goals.

Director Snider said he thinks the CCAC should have a conversation about this topic before and after Ms. Reeves' presentation. Redevelopment Project Manager Farrelly confirmed that the CCAC and others will be invited to hear Ms. Reeves' presentation to the CCDA Board.

Councilor Snider commented that as future projects are scheduled for discussion, could Ms. Reeves be asked to participate in this discussion. City Manager Wine and Community Development Director Asher agreed this is a possibility. City Manager Wine referred to a report distributed to the CCDA board from Ms. Reeves on a plaza site. Councilor Snider said he thought it would be worth the expense of including Ms. Reeves' participation when it comes time to make decisions on large investments in the downtown. City Manager Wine said staff will give thought about how to incorporate or formulate a plan based on Councilor Snider's suggestion. Community Development Director Asher said the city will get the best of Ms. Reeves' thinking about downtown revitalizations, main streets and how public spaces work within the next month. If the board and staff are looking to Ms. Reeves for tactical advice, Community Development Director Asher proposed that this could be accomplished in an affordable manner. Mr. Asher urged the board members to be prepared with questions and take advantage of Ms. Reeves' visit next month.

Director Snider advanced a question he has for Ms. Reeves and asked that Redevelopment Project Manager Farrelly transmit this to her: "If money and regulation and who owned what was no object...where would she put a plaza and what it would look like..." After a brief discussion, general consensus was that the report prepared by Ms. Reeves three years ago was based upon the elements of Director Snider's question. Community Development Director Asher said staff would ask Ms. Reeves the question to give any updates on this question that she might have.

5. UPDATE ON TARGETED IMPROVEMENT PROGRAM FUNDED PROJECTS

TIGARD CITY CENTER DEVELOPMENT AGENCY MEETING MINUTES – APRIL 1, 2014

Redevelopment Project Manager Farrelly advised that Peter Luong from Jeffrey Allen Home Décor had been present earlier tonight, but because the agenda was reorganized, he was unable to stay to give his update. Mr. Farrelly shared photographs on recent activity rehabilitating the downtown property owned by Mr. Luong for his design business. These photos are on file with the record copy of the meeting packet and included depictions of:

- Façade improvements
- An addition to the rear of the building (orchid greenhouse)
- Outdoor display area
- Exterior lighting
- Interior remodeling

This business is scheduled for a July opening. This business has taken advantage of a Façade Improvement Grant and a Targeted Improvement Incentive Grant, which is the reason why the business owners decided to locate in the downtown. Community Development Director Asher added the city has given the business owners additional help with permitting and navigation through code requirements. Community Development Director Asher said this project would have never happened without the presence of the urban renewal district and staff assistance providing the incentive and support. This project is generating additional enthusiasm for the potential of the downtown. Mr. Murphy advised the owners of Jeffrey Allen Home Décor have initiated some preliminary participation in the Tigard Downtown Alliance, including paying dues.

6. DISCUSS PROCEEDING WITH A VERTICAL HOUSING DEVELOPMENT ZONE (VHDZ)

Economic Development Manager Purdy presented the staff report on this agenda item:

- No request for a decision from the board at this meeting; the presentation is intended to prepare board members to consider a VHDZ when it comes before the City Council.
- A PowerPoint was used to illustrate key points.
- A VHDZ is an economic development tool that includes:
 - Working with partners (public, private).
 - Leveraging private sector development investment.
 - Business assistance.
 - Solving problems with multiple tools.
- Mixed-use development is utilized by pairing first-story commercial activity with residential activity above.
- VHDZ occurs within a state-legislated process to qualify for a ten-year tax abatement based upon some restrictions.
- Once the district is created, the city has two options:

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- Let it stand for the ten-year life of the district, or
 - Cancel the district.
- Tax abatements are only applied to the value of the building; the land is excluded.
- An application from a developer has to be submitted to the state before January 2016 to utilize this program. The state might extend this program.
- All other taxing districts are notified and they have the option to opt out; however, the city could still choose to move forward with district formation.
- If the City Council endorses formation of a VHDZ, staff will begin the process of notifying the overlapping taxing districts to give them ample time to work with the city to understand the benefits of the VHDZ.
- Examples from other areas were reviewed: Hillsboro, Milwaukie and Gresham.
- VHDZ spaces are attractive to small business owners.
- State preferences for VHDZ properties were reviewed:
 - Located in areas zoned for mixed-uses.
 - Located within a half-mile radius of existing or planned rail stations or within a one-quarter mile radius of fixed-route transit.
 - Completely within the core area of an urban center.
- Reviewed potential logical sites in existence for a VHDZ in downtown Tigard and the type of development possible. Also reviewed was the increased amount of tax revenue generated by such a development, which is incentivized to occur because of the tax abatement and urban renewal.
- Discussion occurred on the importance of educating the other taxing districts on the benefits of a VHDZ, including basic information on land use development.
- Reviewed the scope and scale of the collective amount of potential VHDZ sites in the downtown area.
- Director Woodard noted he would like to have a discussion about expanding the urban renewal zone; the added area (Center Street) might also be prime for a VHDZ.
- Discussion occurred about the potential of areas near Washington Square that could benefit from VHDZ.
- Economic Development Manager Purdy said he would like to proceed with discussing a VHDZ with other taxing districts over the next two-and-one-half months. He would return to the City Council with a proposed resolution identifying properties for a VHDZ. Director Snider suggested that initial contacts be between elected officials.
- Director Woodard introduced thoughts about how many stories should be encouraged for VHDZ development. The downtown is limited to six stories (eighty feet) while other areas, such as the Triangle, could be built higher. The limit to downtown was based on requirements from the Oregon Department of Transportation because of traffic impacts (trip caps). Similar issues on traffic impacts will be subjects to resolve in the development of the Triangle.

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- Chair Cook pointed to arguments from supporters and detractors of VHDZ. Detractors might argue that the city would be subsidizing “big business” with taxpayer dollars. Another opposing argument would be a question as to whether the city is trying to force density into an area where they do not want it.
 - Community Development Director Asher responded to Chair Cook’s request for responses to the detractors. Mr. Asher advised he did not think it was accurate to say that an individual’s taxpayer dollars would be serving big business, because these tax dollars are not available or present in the community. The concept of a subsidy is ostensibly forgoing some public revenue for the sake of some public purpose. If the audience does not buy into the “public purpose” of the object of subsidy, then a reasonable conversation is unlikely.
 - Community Development Director Asher said the intent is not to force anything – the city is attempting to implement long-standing plans. The city has for a long time supported working toward a downtown environment that would attract a certain kind of retail and this retail needs people in the proximity (density). These plans are for the sake of livability, walkability and community. The market apparently will not produce this by itself without support from the city/CCDA.
 - Economic Development Manager Purdy referred to plans and regulations, other than the downtown plan, that would support proceeding with a VHDZ: Triangle plan, Goal 9 and Comprehensive Plan Goal 10. Mr. Asher said the best way to communicate/persuade is to talk about value added; i.e., livability.
 - CCAC Chair Murphy advised CCAC discussed VHDZ at its March meeting.
 - CCAC members were cautiously optimistic about this idea as an incentive tool. Members were cautious because of the newness of the idea.
 - Initially, Mr. Murphy was put off because of a reduction of a portion of the increment for the district and he acknowledged this might be the reaction of other taxing districts when they first hear about VHDZ. However, he realized the value that might be gained that would not otherwise be possible without the use of this tool.
 - CCAC members noted they liked that VHDZ would incentivize residential development, which is a key to success for the urban renewal district.
 - There is some loss of local control to the state. But, the city can opt out of the VHDZ at any time on a go-forward basis; that is, abatements already granted would continue, but the program could be stopped for future abatements if the city decides to do so.
 - CCAC thinks it would be worthwhile to receive input from other communities who have VHDZ projects.
 - CCAC also would like input from developers on VHDZ projects. Community Development Director Asher advised developers think the VHDZ is essential to make projects viable. Mr. Asher noted that VHDZ would only be available to mixed-use sites. The Public Works yard is not

**TIGARD CITY CENTER DEVELOPMENT AGENCY
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mixed use and available only for residential development (no visibility for commercial development), so other tools to assist development will be sought.

- Chair Murphy said because of the 10-year length of the tax abatement, the city might want to consider extending the duration of the existence of the urban renewal district plan. This would be to give time after the expiration of the VHDZ abatements to place the released taxes into the increment. The City Council can extend the urban renewal district duration indefinitely.
- Community Development Director Asher spoke in support of Councilor Snider's recommendation to immediately share this idea with other taxing jurisdictions before the city is in a hurry to get a project done. This will be of benefit to this endeavor as well as begin relationship building and partnering that is needed if the city ever wants to extend, expand or do another urban renewal district. These conversations should be had with the long-term health and prosperity of these areas in mind.
- City Manager Wine confirmed that a meeting with the School District Board is being targeted for this summer.
- Consensus of the board members present was for Economic Development Manager Purdy to pursue establishment of VHDZ in as many locations as might be possible.
- In response to a question by Chair Murphy, the Mayor Cook and Redevelopment Project Manager Farrelly said a letter of support of VHDZ from the CCAC would be appreciated.

7. NON AGENDA ITEMS

- Following the Executive Session Financial and Information Services Director LaFrance advised that Standard & Poor's bond rating for the City of Tigard was advanced to AA+; this is the second highest rating possible. Financial and Information Services Director LaFrance distributed to council a letter and report regarding this new rating.
- City Manager Wine briefed the City Center Development Agency that staff has come to terms with the Oregon Department of Transportation and Portland Western Railroad on a 99-year, zero consideration lease that will allow the city to use the space next to Symposium Coffee for the Tigard Street Trail. The lease allows the city to make improvements that includes the development of the public space, fencing and trail. The city will spend money on the maintenance, insurance and installation of improvements. The railroad could decide, at any point, to use this line as they will retain their exclusive easement to convert back to a rail use with six months' notice. The city would be required to pull the improvements made. This lease will be before the City Council next week to approve. This lease will allow the city to remain competitive for a Connect Oregon V grant. City Manager Wine recited the value added with the ability to make this connection to the downtown.
- City Manager Wine said that the Portland Water Bureau advised Tigard today that they tested positive for e-coli in a Reservoir No. 5 (Mount Tabor) water sample. If the sample taken tomorrow is the same, then the city will be under a "boil water advisory." Staff is preparing, in the event this happens, to lift Tigard out of the advisory as quickly as possible. Notification process was reviewed.

TIGARD CITY CENTER DEVELOPMENT AGENCY MEETING MINUTES – APRIL 1, 2014

- o City Recorder Wheatley submitted to the Council/City Center Development Agency members present a letter announcing she is retiring effective, July 7, 2014.

8. ADJOURNMENT – 9:04 p.m.

Motion by Director Snider, seconded by Director Woodard, to adjourn the meeting.

The motion passed by a unanimous vote of the board present:

Chair Cook	Yes
Director Buehner	Absent
Director Henderson	Absent
Director Snider	Yes
Director Woodard	Yes

Catherine Wheatley, City Recorder

Attest:

Chair, City of Tigard City Center Development Agency

Date: _____

**TIGARD CITY CENTER DEVELOPMENT AGENCY
MEETING MINUTES – APRIL 1, 2014**

AIS-1688

3.

CCDA Agenda

Meeting Date: 05/06/2014

Length (in minutes): 60 Minutes

Agenda Title: Downtown Public Space

Submitted By: Sean Farrelly, Community Development

Item Type: Update, Discussion, Direct Staff **Meeting Type:** City Center Development Agency

Public Hearing: No

Publication Date:

Information

ISSUE

Presentation by Consultant Michele Reeves on Downtowns and Public Spaces

STAFF RECOMMENDATION / ACTION REQUEST

No action is needed for this agenda item. The Board of the CCDA is requested to participate in the presentation and discussion.

KEY FACTS AND INFORMATION SUMMARY

One of the major goals of the City Center Urban Renewal Plan is to develop additional public spaces and parks in the downtown. Public plazas and urban green spaces have the potential to encourage a broader range of active and passive recreational uses in downtown and attract more residents and visitors to the area.

The Fanno Creek Park and Plaza Master Plan was the first effort in advancing downtown public space. Subsequent to its adoption in 2008, there was a reconsideration of the scale of the public plaza, as well as the financial costs of acquiring the identified site. The voter-approved 2010 Park Bond included up to \$1.3 million to be spent on downtown park land acquisition and these funds remain available. Several properties have been investigated for public space; however, no properties have been purchased due to various issues with the properties location, size, price, and owner willingness to sell.

Staff is currently focusing on opportunities for smaller public spaces in the Downtown: a feasibility plan for public space fronting Fanno Creek adjacent to the brewpub is underway; designing a small plaza where the Tigard Street Trail meets Main Street will start later this year.

The success of public spaces in downtowns is dependent on the evolution of the downtown. Building a large public plaza, without a critical mass of residents to frequent it, or adjacent

development to activate it, could result in an unsuccessful space.

Michele Reeves, an urban strategist will present a PowerPoint on Downtowns and Public Spaces, followed by a discussion. The following topics will be covered:

- How Mixed-Use Districts Evolve

Review of the stages that mixed-use districts go through as they evolve with an eye on reinforcing the stages -- adaptive reuse, small infill, large infill.

- Public Space Overview

Review of different types of space and how it contributes to/detracts from Main Street/Downtown environments using examples from around the country and around our region. Streets, sidewalks, alleys, plazas, and green spaces will be discussed.

- Plazas

Review of what makes plazas great, including framing, size, activation, and general design principles.

- Green Spaces

Review of what makes green spaces great, particularly looking at urban settings.

- Hybrid Public Spaces

A look at what makes Jamison Square tick - one of the most often cited successful urban parks in the region.

- Public Space and Commerce

A look at the tie between public space and commerce and a summary of the types of things that emerging and transition districts should think about when building toward successful public spaces that build district identity and improve commerce.

The City Center Advisory Commission, members of the Tigard Downtown Alliance, Parks and Recreation Board, and Planning Commission members will be invited to the presentation and discussion.

OTHER ALTERNATIVES

There are no alternative actions for this item.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

Council 2014 Goals

Downtown:

Continue Downtown Plaza Site acquisition and design approval (contingent on site acquisition)

DATES OF PREVIOUS COUNCIL CONSIDERATION

August 9, 2011- Michele Reeves gave a presentation to the CCDA Board on public spaces

Attachments

No file(s) attached.

AIS-1746

4.

CCDA Agenda

Meeting Date: 05/06/2014

Length (in minutes): 15 Minutes

Agenda Title: CCDA Board Consideration of Amendment #1 to the City Center Urban Renewal Plan for Property Acquisition

Submitted By: Sean Farrelly,
Community
Development

Item Type:

Meeting Type: City Center
Development
Agency

Public Hearing

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall the Board of the City Center Development Agency consider a resolution to amend the City Center Urban Renewal Plan to:

- Add Property Acquisition and Property Disposition to the list of urban renewal projects.
- Add the acquisition of the property at 9110 SW Burnham to the list of urban renewal projects.

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends the Board of the CCDA approve the resolution.

KEY FACTS AND INFORMATION SUMMARY

The Board of the CCDA will consider approval of the purchase of the 1.18 acre property at 9110 SW Burnham Street. To acquire this property, the City Center Urban Renewal Plan needs to be amended. This is the first proposed amendment to the Plan since it was approved by voters in 2006.

Section VIII of the City Center Urban Renewal Plan authorizes property acquisition from willing sellers within the urban renewal district to complete public improvements and to support development of retail, office, housing, and mixed-use projects. Land disposition to support the goals of the urban renewal plan is also authorized.

The proposed amendment (included in Exhibit A to the resolution) will add “Real Property

Acquisition” and “Real Property Disposition” to the list of Urban Renewal Projects in Section V. The acquisition of the property at 9110 SW Burnham will be specifically listed as a project under “Real Property Acquisition.” Future acquisitions of properties by the urban renewal agency will also necessitate amending the Plan to add the property to be acquired to the “Real Property Acquisition” project list.

Section XII of the City Center Urban Renewal Plan establishes the procedures to amend the Plan. The proposed amendment is considered a Council-Approved Amendment, because it is an “Addition or expansion of a project that adds a cost in 2005 dollars of more than \$500,000 and is materially different from projects previously authorized in the Plan.” Council-approved amendments require both the approval of the Agency by resolution and approval of the City Council. The amendment will be considered by the City Council and Board of the CCDA in separate resolutions.

OTHER ALTERNATIVES

The CCDA Board could choose not to adopt the resolution to amend the plan and not acquire the property.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Council 2014 Goal

Downtown:

Finalize downtown redevelopment opportunities (if issues can be addressed).

City Center Urban Renewal Plan

DATES OF PREVIOUS CONSIDERATION

The CCDA Board has discussed purchasing the property in executive session on a number of occasions including:

April 1, 2014
January 7, 2014
December 3, 2013
November 5, 2013
September 3, 2013
August 20, 2013

Fiscal Impact

Cost: \$1.3 million

Budgeted (yes or no): FY 15-16

Where Budgeted (department/program): CCDA

Additional Fiscal Notes:

This amendment to the City Center Urban Renewal Plan will allow the acquisition of the 9110 SW Burnham Street property. The acquisition will be financed by a loan from a financial institution. A separate resolution will authorize the financing. Projected debt service is included in the proposed FY 15-16 CCDA budget.

Attachments

CCDA Resolution

Exhibit A

**CITY OF TIGARD, OREGON
CITY CENTER DEVELOPMENT AGENCY
RESOLUTION NO. 14-_____**

**A RESOLUTION AMENDING THE CITY CENTER URBAN RENEWAL PLAN
BY ADDING PROPERTY ACQUISITION AND PROPERTY DISPOSITION TO
THE LIST OF URBAN RENEWAL PROJECTS AND ADDING THE
ACQUISITION OF 9110 SW BURNHAM STREET PROPERTY (TAXLOT ID
2S12AC-00202) AS A PROJECT**

WHEREAS, ORS 457. 170(3) authorizes the City Center Development Agency (CCDA) to acquire real property pursuant to its approved urban renewal plan; *and*

WHEREAS, the City Center Urban Renewal Plan dated December 6, 2005 authorizes the acquisition and disposition of property with the Urban Renewal Area to support the development of retail, office, housing; and mixed use projects; *and*

WHEREAS, the City Center Development Agency will acquire the 9110 SW Burnham Street property (Taxlot ID 2S12AC-00202) in the Urban Renewal Area, which requires amending the plan to add property acquisition and disposition to the list of urban renewal projects; *and*

WHEREAS, adding projects that add a cost in 2005 dollars of more than \$500,000 and are materially different from projects previously authorized in the plan may be approved through a Council-approved amendment; *and*

WHEREAS, the Tigard City Council will also approve the amendment by resolution.

NOW, THEREFORE, BE IT RESOLVED, by the Board of the Tigard City Center Development Agency that:

SECTION 1: The City Center Urban Renewal Plan is hereby amended with the language found in Exhibit A.

SECTION 2: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____, 2014.

Chair – City of Tigard
City Center Development Agency

ATTEST:

Recorder – City of Tigard City Center Development Agency

Proposed new text is shown in double-underline.

V. URBAN RENEWAL PROJECTS

Urban renewal projects authorized under the Plan, which may be undertaken by the Agency, are described below and shown in Figures 2 to 7. To preserve and enhance the Area's natural resources, projects will be designed and implemented with consideration for ecologically sensitive areas and to minimize the impacts of development on the environment. Property acquisition may be required for these projects. Further, some of the projects described herein will require participation of other public agencies. In addition, real property acquisition and disposition are Projects under the plan as described in Section V , paragraphs H and I.

A. Street Improvements

Street Improvements projects are designed to improve multimodal circulation and connectivity within downtown Tigard. The projects will also facilitate access between downtown and adjacent residential, commercial and employment areas. To create a pedestrian environment that encourages active uses such as shopping, entertainment and commercial business activity, utilities may be undergrounded concurrent with street improvements.

1. Ash Avenue Extension, Scoffins to Burnham, Including RR Crossing

The extension of Ash Avenue from Burnham Street to Commercial Street is a project under the Plan. A new railroad crossing will be developed as part of the project.

2. Scoffins Street/Hall Boulevard/Hunziker Re-Alignment

The re-alignment of the Scoffins Street/Hall Boulevard/Hunziker Road intersection is a project under the Plan. Currently, Scoffins Street and Hunziker are poorly aligned, which increases congestion and slows traffic at this three-way intersection.

3. Hall Blvd/Highway 99W Intersection Improvements

Improvements to the intersection of Hall Boulevard/Highway 99W are a project under the Plan. The project will improve multimodal circulation and safety and reduce congestion at this major intersection, which serves as an important gateway to downtown.

4. Greenburg Road/Highway 99W Intersection Improvements

The City has recently commissioned a study that will determine what improvements will be needed to reduce congestion and increase multimodal circulation at the intersection of Greenburg Road and Highway 99W. Tax increment revenues may be used to finance recommended intersection improvements.

5. Burnham Street Improvements

The reconstruction and widening of Burnham Street is a project under the Plan.

6. Center Street Improvements

Upgrades and improvements to Center Street are a project under the Plan.

B. Streetscape Improvements

The Tigard Downtown Improvement Plan identifies landscaping features, street trees and street furniture as improvements that will enhance the physical appearance of downtown and attract a broader range of users, including shoppers, tourists and commercial employers. Streetscape improvements on the following streets in the downtown area are a Project under the Plan:

1. Main Street

2. Burnham Street

EXHIBIT A

3. Commercial Street
4. Ash Avenue
5. Scoffins Road
6. Center Street

C. Bike/Pedestrian Facilities

Bike/Pedestrian Facilities are designed to facilitate safe and convenient multimodal access throughout the Urban Renewal Area.

1. Commuter Rail Access

The provision of pedestrian access to the proposed downtown Tigard commuter rail station from Burnham Street is a project under the Plan.

2. Hall Blvd.

This project will increase pedestrian access and safety by eliminating gaps in the sidewalk on the east side of Hall Boulevard and repairing sidewalks and curbs on both sides of Hall Boulevard as needed.

3. Scoffins Street

The installation of bicycle lanes and sidewalks on Scoffins Street, which currently lacks pedestrian and bicycle facilities, is a project under the Plan.

4. Tigard Street

This project will provide a new bike lane on the south side of Tigard Street and upgrade the existing bike lane on the north side to standard.

5. Highway 99W

The installation of contiguous sidewalks on both sides of Highway 99W and a grade-separated bicycle/pedestrian crossing at Greenburg Road to increase pedestrian and bicycle safety is a project under the Plan.

6. Center Street

The provision of sidewalks and bicycle lanes on Center Street is a project under the Plan.

7. Enhanced Pedestrian Bridge over Fanno Creek Connecting to Ash Avenue

The design and construction of an enhanced pedestrian bridge over Fanno Creek, connecting to Ash Avenue, is a project under the Plan. This project will facilitate access between residential neighborhoods west of Fanno Creek and downtown and will be designed to minimize impacts to sensitive areas and preserve wetlands buffers.

8. Conversion of Existing North Rail Corridor into a Multi-use Pedestrian Trail

The conversion of the existing north rail corridor into a multi-use pedestrian trail is a project under the Plan. This project will increase pedestrian access and provide new recreational opportunities for residents, workers and visitors to downtown. Key components of the project may include bio-swales, native vegetation, pervious pavement and low impact stormwater conveyance/treatment features that will distinguish downtown Tigard from other communities by promoting sustainable development.

9. Tigard Street/Grant Bicycle/Pedestrian Crossing

The design and construction of a new at-grade bicycle/pedestrian crossing that will extend from the intersection of Tigard Street and Grant Street (south of the railroad) to the north side of the railroad tracks is a project under the Plan. The crossing will facilitate circulation and access to downtown by non-motorized vehicles. Automobiles and other motorized vehicles will be prohibited.

D. Parks

1. Fanno Creek Park Improvements

Upgrades and improvements to Fanno Creek Park, as well as the preservation and restoration of environmentally sensitive areas, is a project under the Plan.

2. Skateboard Park

The construction of a new skateboard park is a project under the Plan. The proposed location of the skateboard park is the City Hall parking lot.

E. Public Spaces

1. Green Corridor/Urban Creek

The development of a green corridor/urban creek that will extend from the intersection of Highway 99W and Hall Boulevard through downtown and to Fanno Creek in a project under the Plan. Key components of the project may include bio-swales, native vegetation, pervious pavement and other low impact stormwater conveyance/treatment features.

2. Plazas

The design and construction of public plazas that will serve as public gathering spaces is a project under the Plan. This project will encourage a broader range of active and passive recreational uses in downtown and attract more residents and visitors to the area.

3. Urban Green Spaces

The development of high quality urban green spaces suitable for a range of recreational uses is a project under the Plan. Similar to the plazas project, this project will increase the overall livability and attraction of the downtown area. The urban green space will be designed to promote the preservation and restoration of environmentally sensitive areas.

4. Public Market

The design and development of a public market in the proposed public use area near Fanno Creek is a project under the Plan.

F. Public Facilities

The Plan includes the following public facilities. Prior to the expenditure of tax increment revenues for any of these projects, the Agency will be required to adopt a Minor Amendment to the Plan (as provided in Section XII) explaining how the facility serves or benefits the Area, and further stating the proportion of the benefits of these facilities that will accrue to the Area and finding that the amount of the expenditure is proportional to the amount of benefit to the Area. Design and development will be a part of all proposed public facilities projects identified in the Plan.

1. Performing Arts Center

The design and construction of a performing arts center in downtown Tigard is a project under the Plan. This project, which is recommended in the Tigard Downtown Improvement Plan, will provide new entertainment and recreation opportunities that will attract residents and out-of-town visitors to downtown.

2. Public Parking Facilities

The design and construction of new public parking facilities is a project under the Plan. As new shopping, recreational and entertainment uses, including the proposed performing arts center and public market, are established in the downtown area, new public parking facilities will be needed to accommodate the anticipated increase in parking demand.

3. Post Office Relocation

The relocation of the existing downtown post office is a project under the Plan.

4. Public Market Area

The development of a public market area in the proposed public use area near Fanno Creek is a project under the Plan.

5. Public Restrooms

The provision of public restrooms in public gathering spaces is a project under the Plan.

G. Planning and Development Assistance

Offering the following types of planning and development assistance to support the development, redevelopment and rehabilitation of private property in the Area is a project under the Plan. Detailed rules and regulations for the administration of financial and technical assistance programs will be established by the Agency after adoption of the Plan in order to ensure that urban renewal funds are used in compliance with the Plan and for the agreed upon Plan purposes. The adoption and amendment of such programs, rules and regulations would not be considered changes to the Plan.

1. Rehabilitation/Redevelopment Grant/Loan Program

The Urban Renewal Plan authorizes loans and/or grants for property rehabilitation and redevelopment. Property to be improved may be residential or commercial. Loans may be at or below market rates, and assistance can include direct loans or guarantees of loans made by third parties.

2. New Development Grant/Loan Program

In addition to providing rehabilitation and redevelopment assistance, the Urban Renewal Plan authorizes loans and/or grants for new development. Property to be improved may be residential or commercial. Loans may be at or below market rates, and assistance can include direct loans or guarantees of loans made by third parties.

3. Technical Assistance Program

The Urban Renewal Plan authorizes technical assistance in the form of site studies, market studies, feasibility analyses, engineering and design and other activities directly related to development of property in the urban renewal area. Examples of such technical assistance may include structural analysis of downtown building to promote rehabilitation of underutilized buildings and relocation strategies for existing downtown businesses seeking to move to an alternative site within the urban renewal area.

4. Commercial Façade Improvement Loans

To create a distinct identity for downtown Tigard that is visually appealing and unified, the Urban Renewal Plan authorizes façade improvement loans for commercial development. Improvements will be used to enhance the architectural integrity and character of historic commercial buildings and storefronts in need of a “face lift.”

H. Real Property Acquisition.

In addition to acquisition of real property, or any interest in real property, in conjunction with the Projects identified in paragraphs A through G., real property may be acquired as determined by the Agency to be necessary to further the Goals and Objectives of the City Center Renewal Plan and as provided in Section VIII, paragraph A. This includes acquisition of real property from willing sellers to support development or redevelopment of retail, office, housing and mixed use project within the Area.

1. Burnham Street Property, Taxlot ID 2S12AC-00202 will be acquired.

I. Real Property Disposition.

In addition to disposal of real property, or any interest in real property, in conjunction with the Projects identified in paragraphs A through G., real property may be disposed of as determined by the Agency to be necessary to further the Goals and Objectives of the City Center Renewal Plan and

EXHIBIT A

as provided in Section VIII, paragraph A. This includes real property disposition to support development or redevelopment of retail, office, housing and mixed use project within the Area.

AIS-1754

5.

CCDA Agenda

Meeting Date: 05/06/2014
Length (in minutes): 5 Minutes
Agenda Title: Council Consideration of Amendment #1 to City Center Urban Renewal Plan
Submitted By: Sean Farrelly,
Community Development
Item Type: Resolution **Meeting Type:** City Center Development Agency
Public Hearing No
Newspaper Legal Ad Required?:
Public Hearing Publication
Date in Newspaper:

Information

ISSUE

Shall the Tigard City Council consider a resolution to amend the City Center Urban Renewal Plan to:

- Add Property Acquisition and Property Disposition to the list of urban renewal projects.
- Add the acquisition of the property at 9110 SW Burnham to the list of urban renewal projects.

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends the Tigard City Council approve the resolution.

KEY FACTS AND INFORMATION SUMMARY

The Board of the CCDA will consider approval of the purchase of the 1.18 acre property at 9110 SW Burnham Street. To acquire this property, the City Center Urban Renewal Plan must be amended.

Section XII of the City Center Urban Renewal Plan establishes the procedures to amend the Plan. The proposed amendment is considered a Council-Approved Amendment, because it is an “Addition or expansion of a project that adds a cost in 2005 dollars of more than \$500,000 and is materially different from projects previously authorized in the Plan.”

Council-Approved amendments require both the approval of the Agency by resolution and approval of the City Council. The amendment will be considered by the City Council and Board of the CCDA in separate resolutions.

The proposed amendment (included in Exhibit A to the resolution) will add “Real Property Acquisition” and “Real Property Disposition” to the list of Urban Renewal Projects in Section V. The acquisition of the property at 9110 SW Burnham will be specifically listed as a project under “Real Property Acquisition.”

OTHER ALTERNATIVES

The Tigard City Council could choose not to adopt the resolution to amend the plan and not acquire the property.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Council 2014 Goal

Downtown:

Finalize downtown redevelopment opportunities (if issues can be addressed).

City Center Urban Renewal Plan

DATES OF PREVIOUS CONSIDERATION

The CCDA Board has discussed purchasing the property in executive session on a number of occasions including:

April 1, 2014

January 7, 2014

December 3, 2013

November 5, 2013

September 3, 2013

August 20, 2013

Fiscal Impact

Cost: \$1.3 million

Budgeted (yes or no): FY 15-16

Where Budgeted (department/program): CCDA

Additional Fiscal Notes:

This amendment to the City Center Urban Renewal Plan will allow the acquisition of the 9110 SW Burnham Street property. The acquisition will be financed by a loan from a financial institution. A separate resolution will authorize the financing. Projected debt service is included in the proposed FY 15-16 CCDA budget.

Attachments

Council Resolution

Exhibit A

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 14-

A RESOLUTION AMENDING THE CITY CENTER URBAN RENEWAL PLAN BY ADDING PROPERTY ACQUISITION AND PROPERTY DISPOSITION TO THE LIST OF URBAN RENEWAL PROJECTS AND ADDING THE ACQUISITION OF 9110 SW BURNHAM STREET PROPERTY (TAXLOT ID 2S12AC-00202) AS A PROJECT

WHEREAS, ORS 457. 170(3) authorizes the City Center Development Agency (CCDA) to acquire real property pursuant to its approved urban renewal plan; and

WHEREAS, the City Center Urban Renewal Plan dated December 6, 2005 authorizes the acquisition and disposition of property with the Urban Renewal Area to support the development of retail, office, housing; and mixed-use projects; and

WHEREAS, the City Center Development Agency will acquire the 9110 SW Burnham Street property (Taxlot ID 2S12AC-00202) in the Urban Renewal Area, which requires amending the plan to add property acquisition and disposition to the list of urban renewal projects; and

WHEREAS, adding projects that add a cost in 2005 dollars of more than \$500,000 and is materially different from projects previously authorized in the plan may be approved through a Council-approved amendment; and

WHEREAS, the City Center Development Agency will also approve the amendment by resolution.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The City Center Urban Renewal Plan is hereby amended with the text found in Exhibit A.

SECTION : This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2014.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

Proposed new text is shown in double-underline.

V. URBAN RENEWAL PROJECTS

Urban renewal projects authorized under the Plan, which may be undertaken by the Agency, are described below and shown in Figures 2 to 7. To preserve and enhance the Area's natural resources, projects will be designed and implemented with consideration for ecologically sensitive areas and to minimize the impacts of development on the environment. Property acquisition may be required for these projects. Further, some of the projects described herein will require participation of other public agencies. In addition, real property acquisition and disposition are Projects under the plan as described in Section V , paragraphs H and I.

A. Street Improvements

Street Improvements projects are designed to improve multimodal circulation and connectivity within downtown Tigard. The projects will also facilitate access between downtown and adjacent residential, commercial and employment areas. To create a pedestrian environment that encourages active uses such as shopping, entertainment and commercial business activity, utilities may be undergrounded concurrent with street improvements.

1. Ash Avenue Extension, Scoffins to Burnham, Including RR Crossing

The extension of Ash Avenue from Burnham Street to Commercial Street is a project under the Plan. A new railroad crossing will be developed as part of the project.

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EXHIBIT A

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Bike/Pedestrian Facilities are designed to facilitate safe and convenient multimodal access throughout the Urban Renewal Area.

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The provision of pedestrian access to the proposed downtown Tigard commuter rail station from Burnham Street is a project under the Plan.

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This project will increase pedestrian access and safety by eliminating gaps in the sidewalk on the east side of Hall Boulevard and repairing sidewalks and curbs on both sides of Hall Boulevard as needed.

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The installation of bicycle lanes and sidewalks on Scoffins Street, which currently lacks pedestrian and bicycle facilities, is a project under the Plan.

4. Tigard Street

This project will provide a new bike lane on the south side of Tigard Street and upgrade the existing bike lane on the north side to standard.

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The installation of contiguous sidewalks on both sides of Highway 99W and a grade-separated bicycle/pedestrian crossing at Greenburg Road to increase pedestrian and bicycle safety is a project under the Plan.

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The design and construction of an enhanced pedestrian bridge over Fanno Creek, connecting to Ash Avenue, is a project under the Plan. This project will facilitate access between residential neighborhoods west of Fanno Creek and downtown and will be designed to minimize impacts to sensitive areas and preserve wetlands buffers.

8. Conversion of Existing North Rail Corridor into a Multi-use Pedestrian Trail

The conversion of the existing north rail corridor into a multi-use pedestrian trail is a project under the Plan. This project will increase pedestrian access and provide new recreational opportunities for residents, workers and visitors to downtown. Key components of the project may include bio-swales, native vegetation, pervious pavement and low impact stormwater conveyance/treatment features that will distinguish downtown Tigard from other communities by promoting sustainable development.

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Upgrades and improvements to Fanno Creek Park, as well as the preservation and restoration of environmentally sensitive areas, is a project under the Plan.

2. Skateboard Park

The construction of a new skateboard park is a project under the Plan. The proposed location of the skateboard park is the City Hall parking lot.

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1. Green Corridor/Urban Creek

The development of a green corridor/urban creek that will extend from the intersection of Highway 99W and Hall Boulevard through downtown and to Fanno Creek in a project under the Plan. Key components of the project may include bio-swales, native vegetation, pervious pavement and other low impact stormwater conveyance/treatment features.

2. Plazas

The design and construction of public plazas that will serve as public gathering spaces is a project under the Plan. This project will encourage a broader range of active and passive recreational uses in downtown and attract more residents and visitors to the area.

3. Urban Green Spaces

The development of high quality urban green spaces suitable for a range of recreational uses is a project under the Plan. Similar to the plazas project, this project will increase the overall livability and attraction of the downtown area. The urban green space will be designed to promote the preservation and restoration of environmentally sensitive areas.

4. Public Market

The design and development of a public market in the proposed public use area near Fanno Creek is a project under the Plan.

F. Public Facilities

The Plan includes the following public facilities. Prior to the expenditure of tax increment revenues for any of these projects, the Agency will be required to adopt a Minor Amendment to the Plan (as provided in Section XII) explaining how the facility serves or benefits the Area, and further stating the proportion of the benefits of these facilities that will accrue to the Area and finding that the amount of the expenditure is proportional to the amount of benefit to the Area. Design and development will be a part of all proposed public facilities projects identified in the Plan.

1. Performing Arts Center

The design and construction of a performing arts center in downtown Tigard is a project under the Plan. This project, which is recommended in the Tigard Downtown Improvement Plan, will provide new entertainment and recreation opportunities that will attract residents and out-of-town visitors to downtown.

2. Public Parking Facilities

The design and construction of new public parking facilities is a project under the Plan. As new shopping, recreational and entertainment uses, including the proposed performing arts center and public market, are established in the downtown area, new public parking facilities will be needed to accommodate the anticipated increase in parking demand.

3. Post Office Relocation

The relocation of the existing downtown post office is a project under the Plan.

4. Public Market Area

The development of a public market area in the proposed public use area near Fanno Creek is a project under the Plan.

5. Public Restrooms

The provision of public restrooms in public gathering spaces is a project under the Plan.

G. Planning and Development Assistance

Offering the following types of planning and development assistance to support the development, redevelopment and rehabilitation of private property in the Area is a project under the Plan. Detailed rules and regulations for the administration of financial and technical assistance programs will be established by the Agency after adoption of the Plan in order to ensure that urban renewal funds are used in compliance with the Plan and for the agreed upon Plan purposes. The adoption and amendment of such programs, rules and regulations would not be considered changes to the Plan.

1. Rehabilitation/Redevelopment Grant/Loan Program

The Urban Renewal Plan authorizes loans and/or grants for property rehabilitation and redevelopment. Property to be improved may be residential or commercial. Loans may be at or below market rates, and assistance can include direct loans or guarantees of loans made by third parties.

2. New Development Grant/Loan Program

In addition to providing rehabilitation and redevelopment assistance, the Urban Renewal Plan authorizes loans and/or grants for new development. Property to be improved may be residential or commercial. Loans may be at or below market rates, and assistance can include direct loans or guarantees of loans made by third parties.

3. Technical Assistance Program

The Urban Renewal Plan authorizes technical assistance in the form of site studies, market studies, feasibility analyses, engineering and design and other activities directly related to development of property in the urban renewal area. Examples of such technical assistance may include structural analysis of downtown building to promote rehabilitation of underutilized buildings and relocation strategies for existing downtown businesses seeking to move to an alternative site within the urban renewal area.

4. Commercial Façade Improvement Loans

To create a distinct identity for downtown Tigard that is visually appealing and unified, the Urban Renewal Plan authorizes façade improvement loans for commercial development. Improvements will be used to enhance the architectural integrity and character of historic commercial buildings and storefronts in need of a “face lift.”

H. Real Property Acquisition.

In addition to acquisition of real property, or any interest in real property, in conjunction with the Projects identified in paragraphs A through G., real property may be acquired as determined by the Agency to be necessary to further the Goals and Objectives of the City Center Renewal Plan and as provided in Section VIII, paragraph A. This includes acquisition of real property from willing sellers to support development or redevelopment of retail, office, housing and mixed use project within the Area.

1. Burnham Street Property, Taxlot ID 2S12AC-00202 will be acquired.

I. Real Property Disposition.

In addition to disposal of real property, or any interest in real property, in conjunction with the Projects identified in paragraphs A through G., real property may be disposed of as determined by the Agency to be necessary to further the Goals and Objectives of the City Center Renewal Plan and

EXHIBIT A

as provided in Section VIII, paragraph A. This includes real property disposition to support development or redevelopment of retail, office, housing and mixed use project within the Area.

AIS-1755

6.

CCDA Agenda

Meeting Date: 05/06/2014

Length (in minutes): 10 Minutes

Agenda Title: Approve the Purchase of the Miller Property and Authorize the Executive Director of the CCDA to Complete the Property Purchase

Submitted By: Sean Farrelly,
Community
Development

Item Type: Resolution

Meeting Type: City Center
Development
Agency

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall the Board of the City Center Development Agency consider a resolution:

- Approving the purchase of the Miller property as outlined in the purchase and sale agreement?
- Authorizing the Executive Director of the CCDA to take all necessary action to complete the property purchase on behalf of the agency?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends the Board of the CCDA approve the resolution.

KEY FACTS AND INFORMATION SUMMARY

Section VIII of the City Center Urban Renewal Plan authorizes property acquisition from willing sellers within the urban renewal district to complete public improvements and to support development of retail, office, housing, and mixed use projects. The Miller property (9110 SW Burnham Street) is a 1.18 acre property that is located within the urban renewal district and has been identified as a future redevelopment opportunity.

The City Center Development Agency has negotiated a Purchase and Sale Agreement with the owner of the property at 9110 SW Burnham Street. The Agreement is specifically conditioned on the approval of the Board of the City Center Development Agency.

If the resolution is approved, the Agency will purchase the property for \$1.3 million. It will be financed by a bank loan (Council will take separate action to authorize indebtedness.) Terms of the Purchase Agreement and Escrow Instructions are fairly standard and have been reviewed by the city's/agency's real estate attorney. Addendum 1 to the Purchase Agreement clarified the property legal description. Amendment 2 to the Purchase Agreement clarifies that the CCDA, rather than the city, will purchase the property. The property has a long term lease in place.

Per the city's property acquisition procedures, environmental assessments of the property were conducted. Some shallow soil and groundwater contamination was identified which, according to the environmental consultant, can be addressed when the property is redeveloped. The City Attorney has reviewed the report and assessed the risk of liability from these legacy contaminants arising as a result of the property purchase is low. The impacted shallow soils will likely need to be addressed, however, if and when the property is redeveloped.

The acquisition of the property also requires a Council-approved amendment to the City Center Urban Renewal Plan to add Property Acquisition and Property Disposition to the list of approved projects and specifically adding the acquisition of this property as a project. The amendment will be considered by the City Council and Board of the CCDA in separate resolutions.

OTHER ALTERNATIVES

The CCDA Board could choose not to adopt the resolution and not acquire the property.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Council 2014 Goal

Downtown:

Finalize downtown redevelopment opportunities (if issues can be addressed).

City Center Urban Renewal Plan

DATES OF PREVIOUS CONSIDERATION

The CCDA Board has discussed property purchases, in executive session on a number of occasions including:

April 1, 2014

January 7, 2014

December 3, 2013

November 5, 2013

September 3, 2013

August 20, 2013

Cost: \$1.3 million

Budgeted (yes or no): FY 14-15

Where Budgeted (department/program): CCDA

Additional Fiscal Notes:

The acquisition will be financed by a loan from a financial institution. A separate resolution will authorize the financing. Projected debt service is included in the proposed FY 15-16 CCDA budget.

Attachments

Resolution Approving Property Purchase

Miller Purchase Agreement and Escrow Instructions

First Addendum to PA

Second Amendment to PA

Map Showing 9110 SW Burnham

CITY OF TIGARD, OREGON
CITY CENTER DEVELOPMENT AGENCY
RESOLUTION NO. 14-_____

A RESOLUTION APPROVING THE PURCHASE OF THE PROPERTY AT 9110 SW BURNHAM STREET (TAXLOT ID 2S12AC-00202) AND AUTHORIZING THE EXECUTIVE DIRECTOR OF THE CITY CENTER DEVELOPMENT AGENCY TO TAKE ALL NECESSARY ACTION TO COMPLETE THE PROPERTY PURCHASE ON BEHALF OF THE AGENCY

WHEREAS, ORS 457. 170(3) authorizes the City Center Development Agency (CCDA) to acquire real property pursuant to its approved urban renewal plan; and

WHEREAS, the City Center Urban Renewal Plan dated December 6, 2005 authorizes the acquisition and disposition of property with the Urban Renewal Area to support the development of retail, office, housing; and mixed use projects; and

WHEREAS, 9110 SW Burnham Street property (Taxlot ID 2S12AC-00202) is a future redevelopment opportunity located in the Urban Renewal Area; and

WHEREAS, the City Center Urban Renewal Plan has been amended to include the property acquisition as a project; and

WHEREAS, the agency and the property owner have reached a tentative agreement on the purchase/sale of the property. The Agreement is specifically conditioned on the approval of the Board of the City Center Development Agency.

NOW, THEREFORE, BE IT RESOLVED, by the Board of the Tigard City Center Development Agency that:

SECTION 1: The Board of City Center Development Agency agrees to the terms of the Purchase Agreement and Escrow Instructions, (Exhibit A), including the purchase price of \$1.3 million.

SECTION 2: The Board of City Center Development Agency authorizes the Executive Director of the CCDA to take all necessary action to complete purchase of the property at 9110 SW Burnham Street on behalf of the agency. This includes, but is not limited to, execution of the Purchase Agreement and Escrow Instructions, including Amendments, and closing documents.

SECTION 3: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____, 2014.

Chair – City of Tigard
City Center Development Agency

ATTEST:

Recorder – City of Tigard City Center Development Agency

**PURCHASE AGREEMENT
AND
ESCROW INSTRUCTIONS**

BETWEEN: Prudence M. Miller Trust U/T/A dated (‘‘Seller’’)
March 16, 2004

And: City of Tigard, (‘‘Purchaser’’)
An Oregon Municipal corporation

DATED: Jan 10, 2014 (‘‘Effective Date’’)

RECITALS

A. Seller owns certain real property and the improvements thereon consisting of approximately 1.18 acres of land developed with an approximate 15,000 square foot warehouse/office building, with an address of 9110 SW Burnham Street, located in the city of Tigard, county of Washington, state of Oregon, which is more fully described on the attached and incorporated **Exhibit A**, together with Seller’s lessor interest in Leases of the Property.

B. Seller desires to sell the Property, and Purchaser desires to purchase the Property pursuant to the terms set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration described in this Purchase Agreement and Escrow Instructions (‘‘Agreement’’), the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as set forth below.

**ARTICLE 1
DEFINED TERMS**

1.1 **Additional Earnest Money.** The term ‘‘Additional Earnest Money’’ means the cash payable to Seller pursuant to Section 2.2 of this Agreement after expiration of the Contingency Period in the amount of Fifty Thousand Dollars (\$50,000.00).

1.2 **Business Day.** The term ‘‘Business Day’’ means any Monday through Friday on which business is transacted by federal banks in Washington County, Oregon.

1.3 **Cash.** The term ‘‘Cash’’ means (i) United States currency, (ii) a check currently dated and payable to Escrow Holder, or (iii) U.S. funds credited by wire transfer into Escrow Holder’s bank account.

1.4 **Closing.** The process described in Article 10 of this Agreement.

1.5 **Closing Date.** Closing shall occur on the date that is thirty (30) days after the expiration of the Contingency Period, unless extended by the Purchaser pursuant to Section 4.6

or Seller pursuant to Section 10.2 of this Agreement, or on such other date as the parties may agree upon in writing.

1.6 **Contingency Period.** As defined in Section 4.

1.7 **Deed.** A statutory special warranty deed in the form of **Exhibit B** attached hereto which shall be used to convey the Property from Seller to Purchaser.

1.8 **Earnest Money.** The cash payable to Seller pursuant to Section 2.2 of this Agreement in the amount of Thirty Thousand and No/100 Dollars (\$30,000.00), plus all interest which accrues thereon.

1.9 **Effective Date.** The date last executed by the parties as shown on the signature page.

1.10 **Environmental Laws.** Any federal, state, or local laws, ordinances, codes, statutes, regulations, administrative rules, policies and orders, and other authority existing now or in the future that classify, regulate, list, or define Hazardous Materials.

1.11 **Escrow Holder.** Lawyer's Title, located at 1120 NW Couch Street, Portland, Oregon, Phone: (503) 220-0015, Attn: Yvonne Inserra (e-mail: yvonne.inserra@ltic.com).

1.12 **Escrow.** The escrow opened by Escrow Holder pursuant to this Agreement.

1.13 **Hazardous Materials.** Any toxic or hazardous substance, material, waste, pollutant, contaminant, or infectious or radioactive material, including but not limited to those substances, materials, waste, chemicals, or mixtures that are (or that contain any) substances, chemicals, compounds, or mixtures regulated, either now or in the future, under any law, rule, regulation, code or ordinance.

1.14 **Property.** The term "Property" as defined in this Agreement, includes land described in Exhibit A, together with all improvements, rights, privileges, servitudes and appurtenances thereunto belonging or appertaining, including all right, title, and interest of Seller, if any, in and to the streets, alleys, and rights-of-way adjacent to the land, and Seller's lessor's interest existing in leases of the Property, which will be transferred.

1.15 **Property Documents.** Any and all documents in Seller's possession or control relating to the Property, including without limitation, conditional use permits, land use approvals, land use applications, permits, licenses, leases and related documents, any agreements related to the Property that will survive Closing, maps, development agreements, surveys and studies relating to the Property prepared by third parties, but excluding (I) documents which are no longer in effect (II) tax documents, (III) documents subject to attorney client privilege, and (IV) documents relating to potential transactions which have not occurred and (V) appraisals.

1.16 **Purchase Price.** Cash in the amount of One Million Three Hundred Thousand and No/100 Dollars (\$1,300,000.00).

ARTICLE 2
EARNEST MONEY AND PURCHASE PRICE

2.1 **Sale of Property.** Subject to the terms and conditions in this Agreement, Seller agrees to sell the Property to Purchaser, and Purchaser agrees to buy the Property from Seller.

2.2 **Earnest Money.** Within three (3) Business Days after the opening of Escrow as set forth in Section 3.1, Purchaser shall deposit the Earnest Money into Escrow. The Earnest Money shall be refundable to Buyer until the earlier of (I) the expiration of the Contingency Period or (II) the date the conditions precedent to Closing set forth in Section 4 of this Agreement are waived in writing by Purchaser; thereafter, the Earnest Money shall not be refundable except (i) in the event of a Seller default or (ii) if at Closing Seller shall have failed to cure a disapproved exception to title which Seller agreed to cure as provided in Section 4.6. Within three Business Days after expiration of the Contingency Period, Purchaser shall deposit the Additional Earnest Money into Escrow. The Additional Earnest Money shall not be refundable except (i) in the event of a Seller default or (ii) if at Closing Seller shall have failed to cure a disapproved exception to title as provided in Section 4.6 which Seller agreed to cure. Escrow Holder shall hold the Earnest Money and the Additional Earnest Money in an interest-bearing account that is FDIC insured, unless the parties approve holding the Earnest Money and the Additional Earnest Money in a non-interest bearing account. The Earnest Money and the Additional Earnest Money shall be applicable to the Purchase Price at closing.

2.3 **Purchase Price.** The Purchase Price shall be paid by Purchaser in Cash to Seller at the Closing. The Earnest Money and the Additional Earnest Money shall be applied to the Purchase Price.

ARTICLE 3
DELIVERIES TO ESCROW HOLDER

3.1 **Opening of Escrow.**

3.1.1 Within three (3) Business Days after the Effective Date, Purchaser and Seller shall open Escrow by depositing with Escrow Holder a fully executed photocopy of this Agreement for use as escrow instructions. Escrow Holder shall execute the Consent of Escrow Holder which appears at the end of this Agreement and deliver a fully executed consent to Purchaser and Seller.

3.1.2 Purchaser and Seller hereby authorize Escrow Holder to take necessary steps for the Closing of this transaction pursuant to the terms of this Agreement.

3.1.3 Purchaser and Seller may jointly or separately prepare additional escrow instructions. Escrow Holder may also provide general instructions. If there is any inconsistency between the provisions of any of these instructions and this Agreement, the provisions of this Agreement shall control.

3.2 **Purchaser's Deliveries.** At or before Closing, Purchaser shall deposit into Escrow (i) the Earnest Money, (ii) the Additional Earnest Money, (iii) the balance of the

Purchase Price, (iii) an executed and acknowledged acceptance of the Deed, (iv) an executed counterpart of the Assignment and Assumption of the Lease in the form of Exhibit 3.2 ("Assignment and Assumption"), duly executed by Purchaser, and (iv) all other documents and instruments reasonably requested by Escrow Holder for Closing.

3.3 **Seller's Deliveries.** At or before Closing, Seller shall deliver into Escrow (i) an executed and acknowledged Deed, (ii) an executed Certificate of Non-Foreign Status, pursuant to Section 1445(b)(2) of the Internal Revenue Code, certifying that Seller is a non-foreign person, (iii) an executed counterpart of the Assignment and Assumption; and (iii) all other documents and instruments reasonably requested by Escrow Holder for Closing. At Closing, Seller shall deliver possession of the Property to Purchaser.

ARTICLE 4 CONDITIONS PRECEDENT TO CLOSING

4.1 **Purchaser's Right to Analyze Property Documents.** Within ten (10) days after the Effective Date, Seller shall deliver all Property Documents to Purchaser. During the Contingency Period (as defined in Section 4.2 below), Purchaser shall have the right to analyze the Property Documents and determine, in Purchaser's sole, absolute and arbitrary discretion, whether the Property is suitable for Purchaser's intended use.

4.2 **Purchaser's Right to Analyze Property.** For a period of sixty (60) days after the Effective Date (the "Contingency Period"), unless extended by Purchaser as set forth below.

4.2.1 Purchaser shall have the right to analyze the Property and determine, in Purchaser's sole, absolute and arbitrary discretion, whether the Property is suitable for Purchaser's intended use.

4.2.2 Purchaser shall have the right, at no cost, to extend the Contingency Period two (2) times for a period of thirty (30) days each, upon ten (10) days prior written notice to the Seller stating the reasonable need for the extension.

4.2.3 Purchaser shall have the right to enter onto the Property, upon forty-eight (48) hour prior notice to Seller, to conduct any and all tests, investigations, and inspections deemed necessary by Purchaser. Seller shall have the right to be present at the inspections(s).

4.2.4 Purchaser shall in its prior notification to Seller, state whether any invasive testing is to occur during Purchaser's entry on the Property and if so, state the nature of such invasive activity. If there are invasive activities, Seller may, prior to the inspection date and time, provide Purchaser with reasonable conditions of approval of the invasive activities including immediate restoration of the Property or improvements thereon to substantially the condition the Property or improvements were in prior to Purchaser's performance of any inspections or work that is invasive once the inspections and work has been completed. Seller may, if it determines that such invasive testing will negatively impact the nature of the existing Tenant's business and/or is unable to reasonably coordinate Tenant's cooperation, refuse to

allow such testing without liability and in such event Purchaser may terminate the Agreement by written notice and in such event the Earnest Money shall be promptly returned to Purchaser and neither party shall have any further obligation or liability to the other except as otherwise explicitly set forth in this Agreement.

4.2.5 Such investigations and/or studies shall be conducted by Purchaser at its sole expense.

4.2.6 Within the limits of the Oregon Tort Claims Act and the Oregon Constitution, Purchaser shall defend, indemnify and hold Seller harmless for, from, and against any claim, loss, or liability, or any claim of lien or damage which arises in connection with any entry on the Property by Purchaser or any activities on the Property by Purchaser, its agents, employees, and independent contractors; provided, however, that Purchaser shall have no obligation to indemnify, defend, or hold harmless Seller from any condition of the Property discovered by Purchaser, or from any loss of marketability of the Property as a consequence of such discovery. This agreement to indemnify, hold harmless and defend Seller shall survive Closing or other termination of this Agreement.

4.2.7 In the event Purchaser elects not to close on the Property, upon such determination and termination of the Agreement, Purchaser agrees it will provide to Seller copies of all written reports resulting from any and all investigations conducted by the Purchaser during the Contingency Period, within five (5) days of termination of this Agreement. This provision will survive the Closing or termination of the Agreement.

4.3 **Notice of Termination; Failure to Notify.** If Purchaser determines, in Purchaser's sole, absolute, and arbitrary discretion, the Property is not suitable, Purchaser may terminate this Agreement and cancel Escrow by delivering written notice of termination to Seller prior to the expiration of the Contingency Period, as it may be extended, in which case this Agreement shall immediately terminate and Escrow Holder shall immediately return the Earnest Money to Purchaser.

4.4 **Review of Preliminary Report.** Within ten (10) days after the Effective Date, Seller shall provide Purchaser with a preliminary title report issued by the Escrow Holder, describing title to the Property, and including legible copies of all recorded documents described in the preliminary report (collectively, the "Preliminary Report"). On or before ten (10) days after Purchaser's receipt of the Preliminary Report, Purchaser shall deliver written notice of approval or disapproval of matters disclosed in the Preliminary Report, which approval or disapproval shall be in Purchaser's sole and absolute discretion. Any notice of disapproval shall specify which title exceptions are unacceptable (the "Unacceptable Exceptions"). The matters disclosed in the Preliminary Report to which Seller does not object, along with the standard printed exceptions on a form of title insurance policy, shall be the "Permitted Exceptions" and included as exceptions in the Title Policy, defined in Section 4.7, along with any Unacceptable Exceptions which, pursuant to Sections 4.5 and 4.6, become Permitted Exceptions.

4.5 **Right to Cure Disapproval of Preliminary Report.** If Purchaser delivers notice of disapproval pursuant to Section 4.4 above, Seller shall notify Purchaser in writing (a

“Response Notice”) within five (5) days thereafter, whether Seller will agree to remove or otherwise cure, to Purchaser’s reasonable satisfaction, any Unacceptable Exception(s) prior to Closing. Notwithstanding any provision in this Agreement to the contrary, Seller shall be obligated to remove any deeds of trust and other monetary liens (other than liens for non-delinquent taxes and assessments). If Seller fails to timely provide a Response Notice, Seller shall be deemed to have elected not to cure any Unacceptable Exceptions. If Seller fails to agree to remove an Unacceptable Exception, Purchaser shall elect, by notice to Seller within five (5) days after the Response Notice (or, if no Response Notice is provided, within five (5) days after the Response Notice was due to either (I) terminate this Agreement or (II) waive Purchaser’s objection and accept title subject to the Unacceptable Exceptions which Seller has not agreed to cure (in which event such Unacceptable Exceptions shall be Permitted Exceptions). Failure of Purchaser to timely so elect shall be deemed an election to waive such Unacceptable Exceptions, in which event such Unacceptable Exceptions shall become Permitted Exceptions.

4.6 Failure to Cure Disapproval of Preliminary Report. If Seller, in its Response Notice, agrees to cure an Unacceptable Exception and thereafter fails to cure such Unacceptable Exception prior to Closing, Purchaser shall have the right to (i) terminate this Agreement and receive a full refund of the Earnest Money and Additional Earnest Money, (ii) suspend performance of its obligations under this Agreement at no cost to Purchaser and extend the Closing Date until that removal of the Unacceptable Exception has occurred (but no more than 45 days) or (iii) waive in writing its prior disapproval of such exception and accept title subject to such previously disapproved item, by delivering written notice of Purchaser’s election to Seller prior to Closing in which case such Unacceptable Exceptions will be Permitted Exceptions.

4.7 Title Policy. Seller shall be unconditionally committed to procure from Escrow Holder upon the Closing, an ALTA standard coverage owner’s policy of title insurance for the Property, with a liability limit in the amount of the Purchase Price, and insuring fee title vests in Purchaser subject only to the Permitted Exceptions (collectively, the “Title Policy”). At Purchaser’s option, Purchaser may elect to have the Title Policy issued with endorsements and/or in an ALTA extended coverage form, provided (I) that Purchaser pays any additional costs associated with issuance of such policy and pursuant to section 8.4 of this Agreement, and (II) Seller shall not be required to indemnify the title company to induce it to issue such extended coverage or endorsements.

4.8 Council Approval. This Agreement is specifically conditioned on approval by the Tigard City Council before the end of the Contingency Period. If the Tigard City Council has not approved this Agreement on or before the expiration of the Contingency Period, this Agreement and the rights and obligations of the Purchaser and the Seller shall automatically terminate, and the Escrow Holder shall immediately return the Earnest Money to Purchaser.

4.9 Approval of Leases & Estoppel Certificates.

4.9.1 Leases. Within ten (10) days of the Effective Date, Seller will provide to Purchaser copies of all current leases affecting the Property, copies of any related documents other than leases which provide for or discuss any matters affecting the occupancy of the

Property by the tenants who have any right now or in the future with respect to the Premises, including but not limited to options to lease, relocation rights, termination rights, and/or expansion or contraction rights (collectively, the "Lease Documents"). Purchaser may terminate this Agreement at any time during the Contingency Period if Purchaser shall determine in the exercise of its sole discretion that the documents described in Section 4.1 or the Lease Documents are not satisfactory.

4.10 **Contingency Failure.** If Purchaser fails to notify Seller in writing by the end of the Contingency Period that the conditions set forth in this Article 4 have been satisfied or waived, this Agreement and the rights and obligations of the Purchaser and the Seller shall automatically terminate, and the Escrow Holder shall immediately return the Earnest Money to Purchaser.

ARTICLE 5 COVENANTS AND AGREEMENTS

5.1 **Damage or Destruction; Eminent Domain.** If, prior to the Closing, all or a material part of the Property is damaged or destroyed, or taken or appropriated by any public or quasi-public authority under the power of eminent domain or such an eminent domain action is threatened pursuant to a resolution of intention to condemn filed by any public entity, Purchaser may either (i) terminate this Agreement and receive a refund of the Earnest Money, or (ii) elect to receive an assignment from Seller in lieu of the part of the Property that has been so damaged or taken of all of Seller's rights to any award and/or proceeds attributable to said damaged or taken part of the Property, and the parties shall proceed to Closing pursuant to this Agreement provided that Purchaser may not terminate this Agreement pursuant to this Section 5.1 if Purchaser is the condemning government entity.

5.2 **Leases.** Effective the Closing Date, Seller will assign to Purchaser the Lease between Seller and Ferguson Enterprises, Inc. Any other leases will be terminated before Closing.

5.3 **Non-Remonstrance.** After Closing, and subject to Closing occurring, Seller agrees, for a period of ten (10) years after the date of expiration of the last term (including extensions) of any lease in effect as of the Closing Date, not to object to or remonstrate against any land use or other governmental application process or proceedings in which Purchaser or any of its agencies is the applicant or otherwise involved, as such process may relate to or be associated with any change, improvement or development of the Property. The provisions of this Section 5.3 shall survive Closing.

ARTICLE 6 SELLER'S REPRESENTATIONS AND WARRANTIES

6.1 **Representations and Warranties of Seller.** Seller represents and warrants that, as of the Effective Date, the end of the Contingency Period, and the Closing, that all of the representations and warranties contained in this Agreement are and shall be true and correct, and shall survive Closing for a period of one (1) year. Each of Seller's representations and

warranties is material to and is being relied upon by Purchaser and the continuing truth thereof shall constitute a condition precedent to Purchaser's obligations hereunder. Seller represents and warrants to Purchaser as follows:

6.1.1 **Proof of Authority.** Seller has authority and authorization to enter into this Agreement and consummate the transaction contemplated by it, and shall deliver such proof of the power and authority of the persons executing and/or delivering any instruments, documents, or certificates on behalf of the Seller to act for or bind the Seller, as may be reasonably required by the Escrow Holder and/or the Purchaser.

6.1.2 **Title to the Property.** Seller has sole legal and beneficial fee title to the Property, and has not granted any person or entity any right or interest in the Property except as set forth in this Agreement, the Preliminary Report, and the Property Documents. Seller agrees to transfer to Purchaser, via Statutory Special Warranty Deed in the form of Exhibit 'B', the Property, subject only to the Permitted Exceptions.

6.1.3 **Property Documents, Lease Documents; No Defaults.** To Seller's knowledge, except as disclosed in the Property Documents, including lease documents delivered by Seller to Purchaser are true, correct and complete copies and there are no other documents or instruments, in Seller's possession and control, that would constitute Property Documents that have not been delivered by Seller or otherwise made available to Purchaser. Seller has no knowledge of any default by Seller under any Property Documents.

6.1.4 **Pending Transactions, Suits or Proceedings.** To Seller's knowledge, there are no suits, proceedings, litigation, condemnation, or investigations pending or threatened against or affecting the Property or Seller as the owner of the Property in any court at law or in equity, or before or by any governmental department, commission, board, agency or instrumentality.

6.1.5 **Defects.** To Seller's knowledge, without investigation or inquiry, except as disclosed in the Property Documents, there are no latent defects or conditions on or about the Property that would cause injury or damage to persons or property, or that would have a material adverse effect on lawful use of the Property.

6.1.6 **No Further Encumbrances.** As long as this Agreement remains in force, Seller will not lease, transfer, option, mortgage, pledge, or convey its interest in the Property or any portion thereof nor any right therein, nor shall Seller enter into any agreement granting to any person or entity any option to purchase or rights superior to Purchaser with respect to the Property or any part thereof.

6.1.7 **Hazardous Materials.** To Seller's knowledge, without investigation or inquiry, except as disclosed in the Property Documents, no Hazardous Materials have been generated, disposed of, deposited or released (or caused to be generated, disposed of or released) on, within, under, about or from the Property in violation of Environmental Laws. To Seller's knowledge, without investigation or inquiry, except as disclosed in the Property Documents, no other party or person has used, stored, transported, generated, disposed of or

release on, within, under, about or from the Property any Hazardous Materials in violation of Environmental Laws. Without limiting the foregoing, neither Seller nor, to Seller's knowledge, any other party, has installed, operated or maintained any underground storage tanks on or adjacent to the Property, and to Seller's knowledge, without investigation or inquiry, except as disclosed in the Property Documents, the Property is not now in violation of, and is not currently under investigation for the violation of, any Environmental Laws. To Seller's knowledge without investigation or inquiry, except as disclosed in the Property Documents, there is no asbestos or lead paint incorporated into the improvements on the Property. Seller hereby assigns to Purchaser as of the Closing, to the extent assignable, all claims, counterclaims, defenses or actions, whether at common law or pursuant to any other applicable federal or state or other laws, if any, that Seller may have against third parties to the extent relating to the existence of Hazardous Materials in, at, on, under or about the Property.

6.1.8 Access, Possession. To Seller's knowledge, the Property has legal and physical access to a publicly dedicated street or road. Except as reflected in the Property Documents, there are no leases or tenancies in effect on the Property and possession thereof can and will be delivered to Purchaser on Closing.

6.1.9 Construction or Other Liens. Seller warrants that, at the time of Closing, no work, labor or materials have been expended, bestowed or placed upon the Property, which will remain unpaid at close of escrow or upon which a lien may be filed, excepting work, labor, or materials for which the tenant under the Lease Documents is responsible.

6.1.10 No Option or Right of First Refusal to Acquire Premises. Seller represents that no person or entity has any right of first refusal or option to acquire any interest in the property or any part thereof.

6.1.11 Conduct Pending Full Payment; Covenants.

6.1.11.1 Conduct of Property. Seller hereby agrees that Seller will not modify, cancel, extend or otherwise change in any material manner any of the terms, covenants or conditions of the Property Documents or Lease Documents, nor enter into any additional leases as to the Property without Purchaser's written consent, nor enter into any other agreements having a material effect on the Property without the prior written consent of Purchaser, which Purchaser shall not unreasonably withhold.

6.1.11.2 No Alterations. Seller will not make any material alterations to the Property prior to the Closing, provided nothing herein prohibits alterations made by a tenant permitted by such tenant's Lease.

6.1.11.3 Condition of the Property Through Closing. Seller shall, between the Effective Date and the Closing Date: (i) maintain the Property in substantially the same condition as it was on the Effective Date, with no tree cutting, timber harvesting or altering of the Property in any way, subject to casualty and to alterations made by a tenant permitted by such tenant's Lease, (ii) keep all existing insurance policies affecting the Property

in full force and effect, (iii) make all regular payments of interest and principal on any existing financing, (iv) pay all real property taxes and assessments against the Property prior to delinquency, (v) comply with all government regulations, and (vi) keep Purchaser timely advised of any repair or improvement which is known by Seller.

ARTICLE 7 AS-IS SALE

7.1 AS-IS Sale. The Property is being sold to, and accepted by, Purchaser at Closing in its then-present condition, AS-IS, WHERE IS, WITH ALL FAULTS, and without any warranty whatsoever, express or implied, except for the representations and warranties set forth in Section 6.1 and in the Deed to be delivered at Closing. Purchaser acknowledges that (a) it is purchasing the Property AS-IS, WHERE IS, WITH ALL FAULTS; (b) it will have made or performed any and all tests, surveys, or other examinations of the Property as Purchaser deems necessary prior to the end of the Contingency Period; and (c) it shall rely solely on its own inspection, examination, and evaluation of the Property in assessing and determining the condition of the Property. Seller and Seller's agents have not made, are not now making, and specifically hereby disclaim, any and all warranties and representations of any kind, express or implied, oral or written, with respect to the Property, except for any representation or warranty made in Section 6.1 or any warranty of title to be contained in the Deed to be delivered at Closing. The provisions of this Section 7.1 shall survive Closing.

ARTICLE 8 PURCHASER'S REPRESENTATIONS AND WARRANTIES

8.1 Purchaser's Representation and Warranties. Purchaser represents and warrants that, as of the Effective Date, the end of the Contingency Period, and Closing, all of the representations and warranties of Purchaser contained in this Agreement are and shall be true and correct, and shall survive Closing for a period of one (1) year. Each of Purchaser's representations and warranties is material to and is being relied upon by Seller and the continuing truth thereof shall constitute a condition precedent to Seller's obligations hereunder. Purchaser represents and warrants to Seller as follows:

8.1.1 Authority. The execution and delivery of this Agreement has been duly authorized and approved by all requisite action of Purchaser, and the consummation of the transactions contemplated hereby will be duly authorized and approved by all requisite action of Purchaser, and no other authorizations or approvals will be necessary in order to enable Purchaser to enter into or to comply with the terms of this Agreement.

8.1.2 Binding Effect of Documents. This Agreement and the other documents to be executed by Purchaser hereunder, upon execution and delivery thereof by Purchaser, will have been duly entered into by Purchaser, and will constitute legal, valid and binding obligations of Purchaser. To Purchaser's actual knowledge, neither this Agreement nor anything provided to be done under this Agreement violates or shall violate any contract, document, understanding, agreement or instrument to which Purchaser is a party or by which it is bound.

ARTICLE 9
PRORATED FEES AND COSTS

9.1 **Prorations.** Escrow Holder will prorate between the parties, based on the latest information available to Escrow Holder, all taxes, bonds and assessments ("Taxes") for the Property, to the extent not the responsibility of the tenant under the Lease. If, after the Closing, either party receives a bill for any Taxes, the parties agree that the Taxes shall be prorated between the parties to the Closing Date. The party receiving the bill for the Taxes shall notify the other party in writing of the amount of such Taxes and the party receiving that notice shall pay its prorated share of such Taxes within thirty (30) days of demand therefore, but not later than ten (10) days prior to delinquency. The parties' obligations under this Section shall survive Closing.

9.2 **Seller's Fees and Costs.** Seller shall pay: (i) the costs for the Title Policy (but not extended coverage or endorsements requested by Purchaser; (ii) Seller's recording charges; (iii) one-half of Escrow Holder's escrow fee; and (iv) one-half of any transfer taxes.

9.3 **Purchaser's Fees and Costs.** Purchaser shall pay (i) one-half of the Escrow Holder's escrow fee, (ii) Purchaser's recording charges; (iii) if requested by Purchaser, any extended coverage and endorsements for the Title Policy; and (iv) one-half of any transfer taxes.

9.4 **Other Costs.** Except as otherwise provided in this Agreement, each party shall bear and pay the expense of its own attorneys, accountants and other professionals incurred in negotiating this Agreement.

ARTICLE 10
CLOSING

10.1 **Closing.** Escrow Holder shall close Escrow by (i) recording the Deed; (ii) confirming execution of all documents necessary for Closing; and (iii) delivering funds and documents as set forth herein, when and only when all terms and conditions of this Agreement have been met and each of the conditions set forth below have been satisfied:

10.1.1 **Funds and Instruments.** All funds and instruments required pursuant to this Agreement have been delivered to Escrow Holder.

10.1.2 **Satisfaction of Conditions Precedent.** Each of the conditions precedent set forth in the Agreement have been either satisfied or waived, or deemed waived.

10.1.3 **Liens and Encumbrances.** All liens and encumbrances required to be paid by Seller have been paid and satisfied at Seller's sole expense, including without limitation any trust deed or mortgage affecting the Property. The Property shall be conveyed free of encumbrances, except for the Permitted Exceptions and those expressly accepted or waived by Purchaser pursuant to the terms of this Agreement.

10.1.4 **Assignment and Assumption Document.** The parties shall have executed the Assignment and Assumption attached as Exhibit 3.2.

10.2 **Closing.** Closing shall occur on the date that is thirty (30) days after expiration of the Contingency Period except that, Seller may, at Seller's sole election, extend the Closing Date up to four (4) months in order to affect a tax deferred exchange pursuant to Section 14.17, by providing Purchaser with notice of election to extend the Closing Date at least ten (10) days prior to the Closing Date. The parties may also agree in writing to another Closing Date.

ARTICLE 11
RECORDATION AND DISTRIBUTION OF FUNDS AND DOCUMENTS

11.1 **Recorded Documents.** Escrow Holder shall cause the County Recorder of Washington County to mail the Deed to Purchaser.

11.2 **Conformed Copies.** Escrow Holder shall at Closing deliver to Seller and Purchaser (i) a copy of the Deed, conformed to show recording date, and conformed copies of each document recorded to place title in the condition required by this Agreement, (ii) a copy of each non-recorded document received hereunder by Escrow Holder, and (iii) copies of all documents deposited into Escrow to the parties herein.

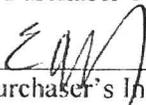
11.3 **Payment of Funds at Closing.** Escrow Holder shall deliver at Closing all amounts as set forth in the final, approved closing statement.

11.4 **Original Documents.** Escrow Holder shall at Closing deliver to Purchaser the Original Assignment and Assumption.

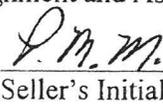
ARTICLE 12
DEFAULT AND REMEDIES

12.1 **Purchaser's Default.** If Purchaser breaches this Agreement, which breach Purchaser fails to cure within thirty (30) days after receipt of written notice thereof from Seller, Purchaser shall be in default hereunder and Seller is entitled, as Seller's sole and exclusive remedy, to liquidated damages pursuant to this Article. If Escrow fails to close due to Purchaser's default, Purchaser shall pay all Escrow cancellation charges.

12.2 **Seller's Remedies.** In the event of Purchaser's default under this Agreement, the Earnest Money, and Additional Earnest Money if Purchaser's default occurs after expiration of the Contingency Period, shall be forfeited by Purchaser and retained by Seller as liquidated damages. Such amount has been agreed by the parties to be reasonable compensation and the exclusive remedy for Purchaser's default, since the precise amount of such compensation would be difficult to determine. Seller shall have no right to any other damages, claims or actions against Purchaser. By initialing this provision in the spaces below, Seller and Purchaser each specifically affirm their respective agreement to this liquidated damages provision as Seller's sole and exclusive remedy for Purchaser's default, and agreement that the sum is a reasonable sum. Notwithstanding the foregoing, this Section 12.2 does not waive or limit Seller's right to recover damages for Purchaser's breach of the Assignment and Assumption.



Purchaser's Initials



Seller's Initials

14.7 **Real Estate Brokerage Commission.** Seller has engaged Don Drake of Melvin Mark Brokerage Company (MMBC) and Purchaser has engaged Neal Brown of Meadows Group, Inc. (MGI) Seller will pay a brokerage fee to MMBC and MGI shall share in the brokerage fee paid by Seller in accordance with their separate agreement. Except for MMBC and MGI, whose fees shall be paid by Seller, in the event any claims for real estate commissions, fees or compensation arise in connection with this transaction, the party so incurring or causing such claims shall indemnify, defend and hold harmless the other party from any loss or damage, including attorneys' fees, that said other party suffers because of said claims. The obligations of the parties in the prior sentence shall survive Closing or the termination of this Agreement.

14.8 **Notice and Payments.** Any notice or document to be given pursuant to this Agreement must be delivered either in person, deposited in the United States mail duly certified or registered, return receipt requested with postage prepaid, by electronic mail, or by Federal Express or other similar overnight delivery service marked for next business day delivery. Notices shall be effective upon receipt if delivered personally, upon confirmation of receipt if sent by electronic mail, on the next day if sent by overnight courier, or two (2) days after deposit in the mail if mailed. Any party listed below may designate a different address, which shall be substituted for the one specified below, by written notice to the others.

If to Seller: Prudence M. Miller Trust U/T/A dated March 16, 2004
4220 SW Greenleaf Drive
Portland, OR 97221

With a copy to:

Mark Norby
Stoel Rives LLP
900 SW Fifth Ave.
Suite 2600
Portland, OR 97204
Fax: (503) 220-2480

and a copy to:

Melvin Mark Brokerage Company
Attn: Don Drake
111 SW Columbia
Suite 1380
Portland, OR 97201
Fax: (503) 546-4727

If to Purchaser: City of Tigard
Attn: Marty Wine, City Manager
City Hall
13125 SW Hall Blvd

Tigard, OR 97223
Fax: (503) 684-7297

with a copy to :

Jordan Ramis PC
Two Centerpointe Drive, 6th Floor
Lake Oswego, OR 97035
Fax: (503) 598-7373

14.9 **Remedies Cumulative.** Except as specifically set forth herein, all rights and remedies of Purchaser and Seller contained in this Agreement shall be construed and held to be cumulative.

14.10 **Severability.** In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

14.11 **Successors and Assigns.** Subject to limitations expressed in this Agreement, each and all of the covenants and conditions of this Agreement shall inure to the benefit of and shall be binding upon the successors-in-interest, assigns, and representatives of the parties hereto. As used in the foregoing, "successors" shall refer to the parties' interest in the Property and to the successors to all or substantially all of their assets and to their successors by merger or consolidation.

14.12 **Time of the Essence.** Time is of the essence of each and every provision of this Agreement.

14.13 **Legal Representation.** Seller acknowledges that this is a legal document and that Seller has been advised to obtain the advice of legal counsel in connection with its review and execution of this Agreement. Seller covenants that it will not deny the enforceability of this Agreement on the basis that Seller elects not to obtain legal counsel to review and approve this Agreement.

14.14 **Waiver.** No waiver by Purchaser or Seller of a breach of any of the terms, covenants or conditions of this Agreement by the other party shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained. No waiver of any default by Purchaser or Seller hereunder shall be implied from any omission by the other party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect a default other than as specified in such waiver. The consent or approval by Purchaser or Seller to or of any act by the other party requiring the consent or approval of the first party shall not be deemed to waive or render unnecessary such party's consent or approval to or of any subsequent similar acts by the other party.

14.15 **Negation of Agency and Partnership.** Any agreement by either party to cooperate with the other in connection with any provision of this Agreement shall not be construed as making either party an agent or partner of the other party.

14.16 **Calculation of Time.** Unless specified otherwise, 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 such holiday, the period shall be extended to include the next day which is not a Saturday, Sunday or such holiday.

14.17 **1031 Exchange.** Purchaser agrees to cooperate with Seller (with no extra cost to Purchaser) should Seller elect to sell the Property in connection with an exchange under Internal Revenue Code Section 1031. Seller's contemplated exchange shall not impose upon Purchaser any additional liability or financial obligation, and Purchaser shall not be obligated to execute any note, contract, deed, or other document providing for any personal liability which would survive the exchange, nor shall Purchaser be obligated to take title to any property other than the Property in connection with the exchange. Such exchange shall not release, reduce or diminish Seller's obligations or liabilities under this Agreement. Seller agrees to hold Purchaser harmless from any liability that might arise from such exchange. This Agreement and the Closing hereunder are not contingent upon Seller's ability to identify or acquire a suitable exchange property or effectuate an exchange and shall not delay the Closing except for Seller's right to extend closing as provided in Section 10.2. In the event any exchange contemplated by Seller should fail to occur for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.

14.18 **Confidentiality.** To the extent allowed under the law, including the Oregon Public Records Law, neither Seller nor Purchaser will disclose the terms and conditions of this Agreement to any person or entity other than as may be absolutely necessary to carry out the provisions and intent of this Agreement. Notwithstanding the foregoing, Purchaser or Seller may provide a copy of this Agreement on a confidential basis only to any of its partners, directors, shareholders, employees, accountants, attorneys, lenders, or to a third party in the event Purchaser or Seller is required by law to provide a copy to such party.

14.19 **Statutory Disclaimer.** THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS THAT, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE AND THAT LIMIT LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, IN ALL ZONES. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING

TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO VERIFY THE EXISTENCE OF FIRE PROTECTION FOR STRUCTURES AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009 AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

14.20 **Counterparts.** This Agreement may be executed in counterparts, each of which, when taken together, shall constitute fully executed originals.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

SELLER

PURCHASER

Prudence M. Miller Trust U/T/A dated March 16, 2004

City of Tigard, an Oregon municipal corporation

By: Prudence M. Miller
Name: Prudence M. Miller
Its: Trustee

By: Elizabeth Newton
Name: Elizabeth Newton
Its: Assistant City Manager

APPROVED AS TO FORM:

By: _____
City Attorney

Exhibit A - Property
Exhibit B - Deed
Exhibit C - Assignment of Lease

CONSENT OF ESCROW HOLDER

The undersigned Escrow Holder hereby agrees to (i) accept the foregoing Agreement, (ii) be the Escrow Holder under said Agreement, and (iii) be bound by said Agreement in the performance of its duties as Escrow Holder; provided, however, the undersigned shall have no obligations, liability or responsibility under this Consent or otherwise unless and until said Agreement, fully signed by the parties, has been delivered to the undersigned.

DATED: _____, 2014.

By: _____

Name: _____

Title: _____

EXHIBIT A



EXHIBIT A

Legal Description

A tract of land being a portion of Lot 3, BURNHAM TRACT, a duly recorded subdivision in Washington County plat records, said land being located in the Northeast quarter of Section 2, Township 2 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington, State of Oregon, being further described as follows:

Beginning at the most Easterly corner of said Lot 3, BURNHAM TRACT, being a point on the centerline of S.W. Burnham Road; thence S45°06'43"W, along the Southeasterly line of said Lot 3, a distance of 30.00 feet to a point on the Southwesterly right-of-way line of said S.W. Burnham Road; thence S45°06'43"W, continuing on the Southeasterly line of said Lot 3, a distance of 314.41 feet to the Southwesterly line of a 30.00 foot easement recorded in Washington County Deed Book 890 Page 753; thence N44°28'10"W, 15.00 feet Southwesterly of, and parallel to, an existing sewer line, a distance of 190.74 feet to a point on the Northwesterly line of said Lot 3; thence N51°56'00"E, along the Northwesterly line of said Lot 3, a distance of 312.87 feet to a point on said Southwesterly right-of-way line of said S.W. Burnham Road; thence continuing N51°56'00"E, a distance of 30.27 feet to the most Northerly corner of said Lot 3, being a point on the centerline of said S.W. Burnham Road; thence S45°46'00"E, along said centerline, a distance of 150.00 feet to the point of beginning.

Excepting Therefrom that portion of said Lot dedicated to the public for street, road and utility purposes in document recorded October 13, 1978 in Book 1118, Page 567.

And Further Excepting Therefrom that portion of said Lot granted and dedicated to the City of Tigard for street and utility purposes in document recorded January 8, 1980, as Recorder's Number 80000717.

The foregoing property is the same property which is occasionally described as:

Lot 3, BURNHAM TRACT, in the City of Tigard, Washington County, Oregon.

Excepting Therefrom that portion of said Lot dedicated to the public for street, road and utility purposes in document recorded October 13, 1976, page 567.

And Further Excepting Therefrom that portion of said Lot granted and dedicated to the City of Tigard for street and utility purposes in document recorded January 8, 1980, Recorder's No. 80000717.

And Further Excepting Therefrom that portion of said Lot conveyed to the City of Tigard by deed recorded August 6, 1980, Recorder's No. 80026999.

And Further Excepting Therefrom that portion of said Lot conveyed to Gerald L. Cach and Joan L. Cach, husband and wife, by deed recorded August 11, 1980, Recorder's No. 80027467.

Portland-2140012.1 0099999-00001

Title Data, Inc. FA POR10411 WN 2004028753.003

EXHIBIT B

AFTER RECORDING RETURN TO:

City of Tigard
Attn: City Manager
City Hall
13125 SW Hall Blvd
Tigard OR 97223

UNTIL A CHANGE IS REQUESTED

SEND TAX STATEMENTS TO:

City of Tigard
Attn: City Manager
City Hall
13125 SW Hall Blvd
Tigard OR 97223

This space is reserved for recorder's use.

STATUTORY SPECIAL WARRANTY DEED

Prudence M. Miller Trust U/T/A dated March 16, 2004, Grantor, whose address is 4220 SW Green Leaf Drive, Portland, OR 97221, conveys and warrants to City of Tigard, an Oregon municipal corporation, Grantee, whose address is 13125 SW Hall Blvd, Tigard, OR 97223 the following described real property free of encumbrances created or suffered by Grantor except as specifically set forth herein:

See Exhibit A attached hereto.

The true consideration for this conveyance is One Million Three Hundred Thousand and No/100 Dollars. This conveyance is made subject to the matters set forth on Exhibit B attached hereto.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS

AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

DATED this _____ day of _____, 2014.

GRANTOR

Prudence M. Miller Trust U/T/A dated March 16, 2004

By: _____

Name: _____

Its: _____

STATE OF OREGON)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 2014 by _____ as _____ of the Prudence M. Miller Trust U/T/A dated March 16, 2004.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

ACCEPTED:

GRANTEE

City of Tigard, an Oregon municipal corporation

By: _____

Name: _____

Its: _____

STATE OF OREGON)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 2014, by _____ as _____ of the City of Tigard, an Oregon municipal corporation.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

Exhibit A
[to be provided by Escrow Holder]

Exhibit B
[to be provided after review of preliminary report]

Exhibit 3.2
ASSIGNMENT OF LEASE

THIS Assignment and Assumption of Lease ("Agreement") is made as of this ____ day of _____, 2014, between Prudence M. Miller Trust U/T/A dated March 16, 2004 ("Assignor") and the City of Tigard, an Oregon municipal corporation ("Assignee").

RECITALS

- A. Assignor owns the fee interest in those certain premises described on Exhibit A attached and incorporated hereto (the "Premises").
- B. A portion of the Premises are leased pursuant to the lease attached and incorporated as Exhibit B (the "Lease"). Assignor holds all right, title and interest in and to the lessor's interest under the Lease.
- C. Pursuant to that certain Purchase Agreement and Escrow Instructions dated _____, 2014, between Assignor and Assignee (the "Agreement"), Assignor has agreed to sell the Premises to Assignee and in connection with the sale has agreed to assign the Lease to Assignee and Assignee has agreed to assume the Lease.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Assignment.

Effective as of the Effective Date of this Assignment, Assignor hereby transfers, sets over and assigns to Assignee all right, title and interest of Assignor in and to the Lease, TO HAVE AND TO HOLD the same to Assignee, its successors and assigns forever; SUBJECT, HOWEVER, to each and every provision of the Lease and as hereinafter provided.

2. Acceptance of Assignment.

Effective as of the Effective Date, Assignee accepts the within assignment and agrees to perform and discharge all of the covenants, terms, conditions and provisions to be kept, observed and performed by Assignor as lessor under the Lease.

3. Assignor's Indemnity of Assignee.

Assignor hereby agrees to defend and indemnify Assignee, its directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs

and expenses (including reasonable attorney's fees) arising out of or resulting from any breach or default committed or alleged to have been committed by Assignor as lessor under the Lease prior to the Effective Date.

4. Assignee's Indemnity of Assignor.

Within the limits of the Oregon Tort Claims Act and Oregon Constitution, Assignee hereby agrees to defend and indemnify Assignor, and its respective directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including reasonable attorney's fees) arising out of or resulting from any breach or default committed or alleged to have been committed by Assignee, its successors or assigns, as the lessor under the Lease from and after the Effective Date.

5. Effective Date.

This Assignment shall be effective as of the date of recording of the deed conveying title to the Premises to Assignee (the "Effective Date").

6. Counterparts.

This Assignment may be executed in one or more counterparts by the parties hereto. All Counterparts shall be construed together and shall constitute one agreement.

7. Binding Effect.

This Assignment shall be binding on and inure to the benefit of the parties and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed on behalf of each of them respectively, by their respective officers thereunto duly authorized, in multiple originals, all as of the day and year first above written.

ASSIGNOR

Prudence M. Miller Trust U/T/A dated March 16, 2004

By: _____
Name: _____
Its: _____

ASSIGNEE

City of Tigard, an Oregon municipal corporation

By: _____
Name: _____
Its: _____

EXHIBIT A

Premises

EXHIBIT B

The Lease

**First Addendum Dated February 13, 2014 to Purchase Agreement
And Escrow Instructions (the "Agreement")**

Dated January 10, 2014

By & Between

Prudence M. Miller Trust U/T/A March 16, 2004 (Seller)

And

City of Tigard an Oregon Municipal Corporation (Purchaser)

Purchaser and Seller by their signature below agree to replace the Legal Description in Exhibit A and the Legal Description to be attached as Exhibit A to the Special Warranty Deed in Exhibit B of the Agreement and any other such documents relating to the sale of the property located at 9110 SW Burnham St. in the City of Tigard, Washington County, Oregon, so that such documents conform to the Legal Description provided in the Preliminary Title Report dated January 13, 2014 by Lawyers Title File No. 32f0003803. Said Legal Description being as follows:

"EXHIBIT A"

A tract of land being a portion of Lot 3, BURNHAM TRACT, a duly recorded subdivision in Washington County Plat Records, said land being located in the Northeast quarter of Section 2, Township 2 South, Range 1 West of the Willamette Meridian, in the City of Tigard, County of Washington and State of Oregon, being further described as follows:

Beginning at the most Easterly corner of said Lot 3, BURNHAM TRACT, being a point on the centerline of SW Burnham Road; thence South 45°06'43" West, along the Southeasterly line of said Lot 3, a distance of 30.00 feet to a point on the Southwesterly right-of-way line of said SW Burnham Road; thence South 45°06'43" West, continuing on the Southeasterly line of said Lot 3, a distance of 314.41 feet to the Southwesterly line of a 30.00 foot easement recorded in Washington County Deed Book 890, Page 753; thence North 44°28'10" West, 15.00 feet Southwesterly of, and parallel to, an existing sewer line, a distance of 190.74 feet to a point on the Northwesterly line of said Lot 3; thence North 51°56'00" East, along the Northwesterly line of said Lot 3, a distance of 312.87 feet to a point on said Southwesterly right-of-way line of said SW Burnham Road; thence continuing North 51°56'00" East, a distance of 30.27 feet to the most Northerly corner of said Lot 3, being a point on the centerline of said SW Burnham Road; thence South 45°46'00" East, along said centerline, a distance of 150.00 feet to the point of beginning.

SELLER

Prudence M. Miller Trust U/T/A dated March 16, 2004

By: Prudence M. Miller

Name: Prudence M. Miller

Its: Trustee

PURCHASER

City of Tigard, an Oregon municipal corporation

By: Elizabeth Newton

Name: Elizabeth Newton

Its: asst. city Manager

**SECOND AMENDMENT TO PURCHASE AGREEMENT
AND ESCROW INSTRUCTIONS**

This Second Amendment to Purchase Agreement and Escrow Instructions (“**Amendment**”) is made effective _____, 2014 (“**Effective Date**”) by and among the City Center Development Agency, the Urban Renewal Agency of the City of Tigard (“**Agency**”), City of Tigard, an Oregon municipal corporation (“**Original Purchaser**”), and the Prudence M. Miller Trust (U/T/A dated March 16, 2004) (“**Seller**”).

RECITALS

A. By Ordinance No. 80-05 (1989) the City of Tigard established the Agency as a separate entity authorized to exercise all of the powers available to an Agency under ORS chapter 457, and designated the Tigard City Council as the governing body for the Agency.

B. Original Purchaser and Seller entered into a Purchase Agreement and Escrow Instructions dated January 10, 2014, and the Exhibits thereto (the “**Original Agreement**”), as amended by the First Addendum to Purchase Agreement and Escrow Instructions dated February 13, 2014 (collectively, the “**Agreement**”).

C. In order to better effectuate the City Center Development Plan, Original Purchaser and Agency have determined that the property that is the subject of the Agreement must be acquired by the Agency rather than the Original Purchaser, and Seller is willing to sell to Agency on the terms and conditions set forth therein.

AGREEMENT

NOW, THEREFORE, the parties agree as follows:

1. Original Purchaser hereby assigns its interest in the Agreement, and in the Earnest Money deposited thereunder, to Agency.

2. The undersigned hereby amend the Agreement to replace the City of Tigard as Purchaser with the “City Center Development Agency, the Urban Renewal Agency of the City of Tigard”, and more particularly as follows:

(a) On the first page, in the third line, delete the words “City of Tigard” and insert “City Center Development Agency, the Urban Renewal Agency of the City of Tigard, an ORS Chapter 457 urban renewal agency” (Agency) as the Purchaser.

(b) In Section 4.8, replace the term “Tigard City Council” with “Board of the City Center Development Agency” throughout the Section.

(c) In Section 14.8, delete the reference to “City Manager” and insert “Executive Director”.

(d) In the signature block, delete the phrase, “City of Tigard, an Oregon municipal corporation” and insert, “City Center Development Agency, the Urban Renewal Agency of the City of Tigard, an ORS chapter 457 urban renewal agency.”

(e) Replace Exhibit ‘B’, the Statutory Warranty Deed, with the attached revised Exhibit ‘B’, Statutory Warranty Deed naming Agency as the Grantee.

(f) Replace Exhibit 3.3, Assignment of Lease, with the attached revised Exhibit 3.3, Assignment of Lease naming Agency as the Grantee.

3. Agency acknowledges that Original Purchaser previously approved the Schedule B title exceptions appearing in Title Report No. 32F0003803 dated as of January 8, 2014 issued by Lawyer’s Title, and that Agency is bound by such approval.

4. Except as modified by this Amendment, all covenants, agreements, terms, and conditions of the Agreement remain in full force and effect. Agency hereby ratifies each and every act and notification of Original Purchaser to-date under the Agreement and Seller acknowledges such acts and notifications as those of Agency.

5. In the event of any conflict between the terms of this Amendment and the Agreement, the terms of this Amendment shall control.

6. This Amendment may be executed in counterparts, by exchange of facsimile or electronic copies of executed signature pages, or both, with the same effect as if they were a single original instrument bearing original signatures.

City of Tigard

By: _____
Name: _____
Its: _____

Agency

By: _____
Name: _____
Its: _____

Seller

**Prudence M. Miller Trust U/T/A
dated May 16, 2014**

By: _____
Prudence M. Miller, Trustee

EXHIBIT B

AFTER RECORDING RETURN TO:
City Center Development Agency
13125 SW Hall Blvd
Tigard OR 97223

UNTIL A CHANGE IS REQUESTED
SEND TAX STATEMENTS TO:
City Center Development Agency
13125 SW Hall Blvd
Tigard OR 97223

This space is reserved for recorder's use.

STATUTORY SPECIAL WARRANTY DEED

Prudence M. Miller Trust U/T/A dated March 16, 2004, Grantor, whose address is 4220 SW Green Leaf Drive, Portland, OR 97221, conveys and warrants to the City Center Development Agency, the Urban Renewal Agency of the City of Tigard, Grantee, whose address is 13125 SW Hall Blvd, Tigard, OR 97223 the following described real property free of encumbrances created or suffered by Grantor except as specifically set forth herein:

See Exhibit A attached hereto.

The true consideration for this conveyance is One Million Three Hundred Thousand and No/100 Dollars. This conveyance is made subject to the matters set forth on Exhibit B attached hereto.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930, AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

DATED this _____ day of _____, 2014.

GRANTOR
Prudence M. Miller Trust U/T/A dated
March 16, 2004

By: _____
Name: _____
Its: _____

STATE OF OREGON)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 2014 by
_____ as _____ of the Prudence M. Miller Trust U/T/A dated March 16, 2004.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

ACCEPTED:

GRANTEE

City Center Development Agency

By: _____
Name: _____
Its: _____

STATE OF OREGON)
) ss.
County of _____)

This instrument was acknowledged before me on _____, 2014, by
_____ as _____ of the City Center Development Agency.

NOTARY PUBLIC FOR OREGON
My Commission Expires: _____

Exhibit A
[to be provided by Escrow Holder]

Exhibit B
[to be provided after review of preliminary report]

Exhibit 3.2
ASSIGNMENT OF LEASE

THIS Assignment and Assumption of Lease (“Agreement”) is made as of this ___ day of _____, 2014, between Prudence M. Miller Trust U/T/A dated March 16, 2004 (“Assignor”) and the City Center Development Agency, the Urban Renewal Agency of the City of Tigard (“Assignee”).

RECITALS

A. Assignor owns the fee interest in those certain premises described on Exhibit A attached and incorporated hereto (the “Premises”).

B. A portion of the Premises are leased pursuant to the lease attached and incorporated as Exhibit B (the “Lease”). Assignor holds all right, title and interest in and to the lessor’s interest under the Lease.

C. Pursuant to that certain Purchase Agreement and Escrow Instructions dated January 10, 2014, between Assignor and Assignee (the “Agreement”), Assignor has agreed to sell the Premises to Assignee and in connection with the sale has agreed to assign the Lease to Assignee and Assignee has agreed to assume the Lease.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Assignment.

Effective as of the Effective Date of this Assignment, Assignor hereby transfers, sets over and assigns to Assignee all right, title and interest of Assignor in and to the Lease, TO HAVE AND TO HOLD the same to Assignee, its successors and assigns forever; SUBJECT , HOWEVER, to each and every provision of the Lease and as hereinafter provided.

2. Acceptance of Assignment.

Effective as of the Effective Date, Assignee accepts the within assignment and agrees to perform and discharge all of the covenants, terms, conditions and provisions to be kept, observed and performed by Assignor as lessor under the Lease.

3. Assignor’s Indemnity of Assignee.

Assignor hereby agrees to defend and indemnify Assignee, its directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including reasonable attorney’s fees) arising out of or resulting from any breach or default committed or alleged to have been committed by Assignor as lessor under the Lease prior to the Effective Date.

4. Assignee's Indemnity of Assignor.

Within the limits of the Oregon Tort Claims Act and Oregon Constitution, Assignee hereby agrees to defend and indemnify Assignor, and its respective directors, officers, employees, agents, representatives, successors and assigns, and each of them, from and against any and all claims, suits, demands, causes of action, actions, liabilities, losses, damages, costs and expenses (including reasonable attorney's fees) arising out of or resulting from any breach or default committed or alleged to have been committed by Assignee, its successors or assigns, as the lessor under the Lease from and after the Effective Date.

5. Effective Date.

This Assignment shall be effective as of the date of recording of the deed conveying title to the Premises to Assignee (the "Effective Date").

6. Counterparts.

This Assignment may be executed in one or more counterparts by the parties hereto. All Counterparts shall be construed together and shall constitute one agreement.

7. Binding Effect.

This Assignment shall be binding on and inure to the benefit of the parties and their respective heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be duly executed on behalf of each of them respectively, by their respective officers thereunto duly authorized, in multiple originals, all as of the day and year first above written.

ASSIGNOR

ASSIGNEE

Prudence M. Miller Trust U/T/A dated March 16, 2004

City Center Development Agency

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

EXHIBIT A

Premises

EXHIBIT B

The Lease



9110 SW Burnham St. (Miller property)

Feet
0 250

AIS-1760

7.

CCDA Agenda

Meeting Date: 05/06/2014

Length (in minutes): 10 Minutes

Agenda Title: CCDA Resolution authorizing indebtedness through an IGA with the City of Tigard

Prepared For: Toby LaFrance, Financial and Information Services

Submitted By: Toby LaFrance, Financial and Information Services

Item Type: Meeting Type: City Center Development Agency

Public Hearing:

Publication Date:

Information

ISSUE

Shall the Board of the City Center Development Agency (CCDA) approve a resolution to authorize an Intergovernmental Agreement (IGA) between the CCDA and the City of Tigard to enter into indebtedness and delegate to the Executive Director, or designee, the authority to determine final terms of the IGA and execute the IGA?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends approval of the resolution.

KEY FACTS AND INFORMATION SUMMARY

Passing this resolution is one of the steps necessary for the purchase and financing of the property located at 9110 SW Burnham St. in the City of Tigard, Oregon.

This resolution will create an agreement between the CCDA and the City of Tigard. The City of Tigard is going to use its full faith and credit pledge to support the borrowing of up to \$1,400,000 to make the property purchase. The CCDA is agreeing that it will use the collection of property tax increment to make the annual debt payments. The full faith and credit pledge means that, in the highly unlikely event that there is insufficient property tax collections in the CCDA to make full payment on the debt, then the city General Fund will make up the difference in the annual payments. By entering into the IGA and agreeing to use the City's full faith and credit, the banks perceive less risk in extending credit for the property purchase, interest rates will be lower, and the cost of the borrowing is reduced. With the lower cost of borrowing, there will be additional capacity for the CCDA to pursue other goals.

Working with the city's Financial Adviser, staff has solicited bids from lenders and received three responses. This resolution and IGA will permit staff to work with the most responsive

bidder and finalize the terms of the loan. Since some of the terms, such as interest rate, cannot be locked until shortly before the property purchase is finalized, there are some portions of the IGA form that are left blank. The resolution delegates the authority to finalize the terms of the borrowing and the IGA to the Executive Director of the CCDA, or designee.

OTHER ALTERNATIVES

The CCDA Board could decide not to purchase the property, making the IGA and indebtedness unnecessary. Additionally, the CCDA could instruct staff to seek indebtedness that is not dependent on the IGA and the city's full faith and credit. This is likely to result in a higher cost of borrowing and fewer CCDA resources for other goals.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

This resolution supports the goals for Downtown and fulfills a project in the Urban Renewal Plan.

DATES OF PREVIOUS COUNCIL CONSIDERATION

Executive sessions on March 4, 2014 and April 1, 2014 included discussion of property financing.

Fiscal Impact

Fiscal Information:

The Proposed Budget for FY 2015 includes an estimate of \$200,000 in annual debt service payments on the loan. Based on the bids, it is likely that the annual payments will be less, but that will not be finalized until the terms of the loan are locked in shortly before the property purchase.

Attachments

Resolution

IGA w/ City of Tigard

**CITY OF TIGARD, OREGON
CITY CENTER DEVELOPMENT AGENCY
RESOLUTION NO. 14-_____**

A RESOLUTION AUTHORIZING INDEBTEDNESS FOR A CAPITAL PROJECT DESCRIBED IN THE URBAN RENEWAL PLAN FOR THE CITY CENTER URBAN RENEWAL AREA.

WHEREAS, the City Center Development Agency (the “Agency”) is authorized by ORS Chapter 457 to incur indebtedness to carry out its urban renewal plan and by ORS Chapter 190 to enter into intergovernmental agreements; and,

WHEREAS, the City of Tigard expects to finance the cost of acquiring property located at 9110 SW Burnham St. in the City of Tigard, Washington County, Oregon including the costs of the financing (collectively, the “Project”) in an amount not to exceed \$1,400,000 and wishes to pay the debt service from the tax increment revenues of the Agency’s City Center Urban Renewal Area; and,

Whereas, the Project is an urban renewal project described in the Urban Renewal Plan for the City Center Urban Renewal Area; and,

WHEREAS, City Center Urban Renewal Area is projected to have sufficient tax increment revenues to pay the debt service on the City’s financing of the Project; and,

WHEREAS, the Agency is willing to commit tax increment revenues from City Center Urban Renewal Area in amounts sufficient to pay up to \$1,400,000 in principal amount of financing for the Project, plus interest; and,

WHEREAS, the Agency is amending the urban renewal plan for the City Center Urban Renewal Area to list property acquisition as a permitted urban renewal project; and,

WHEREAS, the Agency has more than \$1,400,000 of unused maximum indebtedness in the urban renewal plan for City Center Urban Renewal Area and is willing to use \$1,400,000 of that maximum indebtedness to finance the Project;

NOW, THEREFORE, the Board of Directors of the City Center Development Agency resolves as follows:

Section 1. Intergovernmental agreement authorized. The Board hereby authorizes the Agency to enter into an intergovernmental agreement with the City that obligates the Agency to pay up to \$1,400,000 in principal amount, plus interest, to finance the Project. The intergovernmental agreement shall constitute indebtedness of the Agency that is payable solely from the tax increment revenues of City Center Urban Renewal Area and interest earnings on those tax increment revenues. The intergovernmental agreement shall be in substantially the form attached to this resolution as Exhibit A but with such changes as are approved pursuant to Section 2.

Section 2. Delegation. The Executive Director of the City Center Development Agency, or her designee authorized to act on behalf of the Agency under this resolution, is hereby authorized, on behalf of the Agency and without further action by the Agency Board to negotiate the final terms of and execute the intergovernmental agreement described in Section 1 of this resolution, and to execute any documents and take any other actions that are desirable to assist the City in financing the Project.

Section 3. Effective Date. This resolution is effective immediately upon adoption.

PASSED: This 6th day of May, 2014.

Chair – City of Tigard
City Center Development Agency

ATTEST:

Recorder – City of Tigard City Center Development Agency

Exhibit A

FORM OF INTERGOVERNMENTAL AGREEMENT

**Intergovernmental Agreement
to Make Financing Payments**

by and between the

City Center Development Agency, Oregon

and the

City of Tigard, Oregon

Dated as of [Closing Date], 2014

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**Intergovernmental Agreement
to Make Financing Payments**

This Intergovernmental Agreement to Make Financing Payments is dated as of [Closing Date], 2014, and is entered into by and between the City Center Development Agency, Oregon, (the “Agency”) and the City of Tigard, Oregon (the “City”). The parties hereby agree as follows:

Section 1. Definitions and Recitals.

(1) Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Intergovernmental Agreement which are defined in this Section 1(1) shall have the following meanings:

“Financing Agreement” means the Financing Agreement between the City and [U.S. Bank National Association] in the principal amount of \$[Principal Amount] to finance the Project and costs of issuance, which is dated as of [Closing Date], 2014.

“Financing Payments” means the principal and interest payments the City is required to make to the Bank under the Financing Agreement.

“Parity Obligations” means the intergovernmental agreement between the City and Agency which is dated _____, and secures a loan of \$_____, and any obligations issued to refund the Parity Obligations.

“Project” means the purchase of property located at 9110 SW Burnham St. in the City of Tigard, Washington County, Oregon.

“Tax Increment Revenues” means all revenues which the Agency collects for the City Center Urban Renewal Area under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457.

(2) Findings.

(A) The City has entered into the Financing Agreement to finance costs of the Project and the cost of issuance of the borrowing.

(B) The Project is properly described as an urban renewal project in the Agency’s urban renewal plan.

(C) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Project.

(D) The Project will assist the Agency in carrying out its urban renewal plan.

(E) The Agency has more than \$_____ of unused maximum indebtedness available prior to executing this Intergovernmental Agreement.

Intergovernmental Agreement

Section 2. The Financing Payments.

(1) The Financing Payments.

The Agency hereby agrees to pay to the Bank or the City, not less than one business day prior to the dates on which the Financing Payments are due to the Bank, amounts that are equal to the Financing Payments in a maximum principal amount of \$[Principal Amount]. The amounts and dates of the Financing Payments are shown in Exhibit A. The Agency further agrees to give the City notice if it has sent funds directly to the Bank to pay the Financing Payments.

(2) Security for the Obligation of the Agency to Pay the Financing Payments.

This Intergovernmental Agreement shall constitute indebtedness of the Agency in a principal amount that is equal to the Financing Amount. The Agency is obligated to make the payments due under this Intergovernmental Agreement solely from the Tax Increment Revenues. Pursuant to ORS 287A.310, the Agency pledges the Tax Increment Revenues to pay the amounts described in Section 2.1. This pledge is on a parity with the pledge of those Tax Increment Revenues that secures the Parity Obligations. The pledge that secures this Intergovernmental Agreement and the Parity Obligations shall be superior to all other pledges or commitments of Tax Increment Revenues that the Agency makes, unless the City agrees in writing to subordinate its claim against the Tax Increment Revenues or to grant a lien on the Tax Increment Revenues on parity.

Section 3. Prepayment.

If the City exercises its option to prepay the Financing Payments in whole or in part, unless the Agency consents in advance and in writing, the Agency shall not be obligated to prepay the amounts due from it under this Intergovernmental Agreement.

Section 4. Estoppel.

The Agency hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Intergovernmental Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Intergovernmental Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Intergovernmental Agreement is a valid and binding obligation of the Agency which is enforceable against the Agency in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

Section 5. Title.

Neither the City nor the owner of the Financing Agreement shall have a lien on, or security interest in the Project.

Section 6. Miscellaneous.

(1) Binding Effect.

This Intergovernmental Agreement shall inure to the benefit of and shall be binding upon the Agency and the City and their respective successors and assigns.

(2) Severability.

In the event any provisions of this Intergovernmental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

(3) Amendments.

This Intergovernmental Agreement may be amended only by a writing signed by both parties.

(4) Execution in Counterparts.

This Intergovernmental Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument.

(5) Applicable Law.

This Intergovernmental Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Intergovernmental Agreement or the transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Washington County, Oregon.

(6) Rules of Construction.

References to section numbers in documents which do not specify the document in which the section is located shall be construed as references to section numbers in this Intergovernmental Agreement.

(7) Headings.

The headings, titles and table of contents in this Intergovernmental Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Intergovernmental Agreement.

Intergovernmental Agreement

IN WITNESS WHEREOF, the Agency and the City have executed this Intergovernmental Agreement as of the date indicated above.

**For the City Center Development Agency,
Oregon**

Authorized Signer

For the City of Tigard, Oregon

Authorized Signer

EXHIBIT A

FINANCING PAYMENT SCHEDULE

Interest at the rate of _____%, calculated on an actual/360 basis, is payable semi-annually on _____ and _____ commencing _____, 20__.

<u>Date</u> (_____)	<u>Principal</u> <u>Payment (\$)</u>
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AIS-1761

8.

CCDA Agenda

Meeting Date: 05/06/2014

Length (in minutes): 5 Minutes

Agenda Title: City Resolution authorizing financing of an urban renewal capital project and IGA with the City Center Renewal Agency

Prepared For: Toby LaFrance, Financial and Information Services

Submitted By: Toby LaFrance, Financial and Information Services

Item Type: Resolution

Meeting Type: Council
Business
Meeting -
Main

Public Hearing: Yes

Publication Date:

Information

ISSUE

Shall the City Council approve a resolution to authorize debt up to \$1,400,000 and delegate authority to negotiate and execute the financing and enter into an Intergovernmental Agreement (IGA) between the CCDA and the City of Tigard to enter into indebtedness that will be repaid by the CCDA property tax increment?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends approval of the resolution.

KEY FACTS AND INFORMATION SUMMARY

Passing this resolution is one of the steps necessary for the purchase and financing of the property located at 9110 SW Burnham St. in the City of Tigard, Oregon.

This resolution will create an agreement between the CCDA and the City of Tigard. The City of Tigard is going to use its full faith and credit pledge to support the borrowing of up to \$1,400,000 to make the property purchase. The CCDA is agreeing that it will use the collection of property tax increment to make the annual debt payments. The full faith and credit pledge means that, in the highly unlikely event that there is insufficient property tax collections in the CCDA to make full payment on the debt, or there is a balloon payment on the debt that the CCDA cannot afford to finance, then the city General Fund will make up the difference in the payments. By entering into the IGA and agreeing to use the City's full faith and credit, the banks perceive less risk in extending credit for the property purchase, interest rates will be lower, and the cost of the borrowing is reduced. With the lower cost of borrowing, there will be additional capacity for the CCDA to pursue other goals.

Working with the city's Financial Adviser, staff has solicited bids from lenders and received three responses. This resolution and IGA will permit staff to work with the most responsive bidder and finalize the terms of the loan. Since some of the terms, such as interest rate, cannot be locked until shortly before the property purchase is finalized, there are some portions of the IGA form that are left blank. The resolution delegates the authority to finalize the terms of the borrowing and the IGA to the City Manager, Finance and Information Services Director, or designee.

OTHER ALTERNATIVES

The City Council could decide not to issue the debt or participate in the IGA with the CCDA. This would require the CCDA to consider seeking indebtedness that is not dependent on city's full faith and credit. This is likely to result in a higher cost of borrowing and fewer CCDA resources for other goals.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

This resolution supports the goals for Downtown and fulfills a project in the Urban Renewal Plan.

DATES OF PREVIOUS COUNCIL CONSIDERATION

Executive sessions on March 4, 2014 and April 1, 2014 included discussion of property financing.

Fiscal Impact

Fiscal Information:

This action will only impact the city budget in the very unlikely event that the CCDA does not have sufficient resources to make the debt service payments. In that unlikely event, the city's General Fund will need to make the unpaid portion of the the payment.

The Proposed Budget for the CCDA for FY 2015 includes an estimate of \$200,000 in annual debt service payments on the loan. Based on the bids, it is likely that the annual payments will be less, but that will not be finalized until the terms of the loan are locked in shortly before the property purchase.

Attachments

Resolution

IGA with the City Center Development Agency

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. _____**

**A RESOLUTION AUTHORIZING FINANCING OF A CAPITAL PROJECT
DESCRIBED IN THE URBAN RENEWAL PLAN FOR THE CITY CENTER URBAN
RENEWAL AREA.**

WHEREAS, the City is authorized by Oregon Revised Statutes Section 271.390 to enter into financing agreements to finance or refinance real or personal property which the City Council determines is needed; and

WHEREAS, it is desirable to obtain up to \$1,400,000 of financing to acquire the property located at 9110 SW Burnham St. in the City of Tigard, Washington County, Oregon, which is within the City Center Urban Renewal Area (the “Project”); and,

WHEREAS, the City Center Development Agency is projected to have sufficient tax increment revenues to pay the amounts due from the City in connection with the financing of the Project, and will enter into an intergovernmental agreement with the City to use tax increment revenues to pay those amounts;

NOW, THEREFORE, the City of Tigard resolves as follows:

Section 1. Determination of Need. The City Council hereby determines that the Project is needed.

Section 2. Financing Agreement Authorized. The City Council hereby authorizes the City to obtain up to \$1,400,000 in principal amount of financing for the Project pursuant to ORS 271.390. Proceeds of the financing may be used to finance the Project and to pay costs related to the financing.

Section 3. Delegation. The City Manager or the Financial and Information Services Director, or the designee of the City Manager or the Financial and Information Services Director (each of whom is referred to herein as a “City Official”) is hereby authorized, on behalf of the City and without further action by the City Council, to:

- (1) Negotiate, execute and deliver a financing agreement (the “Financing Agreement”) in an aggregate principal amount that does not exceed \$1,400,000 to finance the Project and pay costs related to the financing. Subject to the limitations of this Resolution, the Financing Agreement may be in such form and contain such terms as the City Official may approve.
- (2) Enter into covenants that restrict the use of the Project and the sale terms of the Project to comply with the constitutional “lending of credit” prohibition.

- (3) Determine the final principal amount, interest rates, payment dates, prepayment rights and all other terms of the financing.
- (4) Negotiate, execute and deliver a note to evidence amounts due under the Financing Agreement.
- (5) Select U.S. Bank or another commercial bank or investor with which to negotiate, execute and deliver the Financing Agreement.
- (6) Issue the Financing Agreement with interest that is as taxable or tax-exempt under the Internal Revenue Code of 1986, as amended.
- (7) Execute and deliver any other certificates or documents and take any other actions which the City Official determines are desirable to carry out this Resolution.

Section 4. Payments from Tax Increment Revenues. The City Official is authorized to enter into an intergovernmental agreement with the City Center Development Agency, under which the Agency agrees to provide tax increment revenues in sufficient amounts to pay all amounts due from the City under the Financing Agreement. The intergovernmental agreement shall be in substantially the form attached to this resolution as Exhibit A, but with any changes the City Official may approve.

Section 5. Security. Pursuant to ORS 287A.315, the City Official may pledge the City's full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due under the Financing Agreement. The City is not authorized to levy additional taxes to pay the amounts due under the Financing Agreement. In addition, the City Official may pledge or assign any amounts that the City receives under the intergovernmental agreement described in Section 4 of this Resolution to pay the amounts due from the City under the Financing Agreement.

Section 6. Effective Date. This resolution is effective immediately upon adoption.

PASSED: This 6th day of May 2014.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

Exhibit A

FORM OF INTERGOVERNMENTAL AGREEMENT

**Intergovernmental Agreement
to Make Financing Payments**

by and between the

City Center Development Agency, Oregon

and the

City of Tigard, Oregon

Dated as of [Closing Date], 2014

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Intergovernmental Agreement to Make Financing Payments

This Intergovernmental Agreement to Make Financing Payments is dated as of [Closing Date], 2014, and is entered into by and between the City Center Development Agency, Oregon, (the “Agency”) and the City of Tigard, Oregon (the “City”). The parties hereby agree as follows:

Section 1. Definitions and Recitals.

(1) Definitions.

Unless the context clearly requires otherwise, capitalized terms used in this Intergovernmental Agreement which are defined in this Section 1(1) shall have the following meanings:

“Financing Agreement” means the Financing Agreement between the City and [U.S. Bank National Association] in the principal amount of \$[Principal Amount] to finance the Project and costs of issuance, which is dated as of [Closing Date], 2014.

“Financing Payments” means the principal and interest payments the City is required to make to the Bank under the Financing Agreement.

“Parity Obligations” means the intergovernmental agreement between the City and Agency which is dated _____, and secures a loan of \$_____, and any obligations issued to refund the Parity Obligations.

“Project” means the purchase of property located at 9110 SW Burnham St. in the City of Tigard, Washington County, Oregon.

“Tax Increment Revenues” means all revenues which the Agency collects for the City Center Urban Renewal Area under the provisions of Article IX, Section 1c of the Oregon Constitution and ORS Chapter 457.

(2) Findings.

(A) The City has entered into the Financing Agreement to finance costs of the Project and the cost of issuance of the borrowing.

(B) The Project is properly described as an urban renewal project in the Agency’s urban renewal plan.

(C) The Agency is authorized to spend Tax Increment Revenues to pay for the costs of the Project.

(D) The Project will assist the Agency in carrying out its urban renewal plan.

(E) The Agency has more than \$_____ of unused maximum indebtedness available prior to executing this Intergovernmental Agreement.

Intergovernmental Agreement

Section 2. The Financing Payments.

(1) The Financing Payments.

The Agency hereby agrees to pay to the Bank or the City, not less than one business day prior to the dates on which the Financing Payments are due to the Bank, amounts that are equal to the Financing Payments in a maximum principal amount of \$[Principal Amount]. The amounts and dates of the Financing Payments are shown in Exhibit A. The Agency further agrees to give the City notice if it has sent funds directly to the Bank to pay the Financing Payments.

(2) Security for the Obligation of the Agency to Pay the Financing Payments.

This Intergovernmental Agreement shall constitute indebtedness of the Agency in a principal amount that is equal to the Financing Amount. The Agency is obligated to make the payments due under this Intergovernmental Agreement solely from the Tax Increment Revenues. Pursuant to ORS 287A.310, the Agency pledges the Tax Increment Revenues to pay the amounts described in Section 2.1. This pledge is on a parity with the pledge of those Tax Increment Revenues that secures the Parity Obligations. The pledge that secures this Intergovernmental Agreement and the Parity Obligations shall be superior to all other pledges or commitments of Tax Increment Revenues that the Agency makes, unless the City agrees in writing to subordinate its claim against the Tax Increment Revenues or to grant a lien on the Tax Increment Revenues on parity.

Section 3. Prepayment.

If the City exercises its option to prepay the Financing Payments in whole or in part, unless the Agency consents in advance and in writing, the Agency shall not be obligated to prepay the amounts due from it under this Intergovernmental Agreement.

Section 4. Estoppel.

The Agency hereby certifies, recites and declares that all things, conditions and acts required by the Constitution and Statutes of the State of Oregon and by this Intergovernmental Agreement to exist, to have happened and to have been performed precedent to and in the execution and the delivery of this Intergovernmental Agreement, do exist, have happened and have been performed in due time, form and manner, as required by law, and that this Intergovernmental Agreement is a valid and binding obligation of the Agency which is enforceable against the Agency in accordance with its terms, except to the extent that enforceability may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or other laws or judicial decisions or principles of equity relating to or affecting the enforcement of creditors' rights or contractual obligations generally.

Section 5. Title.

Neither the City nor the owner of the Financing Agreement shall have a lien on, or security interest in the Project.

Section 6. Miscellaneous.

(1) Binding Effect.

This Intergovernmental Agreement shall inure to the benefit of and shall be binding upon the Agency and the City and their respective successors and assigns.

(2) Severability.

In the event any provisions of this Intergovernmental Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provisions hereof.

(3) Amendments.

This Intergovernmental Agreement may be amended only by a writing signed by both parties.

(4) Execution in Counterparts.

This Intergovernmental Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute the same instrument.

(5) Applicable Law.

This Intergovernmental Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. Any action regarding this Intergovernmental Agreement or the transactions contemplated hereby shall be brought in an appropriate court of the State of Oregon in Washington County, Oregon.

(6) Rules of Construction.

References to section numbers in documents which do not specify the document in which the section is located shall be construed as references to section numbers in this Intergovernmental Agreement.

(7) Headings.

The headings, titles and table of contents in this Intergovernmental Agreement are provided for convenience and shall not affect the meaning, construction or effect of this Intergovernmental Agreement.

Intergovernmental Agreement

IN WITNESS WHEREOF, the Agency and the City have executed this Intergovernmental Agreement as of the date indicated above.

**For the City Center Development Agency,
Oregon**

Authorized Signer

For the City of Tigard, Oregon

Authorized Signer

EXHIBIT A

FINANCING PAYMENT SCHEDULE

Interest at the rate of _____%, calculated on an actual/360 basis, is payable semi-annually on _____ and _____ commencing _____, 20__.

<u>Date</u>	<u>Principal</u>
(_____)	Payment (\$)