



City of Tigard
Tigard Business Meeting – Agenda

TIGARD CITY COUNCIL, LOCAL CONTRACT REVIEW BOARD AND CITY CENTER DEVELOPMENT AGENCY *Agenda Revised 5/21/15: Study Session Item B is replaced and Business Meeting Item 14 is added.*

MEETING DATE AND TIME: May 26, 2015 - 6:30 p.m. Study Session; 7:30 p.m. Business Meeting
MEETING LOCATION: City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

PUBLIC NOTICE:

Anyone wishing to speak on an agenda item should sign on the appropriate sign-up sheet(s). If no sheet is available, ask to be recognized by the Mayor at the beginning of that agenda item. Citizen Communication items are asked to be two minutes or less. Longer matters can be set for a future Agenda by contacting either the Mayor or the City Manager.

Times noted are *estimated*; it is recommended that persons interested in testifying be present by 7:15 p.m. to sign in on the testimony sign-in sheet. *Business agenda items can be heard in any order after 7:30 p.m.*

Assistive Listening Devices are available for persons with impaired hearing and should be scheduled for Council meetings by noon on the Monday prior to the Council 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

VIEW LIVE VIDEO STREAMING ONLINE:

<http://live.tigard-or.gov>

CABLE VIEWERS: The regular City Council meeting is shown live on Channel 28 at 7:30 p.m. The meeting will be rebroadcast at the following times on Channel 28:

Thursday	6:00 p.m.	Sunday	11:00 a.m.
Friday	10:00 p.m.	Monday	6:00 a.m.



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6:30 PM

- STUDY SESSION

- A. COUNCIL LIAISON REPORTS **6:30 p.m. estimated time**
- B. BRIEFING ON AN IGA WITH METRO FOR A REGIONAL TRAVEL OPTIONS GRANT AWARD FOR SAFE ROUTES TO SCHOOL PROGRAMMING **6:45 p.m. estimated time**
- C. POLICY DISCUSSION ON YOUTH SPORTS LEAGUE AGREEMENT **6:55 p.m. estimated time**

- EXECUTIVE SESSION: The Tigard City Council 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.

7:30 PM

- 1. BUSINESS MEETING
 - A. Call to Order
 - B. Roll Call
 - C. Pledge of Allegiance
 - D. Call to Council and Staff for Non-Agenda Items
- 2. CITIZEN COMMUNICATION (Two Minutes or Less, Please)

- A. Follow-up to Previous Citizen Communication
- B. Citizen Communication – Sign Up Sheet
3. CONSENT AGENDA: (Tigard City Council and City Center Development Agency) These items are considered routine and may be enacted in one motion without separate discussion. Anyone may request that an item be removed by motion for discussion and separate action. Motion to:
 - A. APPROVE CITY COUNCIL MINUTES:
 - December 18, 2014
 - April 21, 2015
 - B. RESOLUTION AUTHORIZING METRO COMMUNITY PLANNING & DEVELOPMENT GRANT APPLICATION - DOWNTOWN
 - C. CITY COUNCIL: RESOLUTION AUTHORIZING METRO COMMUNITY PLANNING AND DEVELOPMENT GRANT APPLICATION - TIGARD TRIANGLE

• Consent Agenda - Items Removed for Separate Discussion: Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Council/ City Center Development Agency has voted on those items which do not need discussion.

4. CONSIDER RESOLUTION SUPPORTING THE CREATION OF A PRESIDENTIAL YOUTH ADVISORY COUNCIL. **7:35 p.m. estimated time**
5. BRIEFING ON A SURPLUS WATER CONTRACT WITH THE JOINT WATER COMMISSION (JWC) **7:40 p.m. estimated time**
6. LOCAL CONTRACT REVIEW BOARD: AWARD CONTRACT FOR CONSTRUCTION OF PAVEMENT OVERLAY PROJECT OF THE PAVEMENT MANAGEMENT PROGRAM **7:50 p.m. estimated time**
7. LOCAL CONTRACT REVIEW BOARD: AWARD CONTRACT FOR PAVEMENT MANAGEMENT PROGRAM - CRACK SEALING PROJECT **8:00 p.m. estimated time**
8. LOCAL CONTRACT REVIEW BOARD: CONSIDER CONTRACT AWARD FOR DOWNTOWN ENTRYWAY MONUMENT CONSTRUCTION **8:10 p.m. estimated time**
9. LEGISLATIVE PUBLIC HEARING: ADOPT SOLID WASTE FRANCHISE TMC CHANGES **8:25 p.m. estimated time**
10. CITY CENTER DEVELOPMENT AGENCY:
CCDA ASSIGNMENT OF RIGHT TO PURCHASE SAXONY PROPERTY TO THE CITY OF TIGARD **8:45 p.m. estimated time**

11. CITY COUNCIL:

CONSIDER A RESOLUTION ACCEPTING ASSIGNMENT TO PURCHASE SAXONY PACIFIC PROPERTIES FROM THE CITY CENTER DEVELOPMENT AGENCY **8:50 p.m. estimated time**
12. CONSIDER A RESOLUTION APPROVING THE PURCHASE OF THE SAXONY-PACIFIC PROPERTIES AND AUTHORIZING THE CITY MANAGER TO COMPLETE THE PROPERTY PURCHASE **8:55 p.m. estimated time**
13. INFORMATIONAL PUBLIC HEARING: FY 2015 THIRD QUARTER BUDGET AMENDMENT **9:00 p.m. estimated time**
14. AUTHORIZE A 2015 FEDERAL COPS GRANT APPLICATION AND AUTHORIZE THE CITY MANAGER TO SIGN
15. NON AGENDA ITEMS
16. EXECUTIVE SESSION: The Tigard City Council 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.
17. ADJOURNMENT **9:10 p.m. estimated time**

AIS-2064

A.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 15 Minutes

Agenda Title: Council Liaison Reports

Submitted By: Norma Alley, City Management

Item Type: Update, Discussion, Direct Staff

Meeting Type: Council
Business
Mtg - Study
Sess.

Public Hearing: No

Publication Date:

Information

ISSUE

Council will present liaison reports.

STAFF RECOMMENDATION / ACTION REQUEST

KEY FACTS AND INFORMATION SUMMARY

OTHER ALTERNATIVES

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

DATES OF PREVIOUS COUNCIL CONSIDERATION

N/A

Attachments

No file(s) attached.

AIS-2186

B.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 10 Minutes

Agenda Title: Briefing on an IGA with Metro to Accept and Manage a Regional Travel Options Grant Award for Safe Routes to School Programming

Prepared For: Buff Brown

Submitted By: Mark Bernard,
Community Development

Item Type: Update, Discussion,
Direct Staff

Meeting Type: Council Business
Mtg - Study Sess.

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Council will receive a briefing regarding an IGA being developed between Metro and the City of Tigard to accept and manage \$150,000 in Regional Travel Options funding.

STAFF RECOMMENDATION / ACTION REQUEST

No action requested for this briefing. The completed IGA is to be considered for authorization at the June 9, 2015 City Council meeting.

KEY FACTS AND INFORMATION SUMMARY

Staff invites questions from the Council about the program, which will help in the drafting of the IGA. Tigard was awarded \$150,000 through Metro's Regional Travel Options program, which is designed to improve air quality by encouraging the use of alternative modes of transportation. Of the \$2.1 million Metro awarded in the current Regional Travel Options grant cycle, \$458,000 was allocated to programs that make travel to and from schools safer in Tigard, Beaverton and Portland. The grant award will pay for a dedicated Safe Routes to School Coordinator to accelerate program implementation at the seven elementary schools and two middle schools in Tigard. The grant is expected to fund a Coordinator for two years starting in July.

Safe Routes to School programs are mostly implemented through coordinators at school districts who direct marketing and outreach efforts that increase walking and biking to schools. The latest federal transportation bill (MAP-21) combines transportation funding for bicycling and walking into a single pool, reducing what was previously available by 30%. The new funds made available this year through Metro's Regional Travel Options program for regional Safe Routes to School initiatives bridged a gap in federal funding.

OTHER ALTERNATIVES

Council could propose changes to the SRTS plan.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

- **Tigard Strategic Plan:**

Vision: *The most walkable community in the Pacific Northwest where people of all ages and abilities enjoy healthy and interconnected lives.*

Goal 1 "Facilitate walking connections to develop an identity."

Objective 2 "The trail system is used for all kinds of trips"

Goal 3 "Engage the community in dynamic communication"

Objective 2 "The community is engaged and connected to the vision"

- **Tigard Comprehensive Plan:**

Goal 15.4 "Develop comprehensive street and circulation improvements for pedestrians, automobiles, bicycles and transit."

- **Tigard Transportation System Plan:**

Goal 3: Multi-modal Transportation System "Provide an accessible, multi-modal transportation system that meets the mobility needs of the community."

Policy 10. "The city shall require appropriate access to bicycle and pedestrian facilities for all schools, parks, public facilities and commercial areas."

- **Tigard Greenway Trail System Master Plan:**

Has an objective to "increase opportunities for walking, bicycling and accessing transit by identifying and developing trail improvement projects that complete the greenway trail system."

- **Tigard Neighborhood Trails Plan:**

Has an objective to "focus on connections that enhance the broader transportation network, including sidewalks, trails and transit routes."

DATES OF PREVIOUS CONSIDERATION

March 24, 2015, Council approved Resolution No. 15-11 supporting the Metro Regional Government's policy direction for the 2019-2020 Metropolitan Transportation Improvement Program to create a regional Safe Routes to School program.

Fiscal Impact

Cost: \$191,250

Budgeted (yes or no): Yes

Where Budgeted (department/program): Community Development

Additional Fiscal Notes:

In Tigard, the grant will fund a SRTS Coordinator position for two years. This funding is being matched with a MSTIP Opportunity Fund grant of \$41,250 and in-kind service hours of \$82,800 from city staff. This is a reimbursement grant and is in the proposed 2015-16 budget.

Attachments

No file(s) attached.

AIS-2222

C.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 20 Minutes

Agenda Title: Policy Discussion on Youth Sports League Agreement

Prepared For: Liz Newton, City Management

Submitted By: Norma Alley, City Management

Item Type: Update, Discussion, Direct Staff

Meeting Type: Council Business Mtg - Study Sess.

Public Hearing: No

Publication Date:

Information

ISSUE

Policy Discussion on Tigard Youth Sports League Agreement

STAFF RECOMMENDATION / ACTION REQUEST

Council consensus on the policy issues raised and direct to staff to proceed with drafting the final language for a Cook Park field use agreement between the city and the Tigard Little League and the city and Southside Soccer.

KEY FACTS AND INFORMATION SUMMARY

Over the last year, staff has been working with Tigard Little League and Southside Soccer representatives on new Cook Park field use agreements between the city and the leagues. Agreement has been reached in principle and the major points have been shared with council. The agreement is predicated on some assumptions summarized below:

- Tigard Little League and Southside Soccer retain priority treatment for reserving fields.
- The agreement recognizes that Tigard Little League and Southside Soccer provide recreational opportunities to Tigard Youth. As such, neither Tigard Little League or Southside Soccer will be charged for field use for practices, regular season games and one tournament. "Tigard Youth" is defined as youth in the 97223 and 97224 zip codes that also meet the other requirements for participation.
- Fields, parking lots and pavement surfaces are city property; the city assumes all responsibility for maintenance and liability for condition of fields, paved surfaces and structures. Leagues are responsible for game preparation.
- The city determines the date(s) the fields will open and close for the season, will be

closed for maintenance and closed temporarily during the season as needed, if field conditions warrant.

- Tigard Little League and Southside Soccer are responsible for the cost and operation of their programs.
- Leagues are not eligible for city grant funds or subsidies for program operational expenses or regular season tournaments. Leagues may request special event funds for regional, state, or national tournaments held outside the regular season provided the request follows the city's established application process.

If council concurs with the policy direction, staff will draft language for the agreements for council consideration at an upcoming meeting.

OTHER ALTERNATIVES

Direct staff to adjust any or all of the policy assumptions.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

N/A

DATES OF PREVIOUS COUNCIL CONSIDERATION

N/A

Attachments

No file(s) attached.

AIS-2263

3. A.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): Consent Item

Agenda Title: Approve City Council Meeting Minutes

Submitted By: Carol Krager, City Management

Item Type: Motion Requested

Meeting Type: Consent
Agenda

Public Hearing: No

Publication Date:

Information

ISSUE

Approve City Council meeting minutes.

STAFF RECOMMENDATION / ACTION REQUEST

Approve minutes as submitted.

KEY FACTS AND INFORMATION SUMMARY

Attached council minutes are submitted for City Council approval:

December 18, 2014

April 21, 2015

OTHER ALTERNATIVES

N/A

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

N/A

DATES OF PREVIOUS COUNCIL CONSIDERATION

N/A

Attachments

Draft December 18, 2014 Council Minutes

Draft April 21, 2015 Council Minutes



City of Tigard

Tigard City Council Meeting Minutes

December 18, 2014

1. GROUNDROLES MEETING

Mayor Cook called the City Council meeting to order at 2:57 p.m.

Council Present:

<u>Name</u>	<u>Present</u>	<u>Absent</u>
Mayor Cook	✓	
Councilor Buehner		✓
Councilor Snider	✓	
Council President Henderson	✓	
Councilor Woodard	✓	

Others Present: Councilor-Elect Goodhouse, City Manager Wine, Assistant City Manager Newton, Deputy City Recorder Alley and Consultant Lenny Borer

2. DiSC RESULTS

Consultant Borer reviewed the DiSC results as provided in the meeting packet explaining the DiSC culture as:

D = dominance trait showing direct and strong will behavior.

i = influencing trait showing outgoing, enthusiastic, lively and talkative behavior.

S = steadiness trait showing tactful, humble, and easy going behavior.

C = conscientious trait showing analytical, reserved, private, systematic and detail behavior.

Mr. Borer explained people have a primary and secondary set of traits and traits get stronger the closer to the dot gets to the edge of the circle toward a word. A successful meeting for two members would be where things are getting done, one person wants to ensure the numbers are accurate and two members do not have strong tendencies. He reviewed the rest of the pages exploring the best ways each councilor would interact and their needs for successful meetings.

Council President Henderson stated there is not a strong S in the group and it could be healthy for the group to work on that trait.

City Manager Wine asked what effects the group culture and decision making process have for meetings. Mr. Borer replied the group culture tends to be Di, which needs action, results and enthusiasm.

City Manager Wine said the executive staff took the DiSC assessment and they came out as a strong D culture.

3. DISCUSSION ON GROUNDROLES

Mr. Borer handed out the 2013 Groundrules and asked for any suggested changes.

TIGARD CITY COUNCIL MEETING MINUTES – DECEMBER 18, 2014

Consensus was met to review the Groundrules annually.

Discussion commenced on Council Liaison Reports being held during the Study Sessions instead of at the end of the meeting and making sure all members are reporting back more often. Concern was expressed about the need for some reports to be during the business meeting in order to be captured on tape as it would benefit the public to hear. Mayor Cook stated any reports that councilors wished to provide during the business meeting could be done during the Non Agenda Items and he would just need to be notified in advance of the meeting. Council agreed to change the Council Liaison Reports to the Study Session agenda and to add language to the second bullet under Council Liaisons regarding reporting back to council on a regular basis.

Discussion commenced on interpersonal relations and the need for amended language regarding removing someone from a committee or board if they are not a positive representative of the city. Council agreed to add language stating it is expected the council liaison will be a positive representative of the city promoting positive relations with other parties and can be removed by a majority vote of the council.

4. DISCUSSION ON MEETING EXPECTATIONS

Mayor Cook suggested investing in a speaking queue system to help with ensuring everyone who wants to speak is recognized and done so before others speak multiple times. City Manager Wine said staff is currently looking into a system.

Discussion commenced on the meetings kept moving along and not waylaid on a single topic or question. Mr. Borer suggested the council president be responsible for keeping time and assisting the mayor with moving the meeting along. Mayor Cook stated he was comfortable with others helping keep the time and to nudge him when time has run out for an item.

5. PROBLEM SOLVING

Mr. Borer asked if there were any issues that needed to be addressed.

Councilors discussed the follow-up with councilors if there are any changes to a meeting agenda or something that might come up at a meeting and the role of the council president and expectations. It was identified the council president serves as the mayor at meetings in the absence of the mayor, needs to be flexible with their time, a team player, good sense of humor, get along with all members and communicate with all members, when asked, as an additional resource for the mayor.

Discussions occurred regarding a rotation allowing for all members serving as the council president. There was not unanimous support for this type of method.

Discussion occurred about the council president attending liaison meetings in the mayor's absence. There was consensus the committee liaison is appointed to serve in that capacity for outside liaison meetings, but the council president covers council meetings.

6. 2015 BOARD AND COMMITTEE LIAISON ASSIGNMENTS

Council reviewed the Liaison table and filled in liaison assignments.

7. ADJOURNMENT

Mayor Cook adjourned the meeting at 6:33 p.m.

Norma I. Alley, Deputy City Recorder

Attest:

Mayor, City of Tigard
Date: _____



City of Tigard

Tigard City Council Meeting Minutes

April 21, 2015

1. WORKSHOP MEETING

- A. Mayor Cook called the City Council meeting to order at 6:30 p.m.
- B. Deputy City Recorder Alley called the roll:

<u>Name</u>	<u>Present</u>	<u>Absent</u>
Mayor Cook	✓	
Council President Snider	✓	
Councilor Goodhouse	✓	
Councilor Henderson	✓	
Councilor Woodard	✓	

- C. Mayor Cook led the Pledge of Allegiance.
- D. Mayor Cook asked Council and Staff for any Non-Agenda Items to be heard as Agenda Item 7. There were no reports noted.

2. JOINT MEETING WITH THE LIBRARY BOARD

Library Board Chair Hancock introduced Library Board members Linda Monahan, Katie Harris, and John Storhm and stated the presentation is going to focus on showcasing the community room and spotlighting programs.

Mr. Storhm presented some of the library's spotlights showing technology as a center feature for patrons with the library's full catalog available online, the use of the library's Wi-Fi network, technology classes ranging from the use of a computer to the use of specific Microsoft products and the e-book checkout. Other spotlights are the community room's access for events associated with the library and continued growth in book checkouts. Mr. Storhm stated the library did a community survey with 2,700 responses. The use of technology at the library was favored highly and there were favorable comments on the e-books, Wi-Fi and technology classes.

Ms. Harris commented the library is a hub of the community which is evident with 31,370 visits last month alone. Book circulation continues to rise and more people are attending the wide variety of community and adult programs offered in the community room. Ms. Harris requested the council consider reinstating the library's full hours on Thursday costing the city \$230,000-\$240,000 to reinstate.

Mayor Cook said the reinstatement of library hours will go through the budget committee and budget process. He stated in order to get funding patrons may have to be willing to support a local option levy.

Councilor Goodhouse expressed concern with how the community will view reinstating Thursdays at the library, but not reinstating Fridays at city hall. He suggested considering opening city hall on Fridays again in order to serve those customers as well.

Library Director Barnes thanked the board and council for their patience as she knows everyone is working for the common good.

Mayor Cook thanked the board for their presentation.

TIGARD CITY COUNCIL MEETING MINUTES – APRIL 21, 2015

3. LEGISLATIVE PUBLIC HEARING: CONTINUANCE OF THE APRIL 14, 2015 PUBLIC HEARING ON DEVELOPMENT CODE AMENDMENTS REGARDING MARIJUANA FACILITIES

Associate Planner Floyd introduced this agenda item, accompanied by a PowerPoint, outlining the changes since the April 14 public hearing. Mr. Floyd said the focus for discussion tonight is the minimum distance between retail facilities and window transparency requirements. The Oregon Health Authority will require window screenings, after hours crime deterrent, patient preference and protection of anonymity. This research would support the city applying transparency restrictions.

Mayor Cook clarified the window transparency requirement would apply to medicinal and retail, but not growers since the law does not allow grow facilities to sell also. Mr. Floyd agreed and added people cannot grow and dispense on the same site, so the transparency only applies to dispensaries at this time.

Councilor Woodard stated he would like to have additional policy discussions about recreational dispensaries before sales begin on January 1, 2016. He expressed concern for the buffer limiting the ability for recreational dispensaries to open if medical dispensaries are allowed to be open six months prior, and the buffer from their placements restricting recreational dispensaries. Mr. Floyd said it is his understanding a number of the medical dispensaries hope to convert to recreational sales. City Attorney Rihala responded the council did not need to be concerned because there has been no indication or guidance of what the state policy is going to be.

Councilor Goodhouse asked for clarification that the medical and recreational is being limited to 99W, but grow facilities can be anywhere. Mr. Floyd said grow facilities are classified general industrial use and restricted to industrial zones. Councilor Goodhouse proposed allowing recreational facilities in industrial as well to take it off 99W, which is the face of Tigard. The remainder of the council disagreed with Councilor Goodhouse and thought it would be prudent to follow the more restrictive path as discussed on April 14 and be cautious of having facilities spread throughout the city for public safety purposes.

Discussion commenced on the reasonable buffer distance and litigation probability if the city increases the buffer from the state's 1,000 limit. Mr. Floyd stated Washington County approved a 1,500 foot buffer from a light rail platform and 2,000 foot buffer between dispensaries. City Attorney Rihala said as seen from other examples, 1,500 is not unreasonable and nothing in the ordinance gives reason for pause as unreasonable, but there has not been much guidance from the legislature so it is everyone's best guess.

Consensus was met by the council to have a 2,000 foot buffer with potential future discussions after applicability.

Mr. Floyd presented two language options for window transparency, visibility and surveillance requirements:

1. Windows visible from a public street or parking lot must be primarily transparent (at least 75% open to perpendicular view). This standard does not apply to restricted access areas where marijuana product is stored, sold, or otherwise present.
2. Marijuana or Marijuana product shall not be visible from the exterior of the building or structure.

Consensus by council was to move forward with the second option.

Councilor Goodhouse motioned to approve Ordinance No. 15-07, amending the buffer to 2,000 feet and adding letter J. to 18.735.040 to state “Marijuana or Marijuana product shall not be visible from the exterior of the building or structure.”, seconded by Councilor Henderson. Motion passed by unanimous vote of council members present.

<u>Name</u>	<u>Yes</u>	<u>No</u>	<u>Absent</u>
Mayor Cook	✓		
Councilor Goodhouse	✓		
Councilor Henderson	✓		
Council President Snider	✓		
Councilor Woodard	✓		

4. BRIEFING ON AN AMENDMENT TO AN IGA REGARDING FUNDING FOR THE PACIFIC HIGHWAY/GAARDE STREET/MCDONALD STREET INTERSECTION IMPROVEMENT PROJECT

Streets and Transportation Senior Project Engineer McCarthy presented the staff report stating last fall when bids opened the construction costs were higher than expected. On December 9, 2014, council approved support of the extra funding and requested the contract be renegotiated to add a clause for the state and county to share in future overages. ODOT did not agree to changing the contract, but did agree that if the project is under budget the funds would come back to the city up to the \$1.1 million.

City Manager Wine said the briefing tonight is to make the council aware of the negotiations and new provisions and seek council’s approval of placing the IGA on a future business meeting consent agenda. Consensus by council was to have it on a consent agenda.

5. BRIEFING ON A JOINT USE AGREEMENT WITH THE TIGARD-TUALATIN SCHOOL DISTRICT

Public Works Division Manager Martin and Oregon Human Development Corporation (OHDC) Representative Mia Bartlett presented this agenda item highlighting the key points of the IGA to be the school district providing property for use of neighborhood parks outside of school hours and the city to provide site improvements for soccer and baseball fields at Metzger Elementary, purchase and installation of park amenities on school property and the development of community gardens.

Ms. Bartlett said OHDC currently operates three garden sites and provides the largest youth programs in the area. The community gardens are supported by leveraging 30 full time volunteers during the summer and 10-15 students during the school year. Ms. Bartlett said she was excited for the opportunity to partner with the school district and the city.

Mr. Martin added there is still negotiation to be done on Section 1.3.3 due to language ambiguity, but staff was comfortable with the rest of the agreement language.

City Manager Wine acknowledged the hard work of Mr. Martin and Mr. Rager for the creation of this partnership and the culmination of many hours. This partnership has the potential of bearing a lot of fruit. Ms. Wine stated the final IGA will come before the council at a future business meeting.

Ms. Bartlett thanked the city for the foresight on the project which provides great access to the community and much needed expansion in parks and community gardens.

6. DISCUSSION ON POSSIBLE BALLOT MEASURE ITEMS

Assistant City Manager Newton presented this item directing council to the matrix provided in the staff report and stated staff is looking for direction on if and when the council would like to see the topics listed go on a future election.

Charter Revisions:

Mayor Cook reminded the council this is on the May 12 agenda.

Council President Snider asked if it would be possible to have the measure on the November 2015 ballot. Ms. Newton answered she thought it would be possible to meet the August 14 filing deadline with the city recorder, but the council may have to limit the changes to a couple items. Further consideration can be made at the May 12 council meeting.

Funding For General Fund City Services:

Council President Snider stated he would like the council to consider alternative funding sources that may not have to go to a vote.

Mayor Cook said to ensure a better voter turnout, which may be needed for a local option levy, this should go in May or November 2016. He said he leaned toward May 2016 because there could still be good voter turnout with the primaries and the city might have to compete for monies in November. May also allows for the opportunity to send it back to the voters in November if it fails in May. Another consideration is the time it takes to form a Political Action Committee (PAC) which takes about a year to form. It is the PAC that campaigns for the measure.

Councilor Goodhouse asked the council to consider extending the city hall hours in addition to the library hours. Council President Snider said the city hall hours of operation were not reduced; rather, the city moved from an eight hour work day to ten hours allowing city hall and the permit center to have extended hours on Monday through Thursday. Ms. Wine clarified that public works and police operate twenty four hours a day. She added that in the community survey conducted in 2014, there was not a strong sentiment that customers are missing the Friday service.

Councilor Goodhouse expressed concern that the city only obtained the opinion of Tigard citizens and did not get a representation of the business in the metropolitan area that conduct business in Tigard and utilize the permit center. Ms. Newton said we do have other opportunities for customers to conduct their business outside of open hours such as the inspection request line and online plan submission. Many of city hall services are scheduled during open hours such as court, utility billing services and passports. The city has gotten positive response for notary services being provided during late hours after customers get off work.

Councilor Henderson noted the county has two ballot measures on the ballot this November for public services and the library and reminded the council to take that into consideration when deciding when to put city measures on the ballot.

Council President Snider said he did not want any measures asking for money to be on the November 2015 ballot. He stated he did not think an operating levy is the right approach as a funding source for the general fund services and should be reserved for funding city facilities.

Councilor Woodard said he agreed and thought the parks utility fee would cover the funding need for general fund services.

Consensus of council was to pursue a utility fee instead of an operating levy.

Funding For City Facilities:

Councilor Woodard testified his strong desire for the city to put a measure before the voters in November 2015 for a YMCA in the community. He felt strongly there is a lot of momentum from the grass root efforts right now and the council would remiss if they did not capitalize on that. He felt confident the voters would approve a \$28 million bond, only increasing taxes by \$10 a month, which is significantly less than Beaverton's recreation district costing them \$300 a month.

Council President Snider said he also supports an obligation bond on the November 2015 ballot for the recreation center concept in order to "seize the moment" and look at a way to build a facility with a private operator. The public works and police facilities could be tackled in May 2016 or even further out. He said he would support opening our library seven days a week before opening a branch library.

Councilor Goodhouse also supported an obligation bond in November 2015 for the recreation center and requested more detail on costs of the construction and operation of a recreation center. City Manager Wine said on May 12 the council will receive the survey results from the YMCA and then further steps and options will be explored to making a decision. She was concerned the details may not be prepared in time to create a proposal for November.

Consensus by council was to pursue a ballot measure to be placed on the November 2015 ballot for a recreation center and hold off on the public works and police facilities until a facilities analysis is completed. Ms. Wine said staff will have an answer in the next year for the needs of expanding police and public works facilities.

City Gas Tax Increase:

Mayor Cook asked how much a two cent increase in the gas tax would create in funding. Finance and Information Services Director LaFrance answered each penny would provide \$225,000 give or take. He added the current three cents tax is obligated in paying on the Main Street improvements bond through 2020 which is expensing a little more than three cents per gallon.

Councilor Goodhouse said the increase in the gas tax is one way to fund sidewalks but other sources of funding need to be explored. The community is in support of sidewalk projects and would like to see this project funded.

Council agreed to go to a vote to increase the city gas tax to five cents and requested staff look into other funding sources to fill the funding need gap. Consensus was to look at placing it on a ballot in 2016.

High Capacity Transit:

City Manager Wine said in order for high capacity transit to come to Tigard the city would have to amend the comprehensive plan and a comprehensive plan amendment for high capacity transit requires a vote of the electorate.

Mayor Cook suggested doing an advisory vote in November 2016 asking if the community would support moving forward with planning for high capacity transit. In order for high capacity transit to move forward it may take a full region vote which will not be earlier than November 2018.

Council agreed this will need to wait until more information can be received and constituted additional discussion.

Urban Renewal District:

Councilor Goodhouse stated he was in favor of expanding the downtown urban renewal area and adding one for 99W. He said the biggest thing he hears is 99W is the face of Tigard and the council needs to do something to improve 99W.

Mayor Cook said his preference would be for expanding the downtown boundaries and then the Tigard Triangle. Council President Snider suggested expanding the downtown boundaries up to ten percent which would not require a vote of the people.

Councilor Woodard said he too had heard from businesses on 99W asking for benefits from an urban renewal district and thought a district from Gaarde Street to north of Highway 217 would be successful.

Consensus of council was to continue discussion on expanding or adding urban renewal districts.

Willamette River:

Council President Snider asked if the city had received a legal opinion on whether the requirement to get a vote applies to the Tualatin Valley Water District. Ms. Wine said they had not. The city received a legal opinion identifying the operative issue on the charter vote about the use of Willamette water. It does not require a vote for the planning, building or agreements.

Mayor said continued discussion can occur at a later meeting because this does not look to be on the May or November 2016 election.

7. NON AGENDA ITEMS – None.

8. EXECUTIVE SESSION – Not held.

9. ADJOURNMENT

Motion by Councilor Goodhouse, seconded by Council President Snider to adjourn the meeting at 9:14 p.m.

The motion was approved by a unanimous vote of City Council present.

Mayor Cook	Yes
Council President Snider	Yes
Councilor Goodhouse	Yes
Councilor Henderson	Yes
Councilor Woodard	Yes

Norma I. Alley, Deputy City Recorder

Attest:

Mayor, City of Tigard
Date: _____

TIGARD CITY COUNCIL MEETING MINUTES – APRIL 21, 2015

AIS-2249

3. B.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): Consent Item

Agenda Title: Resolution Authorizing Metro Community Planning & Development Grant Application - Downtown

Submitted By: Sean Farrelly,
Community
Development

Item Type: Resolution

Meeting Type: Consent
Agenda

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall the Council approve a resolution authorizing an application for a Metro Community Planning & Development Grant for a redevelopment feasibility study on adjacent Downtown properties on Commercial Street and Main Street?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends approval of the resolution.

KEY FACTS AND INFORMATION SUMMARY

On April 14, 2015, staff submitted a letter of intent to apply for funding from Metro's Community Planning and Development Grant Program for the Downtown Tigard Urban Lofts Development project. The Downtown Tigard Urban Lofts Development project is for pre-development feasibility assistance that will lead to:

- A concept plan for mixed-use transit oriented urban-style loft development of two sites: a 0.45 acre privately owned site fronting Main Street (the Nicoli site), and the 0.81 acre site that is currently the Tigard Transit Center. The desired project would have a low on-site parking ratio.
- A plan for the reconfiguration of the Tigard Transit Center. The alignment of the Southwest HCT line and location of the downtown Tigard station should be known by fall 2015. The location of the HCT station will likely cause the need to rethink the footprint of the existing transit center. Ideas to be explored are relocating the bus stops

onto the street, reducing the footprint of the center, or building over the center. Plan objectives would include improving transit run times; accommodating bus layovers; providing a TriMet driver restroom; and preserving on-street parking opportunities.

- Definition of the Urban Renewal Agency's role and financial feasibility of the project.

A development opportunity study was done on the Nicoli property in 2014. TriMet had been approached about including the Tigard Transit Center site in the study. At that time, TriMet staff felt there were too many unknowns about the future of the Transit Center site in the SW Corridor planning process. The planning process is further along, and last month TriMet staff expressed willingness to have the site included in a new study that would also plan for the reconfiguration of the transit center's functions. Mr. Nicoli is also supportive of a new study. There is a higher degree of redevelopment feasibility if the two sites are combined.

The requested grant amount is \$100,000 for a consultant team including an architecture firm with transit oriented development experience, a real estate advisor, and an engineer who specializes in transit planning. The City proposes a \$20,000 match (half from in-kind services). Metro's Community Planning and Development Grant Program requests for funding total approximately \$6.3 million, while the amount of funding expected is only \$5.0 million. It's likely that some applications will not get funded and others will only be partially funded. The deadline for full application is June 1, 2015.

OTHER ALTERNATIVES

Council could choose not to approve the resolution, which would mean the full application would not be submitted.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Tigard City Council 2015-17 Goals and Milestones

Goal #2. Make Downtown Tigard a Place Where People Want to Be

Tigard Comprehensive Plan

Special Planning Areas - Downtown

Goal 15.2 Facilitate the development of an urban village.

Tigard Strategic Plan

Goal 2: Ensure development advances the vision

City Center Urban Renewal Plan

Goal 5: Promote high quality development of retail, office and residential uses that support and are supported by public streetscape, transportation, recreation, and open space investments

Tigard Downtown Improvement Plan

Downtown Housing Development Catalyst Project

DATES OF PREVIOUS CONSIDERATION

May 19, 2015 - Briefing on Metro Community Planning & Development Grant Application - Downtown

Fiscal Impact

Cost: \$120,00
Budgeted (yes or no): yes-match
Where Budgeted (department/program): CCDA FY15-16

Additional Fiscal Notes:

The grant request is for \$100,000. The city has also proposed a 20% match of \$20,000, half from in-kind services.

Attachments

Council Resolution CPDG

Map

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 15-**

A RESOLUTION APPROVING AN APPLICATION FOR A METRO COMMUNITY PLANNING AND DEVELOPMENT GRANT FOR A REDEVELOPMENT FEASIBILITY STUDY ON ADJACENT DOWNTOWN PROPERTIES ON COMMERCIAL STREET AND MAIN STREET.

WHEREAS, Metro has a new cycle of funding available for the Community Planning and Development Grant Program, designed to help cities develop strategies to improve Town Centers and Corridors; and

WHEREAS, a successful Community Planning and Development Grant funded project was successfully completed with the Burnham and Ash redevelopment; and

WHEREAS, the city and its development agency (City Center Development Agency) wish to facilitate the development of more housing and mixed use projects in downtown Tigard. .

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

SECTION 1: Council approves an application for a Metro Community Planning and Development Grant for a for a redevelopment feasibility study on adjacent Downtown properties on Commercial Street and Main Street.

SECTION : This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2015.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard



Figure 1: Downtown Tigard Urban Lofts Development Site-
Project Location



AIS-2255

3. C.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): Consent Item

Agenda Title: Resolution Authorizing Metro Community Planning & Development Grant Application - Tigard Triangle

Submitted By: Cheryl Caines,
Community
Development

Item Type: Resolution

Meeting Type: Consent
Agenda

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall the Council approve a resolution authorizing an application for a Metro Community Planning & Development Grant (CPDG) application for the Tigard Triangle for pre-development activities?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends approval of the resolution.

KEY FACTS AND INFORMATION SUMMARY

The City has developed the Tigard Triangle Strategic Plan (TTSP) with input from a variety of stakeholders including property owners, developers, business owners, employees, bicycle/pedestrian advocates and Tigard residents. Several implementation measures were identified in the TTSP to achieve these outcomes including regulatory actions, infrastructure investments, and incentives to stimulate public-private partnerships.

Over the next 8-12 months, the city will complete the regulatory actions needed to implement the Plan, including the creation and adoption of a new land use code. The Metro grant will allow the city to select a few promising redevelopment sites and determine the partnerships, public financing strategies, infrastructure and predevelopment work needed to begin transforming the Triangle once the new code is in place.

The grant application is still being developed. The objectives outlined below reflect the broadest range of planning activities that would be included in the Tigard Triangle

Community Planning and Development project. The objectives of the project are to:

- Identify optimal sites, partnerships and development tools to facilitate a new, walkable development pattern in the district.
- Examine urban renewal as a tool to encourage this development pattern.
- Re-brand the Triangle from a place for offices and big box stores to a pedestrian-oriented, mixed use district.
- Complete predevelopment activities for a development project on at least one site.

Metro Community Development grants are funded from revenues generated by a regional Construction Excise Tax (CET). Approximately \$5 million is available. The Tigard Triangle project has an estimated budget of \$200,000. The grant amount being requested is \$160,000 with a 20% local match (\$40,000).

OTHER ALTERNATIVES

Council could not approve the resolution which would mean the application would not be submitted.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

- Tigard City Council Goal 3 - Adopt Tigard Triangle Strategic Plan and Enable Future Development Capacity including development of incentives and public private partnerships.
- Tigard Strategic Plan Goal 2 - Ensure development advances the vision.
- Tigard Comprehensive Plan: Goal 9 - Economic Development and Goal 10 Housing
- Tigard Triangle Strategic Plan recommended implementation strategies.

DATES OF PREVIOUS CONSIDERATION

May 19, 2015 - Briefing on Metro Community Planning & Development Grant Application - Tigard Triangle.

Fiscal Impact

Cost: \$200,000

Budgeted (yes or no): no

Where budgeted?: Community Development - Community Planning

Additional Fiscal Notes:

The grant amount requested is \$160,000 with a local match of \$40,000. This match could be direct financial or in-kind contribution and is in the proposed budget for fiscal year 15-16.

Attachments

Resolution

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 15-

A RESOLUTION APPROVING AN APPLICATION FOR A METRO COMMUNITY PLANNING AND DEVELOPMENT GRANT TO ESTABLISH THE TIGARD TRIANGLE AS A WALKABLE, MIXED USE, TRANSIT ORIENTED DISTRICT.

WHEREAS, Metro has a new cycle of funding available for the Community and Development Grant Program, designed to help cities develop strategies to improve Town Centers and Corridors; and

WHEREAS, the Tigard Triangle is within the Tigard Town Center; and

WHEREAS, the City has developed the Tigard Triangle Strategic Plan (TTSP), which provides a long range vision to diversify the mix of uses, improve connectivity for all travel modes, create a safe and enjoyable walking environment, provide parks and open space, and protect natural amenities in the Tigard Triangle; and

WHEREAS, the TTSP recommended implementation measures that include regulatory actions, infrastructure investments, and incentives to stimulate public-private partnerships; and

WHEREAS, the City seeks to identify optimal sites, partnerships, and development tools to facilitate a walkable development pattern, examine urban renewal as a tool to encourage this development pattern, and re-brand the Triangle from a place for offices and large scale retail to a pedestrian-oriented, mixed uses district that supports housing.

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

SECTION 1: Council approves submittal of an application for a Metro Community Planning and Development Grant to complete predevelopment activities to establish a walkable, mixed use development pattern in the Tigard Triangle.

SECTION 2: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2015.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

AIS-2230

4.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 5 Minutes

Agenda Title: Resolution Supporting the Creation of a Presidential Youth Advisory Council

Prepared For: Marty Wine, City Management

Submitted By: Marty Wine,
City
Management

Item Type: Resolution

Meeting Type: Council
Business
Meeting -
Main

Public Hearing: No

Publication Date:

Information

ISSUE

Should the City Council support the creation of a federal Presidential Youth Council?

STAFF RECOMMENDATION / ACTION REQUEST

Adopt a resolution supporting a Presidential Youth Council to be transmitted to the President and members of the Oregon Congressional Delegation.

KEY FACTS AND INFORMATION SUMMARY

The Tigard Youth Advisory Council met at its April 21 meeting and recommended the passage of a local resolution to encourage the President and Congress to create a Presidential Youth Council to give young people a voice in the federal policymaking process. The purpose of this council is to advise the President and Congress on youth perspectives, the design and implementation of youth policies, and allow young people to provide solutions on the most pressing issues facing the future of our country. The effort is part of a Campaign for a Presidential Youth Council that was launched on Global Youth Service Day in April of 2012 to recognize the millions of young Americans that serve their communities. Since that time, communities and youth have been encouraging their respective U.S. Congressional delegations and the President to co-sponsor or support federal HJR 68, the resolution calling for the creation of a Presidential Youth Council.

OTHER ALTERNATIVES

The Council could choose not to pass the resolution, or could instead send a letter of support.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

Expand opportunities to engage people in the community.

DATES OF PREVIOUS COUNCIL CONSIDERATION

This is the first time the matter has been considered by the City Council.

Attachments

Presidential Youth Council

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 15-

A RESOLUTION SUPPORTING THE ESTABLISHMENT OF A PRESIDENTIAL YOUTH ADVISORY COUNCIL.

WHEREAS, the Tigard Youth Advisory Council has been re-formed in 2015 and its members have provided valuable insight to policymakers in the City of Tigard; and

WHEREAS, the Millennial Generation has proven that the ideas of young people can change the world; and

WHEREAS, the views of youth should be included with a seat at the table of the federal policymaking process, with the lack of youth perspectives on federal advisory committees contributing to ineffective policy outcomes and dissuading young Americans from being civically engaged; and

WHEREAS, the federal government needs a new, additional source of common-sense, innovative ideas;

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

SECTION 1: The Tigard City Council supports the establishment of a national Presidential Youth Council.

SECTION 2: The Tigard City Council supports a Presidential Youth Council comprised of young Americans ages 16-24 to advise the President and Congress on youth perspectives, the design and implementation of youth policies, and allow young people to provide solutions on the most pressing issues facing the future of our country.

SECTION 3: The Tigard City Council recommends that the Presidential Youth Council undertake activities to solicit the unique views and perspectives of young people, and bring those perspectives to the executive and legislative branches of the federal government.

SECTION 4: The Tigard City Council supports our U.S. Congressional delegation to co-sponsor and support HJR 68, the resolution calling for the creation of a Presidential Youth Council.

SECTION 5: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2015.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

AIS-2218

5.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 10 Minutes

Agenda Title: Briefing on a Surplus Water Contract with the Joint Water Commission (JWC)

Prepared For: John Goodrich

Submitted By: Judy Lawhead,
Public Works

Item Type:

Meeting Type: Council
Business Meeting - Main

Public Hearing

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Briefing on a proposed surplus water contract with the Joint Water Commission (JWC).

STAFF RECOMMENDATION / ACTION REQUEST

No action is requested; formal consideration of the contract is scheduled on an upcoming council meeting on June 9, 2015.

KEY FACTS AND INFORMATION SUMMARY

The city is in its final phases of construction activities related to the Lake Oswego-Tigard Water Partnership. This construction activity includes the decommissioning of the Bonita Pump Station which provides Tigard with water from the Lake Oswego-Tigard Water Treatment Plant. The partnership is constructing a new pump station and piping system in Tigard to replace the decommissioned pump station. During this construction phase, Tigard will not have access to surplus Lake Oswego water capacity for summer seasonal peak water demands for 2015. The new pump station and piping system is scheduled to be substantially complete by October 2015.

Tigard has primary water supply for the 2015 peak season delivered from the City of Portland wholesale contract. Tigard also has an aquifer storage and recovery (ASR) well system and

numerous reservoir storage tanks through out the service area. Staff has developed a summer operational plan that identifies 10.5 million gallons per day capacity using both Portland and ASR well supply. The peak 3-day demand for the summer of 2014 did not exceed 10.5 million gallons per day based on our records.

However, staff would like to seek additional surplus water supply from other agencies on a temporary and as-needed basis in case customer demand exceeds system capacity, or in case a portion of system capacity is disrupted (i.e. ASR well failure during peak day demands). The city has used neighboring supplemental or alternate water supply in the past to meet water demands, including a system interconnection with the City of Beaverton, a member of the Joint Water Commission (JWC). The JWC agreement provides that sales of water to non-members must be made by contract between the third party (City of Tigard) and JWC. The JWC has excess water supply capacity in 2015 sufficient to meet Tigard's projected limited needs for supplemental water. This water would be purchased through a surplus water supply contract agreement.

Staff has met with representatives from the JWC and City of Beaverton to discuss and propose a surplus water supply contract agreement. At this time, the JWC is conducting a surplus water rate study and developing contract language consistent with surplus water agreements.

Per our discussions with the JWC and Beaverton, the agreement will include these terms:

- JWC agrees to serve Tigard as a wholesale customer for supply of surplus supplemental water.
- Maximum flow rate to Tigard will not exceed 2 million gallons per day.
- Delivery will be through the Beaverton-Tigard interconnection.
- JWC and Beaverton will have an obligation to monitor consumption through calibrated metering.
- Wholesale rates will be based on a dollar price per ccf (100 cubic feet or 728 gallons)
- Delivery will be available beginning July 1, 2015, and end not later than September 20, 2015.
- Parties may subsequently extend the agreement to provide emergency or peak season deliveries in one or more subsequent years.
- Curtailment of supplemental water will only occur if JWC or Beaverton lose system capacity due to breakdowns or emergencies.
- Wholesale surplus water rates will include recovery of all costs incurred by JWC and Beaverton - no additional costs will be added.
- Other normal terms and conditions regarding contract language referencing dispute resolution, liability limitations, applicable law, etc.

Staff will be answering any questions from discussion by council regarding this action. To date, no formal draft contract is available due to time constraints of bringing this issue to council for consideration. Staff will be bringing the proposed surplus supply water agreement for council consideration on June 9, 2015.

OTHER ALTERNATIVES

The council could provide direction to staff regarding changes to the terms or conditions of the agreement, or council could direct staff not enter into a surplus water supply agreement.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

The city has a water master plan adopted by council in May 2010.

DATES OF PREVIOUS CONSIDERATION

This is the first time this agreement has come before the council.

Fiscal Impact

Cost: 75,000

Budgeted (yes or no): yes

Where Budgeted (department/program): Water

Additional Fiscal Notes:

Based on preliminary wholesale water rates, the surplus water supply contract for the 2015 peak season would be approximately \$75,000. FY2015 budget for the water division includes \$75,000 for supplemental water supply to be purchased from Lake Oswego. Due to the construction activities, these budgeted dollars for water purchases will offset costs associated with the proposed surplus water supply contract with the JWC.

Attachments

No file(s) attached.

AIS-2181

6.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 10 Minutes

Agenda Title: Contract Award - Construction of Pavement Overlay Project of the Pavement Management Program

Prepared For: Joseph Barrett

Submitted By: Joseph Barrett, Financial and Information Services

Item Type: **Meeting Type:** Local
Contract
Review
Board

Public Hearing

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall the Local Contract Review Board award a contract for the pavement overlay project of the city's pavement management program to S-2 Contractors in the amount of \$1,017,537?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends the Local Contract Review Board award a contract for the pavement overlay project of the city's pavement management program to S-2 Contractors in the amount of \$1,017,537 and direct the City Manager to take the necessary steps to execute the contract.

KEY FACTS AND INFORMATION SUMMARY

The yearly Pavement Management Program (PMP) protects the city's investment in street infrastructure. The program typically includes a combination of minor maintenance projects (slurry seal applications) and major maintenance and rehabilitation projects (pavement overlays). In a pavement overlay project, the pavement on a street has deteriorated due to traffic usage and weather, and is at the point where pavement repairs and overlays are necessary to avoid further deterioration and return the street to a good condition.

Work under the project will include:

- Construction of asphaltic concrete inlays and overlays
- Asphalt concrete removal (grinding) and repair
- Adjustment of facilities to match new pavement level

- Applying sealant along pavement edges and joints
- Temporary signage, protection, and traffic control
- Striping and pavement marking
- Construction of concrete curbs and ramps
- Performance of additional and incidental work as called for by the specifications and plans.

For fiscal year 2015-2016, the city has identified the following streets, or sections of these streets, in need of this level of repair:

- Nimbus - End to Scholls Ferry
- Springwood - 121st to Scholls Ferry
- North Dakota - Springwood to 121st & 115th to Gallo
- Walnut - Tiedeman to Pacific Hwy
- Grant - Walnut to McKenzie
- 92nd - Waverly to Durham

The city issued an Invitation to Bid for the project on April 8th and published notice in the Daily Journal of Commerce (April 8 & 10) and in the Tigard Times (April 9). Bids were due on April 23rd and the city received responses from five companies (Engineer's Estimate \$1,085,900):

- S-2 Contractors - \$1,017,537
- Eagle-Elsner - \$1,111,129
- Brix Paving - \$1,153,643
- Knife River - \$1,215,657
- Baker Rock Resources - \$1,229,569

Staff has reviewed the bids and determined that S-2 Contractors has submitted the lowest responsible bid. S-2 Contractors has no State of Oregon Contractor Construction Board violations and is not on the Bureau of Labor and Industries ineligible list. S-2 has performed this work for the city in the past and the city was satisfied with their performance. As such, staff is recommending that they be awarded the city's pavement overlay contract in the amount of \$1,017,537.

At the first presentation of this contract award, Council asked for additional information. That information is not yet available. Staff will include this information in memo to the Local Contract Review Board prior to the presentation on May 26th.

OTHER ALTERNATIVES

1. The Local Contract Review Board may reject the bids and direct staff to reissue the Invitation to Bid.
2. The Local Contract Review Board may reject the bids and cancel the work for Fiscal Year 2016.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

DATES OF PREVIOUS COUNCIL CONSIDERATION

Council discussed this contract at their May 12, 2015 study session.

Fiscal Impact

Cost: \$1,017,537

Budgeted (yes or no): Proposed

Where budgeted?: Street Maintenance Fee Fund

Additional Fiscal Notes:

The Fiscal Year 2016 proposed budget for the pavement management program has \$1,407,681 proposed for external construction services. This contract is for a total of \$1,017,537 which would remain under the construction appropriations currently proposed. A breakdown of the PMP Expenditures proposed budget is as follows:

	Proposed Budget	Updated w/Contracts*
Expenses		
Internal		
Design and Engineering	\$ 39,106	\$ 39,106
Project Management	\$ 59,106	\$ 59,106
Construction Management	\$ 59,107	\$ 59,107
Internal Total	\$ 157,319	\$ 157,319
External		
Design and Engineering	\$ 265,000	\$ 265,000
Construction	\$ 1,407,681	\$ 1,117,537
Pavement Overlay		
Street Overlay		\$ 779,967
Curb Ramps***		\$ 137,570
Crack Seal		\$ 200,000
External Total	\$ 1,672,681	\$ 1,382,537

*Contracts used where know - otherwise budget total used.

**Previous year's contract was \$265,508.

***Per MSA - Curb Ramp work is \$237,570 of the proposed contract. \$100,000 of the work to be expensed in FY 2015 with remaining appropriations.

The approximately \$290,000 difference between the External Total Budget and the Contracted Amounts will be used during FY 2016 to start summer work at the end of FY 2016 to prepare for FY 2017.

Attachments

No file(s) attached.

AIS-2210

7.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 10 Minutes

Agenda Title: Contract Award - Pavement Management Program - Crack Sealing Project

Prepared For: Joseph Barrett

Submitted By: Joseph Barrett, Financial and Information Services

Item Type: Motion Requested **Meeting Type:** Local Contract Review Board

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall the Local Contract Review Board award a contract for the crack sealing project of the city's pavement management program to CR Contracting in the amount of \$200,000?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends the Local Contract Review Board award the contract for the city's crack sealing project to CR Contracting in the amount of \$200,000 and direct the City Manager to take the necessary steps to execute the contract.

KEY FACTS AND INFORMATION SUMMARY

Work under the city's Pavement Management Program - Crack Seal contract shall include

- Installation of crack seal on city streets
- Temporary signage, protection, and traffic control
- Performance of additional and incidental work as called for by the specifications and plans.

The city issued an Invitation to Bid on April 8th and advertised the project in both the Daily Journal of Commerce (April 8 & 10) and the Tigard Times (April 9). Bids were publicly opened at 3 pm on April 23rd with the city receiving a single response:

Bidder's Name - Bid

CR Contracting - \$0.87/linear foot

It is worth noting that last year the city only received two bids and CR Contracting has held the city's crack sealing contract for the last few years. Staff has contacted other potential bidders inquiring what may have led them to not submit a bid. As of the completion of this AIS, staff has heard from one other contractor that said they were too busy with large projects in Hillsboro and Bend this year and didn't have the time to do Tigard's project.

Staff has reviewed the bids and has found CR Contracting to be a reputable company fully capable of performing the work required on this project. CR Contracting has had no State of Oregon Contractor Construction Board disciplinary actions and is not on the Bureau of Labor and Industries ineligible list. As such, staff recommends they be awarded the city's crack seal project for an amount not exceeding \$200,000.

At the first presentation of this contract award, Council asked for additional information. That information is not yet available. Staff will include this information in memo to the Local Contract Review Board prior to the presentation on May 26th.

OTHER ALTERNATIVES

1. The Local Contract Review Board may reject the bids and direct staff to reissue the Invitation to Bid.
2. The Local Contract Review Board may reject the bids and cancel the work for Fiscal Year 2016.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

DATES OF PREVIOUS COUNCIL CONSIDERATION

Council discussed this contract at their May 12, 2015 study session.

Fiscal Impact

Cost: \$200,000

Budgeted (yes or no): Proposed

Where budgeted?: Street Maintenance Fee Fund

Additional Fiscal Notes:

The Fiscal Year 2016 proposed budget for the pavement management program has \$1,407,681 proposed for external construction services. This contract is for a total of \$200,000 which would remain under the construction appropriations currently proposed. A breakdown of the PMP Expenditures proposed budget is as follows:

	Proposed Budget	Updated w/Contracts*
Expenses		
Internal		
Design and Engineering	\$ 39,106	\$ 39,106

Project Management	\$	59,106	\$	59,106
Construction Management	\$	59,107	\$	59,107
Internal Total	\$	157,319	\$	157,319
External				
Design and Engineering	\$	265,000	\$	265,000
Construction	\$	1,407,681	\$	1,117,537
Pavement Overlay				
Street Overlay			\$	779,967
Curb Ramps***			\$	137,570
Crack Seal			\$	200,000
External Total	\$	1,672,681	\$	1,382,537

*Contracts used where know - otherwise budget total used.

**Previous year's contract was \$265,508.

***Per MSA - Curb Ramp work is \$237,570 of the proposed contract. \$100,000 of the work to be expensed in FY 2015 with remaining appropriations.

The approximately \$290,000 difference between the External Total Budget and the Contracted Amounts will be used during FY 2016 to start summer work at the end of FY 2016 to prepare for FY 2017.

Attachments

No file(s) attached.

AIS-2216

8.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 15 Minutes

Agenda Title: Contract Award - Downtown Gateway Monuments Construction

Prepared For: Joseph Barrett

Submitted By: Joseph Barrett, Financial and Information Services

Item Type: Motion Requested **Meeting Type:** Local Contract Review Board

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall the Local Contract Review Board award a contract for the construction of the downtown gateway monuments to Lee Contractors in the amount of \$349,000 to construct the north and south gateways concurrently?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends the Local Contract Review Board award the contract for the concurrent construction of the north and south downtown gateway monuments to Lee Contractors in the amount of \$349,000 and direct the City Manager to take the necessary steps to execute the contract.

KEY FACTS AND INFORMATION SUMMARY

The city is looking to construct gateway improvements at one or both intersections of Main Street and Pacific Highway. Improvements at the sites include 237 lineal feet of wall with natural stone facing, "Welcome to Downtown Tigard" signage and seating, landscaping, artwork base, electrical and water utilities.

This project will implement the City Center Urban Renewal Plan and the Tigard Downtown Streetscape Design Plan. The prominence of the gateway and artwork will help attract new visitors to downtown and assist in place making for the downtown and the city. This project is supported by Council/Board of the City Center Development Agency and the City Center

Advisory Commission.

Public art was identified in the Tigard Downtown Streetscape Design Plan as an important element “to bring more vitality to the downtown experience by creating a set of interconnected places and emphasizing the flow of people, history, and nature.” The Tigard Downtown Alliance and others have also identified art as an important component to a vital downtown and has organized events like the Tigard Art Walk this May.

On January 7, 2014 the CCDA Board approved the “Petals” concept by artist Brian Borrello that was recommended by the CCAC and the CCAC Public Art Subcommittee. Mr. Borrello has completed fabrication of the 16 foot tall steel sculptures. The pieces have been reviewed by a structural engineer. An art conservation specialist has also reviewed it for durability and ease of maintenance. The city has an IGA with ODOT to allow a project which is technically ODOT right-of-way. ODOT reviewed sight distances and issued a permit in September, 2014.

The city contracted with Koch Landscape Architecture on a plan for the gateway area landscaping lighting plan, and stonework in conjunction with the base for the artwork. It will feature a stone wall, including built-in seating made of rock, similar to the Hall Boulevard and Burnham Street gateway. It will feature the message “Welcome to Downtown Tigard.” The artwork would rest on a mounded area behind the wall (approximately 8 feet above grade) to make the artwork highly visible, which was considered a priority by the CCAC Public Art Subcommittee, CCAC and CCDA.

The landscape architect had provided a rough estimate of \$150,000 for the gateways before any design work had begun. The significantly higher final costs are mainly due to 1) the length and height of wall and stone veneer; 2) the fact that this stone wall is serving as a retaining wall for the mounded earth (unlike the Burnham Street and Hall Boulevard gateway); and 3) the cost to install electric utilities for lighting.

The city issued an Invitation to Bid (ITB) for the construction of the gateway improvements on March 23rd. Public Notice of the project ran in both the *Daily Journal of Commerce* and the *Tigard Times*. The work detailed under the ITB consisted of the following:

1. Mobilization, Traffic Control, Erosion Control, Clearing and Grubbing
2. Excavation, Embankment, and Grading
3. Installation of Gateway Walls with Natural Stone Veneer Finish
4. Installation of Wall Drainage
5. Installation of Concrete Hardscape and Sidewalk.
6. Installation of Landscaping and Irrigation
7. Electrical Work including: Monument Lighting, Circuits, and Conduit, etc.
8. Performance of additional and incidental work as called for by the specifications and plans.

Three bid schedules in the Invitation to Bid:

1. A Base Bid – Build the South Gateway only.
2. Alternate 1 – Build the North Gateway concurrent with the South Gateway.
3. Alternate 2 – Build the North Gateway 12 to 18 months after the South Gateway.

The city asked for these alternatives to give flexibility into the construction schedule to allow for any funding issues that may have arisen. The ITB was clear to bidders that the city would determine low bidder based either on the Base Bid or Alternative 1, whichever the city had budget appropriation to complete depending on CCDA and LCRB decisions.

A mandatory pre-bid meeting and site visit was held on March 31st as staff felt it was vital that potential bidders understand the project and the potential traffic and staging issues with the sites. Four potential bidders attended this meeting.

The closing date for the ITB was April 7th and the city received bids from three firms. The results of those bids are as follows:

<u>Firm</u>	<u>Base Bid South Entryway</u>	<u>Alternate 1 Concurrent Build</u>	<u>Alternate 2 Phased Build</u>
Lee Contractors	\$171,400	\$349,000	\$361,400
Subcom Excavation, LLC	\$226,447	\$454,147	\$474,147
Paul Brothers, Inc.	\$233,323	\$480,162	\$516,433

Staff has vetted these bids and has determined that Lee Contractors has submitted the lowest responsible bid for the Base Bid and both alternatives. Lee Contractors is not listed on the Oregon Bureau of Labor and Industries list of ineligible contractors and has had no disciplinary actions by the State Construction Contractors Board. In addition, Lee Contractors was recently a subcontractor on the city's 72nd/Dartmouth project and performed solid work on the retaining walls on that project. Given these facts and the provided quotes from Lee Contractors, staff recommends they receive the contract for Alternative 1, construction of both Gateways concurrently, in the amount of \$349,000.

OTHER ALTERNATIVES

1. The Local Contract Review Board may award a contract based on construction of the South Gateway (Base Bid) only. (A reduction of \$177,600 from the recommendation from staff but only one gateway built.)
2. The Local Contract Review Board may award a contract based on a phased construction approach (Alternative 2) with the South Gateway built now and the North Gateway constructed in the next 18 months. (An increase of \$12,400 from the recommendation from staff.)
3. The Local Contract Review Board may reject all bids and rescope the project for a more economical alternative. The rough estimate for the redesign is between \$25,000 and

\$40,000.

4. The Local Contract Review Board may reject all bids and place the project on hold.

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

City Council 2015-17 Goals and Milestones

Goal #2 Make Downtown Tigard a Place Where People Want to Be

- Strengthen downtown's identity by completing gateway improvements and install art at both Main Street entrances.

Tigard Downtown Streetscape Design Plan

DATES OF PREVIOUS COUNCIL CONSIDERATION

The Local Contract Review Board discussed this contract at their April 28, 2015 meeting.

Fiscal Impact

Cost: \$349,000

Budgeted (yes or no): Yes

Where budgeted?: CCDA

Additional Fiscal Notes:

The cost of building the two gateways concurrently is \$349,000. This is an estimated \$12,400 less than a phased construction approach. The CCDA budget has close to \$400,000 to use on this project that was previously allocated to a property purchase. The property purchase ended up being eligible for parks bond funds. Since most of this work will be done next fiscal year, the Approved FY 2016 Budget for the CCDA has sufficient appropriations to pay for this contract.

Attachments

No file(s) attached.

AIS-2113

9.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 20 Minutes

Agenda Title: Legislative Public Hearing - Adopt Solid Waste Franchise
TMC Changes

Prepared For: Toby LaFrance **Submitted By:** Norma
Alley, City
Management

Item Type: Ordinance **Meeting Type:** Council
Public Hearing - Legislative Business
Meeting -
Main

Public Hearing Yes

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall Council adopt TMC Changes regarding Solid Waste Management?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends adoption of the ordinance.

KEY FACTS AND INFORMATION SUMMARY

During the Study Session on April 28, 2015, staff briefed Council on proposed changes to TMC 11.04 - Solid Waste Management and the recommendation to increase solid waste rates by seven percent. Council instructed staff to bring those proposed changes forward. This hearing will allow Council to conduct a hearing on the first item, changing the TMC. The seven percent increase in the solid waste rates to be effective July 1, 2015 will be brought forward with the Master Fees and Charges on June 9, 2015 as part of the budget hearings.

After the last cost of service study took effect in the middle of 2013, there was some discussion between the haulers and city staff. The root of the discussion was the fact that the rate of return in 2013 fell outside the 8-12% parameters set in Resolution No. 01-54-A and whether that constituted the need for a rate increase, even though the new fees had only been in effect for the last 6 months of the year. In a memo from staff to Council on May 14, 2014, Council was advised of the situation and the recommendation was not to increase rates again and allow a full year of the new rates.

In order to avoid this type of confusion in the future, Council can consider the following changes to TMC 11.04 - Solid Waste Management:

- Setting an index that would adjust fees on January 1 each year.
- State that a cost of service study will be conducted at least every six years
- In years where a cost of service study is completed, and the rates take effect in the middle of a calendar year, state that the report should set expected profit for that year that takes into account the fact that the new fees were only in effect for a portion of the year.
- As a housekeeping measure, this ordinance will also amend section 11.04.040 to update the franchisee business names and remove the names of individuals from TMC.

OTHER ALTERNATIVES

Council can choose not to amend TMC 11.04 - Solid Waste Management and retain current practice when adjusting rates for solid waste.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Solid Waste Management is covered by TMC 11.04

DATES OF PREVIOUS CONSIDERATION

First Pass Through was during the April 28, 2015, Study Session.

Attachments

Ordinance

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
ORDINANCE NO. 15-

AN ORDINANCE AMENDING TMC 11.04 – SOLID WASTE MANAGEMENT

WHEREAS, Resolution No. 01-54-A established the basis for when solid waste rates need to be recalculated as when the aggregate rate of return for waste haulers falls outside eight to twelve percent; and

WHEREAS, most City of Tigard Fees are indexed for annual adjustments; and

WHEREAS, the City of Tigard adopts fees annually in the Master Fees and Charges as part of the budget process; and

WHEREAS, the list of solid waste haulers in TMC needs to be updated.

NOW, THEREFORE, THE CITY OF TIGARD ORDAINS AS FOLLOWS:

SECTION 1: TMC 11.04 – Solid Waste Management is amended per Exhibit A.

SECTION 2: This ordinance shall be effective 30 days after its passage by the council, signature by the mayor, and posting by the city recorder.

PASSED: By _____ vote of all council members present after being read by number and title only, this _____ day of _____, 2015.

Carol A. Krager, City Recorder

APPROVED: By Tigard City Council this _____ day of _____, 2015.

John L. Cook, Mayor

Approved as to form:

City Attorney

Date

Exhibit A – Changes to TMC 11.04 – Solid Waste Management

11.04.040 Franchise – Granted to Certain Persons – Scope of Regulations.

B. The franchisees are:

1. Area I. Pride Disposal Company,
~~Michael Leichner, President, P.O. Box 820,~~
Sherwood, OR 97140;
2. Area II. ~~U.S.A. Waste of Oregon,~~
~~Inc., d.b.a. Miller's Sanitary Services, 5150 S. W.~~
~~Alger Avenue, Beaverton, OR 97005~~
Waste Management
7227 NE 55th Ave
Portland, Oregon 97218;
3. Area III. Pride Disposal Company,
~~Michael Leichner, President, P.O. Box 820,~~
Sherwood, OR 97140.

11.04.090 Rates for Service.

E. 4. Unless there is good cause shown and recorded in the minutes of the council, the council shall act upon any rate adjustment ~~by May 31st, and the adjustment shall take effect June 1st. Rate adjustments shall be by resolution of the council.~~ ~~during consideration of the Master Fees and Charges as part of the annual budget process.~~ Adjustment of the rates can fall under the following categories:

a. If the aggregate profit for all waste haulers is less than eight percent or more than twelve percent then the city will undertake a rate study to recommend new rates. The new rates will be effective on July 1 and will be intended to produce an aggregate rate of return of ten percent for the following calendar year. When rates are set in the middle of a calendar year, the expected aggregate rate of return for the haulers during that calendar year shall be reported to the haulers. So long as the actual aggregate rate of return for that calendar year is within two percent more or less than the reported aggregate rate of return, no rate study will be needed based on that calendar year's report.

b. If the aggregate profit for all waste haulers is between eight and twelve percent, the rates will be adjusted annually with a start date of January 1 indexed to the U.S. Department of Labor, Bureau of Labor Statistics CPI-U Over-the-Year Percent Change Annual Average for Portland-Salem. If the aggregate profit is between eight to nine percent, then 1.25 times the index will be applied. If the aggregate profit is from nine to eleven percent, then the index will be applied. If the aggregate profit is between eleven to twelve percent, then 0.75 times the index will be applied.

5. The reports are required from each franchisee regardless of whether or not a rate adjustment is requested.

6. Cost of Service studies will be conducted at a minimum of every six years.

space. If any portion of the site is used for private redevelopment, a proportional reimbursement will be made to the Park Bond fund. In order for the Saxony-Pacific properties to be purchased using Park Bond funds, the City Center Development Agency must assign the right to purchase the properties to the City of Tigard.

OTHER ALTERNATIVES

If the CCDA does not approve the resolution to assign the right to purchase the Saxony Pacific property to the City, then 1. the property would need to be purchased by the CCDA which does not currently have budget capacity. 2. the property would not be purchased and the City's \$10,000 earnest money would be forfeited.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Tigard City Council 2015-17 Goals and Milestones

Goal #2. Make Downtown Tigard a Place Where People Want to Be

City Center Urban Renewal Plan

Project H: Real Property Acquisition

Tigard Comprehensive Plan

Special Planning Areas- Downtown

Goal 15.2 Facilitate the development of an urban village.

Tigard Strategic Plan

Goal 2: Ensure development advances the vision

DATES OF PREVIOUS CONSIDERATION

May 5, 2015, Discussion of Prospective Purchaser Agreement

April 8, 2014, Authorize CCDA Executive Director to negotiate voluntary property acquisitions

The purchase of the Saxony property was discussed in a number of Executive Sessions including:

December 2, 2014

October 28, 2014

September 2, 2014

January 7, 2014

December 3, 2013

November 5, 2013

October 1, 2013

September 3, 2013

August 20, 2013

Cost: \$515,500
Budgeted (yes or no): yes
Where Budgeted (department/program): Park Bond Funds
Additional Fiscal Notes:
The negotiated cost for the two Saxony properties is \$515,500.

Attachments

Resolution

Purchase Agreement and Escrow Instructions

First amendment to Purchase Agreement

CITY OF TIGARD, OREGON
CITY CENTER DEVELOPMENT AGENCY
RESOLUTION NO. 15-____

A RESOLUTION ASSIGNING THE PURCHASE AGREEMENT RIGHT TO
PURCHASE THE SAXONY-PACIFIC PROPERTIES FROM THE CITY
CENTER DEVELOPMENT AGENCY TO THE CITY OF TIGARD

WHEREAS, City Center Development Agency Resolution 14-01 authorized the CCDA Executive Director to negotiate voluntary acquisitions subject to CCDA Board oversight and conditions; and

WHEREAS, on April 9, 2014 a Purchase Agreement for the Saxony-Pacific properties was executed by the Seller and City Center Development Agency; and

WHEREAS, in December 2014 the parties executed a First Amendment to the Purchase Agreement which provided the ability for the Agency to assign its rights under the agreement to the City of Tigard; and

WHEREAS, Park Bond funds were identified as a potential source to purchase the properties; and

WHEREAS, using Park Bond funds necessitates transferring the Purchase Agreement right to purchase the Saxony-Pacific properties from the City Center Development Agency to the City of Tigard.

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

SECTION 1: The right to purchase the Saxony-Pacific properties provided for in the Purchase Agreement and Escrow Instructions executed on April 9, 2014 is assigned from the City Center Development Agency to the City of Tigard.

SECTION 2: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____, 2015.

Chair – City of Tigard
City Center Development Agency

ATTEST:

Recorder – City of Tigard City Center Development Agency

**PURCHASE AGREEMENT
AND
ESCROW INSTRUCTIONS**

BETWEEN: Saxony-Pacific, LLC, an Oregon limited liability company (“**Seller**”)

And: The City Center Development Agency, the Urban Renewal Agency of the City of Tigard (“**Purchaser**”)

DATED: April 9, 2014 (“**Effective Date**”)

RECITALS

A. Seller owns two parcels of real property in the city of Tigard, county of Washington, Oregon, commonly known as 12533, 12535 and 12537 SW Main Street, Tigard, OR 97224 (Tax Map Nos.: 2S102AB02000 and 2S102AB02100), both of which are more fully described on the attached and incorporated Exhibit A (collectively, the “**Property**”).

B. Seller and Purchaser previously entered into a Purchase Agreement and Escrow Instructions dated September 18, 2012. Due to environmental remediation needed on the Property, the parties have terminated that agreement and instead desire to enter into this Agreement.

C. 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, 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 cash in the amount of Eighteen Thousand Dollars (\$18,000.00) payable to Seller pursuant to Section 2.2 of this Agreement if Purchaser exercises its option to extend the Contingency Period for an additional six (6) month period, as set forth in Section 4.2.2 of this Agreement.

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 9 of this Agreement.

1.5 Closing Date. Closing shall occur on a date mutually agreeable to Seller and Purchaser that is no later than six (6) months after the expiration of the Contingency Period, or on such other date as the parties may agree upon in writing.

1.6 Contingency Period. The period beginning on the Effective Date and continuing until the six (6) month anniversary of the Effective Date, unless extended or earlier terminated in accordance with the provisions of this Agreement. The term “Contingency Period” shall include the initial six (6) month period, an additional sixty (60) day period and an additional six (6) month period if Seller receives notice of the applicable option to extend pursuant to the terms of this Agreement.

1.7 Deed. A 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 to be deposited into Escrow pursuant to Section 2.2 of this Agreement in the amount of Ten Thousand and No/100 Dollars (\$10,000.00).

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. First American Title, located at 9200 SE Sunnybrook Blvd, Suite 400, Clackamas, Oregon, 97015, Phone: (503) 659-0069.

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 Environmental Law.

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, which will be transferred to Purchaser at Closing.

1.15 Property Documents. The documents relating to or affecting the Property to the extent they exist and are in Seller's possession: land use permits, land use approvals, permits, licenses, maps, development agreements, surveys and studies relating to the Property prepared by third parties.

1.16 Purchase Price. Cash in the amount determined by operation of Section 2.3 of this Agreement.

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 ten (10) 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 Contingency Period (defined in Section 1.4) expires or the conditions precedent to Closing set forth in Section 4 of this Agreement are waived in writing by Buyer; thereafter, the Earnest Money shall not be refundable except in the event of a Seller default or as otherwise provided for in this Agreement. The Earnest Money shall be applicable to the Purchase Price at Closing. Within three (3) Business Days after Purchaser provides notice to Seller of Purchaser's option to extend the Contingency Period for an additional six (6) month period, Purchaser shall deposit the Additional Earnest Money into Escrow. The Additional Earnest Money shall not be refundable, and upon request by Seller, shall be released by Escrow Holder to Seller. . 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 shall be applicable to the Purchase Price at closing. The Additional Earnest Money shall not be applicable to the Purchase Price at closing.

2.3 Purchase Price.

2.3.1 The Purchase Price shall be determined using the following formula: (A) Six Hundred Seventy-Five Thousand and No/100 Dollars (\$675,000.00) ("Base Purchase Price") minus (B) the Clean-Up Costs as defined in Section 4.5 of this Agreement, up to \$25,000.00.

2.3.3 The Purchase Price shall be paid by Purchaser in Cash to Seller at the Closing.

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, if required, (iii) the balance of the Purchase Price, (iv) an executed and acknowledged counterpart acceptance of the Deed, and (v) 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 counterpart of the 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, 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 Approval of Property Documents. Within ten (10) days after the Effective Date, Seller shall deliver all Property Documents within Seller's possession or control to Purchaser. During the Contingency Period, 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 Approval of the Property.

4.2.1 During the Contingency Period, 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. Purchaser shall have the right to enter onto the Property to conduct any and all tests, investigations, and inspections deemed necessary by Purchaser including, without limitation, environmental investigation and analysis, evaluation of natural resources, a structural and geotechnical assessment, and an appraisal.

4.2.2 If Purchaser, in its sole and absolute discretion, determines that additional time is needed to analyze the Property Documents or Property and determine whether the Property is suitable for Purchaser's intended use, Purchaser shall have the option to extend the Contingency Period for an additional sixty (60) day period by delivering written notice to Seller prior to the expiration of the initial Contingency Period (the "60 Day Period"). If Purchaser, in its sole and absolute discretion, determines that additional time is still needed to analyze the Property Documents or Property and determine whether the Property is suitable for Purchaser's

intended use, Purchaser shall have the option to extend the Contingency Period for an additional six (6) month period by delivering written notice to Seller prior to the expiration of the 60 Day Period. Within three (3) Business Days after providing such written notice to Seller, Purchaser shall deposit the Additional Earnest Money into Escrow, pursuant to the terms of Section 2.2. The term "Contingency Period" shall include the initial six (6) month period, the 60 Day Period and the additional six (6) month period if Seller receives the applicable notice of the option to extend pursuant to the terms of this section.

4.2.3 All investigations and studies shall: (i) be preceded by at least five (5) business days written notice to Seller, (ii) not interfere with the existing tenants on the Property, (iii) be conducted during normal business hours unless otherwise agreed between the Parties, and (iv) be conducted by Purchaser at its sole cost and expense. All of Purchaser's entries onto the Property pursuant to this Section 4.2 shall be coordinated through Seller's broker, John Kennedy; Mr. Kennedy shall be permitted to accompany Purchaser and its agents during any such inspection. Purchaser agrees to provide Seller with copies of all inspection reports, test results and environmental site assessments obtained pursuant to this Section 4.2. 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.

4.3 Approval of Title.

4.3.1 Preliminary and Supplemental Reports. 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 and plotted easements (collectively, the "**Preliminary Report**"). On or before ten (10) days after Purchaser's receipt of the Preliminary Report or any supplement thereto ("**Supplemental Report**"), Purchaser shall deliver written notice of approval or disapproval of matters disclosed in the Preliminary Report or Supplemental Report, which approval or disapproval shall be in Purchaser's sole and absolute discretion. Failure of Purchaser to deliver notice of disapproval of any matters disclosed in the Preliminary Report or Supplemental Report within such ten (10)-day period shall be deemed rejection of all such matters. Unless waived pursuant to Section 4.3.3, the approved matters disclosed in the Preliminary Report or any Supplemental Report along with the standard printed exceptions on a form of title insurance policy, shall be the "**Permitted Exceptions**" included as exceptions in the Title Policy, defined in Section 4.3.4.

4.3.2 Right to Cure Disapproval of Preliminary Report or Supplemental Report. If Purchaser delivers notice of disapproval pursuant to Section 4.3.1 above, Seller may elect in writing, within five (5) days thereafter, to agree to remove or otherwise cure, to Purchaser's reasonable satisfaction, any disapproved item(s) prior to Closing. Notwithstanding any provision in this Agreement to the contrary, prior to Closing, Seller shall be obligated to

remove any deeds of trust and other monetary liens (other than liens created by Purchaser and liens for non-delinquent taxes and assessments) and any exceptions to title caused by Seller.

4.3.3 Failure to Cure Disapproved Items. If Seller gives Purchaser written notice within the above-referenced five (5)-day period that Seller will remove or otherwise cure a disapproved matter, but Seller is unable to remove such disapproved matter at or before Closing, Purchaser may elect to either: (i) terminate this Agreement and receive a full refund of the Earnest Money, or (ii) waive in writing its prior disapproval of such item and accept title subject to such previously disapproved item, by delivering written notice of Purchaser's election to Seller prior to Closing. If Seller either: (i) gives Purchaser timely notice within such five (5)-day period that Seller has elected not to attempt to remove or otherwise cure all of the disapproved item(s) or (ii) fails to notify Purchaser within such five (5)-day period whether or not Seller will remove or otherwise attempt to cure the disapproved item(s), Purchaser shall have ten (10) days after Purchaser's receipt of Seller's notice to notify Seller in writing of Purchaser's election to (a) waive in writing its prior disapproval of such item(s) and accept title subject to such previously disapproved item(s) or (b) terminate this Agreement, in which event the Earnest Money shall be refunded to Purchaser. If Purchaser shall fail to notify Seller timely of its election to proceed under clause (a) above, Purchaser shall be deemed to have elected to terminate this Agreement, in which event the Earnest Money shall be refunded to Purchaser.

4.3.4 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 that Purchaser obtains, and pays the cost of, any survey required for extended coverage and pays any additional costs associated with issuance of such policy pursuant to section 8.4 of this Agreement.

4.4 Approval of Leases.

4.4.1 Leases. Within ten (10) days of the Effective Date, Seller will provide to Purchaser copies of all current leases affecting the Property, and copies of any and all documents other than leases which provide for or discuss any matters affecting the occupancy of the Property by tenants and other third parties, 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 Lease Documents are not acceptable.

4.4.2 Tenancies. As of the Closing Date, Seller shall have () assigned all of Seller's interest in all Lease Documents (including transfer of any security deposits held by Seller under such Lease Documents) ("**Assignment of Leases**").

4.5 Prospective Purchaser Agreement. Seller is aware that Buyer is negotiating with the DEQ to obtain a Prospective Purchaser Agreement ("**PPA**") to protect Buyer from all areas of potential liability that might be associated with ownership of the Property and Seller

agrees to cooperate with Buyer as necessary for Buyer to obtain the PPA, which cooperation shall be given at no cost or expense to Purchaser. Buyer represents to Seller that it intends to use diligent efforts to obtain such PPA from the DEQ. As part of this process, DEQ will identify the remedial actions necessary to clean up the Property so that Buyer may obtain a PPA, and the Costs associated with such remedial actions (“Clean-up Costs”). The parties agree that the actual amount of Costs up to \$25,000.00 shall be deducted from the Base Purchase Price to determine the Purchase Price for the Property. Obtaining a PPA with terms and with a process acceptable to Buyer in its sole discretion shall be a condition precedent to Buyer’s obligation to close the transaction contemplated by this Agreement. If Buyer is unable to obtain such PPA prior to Closing, then Buyer may, upon written notice to Seller, terminate this Agreement. If Buyer exercises its right to terminate pursuant to this Section 4.5, Escrow Agent shall automatically return the Earnest Money to Buyer.

4.6 Contingency Failure. Notice of Termination; Failure to Notify. If Purchaser determines, in Purchaser’s sole, absolute, and arbitrary discretion, that either the Property Documents, the Property, the title, the Property Leases are 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, in which case this Agreement shall immediately terminate and Escrow Holder shall immediately return the Earnest Money to Purchaser.

ARTICLE 5 COVENANTS AND AGREEMENTS

5.1 Damage or Destruction. If, prior to the Closing, all or a material part of the Property is damaged or destroyed, Purchaser may terminate this Agreement and receive a refund of the Earnest Money.

5.2 Personal Property. Prior to Closing, Seller shall remove all Seller’s personal property located on the Property.

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. 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, in the Preliminary Report and in any Supplemental Report. Seller agrees to transfer the Property to Purchaser via the Deed, subject only to the Permitted Exceptions.

6.1.3 Property Documents, Lease Documents; No Defaults. To Seller's knowledge, the Property Documents and Lease Documents delivered by Seller to Purchaser are true, correct and complete copies and there are no other documents or instruments that would constitute Property Documents or Lease 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 or Lease Documents. Seller warrants that the services associated with the Property Documents and Lease Documents, have been, or will be, paid for by Seller through the Closing Date, no later than Closing.

6.1.4 Pending Transactions, Suits or Proceedings. To Seller's knowledge, there are no transactions, suits, proceedings, litigation (including zoning or other land use regulation proceedings), 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 independent investigation, there are no latent or other defects or conditions on or about the Property which would cause injury or damage to persons or property, or which would have a material adverse effect on lawful uses of the Property.

6.1.6 No Further Encumbrances. As long as this Agreement remains in force, Seller will not 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. The parties acknowledge that the Environmental Site Assessment attached and incorporated as Exhibit D to this Agreement ("ESA") determined that environmental contamination exists on the Property. Seller has no other knowledge that 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. Except for the environmental contamination disclosed in the ESA, to Seller's knowledge, without independent investigation, no other party or person has used, stored, transported, generated, disposed of or released on, within, under, about or from the Property any Hazardous Materials. Without limiting the foregoing, neither Seller nor, to Seller's knowledge, without independent investigation, any other party, has installed, operated or maintained any underground storage tanks on or adjacent to the Property, and the Property is not now, and has never been, in violation and is not currently under investigation for the violation of any Environmental Laws. To Seller's knowledge, without independent investigation, there is no asbestos or lead paint 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. The Property has legal and physical access to a publicly-dedicated street or road. Except as reflected in the Lease Documents, there are no leases or tenancies in effect on the Property and possession thereof can and will be delivered to Purchaser upon Closing free of any tenants or occupants whatsoever.

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, adjacent thereto or within any existing or proposed assessment district which will remain unpaid at close of escrow or upon which a lien may be filed.

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 (which may be withheld in Purchaser's sole discretion), nor enter into any other agreements having a material effect on the Property without the prior written consent of Purchaser, (which Purchaser may withhold in its sole discretion).

6.1.11.2 No Alterations. Seller will not make any material alterations to the Property prior to the Closing.

6.1.11.3 Maintain Physical Condition. Seller, at its sole cost and expense, will maintain and keep the Property in approximately the same condition, reasonable wear and tear, damage by casualty excepted, between the Effective Date and the Closing Date, and will keep Purchaser timely advised any change to its physical condition prior to the Closing Date.

ARTICLE 7

PURCHASER'S REPRESENTATIONS AND WARRANTIES

7.1 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. 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:

7.1.1 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.

7.1.2 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 8 PRORATED FEES AND COSTS

8.1 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, except as provided in Section 8.2 below. 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.

8.2 Penalties. Any penalties that would be due as a result of removal of the Property from any tax deferral program shall be charged to Seller as though the Property were removed from such program on the Closing Date. Seller's obligations under this Section shall survive Closing.

8.3 Seller's Fees and Costs. Seller shall pay (i) the cost for the Title Policy, except for any costs associated with Extended Coverage required by Purchaser; (ii) one-half of all Escrow Holder's fees; and (iii) all transfer taxes. Except as otherwise provided for above, Seller shall not be obligated to pay for any fees and costs.

8.4 Purchaser's Fees and Costs. Purchaser shall pay (i) the entire cost for any Extended Coverage or endorsements for the Title Policy; (ii) one-half of the Escrow Holder's escrow fee; and (iii) all recording charges.

8.5 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 and closing this Agreement.

ARTICLE 9 CLOSING

9.1 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:

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

9.1.2 Satisfaction of Conditions Precedent. Each of the conditions precedent set forth in the Agreement have been either satisfied or waived.

9.1.3 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 in writing by Purchaser pursuant to the terms of this Agreement.

9.1.4 Assignment of Lease Documents. If applicable, Seller shall have executed the Assignment of Leases attached to this Agreement as Exhibit C.

ARTICLE 10 RECORDATION AND DISTRIBUTION OF FUNDS AND DOCUMENTS

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

10.2 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.

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

10.4 Original Documents. If applicable, Escrow Holder shall at Closing deliver to Purchaser the Original Assignment of Leases.

ARTICLE 11 DEFAULT AND REMEDIES

11.1 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.

11.2 Seller's Remedies. In the event of Purchaser's default under this Agreement, the Earnest Money 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.

Purchaser's Initials

MLW

Seller's Initials

GT

11.3 Seller's Default. If Seller breaches this Agreement, which breach Seller fails to cure within thirty (30) days after receipt of written notice thereof from Purchaser, Seller shall be in default of this Agreement. If Escrow fails to close due to Seller's default, Seller shall pay all Escrow cancellation charges.

11.4 Purchaser's Remedies. In the event of Seller's default under this Agreement, Purchaser shall have the right to either (i) terminate this Agreement, and upon such event the Earnest Money shall be immediately refunded to Purchaser; or (ii) seek an action for specific performance in order to enforce Purchaser's rights hereunder. No provision of this Agreement shall be construed as waiving any of Purchaser's rights regarding eminent domain.

ARTICLE 12 ASSIGNMENT

12.1 Assignment by Purchaser. Purchaser may not assign or otherwise transfer any of its rights or obligations under this Agreement.

ARTICLE 13 GENERAL PROVISIONS

13.1 Attorney's Fees. If any action is instituted between Seller and Purchaser in connection with this Agreement, the party prevailing in such action shall be entitled to recover from the other party all of its costs of action, including, without limitation, attorneys' fees and costs as fixed by the court therein, at trial and on any appeal.

13.2 Construction of Agreement. The agreements contained herein shall not be construed in favor of or against either party, but shall be construed as if both parties prepared this Agreement.

13.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein. This expressly includes, but is not limited to, the Purchase Agreement and Escrow Instructions dated September 18, 2012. The foregoing sentence shall in no way affect the validity of any instruments executed by the parties in the form of the exhibits attached to this Agreement.

13.4 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Oregon.

13.5 Joint and Several Liability. If any party consists of more than one person or entity, the liability of each such person or entity signing this Agreement shall be joint and several.

13.6 Modification. No modification, waiver, amendment, discharge, or change of this Agreement shall be valid unless the same is in writing and signed by all signatories hereto.

13.7 Real Estate Brokerage Commission. Purchaser is represented by Jeff Sholian of Jones Lang LaSalle. Purchaser agrees to be responsible for payment of all compensation, commission or fee to Jeff Sholian and Jones Lang LaSalle in accordance with the terms and conditions of the agreement between Purchaser and Jones Lang LaSalle. In the event a claim by Jeff Sholian or Jones Lang LaSalle for real estate commissions, fees or compensation arise in connection with this transaction, Purchaser shall indemnify, defend and hold harmless the Seller from any loss or damage, including attorneys' fees that Purchaser suffers because of said claims. Seller is represented by John A. Kennedy of Pacific Real Estate Investments, LLC. Seller agrees to be responsible for payment of all compensation, commission or fee to John Kennedy and Pacific Real Estate Investments, LLC in accordance with the terms and conditions of the agreement between Seller and Pacific Real Estate Investments, LLC. In the event any claims by any third party other than Jeff Sholian and Jones Lang LaSalle for real estate commissions, fees or compensation arise in connection with this transaction, Seller shall indemnify, defend and hold harmless the Purchaser from any loss or damage, including attorneys' fees that Purchaser suffers because of said claims. The obligations of the parties in the indemnity provisions of this Section 13.7 shall survive Closing or the termination of this Agreement.

13.8 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: Saxony-Pacific LLC
c/o Hans Finke
PO Box 1565
Wilsonville OR 97070

With a copy to: John A. Kennedy
Pacific Real Estate Investments, LLC
15280 NW Central Drive, Suite 202-10
Portland OR 97229

If to Purchaser: City of Tigard
Attn: Kenny Asher
City Hall
13125 SW Hall Blvd
Tigard OR 97223

With a copy to: Jordan Ramis PC
Attn: Tim Ramis
Two Centerpointe Drive, 6th Floor
Lake Oswego, OR 97035

13.9 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.

13.10 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.

13.11 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.

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

13.13 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.

13.14 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.

13.15 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.

13.16 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.

13.17 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.

13.18 Section 1031 Exchange Cooperation. In the event Seller elects to utilize this transaction as part of a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code, Purchaser agrees to cooperate with Seller as reasonably necessary to accommodate such exchange, but only so long as such cooperation is at no delay, cost or additional expense to Purchaser.

13.19 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:

Saxony-Pacific LLC

By: Hans C Finkle
Name: HANS C FINKLE
Its: Manager

PURCHASER:

City of Tigard, an Oregon municipal corporation

By: Martha L Wine
Name: Martha L. Wine
Its: City manager

APPROVED AS TO FORM:

By: _____
City Attorney

- Exhibit A – Property
- Exhibit B – Deed
- Exhibit C - Assignment of Leases
- Exhibit D – ESA

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.

FIRST AMERICAN TITLE

By: _____
Name: _____
Title: _____

EXHIBIT A

[To be Provided by Title Company]

EXHIBIT B

AFTER RECORDING RETURN TO:

City of Tigard
Attn: City Manager City Hall
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 provided for recorder's use.

SPECIAL WARRANTY DEED

Saxony-Pacific LLC, an Oregon limited liability company, Grantor, conveys and specially warrants to CITY OF TIGARD, an Oregon municipal corporation, Grantee, the following described real property free of encumbrances created or suffered by the Grantor except as specifically set forth herein:

See Exhibit A attached hereto.

The true consideration for this conveyance is _____ and No/100 (\$.00). 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

Saxony-Pacific, LLC, an Oregon limited liability company

By: _____

Name: _____

Its: _____

STATE OF OREGON)

) ss.

County of _____)

This instrument was acknowledged before me on this ____ day of _____, 2014,
by _____ of Saxony-Pacific, LLC, an Oregon limited liability company

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 this ____ day of _____, 2014,
by _____ as _____ of the City of Tigard, an Oregon municipal
corporation.

NOTARY PUBLIC FOR OREGON

My Commission Expires: _____

Exhibit A

EXHIBIT B

Exceptions

EXHIBIT C

Assignment of Leases

THIS Assignment and Assumption of Lease (“Agreement”) is made as of this ____ day of _____, 2014, between Saxony-Pacific, LLC (“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 documents attached and incorporated as Exhibit B (collectively, 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

ASSIGNEE

Saxony-Pacific, LLC

City of Tigard, an Oregon municipal corporation

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

EXHIBIT A

Premises

EXHIBIT B

The Lease

EXHIBIT D

ESA

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

This First Amendment to Purchase Agreement and Escrow Instructions ("**Amendment**") is made effective December __, 2014 ("**Effective Date**") by and between Saxony-Pacific, LLC, an Oregon limited liability company ("**Seller**"), The City Center Development Agency, the Urban Renewal Agency of the City of Tigard ("**Purchaser**") (collectively referred to as the "**Parties**").

RECITALS

A. Seller and Purchaser entered into that certain Purchase Agreement and Escrow Instructions dated April 9, 2014 (the "**Original Agreement**"), with respect to certain real property located at 12533, 12535 and 12537 SW Main Street, Tigard, Oregon, as more particularly described in the Original Agreement.

B. Seller and Purchaser have agreed on a purchase price and terms and accordingly Seller and Purchaser desire to amend the Original Agreement as set forth in this First Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Recitals True.** The Parties acknowledge that the recitals set forth above are true and accurate.

2. **Purchase Price.** The Parties agree that Section 2.3.1 of the Original Agreement is replaced in its entirety as follows: "The Purchase Price shall be Five Hundred and Fifteen Thousand and Five Hundred dollars (\$515,500).

3. **Assignment:** Section 12.1 is amended as follows. Underlined language is new:

Assignment by Purchaser. Purchaser may not assign or otherwise transfer any of its rights or obligations under this Agreement except that Purchaser may assign all of its rights, title, interest, responsibilities and obligations under this Agreement to the City of Tigard. Upon acceptance of such Assignment by City, CCDA shall be released from, and City shall assume and be fully bound by, the terms of this Agreement, including all amendments.

4. **Continuing Effect.** All covenants, agreements, terms and conditions of the Original Agreement remain in full force and effect, as modified by this Amendment, as though restated in their entirety herein.

5. **Conflict Among Terms.** In the event of any conflict between the provisions of this Amendment and the Original Agreement, the provisions of this Amendment shall control.

6. **Counterpart Signatures.** This Amendment may be executed in counterparts and/or by exchange of facsimile or electronically transmitted copies of executed signature pages, with the same effect as if they were a single original instrument bearing original signatures. Any party faxing or e-mailing its signature page shall promptly distribute and execute the original to the other party.

IN WITNESS WHEREOF, Seller and Purchaser have duly executed this Amendment as of the Effective Date first written above.

SELLER

PURCHASER

Saxony-Pacific, LLC, an Oregon limited liability company

The City Center Development Agency, the Urban Renewal Agency of the City of Tigard

By: *[Signature]*
Name: HAWS C FINKS
Its: Mez

By: *[Signature]*
Name: Marty Wine
Its: Executive Director

AIS-2220

11.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 5 Minutes

Agenda Title: Consider a Resolution Accepting Assignment to Purchase Saxony Pacific Properties from the City Center Development Agency

Submitted By: Sean Farrelly, Community Development

Item Type: Resolution

Meeting Type: Council Business Meeting - Main

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Shall the Council approve a resolution accepting assignment from the City Center Development Agency the right to purchase the Saxony-Pacific properties?

STAFF RECOMMENDATION / ACTION REQUEST

Staff recommends approval of the resolution.

KEY FACTS AND INFORMATION SUMMARY

In April 2014, the Purchase Agreement and Escrow Instructions between the City Center Development Agency and the Sellers was executed for two Saxony-Pacific properties. An amendment to the purchase agreement executed in December 2014 set the purchase price at \$515,500. This amendment also provided the Agency the ability to assign its rights under the agreement to the City of Tigard.

If the Saxony properties are to be purchased with Park Bond funds, the City of Tigard must accept the assignment of the City Center Development Agency's acquisition rights under the Purchase Agreement.

OTHER ALTERNATIVES

If Council does not approve the resolution to accept assignment from the City Center Development Agency to purchase the Saxony Pacific properties, then 1) the property would need to be purchased by the CCDA which does not currently have budget capacity; or 2) the property would not be purchased and the City's \$10,000 earnest money would be forfeited.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Tigard City Council 2015-17 Goals and Milestones

Goal #2. Make Downtown Tigard a Place Where People Want to Be

Tigard Comprehensive Plan

Special Planning Areas- Downtown

Goal 15.2 Facilitate the development of an urban village.

Tigard Strategic Plan

Goal 2: Ensure development advances the vision

DATES OF PREVIOUS CONSIDERATION

May 5, 2015, Discussion of Prospective Purchaser Agreement

April 8, 2014, Authorize CCDA Executive Director to negotiate voluntary property acquisitions

The purchase of the Saxony property was discussed in a number of Executive Sessions including:

December 2, 2014

October 28, 2014

September 2, 2014

January 7, 2014

December 3, 2013

November 5, 2013

October 1, 2013

September 3, 2013

August 20, 2013

Fiscal Impact

Cost: \$515,500

Budgeted (yes or no): yes

Where Budgeted (department/program): Parks Bond Funds

Additional Fiscal Notes:

Under the Purchase Agreement, the cost to acquire the two Saxony properties is \$515,500.

Attachments

Council Resolution Accepting Assignment



**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 15-**

**A RESOLUTION ACCEPTING THE CITY CENTER DEVELOPMENT AGENCY'S
ASSIGNMENT OF THE RIGHT TO PURCHASE THE SAXONY-PACIFIC PROPERTIES
UNDER THE PURCHASE AGREEMENT**

WHEREAS, on April 9, 2014 a Purchase Agreement for the Saxony-Pacific properties was executed by the Seller and City Center Development Agency; *and*

WHEREAS, in December 2014 the parties executed a First Amendment to the Purchase Agreement which provided the ability for the Agency to assign its rights under the agreement to the City of Tigard; *and*

WHEREAS, Park Bond funds were identified as a potential source to purchase the properties; *and*

WHEREAS, using Park Bond funds necessitates the assignment of the rights under the Purchase Agreement to purchase the Saxony-Pacific properties from the City Center Development Agency to the City of Tigard; *and*

WHEREAS, the Board of the City Center Development Agency has in a separate resolution assigned the right to purchase the Saxony-Pacific properties to the City of Tigard.

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

SECTION 1: The City of Tigard accepts the assignment of the right to purchase the Saxony-Pacific properties provided for in the Purchase Agreement and Escrow Instructions executed on April 9, 2014 from the City Center Development Agency.

SECTION 3: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2015.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

CCDA staff and the city attorney have been working on a Prospective Purchaser Agreement with Oregon Department of Environmental Quality. On May 5, 2015 Council authorized the City Manager to sign the Prospective Purchaser Agreement when complete. The City Manager has signed the PPA and the paperwork is being filed in Washington County court.

Funds from the city's 2010 Park Bond measure will be used to pay for the property acquisition. The bond identified up to 10% of the bond proceeds to be spent on Downtown public space acquisition. CCDA's FY 2015-16 budget includes funds to engage an architectural and real estate consultant team to study the site to determine how it will be used and what portion of the property may be used for public space. If any portion of the site is used for private redevelopment, a proportional reimbursement will be made to the Park Bond fund. The CCAC and the PRAB were briefed on the approach in executive sessions.

The property has three month-to-month leases with three commercial tenants: Bravo Insurance; Oregon Drive Axle; and Hillers Emblem. These are all well below market rents. The leases do not contain many items that should be included to protect the parties and the City Attorney considers the leases to be “expired” and without current renewal clauses. The CCDA could act in a commercially reasonable manner to modify the terms of the leases. CCDA staff will meet with the tenants to discuss the leases and a possible transition to updated lease agreements.

OTHER ALTERNATIVES

If Council does not approve the resolution, then the Saxony Pacific property would not be purchased and the City's \$10,000 earnest money would be forfeited.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Tigard City Council 2015-17 Goals and Milestones

Goal #2. Make Downtown Tigard a Place Where People Want to Be

Tigard Comprehensive Plan

Special Planning Areas- Downtown

Goal 15.2 Facilitate the development of an urban village.

Tigard Strategic Plan

Goal 2: Ensure development advances the vision

DATES OF PREVIOUS CONSIDERATION

May 5, 2015, Discussion of Prospective Purchaser Agreement

April 8, 2014, Authorize CCDA Executive Director to negotiate voluntary property acquisitions

The purchase of the Saxony property was discussed in a number of Executive Sessions including:

December 2, 2014

October 28, 2014
September 2, 2014
January 7, 2014
December 3, 2013
November 5, 2013
October 1, 2013
September 3, 2013
August 20, 2013

Fiscal Impact

Cost: \$515,000
Budgeted (yes or no): yes
Where Budgeted (department/program): Parks Bond Fund
Additional Fiscal Notes:
The negotiated cost for the two Saxony properties is \$515,500.

Attachments

Council Resolution Purchase
Purchase Agreement and Escrow Instructions
Amendment 1 to the Purchase Agreement and Escrow Instructions

**CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 15-**

A RESOLUTION APPROVING OF THE PURCHASE OF THE SAXONY-PACIFIC PROPERTIES (TAX LOTS 2S102AB02100 AND 2S102AB02000) AND AUTHORIZING THE CITY MANAGER TO TAKE ALL NECESSARY ACTION TO COMPLETE THE PROPERTY PURCHASE

WHEREAS, in November 2010 Tigard voters passed a \$17 million park bond measure that included up to 10 percent of funds for downtown public space acquisition; and

WHEREAS, the site will be studied to determine its suitability for public space; and

WHEREAS, within twenty-four months any portion of the site not identified as public space will be sold and the Parks Bond fund shall be wholly or partially reimbursed with the proceeds of the land sale; and

WHEREAS, the seller and the City Center Development Agency have signed a purchase agreement and the rights under the agreement have been assigned to the City of Tigard; and

WHEREAS, this agreement is subject to Council approval.

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

SECTION 1: The City Council agrees to the terms of the attached Purchase Agreement and Escrow Instructions including the purchase price of \$515,500 for the Saxony-Pacific properties.

SECTION 2: The City Council authorizes the city manager to take all necessary action to complete the Saxony-Pacific properties acquisition on behalf of the city. This includes, but is not limited to, execution of the Purchase Agreement and Escrow Instructions and closing documents.

SECTION 3: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2015.

Mayor - City of Tigard

ATTEST:

PURCHASE AGREEMENT

AND

ESCROW INSTRUCTIONS

BETWEEN: Saxony-Pacific, LLC, an Oregon limited liability company (“**Seller**”)

And: The City Center Development Agency, the Urban Renewal Agency of the City of Tigard (“**Purchaser**”)

DATED: April 9, 2014 (“**Effective Date**”)

RECITALS

A. Seller owns two parcels of real property in the city of Tigard, county of Washington, Oregon, commonly known as 12533, 12535 and 12537 SW Main Street, Tigard, OR 97224 (Tax Map Nos.: 2S102AB02000 and 2S102AB02100), both of which are more fully described on the attached and incorporated Exhibit A (collectively, the “**Property**”).

B. Seller and Purchaser previously entered into a Purchase Agreement and Escrow Instructions dated September 18, 2012. Due to environmental remediation needed on the Property, the parties have terminated that agreement and instead desire to enter into this Agreement.

C. 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, 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 cash in the amount of Eighteen Thousand Dollars (\$18,000.00) payable to Seller pursuant to Section 2.2 of this Agreement if Purchaser exercises its option to extend the Contingency Period for an additional six (6) month period, as set forth in Section 4.2.2 of this Agreement.

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 9 of this Agreement.

1.5 Closing Date. Closing shall occur on a date mutually agreeable to Seller and Purchaser that is no later than six (6) months after the expiration of the Contingency Period, or on such other date as the parties may agree upon in writing.

1.6 Contingency Period. The period beginning on the Effective Date and continuing until the six (6) month anniversary of the Effective Date, unless extended or earlier terminated in accordance with the provisions of this Agreement. The term “Contingency Period” shall include the initial six (6) month period, an additional sixty (60) day period and an additional six (6) month period if Seller receives notice of the applicable option to extend pursuant to the terms of this Agreement.

1.7 Deed. A 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 to be deposited into Escrow pursuant to Section 2.2 of this Agreement in the amount of Ten Thousand and No/100 Dollars (\$10,000.00).

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. First American Title, located at 9200 SE Sunnybrook Blvd, Suite 400, Clackamas, Oregon, 97015, Phone: (503) 659-0069.

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 Environmental Law.

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, which will be transferred to Purchaser at Closing.

1.15 Property Documents. The documents relating to or affecting the Property to the extent they exist and are in Seller's possession: land use permits, land use approvals, permits, licenses, maps, development agreements, surveys and studies relating to the Property prepared by third parties.

1.16 Purchase Price. Cash in the amount determined by operation of Section 2.3 of this Agreement.

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 ten (10) 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 Contingency Period (defined in Section 1.4) expires or the conditions precedent to Closing set forth in Section 4 of this Agreement are waived in writing by Buyer; thereafter, the Earnest Money shall not be refundable except in the event of a Seller default or as otherwise provided for in this Agreement. The Earnest Money shall be applicable to the Purchase Price at Closing. Within three (3) Business Days after Purchaser provides notice to Seller of Purchaser's option to extend the Contingency Period for an additional six (6) month period, Purchaser shall deposit the Additional Earnest Money into Escrow. The Additional Earnest Money shall not be refundable, and upon request by Seller, shall be released by Escrow Holder to Seller. . 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 shall be applicable to the Purchase Price at closing. The Additional Earnest Money shall not be applicable to the Purchase Price at closing.

2.3 Purchase Price.

2.3.1 The Purchase Price shall be determined using the following formula: (A) Six Hundred Seventy-Five Thousand and No/100 Dollars (\$675,000.00) ("Base Purchase Price") minus (B) the Clean-Up Costs as defined in Section 4.5 of this Agreement, up to \$25,000.00.

2.3.3 The Purchase Price shall be paid by Purchaser in Cash to Seller at the Closing.

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, if required, (iii) the balance of the Purchase Price, (iv) an executed and acknowledged counterpart acceptance of the Deed, and (v) 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 counterpart of the 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, 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 Approval of Property Documents. Within ten (10) days after the Effective Date, Seller shall deliver all Property Documents within Seller's possession or control to Purchaser. During the Contingency Period, 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 Approval of the Property.

4.2.1 During the Contingency Period, 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. Purchaser shall have the right to enter onto the Property to conduct any and all tests, investigations, and inspections deemed necessary by Purchaser including, without limitation, environmental investigation and analysis, evaluation of natural resources, a structural and geotechnical assessment, and an appraisal.

4.2.2 If Purchaser, in its sole and absolute discretion, determines that additional time is needed to analyze the Property Documents or Property and determine whether the Property is suitable for Purchaser's intended use, Purchaser shall have the option to extend the Contingency Period for an additional sixty (60) day period by delivering written notice to Seller prior to the expiration of the initial Contingency Period (the "60 Day Period"). If Purchaser, in its sole and absolute discretion, determines that additional time is still needed to analyze the Property Documents or Property and determine whether the Property is suitable for Purchaser's

intended use, Purchaser shall have the option to extend the Contingency Period for an additional six (6) month period by delivering written notice to Seller prior to the expiration of the 60 Day Period. Within three (3) Business Days after providing such written notice to Seller, Purchaser shall deposit the Additional Earnest Money into Escrow, pursuant to the terms of Section 2.2. The term "Contingency Period" shall include the initial six (6) month period, the 60 Day Period and the additional six (6) month period if Seller receives the applicable notice of the option to extend pursuant to the terms of this section.

4.2.3 All investigations and studies shall: (i) be preceded by at least five (5) business days written notice to Seller, (ii) not interfere with the existing tenants on the Property, (iii) be conducted during normal business hours unless otherwise agreed between the Parties, and (iv) be conducted by Purchaser at its sole cost and expense. All of Purchaser's entries onto the Property pursuant to this Section 4.2 shall be coordinated through Seller's broker, John Kennedy; Mr. Kennedy shall be permitted to accompany Purchaser and its agents during any such inspection. Purchaser agrees to provide Seller with copies of all inspection reports, test results and environmental site assessments obtained pursuant to this Section 4.2. 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.

4.3 Approval of Title.

4.3.1 Preliminary and Supplemental Reports. 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 and plotted easements (collectively, the "**Preliminary Report**"). On or before ten (10) days after Purchaser's receipt of the Preliminary Report or any supplement thereto ("**Supplemental Report**"), Purchaser shall deliver written notice of approval or disapproval of matters disclosed in the Preliminary Report or Supplemental Report, which approval or disapproval shall be in Purchaser's sole and absolute discretion. Failure of Purchaser to deliver notice of disapproval of any matters disclosed in the Preliminary Report or Supplemental Report within such ten (10)-day period shall be deemed rejection of all such matters. Unless waived pursuant to Section 4.3.3, the approved matters disclosed in the Preliminary Report or any Supplemental Report along with the standard printed exceptions on a form of title insurance policy, shall be the "**Permitted Exceptions**" included as exceptions in the Title Policy, defined in Section 4.3.4.

4.3.2 Right to Cure Disapproval of Preliminary Report or Supplemental Report. If Purchaser delivers notice of disapproval pursuant to Section 4.3.1 above, Seller may elect in writing, within five (5) days thereafter, to agree to remove or otherwise cure, to Purchaser's reasonable satisfaction, any disapproved item(s) prior to Closing. Notwithstanding any provision in this Agreement to the contrary, prior to Closing, Seller shall be obligated to

remove any deeds of trust and other monetary liens (other than liens created by Purchaser and liens for non-delinquent taxes and assessments) and any exceptions to title caused by Seller.

4.3.3 Failure to Cure Disapproved Items. If Seller gives Purchaser written notice within the above-referenced five (5)-day period that Seller will remove or otherwise cure a disapproved matter, but Seller is unable to remove such disapproved matter at or before Closing, Purchaser may elect to either: (i) terminate this Agreement and receive a full refund of the Earnest Money, or (ii) waive in writing its prior disapproval of such item and accept title subject to such previously disapproved item, by delivering written notice of Purchaser's election to Seller prior to Closing. If Seller either: (i) gives Purchaser timely notice within such five (5)-day period that Seller has elected not to attempt to remove or otherwise cure all of the disapproved item(s) or (ii) fails to notify Purchaser within such five (5)-day period whether or not Seller will remove or otherwise attempt to cure the disapproved item(s), Purchaser shall have ten (10) days after Purchaser's receipt of Seller's notice to notify Seller in writing of Purchaser's election to (a) waive in writing its prior disapproval of such item(s) and accept title subject to such previously disapproved item(s) or (b) terminate this Agreement, in which event the Earnest Money shall be refunded to Purchaser. If Purchaser shall fail to notify Seller timely of its election to proceed under clause (a) above, Purchaser shall be deemed to have elected to terminate this Agreement, in which event the Earnest Money shall be refunded to Purchaser.

4.3.4 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 that Purchaser obtains, and pays the cost of, any survey required for extended coverage and pays any additional costs associated with issuance of such policy pursuant to section 8.4 of this Agreement.

4.4 Approval of Leases.

4.4.1 Leases. Within ten (10) days of the Effective Date, Seller will provide to Purchaser copies of all current leases affecting the Property, and copies of any and all documents other than leases which provide for or discuss any matters affecting the occupancy of the Property by tenants and other third parties, 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 Lease Documents are not acceptable.

4.4.2 Tenancies. As of the Closing Date, Seller shall have () assigned all of Seller's interest in all Lease Documents (including transfer of any security deposits held by Seller under such Lease Documents) ("**Assignment of Leases**").

4.5 Prospective Purchaser Agreement. Seller is aware that Buyer is negotiating with the DEQ to obtain a Prospective Purchaser Agreement ("**PPA**") to protect Buyer from all areas of potential liability that might be associated with ownership of the Property and Seller

agrees to cooperate with Buyer as necessary for Buyer to obtain the PPA, which cooperation shall be given at no cost or expense to Purchaser. Buyer represents to Seller that it intends to use diligent efforts to obtain such PPA from the DEQ. As part of this process, DEQ will identify the remedial actions necessary to clean up the Property so that Buyer may obtain a PPA, and the Costs associated with such remedial actions (“Clean-up Costs”). The parties agree that the actual amount of Costs up to \$25,000.00 shall be deducted from the Base Purchase Price to determine the Purchase Price for the Property. Obtaining a PPA with terms and with a process acceptable to Buyer in its sole discretion shall be a condition precedent to Buyer’s obligation to close the transaction contemplated by this Agreement. If Buyer is unable to obtain such PPA prior to Closing, then Buyer may, upon written notice to Seller, terminate this Agreement. If Buyer exercises its right to terminate pursuant to this Section 4.5, Escrow Agent shall automatically return the Earnest Money to Buyer.

4.6 Contingency Failure. Notice of Termination; Failure to Notify. If Purchaser determines, in Purchaser’s sole, absolute, and arbitrary discretion, that either the Property Documents, the Property, the title, the Property Leases are 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, in which case this Agreement shall immediately terminate and Escrow Holder shall immediately return the Earnest Money to Purchaser.

ARTICLE 5 COVENANTS AND AGREEMENTS

5.1 Damage or Destruction. If, prior to the Closing, all or a material part of the Property is damaged or destroyed, Purchaser may terminate this Agreement and receive a refund of the Earnest Money.

5.2 Personal Property. Prior to Closing, Seller shall remove all Seller’s personal property located on the Property.

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. 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, in the Preliminary Report and in any Supplemental Report. Seller agrees to transfer the Property to Purchaser via the Deed, subject only to the Permitted Exceptions.

6.1.3 Property Documents, Lease Documents; No Defaults. To Seller's knowledge, the Property Documents and Lease Documents delivered by Seller to Purchaser are true, correct and complete copies and there are no other documents or instruments that would constitute Property Documents or Lease 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 or Lease Documents. Seller warrants that the services associated with the Property Documents and Lease Documents, have been, or will be, paid for by Seller through the Closing Date, no later than Closing.

6.1.4 Pending Transactions, Suits or Proceedings. To Seller's knowledge, there are no transactions, suits, proceedings, litigation (including zoning or other land use regulation proceedings), 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 independent investigation, there are no latent or other defects or conditions on or about the Property which would cause injury or damage to persons or property, or which would have a material adverse effect on lawful uses of the Property.

6.1.6 No Further Encumbrances. As long as this Agreement remains in force, Seller will not 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. The parties acknowledge that the Environmental Site Assessment attached and incorporated as Exhibit D to this Agreement ("ESA") determined that environmental contamination exists on the Property. Seller has no other knowledge that 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. Except for the environmental contamination disclosed in the ESA, to Seller's knowledge, without independent investigation, no other party or person has used, stored, transported, generated, disposed of or released on, within, under, about or from the Property any Hazardous Materials. Without limiting the foregoing, neither Seller nor, to Seller's knowledge, without independent investigation, any other party, has installed, operated or maintained any underground storage tanks on or adjacent to the Property, and the Property is not now, and has never been, in violation and is not currently under investigation for the violation of any Environmental Laws. To Seller's knowledge, without independent investigation, there is no asbestos or lead paint 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. The Property has legal and physical access to a publicly-dedicated street or road. Except as reflected in the Lease Documents, there are no leases or tenancies in effect on the Property and possession thereof can and will be delivered to Purchaser upon Closing free of any tenants or occupants whatsoever.

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, adjacent thereto or within any existing or proposed assessment district which will remain unpaid at close of escrow or upon which a lien may be filed.

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 (which may be withheld in Purchaser's sole discretion), nor enter into any other agreements having a material effect on the Property without the prior written consent of Purchaser, (which Purchaser may withhold in its sole discretion).

6.1.11.2 No Alterations. Seller will not make any material alterations to the Property prior to the Closing.

6.1.11.3 Maintain Physical Condition. Seller, at its sole cost and expense, will maintain and keep the Property in approximately the same condition, reasonable wear and tear, damage by casualty excepted, between the Effective Date and the Closing Date, and will keep Purchaser timely advised any change to its physical condition prior to the Closing Date.

ARTICLE 7

PURCHASER'S REPRESENTATIONS AND WARRANTIES

7.1 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. 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:

7.1.1 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.

7.1.2 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 8 PRORATED FEES AND COSTS

8.1 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, except as provided in Section 8.2 below. 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.

8.2 Penalties. Any penalties that would be due as a result of removal of the Property from any tax deferral program shall be charged to Seller as though the Property were removed from such program on the Closing Date. Seller's obligations under this Section shall survive Closing.

8.3 Seller's Fees and Costs. Seller shall pay (i) the cost for the Title Policy, except for any costs associated with Extended Coverage required by Purchaser; (ii) one-half of all Escrow Holder's fees; and (iii) all transfer taxes. Except as otherwise provided for above, Seller shall not be obligated to pay for any fees and costs.

8.4 Purchaser's Fees and Costs. Purchaser shall pay (i) the entire cost for any Extended Coverage or endorsements for the Title Policy; (ii) one-half of the Escrow Holder's escrow fee; and (iii) all recording charges.

8.5 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 and closing this Agreement.

ARTICLE 9 CLOSING

9.1 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:

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

9.1.2 Satisfaction of Conditions Precedent. Each of the conditions precedent set forth in the Agreement have been either satisfied or waived.

9.1.3 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 in writing by Purchaser pursuant to the terms of this Agreement.

9.1.4 Assignment of Lease Documents. If applicable, Seller shall have executed the Assignment of Leases attached to this Agreement as Exhibit C.

ARTICLE 10 RECORDATION AND DISTRIBUTION OF FUNDS AND DOCUMENTS

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

10.2 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.

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

10.4 Original Documents. If applicable, Escrow Holder shall at Closing deliver to Purchaser the Original Assignment of Leases.

ARTICLE 11 DEFAULT AND REMEDIES

11.1 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.

11.2 Seller's Remedies. In the event of Purchaser's default under this Agreement, the Earnest Money 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.

Purchaser's Initials



Seller's Initials



11.3 Seller's Default. If Seller breaches this Agreement, which breach Seller fails to cure within thirty (30) days after receipt of written notice thereof from Purchaser, Seller shall be in default of this Agreement. If Escrow fails to close due to Seller's default, Seller shall pay all Escrow cancellation charges.

11.4 Purchaser's Remedies. In the event of Seller's default under this Agreement, Purchaser shall have the right to either (i) terminate this Agreement, and upon such event the Earnest Money shall be immediately refunded to Purchaser; or (ii) seek an action for specific performance in order to enforce Purchaser's rights hereunder. No provision of this Agreement shall be construed as waiving any of Purchaser's rights regarding eminent domain.

ARTICLE 12 ASSIGNMENT

12.1 Assignment by Purchaser. Purchaser may not assign or otherwise transfer any of its rights or obligations under this Agreement.

ARTICLE 13 GENERAL PROVISIONS

13.1 Attorney's Fees. If any action is instituted between Seller and Purchaser in connection with this Agreement, the party prevailing in such action shall be entitled to recover from the other party all of its costs of action, including, without limitation, attorneys' fees and costs as fixed by the court therein, at trial and on any appeal.

13.2 Construction of Agreement. The agreements contained herein shall not be construed in favor of or against either party, but shall be construed as if both parties prepared this Agreement.

13.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein. This expressly includes, but is not limited to, the Purchase Agreement and Escrow Instructions dated September 18, 2012. The foregoing sentence shall in no way affect the validity of any instruments executed by the parties in the form of the exhibits attached to this Agreement.

13.4 Governing Law. This Agreement shall be governed by and construed under the laws of the State of Oregon.

With a copy to: Jordan Ramis PC
Attn: Tim Ramis
Two Centerpointe Drive, 6th Floor
Lake Oswego, OR 97035

13.9 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.

13.10 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.

13.11 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.

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

13.13 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.

13.14 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.

13.15 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.

13.16 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.

13.17 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.

13.18 Section 1031 Exchange Cooperation. In the event Seller elects to utilize this transaction as part of a tax-deferred exchange pursuant to Section 1031 of the Internal Revenue Code, Purchaser agrees to cooperate with Seller as reasonably necessary to accommodate such exchange, but only so long as such cooperation is at no delay, cost or additional expense to Purchaser.

13.19 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:

Saxony-Pacific LLC

By: Hans C Finkle
Name: HANS C FINKLE
Its: Manager

PURCHASER:

City of Tigard, an Oregon municipal corporation

By: Martha L Wine
Name: Martha L. Wine
Its: City manager

APPROVED AS TO FORM:

By: _____
City Attorney

- Exhibit A – Property
- Exhibit B – Deed
- Exhibit C - Assignment of Leases
- Exhibit D – ESA

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.

FIRST AMERICAN TITLE

By: _____
Name: _____
Title: _____

EXHIBIT A

[To be Provided by Title Company]

EXHIBIT B

AFTER RECORDING RETURN TO:

City of Tigard
Attn: City Manager City Hall
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 provided for recorder's use.

SPECIAL WARRANTY DEED

Saxony-Pacific LLC, an Oregon limited liability company, Grantor, conveys and specially warrants to CITY OF TIGARD, an Oregon municipal corporation, Grantee, the following described real property free of encumbrances created or suffered by the Grantor except as specifically set forth herein:

See Exhibit A attached hereto.

The true consideration for this conveyance is _____ and No/100 (\$.00). 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

Saxony-Pacific, LLC, an Oregon limited liability company

By: _____

Name: _____

Its: _____

STATE OF OREGON)

) ss.

County of _____)

This instrument was acknowledged before me on this ____ day of _____, 2014,
by _____ of Saxony-Pacific, LLC, an Oregon limited liability company

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 this ____ day of _____, 2014,
by _____ as _____ of the City of Tigard, an Oregon municipal
corporation.

NOTARY PUBLIC FOR OREGON

My Commission Expires: _____

Exhibit A

EXHIBIT B

Exceptions

EXHIBIT C

Assignment of Leases

THIS Assignment and Assumption of Lease (“Agreement”) is made as of this ____ day of _____, 2014, between Saxony-Pacific, LLC (“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 documents attached and incorporated as Exhibit B (collectively, 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

ASSIGNEE

Saxony-Pacific, LLC

City of Tigard, an Oregon municipal corporation

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

EXHIBIT A

Premises

EXHIBIT B

The Lease

EXHIBIT D

ESA

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

This First Amendment to Purchase Agreement and Escrow Instructions ("**Amendment**") is made effective December __, 2014 ("**Effective Date**") by and between Saxony-Pacific, LLC, an Oregon limited liability company ("**Seller**"), The City Center Development Agency, the Urban Renewal Agency of the City of Tigard ("**Purchaser**") (collectively referred to as the "**Parties**").

RECITALS

A. Seller and Purchaser entered into that certain Purchase Agreement and Escrow Instructions dated April 9, 2014 (the "**Original Agreement**"), with respect to certain real property located at 12533, 12535 and 12537 SW Main Street, Tigard, Oregon, as more particularly described in the Original Agreement.

B. Seller and Purchaser have agreed on a purchase price and terms and accordingly Seller and Purchaser desire to amend the Original Agreement as set forth in this First Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Recitals True.** The Parties acknowledge that the recitals set forth above are true and accurate.

2. **Purchase Price.** The Parties agree that Section 2.3.1 of the Original Agreement is replaced in its entirety as follows: "The Purchase Price shall be Five Hundred and Fifteen Thousand and Five Hundred dollars (\$515,500).

3. **Assignment:** Section 12.1 is amended as follows. Underlined language is new:

Assignment by Purchaser. Purchaser may not assign or otherwise transfer any of its rights or obligations under this Agreement except that Purchaser may assign all of its rights, title, interest, responsibilities and obligations under this Agreement to the City of Tigard. Upon acceptance of such Assignment by City, CCDA shall be released from, and City shall assume and be fully bound by, the terms of this Agreement, including all amendments.

4. **Continuing Effect.** All covenants, agreements, terms and conditions of the Original Agreement remain in full force and effect, as modified by this Amendment, as though restated in their entirety herein.

5. **Conflict Among Terms.** In the event of any conflict between the provisions of this Amendment and the Original Agreement, the provisions of this Amendment shall control.

6. **Counterpart Signatures.** This Amendment may be executed in counterparts and/or by exchange of facsimile or electronically transmitted copies of executed signature pages, with the same effect as if they were a single original instrument bearing original signatures. Any party faxing or e-mailing its signature page shall promptly distribute and execute the original to the other party.

IN WITNESS WHEREOF, Seller and Purchaser have duly executed this Amendment as of the Effective Date first written above.

SELLER

PURCHASER

Saxony-Pacific, LLC, an Oregon limited liability company

The City Center Development Agency, the Urban Renewal Agency of the City of Tigard

By: *[Signature]*
Name: HAWS C FINKS
Its: Mez

By: *[Signature]*
Name: Marty Wine
Its: Executive Director

AIS-2265

13.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 10 Minutes

Agenda Title: Informational Public Hearing: FY 2015 Third Quarter Budget Amendment

Submitted By: Carol Krager, City Management

Item Type: Resolution
Public Hearing - Legislative
Meeting Type: Council Business Meeting - Main

Public Hearing Yes

Newspaper Legal Ad Required?:

Public Hearing Publication 04/15/2015

Date in Newspaper:

Information

ISSUE

A third quarter supplemental to the FY 2015 Adopted Budget is being requested to account for revenues and expenses that were unknown at the time of budget adoption. The following issues are addressed in the amendment including budget adjustments in City Operations for Police and Public Works.

STAFF RECOMMENDATION / ACTION REQUEST

Approve the FY 2015 Third Quarter Supplemental Budget Amendment.

KEY FACTS AND INFORMATION SUMMARY

CITY OPERATIONS

Police Department

1) **Grant Recognitions** - A request is being made to recognize the following grant revenues and expenditures totaling \$21,550:

- Oregon Dept. of Transportation/Oregon Impact in the amount of \$11,250 to be used for payment of unbudgeted overtime related to DUII enforcement missions.
- Dept. of Justice for \$5,800 that will reimburse the city for 50% of the cost of bullet proof vests.
- Oregon Liquor Control Commission in the amount of \$4,500 for reimbursement of overtime for decoy missions at \$3,770 as well as for Student Resource Officer

training at \$730.

2) Radio Purchases - Police is in the process of replacing 155 radios that will meet upgraded security standards mandated by the regional 911 dispatch centers in Portland and Washington County. A request for additional appropriation totaling \$50,000 is needed to purchase 10 additional P25 portable compliant radios. This action will leave 108 radios in inventory that require replacement by January 2018.

3) Advanced License Plate Recognition (ALPR) - The city has purchased two Advanced License Plate Recognition (ALPR) systems which include 4 cameras. The cameras have been installed on two patrol cars. Per the agreement with Washington Square, at least one vehicle will drive through the Washington Square property every day to review license plates for stolen cars, outstanding warrants, etc. Washington Square agreed to reimburse the city 50% for one system. A request to recognize the reimbursement totaling \$10,900 is being made for this system.

Public Works Department

4) Engineering Reorganization - A request for additional appropriation is required to pay for the voluntary separation of one employee resulting from the reorganization of the Engineering Division. A total of \$30,000 is needed to pay for the voluntary separation incentive program for \$25,000 along with \$5,000 to cover 2 months of salary and benefits for hiring a Sr. Project Engineer.

5) Public Works Yard Building Relocation - The PW Yard at Ash St. is being demolished for development. Current staff are being relocated to other sites. As part of this move, a total of \$50,000 is being requested to build a fabrication shop with a restroom at Ash Avenue and Burnham Street that will replace the one that is being removed.

6) Community Garden Trust - An additional appropriation in the amount of \$3,000 is being requested to purchase a permit for the removal of a tree in the community garden.

7) Lighter, Quicker, Cheaper (LQC) Program - A total of \$200,000 of one time expenditures has been approved for Lighter, Quicker, Cheaper projects in General Fund contingency. A total of \$30,000 has already been spent on two other projects. This action will move another \$95,000 to operating budgets leaving \$75,000 for the remainder of the program. The following streets have been selected for the program:

Spruce St. Sidewalk- A request for \$20,000 of additional appropriation is needed to construct 100 feet of sidewalk in conjunction with an adjacent private development on Spruce between 78th and 80th Avenues.

Atlanta/Haines Sidewalk- A request for \$20,000 of additional appropriation is needed to fill in a 200 foot gap in a sidewalk on Atlanta Street (also known as Haines Street) from 68th Avenue to the I-5 overpass.

McDonald St. Crosswalk- A request totaling \$20,000 of additional appropriation is

needed to enhance an existing crosswalk with street lighting and Rectangular Rapid Flashing Beacons (RRFBs) to help pedestrians crossing McDonald Street.

Tigard Street Trail Paving- A request totaling \$35,000 of additional appropriation is needed to pave the Tigard Street Trail. This is an interim step to make the trail functional until a full plan for the trail can be determined and funded. The General Fund Contingency will be transferred to the Gas Tax Fund. The Tigard Streets Division will do the work. The \$35,000 is for the materials and equipment lease to conduct the paving.

Non Budgetary Impact Item - Capital Improvement Program - A total of \$250,000 of budget is being moved from water CIP projects 96034, 96028, and 96024 to pay for the installation of pipe casing and waterline for 96036: Pacific Hwy/Gaarde St. Utility Casing Bore Crossing project **(See Exhibit B)**.

OTHER ALTERNATIVES

Do not approve the FY 2015 Third Quarter Budget Supplemental.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Make Downtown Tigard a Place Where People Want to Be
Strategic Plan: Become the Most Walkable Community in the Pacific Northwest where People of All Ages Enjoy Healthy and Interconnected Lives

DATES OF PREVIOUS CONSIDERATION

N/A

Fiscal Impact

Cost: 225,450

Budgeted (yes or no): Yes

Where Budgeted (department/program): PD/PW

Additional Fiscal Notes:

The total impact of this supplemental will increase the FY 2015 Adopted Budget by \$170,450. Although the supplemental consists of increased requirements, they are entirely offset by additional resources. These resources include revenues of \$170,450 and contingency of \$175,000.

Exhibits A and B contain the details of each budgetary item to the impacted fund(s). Exhibit C summarizes the items by fund for all city funds.

Attachments

Resolution

Exhibit A

Exhibit B

Exhibit C

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 15-

A RESOLUTION TO ADOPT A SUPPLEMENTAL BUDGET AMENDMENT TO FY 2015 TO ACHIEVE THE FOLLOWING: RECOGNITION OF GRANT REVENUES AND EXPENSES, ALONG WITH BUDGET ADJUSTMENTS IN PUBLIC WORKS AND COMMUNITY SERVICES.

WHEREAS, the city is acknowledging those items that were unknown at the time the FY 2015 Budget was adopted; and

WHEREAS, the city recognizes \$345,450 of unanticipated requirements in operations, capital, and transfers; and

WHEREAS, the city acknowledges that the increase in unanticipated requirements is offset by additional resources of \$170,450 and contingency of \$175,000.

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

SECTION 1: The FY 2014-15 Budget is hereby amended as detailed in Exhibit A.

SECTION 2: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2015.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard

1. Grant Recognitions - Police

A request is being made to recognize the following grant revenues and expenditures:

- a). Oregon Dept. of Transportation/Oregon Impact - grant proceeds of \$11,250 to be used for payment of unbudgeted overtime related to DUII enforcement missions.
- b). Dept. of Justice - A grant totaling \$5,800 that reimburses the city with 50% of the cost for bullet proof vests.
- c). Oregon Liquor Control Commission - A grant in amount of \$4,500 from OLCC for reimbursement of overtime for decoy missions at \$3,770 as well as Student Resource Officer training for \$730.

This action will increase governmental revenues by \$21,550 with an equal increase in Police program expenditures.

		Q2		Q3
		Revised		Revised
		Budget	Amendment	Budget
General Fund				
Resources	Beginning Fund Balance	\$ 10,192,493		\$ 10,192,493
	Property Taxes	\$ 13,404,815		\$ 13,404,815
	Franchise Fees	\$ 5,799,632		\$ 5,799,632
	Licenses & Permits	\$ 1,177,412		\$ 1,177,412
	Intergovernmental	\$ 5,693,651	\$ 21,550	\$ 5,715,201
	Charges for Services	\$ 2,694,034		\$ 2,694,034
	Fines & Forfeitures	\$ 993,232		\$ 993,232
	Interest Earnings	\$ 103,722		\$ 103,722
	Miscellaneous	\$ 70,873		\$ 70,873
	Other Financing Sources	\$ 265,500		\$ 265,500
	Transfers In from Other Funds	\$ -		\$ -
	Total Resources	\$ 40,395,364	\$ 21,550	\$ 40,416,914
Requirements				
	Community Development	\$ 3,232,095		\$ 3,232,095
	Community Services	\$ 21,682,611	\$ 21,550	\$ 21,704,161
	Policy & Administration	\$ 854,155		\$ 854,155
	Public Works	\$ 5,881,563		\$ 5,881,563
	Program Expenditures Total	\$ 31,650,424	\$ 21,550	\$ 31,671,974
	Debt Service	\$ -		\$ -
	Loans	\$ 254,000		\$ 254,000
	Work-In-Progress	\$ -		\$ -
	Transfers to Other Funds	\$ 888,892		\$ 888,892
	Contingency	\$ 905,777		\$ 905,777
	Total Budget	\$ 33,699,093	\$ 21,550	\$ 33,720,643
	Reserve For Future Expenditure	\$ 6,696,271	\$ -	\$ 6,696,271
	Total Requirements	\$ 40,395,364	\$ 21,550	\$ 40,416,914

2. Radio Purchases - Police

A request for additional appropriation in the amount of \$50,000 is being requested to purchase 10 additional P25 portable compliant radios. The city has purchased 47 radios in its effort to replace 155 radios by January 2018. This action will increase fines and forfeiture revenues by \$50,000 with an equal increase in Community Service program expenditures.

		Adopted Budget	Amendment	Q3 Revised Budget
Criminal Forfeiture Fund				
Resources	Beginning Fund Balance	\$ 182,978		\$ 182,978
	Property Taxes	\$ -		\$ -
	Franchise Fees	\$ -		\$ -
	Licenses & Permits	\$ -		\$ -
	Intergovernmental	\$ -		\$ -
	Charges for Services	\$ -		\$ -
	Fines & Forfeitures	\$ 43,000	\$ 50,000	\$ 93,000
	Interest Earnings	\$ 1,892		\$ 1,892
	Miscellaneous	\$ -		\$ -
	Other Financing Sources	\$ -		\$ -
	Transfers In from Other Funds	\$ -		\$ -
	Total Resources	\$ 227,870	\$ 50,000	\$ 277,870
Requirements				
	Community Development	\$ -		\$ -
	Community Services	\$ 50,000	\$ 50,000	\$ 100,000
	Policy & Administration	\$ -		\$ -
	Public Works	\$ -		\$ -
	Program Expenditures Total	\$ 50,000	\$ 50,000	\$ 100,000
	Debt Service	\$ -		\$ -
	Loans	\$ -		\$ -
	Work-In-Progress	\$ -		\$ -
	Transfers to Other Funds	\$ 455		\$ 455
	Contingency	\$ -		\$ -
	Total Budget	\$ 50,455	\$ 50,000	\$ 100,455
	Reserve For Future Expenditure	\$ 177,415	\$ -	\$ 177,415
	Total Requirements	\$ 227,870	\$ 50,000	\$ 277,870

3. Advanced License Plate Recognition (ALPR) - Police

The city has purchased two Advanced License Plate Recognition (ALPR) systems which include 4 cameras. The cameras have been installed on two patrol cars. Per the agreement with Washington Square, at least one vehicle will drive through the Washington Square property every day to review license plates for stolen cars, outstanding warrants, etc. Washington Square agreed to reimburse the city 50% for one system. A request to recognize the reimbursement totaling \$10,900 is being made for this system. This action will show an increase in intergovernmental revenues by \$10,900 with an equal increase in Community Services program expenditures.

		Q2		Q3
		Revised		Revised
		Budget	Amendment	Budget
General Fund				
Resources	Beginning Fund Balance	\$ 10,192,493		\$ 10,192,493
	Property Taxes	\$ 13,404,815		\$ 13,404,815
	Franchise Fees	\$ 5,799,632		\$ 5,799,632
	Licenses & Permits	\$ 1,177,412		\$ 1,177,412
	Intergovernmental	\$ 5,693,651	\$ 10,900	\$ 5,704,551
	Charges for Services	\$ 2,694,034		\$ 2,694,034
	Fines & Forfeitures	\$ 993,232		\$ 993,232
	Interest Earnings	\$ 103,722		\$ 103,722
	Miscellaneous	\$ 70,873		\$ 70,873
	Other Financing Sources	\$ 265,500		\$ 265,500
	Transfers In from Other Funds	\$ -		\$ -
	Total Resources	\$ 40,395,364	\$ 10,900	\$ 40,406,264
Requirements	Community Development	\$ 3,232,095		\$ 3,232,095
	Community Services	\$ 21,682,611	\$ 10,900	\$ 21,693,511
	Policy & Administration	\$ 854,155		\$ 854,155
	Public Works	\$ 5,881,563		\$ 5,881,563
	Program Expenditures Total	\$ 31,650,424	\$ 10,900	\$ 31,661,324
	Debt Service	\$ -		\$ -
	Loans	\$ -		\$ -
	Work-In-Progress	\$ 254,000		\$ 254,000
	Transfers to Other Funds	\$ 888,892		\$ 888,892
	Contingency	\$ 905,777		\$ 905,777
	Total Budget	\$ 33,699,093	\$ 10,900	\$ 33,709,993
	Reserve For Future Expenditure	\$ 6,696,271	\$ -	\$ 6,696,271
	Total Requirements	\$ 40,395,364	\$ 10,900	\$ 40,406,264

4. Division Reorganization - Public Works Engineering

A request for additional appropriation is required to pay for the voluntary separation of one employee resulting from the reorganization of the Engineering Division. A total of \$30,000 is needed to pay for the voluntary separation incentive program for \$25,000 along with \$5,000 to cover 2 months of salary and benefits for hiring a Sr. Project Engineer.

This action will result in a decrease in General Fund contingency by \$30,000 with an equal increase in Public Works program expenditures.

		Q2		Q3	
		Revised Budget	Amendment	Revised Budget	
General Fund					
Resources	Beginning Fund Balance	\$ 10,192,493		\$ 10,192,493	
	Property Taxes	\$ 13,404,815		\$ 13,404,815	
	Franchise Fees	\$ 5,799,632		\$ 5,799,632	
	Licenses & Permits	\$ 1,177,412		\$ 1,177,412	
	Intergovernmental	\$ 5,693,651		\$ 5,693,651	
	Charges for Services	\$ 2,694,034		\$ 2,694,034	
	Fines & Forfeitures	\$ 993,232		\$ 993,232	
	Interest Earnings	\$ 103,722		\$ 103,722	
	Miscellaneous	\$ 70,873		\$ 70,873	
	Other Financing Sources	\$ 265,500		\$ 265,500	
	Transfers In from Other Funds	\$ -		\$ -	
	Total Resources	\$ 40,395,364	\$ -	\$ 40,395,364	
Requirements					
	Community Development	\$ 3,232,095		\$ 3,232,095	
	Community Services	\$ 21,682,611		\$ 21,682,611	
	Policy & Administration	\$ 854,155		\$ 854,155	
	Public Works	\$ 5,881,563	\$ 30,000	\$ 5,911,563	
	Program Expenditures Total	\$ 31,650,424	\$ 30,000	\$ 31,680,424	
	Debt Service	\$ -		\$ -	
	Loans	\$ -		\$ -	
	Work-In-Progress	\$ 254,000		\$ 254,000	
	Transfers to Other Funds	\$ 888,892		\$ 888,892	
	Contingency	\$ 905,777	\$ (30,000)	\$ 875,777	
	Total Budget	\$ 33,699,093	\$ -	\$ 33,699,093	
	Reserve For Future Expenditure	\$ 6,696,271	\$ -	\$ 6,696,271	
	Total Requirements	\$ 40,395,364	\$ -	\$ 40,395,364	

5. Public Works Yard Buiding Relocation - Public Works

The PW Yard at Ash St. is being demolished for development. Current staff are being relocated to other sites. As part of this move, a total of \$50,000 is being requested to build a fabrication shop with a restroom at Ash Avenue and Burnham Street that will replace the one that is being removed. This will result in a decrease of contingency of \$12,500 in each fund of Sanitary Sewer, Stormwater, Water, and General Fund. Transfers will increase and capital program expenditures in General Capital Facilities Fund will increase by \$50,000.

Fund 1 of 5

	Q2		Q3
	Revised		Revised
	Budget	Amendment	Budget
Sanitary Sewer Fund			
Resources			
Beginning Fund Balance	\$ 4,618,778		\$ 4,618,778
Property Taxes	\$ -		\$ -
Franchise Fees	\$ -		\$ -
Licenses & Permits	\$ 587,133		\$ 587,133
Intergovernmental	\$ -		\$ -
Charges for Services	\$ 1,584,277		\$ 1,584,277
Fines & Forfeitures	\$ -		\$ -
Interest Earnings	\$ 100,333		\$ 100,333
Miscellaneous	\$ 141,674		\$ 141,674
Other Financing Sources	\$ -		\$ -
Transfers In from Other Funds	\$ 1,369,900		\$ 1,369,900
Total Resources	\$ 8,402,095	\$ -	\$ 8,402,095
Requirements			
Policy and Administration	\$ -		\$ -
Community Development	\$ -		\$ -
Community Services	\$ -		\$ -
Public Works	\$ 1,974,545		\$ 1,974,545
Program Expenditures Total	\$ 1,974,545	\$ -	\$ 1,974,545
Debt Service	\$ -		\$ -
Loans	\$ -		\$ -
Work-In-Progress	\$ 2,996,061		\$ 2,996,061
Transfers to Other Funds	\$ 106,759	\$ 12,500	\$ 119,259
Contingency	\$ 344,805	\$ (12,500)	\$ 332,305
Total Budget	\$ 5,422,170	\$ -	\$ 5,422,170
Reserve For Future Expenditure	\$ 2,979,925	\$ -	\$ 2,979,925
Total Requirements	\$ 8,402,095	\$ -	\$ 8,402,095

5. Public Works Yard Buiding Relocation - Public Works

The PW Yard at Ash St. is being demolished for development. Current staff are being relocated to other sites. As part of this move, a total of \$50,000 is being requested to build a fabrication shop with a restroom at Ash Avenue and Burnham Street that will replace the one that is being removed. This will result in a decrease of contingency of \$12,500 in each fund of Sanitary Sewer, Stormwater, Water, and General Fund. Transfers will increase and capital program expenditures in General Capital Facilities Fund will increase by \$50,000.

Fund 2 of 5

	Q1		Q3
	Revised		Revised
	Budget	Amendment	Budget
Stormwater Fund			
Resources			
Beginning Fund Balance	\$ 3,795,745	\$ -	\$ 3,795,745
Property Taxes	\$ -		\$ -
Franchise Fees	\$ -		\$ -
Licenses & Permits	\$ -		\$ -
Intergovernmental	\$ -		\$ -
Charges for Services	\$ 3,034,291		\$ 3,034,291
Fines & Forfeitures	\$ -		\$ -
Interest Earnings	\$ 7,936		\$ 7,936
Miscellaneous	\$ 3,069		\$ 3,069
Other Financing Sources	\$ -		\$ -
Transfers In from Other Funds	\$ -		\$ -
Total Resources	\$ 6,841,041	\$ -	\$ 6,841,041
Requirements			
Policy and Administration	\$ -		\$ -
Community Development	\$ -		\$ -
Community Services	\$ -		\$ -
Public Works	\$ 1,634,362		\$ 1,634,362
Program Expenditures Total	\$ 1,634,362	\$ -	\$ 1,634,362
Debt Service	\$ -		\$ -
Loans	\$ -		\$ -
Work-In-Progress	\$ 345,373		\$ 345,373
Transfers to Other Funds	\$ 350,956	\$ 12,500	\$ 363,456
Contingency	\$ 90,050	\$ (12,500)	\$ 77,550
Total Budget	\$ 2,420,741	\$ -	\$ 2,420,741
Reserve For Future Expenditure	\$ 4,420,300	\$ -	\$ 4,420,300
Total Requirements	\$ 6,841,041	\$ -	\$ 6,841,041

5. Public Works Yard Buiding Relocation - Public Works

The PW Yard at Ash St. is being demolished for development. Current staff are being relocated to other sites. As part of this move, a total of \$50,000 is being requested to build a fabrication shop with a restroom at Ash Avenue and Burnham Street that will replace the one that is being removed. This will result in a decrease of contingency of \$12,500 in each fund of Sanitary Sewer, Stormwater, Water, and General Fund. Transfers will increase and capital program expenditures in General Capital Facilities Fund will increase by \$50,000.

Fund 3 of 5

	Q2		Q3	
	Revised		Revised	
	Budget	Amendment	Budget	
Water Fund				
Resources	Beginning Fund Balance			
	\$ 16,125,957	\$ -	\$ 16,125,957	
Property Taxes	\$ -		\$ -	
Franchise Fees	\$ -		\$ -	
Licenses & Permits	\$ 14,400		\$ 14,400	
Intergovernmental	\$ -		\$ -	
Charges for Services	\$ 16,708,280		\$ 16,708,280	
Fines & Forfeitures	\$ -		\$ -	
Interest Earnings	\$ 30,644		\$ 30,644	
Miscellaneous	\$ 10,825		\$ 10,825	
Other Financing Sources	\$ -		\$ -	
Transfers In from Other Funds	\$ 58,751		\$ 58,751	
Total Resources	\$ 32,948,857	\$ -	\$ 32,948,857	
Requirements				
Community Development	\$ -		\$ -	
Community Services	\$ -		\$ -	
Policy and Administration	\$ -		\$ -	
Public Works	\$ 8,376,282		\$ 8,376,282	
Program Expenditures Total	\$ 8,376,282	\$ -	\$ 8,376,282	
Debt Service	\$ -		\$ -	
Loans	\$ -		\$ -	
Work-In-Progress	\$ -		\$ -	
Transfers to Other Funds	\$ 5,814,667	\$ 12,500	\$ 5,827,167	
Contingency	\$ 452,410	\$ (12,500)	\$ 439,910	
Total Budget	\$ 14,643,359	\$ -	\$ 14,643,359	
Reserve For Future Expenditure	\$ 18,305,498	\$ -	\$ 18,305,498	
Total Requirements	\$ 32,948,857	\$ -	\$ 32,948,857	

5. Public Works Yard Buiding Relocation - Public Works

The PW Yard at Ash St. is being demolished for development. Current staff are being relocated to other sites. As part of this move, a total of \$50,000 is being requested to build a fabrication shop with a restroom at Ash Avenue and Burnham Street that will replace the one that is being removed. This will result in a decrease of contingency of \$12,500 in each fund of Sanitary Sewer, Stormwater, Water, and General Fund. Transfers will increase and capital program expenditures in General Capital Facilities Fund will increase by \$50,000.

Fund 4 of 5

		Q2		Q3
		Revised		Revised
		Budget	Amendment	Budget
General Fund				
Resources	Beginning Fund Balance	\$ 10,192,493		\$ 10,192,493
	Property Taxes	\$ 13,404,815		\$ 13,404,815
	Franchise Fees	\$ 5,799,632		\$ 5,799,632
	Licenses & Permits	\$ 1,177,412		\$ 1,177,412
	Intergovernmental	\$ 5,693,651		\$ 5,693,651
	Charges for Services	\$ 2,694,034		\$ 2,694,034
	Fines & Forfeitures	\$ 993,232		\$ 993,232
	Interest Earnings	\$ 103,722		\$ 103,722
	Miscellaneous	\$ 70,873		\$ 70,873
	Other Financing Sources	\$ 265,500		\$ 265,500
	Transfers In from Other Funds	\$ -		\$ -
	Total Resources	\$ 40,395,364	\$ -	\$ 40,395,364
Requirements				
	Community Development	\$ 3,232,095		\$ 3,232,095
	Community Services	\$ 21,682,611		\$ 21,682,611
	Policy & Administration	\$ 854,155		\$ 854,155
	Public Works	\$ 5,881,563		\$ 5,881,563
	Program Expenditures Total	\$ 31,650,424	\$ -	\$ 31,650,424
	Debt Service	\$ -		\$ -
	Loans	\$ -		\$ -
	Work-In-Progress	\$ 254,000		\$ 254,000
	Transfers to Other Funds	\$ 888,892	\$ 12,500	\$ 901,392
	Contingency	\$ 905,777	\$ (12,500)	\$ 893,277
	Total Budget	\$ 33,699,093	\$ -	\$ 33,699,093
	Reserve For Future Expenditure	\$ 6,696,271	\$ -	\$ 6,696,271
	Total Requirements	\$ 40,395,364	\$ -	\$ 40,395,364

5. Public Works Yard Buiding Relocation - Public Works

The PW Yard at Ash St. is being demolished for development. Current staff are being relocated to other sites. As part of this move, a total of \$50,000 is being requested to build a fabrication shop with a restroom at Ash Avenue and Burnham Street that will replace the one that is being removed. This will result in a decrease of contingency of \$12,500 in each fund of Sanitary Sewer, Stormwater, Water, and General Fund. Transfers will increase and capital program expenditures in General Capital Facilities Fund will increase by \$50,000.

Fund 5 of 5

	Q2		Q3	
	Revised	Amendment	Revised	Budget
	Budget		Budget	
Gen'l Capital Facilities Fund				
Resources	Beginning Fund Balance	\$ 878,435		\$ 878,435
Property Taxes	\$ -		\$ -	
Franchise Fees	\$ -		\$ -	
Licenses & Permits	\$ -		\$ -	
Intergovernmental	\$ -		\$ -	
Charges for Services	\$ -		\$ -	
Fines & Forfeitures	\$ -		\$ -	
Interest Earnings	\$ 3,212		\$ 3,212	
Miscellaneous	\$ -		\$ -	
Other Financing Sources	\$ -		\$ -	
Transfers In from Other Funds	\$ 1,031,891	\$ 50,000	\$ 1,081,891	
	Total Resources	\$ 1,913,538	\$ 50,000	\$ 1,963,538
Requirements				
Policy and Administration	\$ -		\$ -	
Community Development	\$ -		\$ -	
Community Services	\$ -		\$ -	
Public Works	\$ -		\$ -	
	Program Expenditures Total	\$ -	\$ -	\$ -
Debt Service	\$ -		\$ -	
Loans	\$ -		\$ -	
Work-In-Progress	\$ 974,900	\$ 50,000	\$ 1,024,900	
Transfers to Other Funds	\$ 8,742		\$ 8,742	
Contingency	\$ 50,000		\$ 50,000	
	Total Budget	\$ 1,033,642	\$ 50,000	\$ 1,083,642
	Reserve For Future Expenditure	\$ 879,896	\$ -	\$ 879,896
	Total Requirements	\$ 1,913,538	\$ 50,000	\$ 1,963,538

6. Community Garden Trust-Public Works

An additional appropriation in the amount of \$3,000 is being requested to purchase a permit for the removal of a tree in the community garden. This action results in an increase in Charges for Services revenues by \$3,000 with an equal increase in Public Works program expenditures.

		Q2		Q3
		Revised		Revised
		Budget	Amendment	Budget
General Fund				
Resources	Beginning Fund Balance	\$ 10,192,493		\$ 10,192,493
	Property Taxes	\$ 13,404,815		\$ 13,404,815
	Franchise Fees	\$ 5,799,632		\$ 5,799,632
	Licenses & Permits	\$ 1,177,412		\$ 1,177,412
	Intergovernmental	\$ 5,693,651		\$ 5,693,651
	Charges for Services	\$ 2,694,034	\$ 3,000	\$ 2,697,034
	Fines & Forfeitures	\$ 993,232		\$ 993,232
	Interest Earnings	\$ 103,722		\$ 103,722
	Miscellaneous	\$ 70,873		\$ 70,873
	Other Financing Sources	\$ 265,500		\$ 265,500
	Transfers In from Other Funds	\$ -		\$ -
	Total Resources	\$ 40,395,364	\$ 3,000	\$ 40,398,364
Requirements				
	Community Development	\$ 3,232,095		\$ 3,232,095
	Community Services	\$ 21,682,611		\$ 21,682,611
	Policy & Administration	\$ 854,155		\$ 854,155
	Public Works	\$ 5,881,563	\$ 3,000	\$ 5,884,563
	Program Expenditures Total	\$ 31,650,424	\$ 3,000	\$ 31,653,424
	Debt Service	\$ -		\$ -
	Loans	\$ -		\$ -
	Work-In-Progress	\$ 254,000		\$ 254,000
	Transfers to Other Funds	\$ 888,892		\$ 888,892
	Contingency	\$ 905,777		\$ 905,777
	Total Budget	\$ 33,699,093	\$ 3,000	\$ 33,702,093
	Reserve For Future Expenditure	\$ 6,696,271	\$ -	\$ 6,696,271
	Total Requirements	\$ 40,395,364	\$ 3,000	\$ 40,398,364

7. Lighter, Quicker, Cheaper Program

A total of \$95,000 is being requested for construction of the following sidewalks:

Spruce St. Sidewalk construction of 100 feet of sidewalk between 78th and 80th Avenues for \$20,000

Atlanta/Haines Sidewalk construction to fill a 200 foot sidewalk gap for \$20,000

McDonald St. Crosswalk enhancement with street lighting and beacons for \$20,000

Tigard St. Trail to construct an asphalt path from Tigard St. to Main St. by Symposium Coffee for \$35,000

The result of this action will decrease General Fund contingency by \$95,000. Transfers will increase by \$35,000 in the Gas Tax Fund. In turn, Public Works program expenditures will increase by \$60,000 in the General Fund and by \$35,000 in the Gas Tax Fund.

<u>Fund 1 of 2</u>		Q2		Q3
		Revised		Revised
		Budget	Amendment	Budget
General Fund				
Resources	Beginning Fund Balance	\$ 10,192,493		\$ 10,192,493
	Property Taxes	\$ 13,404,815		\$ 13,404,815
	Franchise Fees	\$ 5,799,632		\$ 5,799,632
	Licenses & Permits	\$ 1,177,412		\$ 1,177,412
	Intergovernmental	\$ 5,693,651		\$ 5,693,651
	Charges for Services	\$ 2,694,034		\$ 2,694,034
	Fines & Forfeitures	\$ 993,232		\$ 993,232
	Interest Earnings	\$ 103,722		\$ 103,722
	Miscellaneous	\$ 70,873		\$ 70,873
	Other Financing Sources	\$ 265,500		\$ 265,500
	Transfers In from Other Funds	\$ -		\$ -
	Total Resources	\$ 40,395,364	\$ -	\$ 40,395,364
Requirements				
	Community Development	\$ 3,232,095		\$ 3,232,095
	Community Services	\$ 21,682,611		\$ 21,682,611
	Policy & Administration	\$ 854,155		\$ 854,155
	Public Works	\$ 5,881,563	\$ 60,000	\$ 5,941,563
	Program Expenditures Total	\$ 31,650,424	\$ 60,000	\$ 31,710,424
	Debt Service	\$ -		\$ -
	Loans	\$ -		\$ -
	Work-In-Progress	\$ 254,000		\$ 254,000
	Transfers to Other Funds	\$ 888,892	\$ 35,000	\$ 923,892
	Contingency	\$ 905,777	\$ (95,000)	\$ 810,777
	Total Budget	\$ 33,699,093	\$ -	\$ 33,699,093
	Reserve For Future Expenditure	\$ 6,696,271	\$ -	\$ 6,696,271
	Total Requirements	\$ 40,395,364	\$ -	\$ 40,395,364

7. Lighter, Quicker, Cheaper Program

A total of \$95,000 is being requested for construction of the following sidewalks:

Spruce St. Sidewalk construction of 100 feet of sidewalk between 78th and 80th Avenues for \$20,000

Atlanta/Haines Sidewalk construction to fill a 200 foot sidewalk gap for \$20,000

McDonald St. Crosswalk enhancement with street lighting and beacons for \$20,000

Tigard St. Trail to construct an asphalt path from Tigard St. to Main St. by Symposium Coffee for \$35,000

The result of this action will decrease General Fund contingency by \$95,000. Transfers will increase by \$35,000 in the Gas Tax Fund. In turn, Public Works program expenditures will increase by \$60,000 in the General Fund and by \$35,000 in the Gas Tax Fund.

<u>Fund 2 of 2</u>	Q2		Q3	
	Revised		Revised	
	Budget	Amendment	Budget	
Gas Tax Fund				
Resources				
Beginning Fund Balance	\$ 571,900	\$ -	\$ 571,900	
Property Taxes	\$ -		\$ -	
Franchise Fees	\$ -		\$ -	
Licenses & Permits	\$ 225		\$ 225	
Intergovernmental	\$ 2,990,443		\$ 2,990,443	
Charges for Services	\$ -		\$ -	
Fines & Forfeitures	\$ -		\$ -	
Interest Earnings	\$ 55,732		\$ 55,732	
Miscellaneous	\$ 61,345		\$ 61,345	
Other Financing Sources	\$ -		\$ -	
Transfers In from Other Funds	\$ 100,000	\$ 35,000	\$ 135,000	
Total Resources	\$ 3,779,645	\$ 35,000	\$ 3,814,645	
Requirements				
Community Development	\$ -		\$ -	
Community Services	\$ -		\$ -	
Policy & Administration	\$ -		\$ -	
Public Works	\$ 2,205,002	\$ 35,000	\$ 2,240,002	
Program Expenditures Total	\$ 2,205,002	\$ 35,000	\$ 2,240,002	
Debt Service	\$ 599,676		\$ 599,676	
Loans	\$ -		\$ -	
Work-In-Progress	\$ -		\$ -	
Transfers to Other Funds	\$ 907,023		\$ 907,023	
Contingency	\$ 57,610		\$ 57,610	
Total Budget	\$ 3,769,311	\$ 35,000	\$ 3,804,311	
Reserve For Future Expenditure	\$ 10,334	\$ -	\$ 10,334	
Total Requirements	\$ 3,779,645	\$ 35,000	\$ 3,814,645	

96036: Pacific Highway / Gaarde Street Utility Casing Bore Crossing

The project will install casing pipe and waterline to cross Pacific Highway near the intersection of Pacific Highway/Gaarde Street/McDonald Street. To take advantage of the economy of scale, it is proposed that this casing be installed as part of the construction at the intersection. Funds for this project is moved from 96034, 96028, and 96024. No budgetary impact to reserves.

	Life to FY		This change	New Budget		Project Total
	2014 Audited Actuals	Original Budget 2015		2015	2016	
Internal Expenses						
Project Management	-	11,000	-	11,000	-	11,000
Design and Engineering	-	75,000	-	75,000	-	75,000
Construction	-	200,000	250,000	450,000	-	450,000
Total	-	286,000	250,000	536,000	-	536,000
External Expenses						
Design and Engineering	-	-	-	-	-	-
Construction	-	-	-	-	-	-
Total	-	-	-	-	-	-
Total Project Expense	-	286,000	250,000	536,000	-	536,000
Revenue Funding Source						
Water Fund	-	143,000	150,000	293,000	-	293,000
Water CIP Fund	-	143,000	100,000	243,000	-	243,000
Total Project Revenues	-	286,000	250,000	536,000	-	536,000

96034: New Water Source Systemwide Improvements Program

Funding transferred to 96036: Pacific Hwy/Gaarde St. Utility Casing Bore Crossing project.

	Life to FY		This change	New Budget		Project Total
	2014 Audited Actuals	Original Budget 2015		2015	2016	
Internal Expenses						
Project Management	-	15,000	-	15,000	-	15,000
Construction Management	-	15,000	-	15,000	-	15,000
Total	-	30,000	-	30,000	-	30,000
External Expenses						
Public Involvement	-	20,000	-	20,000	-	20,000
Design and Engineering	-	25,000	-	25,000	-	25,000
Construction	-	215,000	(100,000)	115,000	-	115,000
Total	-	260,000	(100,000)	160,000	-	160,000
Total Project Expense	-	290,000	(100,000)	190,000	-	190,000
Revenue Funding Source						
Water CIP Fund	-	290,000	(100,000)	190,000	-	190,000
Total Project Revenues	-	290,000	(100,000)	190,000	-	190,000

96028: Fire Hydrant Replacement Program

Funding transferred to 96036: Pacific Hwy/Gaarde St. Utility Casing Bore Crossing project.

	Life to FY		This change	New Budget		Project Total
	2014 Audited Actuals	Original Budget 2015		2015	2016	
Internal Expenses						
Project Management	-	-	-	-	-	-
Total	-	-	-	-	-	-
External Expenses						
Construction	-	170,000	(100,000)	70,000	-	70,000
Total	-	170,000	(100,000)	70,000	-	70,000
Total Project Expense	-	170,000	(100,000)	70,000	-	70,000
Revenue Funding Source						
Water Fund	-	170,000	(100,000)	70,000	-	70,000
Total Project Revenues	-	170,000	(100,000)	70,000	-	70,000

96024: Water Line Replacement Program

Funding transferred to 96036: Pacific Hwy/Gaarde St. Utility Casing Bore Crossing project.

	Life to FY		This change	New Budget		Project Total
	2014 Audited Actuals	Original Budget 2015		2015	2016	
Internal Expenses						
Project Management	-	8,000	-	8,000	-	8,000
Construction Management	-	5,000	-	5,000	-	5,000
Total	-	13,000	-	13,000	-	13,000
External Expenses						
Public Involvement	-	5,000	(5,000)	-	-	-
Design and Engineering	-	25,000	(25,000)	-	-	-
Construction	-	100,000	(20,000)	80,000	-	80,000
Total	-	130,000	(50,000)	80,000	-	80,000
Total Project Expense	-	143,000	(50,000)	93,000	-	93,000
Revenue Funding Source						
Water Fund	-	143,000	(50,000)	93,000	-	93,000
Total Project Revenues	-	143,000	(50,000)	93,000	-	93,000

FY 2015 Third Quarter Supplemental
Summary of Budget Changes

Affected City Funds Resources	Q2	Amendment	Q3
	Revised Budget		Revised Budget
Beginning Fund Balance	\$ 36,366,286	\$ -	\$ 36,366,286
Property Taxes	\$ 13,976,715	\$ -	\$ 13,976,715
Franchise Fees	\$ 5,799,632	\$ -	\$ 5,799,632
Special Assessments	\$ -	\$ -	\$ -
Licenses & Permits	\$ 1,779,170	\$ -	\$ 1,779,170
Intergovernmental	\$ 8,684,094	\$ 32,450	\$ 8,716,544
Charges for Services	\$ 24,020,882	\$ 3,000	\$ 24,023,882
Fines & Forfeitures	\$ 1,036,232	\$ 50,000	\$ 1,086,232
Interest Earnings	\$ 303,471	\$ -	\$ 303,471
Miscellaneous	\$ 287,786	\$ -	\$ 287,786
Other Financing Sources	\$ 265,500	\$ -	\$ 265,500
Transfers In from Other Funds	\$ 2,560,542	\$ 85,000	\$ 2,645,542
Total Resources	\$ 95,080,310	\$ 170,450	\$ 95,250,760
Requirements			
Community Development	\$ 3,232,095	\$ -	\$ 3,232,095
Community Services	\$ 21,732,611	\$ 82,450	\$ 21,815,061
Policy & Administration	\$ 854,155	\$ -	\$ 854,155
Public Works	\$ 20,071,754	\$ 128,000	\$ 20,199,754
Program Expenditures Total	\$ 45,890,615	\$ 210,450	\$ 46,101,065
Debt Service	\$ 599,676	\$ -	\$ 599,676
Loans	\$ 254,000	\$ -	\$ 254,000
Work-In-Progress	\$ 4,316,334	\$ 50,000	\$ 4,366,334
Transfers to Other Funds	\$ 8,077,494	\$ 85,000	\$ 8,162,494
Contingency	\$ 1,900,652	\$ (175,000)	\$ 1,725,652
Total Budget	\$ 61,038,771	\$ 170,450	\$ 61,209,221
Reserve For Future Expenditure	\$ 34,041,539	\$ -	\$ 34,041,539
Total Requirements	\$ 95,080,310	\$ 170,450	\$ 95,250,760

Reference Budget Items: 2

	Q2 Revised Budget	Amendment	Q3 Revised Budget
Criminal Forfeiture Fund			
Resources			
Beginning Fund Balance	\$ 182,978	\$ -	\$ 182,978
Property Taxes	\$ -	\$ -	\$ -
Franchise Fees	\$ -	\$ -	\$ -
Licenses & Permits	\$ -	\$ -	\$ -
Intergovernmental	\$ -	\$ -	\$ -
Charges for Services	\$ -	\$ -	\$ -
Fines & Forfeitures	\$ 43,000	\$ 50,000	\$ 93,000
Interest Earnings	\$ 1,892	\$ -	\$ 1,892
Miscellaneous	\$ -	\$ -	\$ -
Other Financing Sources	\$ -	\$ -	\$ -
Transfers In from Other Funds	\$ -	\$ -	\$ -
Total Resources	\$ 227,870	\$ 50,000	\$ 277,870
Requirements			
Community Development	\$ -	\$ -	\$ -
Community Services	\$ 50,000	\$ 50,000	\$ 100,000
Policy and Administration	\$ -	\$ -	\$ -
Public Works	\$ -	\$ -	\$ -
Program Expenditures Total	\$ 50,000	\$ 50,000	\$ 100,000
Debt Service	\$ -	\$ -	\$ -
Loans	\$ -	\$ -	\$ -
Work-In-Progress	\$ -	\$ -	\$ -
Transfers to Other Funds	\$ 455	\$ -	\$ 455
Contingency	\$ -	\$ -	\$ -
Total Budget	\$ 50,455	\$ 50,000	\$ 100,455
Reserve For Future Expenditure	\$ 177,415	\$ -	\$ 177,415
Total Requirements	\$ 227,870	\$ 50,000	\$ 277,870

FY 2015 Third Quarter Supplemental
Summary of Budget Changes

Reference Budget Items: 1, 3-7

General Fund Resources	Q2		Q3
	Revised Budget	Amendment	Revised Budget
Beginning Fund Balance	\$ 10,192,493	\$ -	\$ 10,192,493
Property Taxes	\$ 13,404,815	\$ -	\$ 13,404,815
Franchise Fees	\$ 5,799,632	\$ -	\$ 5,799,632
Special Assessments	\$ -	\$ -	\$ -
Licenses & Permits	\$ 1,177,412	\$ -	\$ 1,177,412
Intergovernmental	\$ 5,693,651	\$ 32,450	\$ 5,726,101
Charges for Services	\$ 2,694,034	\$ 3,000	\$ 2,697,034
Fines & Forfeitures	\$ 993,232	\$ -	\$ 993,232
Interest Earnings	\$ 103,722	\$ -	\$ 103,722
Miscellaneous	\$ 70,873	\$ -	\$ 70,873
Other Financing Sources	\$ 265,500	\$ -	\$ 265,500
Transfers In from Other Funds	\$ -	\$ -	\$ -
Total Resources	\$ 40,395,364	\$ 35,450	\$ 40,430,814
Requirements			
Community Development	\$ 3,232,095	\$ -	\$ 3,232,095
Community Services	\$ 21,682,611	\$ 32,450	\$ 21,715,061
Policy & Administration	\$ 854,155	\$ -	\$ 854,155
Public Works	\$ 5,881,563	\$ 93,000	\$ 5,974,563
Program Expenditures Total	\$ 31,650,424	\$ 125,450	\$ 31,775,874
Debt Service	\$ -	\$ -	\$ -
Loans	\$ 254,000	\$ -	\$ 254,000
Work-In-Progress	\$ -	\$ -	\$ -
Transfers to Other Funds	\$ 888,892	\$ 47,500	\$ 936,392
Contingency	\$ 905,777	\$ (137,500)	\$ 768,277
Total Budget	\$ 33,699,093	\$ 35,450	\$ 33,734,543
Reserve For Future Expenditure	\$ 6,696,271	\$ -	\$ 6,696,271
Total Requirements	\$ 40,395,364	\$ 35,450	\$ 40,430,814

Reference Budget Items: 7

Gas Tax Fund	Q2 Revised Budget	Amendment	Q3 Revised Budget
Resources			
Beginning Fund Balance	\$ 571,900	\$ -	\$ 571,900
Property Taxes	\$ -	\$ -	\$ -
Franchise Fees	\$ -	\$ -	\$ -
Licenses & Permits	\$ 225	\$ -	\$ 225
Intergovernmental	\$ 2,990,443	\$ -	\$ 2,990,443
Charges for Services	\$ -	\$ -	\$ -
Fines & Forfeitures	\$ -	\$ -	\$ -
Interest Earnings	\$ 55,732	\$ -	\$ 55,732
Miscellaneous	\$ 61,345	\$ -	\$ 61,345
Other Financing Sources	\$ -	\$ -	\$ -
Transfers In from Other Funds	\$ 100,000	\$ 35,000	\$ 135,000
Total Resources	\$ 3,779,645	\$ 35,000	\$ 3,814,645
Requirements			
Community Development	\$ -	\$ -	\$ -
Community Services	\$ -	\$ -	\$ -
Policy & Administration	\$ -	\$ -	\$ -
Public Works	\$ 2,205,002	\$ 35,000	\$ 2,240,002
Program Expenditures Total	\$ 2,205,002	\$ 35,000	\$ 2,240,002
Debt Service	\$ 599,676	\$ -	\$ 599,676
Loans	\$ -	\$ -	\$ -
Work-In-Progress	\$ -	\$ -	\$ -
Transfers to Other Funds	\$ 907,023	\$ -	\$ 907,023
Contingency	\$ 57,610	\$ -	\$ 57,610
Total Budget	\$ 3,769,311	\$ 35,000	\$ 3,804,311
Reserve For Future Expenditure	\$ 10,334	\$ -	\$ 10,334
Total Requirements	\$ 3,779,645	\$ 35,000	\$ 3,814,645

Reference Budget Items: 5

Sanitary Sewer Fund Resources	Q2		Q3
	Revised Budget	Amendment	Revised Budget
Beginning Fund Balance	\$ 4,618,778	\$ -	\$ 4,618,778
Property Taxes	\$ -	\$ -	\$ -
Franchise Fees	\$ -	\$ -	\$ -
Licenses & Permits	\$ 587,133	\$ -	\$ 587,133
Intergovernmental	\$ -	\$ -	\$ -
Charges for Services	\$ 1,584,277	\$ -	\$ 1,584,277
Fines & Forfeitures	\$ -	\$ -	\$ -
Interest Earnings	\$ 100,333	\$ -	\$ 100,333
Miscellaneous	\$ 141,674	\$ -	\$ 141,674
Other Financing Sources	\$ -	\$ -	\$ -
Transfers In from Other Funds	\$ 1,369,900	\$ -	\$ 1,369,900
Total Resources	\$ 8,402,095	\$ -	\$ 8,402,095
Requirements			
Policy and Administration	\$ -	\$ -	\$ -
Community Development	\$ -	\$ -	\$ -
Community Services	\$ -	\$ -	\$ -
Public Works	\$ 1,974,545	\$ -	\$ 1,974,545
Program Expenditures Total	\$ 1,974,545	\$ -	\$ 1,974,545
Debt Service	\$ -	\$ -	\$ -
Loans	\$ -	\$ -	\$ -
Work-In-Progress	\$ 2,996,061	\$ -	\$ 2,996,061
Transfers to Other Funds	\$ 106,759	\$ 12,500	\$ 119,259
Contingency	\$ 344,805	\$ (12,500)	\$ 332,305
Total Budget	\$ 5,422,170	\$ -	\$ 5,422,170
Reserve For Future Expenditure	\$ 2,979,925	\$ -	\$ 2,979,925
Total Requirements	\$ 8,402,095	\$ -	\$ 8,402,095

Reference Budget Items: 5

Stormwater Fund Resources	Q1	Amendment	Q3
	Revised Budget		Revised Budget
Beginning Fund Balance	\$ 3,795,745	\$ -	\$ 3,795,745
Property Taxes	\$ -	\$ -	\$ -
Franchise Fees	\$ -	\$ -	\$ -
Licenses & Permits	\$ -	\$ -	\$ -
Intergovernmental	\$ -	\$ -	\$ -
Charges for Services	\$ 3,034,291	\$ -	\$ 3,034,291
Fines & Forfeitures	\$ -	\$ -	\$ -
Interest Earnings	\$ 7,936	\$ -	\$ 7,936
Miscellaneous	\$ 3,069	\$ -	\$ 3,069
Other Financing Sources	\$ -	\$ -	\$ -
Transfers In from Other Funds	\$ -	\$ -	\$ -
Total Resources	\$ 6,841,041	\$ -	\$ 6,841,041
Requirements			
Policy and Administration	\$ -	\$ -	\$ -
Community Development	\$ -	\$ -	\$ -
Community Services	\$ -	\$ -	\$ -
Public Works	\$ 1,634,362	\$ -	\$ 1,634,362
Program Expenditures Total	\$ 1,634,362	\$ -	\$ 1,634,362
Debt Service	\$ -	\$ -	\$ -
Loans	\$ -	\$ -	\$ -
Work-In-Progress	\$ 345,373	\$ -	\$ 345,373
Transfers to Other Funds	\$ 350,956	\$ 12,500	\$ 363,456
Contingency	\$ 90,050	\$ (12,500)	\$ 77,550
Total Budget	\$ 2,420,741	\$ -	\$ 2,420,741
Reserve For Future Expenditure	\$ 4,420,300	\$ -	\$ 4,420,300
Total Requirements	\$ 6,841,041	\$ -	\$ 6,841,041

FY 2015 Third Quarter Supplemental
Summary of Budget Changes

Exhibit-C

Reference Budget Items: 5

Water Fund		Q2		Q3
		Revised Budget	Amendment	Revised Budget
Resources	Beginning Fund Balance	\$ 16,125,957	\$ -	\$ 16,125,957
	Property Taxes	\$ -	\$ -	\$ -
	Franchise Fees	\$ -	\$ -	\$ -
	Licenses & Permits	\$ 14,400	\$ -	\$ 14,400
	Intergovernmental	\$ -	\$ -	\$ -
	Charges for Services	\$ 16,708,280	\$ -	\$ 16,708,280
	Fines & Forfeitures	\$ -	\$ -	\$ -
	Interest Earnings	\$ 30,644	\$ -	\$ 30,644
	Miscellaneous	\$ 10,825	\$ -	\$ 10,825
	Other Financing Sources	\$ -	\$ -	\$ -
	Transfers In from Other Funds	\$ 58,751	\$ -	\$ 58,751
	Total Resources	\$ 32,948,857	\$ -	\$ 32,948,857
Requirements	Community Development	\$ -	\$ -	\$ -
	Community Services	\$ -	\$ -	\$ -
	Policy and Administration	\$ -	\$ -	\$ -
	Public Works	\$ 8,376,282	\$ -	\$ 8,376,282
	Program Expenditures Total	\$ 8,376,282	\$ -	\$ 8,376,282
	Debt Service	\$ -	\$ -	\$ -
	Loans	\$ -	\$ -	\$ -
	Work-In-Progress	\$ -	\$ -	\$ -
	Transfers to Other Funds	\$ 5,814,667	\$ 12,500	\$ 5,827,167
	Contingency	\$ 452,410	\$ (12,500)	\$ 439,910
	Total Budget	\$ 14,643,359	\$ -	\$ 14,643,359
	Reserve For Future Expenditure	\$ 18,305,498	\$ -	\$ 18,305,498
	Total Requirements	\$ 32,948,857	\$ -	\$ 32,948,857

Reference Budget Items: 5

General Capital Facilities Fund Resources	Q2	Amendment	Q3
	Revised Budget		Revised Budget
Beginning Fund Balance	\$ 878,435	\$ -	\$ 878,435
Property Taxes	\$ -	\$ -	\$ -
Franchise Fees	\$ -	\$ -	\$ -
Licenses & Permits	\$ -	\$ -	\$ -
Intergovernmental	\$ -	\$ -	\$ -
Charges for Services	\$ -	\$ -	\$ -
Fines & Forfeitures	\$ -	\$ -	\$ -
Interest Earnings	\$ 3,212	\$ -	\$ 3,212
Miscellaneous	\$ -	\$ -	\$ -
Other Financing Sources	\$ -	\$ -	\$ -
Transfers In from Other Funds	\$ 1,031,891	\$ 50,000	\$ 1,081,891
Total Resources	\$ 1,913,538	\$ 50,000	\$ 1,963,538
Requirements			
Community Development	\$ -	\$ -	\$ -
Community Services	\$ -	\$ -	\$ -
Policy and Administration	\$ -	\$ -	\$ -
Public Works	\$ -	\$ -	\$ -
Program Expenditures Total	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -
Loans	\$ -	\$ -	\$ -
Work-In-Progress	\$ 974,900	\$ 50,000	\$ 1,024,900
Transfers to Other Funds	\$ 8,742	\$ -	\$ 8,742
Contingency	\$ 50,000	\$ -	\$ 50,000
Total Budget	\$ 1,033,642	\$ 50,000	\$ 1,083,642
Reserve For Future Expenditure	\$ 879,896	\$ -	\$ 879,896
Total Requirements	\$ 1,913,538	\$ 50,000	\$ 1,963,538

AIS-2253

14.

Business Meeting

Meeting Date: 05/26/2015

Length (in minutes): 10 Minutes

Agenda Title: Authorize a 2015 Federal COPS Grant Application and Authorize the City Manager to Sign

Prepared For: Jim DeSully **Submitted By:** Julia Jewett, Police

Item Type: Motion Requested Resolution **Meeting Type:** Council Business Meeting - Main

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Authorize the City Manager to sign the grant application for a 2015 COPS grant from the U.S. Department of Justice, and to accept the grant on behalf of the City of Tigard if awarded.

STAFF RECOMMENDATION / ACTION REQUEST

Approve a resolution that authorizes the application for 2015 COPS grant for one (1.0 FTE) police officer and authorize the City Manager to accept the grant, should the City of Tigard receive the grant award.

KEY FACTS AND INFORMATION SUMMARY

The USDOJ's Office of Community Oriented Policing Services (COPS Office) is accepting grant applications for the Fiscal Year (FY) 2015 COPS Hiring Program (CHP) for the hiring and rehiring of entry-level career law enforcement officers in an effort to create and preserve jobs and increase their community policing capacity and crime prevention efforts. State, local and tribal organizations are eligible to apply (for up to 5% of their actual sworn force strength). The COPS Office identifies an area of focus for each grant cycle, and applicants are asked to identify how grant funding would be used to initiate or enhance the city's capacity to implement community policing approaches to that problem/focus area. In FY 2015, CHP applicants receive additional consideration for focus areas of [homicide/gun violence](#), [homeland security problems](#), and [building trust \(referencing the report of the President's Task Force on 21st Century Policing](#) for suggested strategies). School safety is also a priority and additional consideration is given for applicants who indicate that the position will be deployed

as a School Resource Officer (SRO). The grant application is due on June 19, and communities are notified of potential awards in September.

The City's application will be for one (1.0 FTE) police officer position. The total amount of the grant over a 3-year period (36 months) is \$125,000. The grant funds are intended under the program to provide up to 75% of the cost of salary and benefits for a new police officer for three years. However, in Tigard's case the grant would provide less than 75%.

The city must guarantee its ability to financially meet the match requirement each year locally without supplanting the existing police budget. Further, local applicants must fully appropriate 100% of the funds needed for the police officer in the fourth year and beyond within the General Fund.

An estimate of Tigard's General Fund financial responsibilities over the 4-year period would be approximately \$286,000. Years 1-3 of the grant match would be approximately \$173,000, and year 4 (fully funded by Tigard) would be approximately \$113,000 for salary and fringe benefits.

The estimated cost does not include: contractual incentive pay; overtime; or one-time start-up costs, which will be known at hiring and based on the workload for each year. At the time of the Council meeting, information will be presented regarding the average cost of a police officer and the potential long-term fiscal impact of hiring an officer after the first three years of grant support.

For each year of the grant, Tigard's local match percentage for the grant will increase. The grant would be expected to cover 50% in year one, 45% in year two, and 32% in year three. The Police Department will be able to absorb the General Fund requirement in the FY 2015-16 without increases to its appropriation. For fiscal years 2016-17 through 2019-2020, the city would need to plan for an appropriation increase for the Police Department for these costs.

OTHER ALTERNATIVES

The City Council could choose not to authorize the grant application.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Tigard's Strategic Plan includes a goal to "Fund the Vision while Maintaining Core Services." Additional staffing in the Police Department represents a core service that the city's 2015-16 budget endeavors to find other alternatives to fund. Pursuing a grant from the USDOJ COPS program offers a partial, limited-duration funding source to offset the up-front costs for hiring additional police staff that must eventually be funded with the city's General Fund. The city has considered but opted not to apply for the COPS grant in past years because of the long-term local financial commitment that would be required.

DATES OF PREVIOUS CONSIDERATION

N/A

Fiscal Impact

Cost: \$286,000

Budgeted (yes or no): No

Where budgeted?: N/A

Additional Fiscal Notes:

The fiscal impact is based on a 4-year grant total. Years 1-3 the estimated match will be \$173,000 and year-4 the total cost for salary and fringe benefits will be approximately \$113,000. Acceptance of the grant and the city's match will need to be paid for through reinvestment of General Fund capacity freed up through the movement of Parks to a Park Utility. If the utility is not created, the position will impact forecasted fund balance.

Attachments

COPS grant

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 15-

A RESOLUTION APPROVING THE APPLICATION FOR A COMMUNITY ORIENTED POLICING SERVICES (COPS) GRANT TO HIRE A POLICE OFFICER, AND AUTHORIZING THE CITY MANAGER TO ACCEPT THE GRANT IF AWARDED.

WHEREAS, the Tigard Police Department has experienced recent staffing reductions and the City of Tigard has been unable to afford to add additional Police resources; and

WHEREAS, Tigard is unable to keep pace with the demand for services of a growing city by hiring additional staff to provide services; and

WHEREAS, the City of Tigard intends to apply for a Community Oriented Policing Services (COPS) grant from the U.S. Department of Justice; and

WHEREAS, the grant would pay for up to \$125,000 of police salary and fringe benefit costs over a three year period; and

WHEREAS, award of the grant would obligate the city to create and fund an additional police officer position for at least four years.

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

SECTION 1: City Council authorizes the COPS grant application.

SECTION 2: City Council authorizes the City Manager to accept the COPS grant if it is awarded.

SECTION 3: This resolution is effective immediately upon passage.

PASSED: This _____ day of _____ 2015.

Mayor - City of Tigard

ATTEST:

City Recorder - City of Tigard