

AGENDA

**WILSONVILLE CITY COUNCIL MEETING
JANUARY 24, 2013
7:00 P.M.**

**CITY HALL
29799 SW TOWN CENTER LOOP
WILSONVILLE, OREGON**

Mayor Tim Knapp

Councilor Julie Fitzgerald
Councilor Susie Stevens

Councilor Richard Goddard
Council President Scott Starr

CITY COUNCIL MISSION STATEMENT

To protect and enhance Wilsonville's livability by providing quality service to ensure a safe, attractive, economically vital community while preserving our natural environment and heritage.

Executive Session is held in the Willamette River Room, City Hall, 2nd Floor

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|------------------|--|-----------|
| 5:00 P.M. | EXECUTIVE SESSION | [15 min.] |
| A. | Pursuant to ORS 192.660(2)(h) Litigation | |
| 5:15 P.M. | COUNCILORS' CONCERNS | [5 min.] |
| 5:25 P.M. | PRE-COUNCIL WORK SESSION | |
| A. | 2013 Legislative Agenda - Ottenad | [15 min] |
| B. | URA Report - Ossanna | [10 min.] |
| C. | Liaison Appointments (placeholder) | |
| 6:50 P.M. | ADJOURN | |
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CITY COUNCIL MEETING

The following is a summary of the legislative and other matters to come before the Wilsonville City Council a special session to be held Thursday, January 24, 2013 at City Hall. Legislative matters must have been filed in the office of the City Recorder by 10 a.m. on January 8, 2013. Remonstrances and other documents pertaining to any matters listed in said summary filed at or prior to the time of the meeting may be considered therewith except where a time limit for filing has been fixed.

7:00 P.M. CALL TO ORDER

- A. Roll Call
- B. Pledge of Allegiance
- C. Motion to approve the following order of the agenda and to remove items from the consent agenda.

7:05 P.M. MAYOR'S BUSINESS

- A. Board and Commission Liaison Appointments
- B. Upcoming Meetings

7:10 P.M. COMMUNICATIONS

- A. Recognize Clackamas Community College for help during Community Center Kitchen Remodel Project (staff – Brescia)

7:20 P.M. CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

7:25 P.M. COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

- A. Council President Starr
- B. Councilor Goddard
- C. Councilor Fitzgerald
- D. Councilor Stevens

7:30 P.M. CONSENT AGENDA

- A. Minutes of the December 3, 2012 and December 17, 2012 and January 7, 2013 Council Meetings. (staff – King)

7:30 P.M. PUBLIC HEARING

- A. **Ordinance No. 713** – first reading
An Ordinance Of The City Of Wilsonville Amending Wilsonville Code Chapter 5, Section 5.210, Prohibited Parking Or Standing. (staff – Kohlhoff)

7:45 P.M. CONTINUING BUSINESS

- A. **Resolution No. 2385** – continued from the 1/7/13 Council meeting.
A Resolution Of The City Of Wilsonville Approving Addendum No. 4 To The Development Agreement Of June 14, 2004 By And Between The City Of Wilsonville (City) And The Urban Renewal Agency Of The City Of Wilsonville (URA) And Matrix Development Corporation (Developer) And Property Owners Donald E. Bischof / Sharon L. Lund, Arthur C. / Dee W. Piculell, The Dearmond Family LLC / Louis J. / Margaret P.

Fasano (Owners) And Valerie And Matthew Kirkendall (Kirkendall) And Repealing Resolution No. 2377.

8:00 P.M. CITY MANAGER'S BUSINESS

8:10 P.M. LEGAL BUSINESS

8:15 P.M. ADJOURN

AN URBAN RENEWAL AGENCY MEETING WILL FOLLOW

Time frames for agenda items are not time certain (i.e. Agenda items may be considered earlier than indicated. The Mayor will call for a majority vote of the Council before allotting more time than indicated for an agenda item.) Assistive Listening Devices (ALD) are available for persons with impaired hearing and can be scheduled for this meeting if required at least 48 hours prior to the meeting. The city will also endeavor to provide the following services, without cost, if requested at least 48 hours prior to the meeting: -Qualified sign language interpreters for persons with speech or hearing impairments. Qualified bilingual interpreters. To obtain services, please contact the City Recorder, (503)570-1506 or king@ci.wilsonville.or.us

CITY COUNCIL MEETING STAFF REPORT

Meeting Date: January 24, 2013	Subject: 2013 State Legislative Agenda Staff Member: Mark Ottenad, Public/Government Affairs Director Department: Administration	
Action Required <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution Information or Direction <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	Advisory Board/Commission Recommendation <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: The 2013 session of the Oregon Legislative Assembly begins in earnest starting February 4; timely adoption of a legislative agenda positions the City for greater likelihood of success and provides direction to staff and consultants on the City Council's legislative priorities.	
Staff Recommendations: City Council adopts as presented or as amended a 2013 State Legislative Agenda.		
Recommended Language for Motion: Not applicable.		
PROJECT / ISSUE RELATES TO:		
<input type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)	<input checked="" type="checkbox"/> Not Applicable

ISSUE BEFORE COUNCIL

City Administration seeks clear direction from the City Council in the form of a Legislative Agenda for general public-policy priorities that can help guide how the City reacts to specific legislative proposals that may arise in the 2013 session of the Oregon Legislative Assembly.

EXECUTIVE SUMMARY

At the January 7, 2013, City Council work session, Mayor Knapp requested that staff bring to the Council as a starting point for the 2013 legislative session the draft 2011 legislative agenda. The draft 2011 legislative agenda is utilized as a starting-point for the 2013 legislative agenda, which has been modified to account for new legislative issues of concern.

One of the questions for Council and staff to consider is to what degree does the City's legislative agenda correspond with that of other organizations, especially those of which the City

is a member of. For example, Oregon's premier municipal lobbying association, the League of Oregon Cities (LOC), has adopted a 2013 legislative agenda and City staff has recommended adopting some elements of the LOC agenda that are clearly aligned with City priorities; however, a lack of information on how other components of the LOC agenda might impact the City results in a "wait-and-see" approach. For instance, a lack of data for how "Reset at Sale" would impact Wilsonville and state operations has staff inclined to not actively endorse that particular plank.

BACKGROUND

During the course of the anticipated five-month-long 2013 legislative session, many bills will be considered by members of the assembly. Traditionally, over 1,500 pieces of pre-session legislation are proposed by Oregon state representatives and senators.

Some proposed legislation may harm City interests, some may be beneficial and most may have no direct effect. The Draft 2013 Legislative Agenda is designed to help guide how the City reacts to proposed legislation in terms of supporting, opposing or remaining neutral in our position on any given bill.

As the legislative session progresses towards adjournment on June 30, bills are "flying" around the capital as they are "gut-and-stuffed" based on their "relating clauses," and bill hearings can be scheduled with short notice. A legislative agenda can be an effective tool for the City to be well-positioned to safe-guard municipal interests by being able to respond promptly and timely to legislative overtures that the City may or may not agree with.

The draft Legislative Agenda is divided into three sections:

1. Governance
 - Local Autonomy
 - State Shared Revenues / Unfunded Mandates
2. Transportation & Transit Infrastructure
 - Transportation
 - Transit
3. Economic & Community Development
 - Land Use and Development
 - Workforce Development

In developing the City's Draft 2013 Legislative Agenda, staff reviewed existing and prior city policies and practices, examined the legislative agendas and priorities of other jurisdictions and affiliated organizations, and gathered information from lobbyists and other public-affairs professionals about primary issues of concern in the 2013 legislative session. A general theme that emerged is that the 2013 session will be oriented towards "defensive positions" as the legislature grapples with how to fund current service levels in the 2013-15 biennium with major budget-busting issues and while the state and nation remained mired in "The Great Recession."

The accompanying "Citations to Authorities in Support of City of Wilsonville 2013 Legislative Agenda" provides citations to various authorities, such as the City Charter and Comprehensive Plan, and the legislative agendas of affiliate organizations, in support of the draft 2013 Legislative Agenda.

TIMELINE

The City Council may act its leisure; however, acting in January 2013 would be optimum for providing staff and consultants with timely guidance for Council priorities during the 2013 legislative session.

CURRENT YEAR BUDGET IMPACTS

Depending on the kinds of legislation passed and signed into law, budgetary impacts could be minor or major in the short- or long-term.

COMMUNITY INVOLVEMENT PROCESS

None is required. As the elected representatives of the residents of Wilsonville, the City Council has the authority and is expected to advance policy priorities in line with Council preference.

CITY MANAGER COMMENT

ATTACHMENTS

- A. Draft 2013 Legislative Agenda
- B. Citations to Authorities for Draft 2013 Legislative Agenda
- C. "League of Oregon Cities (LOC) 2013 Legislative Agenda," summary and policy-issues detail-sheets
- D. "Metro JPACT 2013 Regional Transportation Agenda," Metro Council Resolution No. 13-4402, For the Purpose of Endorsing Regional Policy and Funding Priorities for 2013 State Transportation Legislation
- E. "OregonTech 2013 Legislative Agenda," What can legislators do during the 2013 Legislative Session to help Oregon Tech continue to deliver results for Oregonians?
- F. 2013 ODOT Legislative Agenda
- G. "Oregon Business Plan 2013 Legislative Agenda," Oregon Business Plan Policy Playbook for 2013
- H. "Value of Jobs Coalition 2013 Legislative Agenda," Industrial Lands Initiative and draft supporting legislation, LC 1304 and LC 2203

City of Wilsonville 2013 State Legislative Agenda

— DRAFT 1/10/2013 —

Acting on behalf of the residents and businesses of the City of Wilsonville, the City Council adopts this legislative agenda to guide City policy positions in the 2013 session of the Oregon Legislative Assembly.

1. GOVERNANCE

■ Local Autonomy

1.1 The City of Wilsonville supports autonomy of local governments and opposes efforts to preempt local-government authority to work on behalf of the city's residents and businesses. The City seeks opportunities to restore municipal authority where it has previously been pre-empted by state law.

■ State Shared Revenues / Unfunded Mandates

1.2 The City of Wilsonville supports the State Shared Revenue formula and opposes efforts to shift service-costs from the State to local governments, often referred to as "unfunded mandates." The City opposes efforts to reduce traditional "shared revenues," which include liquor, beer and wine, cigarette, and 9-1-1 taxes that pay for essential local services.

2. TRANSPORTATION & TRANSIT INFRASTRUCTURE

■ Transportation

2.1 The City of Wilsonville supports multi-modal transportation options—including roadways, transit services and bike/ped alternatives—for residents, commuting workers and businesses.

2.2 The City of Wilsonville supports strategies and plans that maintain or increase the traffic-handling capacity of I-5 for the movement of freight and conduct of commerce.

■ Transit

2.3 The City of Wilsonville supports access to increased transit services that provide residents and commuting workers with an affordable option for personal mobility.

2.4 The City of Wilsonville supports expanded Westside Express Service (WES) commuter rail transit service for full-day and Saturday service and extension of service to Salem.

3. ECONOMIC & COMMUNITY DEVELOPMENT

■ Land Use and Development

3.1 The City of Wilsonville supports sustainable, “smart-growth” concepts that include objectives such as compact urban development, the conservation of valuable resource lands and the protection of prime agricultural soils outside the urban growth boundary.

3.2 The City of Wilsonville supports Oregon land-use law that calls for economic-development activities to occur in cities—areas with municipal governance and supporting infrastructure—and opposes efforts to encourage activities outside of cities that results in urban-level development.

3.3 The City of Wilsonville supports initiatives that reclaim industrial “brownfield” sites in urban settings for productive re-use and that assists cities to develop existing industrial lands. These kinds of initiatives maximize the benefit from existing public resources and reduce the need for urban-growth boundary expansions to accommodate industrial development.

■ Workforce Development

3.4 The City of Wilsonville supports policies that encourage institutions of higher education to site and operate successfully in Wilsonville in order to provide more comprehensive workforce development opportunities for future and current employees of industrial employers.

3.5 The City of Wilsonville specifically supports the legislative bonding-authority request of the Oregon Institute of Technology (OIT), also known as “Oregon Tech,” that facilitates the university’s consolidation of Portland-area campuses to Wilsonville at a lower cost to Oregon taxpayers.

3.6 The City of Wilsonville supports efforts to improve the overall quality of K–12 education, and in particular to strengthen Science-Technology-Engineering-Math (STEM) education, as well as post-secondary education that prepare tomorrow’s workforce.

Citations to Authorities in Support of City of Wilsonville 2013 State Legislative Agenda

— DRAFT 1/10/2013 —

This document provides citations to various authorities, such as the City Charter and Comprehensive Plan, and the legislative agendas of affiliate organizations, in support of the draft 2013 Legislative Agenda. The document recites each specific proposed Legislative Agenda policy position, which is then followed immediately by relevant citations to authorities, first City documents and then legislative agendas of affiliate organizations.

1. GOVERNANCE

■ Local Autonomy

1.1 The City of Wilsonville supports autonomy of local governments and opposes efforts to preempt local-government authority to work on behalf of the city's residents and businesses. The City seeks opportunities to restore municipal authority where it has previously been pre-empted by state law.

This proposed legislative agenda policy is supported by the following authorities:

City of Wilsonville Charter, January 1987

Chapter II, Powers

Section 4. POWERS OF THE CITY. The city shall have all powers that the constitutions, statutes and common law of the United States and of this state expressly or impliedly [sic] grant or allow municipalities, as fully as though this charter specifically enumerated each of those powers.

Section 5. CONSTRUCTION OF CHARTER. In this charter no mention of a particular power shall be construed to be exclusive or to restrict the scope of the powers which the city would have if the particular power were not mentioned. The charter shall be liberally construed to this end that the city may have all powers necessary or convenient for the conduct of its municipal affairs, including all powers that cities may assume pursuant to state laws and to the municipal home rule provisions of the state constitution.

Wilsonville Comprehensive Plan, January 2010

History of Local Planning Efforts, Intro-1

In a move to increase local control, the local residents voted to incorporate.

League of Oregon Cities (LOC) 2013 Legislative Agenda, September 2012

Issue: Local Control Referral

Temporary taxes that are in addition to the municipality's permanent rate that are approved by voters to provide funding for operating expenses are compressed first under [the Oregon] system. As a result, voters residing in a municipality in

compression are limited in their ability to raise revenue to support services they desire.

The League's proposed constitutional referral would allow local voters the ability to consider a temporary tax outside of compression. The referral would not raise anyone's taxes, but would empower voters to authorize a tax for local operations.

Metro JPACT 2013 Regional Transportation Agenda, January 2013

Preserve and Expand Local Options: The transportation challenge will require innovative policy and new funding commitments at all levels of government, including additional local funding to repair and maintain existing transportation facilities. Accordingly, the Legislature should remove existing restrictions on local and regional revenue-raising authority; avoid enacting new limitations or pre-emptions; and explore new structures and authorities that give local governments the flexibility to build, operate and fund transportation systems that support prosperity, livability and sustainability.

■ State Shared Revenues / Unfunded Mandates

1.2 The City of Wilsonville supports the State Shared Revenue formula and opposes efforts to shift service-costs from the State to local governments, often referred to as "unfunded mandates." The City opposes efforts to reduce traditional "shared revenues," which include liquor, beer and wine, cigarette, and 9-1-1 taxes that pay for essential local services.

This proposed legislative agenda policy is supported by the following authorities:

Wilsonville Comprehensive Plan, January 2010

Urban Growth Boundary, p. B-3

Implementation Measure 2.1.1.d. — Establish and maintain revenue sources to support the City's policies for urbanization and maintain needed public services and facilities.

League of Oregon Cities (LOC) 2013 Legislative Agenda, September 2012

Issue: 9-1-1 Tax Renewal

The League will work with other stakeholder groups (principally organizations representing public safety organizations and jurisdictions) to extend the 9-1-1 emergency services tax beyond its expiration in 2014.

The current \$.75 per month tax is an important source of revenue for cities. After subtracting collection costs, administrative fees and equipment costs, cities receive \$13 million per biennium, which is passed through to the governing authority of the 9-1-1 jurisdiction serving that city. These funds are the backbone of the budget that supports the planning, installation, maintenance, operation and improvement of the statewide 9-1-1 emergency reporting system.

The state currently diverts portions of the 9-1-1 tax revenues it collects as well as the earned interest to the general fund in support of positions and activities unrelated to 9-1-1 services, a practice frowned upon by the federal government. Oregon is one of the only states in the country to do so, and as a result, for the last three years has been ineligible for federal emergency services grants.

City of Wilsonville budget reports by Joanne Ossana, Finance Director

Various states-shared revenues form a significant component to the city budget, as the following budget summary shows:

Wilsonville State-Shared Revenues

	FY2009- 10	FY2010- 11	FY2011- 12	FY2012- 13
Type of Revenue	Actual	Actual	Actual	Budget
911 shared revenue	\$91,000	\$92,484	\$95,442	\$90,000
Alcoholic beverage tax	203,000	231,531	249,620	255,000
Cigarette tax	26,000	28,535	28,586	30,000
State shared revenue	173,000	187,069	205,132	195,000
TOTAL	\$493,000	\$539,619	\$578,780	\$570,000

2. TRANSPORTATION & TRANSIT INFRASTRUCTURE

■ **Transportation**

2.1 The City of Wilsonville supports multi-modal transportation options—including roadways, transit services and bike/ped alternatives—for residents, commuting workers and businesses.

This proposed legislative agenda policy is supported by the following authorities:

Wilsonville Comprehensive Plan, January 2010

Transportation: The Transportation Network, p. C-22–C-24

Goal 3.2 To encourage and support the availability of a variety of transportation choices for moving people that balance vehicular use with other transportation modes, including walking, bicycling and transit in order to avoid principal reliance upon any one mode of transportation.

Policy 3.2.1 To provide for safe and efficient vehicular, transit, pedestrian and bicycle access and circulation.

Policy 3.2.2 To provide for a mix of planned transportation facilities and services that are sufficient to ensure economic, sustainable and environmentally sound mobility and accessibility for all residents and employees in the city.

Goal 3.3 To achieve adopted standards for increasing transportation choices and reducing reliance on the automobile by changing land use patterns and transportation systems so that walking, cycling and use of transit are highly convenient and so that, on balance, people need to and are likely to drive less than they do today.

Implementation Measure 3.3.1.c. Plan for increased access to alternative modes of transportation, such as bicycling, transit and walking.

Wilsonville Bicycle and Pedestrian Master Plan, December 2006, p.3

Goal — To promote non-motorized travel and provide a safe, interconnected system of pedestrian and bicycle facilities.

Wilsonville Transportation Systems Plan (TSP), December 2009

Chapter 7 – Other Modes and Multi-modal Coordination, p. 7-1

7.1 GOALS

Goal 7.1: To coordinate with local, regional, and State jurisdictions in the development and operation of the multi-modal transportation system.

Goal 7.2: To provide multi-modal facilities properly integrated with the citywide transportation system.

7.3.4 Multi-modal Coordination, p. 7-4

The recommended regional transportation facilities for the City of Wilsonville contribute to multi-modal coordination. Based on increased traffic volumes for future years, the proposed commuter rail station (shown in Figure 7.1) with a park-and-ride, improved roadway network, and a non-motorized network will be part of the solution to relieving traffic.

7.4 POLICIES, pp. 7-4 – 7-5

The City of Wilsonville shall...

Policy 7.1.2 Continue to work in concert with the State, Metro, Clackamas and Washington Counties, and adjacent jurisdictions to develop and implement a regional transportation plan that is complementary to and supportive of the City's Plan while addressing regional concerns. The City expects a reciprocal commitment from other agencies.

Metro JPACT 2013 Regional Transportation Agenda, January 2013

Support Multimodal Investment: Oregon should build upon its lottery-backed program of investment in multimodal capital projects that support freight mobility and transit by identifying new, ongoing state funding that supports those projects as well as transit operations and pedestrian and bicycle facilities.

2013 ODOT Legislative Agenda

LC 2847 - ConnectOregon V (Senate Business & Transportation Committee)

Oregon Business Plan 2013 Legislative Agenda, Oregon Business Plan Policy Playbook for 2013, December 2012

- Pass Connect Oregon V multi-modal bonding program at least the level included in the Governor's budget
- Take steps to create a permanent non-highway funding stream

2.2 The City of Wilsonville supports strategies and plans that maintain or increase the traffic-handling capacity of I-5 for the movement of freight and conduct of commerce.

This proposed legislative agenda policy is supported by the following authorities:

Wilsonville Comprehensive Plan, January 2010

Transportation: The Transportation Network, p. C-22, C-24

Local traffic, including commercial and industrial vehicles, must have safe and efficient access to and from the freeway.

Policy 3.4.2 The City will work with ODOT, Metro and neighboring communities to maintain the capacity of I-5 through a variety of techniques, including requirements for concurrency, continued development of a local street network within and connecting cities along I-5, access management, and completion of targeted improvements on I-5 such as auxiliary lanes, improvements at interchanges, etc.

Wilsonville Transportation Systems Plan (TSP), Chapter 4 – Motor Vehicle Facilities, December 2009

4.7 Implementation Measures, p. 4-90

Implementation Measure 4.2.2.a The importance of freight to the Wilsonville economy will be acknowledged in all transportation planning and funding efforts. The need to accommodate trucks, truck routing, and truck-based street design will be integrated into the Development Code and in all subsequent and appropriate planning projects. To accommodate the movement of freight, the City shall work with other jurisdictions along the south I-5 corridor to promote needed improvements to I-5 and its interchanges.

Wilsonville Economic Opportunity Analysis Report, January 2008

Vision and Goals, pp. 1-2

Goal 1

Continue to facilitate economic development in conjunction with provision of adequate infrastructure to serve the needs of specific industry clusters. Work to maintain reasonable access to, and the functionality of Interstate-5 and its interchanges within Wilsonville and to increase the capacity of the Boone Bridge.

Goal 5

Continue to accept our fair share of regional industrial and employment growth in appropriate geographic locations that protect existing and future neighborhoods and the capacity of I-5, while encouraging Metro and member jurisdictions to develop

land use policies, goals, code revisions and infrastructure necessary to more equitably distribute such growth throughout the region.

Metro JPACT 2013 Regional Transportation Agenda, January 2013

Jobs and Economic Recovery: The local governments of the Portland metropolitan area are committed to partnering with others to support economic recovery through the creation and efficient operation of a robust transportation system.

■ **Transit**

2.3 The City of Wilsonville supports access to increased transit services that provide residents and commuting workers with an affordable option for personal mobility.

This proposed legislative agenda policy is supported by the following authorities:

Wilsonville Economic Development Strategy, August 2012

SMART will expand hours of operation, as funds become available, in order to provide improved access to public transit. This will enable workers to get to and from their jobs and students to get to and from their place of education using public transit.

Wilsonville Comprehensive Plan, January 2010

Transportation: The Transportation Network, p. C-22, C-23

Goal 3.2 To encourage and support the availability of a variety of transportation choices for moving people that balance vehicular use with other transportation modes, including walking, bicycling and transit in order to avoid principal reliance upon any one mode of transportation.

Goal 3.3 To achieve adopted standards for increasing transportation choices and reducing reliance on the automobile by changing land use patterns and transportation systems so that walking, cycling and use of transit are highly convenient and so that, on balance, people need to and are likely to drive less than they do today.

Implementation Measure 3.3.1.c. Plan for increased access to alternative modes of transportation, such as bicycling, transit and walking.

Wilsonville Transit Master Plan, August 2008

Plan Overview, p. 3

Goal 1 — To promote an effective transit system that is a viable alternative to the single occupant vehicle; responds to the mobility needs of residents, employers, and employees; permits easy shifts from one mode to another; offers choice and convenience; and connects to other regional transportation systems.

Goal 2, p. 4; 3. Plan Implementation Measures, p. 31

POLICY 4 — Expand service to meet the demands of a growing population and employment base in Wilsonville.

Metro JPACT 2013 Regional Transportation Agenda, January 2013

Support Multimodal Investment: Oregon should build upon its lottery-backed program of investment in multimodal capital projects that support freight mobility and transit by identifying new, ongoing state funding that supports those projects as well as transit operations and pedestrian and bicycle facilities.

2.4 The City of Wilsonville supports expanded Westside Express Service (WES) commuter rail transit service for full-day and Saturday service and extension of service to Salem.

This proposed legislative agenda policy is supported by the following authorities:

Wilsonville Economic Development Strategy, August 2012

SMART will expand hours of operation, as funds become available, in order to provide improved access to public transit. This will enable workers to get to and from their jobs and students to get to and from their place of education using public transit.

Wilsonville Comprehensive Plan, January 2010

Transportation: The Transportation Network, p. C-23

Implementation Measure 3.3.1.f. Strongly encourage full day and Saturday service for WES.

Implementation Measure 3.3.1.g. Continue to support the extension of WES to Salem.

Wilsonville Transit Master Plan, August 2008

Goal 2, p. 4; 3. Plan Implementation Measures, p. 31

POLICY 4 — Expand service to meet the demands of a growing population and employment base in Wilsonville.

3. ECONOMIC & COMMUNITY DEVELOPMENT

■ **Land Use and Development**

3.1 The City of Wilsonville supports sustainable, “smart-growth” concepts that include objectives such as compact urban development, the conservation of valuable resource lands and the protection of prime agricultural soils outside the urban growth boundary.

This proposed legislative agenda policy is supported by the following authorities:

Wilsonville City Council Goals and Action Items, Priorities for Council Attention in 2011-12 (2 years), June 2011

Ensure Efficient, Cost-Effective And Sustainable Development And Infrastructure

Resolution 2203, A Resolution Of The City Council Of The City Of Wilsonville, Oregon, Adopting City Council Goals For Fiscal Year 2009-2010, August 17, 2010

Council Goal 2 — Engage The Community In Smart Growth And Sustainability Concepts

Wilsonville Comprehensive Plan, January 2010

Land Use and Development: Environmental Resources and Community Design, p. D-25, D-26, D-28, D-29

Policy 4.1.5 Protect valuable resource lands from incompatible development and protect people and property from natural hazards.

Implementation Measure 4.1.5.b Help to preserve agricultural land by protecting the agricultural lands outside the Urban Growth Boundary, by guiding development within the boundary. Discourage long term agricultural uses within the urban boundary.

Implementation Measure 4.1.5.e Protect the beneficial uses and functional values of resources within the Water Quality and Flood Management Areas and Habitat Conservation Areas identified by Metro by limiting or mitigating the impact on these areas from development activities.

Implementation Measure 4.1.5.m Protect the river-connected wildlife habitat and encourage the integration and inter-connection of the Willamette River Greenway to open space areas of the City. Continue to regulate development within the Greenway boundaries. Provide for public access to the river only through and within the City parks or other properties intended for public access.

Implementation Measure 4.1.5.y Protect the Willamette River Greenway from incompatible uses or development activities, using the standards of the Greenway section of the Development Code.

Implementation Measure 4.1.5.hh Minimize the impact of urban development on adjacent rural and agricultural lands. A combination of open space and low density land use designation may be employed.

Wilsonville Economic Opportunity Analysis Report, January 2008

Vision and Goals, pp. 1-2

Goal 4

Encourage growth of compact employment and industrial development by increasing commercial and industrial job densities per acre within the Urban Growth Boundary to accommodate living wage jobs in concentrated developments in a land efficient manner, thus ensuring that the Metro UGB does not need to extend south of the Willamette River into the foundation agricultural lands of French Prairie. [footnotes omitted]

3.2 The City of Wilsonville supports Oregon land-use law that calls for economic-development activities to occur in cities—areas with municipal governance and supporting infrastructure—and opposes efforts to encourage activities outside of cities that results in urban-level development.

This proposed legislative agenda policy is supported by the following authorities:

Wilsonville Comprehensive Plan, January 2010

Land Use and Development: Environmental Resources and Community Design, p. D-25

Implementation Measure 4.1.5.b Help to preserve agricultural land by protecting the agricultural lands outside the Urban Growth Boundary, by guiding development within the boundary. Discourage long term agricultural uses within the urban boundary.

Wilsonville Economic Opportunity Analysis Report, January 2008

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Encourage growth of compact employment and industrial development by increasing commercial and industrial job densities per acre within the Urban Growth Boundary to accommodate living wage jobs in concentrated developments in a land efficient manner, thus ensuring that the Metro UGB does not need to extend south of the Willamette River into the foundation agricultural lands of French Prairie. [footnotes omitted]

Goal 9 of the Oregon Statewide Planning Goals, Section 1, Chapter 812, Oregon Laws 2001

Local governments shall provide “Reasonable opportunities for urban residential, commercial and industrial needs over time through changes to urban growth boundaries.”

3.3 The City of Wilsonville supports initiatives that reclaim industrial “brownfield” sites in urban settings for productive re-use and that assists cities to develop existing industrial lands. These kinds of initiatives maximize the benefit from existing public resources and reduce the need for urban-growth boundary expansions to accommodate industrial development.

This proposed legislative agenda policy is supported by the following authorities:

Wilsonville Comprehensive Plan, January 2010

Economic Development, p. D-3

Industrial development is the basic element of economic growth as it produces goods for marketing, as well as being the primary employment generator.

Wilsonville Economic Opportunity Analysis Report, January 2008

Emerging Regional Planning Issues, p. 11

Effective economic development strategies must also confront challenges regarding cost effective delivery of adequate project-ready sites...

At issue is the additional industrial land supply that was brought into the Portland Metro UGB in 2002 and 2004. While the majority of the new industrial land added by Metro to the UGB does not yet have adequate public roads, sewer, and water lines, the land supply increase will likely create a near-term industrial land surplus. Hence, Wilsonville must carefully evaluate prospective land absorption and return on public investment before making major fiscal expenditures aimed at increasing its project-ready industrial land base.

Wilsonville Economic Development Strategy, August 2012

4.3 Next Steps, p. 26

[T]here is now a broad technical and political consensus that Wilsonville's logical path for the development of new employment space is the Coffee Creek Area and, farther off, the Basalt Creek Area. But the cost of that development, the sources of funding, and the fiscal impacts on the City are not yet estimated.

League of Oregon Cities (LOC) 2013 Legislative Agenda, September 2012

Jobs/Economic Development Initiative

The League will support three policy option packages in the Oregon Business Development Department's budget to create, expand and attract businesses that provide sustainable family wage jobs for Oregonians through public-private partnerships, leveraged funding, and in support of economic opportunities for Oregon companies and entrepreneurs.

Specifically, the League will:

- Support recapitalization of the Brownfields Redevelopment Fund to provide gap financing to clean up industrial sites;
- Support the Patient Capital for Industrial Lands Pilot Program to provide funding for cities to install infrastructure and conduct the feasibility studies needed for industrial sites to be "shovel ready" for development; and
- Support the Employment Site Re-Use/Redevelopment Pilot Program to assist communities with funding incentives to reuse/redevelop existing industrial lands.

Background

In a 2012 League survey, cities ranked the lack of infrastructure as the biggest hurdle to attracting new or expanded industrial development or new employment opportunities. Adequate infrastructure for industrial sites is a critical component to the economic vitality of cities and local economic regions. An adequate supply of shovel ready industrial land will be essential in order for cities to create jobs, improve the quality of life for residents, and foster entrepreneurship and productive economic activity.

Further, prior surveys have identified more than \$2 billion in municipal infrastructure projects that would be ready to go to bid if sufficient funding is secured— a figure

that reflects the decline of state and federal investments in local infrastructure over the course of the last several decades.

Oregon Business Plan 2013 Legislative Agenda, Oregon Business Plan Policy Playbook for 2013, December 2012

Industrial Land Supply and Readiness: En-sure Oregon has an adequate sup-ply of right-sized, market-ready industrial land

- Secure state funding for inventories and due diligence
- Partially forgivable state loan pro-gram for preparation of traded sec-tor industrial sites

Value of Jobs Coalition 2013 Legislative Agenda, Industrial Site Readiness, November 2012

State assistance to reduce the cost and risk to property owners and local jurisdictions of making large-lot industrial sites market-ready.

Concepts for 2013 legislation:

- *Due diligence grants:* Make available a limited pool of grants for eligible projects to conduct necessary investigations to better understand constraints on large industrial sites and reduce risk and uncertainty about site preparation costs needed to attract private capital. A portion of the grant funds may also be used to assist regions in conducting an inventory and readiness assessment of large industrial sites in their area.
- *Direct site preparation assistance:* Provide forgivable loans and/or low or no interest loans to local governments and property owners to underwrite a portion of the costs of site preparation, subject to specified eligibility criteria (e.g., site investment plan, "but for" evaluation, new traded-sector jobs to Oregon, wage premium). Loans would be partially forgiven based on realized state income tax gains from successful traded-sector investment in the site.

■ **Workforce Development**

3.4 The City of Wilsonville supports policies that encourage institutions of higher education to site and operate successfully in Wilsonville in order to provide more comprehensive workforce development opportunities for future and current employees of industrial employers.

This proposed legislative agenda policy is supported by the following authorities:

Wilsonville Economic Development Strategy, August 2012

Table 4-1. Summary of Actions

Action 4.2. Adopt a policy demonstrating support for Oregon Tech

The City Council will adopt a policy that expresses the City's willingness to collaborate with Oregon Tech to help it succeed in its mission of training and education and also supporting other institutions of higher education.

Action 4.1. Connect businesses with organizations involved in workforce training and education

The City recognizes the importance of workforce training and education in having a skilled workforce that can meet the needs of businesses. City staff have established working relationships with businesses and with workforce development and educational organizations, including the Art/Tech High School, Wilsonville High School, Clackamas Community College, Pioneer Pacific College, and Oregon Tech.

Action 4.2. Adopt a policy demonstrating support for Oregon Tech and other institutions of higher education

What is the action?

The City Council will adopt a policy that expresses the City's willingness to collaborate with Oregon Tech to help it succeed in its mission of training and education and also supporting other institutions of higher education.

Why is the City doing it?

The City recognizes the importance of having local opportunities for workforce training and higher education within the City. The City recognizes the significant opportunities that result from having a highly regarded university (Oregon Tech) consolidating its metropolitan campuses in Wilsonville. Oregon Tech's specialized technical training will be a valuable economic development tool, giving Wilsonville one more competitive advantage. The City is committed to making Oregon Tech's relocation successful and to helping businesses in Wilsonville benefit from the opportunities resulting from having Oregon Tech and other institutions of higher education in the community.

Wilsonville Economic Opportunity Analysis Report, January 2008

Vision and Goals, p. 1

Goal 2

Encourage expansion of existing business clusters such as...secondary education.

Emerging Regional Planning Issues, p. 10

Another challenging issue that may increase institutional land demand in Wilsonville is the perceived lack of workforce training and higher education institutions that can meet the hiring needs of larger employers. The perception is that in-migration of labor into the Portland Metro Region will continue to fill the perceived "gap" in providing a well educated work force. The Portland Metro Region could fill this void with the development of world class institutions, such as Oregon Health Science University (OHSU). New or expanded satellite campuses for higher education that offer both two and four-year college degree programs will be needed over the 20-year planning horizon. Wilsonville has an advance start on this with Pioneer Pacific College and Clackamas Community College's Wilsonville Training Center.

Transportation system facilities provide access to educational institutions in the greater Metro area.

Industry Clusters Analysis: Target Industries, p. 26

- Health Care and Secondary Education. As the regional hub with excellent local quality of life and small town atmosphere, Wilsonville has an excellent opportunity to provide expanded health services and additional two-year and four-year advanced degree programs for the local and regional population. Both of these sectors are currently under-represented job sectors in Wilsonville, but appear to have excellent long-term growth potential.

3.5 The City of Wilsonville specifically supports the legislative bonding-authority request of the Oregon Institute of Technology (OIT), also known as “Oregon Tech,” that facilitates the university’s consolidation of Portland-area campuses to Wilsonville at a lower cost to Oregon taxpayers.

This proposed legislative agenda policy is supported by the following authority:

Resolution No. 2269, A Resolution Of The City Of Wilsonville Supporting The 2011 Legislative State Bonding Request Of The Oregon Institute Of Technology, Also Known As “Oregon Tech,” January 20, 2011

NOW, THEREFORE THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The Wilsonville City Council hereby endorses and supports the 2011 legislative state bonding request of the Oregon Institute of Technology (OIT), also known as “Oregon Tech.”

Oregon Tech 2013 Legislative Agenda

1. Authorize \$10M in F Bonds to complete finance package for Oregon Tech Wilsonville

F-Bond funding will allow Oregon Tech to execute the purchase of the Wilsonville Campus as soon as possible, lowering overall financing cost. Debt service on the F Bonds will be generated through tuition and other revenue. We need F-Bond financing due to two factors:

- Without F-Bonds, Oregon Tech will have to make larger payments over a shorter period of time to the OUS internal bank, leading to reduced operating flexibility for OUS and Oregon Tech, higher tuition costs for Oregon Tech students, and ultimately to diminished capacity to help achieve 40-40-20 in Oregon.

See also citations to legislative agenda priority number 3.4.

3.6 The City of Wilsonville supports efforts to improve the overall quality of K–12 education, and in particular to strengthen Science-Technology-Engineering-Math (STEM) education, as well as post-secondary education that prepare tomorrow’s workforce.

This proposed legislative agenda policy is supported by the following authority:

Wilsonville Economic Opportunity Analysis Report, January 2008

Quality of Life, p. 13

Excellent schools...make Wilsonville a desirable place to live.

Recent investments in higher education in Wilsonville by the Oregon State University and Clackamas Community College are important for local quality of life and workforce training. These investments in higher education will be necessary to help maintain a well trained local labor pool.

Oregon Tech 2013 Legislative Agenda

4. Support STEM Partnership Investments: We put the “T” in STEM.

The legislature can increase ROI [Return on Investment] for state education dollars by focusing investments in science, technology, engineering, and math academic programs that help Oregonians find high-wage jobs. Oregon Tech is seeking support for its STEM Partnership programs, through strategic initiatives to form STEM Hubs/Centers/Partnerships in regions around the state. With state support, Oregon Tech could offer more advanced transferrable college credits to HS students and increase mentorship, project-based curriculum, and teaching support for High School teachers.

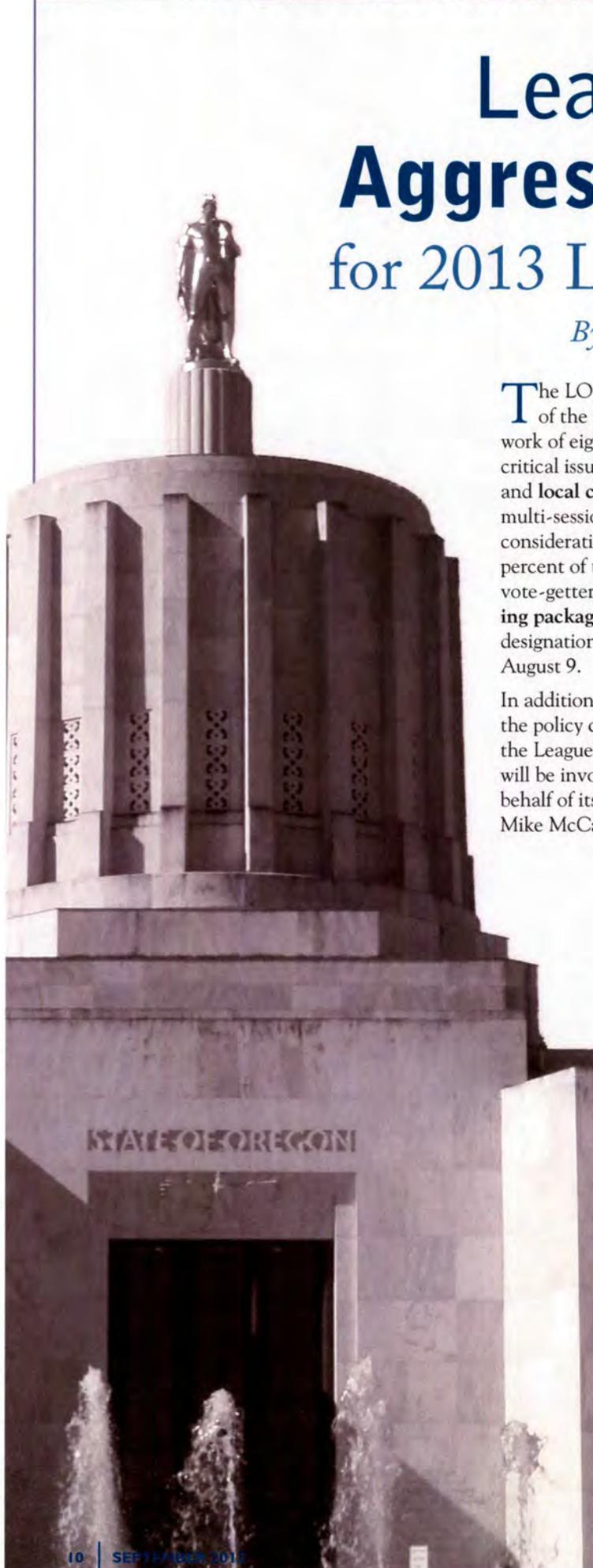
Oregon Business Plan 2013 Legislative Agenda, Oregon Business Plan Policy Playbook for 2013, December 2012

Workforce: Employ targeted strategies to close the gap between skills Oregonians have and skills employers need.

Higher Education. Oregon has reduced funding for community colleges and universities over the past decade even in the face of higher demand. We must channel more dollars into advanced education as the economy grows. How we invest matters. Oregon should develop a framework for all postsecondary education that coordinates funding for community colleges, universities, and student aid in one place.

Make five key investments to support 1) educators 2) parents 3) new school models 4) third grade reading and 5) STEM

See also citations to legislative agenda priority number 3.4.



League Sets Aggressive Agenda for 2013 Legislative Session

By Craig Honeyman

The LOC Board of Directors has adopted five priorities for the 2013 session of the Oregon Legislative Assembly. These priorities emerged from the work of eight policy committees established by the League to identify the most critical issues confronting local governments. In addition to **land use reform** and **local control referral**, which had been previously designated as long-term, multi-session priorities, 19 issues were forwarded to Oregon's 242 cities for consideration and prioritization. A majority of cities, representing nearly 90 percent of the state's population residing in cities, responded. The top three vote-getters were **reset at sale**, **a jobs and economic development funding package** and **extension of the 9-1-1 tax**. The LOC board approved the designation of these five legislative issues as League priorities at its meeting on August 9.

In addition, the board approved a resolution adopting the recommendations of the policy committees as the League's legislative priorities to guide and inform the League's advocacy efforts in the 2013 session. "Undoubtedly, the League will be involved in multiple issues beyond its listed priorities in working on behalf of its member cities during the session," said LOC Executive Director Mike McCauley.

The League's legislative priorities for the 2013 session are:

1. **Local Control Referral** – a constitutional amendment allowing local option levies of up to 10 years and outside of compression.
2. **Land Use** – population forecasting by a third party that would not be appealable as a land use decision; and cooperation with Governor Kitzhaber's Urban Growth Boundary Task Force in support of streamlining the UGB process.
3. **Reset at Sale** – a constitutional amendment restoring equity in the state's property tax system by resetting assessed value to real market value when a property is sold or constructed.
4. **Jobs/Economic Development Initiative** – supporting funding for industrial site development.
5. **9-1-1 Tax** – renewal of authority to levy a tax in support of the 9-1-1 emergency communications system, elimination of diversion of funds from 9-1-1 services, and extension of the tax to pre-paid phones.

1 Local Control Referral

Under Oregon's current property tax system, statewide limitations can prohibit local voters from having the ability to raise revenues to support services. Measure 5 limits taxes for general governments (cities, counties and special districts) and schools to \$10 and \$5 per \$1,000 of real market value respectively. Any taxes levied in excess of those limitations are reduced proportionally until the limitations are met, a process known as compression. Local option levies—temporary levies that are in addition to the municipality's permanent rate that are approved by voters to provide funding for operating expenses—are compressed first under this system. As a result, voters residing in a municipality in compression are limited in their ability to raise their taxes to support services they desire.

Compression is a growing problem for local governments statewide. Since 2008-09, revenue lost as a result of compression for all local governments has increased from \$51 million to \$144 million. All counties are in compression, as are half of all cities and more than 90 percent of all school districts.

The League, in partnership with other stakeholders, will pursue a constitutional referral that would enable local voters to pass local option levies outside of compression. The referral would also lengthen the maximum duration of a local option levy from five to 10 years.

3 Reset at Sale

Major inequities have been built into the state's property tax system because of Measure 50, which created a new "assessed value" for all properties. Assessed value was initially set at 90 percent of a property's 1995-96 real market value. For newer properties, a county-wide ratio is applied to determine the initial assessed value. Growth in assessed value is limited to 3 percent annually.

By locking in assessed values based on 1995-96 real market values or a ratio at the time of construction and by capping annual growth, huge disparities in tax bills have emerged as property values have changed and as neighborhoods have gentrified. As a result, property tax payments are often no indication of a property's actual value or of a property owner's ability to pay taxes.

Of the 17 states that have assessed value limitations similar to Oregon's, 15 readjust property taxes at the time of sale. Oregon's existing system, according to a Lincoln Institute of Land Policy report, "has gone the farthest of any in breaking the link between property taxes and property values."

In a fashion that does not adversely affect local option levies, the League will work to restore equity in our property tax system by passing a constitutional referral that would reset assessed value to real market value upon the sale or construction of a property.

2 Land Use Reform

Out of concern that state urban land use requirements have become difficult for cities to implement, are increasingly expensive, and provide too many procedural uncertainties and opportunities for delay through appeal, the League has initiated a land use reform initiative to streamline state urban land use requirements.

The first proposal for legislation will provide cities outside of the Metro region with population forecasts for comprehensive planning purposes that would not be subject to appeal. The forecasts will be provided by a third party (likely the Population Research Center at Portland State University), updated every four years, and will be fully funded with state resources. There will be opportunities for city and public input, a short challenge process if a city does not agree with the forecast, and several phase-in options from which cities can choose.

Additionally, as part of land use reform, the League is also working with the governor's Urban Growth Advisory Committee and supports streamlining the UGB process if the specific proposals developed by the advisory committee and the governor's office become acceptable legislative bills.

4 Jobs/Economic Development Initiative

The League will support three policy option packages in the Oregon Business Development Department's budget to create, expand and attract businesses that provide sustainable family wage jobs for Oregonians through public-private partnerships, leveraged funding, and in support of economic opportunities for Oregon companies and entrepreneurs. Specifically, the League will:

- Support recapitalization of the Brownfields Redevelopment Fund to provide gap financing to clean up industrial sites;
- Support the Patient Capital for Industrial Lands Pilot Program to provide funding for cities to install infrastructure and conduct the feasibility studies needed for industrial sites to be "shovel ready" for development; and
- Support the Employment Site Re-Use/Redevelopment Pilot Program to assist communities with funding incentives to reuse/redevelop existing industrial lands.

(continued on page 12)

Legislative Priorities *(continued from page 11)*

“Compression is a growing problem for local governments statewide. Since 2008-09, revenue lost as a result of compression for all local governments has increased from \$51 million to \$144 million. All counties are in compression, as are half of all cities and more than 90 percent of all school districts.”

5 9-1-1 Tax

The statutory authorization for the collection of taxes in support of the 9-1-1 emergency reporting system sunsets on December 31, 2014. It is therefore important that the 2013 session of the Oregon Legislative Assembly extend the authorization for the 9-1-1 tax. In doing so, the League will attempt to address several important policy issues affecting the 9-1-1 system.

Monies derived from the current \$.75 per month tax are an important source of revenue to cities. Net of collection costs recovered by the Oregon Department of Revenue (1 percent), administrative fees received by the Office of Emergency Management (4 percent) and payment to a sub-account covering the costs of the circuits and equipment (35 percent), cities receive \$13 million per biennium which is passed through to the governing authority of the 9-1-1 jurisdiction serving that city. These funds are the backbone of the budget that supports the planning, installation, maintenance, operation and improvement of the statewide 9-1-1 emergency reporting system.

The state currently diverts portions of the 9-1-1 tax revenues it collects as well as the earned interest to the general fund in support of positions and activities unrelated to 9-1-1 services. Oregon is one of the only states in the country to do so and, as a result, for the last three years has been ineligible for federal emergency services grants.

Pre-paid cellular phone and Voice over Internet Protocol (VoIP) users do not pay the 9-1-1 tax. All other users of telecommunications services, including regular cell phone users, do pay the tax. Previous attempts to enact legislation addressing this inequity have failed. Legislative counsel has opined that such legislation is unnecessary because the authority to levy this tax already exists. The Oregon Department of Revenue is considering a rule that would include pre-paid cell phones under the tax, but if approved litigation would likely result.

The League will work with other stakeholder groups (principally organizations representing public safety organizations and jurisdictions) to extend the 9-1-1 emergency services tax beyond expiration of its current statutory authority (December 31, 2014). In

doing so the League will advocate for certain policy directives to strengthen the system, including:

- Establishing a tax rate sufficient to ensure adequate resources for both the management of the system and the acquisition of the most modern technology;
- Making permanent the statutory authority for the tax (i.e. no sunset provision) in recognition of the necessity for and permanence of the 9-1-1 system;
- Requiring the state to use revenues derived from the 9-1-1 tax solely for the provision of emergency reporting services, thereby ending the practice of diverting both revenues and earned interest to the state's general fund; and
- Making it statutorily clear that purchases of pre-paid cell phones and VoIP services are also subject to the 9-1-1 tax.

City Hall Week 2012

At about the time you are receiving this issue of *Local Focus*, these priority issues are being presented at 21 regional meetings of cities throughout the state during which city officials are engaging candidates (both incumbents and challengers) in discussions about the League's legislative agenda. As the 2013 session gets underway, League advocates will be in the Capitol engaging the membership of both the Senate and the House in further discussions on these priorities.

As always, the grassroots efforts of League members (elected and staff) will be crucial to achieving success. The LOC Hometown Voices program and the weekly *LOC Bulletin* will keep members up-to-date regarding the status of key legislation as well as the need to mobilize local support behind a particular measure.

Editor's Note: Mr. Honeyman is the League's legislative director – choneyman@orcities.org. ■



2013

Voter Control Referral

Description

The League's proposed constitutional referral would allow local voters the ability to consider a temporary tax outside of compression. The referral would not raise anyone's taxes, but would empower voters to authorize a tax for local operations.

Background

Under Oregon's current system, statewide limitations can prohibit local voters from having the ability to raise their own taxes to support services they demand. Measure 5 limitations restrict general governments (cities, counties and special districts) and schools to levying no more than \$10 and \$5 per \$1,000 of real market value respectively. Any taxes levied in excess of those limitations are reduced until the limitations are met, a process known as compression. Temporary taxes that are in addition to the municipality's permanent rate that are approved by voters to provide funding for operating expenses are compressed first under this system. As a result, voters residing in a municipality in compression are limited in their ability to raise revenue to support services they desire.

Example

Sweet Home, a timber-dependent community of roughly 9,000 residents in Linn County, has a low permanent tax rate for a city of its size. As a result, the city has provided essential police protection and library services via voter-approved temporary taxes since 1986. In 2010, voters in Sweet Home approved these temporary taxes with 60 and 55 percent of the vote respectively.

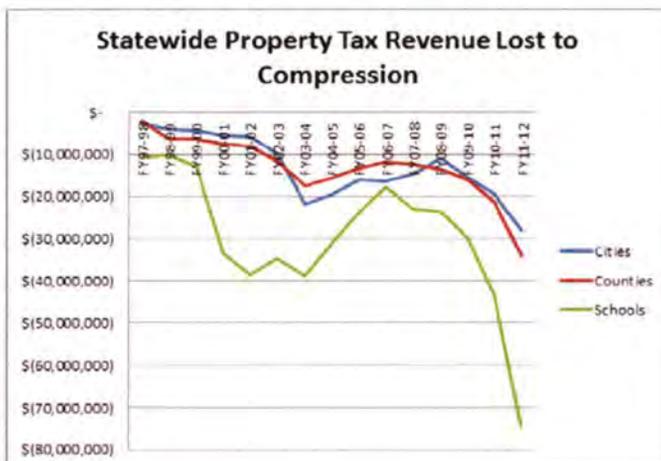
However, Linn County has its own voter-approved temporary tax that competes against Sweet Home's, and property values in Sweet Home have fallen in recent years. As a result, temporary tax revenue losses due to compression have increased from \$300,000 to \$730,000 – nearly a third of what the levy was supposed to collect. As a consequence, the public safety and library services are not being provided at the level local citizens wanted.

Statewide Impacts

Compression is becoming a growing problem for local governments statewide. Since 2008-09, total revenue lost to compression has increased from \$51 million, or 1.13 percent of property tax collections, to \$144 million, or 2.8 percent of collections (see Table 1). All counties are in compression, as are half of all cities and more than 90 percent of all school districts.

Table 1: Statewide compression losses

	Revenue lost to compression in FY2011-12 (in millions)	Percent increase in compression losses since FY2008-09
Schools	\$ (74.50)	216%
Counties	\$ (34.30)	154%
Cities	\$ (28.20)	161%



Last May, local voters approved 18 of 21 (86 percent) temporary taxes, including six out of six city tax levies and four out of five county tax levies. While voters may still be concerned about the state of the economy, in many instances they clearly realize the value of local government services and are willing to tax themselves to provide those services. Whether or not any local voters approve temporary taxes outside of compression limitations is irrelevant. What matters is that voters currently do not have the freedom and opportunity to do so.

Population Forecasting

Description

The proposed legislation would provide cities with population forecasts that would be updated every four years and be fully funded by state resources. These forecasts would be provided by the Population Research Center (PRC) at Portland State University, would not be considered a land use decision, and not subject to appeal at the Land Use Board of Appeals (LUBA).

Background

Under our current system, cities are mandated to use population forecasts to update their comprehensive plans. Current and future trends indicate that there are growing numbers of cities finding it necessary to begin UGB updates, requiring fresh forecasts. Counties are required by state law to issue, adopt and keep current forecasts for the urban and rural portions of their county (except Metro for its portion of the three-county region). For a variety of reasons, counties have had difficulty complying with the mandate to provide forecasts to cities—more than half the counties in the state have never provided their cities forecasts, or the forecasts are more than 10 years old. Cities have also had difficulty obtaining timely county approval of forecasts generated by a city, resulting in lost opportunity costs. Additionally, the monetary costs of complying with the existing system are substantial. Adding to the costs has been the skyrocketing of litigation—many forecasts are being challenged initially or at a later date as part of a subsequent land use action.

Example

Take for example the city of Newberg, a fast-growing community of roughly 22,000 residents in Yamhill County. The city has experienced two fairly recent forecast efforts, resulting in a LUBA appeal, approximately \$30,000 in city expenses and several years of time. Newberg still does not have a coordinated population forecast number that has been adopted by the county. Additionally, there has also been associated county time and expense, significant private citizen time and expense, and delay of important growth and employment opportunities in the city.

Statewide Impacts

The new forecasting system will result in considerable cost savings and will provide forecasts on an on-going basis.



Concept Details

- Forecasts will not be a land use decision, and not appealable to LUBA.
- "First round" forecasts will be completed over a 4-year period. Forecasts will be issued for one-fourth of the state every year.
- 50-year forecast horizon; includes single year increments.
- Includes a local process that allows multiple opportunities for input from cities, counties, citizens.
- A short 60-day challenge process if a city, county, or citizen does not agree with the forecast.
- Cities may choose from several options as to when they begin using the new numbers.
- Metro retains responsibility for city/county forecasts in the Metro boundary, but must coordinate methodologies with PRC. PRC will produce forecasts for cities and counties in Multnomah/Clackamas/Washington County, outside of Metro.
- A peer review team comprised of experts in the field, and city and county representatives will review methodology, local data collection and provide peer review to PRC.
- Cities with a shared UGB or shared county boundaries will be coordinated and forecasted in the same "round."

Reset at Sale

Description

The League's second proposed constitutional referral would reset a property's taxable value to its real market value at the time of sale or construction. The referral would not raise anyone's taxes on their current home, but would restore equity by recalibrating taxes based on the market's valuation of a property at the time of sale—a better measure of a property's value and an owner's ability to pay.

Background

Measure 50, passed in 1997, created a new artificial taxable value for all properties. Taxable value was initially set at 90 percent of a property's 1995-96 real market value. For newer properties, a county-wide ratio is applied to determine the initial taxable value. Growth in taxable value is limited to 3 percent annually.

By locking in taxable values based on 1995-96 real market values or a ratio at the time of construction, and by capping annual growth, huge disparities in tax bills have emerged as property values have changed and as neighborhoods have gentrified.

Example and Statewide Impacts

Homeowners in inner North and Northeast Portland, for example, often have property tax bills that are one-third or one-fourth of what homeowners with similar real market values pay across town. The reason is simple. In the early and mid-1990s, large swaths of North and Northeast Portland had lower market values, and those values still determine the taxes owed. (See Table 1 for examples.)

Similarly, the ratio applied to new property can vary greatly from year to year as the market fluctuates. In Deschutes County, the ratio used to calculate taxable value for new properties has increased 50 percent between 2010 and 2011. As a result, identical properties with the same sale price but permitted only months apart can have dramatically different tax liabilities.

These inequities are not confined to certain areas of the state, however; they exist statewide.

Solution

Seventeen other states have property tax limitations similar to Oregon's. Of those, 15 readjust property taxes at the time of sale. Oregon's existing system, according to a Lincoln Institute of Land Policy report, "has gone the farthest of any [in the country] in breaking the link between property taxes and property values."

Resetting taxable value to real market value at the time of sale would reconnect the link between property value and property taxes, and improve the fairness of Oregon's system.

Table 1: Tax inequities between two neighborhoods in Portland

Established	RMV	Taxable Value	Taxes
9910 SW 61st	\$ 269,670	\$ 213,930	\$4,236
9931 SW 61st	\$ 270,590	\$ 236,110	\$4,270
9930 SW 61st	\$ 279,390	\$ 216,920	\$4,385
9911 SW 61st	\$ 311,450	\$ 252,070	\$4,897
Gentrifying	RMV	Taxable Value	Taxes
5134 NE 16th	\$ 267,870	\$ 72,870	\$1,624
5117 NE 16th	\$ 268,480	\$ 51,790	\$1,154
5126 NE 16th	\$ 282,140	\$ 51,640	\$1,151
5133 NE 16th	\$ 352,530	\$ 81,930	\$1,826

Jobs and Economic Development

Description

Support investment in three funding requests from the Oregon Business Development Department's that will create, retain, expand and attract businesses that provide sustainable family-wage jobs for Oregonians through public-private partnerships and leverage funding and economic opportunities for Oregon companies and entrepreneurs. The three initiatives are:

- **\$10 million** to recapitalize the *Brownfield Revolving Loan Redevelopment Fund*, which provides loan funding for gap financing that commercial lenders are unable to provide to clean up industrial sites;
- **\$25 million** within the Special Public Works Fund (SPWF) to institute the *Patient Capital for Industrial Lands Infrastructure Pilot Program*, which would provide funding to municipalities to install infrastructure and necessary feasibility studies needed for industrial sites to be "shovel" ready for development; and
- **\$15 million** within the SPWF to institute the *Employment Site Re-Use/Redevelopment Pilot Program*, which would assist communities with funding incentives to reuse or redevelop existing industrial lands. Funding could be used to address a variety of barriers to utilizing existing industrial land within a city's urban growth boundary, including building inadequate infrastructure, addressing environmental contamination, and dealing with fractured parcel ownerships or pressure to convert to non-industrial uses.

Background

In a 2012 League survey, cities ranked the lack of infrastructure as the biggest hurdle to attracting new or expanded industrial development or new employment opportunities. Adequate infrastructure for industrial sites is a critical component to the economic vitality of cities and local economic regions. An adequate supply of shovel ready industrial land will be essential in order for cities to create jobs, improve the quality of life for residents, and foster entrepreneurship and productive economic activity.

Further, prior surveys have identified more than \$2 billion in municipal infrastructure projects that would be ready to go to bid if sufficient funding is secured— a figure that reflects the decline of state and federal investments in local infrastructure over the course of the last several decades.

Statewide Impacts

These three economic development initiatives would remedy infrastructure deficiencies and provide critical funding for specific types of industrial development situations that are important for job creation and economic vitality.

These three programs will:

- Help cities utilize existing industrial sites and clean up underutilized and contaminated areas;
- Grow the property tax base for cash-strapped cities, schools and counties;
- Give Oregon a supply of shovel-ready industrial land that can be occupied within six months;
- Provide family-wage jobs when a tenant occupies the land; and
- Make Oregon a more competitive and attractive state for economic development.



9-1-1 Tax Renewal

Description

The League will work with other stakeholder groups (principally organizations representing public safety organizations and jurisdictions) to extend the 9-1-1 emergency services tax beyond its expiration in 2014. In doing so, the League seeks several important policy changes to the 9-1-1 system.

Background

The current \$.75 per month tax is an important source of revenue for cities. After subtracting collection costs, administrative fees and equipment costs, cities receive \$13 million per biennium, which is passed through to the governing authority of the 9-1-1 jurisdiction serving that city. These funds are the backbone of the budget that supports the planning, installation, maintenance, operation and improvement of the statewide 9-1-1 emergency reporting system.

The state currently diverts portions of the 9-1-1 tax revenues it collects as well as the earned interest to the general fund in support of positions and activities unrelated to 9-1-1 services, a practice frowned upon by the federal government. Oregon is one of the only states in the country to do so, and as a result, for the last three years has been ineligible for federal emergency services grants.

Pre-paid cellular phone and Voice over Internet Protocol (VoIP) users do not pay the 9-1-1 tax. All other users of telecommunications services, including regular cell phone users, pay the tax. Previous attempts to enact legislation addressing this inequity have failed. Legislative counsel has opined that such legislation is unnecessary because the authority to levy this tax already exists. The Oregon Department of Revenue is considering a rule that would include pre-paid cell phones under the tax, but if approved litigation would likely result.

Concept Details

The statutory authorization for the collection of taxes in support of the 9-1-1 reporting system is due to expire on December 31, 2014. It is therefore important that the Oregon Legislative Assembly extend the authorization for the 9-1-1 tax. In addition, the League will seek to:

- Modify the tax rate to ensure adequate resources for both the management of the system and the acquisition of the most modern technology;
- Make permanent the statutory authority for the tax (i.e. no sunset provision) in recognition of the permanence of the 9-1-1 system;
- Require that the state use revenues derived from the 9-1-1 tax solely for the provision of emergency reporting services, thereby ending the practice of diverting both revenues and earned interest to the state's general fund; and
- Make it statutorily clear that purchasers of pre-paid cell phones and VoIP services are also subject to the 9-1-1 tax.

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING)	RESOLUTION NO. 13-4402
REGIONAL POLICY AND FUNDING)	
PRIORITIES FOR 2013 STATE)	Introduced by Councilor Carlotta Collette
TRANSPORTATION LEGISLATION)	

WHEREAS, the governments of the Portland metropolitan region recognize the importance of investing strategically in public infrastructure, particularly transportation infrastructure, as a way to support private investment and economic recovery in these difficult economic times; and

WHEREAS, transportation investments that contribute to economic recovery also bring increased revenues to local and state governments, thereby helping to ease the crisis in public budgets; and

WHEREAS, our region has a track record of creatively financing forward-looking transportation investments that address the needs of both the present and the future, and of combining smart investment with policy innovations that support good jobs, livable communities and a sustainable environment; and

WHEREAS, the Columbia River Crossing represents the most important transportation investment in the Portland metropolitan region in a generation, providing benefits to the economy, the environment and the safety of the traveling public; and

WHEREAS, the Columbia River Crossing is poised to receive federal support once the states of Oregon and Washington have secured their share of the overall funding package for the project; and

WHEREAS, the Governor's Vision Committee, which in 2008 developed the framework that led to the passage of the landmark 2009 Jobs and Transportation Act, included in that framework a recommendation that the state identify a source of dedicated funding to support multimodal transportation investments that cannot be paid for with highway fund dollars; and

WHEREAS, subsequent efforts have advanced that recommendation by attempting to quantify the funding gaps for various non-roadway transportation modes and proposing potential institutional structures and funding sources to close those gaps; and

WHEREAS, a combination of careful planning and strategic investments supported by local, regional, state and federal resources has helped to make this region the economic engine of the state and an example to the nation; and

WHEREAS, in the face of today's challenges, we need to extend this tradition of leadership by pursuing supportive policy and funding proposals in the 2013 legislative session; now, therefore,

BE IT RESOLVED:

1. That the Metro Council and the Joint Policy Advisory Committee on Transportation (JPACT) adopt the following principles to guide the region's approach to transportation issues in the 2013 legislative session:
 - Jobs and Economic Recovery: The local governments of the Portland metropolitan are committed to partnering with others to support economic recovery through the creation and efficient operation of a robust transportation system.
 - Support Multimodal Investment: Oregon should build upon its lottery-backed program of investment in multimodal capital projects that support freight mobility and transit by identifying new, ongoing state funding that supports those projects as well as transit operations and pedestrian and bicycle facilities.

- Preserve and Expand Local Options: The transportation challenge will require innovative policy and new funding commitments at all levels of government, including additional local funding to repair and maintain existing transportation facilities. Accordingly, the Legislature should remove existing restrictions on local and regional revenue-raising authority; avoid enacting new limitations or pre-emptions; and explore new structures and authorities that give local governments the flexibility to build, operate and fund transportation systems that support prosperity, livability and sustainability.
2. That the Metro Council and JPACT endorse transportation funding and policy priorities for the 2013 legislative session as reflected in Exhibit A to this resolution.

ADOPTED by the Metro Council this _____ day of January, 2013.

Tom Hughes, Council President

Approved as to Form:

Alison Kean Campbell, Metro Attorney

2013 Regional Transportation Agenda:
Specific Recommendations

Columbia River Crossing – The Columbia River Crossing represents the most important transportation investment in the Portland metropolitan region in a generation, providing benefits to the economy, the environment and the safety of the traveling public. JPACT and the Metro Council urge the Legislature to commit the state’s share of the project finance plan as follows:

- The funding approach must recognize the statewide importance of this project and not come at the expense of other projects in the region.
- The funding approach must reflect a commitment to build the full project, including road, bike, pedestrian and transit elements.
- Improvements intended to mitigate the impact of the project on local communities in the project area should not be deferred until an undefined and unfunded later phase of construction.
- Follow through on the creation of a Community Enhancement Fund.
- The funding package must not extend the current pre-emptions against local gas taxes or registration fees.

ConnectOregon V – Support a fifth round of *ConnectOregon* funding.

Non-roadway funding – Support the creation of a permanent funding stream for non-highway transportation.

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 13-4402, FOR THE PURPOSE OF ENDORING REGIONAL POLICY AND FUNDING PRIORITIES FOR 2013 STATE TRANSPORTATION LEGISLATION

Date: December 6, 2012

Prepared by: Randy Tucker

BACKGROUND

In difficult economic times, strategic investment in public infrastructure, particularly transportation infrastructure, offers a way government can act to support private investment and economic recovery. An efficient and adequately funded transportation system is critical to ensuring a healthy economy and livable communities throughout our state. Moreover, transportation investments that create jobs and contribute to economic prosperity also bring increased revenues to local and state governments, thereby helping to ease the crisis in public budgets.

After years of stagnation in transportation funding, the investments supported by Oregon Transportation Investment Acts (OTIA) I, II and III (2001, 2002, and 2003), by the *ConnectOregon* I, II, III and IV packages (2005, 2007, 2009 and 2011), and by the Jobs and Transportation Act (JTA) in 2009 have created jobs, improved safety and helped Oregon respond to important economic opportunities. This is also true for legislative actions supporting capital investments in public transit and authorizing transit agencies to increase operations funding.

To be sure, funding shortfalls remain: a significant backlog of key modernization projects remains unfunded, local governments lack adequate revenues to maintain the existing system, and public transit systems continue to struggle to provide adequate service. Given the range of needs, there are many actions the Legislature can take to support an efficient, reliable, and sustainable transportation system.

However, there is an emerging consensus that the region's top priority for 2013 is to work with numerous partners to secure Oregon's share of funds to build the Columbia River Crossing (CRC). 2013 is a key window of opportunity for the CRC. Replacing the I-5 bridge over the Columbia is Governor Kitzhaber's top transportation priority and one of the top three overall priorities of the Oregon Business Plan. The project is poised to receive federal funding through New Starts and the TIFIA program, but only if Oregon and Washington commit their share of the overall finance package in the coming year.

Another emerging priority has to do with funding for non-highway transportation investments. Not only will a new round of *ConnectOregon* be proposed in 2013, but a statewide coalition that includes many of the organizations that lobby the Legislature on transportation issues is developing a proposal that could lead to ongoing funding for multimodal transportation, including funding for transit operations and bicycle and pedestrian investments not heretofore included in the *ConnectOregon* program. Both *ConnectOregon* V and the creation of a permanent non-highway funding stream have also been endorsed in the Oregon Business Plan.

Provisions of Resolution 13-4402: The resolution proposes three high-level principles to guide the region's participation in transportation discussions in 2013:

- Support jobs and economic recovery
- Support multimodal investment
- Preserve and expand local options (including revenue raising authority)

In service of these principles (the same general principles included in the 2011 JPACT agenda), Exhibit A includes specific recommendations. Attached to this staff report is an annotated version of Exhibit A that includes brief discussions of these recommendations.

Discussion: Metro and local government staff who developed this resolution initially presented a range of issues for discussion by the JPACT Finance Committee on October 23. JPACT members share an understanding of the challenging political, economic and budget environments at the state level. In that context, this agenda proposes to focus the region's strongest efforts on achieving a single top priority (financing for the CRC). Other priorities include defending past progress, maintaining existing local revenue authority and restoring authority that has been temporarily suspended, seeking additional local flexibility, and continuing our region's innovative approach to transportation system development in ways that support economic prosperity, livable communities, and environmental sustainability.

Issues to consider: See the attached annotated version of Exhibit A.

ANALYSIS/INFORMATION

1. **Known Opposition:** None (to this resolution). Opposition to individual recommendations could come from a variety of sources depending on the specifics of the recommendation. Given the challenging budget climate and the shortage of funding for most transportation needs, recommendations that require funding may generate opposition based on competition for funds.
2. **Legal Antecedents:**
 - Oregon Transportation Investment Acts I, II, and III (HB 2142, 2001; HB 4010, 2002; HB 2041, 2003).
 - ConnectOregon I, II, III and IV multimodal investment packages (SB 71, 2005; HB 2278, 2007; sections 8, 9, and 10 of HB 2001, 2009; HB 5036, 2011).
 - Oregon Jobs and Transportation Act (HB 2001, 2009).
 - Metro Council Resolution No. 04-3498, For the purpose of endorsing regional priorities for a state transportation funding package; Resolution No. 07-3764, For the purpose of endorsing regional priorities for state transportation funding legislation; Resolution No. 08-3921, For the purpose of endorsing regional priorities for state transportation funding legislation; Resolution No. 08-3956, For the purpose of endorsing regional priorities for state transportation funding legislation; Resolution 08-4003, For the purpose of endorsing final regional priorities for 2009 state transportation funding legislation; Resolution 11-4223, For the purpose of endorsing regional policy and funding priorities for 2011 state transportation legislation.
3. **Anticipated Effects:** The proposed resolution establishes policy guidelines for the region's advocacy efforts related to transportation in the 2013 Oregon Legislature.
4. **Budget Impacts:** No direct impacts. Local and regional governments will dedicate existing staff to advocacy.

RECOMMENDED ACTION

Staff recommends adoption of Resolution 13-4402.

2013 Regional Transportation Agenda:
Specific Recommendations

Columbia River Crossing – The Columbia River Crossing represents the most important transportation investment in the Portland metropolitan region in a generation, providing benefits to the economy, the environment and the safety of the traveling public. JPACT and the Metro Council urge the Legislature to commit the state’s share of the project finance plan as follows:

- **The funding approach must recognize the statewide importance of this project and not come at the expense of other projects in the region.**

JPACT adopted this position in its 2011 legislative agenda. The funding plan for the CRC calls for a state contribution in the range of \$450 million, in addition to a regional contribution in the range of \$1-1.3 billion that would be funded by tolls. (Other contributions are expected from the state of Washington and from the federal government). The language of Exhibit A reflects a regional understanding that the benefits of this investment accrue to the whole state; thus the state’s contribution should not come at the expense of other transportation projects in the region any more than it should come at the expense of other projects around the state. Past transportation funding approaches have reflected this understanding in different contexts:

- *The earmarked projects in the Jobs and Transportation Act (2009) were not considered part of the formula allocation of new revenues to local jurisdictions around the state.*
- *OTIA III (2003) allocated \$1.3 billion to ODOT bridge repair statewide and \$300 million to city/county bridge repair; this money was “taken off the top” without regard to the location of the bridges that were repaired and without otherwise affecting the formula for distribution of city and county highway fund dollars.*
- *The 2007 Legislature reserved \$56 million to assist counties suffering from the loss of timber payments; this money, distributed in 2008, came out of the ODOT share of the highway trust fund and did not come at the expense of other funding allocations to cities and counties.*
- *There is a longstanding practice of allotting funds to small cities and small counties off the top of the city/county and ODOT shares of highway fund dollars without affecting the underlying city and county allocations.*

The legislative oversight committee has articulated its interest in treating the CRC as a statewide priority, and no one has publicly advocated a state funding approach that disadvantages this region. However, concerns remain that legislators from other areas of the state might push for such an approach.

- **The funding approach must reflect a commitment to build the full project, including road, bike, pedestrian and transit elements.**

While this is not really at issue, certain parties continue to raise concerns about specific elements of the project (e.g., light rail, tolls). The full multimodal project is necessary to obtain federal funds, maintain the broadest possible public support and address the project’s Purpose and Need.

- **Improvements intended to mitigate the impact of the project on local communities in the project area should not be deferred until an undefined and unfunded later phase of construction.**

The project’s tentative phasing proposal would defer until a second phase certain improvements in the immediate vicinity of the bridge that are intended to address the impact of the facility on the local Hayden Island community. If these improvements are left out of the project’s first phase, there is no guarantee that they will ever be built. The community is proposing an alternative that reduces the footprint of the interchanges and eliminates the need for a second phase, thereby saving significant cost while still meeting the project’s Purpose and Need.

➤ **Follow through on the creation of a Community Enhancement Fund.**

The CRC has committed to the development of a Community Enhancement Fund to address the impacts on the local community of I-5 south of the bridge, which divides the community it passes through. This commitment responds to a condition of approval that was adopted by JPACT and the Metro Council in Resolution 08-3960B and further endorsed in Resolutions 11-4264 and 11-4288.

➤ **The funding package must not extend the current pre-emptions against local gas taxes or registration fees.**

ConnectOregon V – Support a fifth round of ConnectOregon funding.

- *Each of the first three rounds of Connect Oregon utilized \$100 million in lottery-backed bonds to support air, marine, rail and public transit projects; ConnectOregon IV was reduced to \$40 million. The Governor's recommended budget includes \$60 million for ConnectOregon V.*

Non-roadway funding – Support the creation of a permanent funding stream for non-highway transportation.

- *Building on the recommendation of the 2008 Governor's Vision Committee, the work of the 2011/12 Non-Roadway Transportation Funding Work Group, and the success of ConnectOregon, a broad range of parties who are active in the Legislature on transportation issues is developing a proposal for an ongoing (as opposed to session-by-session) program for investing in non-highway transportation. This program would divide its investments evenly between moving freight (air, rail, marine) and moving people (transit, passenger rail, bicycle, pedestrian). Unlike ConnectOregon, it would not be limited to capital investments, but could be used for operations as well (e.g., public transit). The importance of establishing a reliable source of funding for non-highway modes is heightened by the passage in 2011 of HB 3672, which phases out the use of the Business Energy Tax Credit for transportation in steps over a four-year period. The Oregon Business Plan calls on the state to "take steps to create a permanent non-highway funding stream" as one of its 2013 Jobs Initiatives.*

Oregon TECH

Why Oregon Tech Matters for Oregonians:

- **Oregon Tech graduates get jobs.**
[90% graduate success rate within 6 mos.; average starting salary ~ \$56K]
- **Oregon Tech delivers high-quality, nationally recognized Science, Technology, Engineering & Math (STEM) degrees in high-demand fields.** [31 of 34 are STEM degrees]
- **Oregon Tech gets high return on investment (ROI) for state and student dollars.**
[1st in starting salaries in Oregon; 1st in mid-career salaries in Oregon; 38th nationally in starting salaries and top 15% in mid-career salaries (out of 1058 US colleges and universities) -PayScale.com]

What can legislators do during the 2013 Legislative Session to help Oregon Tech continue to deliver results for Oregonians?



1. Authorize \$10M in F Bonds to complete finance package for Oregon Tech Wilsonville

F-Bond funding will allow Oregon Tech to execute the purchase of the Wilsonville Campus as soon as possible, lowering overall financing cost. Debt service on the F Bonds will be generated through tuition and other revenue. We need F-Bond financing due to two factors:

- Sale of Oregon Tech's share of the former Harmony campus to Clackamas Community College, which is part of our purchase budget, has been delayed. We are currently seeking potential buyers, and will utilize the proceeds of the sale to pay off debt on the Wilsonville Campus.
- Without F-Bonds, Oregon Tech will have to make larger payments over a shorter period of time to the OUS internal bank, leading to reduced operating flexibility for OUS and Oregon Tech, higher tuition costs for Oregon Tech students, and ultimately to diminished capacity to help achieve 40-40-20 in Oregon.

The Wilsonville campus will allow Oregon Tech to double the number of graduates at the urban campus, contributing to the 40-40-20 goal, and raise awareness about the reputation and value of Oregon Tech degrees to benefit all campus locations. Production of additional STEM-degree graduates will fill a critical void in the Oregon workforce and stimulate Oregon's economy.

Let's do the math: Average graduates/year at new campus ~ 200 x 90% (have jobs within 6 months) x ~\$56,000/year (average salary) = \$10,080,000 in annual taxable income.

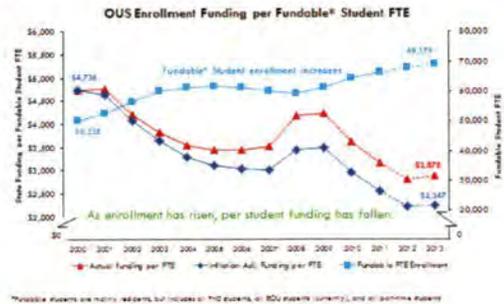
This request is currently included in the Governor's Balanced Budget.

2. Support Adequate Higher Education Budget

The primary way to control tuition is with adequate state support that reduces direct cost to Oregon students. The OUS received 16.9% of the total Oregon general fund in the 1987-89 biennium. In 2009-11, it received 5.8%. OUS is currently ranked 45th out of 50 states in state funding per FTE, and needs an increase in the amount of state funds per student in both General & Education funding and Oregon Opportunity Grants/need-based aid. **The Governor's budget includes \$737M for OUS G&E funds and \$123M for Oregon Opportunity Grants, approximately 10% less than the amount needed to retain service levels without tuition increases.**

We're Realistic...

State funding per fundable* FTE



3. Reinstate Sports Lottery Funding for Scholar-Athletes at Small Universities

The Governor's proposed budget will eliminate sports lottery funding that provides scholarships for university athletics. **Oregon Tech will lose approximately \$300K, which is >14% of our total athletics budget, if the budget is passed without this investment. The loss of funds will affect 50–80 students, reduce Oregon Tech's ability to recruit top scholar-athletes (average GPA in sports programs is 3.1 – STEM majors), potentially eliminate several sports programs, and affect both men's and women's sports.** This budget reduction will have an especially major impact on small, rural universities.

4. Support STEM Partnership Investments: We put the "T" in STEM.



The legislature can increase ROI [Return on Investment] for state education dollars by focusing investments in science, technology, engineering, and math academic programs that help Oregonians find high-wage jobs. **Oregon Tech is seeking support for its STEM Partnership programs, through strategic initiatives to form STEM Hubs/Centers/Partnerships in regions around the state. With state support, Oregon Tech could offer more advanced transferrable college credits to HS students and increase mentorship, project-based curriculum, and teaching support for High School teachers.**

All of the outcomes noted below decrease time to degree, which results in lower cost per degree and increased accessibility for all Oregonians.

Outcomes include:

- 14,000 additional college credits for Oregon students awarded in STEM fields through Project Lead the Way (PLTW) exam or dual-credit options over four years—more than double Oregon Tech's current capacity. Cost of credits to students is approximately \$227,000 (\$25/credit or free for low-income students; tuition value of advanced credits for students is ~ \$2,128,000)
- 50 reverse-transfer degrees awarded
- 40 additional teachers eligible to offer college dual credit for their high-school courses
-

OREGON TECH = JOBS * STEM * ROI

2013 ODOT Legislative Agenda

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HB 2260 - Interstate 5 Bridge Replacement Program (CRC)

Authorizes the commission to enter into agreements with the State of Washington or its toll authority to establish, adjust and collect tolls for the Interstate 5 bridge replacement program. Authorizes Oregon's enforcement of the tolls, short term borrowing and the issuance of revenue bonds, general obligation bonds or a combination of revenue bonds and general obligation bonds to finance the project.

HB 2261 - Clarification of Provisional Licensing Law

Clarifies that the restrictions placed on the provisional license issued to a teen driver are lifted on the driver's 18th birthday. Current law restricts a teen driver's license during the first year of driving experience. Legislative history clearly indicates that the restrictions were to last one year, or age 18, whichever comes first. The law has been applied inconsistently to 18 year-olds by some law enforcement and courts.

HB 2262 - Federal Commercial Drivers License Compliance

Makes a number of changes in Oregon's Commercial Driver License (CDL) statutes to comply with federal regulations. Among other changes, the concept adds Commercial Learner Permits to the state CDL program.

HB 2263 - Business Regulation Fee Increase

Increases fees paid by auto dealers, dismantlers and related business certifications to maintain current services provided to vehicle-related businesses by the DMV Business Regulations Section. Enables DMV Business Regulations to continue enforcing laws as required by statute to protect consumers.

HB 2264 - Teen Driver Ed Expansion

Amends the teen driver education program statutes to get more teens into the program. Offers incentives to teens and their parents to participate in the course, creates adaptive strategies for under-served areas of the state, and holds driver ed providers accountable in a more effective way.

HB 2265 - Repeal 2013 Sunset for Work Zone Photo Radar Pilot

Removes the sunset making ODOT's pilot work zone photo radar program permanent. Also allows law enforcement to use this safety tool on interstates (currently not allowed) and when workers are not on site (currently only when workers are present).

Other important concepts

LC 2732 - Reallocation of JTA Funds (Senate Business & Transportation)

Reallocates the JTA funds per the Oregon Transportation Commission's recommendation: \$10 million from the Interstate 5 at Beltline Highway project in Eugene to the Interstate 5 at State Highway 214 Interchange project in Woodburn. Both projects will be fully funded. Also about \$1.3 million is reallocated from two completed projects in Baker County to the county. This bill needs to pass by March in order for the Woodburn project to meet its construction schedule.

LC 2847 - *ConnectOregon V* (Senate Business & Transportation)

The *ConnectOregon V* concept authorizes the issuance of lottery-backed bonds for investment in non-highway transportation infrastructure statewide, including rail, marine, aviation and transit, during the 2013-15 biennium. The amount of the *ConnectOregon V* bond authorization will be determined during development of the Governor's Recommended Budget for 2013-15, which includes \$60 million from lottery-back bonds and general fund certificates of participation. The Legislature approved the issuance of \$100 million in lottery bonds in 2005, 2007 and 2009 and \$40 million in lottery bonds in 2011.

LC 266 - Road User Charge (Road User Fee Task Force & Rep. Berger)

The Road User Fee Task Force is developing the concept to charge the owners and operators of electric vehicles, plug-in hybrid vehicles and other vehicles with greater than 55 mpg or equivalent for road use based on the number of miles driven.

LC 2847 *ConnectOregon V*

Agency:
ODOT

Subject:
ConnectOregon V

Contact:
Betsy Imholt
503-986-3444

Background

ConnectOregon is a lottery-backed bond initiative to invest in air, rail, marine and transit infrastructure to promote economic development and livability in Oregon. Public and private investments in transportation infrastructure create jobs and help foster economic development by facilitating the movement of goods and people with a safe and efficient transportation system.

The 2005 Legislature created the *ConnectOregon* program and approved \$100 million of state lottery bond proceeds to fund it. The legislature approved additional \$100 million bond authorizations in 2007 and 2009 and a \$40 million bond authorization in 2011.

What the bill does

ConnectOregon V proposes a 2013 investment in Oregon's multimodal transportation system to create jobs and further economic development in Oregon. It will build on the success of the preceding *ConnectOregon* grants and loans and will continue to improve the flow of commerce, remove delays and improve safety. *ConnectOregon V* investments will improve the condition and efficiency of Oregon's diverse multimodal transportation system.

This concept will authorize the issuance of lottery-backed bonds for investment in non-highway transportation infrastructure statewide, including rail, marine, aviation and transit, during the 2013-15 biennium. The Governor's Recommended Budget for 2013-15 includes \$60 million for *ConnectOregon V*. The concept diversifies transportation funding to include investments in non-highway modes.

As in past *ConnectOregon* programs, *ConnectOregon V* applicants will submit project proposals that demonstrate the transportation benefits, the jobs created or maintained, project readiness, and the required match money. Modal experts review proposals to prioritize modal impacts; regional officials review proposals to prioritize impacts within the region. Each of the Department of Transportation's five geographic regions is guaranteed a minimum portion of the funding.

OREGON BUSINESS PLAN STEERING COMMITTEE

John D. Carter, *Chair*, Schnitzer Steel Industries

Eric Blackledge, At-large Member, Blackledge Furniture

Samuel Brooks, Oregon Association of Minority Entrepreneurs,
S. Brooks & Associates

Nick Blosser, Oregon Business Association, Celilo Group Media

Justin Delaney, At-large Member, The Standard

Matt Donegan, State Board of Higher Education, Forest Capital Partners

Patrick Egan, Oregon Transportation Commission, Pacific Power

Dwayne Johnson, Oregon Small Business Advisory Council, Globe Three Ventures

Randy Miller, At-large Member, Produce Row Property Management

John Morgan, Oregon Innovation Council, Avamere Family of Companies

Neil Nelson, Associated Oregon Industries, Siltronic

Greg Ness, Greater Portland Inc., The Standard

Wally Van Valkenburg, Oregon Business Development Commission, Steel Rives

Malia Wasson, Oregon Business Council, US Bank – Oregon

Brett Wilcox, At-large Member, Summit Power Alternatives

Ex-Officio Members

Paul Barnum, Oregon Forest Resources Institute

Jon Chandler, Oregon Home Builders Association

Jay Clemens, Associated Oregon Industries

Ryan Deckert, Oregon Business Association

Ron Fox, Southern Oregon Regional Economic Development, Inc.

Tim McCabe, Oregon Business Development Department

Steve McCoid, Oregon Restaurant and Lodging Association

Sandra McDonough, Portland Business Alliance

Mike Salsgiver, Associated General Contractors

Duncan Wyse, Oregon Business Council

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ARE WE READY TO GROW AGAIN?

Fix PERS. Invest wisely in education. Build the bridge.

Among important initiatives in health care, public finance, forestry, and others, these are critical and especially ripe for action in the Oregon Business Plan for 2013. They're also a measure of our will to address the question on the cover of this Policy Playbook: Are we ready to take action on these and other initiatives to get the Oregon economy moving again in the right direction? Are we ready to grow?

The need could not be more apparent. State unemployment hovers at 8.6 percent, and it's much higher in rural regions. Our per capita income is stuck 9 points below the national average and it's lower in rural Oregon.

In our income tax-heavy revenue system, when employment and income tax receipts shrink, so do public budgets for education, safety, and other services. Compounding the problem, public costs are rising in health care, social services, and corrections – and in unsustainable benefit arrangements in the Public Employees Retirement System (PERS). These costs further squeeze budgets for vital public services – especially education.

The solution is to grow more jobs that pay well and to get the best return for public dollars.

Getting Back on Track

That has been the focus of the Oregon Business Plan since it began in 2002. This effort has accelerated the past two years through a mix of initiatives to create jobs and redesign the way we deliver public services. These initiatives, all in various stages of work, are summarized in the matrices on pages 6 and 7 and presented in greater detail at the Oregon Business Plan website, www.oregonbusinessplan.org.

As described below in these pages, Business Plan initiatives are intended to improve the conditions for economic success in Oregon, in particular well educated people, quality of life, functional infrastructure, competitive business costs, and innovation. Many of these initiatives are long-term, but some of them also serve as interventions intended either to spur job growth in particular industries or regions, or to stop the damaging slide in our ability to invest in education. Page 3 describes how particular initiatives to stimulate job and income growth

and to boost public sector productivity are intended to raise more money to invest in education.

All of the Business Plan initiatives for 2013 are important, but these are the most urgent:

PERS. We must make further repairs to PERS retirement provisions that are unfunded, unsustainable, and a threat to public budgets that fund essential services from education to law enforcement to the social safety net.

Education. We have a once-in-a-generation opportunity to redesign public education so it produces better outcomes for both our students and our economy. Our education system evolved to suit the needs of another era and can't be fixed by money alone or simply "trying harder." It needs to be redesigned. We've started that process and must stay the course.

The Bridge. We've spun our wheels long enough on the Columbia River Crossing project. The old bridge is a bottleneck to commerce and economic growth. If we don't act soon, we'll lose out on federal funding and may not have another chance for decades to address this need.

**Fix PERS.
Invest Wisely in Education.
Build the Bridge.**

A Word of Thanks To Our Public Leaders

As we reach our tenth year of working together on the Oregon Business Plan and the Leadership Summit, business leaders wish to acknowledge and thank our public sector leaders for being such great partners. No other state approaches this level of public-private collaboration to solve problems and build a durable economic future.

Together, we have been especially successful in advancing regional job creation and significant overhaul of public services, especially in education and health care. These efforts are vital to support and grow businesses and good paying jobs – and to improve the lives of Oregonians.

To all of our elected officials and to our agency partners, we extend a heartfelt thanks.

OREGON BUSINESS PLAN FRAMEWORK

Goal: Quality Jobs in Every Region of Oregon, resulting in:

- 25,000 net new jobs per year (Oregon has been shy of that mark.)
- Per capita income above the national average by 2020 (It is now 91 percent of national average.)
- Reduction of Oregonians living in poverty to less than 10 percent by 2020 (It is now 14 percent.)

Vision: Clusters of Innovative, Sustainable, Globally Competitive Industries

Traded-sector businesses drive the Oregon economy. They export products and services outside of Oregon, bringing in fresh dollars that re-circulate through payrolls, employee spending in the local economy, purchases from vendors, and tax revenues that fund critical public services like education. Industries that sell globally are both big and small. In fact, 88 percent of businesses considered "traded-sector" are small. These industries tend to cluster based on access to shared resources, talent, suppliers, and other factors. They are as diverse as metals, machinery, semiconductors, software, tourism, footwear and apparel, renewable energy technologies, and green building design. Some of Oregon's key traded-sector industry clusters are listed below.

Advanced Manufacturing

- Metals (Primary and Secondary)
- Machinery + Transportation Equip.
- Food Processing
- Defense

High Tech

- Computer and Electronics Equipment
- Software
- Education Technology + Services
- Biotechnology

Natural Resources

- Forestry and Wood Products
- Agriculture Products
- Wine/Winemaking
- Beer/Brewing
- Nursery Products
- Tourism and Hospitality
- Heavy Lift Helicopters

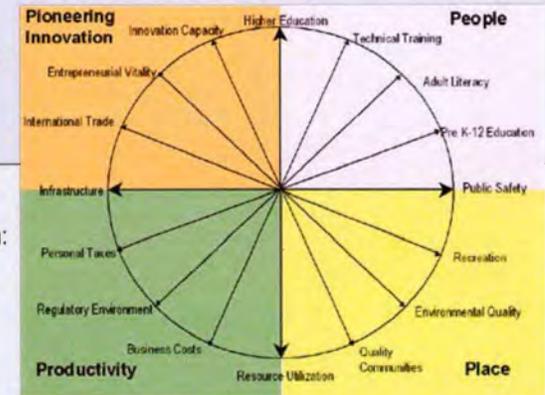
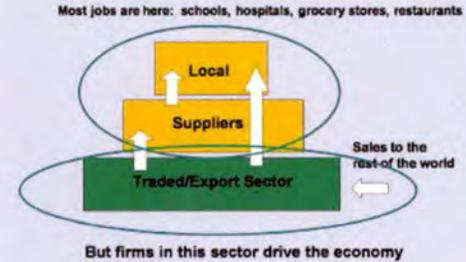
Footwear, Apparel and Outdoor Gear

Clean Technology

- Green Building and Design
- Energy Efficiency
- Solar Manufacturing
- Wind Energy Development
- Wave Energy Development
- Environmental Technology, Services.
- Electric Vehicles + Green Transportation

Creative Industries

Traded Sector Drives Growth



Strategy: Conditions Critical for Success: 4Ps for Prosperity

Representatives from key industry clusters report the following conditions are essential to promote high-wage job growth in Oregon:

People: A talented workforce.

Productivity: Quality infrastructure, resource utilization, competitive regulations and business costs.

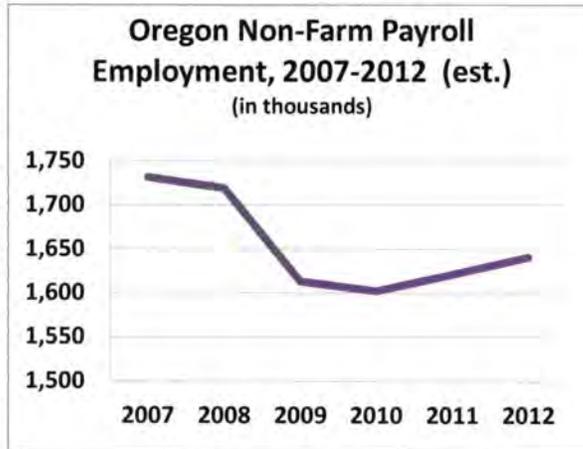
Place: A high quality of life that attracts and retains talented people.

Pioneering Innovation: A culture of research, commercialization and innovation in product and process design.

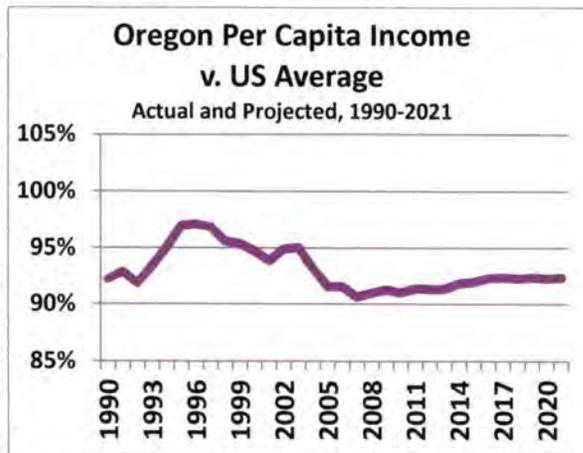
Initiatives: Using this framework the Business Plan presents a set of initiatives that support the vision and strategy. The initiatives change over time as conditions evolve and opportunities arise. Using the vision and strategy as a guide, a key role for the Business Plan is to help identify the work that is most timely and important given current circumstances. To set the agenda, the Business Plan Steering Committee consults with business, community, and elected leaders throughout the state.

HOW IS OREGON DOING?

Oregon is digging out. Five years since the beginning of the Great Recession, hiring is on the rise, although, as the figure below indicates, it's been slow to return to pre-recession levels. Household balance sheets have had time to improve. The U.S. housing and consumer markets have stabilized and appear poised for growth. That's welcome news for our forest products and residential construction industries. The state economist sees job growth accelerating in 2013. Assuming global economic conditions or our national fiscal challenges don't worsen, Oregon's conditions should favor steady gains through end of the decade.



Even with improving economic conditions, creating jobs is hard work. The part that's even harder is creating well-paying jobs that raise per capita income, reduce poverty, lower dependence on public services, and provide additional resources for critical investments in education. As illustrated



above, Oregon's per capita income declined from the mid 1990s through 2007 when it represented only 91 percent of the U.S. average. It has grown slowly since then, and the state forecasts only a modest improvement – to 92 percent – by 2021.

That's not acceptable. The Business Plan has set related goals of creating good jobs to elevate Oregon to U.S. average per capita income by 2020 and reducing the poverty rate to 10 percent. Achieving these outcomes is vital to Oregon's future.

OUR CHALLENGE AND STRATEGY

The Oregon Business Plan framework on the previous page shows a vital connection between the public sector and the health of our economy. Many of the conditions described in the Four Ps for prosperity are influenced by the quality of public services. We have described this relationship as a "circle of prosperity" in which a strong economy and good public services dynamically benefit one another (see figure at right).

Oregon enjoyed a vigorous circle of prosperity up through the mid 1990s, but in the first decade of this century we fell out of balance and into a circle of scarcity characterized by per capita income well below the national average and far below Washington.

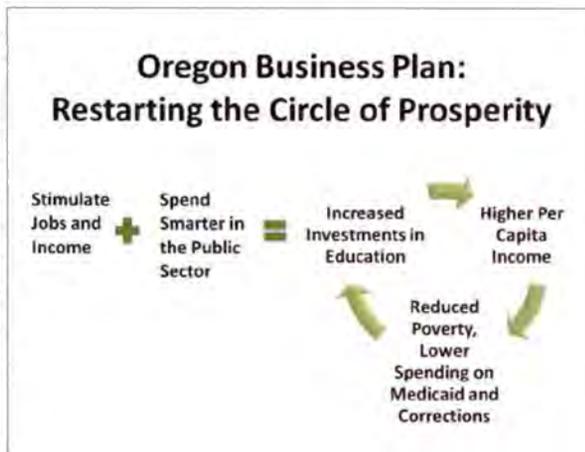


Our system of public finance is primarily to blame. Heavy reliance on income taxes creates a revenue system that is volatile. In downturns revenue receipts drop, requiring cuts in public services, including education just when it is in the greatest demand. That's one of the ways our reductions in postsecondary education spending over this past decade have undermined our economic prospects. Moreover, high personal income taxes and capital gains taxes dampen economic activity by encouraging entrepreneurs, investors, and professionals to live elsewhere. Add to this a large, unfunded pension system that is further devouring education budgets. These factors are a toxic mix.

Our ambivalence about economic growth and business is also a problem. During recessions and high unemployment, the public and elected officials generally support economic growth. However during good times, anti-growth sentiments often well up. The fact is, investments need to be made in the good times to help carry the community forward in more difficult periods.

Getting Oregon Back on Track

Two years ago, we reorganized the Oregon Business Plan's initiatives with the intent to restart the circle of prosperity for Oregon. The figure below illustrates the plan. First, pursue an aggressive jobs agenda. This offers ideas in nine categories, ranging from permit streamlining to better use of our forest and water resources. These actions on jobs also give a boost to public sector revenues. As we create more jobs, more tax revenues come in for schools and other vital services.



The second part of the restart plan is to redesign public services and the way we pay for them to get more value from the dollars we invest. In particular we must address two looming trends: 1) arrest the growth in Medicaid and corrections spending, which commands an ever larger share of the state budget at the expense of education, and 2) address the growing costs of employee compensation associated with health care and with the state's Public Employees Retirement System (PERS).

This restart plan is aimed at putting more dollars into education and increasing learning quality and degree attainment. Better education outcomes will raise incomes and reduce poverty as the economy grows, returning Oregon to a circle of prosperity.

Over the past two years, Oregon has made notable headway with this strategy, as the initiative matrices on pages 6 and 7 illustrate. Oregon policy makers have rolled up their sleeves and addressed some of Ore-

gon's most pressing challenges in education, health care, and job creation. Yet, hard work remains.

AGENDA FOR 2013 AND BEYOND

All of the initiatives itemized in the matrices that follow are important. But three are urgent because they have strategic leverage and because there's a small window of opportunity to address them. In a nutshell, they are:

Fix PERS.

Invest Wisely in Education.

Build the Bridge.

1. Fix PERS. All of the savings generated by Oregon's efforts in public service redesign could be swamped by our growing public employee pension liabilities. The PERS board has determined that it must increase PERS employer contributions by 45 percent, or \$2 billion, during the 2013-2015 biennium to address an unfunded liability of \$16 billion. The system's actuaries predict that even higher contribution rates will persist for the foreseeable future unless the system is reformed.

Oregon's ongoing problems with its pension system are rooted in complex, poorly understood plan designs, successive increases in benefits beyond what was originally intended or needed for adequate retirement, and inherently volatile capital markets. Problems and the range of possible solutions are well documented and will not be repeated here¹. Background is available at the Oregon Business Plan website.

There are numerous reform options. In choosing among them, the following principles should be applied:

- **Fairness to public employees.** Affected beneficiaries should have an adequate retirement income for a given level of public service. Experts generally agree that an adequate retirement benchmark is 70 to 80 percent of final average salary, inclusive of Social Security income. Today PERS members with 30 years of service retire, on average, with between 95 and 124 percent of final average salary when taking into account base retirement, IAP, and Social Security.

¹ See, for example, Milliman (2012), City Club of Portland (2011), Pew Center on the States (2012), ECONorthwest (2007)

- **Sustainability.** The reform should reflect best actuarial practices and support the plan's long-term viability.
- **Fairness to the public.** Chosen reforms should meaningfully reduce the system's unfunded liability and provide fiscal relief in the 2013-2015 biennium

The reforms advocated in the Business Plan are consistent with these principles and would save hundreds of millions of dollars during the next biennium and beyond, translating into more teachers, full school years, and other improvements to public services.

2. Invest Wisely in Education. Oregon has embarked on a far-reaching effort to redesign the way we deliver education. With Governor Kitzhaber's leadership, the Legislature has set ambitious goals to increase postsecondary education attainment, and it has authorized sweeping redesign in state governance and budgeting to support great teaching and learning – and better outcomes.

The strategy aims to avert a disturbing trend. High school and college completion rates show that a quarter to half of our students are not sufficiently motivated or able to stay in school, and younger cohorts are on a trend to achieve less education than the generation now leaving the workforce.

Oregon has an enormous opportunity to revamp education delivery, focus on students rather than institutions, and steer funding to degrees and achievement rather than enrollments.

Our current system was not designed to meet our ambitious attainment goals. We need a new model so our education system can respond to individual needs of a changing student population. Students must be engaged in learning that is personalized, customized, and flexible in pace and setting. Focus must shift from seat time and standardized assessments, to demonstrated proficiency of knowledge and skills. Such a shift in teaching and learning shows tremendous promise, but it requires a substantial investment in structures, policies and cultures to flourish at scale.

The agenda presented for education in the policy matrix will advance over the next few years. For the immediate benefit of the economy, two components stand out: STEM and higher education.

STEM. Business leaders have formed a coalition to advocate ambitious attainment goals for education in science, technology, engineering, and math (STEM). The coalition recommends that the Governor and the Oregon Education Investment Board adopt funding strategies and policies to advance these goals in the 2013-15 budget. Achieving these goals will meet industry needs for technically trained people – engineers, scientists, and technicians, as well as aspirants in the health occupations. The graphic at right shows the coalition's goals will make a big difference in raising the incomes of Oregonians.

**By the Numbers,
STEM Investment in Oregon:**

2X student proficiency
+
2X postsecondary graduates
=

- *\$9 billion more personal income*
- *\$1.4 billion more public revenue*
- *\$389 million more General Fund revenue*
- *62% reduction in per capita income gap*

Higher Education. Oregon has reduced funding for community colleges and universities over the past decade even in the face of higher demand. We must channel more dollars into advanced education as the economy grows. How we invest matters. Oregon should develop a framework for all postsecondary education that coordinates funding for community colleges, universities, and student aid in one place. It also should provide greater flexibility to universities that want self-governance, allowing them to be more nimble in responding to opportunities and raising funds from a variety of public and private sources.

3. Build the Bridge. After a decade of studies and deliberation, it is time to build a new I-5 bridge across the Columbia River. The Oregon Business Plan supports the Columbia River Crossing as well as the larger state transportation agenda of which it is a part. Free flow of people, goods, and services is vital to the Portland region and state economy. The old bridge is a chokepoint that hurts commerce in particular by impeding freight.

Federal officials have indicated the CRC project is a high funding priority. The Legislature should commit to funding Oregon's share of the CRC project to secure the federal government's project investments in anticipation of a 2013-2014 construction start date.

HIGHLIGHTS: OREGON BUSINESS PLAN PUBLIC SERVICE REDESIGN INITIATIVES – 2013						
Initiative and Goal	Reform the state budget process to transparently align investments with long-term goals and desired outcomes	Redesign Oregon's education system to ensure that by 2025, all Oregonians have a high school diploma, 40% at least a bachelor's degree and 40% at least an associate's degree or technical credential	Redesign Oregon's health care system to improve the health of Oregonians while stabilizing costs for individuals, businesses, and the public sector	Reform Oregon's public safety system , in particular curbing prison growth, by investing in proven, effective, and affordable methods of reducing crime.	Reform public employee compensation to address unsustainable growth in costs while ensuring competitive compensation for public employees	Reform Oregon's revenue system to create stable and adequate funding for public services and effective incentives for economic growth
Indicators of Success	<ul style="list-style-type: none"> See desired outcomes for each of the <u>six key policy areas</u> in the Governor's budget 	Achievement at ages 5,9, and 13; diploma/degree attainment at 18 and 25, as tracked by the Oregon Education Investment Board	<ul style="list-style-type: none"> Medicaid cost growth 2%/year under projected cost trend Private insurance costs growing at rate of general inflation 	<ul style="list-style-type: none"> Projected prison growth and associated costs averted by stabilized or reduced crime and recidivism rates 	<ul style="list-style-type: none"> Total cost of compensation in line with other states and private sector PERS fully funded and employer rates reduced 	<ul style="list-style-type: none"> Revenue stability Increased investments in education Competitive tax rates
Recent Progress	<ul style="list-style-type: none"> Governor's 2013-2015 budget built using new outcome-based methods and purchasing teams 	<ul style="list-style-type: none"> Legislature passed <u>major bills in 2011 and 2012</u> <u>Rudy Crew hired</u> as Chief Education Officer Oregon received NCLB waiver 	<ul style="list-style-type: none"> Legislature created Coordinated Care Organizations (CCOs) and health insurance exchange ("Cover Oregon"). Oregon landed \$1.9 billion from the federal government to support reform efforts More than a dozen CCOs are up and running 	<ul style="list-style-type: none"> Bi-partisan, cross-sector <u>Commission on Public Safety</u> has been developing reform ideas <u>Pew Center</u> for the States providing technical assistance Crime rates are down and <u>polling</u> shows support for reform 	<ul style="list-style-type: none"> Significant attention drawn to PERS crisis by media and politicians PSU completed Total Cost of Public Sector Compensation study 	<ul style="list-style-type: none"> Governor has convened business and labor groups to consider common agenda on revenue reform
Next Steps	<ul style="list-style-type: none"> Build support among legislators for new process. Work with Ways and Means to base decisions off 10-yr projections of expenditures and revenues Identify lessons learned and improvements for next cycle 	<ul style="list-style-type: none"> Make five key investments to support 1) educators 2) parents 3) new school models 4) third grade reading and 5) STEM Overhaul funding models for early childhood, ESDs, special education, ELL and postsecondary education to promote innovation and flexibility. Reorganize state education agencies to help them fulfill core functions 1) investing and policy 2) building clear learning pathways 3) creating great educators and 4) communicating with public Grant autonomy to U of O and PSU, and move post-secondary funding policy responsibility to a single state board 	<ul style="list-style-type: none"> Continue to launch and support CCOs Get ready to launch Cover Oregon Adopt medical malpractice/patient safety reform Patch 2013 gaps in Oregon Health Plan financing and develop a long-term financing plan Mitigate market shock of Affordable Care Act Encourage public and private employers to adopt purchasing, care and benefit models that encourage choice among providers, promote wellness, and incent high quality, lower cost care 	<ul style="list-style-type: none"> Adopt package of public safety reforms that the Commission submits to the Governor and Legislature in December 2012. Avoid the need to bond for and build more prison beds in the biennium 	<p><u>PERS</u></p> <ul style="list-style-type: none"> Use market rate to annuitize Money Match Cap the COLA Eliminate 6% requirement Reduce pension spiking Reduce assumed rate Fix the tax remedy <p><u>Health Care</u></p> <ul style="list-style-type: none"> Continue progress in stabilizing PEBB/OEBB rates through fixed dollar defined contribution and ongoing efforts to implement new care models, value-based benefit design, and improved health <p><u>Overall</u></p> <ul style="list-style-type: none"> Align total cost of comp with other states and the private sector 	<ul style="list-style-type: none"> Form coalition to examine options and engage the public on revenue reform ideas Draft a proposal for consideration by legislators and voters

To see any of these initiatives in greater detail, visit www.oregonbusinessplan.org

HIGHLIGHTS: OREGON BUSINESS PLAN JOBS INITIATIVES – 2013									
Initiative and Goal	Transportation Infrastructure: Create jobs today and in the long-run by improving our transportation infrastructure and access to markets	Innovation: Boost research, commercialization, new business formation, & productivity of existing companies	Capital Access: Ensure Oregon companies have access to debt and equity financing to fuel their growth	Regulation & Permitting: Increase certainty for business by adopting clear, consistent regulations and permitting processes	Industrial Land Supply and Readiness: Ensure Oregon has an adequate supply of right-sized, market-ready industrial land	Forest Health + Biomass: Improve forest health and rural economies while preventing fire through active forest management	Energy: Maintain Oregon's competitive advantage in energy costs while creating jobs and slowing carbon emissions	Workforce: Employ targeted strategies to close the gap between skills Oregonians have and skills employers need	Water: Secure additional water for fish and farms in the Umatilla Basin
Recent Progress	<ul style="list-style-type: none"> 2009 Jobs and Transportation Act invested \$1 billion in transportation improvements including 37 critical projects statewide Connect Oregon I-IV funded critical non-road multi-modal transportation initiatives that will improve the flow of commerce and remove delays 	<p>2011-2013 Oregon Innovation Plan invested in three signature research centers (ONAMI, BEST and OTRADI) and three industry initiatives (wave energy (OWET), food processing, and electric vehicles (Drive Oregon))</p>	<ul style="list-style-type: none"> Legislature passed Oregon Investment Act OCF, Meyer Trust and OST released analysis of "capital gaps" in Oregon and foundations have launched some initiatives to address them The Portland Seed Fund and regional angel networks have played an increasingly important role in addressing this issue 	<ul style="list-style-type: none"> Regulatory Streamlining Roadmap delivered to Governor in August 2012 after extensive statewide outreach. Some legislative gains made recently on linear permitting, industrial lands, and wetlands. Several streamlining pilot projects under way 	<ul style="list-style-type: none"> Report that framed industrial lands challenges and opportunities in Portland region Central Oregon agreed on plan to bring in new industrial land Stakeholder group has identified a streamlined process for future UGB expansions SORED1 50 year land supply agreement 	<ul style="list-style-type: none"> Oregon received millions in federal grants for biomass projects and forest collaboratives New economic study shows significant benefits of restoring federal forests O&C lands panel convened Governor signed executive order supporting wood products 	<ul style="list-style-type: none"> Oregon has maintained its energy cost advantage while reducing growth in carbon emissions and creating jobs in the energy sector 	<ul style="list-style-type: none"> Over 17,000 National Career Readiness Certificates (NCRC) were issued as of June 30, 2012 1,100 Oregonians hired as of June 30 via Back to Work(BTW) Oregon 	<ul style="list-style-type: none"> 2012 legislation drew needed attention to this issue In April Governor Kitzhaber announced an <u>Oregon Solutions project</u> to increase access to water for farmers and for in-stream needs
Next steps	<ul style="list-style-type: none"> Adopt an investment package that includes Oregon's share of funding for the I-5 bridge replacement Pass Connect Oregon V multi-modal bonding program at least the level included in the Governor's budget Take steps to create a permanent non-highway funding stream Move forward innovative infrastructure financing models such as the West Coast Infrastructure Exchange and the Community Investment Initiative 	<p>The Legislature should adopt the 2013-15 Oregon Innovation Plan, continuing funding for ONAMI, OTRADI, BEST, OWET and Drive Oregon, and adding two new initiatives: An Unmanned Aerial Systems (UAS) Center of Excellence and a Portland Incubator Experiment/Oregon Film initiative</p>	<ul style="list-style-type: none"> The Legislature should adopt the Oregon Growth Board's forthcoming proposal. The proposal should create and fund the Oregon Growth Fund (name TBD). The Fund should adopt a portfolio approach to investment that captures early stage, venture stage and later stage investments. The Fund should include new tools to leverage private investment and grow Oregon's private investment infrastructure 	<p>Implement the Regulatory Streamlining Roadmap. In particular:</p> <ul style="list-style-type: none"> Adopt consistent management systems within and across state agencies Create permitting ombudsman function inside Regional Solutions. Advance pilot projects identified in the Roadmap Launch awards program to recognize efficient and effective cities and counties Improvements to land use appeals process Eliminate overlapping regulations across levels of government 	<ul style="list-style-type: none"> Secure state funding for inventories and due diligence Partially forgivable state loan program for preparation of traded sector industrial sites Streamline UGB expansion process based on stakeholder group recommendations 	<ul style="list-style-type: none"> Accelerate forest restoration activities on east side federal forests Agree on and implement an O&C solution Increase wildfire initial attack capacity Promote the innovative use of wood products Implement new state biomass strategy Promote sustainable harvests on state forests 	<ul style="list-style-type: none"> Further streamline energy facility and transmission siting to get projects off the ground while capital costs are low. Focus on energy efficiency and vehicle fleet conversion as the most effective ways to reduce emissions Continue to protect Oregon's competitive advantage in energy costs 	<ul style="list-style-type: none"> Achieve 100K NCRCs and >24 counties certified as career ready by 2016 Create STEM investment council and identify funding to double STEM graduates by 2025 Continue recent investments in high school career and technical education Double the number of people served by Back-to-Work Oregon on-the-job training program for 2013-15 Further align Oregon's federal workforce investments to meet industry needs 	<ul style="list-style-type: none"> Develop both in the short and long term additional capacity for storing Columbia River water during winter months for later use during irrigation and fish migration seasons Using water more efficiently and more productively Develop a stronger interstate approach to Columbia River water

To see any of these initiatives in greater detail, visit www.oregonbusinessplan.org

THE OREGON BUSINESS PLAN THANKS THE FOLLOWING SPONSORS



Portland General Electric



INDUSTRIAL SITE READINESS

Concepts for 2013 Legislation

The need:

- Large industrial employers are often seeking sites on quick timelines tied to their manufacturing cycles and are unwilling to commit to sites with significant constraints or uncertainties. The availability of large market-ready industrial sites is thus a key asset for areas hoping to expand or attract traded-sector jobs.
- Yet many regions of the state lack an adequate supply of such sites. Even when sites are zoned, planned and designated for future industrial jobs, significant investments may be required to make them market ready. These investments may include due diligence and capital investments for transportation, sewer, water, brownfield cleanup, wetland mitigation and site aggregation.
- Many property owners and jurisdictions are unable to afford these investments, or are unwilling to incur significant up-front costs without some level of risk-sharing.
- A recent study on industrial land site readiness in the Portland metropolitan region underscores these points. The study was commissioned by NAIOP (the Commercial Real Estate Association), the Portland Business Alliance, the Port of Portland, Metro and Business Oregon.
- The Oregon Economic Development Association and other economic development districts echo these concerns for other regions across the state.

The opportunity:

- Potential economic benefits from successful traded-sector development (direct and indirect jobs, income and property tax revenues) are significant.
- Growth in income tax revenues would make the state's general fund the largest beneficiary from an increase in traded-sector industrial jobs. In many cases, the state's potential benefit exceeds the cost of addressing the constraints that are preventing a site from being ready for employers to use.

The solution:

State assistance to reduce the cost and risk to property owners and local jurisdictions of making large-lot industrial sites market-ready.

Concepts for 2013 legislation:

- **Due diligence grants:** Make available a limited pool of grants for eligible projects to conduct necessary investigations to better understand constraints on large industrial sites and reduce risk and uncertainty about site preparation costs needed to attract private capital. A portion of the grant funds may also be used to assist regions in conducting an inventory and readiness assessment of large industrial sites in their area.

- **Direct site preparation assistance:** Provide forgivable loans and/or low or no interest loans to local governments and property owners to underwrite a portion of the costs of site preparation, subject to specified eligibility criteria (e.g., site investment plan, "but for" evaluation, new traded-sector jobs to Oregon, wage premium). Loans would be partially forgiven based on realized state income tax gains from successful traded-sector investment in the site.

Return on Investment, 10 Case Study Sites

Market viability gap* for case study sites (20-year cost at 5% annual interest)	\$192 M
State's 50% share of market viability gap†	\$96 M
Return on investment	
• Net increase in state income tax revenue over 20 years (direct jobs only)†	\$622 M
• Net increase in state income tax revenue over 20 years (direct and indirect jobs)†	\$2.1 B
• Net increase in property tax over 20 years†	\$90 M
• Direct jobs	11,000
• Average annual wage	\$100,000+

(Source: Regional Industrial Site Readiness Report, August 2012. The report examined 12 case study sites, but two of the sites did not have a market viability gap.)

* * The market viability gap is the difference between the future market value of the site and the total investment needed to make the site market ready, including site acquisition costs, on- and off-site infrastructure and mitigation costs, soft costs, risk and time costs.

† These net investment and tax generation numbers assume the state and local jurisdictions will each be responsible for 50% of the market viability gap.

For more information:

www.valueofjobs.com/land_study_2012/ls_land_readiness.html
www.oregonmetro.gov/sitereadiness

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LC 1304
2013 Regular Session
10/2/12 (BLS/ps)

D R A F T

SUMMARY

Requires Oregon Business Development Department to establish and administer Oregon Industrial Site Readiness Program to make loans to qualified project sponsors for development of certified state and regionally significant industrial sites. Allows department to forgive portions of loans where project sponsor contracts with eligible employer. Limits loan forgiveness to lesser of percentage of eligible site preparation costs or estimated incremental income tax revenues.

Establishes Oregon Industrial Site Readiness Program Fund. Continuously appropriates moneys in fund to Oregon Business Development Department.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to the Oregon Industrial Site Readiness Program; appropriating
3 money; and prescribing an effective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. The Legislative Assembly finds that:**

6 **(1) Traded sector industries are the foundation of state and regional**
7 **economic development strategies for long-term prosperity and job**
8 **creation.**

9 **(2) Industrial development that provides new traded sector jobs re-**
10 **inforces the economies of local and regional communities and con-**
11 **tributes to the economic recovery of the State of Oregon.**

12 **(3) There is a shortage of market-ready state and regional industrial**
13 **sites in this state. Project sponsors have limited financial tools to fa-**
14 **cilitate development of significant and complex industrial sites that**
15 **are appropriate for traded sector industrial use.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 (4) Public assistance is necessary to overcome development-related
2 constraints and to incentivize industrial site development in this state.

3 (5) The State of Oregon has a significant interest in the success of
4 state and regional economic development strategies and is the primary
5 beneficiary from increased income tax revenues generated by such
6 economic development. These revenues should be shared and invested
7 in facilitating significant site development for traded sector industrial
8 use in this state.

9 **SECTION 2.** As used in sections 1 to 5 of this 2013 Act:

10 (1) "Compensation" has the meaning given that term in ORS
11 314.610.

12 (2) "Eligible employer" means an employer that:

13 (a) Has entered into a contract with a project sponsor to conduct
14 a business in the traded sector industry on a state and regionally sig-
15 nificant industrial site; and

16 (b) Has hired one or more full-time employees who are residents of
17 this state and whose compensation averages at least the county or
18 state average in annual per employee compensation, whichever is less.

19 (3) "Estimated incremental income tax revenues" means the Oregon
20 personal income tax revenues that are estimated pursuant to section
21 4 of this 2013 Act to be substantially equivalent to the amount of tax
22 that employees of an eligible employer who are hired after the eligible
23 employer enters into a contract with a qualified project sponsor to
24 conduct a traded sector business on a certified state and regionally
25 significant industrial site will be required to pay under ORS chapter
26 316 as a result of compensation paid to the employees by the eligible
27 employer in the tax years beginning with the tax year following the
28 fifth tax year in which a project sponsor was qualified under section
29 3 of this 2013 Act.

30 (4) "Project sponsor" means a public or private owner of a state and
31 regionally significant industrial site that is investing in preparation

1 of the site for industrial and traded sector development either for the
2 owner's use or for use by a third party.

3 (5) "State and regionally significant industrial site" means a site
4 certified for inclusion in the Oregon Industrial Site Readiness Program
5 under section 3 of this 2013 Act.

6 (6) "Traded sector" has the meaning given that term in ORS
7 285A.010.

8 **SECTION 3.** (1) In consultation with the Department of Revenue,
9 the Oregon Business Development Department shall establish and ad-
10 minister the Oregon Industrial Site Readiness Program. The purpose
11 of the program is to provide loans, including forgivable loans, to
12 qualified project sponsors to allow for the development of state and
13 regionally significant industrial sites certified under this section.

14 (2)(a) Subject to standards and procedures that the Oregon Business
15 Development Department shall establish by rule, the department shall
16 certify state and regionally significant industrial sites for inclusion in
17 the readiness program.

18 (b) A state and regionally significant industrial site certified under
19 this section must be a large industrial site that is zoned and planned
20 for industrial or traded sector use and that is either:

21 (A) A site of 25 net acres or greater in a metropolitan statistical
22 area as defined in ORS 267.010; or

23 (B) A site of 15 net acres or greater in a rural area as defined in
24 ORS 285A.010.

25 (3) A project sponsor may apply to participate in the readiness
26 program by submitting an application and development plan in writing
27 in a form prescribed by the department by rule.

28 (4) The department shall establish by rule criteria and standards for
29 the qualification of project sponsors to participate in the program.

30 (5)(a) Upon qualification of a project sponsor under this section, the
31 department may enter into a loan agreement with the project sponsor

1 under terms and conditions specified and required by the department.

2 (b) The agreement may specify that a portion of the loan may be
3 forgiven if the project sponsor enters into a contract with an eligible
4 employer to conduct a business in the traded sector industry on a state
5 and regionally significant industrial site within five years after the
6 project sponsor was qualified under this section.

7 (c) The total amount of the loan forgiveness that may be allowed
8 under paragraph (b) of this subsection is the lesser of:

9 (A) 50 percent of the total cost of eligible site preparation costs; or

10 (B) 50 percent of the amount of the estimated incremental income
11 tax revenues for the eligible employer.

12 (6) The department shall establish, by rule, eligible site preparation
13 costs including, but not limited to, some or all of the following:

14 (a) Acquisition and assembly costs associated with creating large
15 development parcels.

16 (b) Transportation improvements such as access roads, inter-
17 sections, turning lanes, signals, sidewalks, curbs, transit stops and
18 storm drains.

19 (c) Water and sewer infrastructure.

20 (d) Natural resource mitigation.

21 (e) Site grading activities.

22 (f) Environmental remediation and mitigation activities to address
23 brownfields issues in accordance with state and federally approved re-
24 mediation plans.

25 (g) Planning, engineering and administrative costs associated with
26 applying for necessary local, state and federal permits.

27 (h) Interest-carrying costs incurred by a project sponsor for bor-
28 rowing undertaken to develop a state and regionally significant in-
29 dustrial site, not to exceed 20 percent of the total amount forgiven, if
30 any, under subsection (5) of this section.

31 SECTION 4. The Director of the Oregon Business Development De-

1 partment, in consultation with the Director of the Department of
2 Revenue, shall:

3 (1) Specify the methodology for estimating incremental income tax
4 revenues; and

5 (2) Estimate incremental income tax revenues.

6 **SECTION 5.** The Oregon Industrial Site Readiness Program Fund
7 is established in the State Treasury, separate and distinct from the
8 General Fund. The Oregon Industrial Site Readiness Program Fund
9 consists of amounts deposited in the fund and other moneys trans-
10 ferred to the fund. Amounts in the fund are continuously appropriated
11 to the Oregon Business Development Department for the purposes of
12 making the loans under section 3 of this 2013 Act and paying the costs
13 and expenses of the Oregon Business Development Department in
14 connection with the implementation and administration of sections 1
15 to 5 of this 2013 Act.

16 **SECTION 6.** The Oregon Business Development Department shall
17 report to the committees of the Legislative Assembly with authority
18 over the subject area of economic development during the 2015 regular
19 session of the Legislative Assembly as specified in ORS 171.010.

20 **SECTION 7.** This 2013 Act takes effect on the 91st day after the date
21 on which the 2013 regular session of the Seventy-seventh Legislative
22 Assembly adjourns sine die.

23

LC 2203
2013 Regular Session
11/14/12 (BLS/ps)

D R A F T

SUMMARY

Requires Oregon Business Development Department to establish and administer Oregon Industrial Site Readiness Program providing grants to perform due diligence assessments of large industrial sites, to create detailed development plans to make large industrial sites market-ready and to conduct regional industrial site inventories.

Establishes Oregon Industrial Site Readiness Program Fund. Continuously appropriates moneys in fund to Oregon Business Development Department.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to development of large industrial sites; appropriating money; and
3 declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. The Legislative Assembly finds that:**

6 **(1) A competitive supply of market-ready large industrial sites is**
7 **critical to the expansion and recruitment of traded sector industries**
8 **in this state.**

9 **(2) Traded sector industries are the foundation of state and regional**
10 **economic development strategies for long-term prosperity and job**
11 **creation.**

12 **(3) There is a shortage of market-ready large industrial sites in this**
13 **state and limited financial tools and developers available to facilitate**
14 **the development of large industrial sites in this state.**

15 **(4) Financial assistance is required to facilitate the determination**
16 **of necessary actions, costs and development-related constraints in-**

1 involved in ensuring the availability of a competitive supply of market-
2 ready large industrial sites suitable for traded sector development in
3 this state.

4 **SECTION 2. As used in sections 1 to 4 of this 2013 Act:**

5 (1) "Due diligence assessment" means an assessment of the actions,
6 costs and timeframes involved in bringing large industrial sites to
7 market-ready status, including but not limited to wetland delineation,
8 geotechnical investigation, environmental assessment and traffic
9 analysis.

10 (2) "Economic development district" means one of the following:

11 (a) The Affiliated Tribes of Northwest Indians Economic Develop-
12 ment Corporation, serving tribal members of the Burns-Paiute Tribe,
13 the Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians,
14 the Confederated Tribes of Grand Ronde, the Confederated Tribes of
15 Siletz Indians, the Confederated Tribes of the Umatilla Indian Reser-
16 vation, the Confederated Tribes of the Warm Springs Reservation of
17 Oregon, the Coquille Indian Tribe, the Cow Creek Band of Umpqua
18 Tribe of Indians and the Klamath Tribes.

19 (b) The Cascades West Economic Development District, serving
20 Benton, Lane, Lincoln and Linn Counties.

21 (c) The Columbia-Pacific Economic Development District, serving
22 Clatsop, Columbia and Tillamook Counties and western Washington
23 County.

24 (d) The CCD Business Development Corporation, serving Coos,
25 Curry and Douglas Counties.

26 (e) The Greater Eastern Oregon Development Corporation, serving
27 Gilliam, Grant, Morrow, Umatilla, Wheeler, Harney and Malheur
28 Counties.

29 (f) The Central Oregon Intergovernmental Council, serving Crook,
30 Deschutes and Jefferson Counties.

31 (g) The Mid-Columbia Economic Development District, serving

1 Hood River, Wasco and Sherman Counties.

2 (h) The Mid-Willamette Valley Council of Governments, serving
3 Marion, Polk and Yamhill Counties.

4 (i) The South Central Oregon Economic Development District,
5 serving Lake and Klamath Counties.

6 (j) The Northeast Oregon Economic Development District serving
7 Baker, Union and Wallowa Counties.

8 (k) Southern Oregon Regional Economic Development, Inc., serving
9 Jackson and Josephine Counties.

10 (L) Greater Portland, Inc.—Portland-Vancouver Economic Devel-
11 opment District, serving Multnomah, Clackamas and Washington
12 Counties.

13 (3) "Industrial use" has the meaning given that term in ORS 197.722.

14 (4) "Large industrial site" means:

15 (a) A site of 25 acres or greater in a metropolitan statistical area
16 as defined in ORS 267.010; or

17 (b) A site of 15 net acres or greater in a rural area, as defined in
18 ORS 285A.010, that is zoned and planned for industrial use.

19 (5) "Local government" has the meaning given that term in ORS
20 197.015.

21 (6) "Market-ready site" means a large industrial site that has been
22 issued all appropriate and necessary building permits.

23 (7) "Region" means an economic development district, a port dis-
24 trict as defined in ORS 285A.666 or an area within the jurisdiction of
25 a local government.

26 (8) "Regional industrial land inventory" means an inventory of
27 large industrial sites in a region that identifies development-related
28 constraints and opportunities to develop large industrial sites and that
29 rates the sites based on market-ready status.

30 (9) "Traded sector" has the meaning given that term in ORS
31 285A.010.

1 **(10) "Willing property owner" means a public or private property**
2 **owner that is committed to bringing a large industrial site to a state**
3 **of market-readiness and pursuing development of the site for indus-**
4 **trial and traded sector purposes.**

5 **SECTION 3. (1) The Oregon Business Development Department**
6 **shall establish and administer the Oregon Industrial Site Readiness**
7 **Program. The purpose of the program is to provide grants on a com-**
8 **petitive basis, as funds are available, to:**

9 **(a) Public or private individuals or entities to, with respect to large**
10 **industrial sites, perform due diligence assessments, define**
11 **development-related constraints and create detailed development plans**
12 **to bring the site to a state of market-readiness; and**

13 **(b) Public or private entities acting on behalf of regions for the**
14 **purposes of performing regional industrial land inventories and prior-**
15 **itizing sites for further due diligence assessment and site preparation**
16 **assistance.**

17 **(2) In each fiscal year of a biennium:**

18 **(a) Eighty percent of all moneys available for making grants under**
19 **this section is reserved for grants to be made pursuant to subsection**
20 **(1)(a) of this section; and**

21 **(b) Twenty percent of all moneys available for making grants under**
22 **this section is reserved for grants to be made pursuant to subsection**
23 **(1)(b) of this section.**

24 **(3) The department may prioritize grants to be made under this**
25 **section based on established targets for regional allocations.**

26 **(4) Public or private individuals or entities may apply to participate**
27 **in the program by submitting an application in writing in a form pre-**
28 **scribed by the department by rule.**

29 **(5) The department shall establish by rule criteria and standards for**
30 **successful applicants under the program. At a minimum, the applicant**
31 **must demonstrate that:**

1 (a) For grants made under subsection (1)(a) of this section:

2 (A) The applicant has obtained a willing property owner;

3 (B) The applicant has received the support of the region in which
4 the large industrial site is located, or the large industrial site is lo-
5 cated in an area that has been designated a regionally significant in-
6 dustrial area as defined in ORS 197.722 in accordance with ORS 197.722
7 to 197.728;

8 (C) The large industrial site is suitable for traded sector develop-
9 ment;

10 (D) The large industrial site is not currently market-ready and has
11 not been certified by the department as ready for development within
12 six months or less as of the date on which the application is submitted;
13 and

14 (E) The applicant can provide matching funds in an amount to be
15 determined by the department.

16 (b) For grants made under subsection (1)(b) of this section:

17 (A) The applicant is committed and has the ability to perform re-
18 gional industrial land inventories for a specific region;

19 (B) Is committed and has the ability to prioritize large industrial
20 sites in a region for due diligence assessment and site preparation
21 funding; and

22 (C) The applicant can provide matching funds in an amount to be
23 determined by the department.

24 (6) Grants made under subsection (1)(a) of this section may not
25 exceed \$100,000 per site. Grants made under subsection (1)(b) of this
26 section may not exceed \$50,000 per region.

27 SECTION 4. The Oregon Industrial Site Readiness Program Fund
28 is established in the State Treasury, separate and distinct from the
29 General Fund. The Oregon Industrial Site Readiness Program Fund
30 consists of amounts deposited in the fund and other moneys trans-
31 ferred to the fund. Amounts in the fund are continuously appropriated

1 to the Oregon Business Development Department for the purposes of
2 making grants under section 3 of this 2013 Act and to implement and
3 administer sections 1 to 4 of this 2013 Act.

4 SECTION 5. The Legislative Assembly finds that the implementa-
5 tion and administration of the Oregon Industrial Site Readiness Pro-
6 gram under sections 1 to 4 of this 2013 Act will further economic
7 development by facilitating the development of large industrial sites
8 that are market-ready in this state.

9 SECTION 6. There is allocated for the biennium beginning July 1,
10 2013, from the Administrative Services Economic Development Fund,
11 to the Oregon Business Development Department, the amount of
12 \$_____ for the purposes of section 3 of this 2013 Act.

13 SECTION 7. The Oregon Business Development Department shall
14 report on the Oregon Industrial Site Readiness Program to the com-
15 mittees of the Seventy-eighth Legislative Assembly with authority
16 over the subject area of economic development during the 2015 regular
17 session.

18 SECTION 8. This 2013 Act being necessary for the immediate pres-
19 ervation of the public peace, health and safety, an emergency is de-
20 clared to exist, and this 2013 Act takes effect on its passage.

21



2013 City Day at the Capitol Wednesday, February 27, 2013

*1/24/13
disc. e work
session.*

AGENDA

8:30 – 10:00 a.m. **Salem Conference Center, Willamette Foyer**

- I. Continental Breakfast and Registration

9:00 – 9:45 a.m. **Salem Conference Center, Willamette B**

- II. Legislative Orientation (**Optional, official event kicks off at 10:00 a.m.**)

10:00 a.m. – 12:30 p.m. **Salem Conference Center, Willamette B**

- III. Welcome and Introductions
- IV. Legislative Session Overview
- V. Issue Briefings
- VI. Working with the media

12:30 – 1:45 p.m. **Salem Conference Center, Willamette C**

- VII. Group Lunch – Legislative Leadership Invited

1:45 – 4:15 p.m. **State Capitol**

- VIII. Bus Shuttle to Capitol
- IX. Personal Visit with Legislators
- X. Bus Shuttle to Salem Conference Center

4:30 – 6:00 p.m. **Salem Conference Center, Willamette Foyer**

- XI. Legislative Reception

“Days at the Capitol” 2013

Several organizations that the City is a member of sponsor a “lobbying day” at the State Capitol building in Salem.

Wed, Feb 27 League of Oregon Cities (LOC) / Oregon Mayors Assn (OMA)
“City Day at the Capitol”

Tue, March 5 Oregon Economic Development Association (OEDA)
“Legislative Day at the Capitol - Spring Conference”

Wed, April 10 Oregon Transit Assn. (OTA)
“Transit Day at the Capital” [sic]

*Councilor Stevens
handed out in W.S.*

Proposed Addition to Draft 2013 State Legislative Agenda

The City of Wilsonville supports the protection of the environment and important natural resources for the benefit of human health, quality of life for citizens, recreational opportunities, and wildlife habitat.

*1/24/13
Reid*

City of



WILSONVILLE
in OREGON

**URBAN RENEWAL AGENCY MEETING
STAFF REPORT**

Meeting Date: January 24, 2013		Subject: Acceptance of City's 2011-12 Annual Urban Renewal Report	
		Staff Member: Joanne Ossanna Department: Finance	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable Comments:	
Staff Recommendation: Acceptance of the 2011-12 Annual Urban Renewal Report			
Recommended Language for Motion: I move to accept the 2011-12 Annual Urban Renewal Report.			
PROJECT / ISSUE RELATES TO: <i>[Identify which goal(s), master plans(s) issue relates to.]</i>			
<input type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL: The City is required by Oregon Revised Statute 457.460 to publish an annual statement about the uses and the effects of tax increment financing in the City's urban renewal areas.

EXECUTIVE SUMMARY: In addition to basic financial data published in the newspaper as required by statute, Staff prepared a separate report to provide additional information about urban renewal, explain how tax increment financing works, and the activities of the City's Urban Renewal Agency. This information is provided to help explain the urban renewal process and the impact it has on the community. A copy of the report is presented to Council and a copy has been filed with the City Recorder.

EXPECTED RESULTS:

Acceptance of the report for fiscal year ended June 30, 2012.

TIMELINE:

All work is complete.

CURRENT YEAR BUDGET IMPACTS:

There are no financial impacts.

FINANCIAL REVIEW / COMMENTS:

Reviewed by: ___JEO_____ Date: ___1-11-13_____

There are no financial impacts.

LEGAL REVIEW / COMMENT: *Reviewed by: MEK Date: 1/13/13*

The report meets the legal requirements.

COMMUNITY INVOLVEMENT PROCESS:

None

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY

None

ALTERNATIVES:

Not Applicable

CITY MANAGER COMMENT:

ATTACHMENTS

A. 2011-12 Urban Renewal Agency Report.

URBAN RENEWAL AGENCY

of the City of Wilsonville, Oregon

ANNUAL URBAN RENEWAL REPORT
for Fiscal Year Ending
June 30, 2012



On the cover: In partnership with the West Linn-Wilsonville School District, the City completed large scale, artistic enhancements to the I-5/Wilsonville Road Interchange. The “Beauty & the Bridge” project was funded through the City’s East Side (Year 2000) Urban Renewal District and marked the completion of massive ramp and turn lane enhancements to one of the City’s main connections to the freeway. While the City was planning these improvements, Council was mindful that the process needed to not only address the needs of cars and trucks, but also for people who walk or bike.

Beauty & the Bridge became more than just a public works project. It served as an excellent, hands-on opportunity for more than 1,000 local students to leave a lasting mark on their community. Their art work involving more than 5,000 glazed tiles depicting local flora and fauna is on display for each car, pedestrian and bicyclist that lives, works or travels through Wilsonville.

Introduction

Each year an urban renewal agency must prepare a report for the governing body and the general public in accordance with ORS 457.460. The report is to include a financial recap of the preceding year and the budget for the current fiscal year. Additionally, it is to include an analysis of the impact of carrying out the urban renewal plan on the tax rate for each of the overlapping governmental units within the urban renewal district.

The following report meets these minimum requirements and additionally provides the reader with other information about Wilsonville’s Urban Renewal Agency and its activities.

Urban Renewal Concept

Tax increment financing is used in areas where private development has stagnated or is not feasible. Public funds are needed to change those conditions. The types of urban renewal activities undertaken generally include land assembly and development of infrastructure and public amenities (i.e. streets, utility lines, lighting, public open spaces, parks).

As the result of the publicly funded efforts, investment becomes feasible for private developers. Developments consistent with the City’s urban renewal plan are then allowed to go forward.

Tax Increment Financing

The major source of funding for urban renewal projects has been tax increment financing. This type of financing works by identifying an area where property values are not rising as rapidly as the rest of the community and drawing a line around it (the urban renewal boundary). Identify desired public improvements like roadways, parks, and other amenities (urban renewal plan). Sell urban renewal bonds to finance these costs. Construct the desired improvements. Encourage private investment in the area. Then, as property values rise and bring an increase in tax revenues, that increase is used to pay off the urban renewal bonds.

Value and Area Caps

Oregon state law allows Wilsonville to create urban renewal districts with up to 25% of the city’s total land area. As of June 30, 2012, the total land area for the city was approximately 4,712 acres and 1,085 or 23% of the total was within our urban renewal districts.

The law also limits the total assessed value within all urban renewal districts to 25% of the city’s total assessed value. The assessed values are measured at the time a district is created or subsequently adjusted. The table below presents the assessed value frozen base for fiscal year ended June 30, 2012 for each district.

District	Area Cap Test		Assessed Value Test	
	Acreage	% of City	Amount	% of City
Year 2000 Plan	629	13.3%	\$ 44,087,806	1.7%
West Side Plan	456	9.7%	16,526,288	0.6%
Combined	1,085	23.0%	60,614,094	2.4%
Total City	4,712	100.0%	\$ 2,550,754,301	100.0%

Tax Increment Calculations

Tax increment is used for the payment of debt for urban renewal activities described in the urban renewal plans adopted by the City of Wilsonville.

To determine the amount of the tax increment allocation, the total assessed value within each urban renewal area is segregated by the County Assessor into two parts: (a) the total taxable assessed value in the district at the time the Urban Renewal Plan was adopted (Frozen Base Value), and (b) the difference between the Frozen Base Value and the current total assessed value (Incremental Value).

With the passage of measure 50, urban renewal property taxes are generated by two processes. First is a process called “division of tax,” referring to taxes levied by each overlapping government on the Incremental Value. Second is a Special Levy on property within Wilsonville. This special tax rate protects bondholders and permits the Urban Renewal Agency to recover increment “lost” due to roll back of assessed values and tax rates. The Special Levy can only be assessed on a limited amount of indebtedness – explained in the Financing the Urban Renewal Projects section. Unlike the division of tax portion which cannot be reduced, the Urban Renewal Board may choose to set the Special Levy at less than the maximum allowed. The City has not assessed the Special Levy since 2002-03 and is precluded from doing so when it approved a substantial plan amendment in June 2007.

	FY Ended June 30, 2012	
	Year 2000 Plan	West Side Plan
Total Assessed Value	\$396,778,254	\$183,826,693
Less: Frozen Base Value	(44,087,806)	(16,526,288)
Incremental Value	\$352,690,448	\$167,300,405
Tax Increment (Estimated)		
From Division of Taxes ¹	\$4,200,000	\$2,299,423
From Special Levy	n/a	n/a
	\$4,200,000	\$2,299,423

¹ Year 2000 Plan division of taxes limited to \$4.2 million

In November 1990, Oregon voters passed a property tax limitation measure (Measure 5) that has impacted urban renewal financing and established a \$10 limit per thousands of real market value for property tax collection for local governments. It is important to note that the \$10 limit is based on real market value rather than assessed value of a property. The impact of this measure is that repayment of urban renewal bond debt (past, present, or future) must now come within the \$10 limit for local governments that is traditionally used for services.

In a 2002 Oregon Supreme Court ruling, the limitations of Measure 5 were clarified so that urban renewal tax dollars related to the division of taxes from schools are to be included in the general government category when determining the \$10 limit. The effect of this ruling accelerates the likelihood of the general government category taxes hitting the \$10 ceiling. However, this should not pose an immediate problem for Wilsonville because the assessed value of properties within the district is less than its real market value, and there is no compression loss to urban renewal or local governments. Less than 15% of the assessed value within the district (essentially industrial properties) is assessed anywhere close to real market value.

In 2011-12, the cumulative tax rate for all local governments ranged between \$7.9555 and \$9.3842 per thousand depending upon which tax code area the property resides.

Carrying out the urban renewal plans has an effect on various taxing entities sharing (over-lapping) the property within the Wilsonville Urban Renewal districts. Measure 50 required a change from a levy-based system to a rate based system, resulting in a modification of the way the County Assessor computes the allocation of taxes from the overlapping districts.

The division of taxes process means that taxes associated with the incremental value is received by the Urban Renewal Agency instead of the various taxing districts (e.g. Clackamas County, City of Wilsonville, West Linn Wilsonville School District).

The following table shows the taxing districts that levy taxes within the city's Urban Renewal Agency, the total amount of taxes levied, and the percent of those taxes that were received by the Wilsonville Urban Renewal Agency.

Overlapping Tax Districts, Fiscal Year 2011-12			
District	Taxes Levied in Clackamas County ¹	Year 2000 UR as %	West Side UR as %
City of Wilsonville	\$6,857,703	12%	7%
Clackamas County	\$91,418,544	<1%	<1%
Clackamas Extension & 4-H	\$1,900,773	<1%	<1%
Clackamas Library District	\$15,107,342	<1%	<1%
Clackamas Soil Conservation Distr.	\$1,711,104	<1%	<1%
West Linn/Wilsonville Schools	\$34,252,241	5%	3%
Tualatin Valley Fire & Rescue	\$11,172,829	4%	2%
Clackamas ESD	\$13,387,186	<1%	1%
Clackamas Community College	\$19,622,861	1%	<1%
Vector Control	\$1,197,773	<1%	<1%
Port of Portland	\$2,665,520	<1%	<1%
Metro Service District	\$6,380,843	1%	<1%

¹City of Wilsonville includes Washington County Taxes. Amounts rounded to the nearest whole percent.

Tax Increment Calculations

Property Tax Limitation and Tax Increment

Effects of Urban Renewal on Tax Collections

Financial Reports

The tables on the following pages contain financial information on the two funds used to account for the activities of the Urban Renewal Agency. The reports were prepared by the Finance Department of the City of Wilsonville using a modified accrual basis of accounting pursuant to ORS 457.460. The fiscal year is the period running July through June of the respective years indicated. Neither the reports nor the financial information have been audited and, accordingly, may be subject to correction and adjustment.

Financial Reports can be found at the end of each section: the Year 2000 Plan and West Side Plan.



The above picture shows the current Wastewater Treatment Plant (center). The plant is flanked by Interstate-5 and Old Town, which contains a mix of homes and a growing number of commercial enterprises. Across the highway, there are several large housing developments and businesses to the north and south of the plant.

Construction is currently underway on a \$48 million upgrade to the Wastewater Treatment Plant with a \$2 million contribution from the Year 2000 Plan District. Initially identified in a 2004 Plant Facility Master Plan, the upgrade will address noise and odor concerns from homeowners and businesses. Plant capacity will greatly increase allowing the City to meet the demands of future development in the short and long-term.

Year 2000 Plan

The Year 2000 Plan was adopted August 29, 1990. Substantial Plan Amendment to increase maximum indebtedness approved in June 2007.

Plan Mission Statement: To eliminate blight in areas within the Agency's jurisdiction, and in the process, attract aesthetically pleasing, job producing private investments that will improve and stabilize property values and protect the area's residential livability and its environmental values.

To pay for urban renewal projects, the Agency must issue debt. A substantial plan amendment passed in June 2007 increased the maximum debt limit to \$92,687,423. Through June 30, 2012 \$71,885,000 of debt has been issued leaving a balance of \$20,802,423 for future projects. With the passage of the substantial plan amendment, the district is no longer eligible to assess a special levy. As stated earlier, a special levy has not been levied since 2002-03.

When the district was formed it encompassed 755 acres and had a frozen tax base of \$61,401,520 (restated for measure 50 impacts). Since then, the district has changed significantly. Beginning in 2003 the Board began a practice of removing parcels from the district so as to limit tax increment collections to approximately \$4 million per year. In June 2007 the Board formalized the practice and passed a Resolution directing staff to periodically remove parcels to limit tax increment collections to \$4 million per year. After FY 2010 the law changed and allowed the Agency to certify to less than 100% of the available taxes. The table below presents the properties removed and the effect of under-levying for FYE 2012.

Fiscal Year Ending	Acreage	Assessed Value in Millions	Key Properties	Annual Tax Reduction
2005	80.8	\$30.0	Mentor Graphics	\$450,000
2006	27.5	\$15.7	Sysco Foods	\$240,000
2009	17.7	\$10.2	Residential	\$150,000
2010	29.0	\$14.0	Fred Meyer	\$215,000
Subtotal	155.0	\$69.9		\$1,055,000
2011	Certify to less than 100% of available increment			\$735,000
2012	Certify to less than 100% of available increment			\$95,000
Total annual taxes released to jurisdictions in FY 2011-12				<u>\$1,885,000</u>

The Agency has certain debt covenants that restrict how much assessed value can be removed. Staff is careful to assure that these covenants are met. \$4 million per year is sufficient to meet current debt service coverage requirements.

The table above discloses the annual taxes not collected by the District. The cumulative effect on certain jurisdictions is shown below. This reflects taxes that each entity received instead of being divided to the District.

Adoption

Mission Statement

Project Financing

District Reduction

Assessed Value Removals

Impact of Removals

	Estimate for 2011-12	Cumulative 2005-2012
City of Wilsonville	\$315,000	\$1,225,000
Clackamas County	\$300,000	\$1,170,000
Tualatin Valley Fire & Rescue	\$195,000	\$755,000
West Linn/Wilsonville School District	\$870,000	\$3,380,000
Other jurisdictions	\$205,000	\$785,000
UR tax reduction total	\$1,885,000	\$7,315,000

Projects

Completed:

- Land acquisition of Boozier Property at Wilsonville Road and Memorial Drive. Acquired in 1993, \$1.5 million.
- Memorial Drive road construction also referred to as Day Dream Ranch escape. Constructed in 1994, \$1.2 million.
- Interagency agreement with Wilsonville High School for joint use of facility for city and public purposes. Agreement signed in 1995, \$2.2 million.
- I-5/Wilsonville Road interchange. A joint project with Oregon Department of Transportation and City of Wilsonville. Included demolition of existing interchange, widening from two lanes to six, widening of access and egress ramps, landscaping, walkways, and right of way. Construction began 1996 with completion in 1999, \$3.8 million.
- Wilsonville Road reconstruction. Widening of road and related streetscape improvements from west of the interchange to the railroad tracks. Costs to date \$4.5 million.
- Main Street acquisition of right of way for street improvements. Acquired in 2000, \$0.4 million.
- Canyon Creek South acquisition of right of way for street improvements. Acquired in 1999, \$.3 million.
- Wilsonville Road west from railroad tracks to city limits (phases 3 & 4). Improvements include widening, sidewalks, bike paths, etc., \$9.2 million.
- Town Center Park construction. Landscaping, walkways, picnic area, water feature and parking. Completed 2005, \$2 million.
- Wilsonville High School public facilities. Completed 2005, \$1.1 million.
- Murase Plaza and park design and construction. Substantially completed June 2006, \$6.1 million.
- Kaiser and Town Center Loop East right of way land acquisition. Completed 2006, \$1.8 million
- City Hall land acquisition and construction. Completed October 2006, \$10 million.
- Acquisition of Wesleyan Church property, October 2007, \$4.1 million.
- Senior housing, Creekside Woods, completion November 2010, \$1.3 million.

Scheduled for 2012-13:

- I-5 and Wilsonville Road interchange improvements. Completed 2011.
- Interchange turn lanes at I-5 and Wilsonville Road.
- Art amenities at I-5 underpass.
- Boeckman Road bike and pedestrian improvements
- Sewer Plant upgrades.

Statement of Resources and Expenditures

	2011-12 Actual Budgetary Basis	2012-13 Budget Budgetary Basis
REVENUES		
Investment revenue	\$ 31,358	\$ 20,000
EXPENDITURES		
Wilsonville Road Interchange Improvements	2,683,456	50,000
Boeckman Bike/Ped Improvements	38,944	245,000
Other Projects	-	-
Sewer Plant Upgrades	-	2,000,000
WV interchange Turn Lanes	-	520,554
Planning, Financing, and Administration	511,089	1,515,200
Contingency	-	3,329,312
Total Expenditures	3,233,489	7,660,066
Excess (deficiency) of revenues over (under) expenditures	(3,202,131)	(7,640,066)
OTHER FINANCING SOURCES		
Issuance of long-term debt	-	3,500,000
Net change in fund balances	(3,202,131)	(4,140,066)
Fund balances - beginning	7,122,595	4,140,066
Fund balances - ending	\$ 3,920,464	\$ -

**Capital
Projects Fund**

Statement of Resources and Expenditures

	2011-12 Actual Budgetary Basis	2012-13 Budget Budgetary Basis
REVENUES		
Tax Increment	\$ 4,107,097	\$ 4,150,000
Interest Income	49,501	35,000
Total Revenues	4,156,598	4,185,000
EXPENDITURES		
Payment of Bond Principal	2,441,000	2,543,000
Short Term Debt	-	3,500,000
Interest Expense	631,412	532,000
Total Expenditures	3,072,412	6,575,000
Excess (deficiency) of revenues over (under) expenditures	1,084,186	(2,390,000)
Fund balances - beginning	6,041,658	7,145,245
Fund balances - ending	\$ 7,125,844	\$ 4,755,245

**Debt
Service
Fund**

West Side Plan

Adoption

The West Side Plan was adopted November 3, 2003 and a substantial plan amendment was adopted September 15, 2008.

Mission Statement

Plan Mission Statement: To eliminate blight in areas within the Agency's jurisdiction, and in the process, attract aesthetically pleasing, job producing private investments that will improve and stabilize property values and protect the area's residential livability and its environmental values.

At creation, the district encompassed 394 acres and had a frozen tax base of \$3,605,856 (restated for Measure 50 impact). The September 2008 plan amendment added 62 acres and \$12,920,432 to the frozen base.

Project Financing

To pay the cost of urban renewal projects, the Agency must issue debt.

At plan adoption, a debt limit of \$40,000,000 was created. The district has issued debt totaling \$30,000,000. Some of the debt has been converted to long-term amortizing debt. The following tables summaries the debt outstanding as of June 30, 2012. Because the district was created after the passage of Measure 50, no special levy may be assessed.

Credit lines and Draws

Original short-term issuances	\$ 30,000,000
Conversions to long-term:	
February 26, 2009	\$ (10,000,000)
June 10, 2011	\$ (5,000,000)
June 7, 2012	\$ (8,000,000)
Net, short-term outstanding	<u>\$ 7,000,000</u>

Projects

Completed:

- Land acquisition for school site, park and park improvement. Land acquired September 2006, \$4.2 million.
- Boeckman Road extension from 95th west to Grahams Ferry. Completed June 2008, \$13.4 million.
- Barber Street improvements from Boberg to Kinsman. Widening, curbs, gutters, sidewalks, and rail road crossing. Completed October 2008, \$5.5 million.
- Land acquisition for elementary school site, December 2010, \$3.4 million

Underway:

- Park improvements in Villebois.

Planned for Future

- Payment of deferred water system development charges.
- Kinsman Road Extension, north to Boeckman. Total cost estimated at \$15 million, urban renewal portion not yet determined. No start date determined.
- Barber Street-Kinsman to Coffee Lake Dr. Total cost estimated to be \$10 million, which includes approximately \$5 million funded from federal funds.

Statement of Resources and Expenditures

Capital
Projects Fund

	2011-12 Actual Budgetary Basis	2012-13 Budget Budgetary Basis
REVENUES		
Intergovernmental	\$ 304,960	\$ -
Investment revenue	1,122	2,000
Total Revenue	306,082	2,000
EXPENDITURES		
Boeckman Road Geotechnical Investigation	26,057	-
Boeckman Road - Bridge Dip Repair	-	250,000
Villebois park - promenade	-	149,901
Villebois park - Piazza	-	60,000
Planning, Financing, and Administration	439,530	1,578,354
Contingency	-	124,998
Total Expenditures	465,587	2,163,253
Excess (deficiency) of revenues over (under) expenditures	(159,505)	(2,161,253)
OTHER FINANCING SOURCES		
Transfer In	400,000	-
Issuance of long-term debt	-	2,000,000
Total Other Financing Sources	400,000	2,000,000
Net change in fund balances	240,495	(161,253)
Fund balances - beginning	260,073	161,253
Fund balances - ending	500,568	\$ -
Adjustment from budgetary basis to generally accepted accounting basis:		
Development charge payable	(1,402,624)	
Fund balances - generally accepted accounting principles basis	(902,056)	

The deficit ending balance arises from a \$1,402,624 liability due to the City Water SDC fund for fire sprinkler credits. The Agency does not need to repay this liability until the district is financially able.

Statement of Resources and Expenditures

Debt
Service Fund

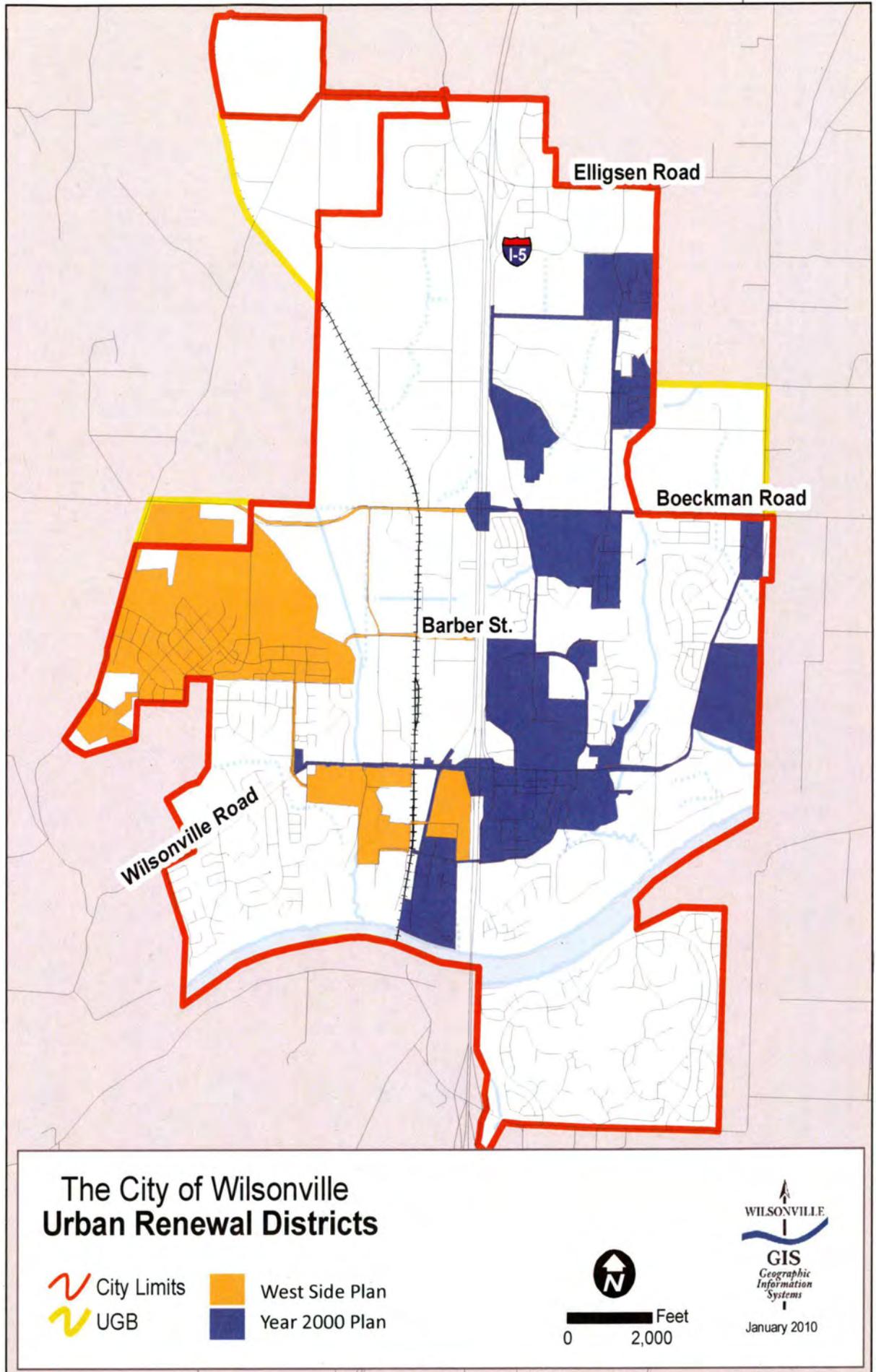
	2011-12 Actual Budgetary Basis	2012-13 Budget Budgetary Basis
REVENUES		
Tax Increment	\$ 2,260,814	\$ 3,020,000
Interest Income	32,684	20,000
Total Revenues	2,293,498	3,040,000
EXPENDITURES		
Payment of Bond Principal	8,505,000	832,000
Short Term Debt	-	9,000,000
Interest Expense	938,168	1,241,000
Total Expenditures	9,443,168	11,073,000
Excess (deficiency) of revenues over (under) expenditures	(7,149,670)	(8,033,000)
OTHER FINANCING SOURCES		
Issuance of long-term debt	8,000,000	7,000,000
Net change in fund balance	850,330	(1,033,000)
Fund balances - beginning	4,370,567	5,228,567
Fund balances - ending	\$ 5,220,897	\$ 4,195,567



The photos above show a portion of the Boeckman Bike and Ped Improvements between Canyon Creek and Wilsonville Road.

This stretch of road was identified in the 2006 Bicycle and Pedestrian Master Plan as a high priority project for bike lane and sidewalk improvements. Initially, City Council approved forward movement on this project during the June 2011 budget adoption. During a December 2011 Urban Renewal meeting, the Board gave direction to distribute \$280,000 in urban renewal funds to fast-track the improvements.

Map of Urban
Renewal Districts



Urban Renewal Agency

City of Wilsonville

29799 SW Town Center Loop E

Wilsonville, OR 97070

www.ci.wilsonville.or.us

Citations from City Comprehensive Plan for Environmental and Natural Resource Protection, January 2010

City of Wilsonville, January 2013

HISTORY OF LOCAL PLANNING EFFORTS

Page Intro – 2

Almost immediately after incorporation, the newly-formed City began work on a General Plan that was intended to help the City preserve the natural qualities of the area, while also ensuring efficient land use as development occurred.

Comprehensive Plan Land Use Map

Page Intro – 4

The City historically protected natural resources through the Primary Open Space (POS) and Secondary Open Space (SOS) designations in the Comprehensive Plan and Comprehensive Plan Land Use Map. Primary Open Space was a protected resource category that did not allow any development, and Secondary Open Space, which served as a buffer to Primary Open Space, allowed limited development through a Conditional Use permit review process. In order to comply with the requirements of Statewide Planning Goal 5-Natural Resources, Title 3 of Metro's Urban Growth Management Functional Plan and the Endangered Species Act (ESA) related to the listing of salmonids in the Willamette River as threatened, the City has completed a public process and has created a Significant Resource Overlay Zone. This overlay zone and implementing ordinance replaces the POS/SOS designations in the Comprehensive Plan and on the Comprehensive Plan Land Use Map.

OREGON'S STATEWIDE PLANNING GOALS

Page Intro – 11

5. Natural Resources, Scenic and Historic Areas, and Open Spaces: To conserve open space and protect natural and scenic resources.

6. Air, Water, and Land Resources Quality: To maintain and improve the quality of the air, water, and land resources of the state.

15. Willamette River Greenway: To protect, conserve, enhance, and maintain the natural, scenic, historical, agricultural, economic and recreational qualities of lands along the Willamette River as the Willamette River Greenway.

Storm Drainage Plan

Page c-8

The City's storm drainage responsibilities range from controlling the volume and speed of run-off through storm water detention facilities, to regulating land development activities to assure that individual private construction projects do not overburden the public systems or damage the environment without adequate mitigation. Additionally, the City must now regulate land uses to protect or improve riparian vegetation as feasible, along drainage ways.

1/24/13
P. [unclear]

* * * * *

Implementation Measure 3.1.7.d Major natural drainage ways shall be retained and improved as the backbone of the drainage system and designated as open space. The integrity of these drainage ways shall be maintained as development occurs. Where possible, on-site drainage systems will be designed to complement natural drainage ways and designated open space to create an attractive appearance and will be protected by conservation, utility, or inundation easements. Alteration of minor drainage ways may be allowed provided that such alterations do not adversely impact stream flows and in-stream water quality of the major drainage ways and provide for more efficient use of the land. Such alteration must be approved by the City. Remnant creek channels, which previously carried water that has since been diverted, shall be evaluated for their wildlife habitat value before being selected for use as drainage ways. Where a remnant creek channel is found to provide unique habitat value without being a riparian zone, and that habitat value would actually be diminished through the re-introduction of storm water, alternate methods of conveying the storm water will be considered and, if feasible, used.

Parks/Recreation/Open Space

Page C – 13 – C – 14

The 1971 General Plan and the 1988 Comprehensive Plan sought to:

1. Preserve the natural integrity of the Willamette River. Provide for frequent contact with the river. Encourage development of an adequate park and recreation system which would contribute to the physical, mental and moral health of the community.
2. Encourage the school/park concept as a basic feature of the park element of the Plan.
3. Develop parks and open spaces where the land and surrounding development make it least suited for intensive development

Policy 3.1.11 The City of Wilsonville shall conserve and create open space throughout the City for specified objectives including park lands.

Implementation Measure 3.1.11.a Identify and encourage conservation of natural, scenic, and historic areas within the City.

Implementation Measure 3.1.11.c Protect the Willamette River Greenway from incompatible uses or developments.

Implementation Measure 3.1.11.i Develop limited access natural areas connected where possible by natural corridors for wildlife habitat and watershed and soil/terrain protection. Give priority to preservation of contiguous parts of that network which will serve as natural corridors throughout the City for the protection of watersheds and wildlife.

Implementation Measure 3.1.11.j Identify areas of natural and scenic importance and where appropriate, extend public access to, and knowledge of such areas, to encourage public involvement in their preservation.

Implementation Measure 3.1.11.k Protect the river-connected wildlife habitat.

Implementation Measure 3.1.11.l Encourage the interconnection and integration of open spaces within the City and carefully manage development of the Willamette River Greenway.

The Transportation Network

Page c-22

Policy 3.2.2 To provide for a mix of planned transportation facilities and services that are sufficient to ensure economic, sustainable and environmentally sound mobility and accessibility for all residents and employees in the city.

LAND USE AND DEVELOPMENT

The last section deals with resource areas and natural hazards and it discusses the City's intention to protect environmental resources. It also supports the establishment of community design standards. It provides guidelines for integrating development with the natural features of the community, as well as with surrounding uses. In combination, these standards yield an integrated community design that blends the natural environment with urban development. The design criteria ensure the protection of significant natural resources and enhance the visual attractiveness of the community.

GENERAL DEVELOPMENT

Page d-5

The City has historically focused considerable attention on economic development without losing sight of the importance of protecting natural resources and developing attractive residential neighborhoods. The City has a well-established history of designating and protecting open space areas. Wilsonville residents also voted to support regional efforts to acquire large tracts of open space outside the City.

INDUSTRIAL DEVELOPMENT

Page d-11

Implementation Measure 4.1.3.d Encourage industries interested in and willing to participate in development and preservation of a high-quality environment. Continue to require adherence to performance standards for all industrial operations within the City.

ENVIRONMENTAL RESOURCES AND COMMUNITY DESIGN

Page d-21

* * * * * Each piece of land has a natural land use intensity potential which results from variations in its physical features and their interrelationships with natural processes, such as:

1. Underlying geological deposits and associated characteristics.
2. Types of surface soils and associated characteristics.
3. Water, the hydrologic cycle and natural drainage.
4. Slope of the land.
5. Vegetative cover (type, size, and location).
6. Weather conditions.
7. Character of adjoining natural features and developments.

Certain combinations of these natural features and processes can create inherently hazardous or unstable conditions which have special significance to humans and their land use activities. These conditions, referred to as natural hazards, are more appropriately labeled physical or natural limitations and occur in the form of:

1. Flood plains and wetlands
2. Runoff and erosion potentials.
3. Soil instability, including landslides, settlement, shrink/swell potential and earthquakes.

In addition to natural limitations, there are also natural potentials which can provide a more desirable living environment if given proper consideration in determining land use patterns and development design. The elements which offer these potentials are:

1. Existing vegetation.
2. Topography.
3. Wildlife and their associated habitats.
4. River, streams, lakes, and ponds.

In nature, there is a balanced system of events and processes that affect and shape the land on which we live. Because these processes continually and ultimately affect land and property, it follows that we should respect these natural processes in making land use decisions. For example, unless mitigated, it would not be wise to make a land use decision that encourages subdivisions to be built in areas that are known to flood.

Page d-22

By using nature as a guide to initial land use decisions, it is possible to minimize potential development hazards due to physical limitations of the land. It is also possible to maximize the preservation of nature and natural processes, thereby insuring that development occurs in harmony with the natural features of the community. This approach can also maintain and even enhance the natural aesthetic qualities of the community.

* * * * *

Generally, all intensive urban development creates conflicts with open space and associated wildlife areas. However, careful management within and adjacent to these areas can significantly reduce these conflicts. Open-space-use management can also increase public safety by controlling development in hazardous areas while preserving valuable natural resources.

* * * * *

The City has identified significant natural resource areas that warrant special use management consideration in order to preserve water quality, visual quality, and sensitive wildlife habitats.

Page d-23

Uncontrolled development of adjacent properties could diminish the natural quality of these areas. Therefore, it is necessary to establish development standards for properties along the fringe of the sensitive areas. The management and protection of these natural resource areas is implemented through the provisions of the Significant Resource Overlay Zone ordinance. The

economic loss of development of open space lands can be compensated for through such techniques as density transfers. In order for such a technique to work, the City must take an effective and creative approach to proposed developments, without placing unnecessary limitations on the density of development that will be permitted.

Page d-24

In combination, these Policies and Implementation Measures form the foundation for an integrated community design that preserves the integrity and aesthetic quality of the natural environment while allowing for development. It is the underlying intent of the Plan to reconcile these factors through site planning and design, so that they complement each other. Wilsonville's agricultural and rural heritage has long given it a sense of openness accented by lines and clusters of trees and other natural vegetation. As the City has become more urban, there remains a desire to create the sense of openness and to preserve natural features, while allowing for higher density development, as expected in urban areas.

* * * * *

Noise, water quality, and air quality affect our health, our economic interests and quality of life. High noise levels affect a person's mental and physical well being and ability to work. Poor water and air quality can be a health hazard. Because of their complexities, air and water quality and noise control require both local and regional action. A regional and urban growth boundary has been established to concentrate urban growth within a specified area and to reduce sprawl. Wilsonville is within the regional growth boundary. While urban growth will be contained by the boundary, the boundary, without the necessary safeguards (such as performance standards), could simultaneously exaggerate and concentrate urban pollution.

Page d-25

Policy 4.1.5 Protect valuable resource lands from incompatible development and protect people and property from natural hazards.

Implementation Measure 4.1.5.b Help to preserve agricultural land by protecting the agricultural lands outside the Urban Growth Boundary, by guiding development within the boundary. Discourage long term agricultural uses within the urban boundary.

Implementation Measure 4.1.5.c Provide a buffer use or transition zone between urban and adjacent agricultural areas.

Implementation Measure 4.1.5.d Conserve and create open space throughout the City for specified objectives.

Implementation Measure 4.1.5.e Protect the beneficial uses and functional values of resources within the Water Quality and Flood Management Areas and Habitat Conservation Areas identified by Metro by limiting or mitigating the impact on these areas from development activities.

Implementation Measure 4.1.5.f Ensure protection of Water Quality and Flood Management Areas and Habitat Conservation Areas pursuant to Title's 3 and 13 of the Metro Urban Growth Management Functional Plan

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Implementation Measure 4.1.5.g Encourage identification and conservation of natural scenic and historic areas within the City.

Implementation Measure 4.1.5.k Develop open, limited, or restricted access natural areas connected where possible by natural corridors, for wildlife habitat, watershed, soil and terrain protection. Preservation of contiguous natural corridors throughout the City for the protection of watersheds and wildlife will be given priority in land use decisions regarding open space.

Implementation Measure 4.1.5.l Identify areas of natural and scenic importance and give them priority in selection of public open space. Where legal rights of access have been acquired, extend public access to, and knowledge of such areas, in order to encourage public involvement in their preservation.

Implementation Measure 4.1.5.m Protect the river-connected wildlife habitat and encourage the integration and inter-connection of the Willamette River Greenway to open space areas of the City. Continue to regulate development within the Greenway boundaries. Provide for public access to the river only through and within the City parks or other properties intended for public access.

Page d-28

Implementation Measure 4.1.5.aa Protected natural resources within the Significant Resource Overlay Zone are intended to remain undeveloped with the possible exceptions of passive recreation and underground public facilities. These areas include the following:

1. Riparian corridors, wetlands and wildlife habitat that are determined to be significant through the Goal 5 process and are included in the Significant Resource Overlay Zone.
2. Water quality resource areas as defined by Metro's Title 3 of the Urban Growth Management Functional Plan.
3. Habitat Conservation Areas as defined by Metro's Title 13.

Page d-29

Implementation Measure 4.1.5.hh Minimize the impact of urban development on adjacent rural and agricultural lands. A combination of open space and low density land use designation may be employed.

Page d-30

Implementation Measure 4.1.5.pp In reviewing all major residential, commercial, industrial and public facility uses, the City shall coordinate with DEQ to insure compliance with the Portland AQMA Plan and standards as well as other applicable regional, State and Federal air, water and environmental quality standards.

Implementation Measure 4.1.5.qq The City will further cooperate with the appropriate State and Federal agencies for enforcement of air, water, noise and other environmental quality standards.

Citations from City Development Code for Environmental and Natural Resource Protection, July 2012

City of Wilsonville, January 2013

CHAPTER 4 - PLANNING AND LAND DEVELOPMENT ZONING

Section 4.139.00 Significant Resource Overlay Zone (SROZ) Ordinance

Page B-129 – b-130

7. Riparian Corridor Cross Sections: Riparian corridor significance for the City of Wilsonville is based on assessment of several factors:

- a. The presence of habitat used by species listed as threatened or endangered by the Endangered Species Act. The resource is considered significant if ESA-listed salmonid fish species utilize portions of the resource area.
- b. The protection of ESA listed species habitat both on- or off-site. The resource is considered significant if it provides functions that protect the habitat of ESA-listed species, either on- or off-site. Riparian corridors can protect water quality parameters such as temperature, suspended sediment and contaminants of downstream waters that are ESA-listed species habitat.
- c. The inclusion of other significant Goal 5 resource areas. Riparian corridor resources that contain significant wetlands and/or wildlife habitat are considered significant. d. The provision of habitat continuity for wildlife. Riparian corridor resources that provide a link or continuity for wildlife movement between significant wildlife habitat areas are considered significant.
- e. Headwater areas, including intermittent streams, can be important for fish and wildlife resources. These areas can provide good quality water, protection of water quality, insect and organic materials, and other factors for habitat areas downstream.

* * * * *

Page B-135

8. Riparian Impact Area: An area within which human activities could have adverse impacts on functions of adjacent riparian corridor resources.

9. Significant Resource Impact Report (SRIR): A report that delineates specific resource boundaries and analyzes the impacts of development on significant natural resources. It outlines measures to prevent negative impacts, and also provides mitigation and enhancement plans.

10. Significant Resource Overlay Zone (SROZ): The delineated outer boundary of a significant natural resource that includes: a significant Goal 5 natural resource, lands protected under Metro's Urban Growth Management Functional Plan Title 3 (Water Quality Resource Areas), riparian corridors, and significant wildlife habitat.

11. Starting Point for Measurement: Is the edge of the defined channel (bankful stage) for streams/rivers, delineated wetland boundary, delineated spring boundary, and/or average high water for lakes or ponds, whichever offers greatest resource protection. Intermittent springs

located more than 15 feet from streams/rivers or wetlands shall not serve as a starting point for measurement. [Amended by Ord. # 674 11/16/09]

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Section 4.139.01 SROZ - Purpose

The Significant Resource Overlay Zone (SROZ) is intended to be used with any underlying base zone as shown on the City of Wilsonville Zoning Map. The purpose of the Significant Resource Overlay Zone is to implement the goals and policies of the Comprehensive Plan relating to natural resources, open space, environment, flood hazard, and the Willamette River Greenway. In addition, the purposes of these regulations are to achieve compliance with the requirements of the Metro Urban Growth Management Functional Plan (UGMFP) relating to Title 3 Water Quality Resource Areas, and Title 13 Habitat Conservation Areas, and that portion of Statewide Planning Goal 5 relating to significant natural resources. It is not the intent of this ordinance to prevent development where the impacts to significant resources can be minimized or mitigated. [Amended by Ord. # 674 11/16/09]

Section 4.139.03 Administration

Page B-138

* * * * *

(.05) **Habitat-Friendly Development Practices.** To the extent practicable, development and construction activities that encroach within the Significant Resource Overlay Zone and/or Impact Area shall be designed, located and constructed to:

- A. Minimize grading, removal of native vegetation, disturbance and removal of native soils, and impervious area;
- B. Minimize adverse hydrological impacts on water resources, such as using the practices described in Part (a) of Table NR-2, unless their use is prohibited by an applicable and required state or federal permit, such as a permit required under the federal Clean Water Act, 33 U.S.C. §§1251 et seq., or the federal Safe Drinking Water Act, 42 U.S.C. §§300f et seq., and including conditions or plans required by such permit;

TREE PRESERVATION AND PROTECTION

Section 4.600. Purpose and Declaration

Page H-1

(.01) Rapid growth, the spread of development, need for water and increasing demands upon natural resources have the effect of encroaching upon, despoiling, or eliminating many of the trees, other forms of vegetation, and natural resources and processes associated therewith which, if preserved and maintained in an undisturbed and natural condition, constitute important physical, aesthetic, recreational and economic assets to existing and future residents of the City of Wilsonville.

(.02) Specifically, the City Council finds that:

- A. Woodland growth protects public health through the absorption of air pollutants and contamination, through the reduction of excessive noise and mental and physical damage

related to noise pollution, and through its cooling effect in the summer months, and insulating effects in winter;

B. Woodlands provide for public safety through the prevention of erosion, siltation, and flooding; and

C. Trees make a positive contribution to water quality and water supply by absorbing rainfall, controlling surface water run-off, and filtering and assisting in ground water recharge; and

D. Trees and woodland growth are an essential component of the general welfare of the City of Wilsonville by producing play areas for children and natural beauty, recreation for all ages and an irreplaceable heritage for existing and future City residents.

(.03) Therefore, the purposes of this subchapter are:

A. To preserve Significant Resource Overlay Zone areas, recognizing that development can and will occur.

B. To provide for the protection, preservation, proper maintenance and use of trees and woodlands in order to protect natural habitat and prevent erosion.

C. To protect trees and other wooded areas for their economic contribution to local property values when preserved, and for their natural beauty and ecological or historical significance.

D. To protect water quality, control surface water run-off, and protect ground water recharge.

E. To reflect the public concern for these natural resources in the interest of health, safety and general welfare of Wilsonville residents.

F. To encourage replanting where trees are removed.

CITY COUNCIL ROLLING SCHEDULE

Board and Commission Meetings 2013

JANUARY

DATE	DAY	TIME	MEETING	LOCATION
1/7	Monday	7 p.m.	City Council	Council Chambers
1/9	Wednesday	6 p.m.	Planning Commission	Council Chambers
1/10	Thursday	6 p.m.	Economic Development Strategy Task Force	Willamette River I & II
1/14	Monday	Cancelled	DRB Panel A	
1/21	Monday	Martin Luther King, Jr. Day City offices closed		
1/23	Wednesday	6:30 p.m.	Library Board	Library
1/24	Thursday	7 p.m.	City Council	Council Chambers
1/28	Monday	6:30 p.m.	DRB Panel B	Council Chambers
1/31	Thursday	6 p.m.	Economic Development Strategy Task Force	Willamette River 1 & II

COMMUNITY EVENTS:

Volunteer Planting Event – Tranquil Park

February 2, 2013

8:45 Am To 1 P.M.

The Friends of Trees crew leaders will guide small groups of volunteers. Dress appropriately for the weather conditions. Tools and snacks provided. Contact Andy or Jenny at 503-595-0213

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Monday December 3, 2012. Mayor Knapp called the meeting to order at 7:02 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Council President Núñez
Councilor Goddard
Councilor Starr
Councilor Fitzgerald

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Mike Kohlhoff, City Attorney
Kristin Retherford, URA Manager
Blaise Edmonds, Manager of Current Planning
Dan Pauly, City Planner
Steve Adams, Interim City Engineer
Eric Mende, Deputy City Engineer
Sandra King, City Recorder
Mark Ottenad, Public Affairs Director
Dan Knoll, Public Affairs Coordinator
Delora Kerber, Public Works Director
Sadie Wallenberg, Community Services Information & Referral Services
Angela Handan, Executive Secretary
Joanne Ossanna, Finance Director
Chris Neamtzu, Planning Director

Motion: Councilor Núñez moved to approve the order of the amended agenda. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

MAYOR'S BUSINESS

Upcoming meetings were announced by the Mayor. The Mayor noted he had attended the annual summit of the Oregon Business Plan where Governor Kitzhaber presented the keynote address on the proposed state budget, and attended the latest meeting of the Economic Development Task Force.

He announced the next Planning Commission meeting date along with the start date for the online open house for the TSP update.

COMMUNICATIONS

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

Allied Waste Fall Leaf Day Collection Report.

Carol Dion, General Manager of Allied Waste Services of Wilsonville talked about the successful fall leaf collection day resulting in the collection of 6.8 tons of leaves. The leaves will be included in their local compost production facility. Ms. Dion submitted her comments in a letter which has been made a part of the record.

Mr. Cosgrove thanked Carol and Ray Phelps for their cooperation and planning of the event.

WWTP Update, Eric Mende, Deputy City Engineer

SAIC, LLC (formerly R. W. Beck, Inc.) and Brown and Caldwell are currently providing Owner's Representative services to the City on the Design-Build-Operate (DBO) contract for the Wastewater Treatment Plant (WWTP) Improvements. One of the tasks under the Owner's Representative Agreement with SAIC is a Quarterly Report to City Council pertaining to the performance of the DBO Company – CH2M HILL. Tonight is the fourth of these quarterly reports.

CH2M HILL is generally on schedule for the contractually required March 2014 Acceptance Date. The Owner's Representative will continue to conduct detailed monthly reviews of the updated Design-Build Work schedule compared to the baseline schedule in order to alert the City to any schedule issues that may affect CH2M HILL's ability to meet the Acceptance Date.

As of November 16, 2012, CH2M HILL has been paid \$14,632,972.71, representing 40.8% of the current \$35,871,460.98 Design-Build contract value. A summary of the current and original Design Build price is shown below:

Table 1 - Summary of Design-Build Price

Original Design-Build Price	\$35,707,414.00
Change Order Amount (total to date)	\$164,046.98 (0.46%)
Current Design-Build Price	\$35,871,460.98

No Change Orders were executed during this quarter.

Three Contract Administration Memoranda (CAMs) were executed this quarter, two of which provided City approval of subcontractors who will provide Contract Services to CH2M HILL valued in excess of \$50,000. The third CAM provided temporary easements for CH2M HILL to access the project site from SW Fir Avenue and from SW Magnolia Avenue for specific construction activities.

There are two pending CAMs at the time this report was written. One CAM addresses CH2M HILL's plan to transport sludge during construction to the Salem Water Pollution Control Facility for processing to Class B standards. This plan will reduce onsite odors and provide additional space onsite for construction activities. There will be no cost to the City for this change. The second CAM allows CH2M HILL to delay installation of three WWTP effluent cooling towers while the Oregon Department of Environmental Quality (DEQ) resolves a current

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

lawsuit and reconsiders the temperature limit for the Wilsonville WWTP. CH2M HILL maintains responsibility to meet the current temperature limit at no additional cost to the City.

CH2M HILL continues to refine the design through the process of procuring major equipment and systems.

Six permits were issued by the City during the quarter. These included building, mechanical, and plumbing permits for the Dewatering and Drying Building, a plan revision to the Public Works permit, and a plumbing permit as well as a building permit revision for the Headworks. The Secondary Clarifier building permit was submitted this quarter.

Construction activities this quarter included:

- Installation of the influent sewer and manholes
- Installation of electrical and mechanical equipment
- Demolition of the north Primary Clarifier/Digester
- Leak testing and startup of Aeration Basin #3
- Excavation and installation of concrete foundation slabs and walls for Headworks and Dewatering and Drying Buildings
- Grading
- Yard piping changes
- Electrical feed modifications
- Erosion and sediment control measures
- Completed stabilization basin structure slab and walls
- Procured major equipment, smaller subcontractors, and yard piping
- Responded to Requests for Information and processed submittals.

CH2M HILL, the City and the Owner's Representative continue to meet at the monthly construction meetings to discuss CH2M HILL's progress and any outstanding issues. Weekly construction check-in meetings with the City and CH2M HILL and the Owner's Representative are held as needed. The Owner's Representative maintains a full time on-site inspector and an independent testing service to monitor and track construction progress and compliance with the contract requirements. In general, CH2M HILL and their subcontractors are doing an excellent job.

Odors have been noticed on multiple occasions by company staff, City staff, the Owner's Representative and the public during the months of September through November. CH2M HILL gave a brief report and answered questions at the City Council work session on September 17, 2012. City Council requested that CH2M HILL prepare a letter to the local residents explaining what is happening on the site related to odor causes and odor control and what actions are being taken to mitigate the odor problems. This letter was distributed in early October.

CH2M HILL has stated that they will store additional odor scrubber media on site so that it can be readily replaced when the media in the temporary odor control system becomes ineffective. The media was replaced on September 26, and November 1, 2012. Typically the media is

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

expected to remain effective for six to eight weeks. CH2M HILL plans to increase the frequency of the testing on the carbon to better predict when it will become ineffective.

CH2M HILL has proposed a plan for processing sludge offsite (to meet Class "B" standards) in order to help reduce odors during construction. This plan may also allow certain construction activities to occur earlier than currently planned. The plan includes CH2M HILL transporting sludge to the Salem Water Pollution Control Facility. This requires an Intergovernmental Agreement (IGA) between the City of Wilsonville and the City of Salem. Assuming a timely approval of the IGA, it is anticipated that CH2M HILL will begin transporting sludge to Salem by December 5, 2012.

The City received a warning letter from DEQ on September 20, 2012 as a result of reported violations in August that resulted from construction-related issues and from operator error. No penalties were assessed or enforcement actions taken.

The City is currently working with Department of Environmental Quality (DEQ) to develop a Mutual Agreement and Order (MAO) to temporarily modify the temperature Total Maximum Daily Load (TMDL) and give the City an opportunity to evaluate alternative means of achieving TMDL compliance.

ANTICIPATED ACTIVITIES FOR NEXT QUARTER

- HSSE Safety Training for anyone who plans to be on the WWTP site during construction
- Additional permitting activities
- Development of draft Acceptance Test Plan and Hydraulic Test Plan
- Development of additional COs and CAMs that arise
- Further refinements to CH2M HILL's construction schedule and sequencing including incorporation of changes resulting from the proposal to haul sludge to Salem (if approved by both City Councils)
- Updates to CH2M HILL's Construction Plan, including Odor Control Plan update
- Procure long lead time equipment and electrical gear and process submittals for equipment
- Negotiate and execute subcontracts
- Completion of structural demolition, new yard piping, and slope stabilization
- Concrete placements, equipment installation, electrical work and yard piping installation
- Completion of major earthwork by excavation for Secondary Clarifier #3
- Erosion control and slope stabilization maintenance
- Monthly Construction Meetings.

ONGOING PROJECT SUCCESS

- Design completed on schedule and budget
- Construction is on schedule
- Minimal change orders through design
- Strong partnering relationships among team members
- No lost time accidents or injuries

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

Community Services Information & Referral Services

Sadie Wallenberg, Community Services Information and Referral Services coordinator spoke about the services offered through the Community Services department to aid seniors and needy families in the community as well as guiding them to federal, state and local programs and services.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

There were none.

COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

Council President Núñez had no liaison report, but announced the events that will be taking place at the Library.

Councilor Goddard – Library, Chamber Board, and Clackamas County Business Alliance liaison. The Councilor noted he also attended the annual summit of the Oregon Business Plan. He announced the Basalt Creek Community Advisory Group meeting and the Holiday Fun Fest at the Community Center.

Councilor Starr –Development Review Boards and Wilsonville Community Seniors Inc. liaison reported the last DRB meeting had been cancelled due to the Thanksgiving Holiday. Councilor Starr noted the Seniors would be meeting next week, the Transportation Systems Plan online open house begins December 3, and the Economic Development Strategy Task Force would meet December 13.

Councilor Fitzgerald announced McMenamins Pub would host a fund raiser for Wilsonville Arts and Culture Counsel titled “Wilsonville Christmas”, as well as the Winter Wonderland Holiday Light Drive.

CONSENT AGENDA

- A. **Resolution No. 2384**
A Resolution Adopting The Canvass Of Votes Of The November 6, 2012 General Election.

- B. **Resolution No. 2386**
A Resolution Of The City Of Wilsonville Authorizing Acquisition Of Property Interests Related To The Construction Of The Kinsman Transmission Main Segment 3B From Barber Street To Boeckman Road To Provide Water Service To The City Of Sherwood.

Mr. Kohlhoff read the titles of the Consent Agenda items into the record.

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Motion: Councilor Goddard moved to approve the Consent Agenda. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

NEW BUSINESS

A. **Resolution No. 2387**

A Resolution Approving Development Agreement Between The City Of Wilsonville And REDUS OR LANDS, LLC.

The title of Resolution No. 2387 was read into the record by Mr. Kohlhoff. The agreement covers the costs of recovering the base rock for the roadway which will be repaid by REDUS upon the development of their lots.

Councilor Goddard will interest accrue on any unpaid balance. Mr. Kohlhoff said it would.

Motion: Councilor Fitzgerald moved to approve Resolution no. 2387. Council President Núñez seconded the motion.

Vote: Motion carried 5-0.

PUBLIC HEARING

A. **Ordinance No. 705** –

An Ordinance Of The City Of Wilsonville Approving A Comprehensive Plan Map Amendment From Commercial To Residential – 10-12 DU/AC On 1.14 Acres Comprising Tax Lot 100 Of Section 22AC, T3S, R1W, Clackamas County, Oregon; “Fox Center Townhomes” Seema, LLC, Applicant.

Mr. Kohlhoff read the titles of Ordinance No. 705 and Ordinance No. 706 into the record.

Mayor Knapp opened the public hearing for both Ordinance No. 705 and 706 and stated the hearing format at 7:50 p.m.

Councilor Fitzgerald declared she had ex parte contact since she was in the audience prior to being sworn in as a counselor.

Councilor Starr declared he spoke with neighbors of the project; however that would not color his decision.

Blaise Edmonds, Manager of Current Planning, explained this is a continuation of the meeting from November. At the request of Council the applicant conducted a neighborhood meeting last Thursday and would present the results of that meeting. Copies of the comments made at that neighborhood meeting have been made a part of the record. In addition a letter from Robert Meyer delineating his concerns has been made a part of the record.

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Councilor Starr asked if there were other subdivisions in the City where a home is at right angles to a neighboring home. Mr. Edmonds stated there were no examples and the positioning was a result of the site planning.

Councilor Goddard wanted to know if there were other 55 and older designated projects with two-story units. Mr. Edmonds responded he was not aware of any; however Weideman Park Apartments are two-story buildings, with one level units.

Mr. Kohlhoff stated several of the comments in Mr. Meyer's letter cite DRB issues and Council may want to refer those specifically to the DRB for review.

Mayor Knapp clarified the DRB has authority to review site design and make the final decision on what is appropriate under the City Code. The City Council has the authority to call-up a decision if they have concerns after the DRB has completed their process.

Mr. Kohlhoff said that was correct. Should someone want to appeal the DRB decision they would appeal to the City Council, and the Council has the option to call-up a DRB decision.

Mayor Knapp invited the applicant to come forward.

Lee Leighton, West Lake Consultants, 15115 SW Sequoia Parkway, Suite 150, Tigard, OR, stated the notice for the second neighborhood meeting used a 750-foot circle to insure everyone that might be impacted by the development was aware of the neighborhood meeting. Seven neighbors attended the meeting. A good discussion occurred at this meeting, the developer spoke with the Thompsons about the relationship of the buildings adjacent to their property, and their preference for an evergreen columnar tree to be planted along the fence.

There was general agreement overall the developer did well in explaining the process, listening to and responding to suggestions and making changes reflecting those suggestions, responding to questions and concerns, and whether the proposed development was preferable to the commercial zoning and commercial development of the site.

Mr. Leighton summarized the handwritten comments on the survey; all seven preferred an age 55+ restriction to be applied to all of the units on the property; five said this age restriction should be done through a deed restriction. Concerns listed included: traffic and pedestrian safety on Willamette Way East, and parking on Willamette Way East. Two people commented on the site design and roofline design, as well as housing density and housing type. One person was concerned about parking on Chantilly. Updated design boards were shown to those attending the meeting, as were plan and elevation drawings, which helped to visualize the project and bring it into relation to the home next door.

Mr. Leighton pointed out the ten-foot wide sidewalk was incorporated into the design boards as part of the safe routes to school, and incorporated the notion of the curb bulb out, however, it may be relocated to the south side of the intersection. There were discussions about the visual orientation and the way it is possible to walk completely around the site with the front doors of

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each unit facing the walk way to keep the areas active and integrated into the overall design. Once the trees planted on the site are grown they will block views from the townhome windows to the neighborhood.

Councilor Goddard referred to the orientation of the buildings, and asked if consideration was given to rotating the structures 90 degrees to create a north south orientation rather than an east west orientation.

Mr. Leighton responded because of the generally longer north south orientation of the property, it is hard to turn the buildings the other way; there is not enough room to get the unit count to have a feasible project. It worked better to have the units be side by side in a north south configuration and to concentrate the parking and auto circulation inside the site. The suggestion in Mr. Meyer's letter of reorienting the buildings would force the removal of the garden space and pave all of the area resulting in cars, parking and circulation facing the neighbors next door and no room for the 17-foot side yard. The design team has worked hard with the neighbors to test out the site plan options.

Councilor Starr thought the buildings could be reoriented by reducing the number of units in the northwest group leaving 14 units.

Mr. Kohlhoff stated the original request was for two additional units because of the senior units allowing a bonus of two. The developer reworked the plan and is asking for a total of 15 units based on it being senior housing. Comments from testimony and the neighborhood preferred that all of the units be conditioned for 55+ residents to support that bonus.

Mr. Kohlhoff recalled in trying to develop this site that the commercial zoning was not compatible with the neighborhood. In order to make it work from a financial perspective the developers indicated they would need a minimum of 15 units. And the senior housing would be less of an impact on the neighborhood.

Councilor Starr asked if 14 units made the project unviable.

Greg Close suggested there was symmetry and efficiency of scale with four 4-unit buildings, however, the design team would be willing to sharpen the pencil. The economics of the property between 15 and 14 units are pretty simple; however, apartments on this scale are not very profitable. If the project got too small, the property owner would sell the property to a commercial developer.

Mr. Kohlhoff asked if there was a problem with having the 55+ age residency is mandated by a deed restriction. Mr. Close responded there was none.

Mayor Knapp stated the question before Council was one of zoning and not of site design which should be left to the Development Review Board. He commented changing the locations of the buildings would reduce the amount of green space and reduce the ambiance of the gardens; how will that impact the project.

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Mr. Leighton thought the design team did a good job of framing the vistas of the view and managing perceptions of people who live inside the development and of those driving by the development. There would be unique and distinct front doors with small gardens, the landscaping on Chantilly has gardens which curve around the property, and the driveway is completed with a green space as one drives into the project.

Mayor Knapp invited public testimony.

Mike Thompson stated he was the adjacent property owner of the site. He indicated the neighborhood consensus was to have the project a 55 or older with a deed restriction.

Councilor Starr asked if Mr. Thompson was comfortable with the planting of the trees on the west line, and the fence, with the front doors facing his side property.

Mr. Thompson noted the developer was amenable to changes, to use cedar trees, and to push the building back so it was even with his home and to install a gate to his backyard. The Thompsons were aware of the commercial zoning of the property and they tried to minimize the impacts.

Councilor Starr referenced the letter from Mr. Meyers regarding the parking on the west side of Willamette Way East, and asked Mr. Thompson his opinion.

Mr. Thompson thought there should be no parking on Willamette Way East due to blind spots. He preferred the senior townhomes rather than a commercial building.

Bennie Bitz, 11315 SW Chantilly, agreed with the comments in Mike Meyers letter and that the property should be deed restricted to 55 and older.

John Biedl, 31056 Willamette Way East, spoke about the bus stop and parking on Willamette Way East, and the students that use the road to travel to and from school. Having the bus stop reduced visibility. He was concerned the over 55 residents would not be able to maintain the property or landscaping and questioned the age restriction with the nearby schools and activity in the neighborhood. He thought the saw tooth roof design was unique and would be a big change in the neighborhood.

Mayor Knapp invited the applicant to comment.

Lee Leighton thanked Mr. Thompson for his comments and support of the project. Mr. Leighton was convinced the project would be satisfactorily designed through the design review process. He had no concerns with the 55+ age restriction by deed, and felt there was enough parking on the interior of the site so that street parking would not be an issue. The driveway to the project was intentionally situated directly across the street from the church parking lot.

Mr. Close added the property would be professional managed with the grounds professionally maintained.

Mayor Knapp asked for a motion to close or continue the public hearing.

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Motion: Councilor Nunez moved to close the hearing. The motion was seconded by Councilor Fitzgerald

Vote: Motion carried 5-0.

Mayor Knapp declared the hearing closed at 8:59 p.m.

Motion: Councilor Nunez moved to adopt Ordinance No. 705 on first reading. Councilor Fitzgerald seconded the motion.

Councilor Starr strongly supported the 55 and older deed restriction. He wanted to refer the project back to the DRB to address the façade design and the parking on the west side of Willamette Way East.

Mr. Kohlhoff made the following suggestions. First address the Comprehensive Plan amendment and vote on it as you will. He recommended Council make the zone change, conditioned upon the additional requisite there be a deed restriction placed upon the property for renting to 55 and older.

Secondly, on the zone change that Council recommend the Design Review Board take into consideration the following:

- An alternative design more in line with a suburban residential neighborhood,
- Relook at whether or not the bulb out on the north is appropriate, and whether or not there should be a recommendation to restrict parking on Willamette Way and whether or not there should be any parking limits on Chantilly.

Mayor Knapp clarified the motion on the table is for Ordinance No. 705 that deals with the Comprehensive Plan and which would change the zoning from commercial zoning to a residential zoning category. The motion as it currently exists would accomplish that without other specifics attached to this particular ordinance.

Mayor Knapp asked if there was other discussion regarding the Comprehensive Plan, there was none. He called for the vote on Ordinance No. 705 on first reading.

Vote: Motion carried 5-0.

Mayor Knapp asked for a motion on Ordinance No. 706.

B. Ordinance No. 706

An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Planned Development Commercial (PDC) Zone To The Planned Development Residential – 5 PDR-5) Zone On 1.14 Acres Comprising Tax Lot 100 Of Section 22AC, T3S, R1W, Clackamas County, Oregon; “Fox Center Townhomes” Seema, LLC, Applicant.

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Motion: Councilor Nunez moved to approve Ordinance No. 706 on first reading. Together with the additional conditions as stated by the City Attorney. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

The following is an excerpt from Ordinance No. 706 which contains the formalized "additional conditions as stated by the City Attorney".

"WHEREAS, on November 5, 2012, and December 3, 2012 the Wilsonville City Council held a public hearing regarding the above described matter, wherein the City Council considered the full public record made before the Development Review Board, including the staff report, which record was incorporated into the City Council public hearing record; took public testimony, received exhibits; and, upon deliberation, recommended approval of the zone change with the additional conditions:

(1) Record a deed restriction to run with the land that each unit would be rented to occupants at least one of whom would be 55 years of age. Based on the recording of the deed restriction to ensure the provision of senior housing, the total unit count of 15 is authorized.

(2) That Council further recommends the Design Review Board review for consideration the following:

(a) Review applicant's alternative building roof design and whether or not the alternative building roof design is more in line with the surrounding suburban residential neighborhood and if so, whether or not such design outweighs the features the applicant's current roof design provides;

(b) Review whether or not the location of the street bulb out on the north is appropriately located;

(c) Review whether or not parking should be restricted on Willamette Way north of the driveway on Willamette Way prior to Chantilly, noting the need for parking to access the mailboxes on the east side of Willamette Way;

(d) Review whether or not there should be any parking restriction from the above driveway south on Willamette Way prior to Chantilly; and

(e) Review whether or not there should be any parking limits on the section of Chantilly the development borders.

The Council received a variety of information on these matters which was not before it for decision and desires the Design Review Board provide due consideration of them."

Mayor Knapp declared a recess at 9:07 p.m. and reconvened the meeting at 9:14 p.m.

C. Ordinance No. 709 – First Reading

An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Residential Agriculture – Holding (RA-H) Zone, The Public Facility (Pf) Zone, And The Exclusive Farm Use (EFU) Zone To The Village (V) Zone On Approximately 73.27 - Acres Comprising Tax Lots 100, 180, 103, 192, 181, 102, 101, 200, Portions Of Tax Lot 2916, Portions Of Tax Lot 2919 Of Section 15, And Tax Lots 1401 Of Section 10, T3S, R1W, Clackamas County, Oregon, Polygon Northwest Company, City Of Wilsonville, Urban Renewal Agency City Of Wilsonville, And Metro Applicants.

Ordinance No. 709 and Ordinance No. 710 were read into the record by title only on first reading.

Mayor Knapp opened the public hearing on Ordinances No. 709 and 710 at 9:16 p.m. and read the hearing format for the record.

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Dan Pauley, Associate Planner presented the staff report for Ord. 709. This request is for Phase 3 East of Villebois. The main request is for Bischof Lund property where the residential development would occur, the surrounding properties will be developed as parks. The entire area is shown as Residential-Village in the Comprehensive Plan and the only option for the designation is the Village Zone. Mr. Pauley displayed the Lund Property site plan. The DRB approved the variety of housing types, 163 single family homes and 42 row homes. All of the homes are alley loaded with the front facing tree-lined streets, parks and open space. To the north and east are the regional parks which will be built and maintained for a period of time but eventually will be maintained by the City. This development constructs Villebois Drive North which replaces 110th. Overall the DRB approved a mix of four different housing types and density that substantially matches the Master Plan. The unanticipated wetland on the northeast resulted in the shifting of housing and streets on the site.

Mr. Pauley displayed the housing design types that included English style row homes, American Classic small homes, a medium English home, and a French cottage home. The amount of green space was shown. The regional parks have not yet been approved due to additional work needed with Metro and the Parks & Recreation board on the final design.

Mr. Pauley mentioned the pattern books that address the character, and architecture of the buildings, as well as size and orientation of the lots. Each of the pattern books has been approved for each specific area plan in Villebois. In this case, Polygon has been building homes in SAP-South in compliance with the South Architectural Pattern Book was developed by Arbor Homes. The DRB approved modifications to the current pattern book and adopted it as the pattern book for these two phases of SAP-E. A couple of those changes dealt with housing product, the lot requirement for row homes was changed to match the Polygon design rather than the Arbor design. A page was added to address the cottage lot type which replaces the "single family attached product" type originally planned by Matrix. The main difference being is that the cottage homes are not attached to each other at the garage.

Mr. Pauley gave the staff report on Ordinance No. 710, Phase 4E. This site is north and east of the Lowrie Primary School and it is currently zoned EFU but going to the Village Zone. It will have 93 small and medium sized homes. The proposal matches the master plan in terms of density and placement of the homes. The development will have a substantial amount of parks with landscaping and furnishings to match the pattern books.

Mayor Knapp invited the applicant to come forward.

Fred Gast, Polygon NW, 109 East 13th Vancouver, WA. Mr. Gast thanked Council and staff for adding value every step of the way over the past two years. He spoke about how the values of the Polygon NW organization and the city were always considered when choosing a location to make an investment. They looked for a community with strong citizen support. Polygon has been involved in developing planned communities in both Seattle and Portland. Mr. Gast talked about the path leading them to where they are today in Villebois. Their first 81-home investment in Villebois was successfully completed. The second community of 165 homes included a role in the swim center, more housing types, elevations, and floor plans to allow different products and innovative home styles. Polygon believed in investing in the amenities first.

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Councilor Fitzgerald, a Villebois resident, indicated her appreciation with the different home styles which helped retain the community feel.

Mayor Knapp recalled he was member of the DRB when Villebois first came forward with the concept of diversity in housing styles, looks and characteristics. This needs to be a neighborhood with diversity of housing types, styles and choices.

Councilor Starr asked what attracted Mr. Gast and Polygon to invest in Wilsonville prior to working with staff.

Mr. Gast responded it was for all the reasons Council choose to live in Wilsonville, the look of the community, nearness to the I-5 corridor, the neighborhoods, good schools, services, nearness to medical facilities, and a solid economic background.

Mayor Knapp called for public testimony, hearing none, he asked for a motion to close the public hearing.

Motion: Councilor Fitzgerald moved to close the public hearing on Ordinances No. 709 and No. 710. Councilor Nunez seconded the motion.

Vote: Motion carried 5-0.

The Mayor closed the public hearing at 9:39 p.m.

Motion: Councilor Fitzgerald moved to approve Ordinance No. 709 on first reading. Councilor Núñez seconded the motion.

Vote: Motion carried 5-0.

D. **Ordinance No.710** – First Reading

An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Exclusive Farm Use (EFU) Zone To The Village (V) Zone On Approximately 12.96 - Acres Comprising Tax Lot 301 Of Section 15 And Tax Lots 16400 And 16500 Of Section 15DA, T3S, R1W, Clackamas County, Oregon, Polygon Northwest Company, Applicant.

Motion: Councilor Fitzgerald moved to approve Ordinance No. 710 on first reading. Councilor Núñez seconded the motion.

Vote: Motion carried 5-0.

E. **Ordinance No. 711** First and Second Reading

An Ordinance Of The City Of Wilsonville Establishing A Permanent 20 Mph Speed Limit On Residential Streets Adjacent To Lowrie Primary School.

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Ordinance No. 711 was read into the record by title only on first reading.

Mayor Knapp opened the public hearing at 9:41 p.m. and read the hearing format.

Steve Adams, Interim City Engineer presented the staff report. City staff worked with DKS Associates, and West Linn / Wilsonville School District staff to establish a school zone and Safe Routes to School program for the new Lowrie Primary School, which included the 20 MPH speed limits on the residential streets adjacent to or connecting to the new school. A temporary 20 MPH speed limit was authorized on August 22 as allowed by ORS 180.180(9), but could remain in place for no more than 120 days. Approval of Ordinance No. 711 allows establishing a permanent 20 MPH speed limit on residential streets adjacent to Lowrie Primary School.

The draft school zone and Safe Routes to School program was shared with Legend Homes in June and adjusted based on their feedback. A citizens open house was held on July 25th at Lowrie Primary School; all households within the Lowrie Primary School district received mailers for the event; approximately 25 to 30 citizens attended. City staff also attended a School District event held at Lowrie Primary School on August 24th, where again this information was available; this event was attended by perhaps 120 to 150 citizens.

This ordinance provides a safer environment for pedestrians and cyclists to use streets adjacent to Lowrie Primary School. Legend Homes was the only business immediately affected and they supported the school zone and 20 MPH speed limit. The West Linn / Wilsonville School District also provided their support and approval. ORS 180.180(10) allows the local road authority to establish a designated speed for a roadway under the jurisdiction of the road authority that is five miles per hour lower than the statutory speed. Public safety is better served by slower vehicle speeds around the new Lowrie Primary School.

Councilors were concerned with motorists knowing when the 20 MPH would begin and end, and the effects on drivers during the summer months when school was not in session. However, Councilors Goddard and Fitzgerald supported the ordinance based on an overriding interest to preserve the safety for children, there was no opposition to the permanent speed limit, and due to the fact the street layout surrounding the primary school presented challenges.

Mayor Knapp called for public testimony, there was none and the public hearing was closed at 9:55 p.m.

Motion: Councilor Goddard moved to approve Ordinance No. 711 on first reading.
Councilor Fitzgerald seconded the motion.

Vote: Motion carried 4-1. Council President Nunez voted "No".

Mayor Knapp agreed with the comments of Councilors Goddard and Fitzgerald. The 20 MPH has been in force since school started, and those purchasing the new homes would be aware of and understand the situation.

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Councilor Núñez indicated she would vote “No” because the Boeckman Road extension was closed and there would not be children in the area on weekends.

Councilor Starr was unsure of his vote on the second reading. He wanted to see a wider map of the area and how this speed adjustment would impact development to the north and west. The Councilor wanted to insure Barber Road was not negatively affected.

Mr. Adams pointed out all the detours in place due to the closure of Boeckman Road were streets with 25 MPH speeds.

Motion: Councilor Fitzgerald moved to approve Ordinance No. 711 on second reading. Councilor Goddard seconded the motion.

Vote: Motion carried 3-2
Mayor Knapp - Yes
Council President Núñez - No
Councilor Goddard - Yes
Councilor Starr - No
Councilor Fitzgerald - Yes

CONTINUING BUSINESS

- A. **Ordinance No.708** – second reading
An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Public Facility (PF) Zone To The Village (V) Zone On .89 - Acres Comprising The Southerly Portion Tax Lot 100 Of Section 15AD, T3S, R1W, Clackamas County, Oregon. Villebois Village Center LLC, Applicant.

Mr. Kohlhoff read the title of Ordinance No. 708 into the record on second reading. No additional comment or testimony had been received on this Ordinance since first reading.

Motion: Councilor Starr moved to approve Ordinance No. 708 on second reading. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0.
Mayor Knapp - Yes
Council President Núñez - Yes
Councilor Goddard - Yes
Councilor Starr - Yes
Councilor Fitzgerald - Yes

- B. **Resolution No. 2385**
A Resolution Of The City Of Wilsonville Approving Addendum No. 4 To The Development Agreement Of June 14, 2004 By And Between The City Of Wilsonville (City) And The Urban Renewal Agency Of The City Of Wilsonville (URA) And Matrix Development Corporation (Developer) And Property Owners Donald E. Bischof / Sharon

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L. Lund, Arthur C. / Dee W. Piculell, The Dearmond Family LLC / Louis J. / Margaret P. Fasano (Owners) And Valerie And Matthew Kirkendall (Kirkendall) And Repealing Resolution No. 2377.

Resolution No. 2385 was read into the record by Mr. Kohlhoff. Mr. Kohlhoff recommended continuing the matter to the December 17, 2012 Council meeting to allow the documents to be updated to reflect the new exhibits and size of water lines, and to schedule the Urban Renewal Agency meeting for the same matter.

Motion: Councilor Fitzgerald moved to continue Resolution No. 2385 to the date certain of December 17, 2012 City Council Meeting. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

CITY MANAGER'S BUSINESS

Due to lateness of the hour, the City Manager waived his meeting recap.

LEGAL BUSINESS

Mr. Kohlhoff stated he had enjoyed working with Councilor Núñez the past six years, and wished her well.

ADJOURN

Motion: Councilor Starr moved to adjourn. Councilor Goddard seconded the motion.

Vote: Motion carried 5-0.

The Council meeting adjourned at 10:00 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

ATTEST:

TIM KNAPP, MAYOR

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A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Monday, December 17, 2012. Mayor Knapp called the meeting to order at 7:07 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Council President Núñez
Councilor Goddard
Councilor Starr
Councilor Fitzgerald

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Barbara Jacobson, Assistant City Attorney
Sandra King, City Recorder
Mark Ottenad, Public Affairs Director
Dan Knoll, Public Affairs Coordinator
Nancy Kraushaar, Community Development Director

Joanne Ossanna, Finance Director
Stephan Lashbrook, SMART Director
Patty Brescia, Senior Services
Kristin Retherford, URA Coordinator
Keith Katko, Finance
Chris Neamtzu, Planning Director
Angela Handran, Executive Secretary
Jen Massa-Smith, SMART

Motion: Council President Núñez moved to approve the order of the agenda. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

MAYOR'S BUSINESS

A. Board and Commission Appointments

Mayor Knapp noted the protocol for Board and Commission appointments stated Councilors have two weeks to review and make their recommendation to the Mayor after they receive the applications. The two week period has not passed and the Mayor wanted to defer the item to a subsequent meeting.

Councilor Goddard stated there was a fairly lengthy discussion during Work Session about the appointments and the expectation of some Councilors that appointments would be addressed since it was on both the work session and regular meeting agendas. Some of the Councilors have had an adequate opportunity to review the applications. He recognized that some Councilors have the desire to personally interview the applicants they do not have experience with. In the interest of continuing to work together collaboratively Councilor Goddard offered a compromise. Since there has been a long standing practice of reappointing folks who are currently serving on boards and commissions, whose terms are expiring and who have expressed an interest in continuing to serve another term, that we address those few individuals that fall into that

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category this evening. Then provide additional time for Councilors who wish to interview new candidates between now and a future meeting in January. He asked if that would be acceptable to the Council to approach this matter in that way.

Mayor Knapp queried if Councilor Goddard was asking for discussion.

Councilor Goddard indicated he would encourage some discussion if other Councilors were supportive of that concept. And if not this is an opportunity to express why not.

Mayor Knapp stated there were more than two dozen applications for Boards and Commissions. The way the Council protocol is established, Councilors are to have two weeks to make those recommendations to the Mayor, and the Mayor is to have time to review those recommendations and conduct his own interviews before making appointment recommendations to the Council. The alternative Councilor Goddard offered did not allow that to happen. The Mayor did not know if the people the Councilor was proposing were the appropriate people for those appointments until he had the chance to talk with the pool of applicants and to all of those who have expressed an interest. The Mayor thought the applicants were owed the respect to take the time to get to know them a little bit, talk to them, and see if they might fit appropriately in a certain appointment, which was what he proposed to do.

Councilor Goddard recalled an earlier discussion as a Council that there was also a general feeling that we owed some measure of respect to those who have taken the time to serve and who are eligible to serve an additional term and that have expressed an interest in doing that. He thought the slate the Council had to consider had four individuals that fell into that category: one for Budget Committee, two for DRB, and one for Parks and Rec. He thought the past practice of the Council has been to show deference to folks that have served. All of the Councilors have had the opportunity to come to know them during the terms they have served. He would be surprised if anyone on the Council felt an obligation to go a different direction than what has been done in the past with reappointments. It would be easier for the Council if they could address those this evening. He acknowledged it was a compromise, but he was asking for the Mayor's support of that approach and then focus on the new applicants that the entire Council would like to talk to between now and January.

Mayor Knapp did not know whether a reappointment or a new appointment was appropriate until he had the chance to look at the applicants, get to know them, and weigh the capabilities they would bring to a board or commission and in consideration of the competencies already on a given panel at a given time and what is appropriate. He felt it was his responsibility as Mayor to carry through with the review and he did not believe rushing through a process to accomplish it in the next fourteen days served the interest of the community.

Councilor Goddard asked if there was a specific applicant the Mayor had reservations about.

Motion: Councilor Goddard moved that the Council reappoint those folks to volunteer boards and commissions who have terms that are expiring and are eligible to serve another term and who have expressed interest in continuing to serve.

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Mayor Knapp stated the motion was out of order and invalid under the protocol and printed procedures of the Wilsonville Code.

Councilor Starr asked what that meant.

Mayor Knapp deferred to the Assistant City Attorney for clarification.

Ms. Jacobson explained the way the Code the Charter and the resolution that acts as the Council's governing rules are all written is that the Council recommends and the Mayor appoints with Council consent. Although the Council could agree to do as Councilor Goddard suggested, if everybody was in agreement, at the end of the day, the legal bottom line is the Mayor has to agree to make the appointments. If the Mayor is not willing to make appointments tonight under the City's current Code and resolution, which are the rules, then this cannot move forward tonight.

Councilor Goddard directed his question to Ms. Jacobson, under Roberts Rules there is a motion on the floor, is that right, so Council can choose to address the motion or choose not to.

Ms. Jacobson understood there was a motion; however, there was a point of order because, if the Council voted to do that the Council could vote to ask the Mayor to do that, but at the end of the day it is the Mayor's decision because of the way the Code is written.

Councilor Goddard restated his motion: that this Council recommend reappointment for those vacancies who have somebody that is currently serving, whose term is expiring, and they are eligible to serve another term and have expressed an interest in doing so.

Ms. Jacobsen stated Councilor Goddard could make his recommendation and the Mayor would need to decide whether he is willing to make the appointment. Councilor Goddard could make the motion to make that recommendation if he wished to.

Councilor Starr asked if Councilor Goddard wanted to specifically name the people so it was clear.

Mr. Cosgrove offered there was a motion without a second and there should not be discussion.

Councilor Starr seconded the motion.

Councilor Goddard was referring to the following four individuals: Andrew Karr and Mary Bower who are both serving on the DRB, are eligible for reappointment and have expressed an interest in continuing to serve. Wendy Buck who is currently serving on the Budget Committee, is eligible for reappointment and has expressed an interest in continuing to serve another term. And Brent Timm who is currently serving on the Parks and Recreation Advisory Board is eligible for reappointment and has expressed an interest in continuing to serve.

Councilor Núñez asked if there was anyone for the Planning Commission to be reappointed.

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Councilor Goddard said there was no one for Planning; however there was a third for the DRB, Jhuma Chaudire.

Councilor Starr said Jhuma was appointed earlier in the year.

Councilor Goddard said there would be three for DRB, one for Budget Committee and one for Parks and Recreation, for a total of five.

Mayor Knapp stated the information he saw from the Administrative office indicated Mr. Timm had not stated whether or not he wished to be reappointed; that is one example of the reason not to rush into this because it is not clear not having interviewed and not having talked with the applicants exactly what the situation is. The Council will have a new City Councilor coming on board who needs to be given a chance to interview and get to know the folks that will be appointed to Boards and Commissions that would be advising the new Council through the next several years. It was inappropriate, in the Mayor's view, to make a decision for the new Council ahead of time, not allowing the new Council to conduct their own evaluation and make their own decision. He did not think this was an appropriate way forward, it did not serve the best interest of the community, and was not respectful to the more than two dozen people who have offered their services to the community.

Councilor Goddard asked if the Mayor was saying folks that are currently serving and are interested in continuing to serve should not be given the opportunity to do that.

In response Mayor Knapp reiterated his previous comments; until he interviewed people he did not know whether those reappointments are the best people to fulfill those functions at this time on those committees. He wanted a chance to look at each committee and evaluate the mix of skills and perspectives in order to provide a balanced view for each committee.

Councilor Goddard stated the Mayor served on the Budget Committee and the Councilor did not know how the Mayor could not have had an opportunity to evaluate the skills on that committee. He thought it would be disrespectful to the community and to the people who have given their time and energy to this community in a volunteer capacity and have expressed an interest in continuing to serve our community to not give them an opportunity to do that. And if you think Mr. Timm is unsure if he wants to serve, four of the five have explicitly expressed an interest in continuing to serve. The Councilor would be more than happy to address the four and address Mr. Timm when each of us has had an opportunity to confirm his interest, but the other four are clear.

Councilor Starr appreciated the Mayor's concern about the incoming Councilors, but he had respect for Councilor Núñez and her ability to make a decision and seeing as how you were fine and voted on it two years ago it still would be appropriate.

Mayor Knapp stated Councilor Starr has asked for the question which requires a vote on whether or not to have the vote on the question.

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Vote: Councilors Núñez, Goddard and Starr voted “Aye”.
Councilor Fitzgerald abstained.
Mayor Knapp voted “No”.

Mayor Knapp noted the Council had made their recommendation; he has expressed his point of view and position.

Councilor Starr called for the question.

Mayor Knapp stated Councilor Starr was right the Council voted on whether to call the question, so the question has been called.

Vote: Councilors Starr, Núñez and Goddard voted “Aye”.
Mayor Knapp voted “No”

Councilor Fitzgerald asked for discussion. Mayor Knapp said a call for the question did not allow discussion under Roberts.

Councilor Fitzgerald voted “No”.

Mayor Knapp restated the result of the vote as three in favor and two opposed to make the recommendation to the Mayor. The Mayor reiterated his position previously expressed and the specific reasons why he did not believe it was appropriate.

The Mayor announced upcoming meetings, in particular the closure of City hall for Christmas December 25th; and the next Council meeting set for January 7, 2013 and reported on the meetings he attended on behalf of the City of Wilsonville.

C. Farewell to Council President Celia Núñez

Mayor Knapp and the City Councilors thanked Council President Núñez for her work on the Council these past six years, and for her leadership, ideas, integrity, for being the voice for those who may think they do not have one, and as a role model to women in the business community.

Mayor Knapp presented Council President Núñez a photograph of Wilsonville when she took office and as she is leaving. He called a 15 minute recess and invited those attending the meeting to enjoy refreshments. The meeting reconvened at 7:53 p.m.

Councilor Goddard left the meeting at 7:40 p.m.

COMMUNICATIONS

A. CAFR Audit Report Presentation, Chuck Swank, Grove Mueller and Swank, P.C.,
Certified Public Accountants

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Joanne Ossanna, Finance Director introduced Chuck Swank, of the firm of Grove Mueller and Swank, P.C., Certified Public Accountants. The firm audited the Comprehensive Annual Financial Report (CAFR) and the Urban Renewal Agency Financial Report for the fiscal year ending on June 30, 2012. The result was the City received an unqualified opinion. This opinion is given when the financial statements presented are free of material misstatements and are represented fairly in accordance with the Generally Accepted Accounting Principles (GAAP), which in other words means that the City's financial condition, position, and operations are fairly presented in the financial statements. Grove Mueller and Swank, P.C. did not issue any Management Letter Comments or recommendations for improvements.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

Al Steiger, 7054 SW Cedar Point; pointed out the City received a Certificate of Achievement on the annual report which is not easy to achieve.

COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

Council President Núñez – Chamber Leadership and Library Board liaison had no liaison report to make. She announced the first Friday film series at the library.

Councilor Starr –Development Review Boards and Wilsonville Community Seniors Inc. liaison; noted the next scheduled DRB meeting had been cancelled. He noted the Economic Development Committee met to discuss matters that will be coming before Councilors.

Councilor Fitzgerald presented the Planning Commission report and announced the Holiday Fun Fest at the Community Center.

CONSENT AGENDA

The Consent Agenda items were read by title into the record by Assistant City Attorney Jacobson.

- A. Acceptance of the Annual Financial Audit Report for FY 2011-12.
- B. **Resolution No. 2388**
A Resolution Of The City Of Wilsonville Authorizing Procurement Of Compressed Natural Gas Fuel System Components From Northwest Pump & Equipment, Authorized Representative Of BRC Fuel Maker.

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C. Minutes of the November 5, 2012 and November 19, 2012 Council Meetings.

Motion: Councilor Fitzgerald moved to approve the Consent Agenda. Council President Nunez seconded the motion.

Vote: Motion carried 4-0.

NEW BUSINESS

A. **Resolution No. 2389**
A Resolution Authorizing A Supplemental Budget Adjustment for Fiscal Year 2012-13.

Joanna Ossanna, Finance Director, presented the staff report. The majority of the supplemental budget is basic housekeeping to roll forward the budget for projects not completed last year; and to recognize receipt of grant funds.

Motion: Council President Nunez moved to approve Resolution No. 2389. Councilor Starr seconded the motion.

Vote: Motion carried 4-0.

PUBLIC HEARING

Ms. Jacobsen read the title of Resolution No. 2390 into the record.

A. **Resolution No. 2390**
A Resolution Of The City Of Wilsonville Authorizing A Ballot Title For The March 2013 Election Entitled "Economic Development Incentives Using Urban Renewal Tax Increment Financing Zones".

Mayor Knapp read the public hearing format and opened the public hearing at 8:14 p.m.

Stephan Lashbrook, and Kristin Retherford prepared the staff report. To provide background, the complete staff report for Resolution No. 2390 follows:

ISSUE: Council action on Resolution No. 2390 is needed to authorize staff to take the necessary steps to place this matter on the ballot.

EXECUTIVE SUMMARY: The proposed ballot seeks voter input on the creation of a Tax Increment Financing Zone (Zone) program that would establish one or more single-property urban renewal (Tax Increment Financing Zone) districts. The purpose of those districts would be to provide economic development incentives via property-tax rebates similar to but more targeted than the benefits offered by state-sanctioned Enterprise Zones in neighboring communities. Enterprise Zones provide a 100 percent property-tax exemption on increases of assessed value for a two- to five-year period to qualified firms for capital investment. Wilsonville does not have

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Enterprise Zones, unlike the area cities of Beaverton, Gresham, Hillsboro, Milwaukie and Portland.

The intent of this Zone program is to incentivize the private-sector to convert lower-value, vacant or underutilized industrial buildings into higher-value manufacturing sites that provide buildings with higher assessed valuation and a larger employment base at a higher wage level. The program would provide manufacturing businesses with a financial incentive to make the capital investment needed to upgrade large industrial properties into higher value manufacturing facilities that provide a larger number of higher-wage jobs. The program would place the City of Wilsonville in a more competitive position in the greater Portland region, State of Oregon and global economy to 'win' a greater share of private-sector business investment.

Following a qualifying investment, which must be made within the first five years of the life of a given Zone, the Zone could have up to a ten-year term or lifespan at which point the Zone would be closed. If no qualifying investment is made within the first five years, the Zone would automatically be closed. Each Zone would share 25 percent of increased tax increment with other taxing districts such as schools and the fire district and rebate the balance of incrementally paid-taxes back to the company. That is, the company is rewarded for making the capital investment in Wilsonville by receiving back a portion of the increase in property taxes paid that result from the company's investment. The greater the investment, the greater the rebate reward. Thus, the rebate is based on the company's performance and proportional to the level of capital investment and job creation.

The proposed Zones would rebate up to 75 percent of increased property tax increment for three years for each minimum qualifying investment and job creation for companies that invest at least \$25 million in capital improvements and/or qualified equipment and create 75 or more new full-time jobs paying at least 125 percent of the average Clackamas County wage, with two additional years (5 total) available if the new jobs pay 150 percent of average wage paid in Clackamas County. Each Zone would terminate ten years after the first qualifying rebate. Non-performance during the term of the Zone would require repayment of rebates. If no qualifying investment occurs within five years of creating the Zone, the Zone would terminate.

A new three or five-year rebate period could begin with any additional round of new qualifying capital investment and job creation meeting the above minimum criteria, providing a maximum of 10 years of rebates period. Again, however, qualified investment needs to be made within 5 years of program adoption. This limits the potential life of the program to 15 years.

EXPECTED RESULTS: The voters will have the opportunity to advise the City Council on whether there is public support for the formation of tax increment urban renewal districts to create incentives for the conversion of large, underutilized industrial buildings to manufacturing.

TIMELINE: The City faces extremely narrow timelines in order to place this matter before the voters in March, 2013. Essentially, the City Council must authorize this action at the December 17, 2012 Council meeting in order to assure that there is ample time for the public, Oregon's Secretary of State, and the County Clerks of Washington and Clackamas Counties to review the proposed ballot language and take all of the necessary steps to allow for a March vote.

CURRENT YEAR BUDGET IMPACTS: Clackamas County Elections Division advises the estimated cost of this special election would be between \$6,000 and \$7,000. The cost includes Washington County voters who live within the City of Wilsonville.

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LEGAL REVIEW / COMMENT: The Ballot Title is to be drafted so that it presents an impartial title, question, and Summary. The title is limited to 10 words, the question to 20 words, and the Summary to 175 words. Voters should be able to read the Ballot Title and know what they are voting on. On December 13, 2012, the Ballot Title was presented to the Economic Development Task Force for their input and recommendation. The Task Force's recommendation and the Ballot Title are being presented to the City Council for adoption and referral and contemporaneously presented the same evening to the Urban Renewal Board for its recommendation. Since this is a referral, the Council and Board could amend the proposed Ballot Title as long as it meets the word limits and is impartial in its presentation.

This is an advisory vote, which is not legally binding. However, the Councilors and the Councilors acting as UR Board members have historically followed the advice of the citizens on such votes.

COMMUNITY INVOLVEMENT PROCESS: This matter has been discussed by the Economic Development Task Force at three meetings, all of which were open to the public and well attended. A detailed story on this subject has appeared in a recent edition of the *Wilsonville Spokesman*. The staff is also recommending that the City Council and the Urban Renewal Board conduct a public hearing before finalizing their decision on Resolution No. 2390.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY: If the voters recommend the creation of the proposed Zones and the requisite urban renewal districts are established by the City Council, the City would have a way to fund economic development incentives to better compete with the Enterprise Zones in place in other communities. If successful, this program could lead to long-term benefits to the community in the form of increased property tax and payroll tax revenues, as well as the creation of numerous jobs.

ALTERNATIVES: The City Council and Urban Renewal Board have three alternatives:

- 1) Refer the proposed ballot title to the Secretary of State and the County Clerks of both Washington and Clackamas Counties for a March vote;
- 2) Choose not to refer the matter to the voters; or
- 3) Amend the proposed language and send a modified version of the ballot title to the Secretary of State and the County Clerks of both Washington and Clackamas Counties for a March vote.

Members of the Economic Development Task Force supported the resolution and the advisory vote as presented in the proposed ballot measure.

Alan Steiger 7054 SW Cedar Point Drive urged adoption of Resolution No. 2390. He noted the Economic Development Task Force was a diversified group the document reflected the comments and concerns voiced by the Task Force members.

The Mayor closed the public hearing at 8:42 p.m.

Motion: Councilor Fitzgerald moved to approve Resolution No. 2390. Council President Núñez seconded the motion.

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Mayor Knapp was enthused by the level of dialogue and diversity of the Committee members. In Wilsonville warehousing is no longer a prime business and those buildings need to be converted and updated to accommodate manufacturing processes. Mayor Knapp moved to amend the referral language in Exhibit "A", in the last sentence of the paragraph which begins "Up to six buildings over 100,000 square feet"; to specify how many new jobs.

Ms. Jacobson suggested amending the sentence to read: "Two additional years of rebate available if the 75 new jobs pay at least 150% of average county wage."

Motion to Amend: Mayor Knapp moved to amend the wording in Exhibit A the Referral City of Wilsonville Measure modified with the language proposed by the Assistant City Attorney. Councilor Starr seconded the motion to amend.

Vote on Amendment: Motion carried 4-0.

Vote on Main Motion: Motion carried 4-0.

- B. **Ordinance No. 712** first reading
An Ordinance Amending City Of Wilsonville Park Rules To Prohibit Smoking Or Other Use Of Tobacco On All City Park Property, Park Facilities And Buildings.

Ms. Jacobson read the title of Ordinance No. 712 into the record on first reading.

Mayor Knapp provided the public hearing format and opened the public hearing at 8:56 p.m.

Patty Brescia, Senior Programs Manager introduced Donna Bane and Dr. Dave Duemling as well as the other members of the ACHIEVE project committee.

The City received a \$50,000 grant from the CDC (Center for Disease Control) for the ACHIEVE program. ACHIEVE is a program created through a partnership with CDC and the National Parks and Recreation Association. The goal of the ACHIEVE program is to assess and determine ways to create a healthy community. The ACHIEVE coalition, comprised of community members, developed two goals and three objectives focused on health and wellness in Wilsonville. The ACHIEVE collation presented these goals to the City Council Work Session on November 5, 2012. One of the goals is to adopt an ordinance prohibiting smoking and use of any type of tobacco in City parks. This also includes park facilities and buildings.

A student from the Arts and Technology High School conducted surveys at events throughout the community to gage community interest in prohibiting smoking in City parks. Residents overwhelmingly supported prohibiting smoking in City parks. The ACHIEVE collation adopted this as a goal and presented it to the Parks and Recreation Board who highly recommended the City Council adopt such an ordinance. Several other cities in Oregon have already adopted smoke free ordinances such as City of Bend, City of Sherwood and City of Lake Oswego. If adopted in Wilsonville, signs will be installed in all City parks indicating they are smoke free. This ordinance is enforced through fines as outlined in City Code.

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Anna Rankin, 9775 Rose Lane; indicated her support of the ordinance and urged Council adoption on first reading.

The public hearing was closed at 9:11 p.m.

Motion: Councilor Nunez moved to approve Ordinance No. 712 on first reading. Councilor Starr seconded the motion.

Vote: Motion carried 4-0.

CONTINUING BUSINESS

- A. **Ordinance No. 705** – second reading
An Ordinance Of The City Of Wilsonville Approving A Comprehensive Plan Map Amendment From Commercial To Residential – 10-12 DU/AC On 1.14 Acres Comprising Tax Lot 100 Of Section 22AC, T3S, R1W, Clackamas County, Oregon; “Fox Center Townhomes” Seema, LLC, Applicant.

Ms. Jacobson read the title of Ordinance No. 705 into the record on second reading.

Councilor Starr stated he would vote “yes” since he would rather see townhomes on the property than commercial development; but he questioned the density on the site.

Mayor Knapp was confident the review by the DRB would produce a quality product for the location.

Councilor Fitzgerald recalled the positive comments of the neighborhood and that they were pleased with the plan. The project complied with what was allowed for the property.

Motion: Council President Nunez moved to approve Ordinance No. 705 on second reading. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 4-0.
Council President Núñez - yes
Councilor Goddard - excused
Councilor Starr - yes
Councilor Fitzgerald - yes
Mayor Knapp - yes

- B. **Ordinance No. 706** – second reading
An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Planned Development Commercial (PDC) Zone To The Planned Development Residential – 5 PDR-5) Zone On 1.14 Acres Comprising Tax Lot 100 Of Section 22AC,

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T3S, R1W, Clackamas County, Oregon; "Fox Center Townhomes" Seema, LLC, Applicant.

Ms. Jacobson read the title of Ordinance No. 706 into the record on second reading.

Motion: Councilor Fitzgerald moved to approve Ordinance No. 706 on second reading. Councilor Nunez seconded the motion.

Vote: Motion carried 4-0.
Council President Núñez - yes
Councilor Goddard - excused
Councilor Starr - yes
Councilor Fitzgerald - yes
Mayor Knapp - yes

C. **Ordinance No. 709** – second reading

An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Residential Agriculture – Holding (RA-H) Zone, The Public Facility (Pf) Zone, And The Exclusive Farm Use (EFU) Zone To The Village (V) Zone On Approximately 73.27 - Acres Comprising Tax Lots 100, 180, 103, 192, 181, 102, 101, 200, Portions Of Tax Lot 2916, Portions Of Tax Lot 2919 Of Section 15, And Tax Lots 1401 Of Section 10, T3S, R1W, Clackamas County, Oregon, Polygon Northwest Company, City Of Wilsonville, Urban Renewal Agency City Of Wilsonville, And Metro Applicants.

Ms. Jacobson read the title of Ordinance No. 709 into the record on second reading.

Motion: Councilor Fitzgerald moved to approve Ordinance No. 709 on second reading. Councilor Nunez seconded the motion.

Vote: Motion carried 4-0.
Council President Núñez - yes
Councilor Goddard - excused
Councilor Starr - yes
Councilor Fitzgerald - yes
Mayor Knapp - yes

D. **Ordinance No.710** – second reading

An Ordinance Of The City Of Wilsonville Approving A Zone Map Amendment From The Exclusive Farm Use (EFU) Zone To The Village (V) Zone On Approximately 12.96 - Acres Comprising Tax Lot 301 Of Section 15 And Tax Lots 16400 And 16500 Of Section 15DA, T3S, R1W, Clackamas County, Oregon, Polygon Northwest Company, Applicant.

Ms. Jacobson read the title of Ordinance No. 710 into the record on second reading, and indicated a minor correction in the first sentence of the ordinance, change *owner* to "contract purchaser".

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Motion: Councilor Fitzgerald moved to approve Ordinance No. 710 on second reading. Councilor Nunez seconded the motion.

Vote: Motion carried 4-0.
Council President Núñez - yes
Councilor Goddard - excused
Councilor Starr - yes
Councilor Fitzgerald - yes
Mayor Knapp - yes

- E. **Resolution No. 2385** – continued from 12/3/12 meeting
A Resolution Of The City Of Wilsonville Approving Addendum No. 4 To The Development Agreement Of June 14, 2004 By And Between The City Of Wilsonville (City) And The Urban Renewal Agency Of The City Of Wilsonville (URA) And Matrix Development Corporation (Developer) And Property Owners Donald E. Bischof / Sharon L. Lund, Arthur C. / Dee W. Piculell, The Dearmond Family LLC / Louis J. / Margaret P. Fasano (Owners) And Valerie And Matthew Kirkendall (Kirkendall) And Repealing Resolution No. 2377.

Ms. Jacobson recommended continuing Resolution No. 2385 to the January 7, 2013 City Council meeting.

Motion: Councilor Fitzgerald moved to continue Resolution No. 2385 to January 7, 2013. Councilor Nunez seconded the motion.

Vote: Motion carried 4-0.

CITY MANAGER'S BUSINESS

Mr. Cosgrove waived his meeting recap and noted he would be on vacation this next week, but would be monitoring his email. He asked the Councilors to bring their calendars with them to the first January meeting to schedule goal setting dates. Mr. Cosgrove thanked Council President Núñez for her help in acclimating him to his position in Wilsonville which made the transition easier.

LEGAL BUSINESS

Ms. Jacobson said Mr. Kohlhoff was recovering at home from his hip surgery, and on behalf of the Legal Department expressed appreciation to Council President Núñez for her years of service on the Council.

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ADJOURN

Mayor Knapp adjourned the Council meeting at 9:31 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

ATTEST:

TIM KNAPP, MAYOR

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A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Monday, January 7, 2013. Mayor Knapp called the meeting to order at 7:05 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

- Mayor Knapp
- Councilor Goddard
- Councilor Starr
- Councilor Fitzgerald
- Councilor-elect Stevens

Staff present included:

- Bryan Cosgrove, City Manager
- Jeanna Troha, Assistant City Manager
- Mike Kohlhoff, City Attorney
- Delora Kerber, Public Works Director
- Nancy Kraushaar, Community Development Director
- Barbara Jacobson, Assistant City Attorney
- Angela Handran, Executive Secretary
- Stephan Lashbrook, SMART Director
- Kristin Retherford, URA Manager
- Joanna Ossanna, Finance Director
- Sandra King, City Recorder
- Mark Ottenad, Public Affairs Director
- Dan Knoll, Public Affairs Coordinator
- Michael Gleeson, Municipal Court Judge

Oath of Office

The Honorable Judge Gleeson administered the Oath of Office to newly elected Councilors Julie Fitzgerald and Susie Stevens.

Councilors Fitzgerald and Stevens felt it was an honor to serve as a City Councilor and they were looking forward to the next four years and doing what they could to benefit the city and businesses.

Judge Gleeson administered the oath of office to Mayor elect Tim Knapp.

Mayor Knapp made the following comments, included here in their entirety:

“This election was a vigorous campaign, as most of you are aware, and many people became energized and involved. I think it is now incumbent on all of us to continue that involvement in some way. We need to find a balance in our views, in our priorities, and in the choices we have yet to make. We need to listen to the community as a whole, talk to the kids, parents, the working folks, the families, businesses, professionals, seniors; all of these people are part of our community. We need to think about the long term interests of the community not just the immediate needs. And we need to work to

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understand the pressures that will come to affect our community both internal and external.

Each of these following items is interconnected so it is very hard to talk about one without the other. We certainly are pushed by economic issues in Wilsonville, or in some cases the lack of economic issues where we wish there were some. Jobs have become increasingly recognized as an inherent core component of what creates quality of life for families in our community and elsewhere. We need to be cognizant of issues about business stability, about the possibilities of businesses that are here growing, and of businesses that might be new to us choosing to locate here. We need to think about how the goods and services available in our community meet the needs of our citizens. We need to think about residential areas, where people live in our community. What about our schools, what about the quality, what is the growth trend, what is the sustainability of the higher quality components we like in our school system. How about our safety issues, our police, our fire department, what kind of neighborhoods do we have for roads, and sidewalks, and are there places that kids can walk on their own and not have parents worried about that. What about the way our community is built, what about connectivity, are we isolated into small groups or do we have a common sense of being part of one broader community? What about recreational opportunities, who do those opportunities serve, what age groups, what economic groups, what is the possibility for improving those opportunities that has not occurred. How about the stewardship we are charged with for looking after; our natural areas that we are so blessed to have all around us in so many different ways.

We are going to be buffeted by issues of industrial development. The entire metropolitan region designated Coffee Creek and Basalt Creek a few years back as being important to the entire regional area for industrial development and growth. Those areas are now poised on the cusp of starting to be more active. All of that implies transportation issues. if we are going to grow more jobs there will be more workers coming, more cars, and more issues about transportation facilities. How do we deal with that?

We have issues about what kind of community is Wilsonville viewed by outside groups as being appropriate to locate a business or do businesses choose to go someplace else and not locate here. Have we positioned ourselves in the best way we can and communicated that to a broad audience?

All these kind of issues are things that will arise during our coming terms for the new councilors that have been sworn in especially. And ultimately these issues will affect each of us.

I want to make a challenge to the community, I would challenge the citizens to stay involved, to take the effort, attend an open house, read the newspapers, read the city newsletter, communicate, talk to your neighbors, talk to your friends, talk to your elected officials, tell them what concerns you have and what you are thinking about. And I hope that you will follow through and follow the information that increasingly is available

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online as we move into more and more electronic media. It makes many different kinds of information available that previously might not have been.

I want to challenge the city staff to keep your eyes open to new ideas and new opportunities. Don't be satisfied with just the status quo; think, discuss, brainstorm, every new or different idea that seems to make sense and let's pursue figuring out whether or not it is helpful to the city. Be enthusiastic to try something new and don't fret if not every new idea is a success. Our combined staff is a strong capable group of which we rightly are proud and confident.

And I want to challenge the Council to keep remembering that we all want positive futures in Wilsonville. None of us is going to get every item that we want; each of us is responsible to listen to the community, to listen to each other, and to try to represent all the varied people and the different viewpoints that make up our community. Working all together, respectfully, will enable far greater results than us individually pulling in different directions. I promise to do my best to listen, and work collaboratively and I look forward to exciting, interesting and challenging work. Let's get started. Thank you."

Mayor Knapp invited Councilors Goddard and Starr to comment.

Councilor Starr welcomed Councilors Fitzgerald and Stevens to the Council. He was confident they would do a great job and he looked forward to working with them.

Councilor Goddard echoed Councilor Starr's comments; he thought it was exciting to have fresh ideas and perspectives on the Council.

The roll call was taken followed by the Pledge of Allegiance.

Motion: Councilor Fitzgerald moved to approve the order of the amended agenda. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

MAYOR'S BUSINESS

A. Elect Council President

Mayor Knapp stated the City Charter provides that the Council shall elect a Council President at their first meeting in odd numbered years. Mayor Knapp recommended Councilor Starr be the Council President in the coming two years.

Motion: Councilor Stevens moved to appoint Councilor Scott Starr as Council President. Councilor Fitzgerald seconded the motion.

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Mayor Knapp thought either of the two most senior councilors would be fully capable of fulfilling these duties; however since only one could serve he had to choose. The Mayor expressed regret that the opportunity could not be extended to both of the senior councilors. He was confident numerous responsible extra assignments would be requested of Councilor Goddard in the future.

Councilor Goddard expressed his disappointment in the nomination. He believed for the last 12 years the Council President position had been held by the senior member of the Council, and as the senior member of the Council he would have welcomed the opportunity to serve as Council President. The Councilor thought Councilor Starr would do an outstanding job and he looked forward to working with him as Council President.

Councilor Starr was willing to accept the Council President position if the Council voted that way, and added he thought Councilor Goddard would do a great job in the position as well.

Vote: Motion carried. 3-0-2.
Councilors Goddard and Starr abstained.

B. Upcoming Meetings

Mayor Knapp announced the meetings he attended on behalf of the City, including the Washington County Coordinating Committee.

C. Board and Commission Appointments

The Mayor conducted interviews of the applicants for Boards and Commissions and was impressed with the number and expertise of the members of the community who are willing to step up and participate. Mayor Knapp made the following recommendations for appointments:

Budget Committee: appoint Wendy Buck and Glenn Ohl to 3 year terms beginning 1/1/13 through 12/31/15.

Motion: Councilor Goddard moved to appoint Wendy Buck and Glenn Ohl to the Budget Committee for terms beginning 1/1/13 and ending 12/31/15. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

Parks and Recreation Board: appoint Katherine Johnson and Mary Closson to 4 year terms 1/1/13 through 12/31/16. And to appoint Elaine Swyt and Alan Johnson to the Parks and Recreation Board for a 3 year term beginning 1/1/13 and ending 12/31/15.

Motion: Councilor Goddard moved to appoint Katherine Johnson and Mary Closson to the Parks and Recreation Board for 4 year term 1/1/13 through 12/31/16. And to appoint Elaine Swyt and Alan Johnson to the Parks and Recreation Board for a 3 year term beginning 1/1/13 and ending 12/31/15. Councilor Fitzgerald seconded the motion.

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Vote: Motion carried 5-0.

Planning Commission: Appoint Phyllis Straight-Millan to a 4 year term beginning 1/1/13 and ending 12/31/16.

Motion: Councilor Fitzgerald moved to appoint Phyllis Straight-Millan to the Planning Commission for a four year term beginning 1/1/13 and ending 12/31/16. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

Development Review Board Panel A: Appoint Mary Bower, Gerald Greenfield, Simon Springall and Kenneth Ruud to 2-year terms beginning 1/1/13 and ending 12/31/14

Motion: Councilor Fitzgerald moved to appoint Mary Bower, Gerald Greenfield, Simon Springall and Kenneth Ruud to the DRB Panel A for a two year term beginning 1/1/13 and ending 12/31/14. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

DRB Panel B: Re-Appoint Andrew Karr, Jhuma Chadhuri to a 2-year term beginning 1/1/13 and ending 12/31/14; and appoint Aaron Woods to a first 2-year term beginning 1/1/13 and ending 12/31/14:

Motion: Councilor Stevens moved to appoint Andrew Karr, Jhuma Chadhuri, and Aaron Woods to the DRB Panel B for a two year term beginning 1/1/14 and ending 12/31/16. Councilor Starr seconded the motion.

Vote: Motion carried 5-0

Councilor Goddard left the meeting at 7:45 p.m. and returned at 7:57 p.m.

COMMUNICATIONS

A. Wilsonville Community Sharing, Rich Truitt

On behalf of OrePac Building Products and the Hart Foundation, Alan Kirk, CFO of OrePac presented a \$10,000 check to Richard Truitt, President of Wilsonville Community Sharing for use to support the services provided by WCS.

B. Greater Portland Inc. Presentation – Colin Sears

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Mark Ottenad introduced Colin Sears of Greater Portland Inc. Mr. Sears delivered an overview of the services provided by the Greater Portland Inc.

Councilor Goddard asked Mr. Colin for help in looking through the economic development strategy framework and to flag areas where improvements could be made. He would like to collaborate with GPI and have the economic development strategy dovetail with the regional strategy.

Councilor Starr offered to work with the GPI team to help make an impact in Wilsonville for the greater Portland area. He would like to know when opportunities come to Wilsonville.

Councilor Fitzgerald was interested in the amount of regional interest. Mr. Sears has seen an uptick since last spring and noted they have 20 companies looking over the region.

Councilor Fitzgerald wanted to know about the marketing dollars for the area in the future. Mr. Sears stated the marketing focus for 2013 is web based; however they do use occasional strategic print journalism.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS – There was none.

COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

The Councilors had no liaison reports to share.

CONSENT AGENDA

- A. **Resolution No. 2392**
A Resolution Of The City Of Wilsonville Adopting The Intergovernmental Agreement Between The City Of Wilsonville And Other Governmental Agencies Who Are Members Of The Oregon Public Works Emergency Response Cooperative Assistance Agreement.
- B. **Resolution No. 2393**
A Resolution Of The Wilsonville City Council Authorizing Staff To Make Application For Funding Through The Oregon Department Of Energy Alternative Fuel Vehicle Infrastructure Program.

Mr. Kohlhoff read the titles of the Consent Agenda items into the record.

Motion: Councilor Starr moved to approve the Consent Agenda. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0.

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CONTINUING BUSINESS

- A. **Resolution No. 2385** – *continued from December 17, 2012 meeting*
A Resolution Of The City Of Wilsonville Approving Addendum No. 4 To The Development Agreement Of June 14, 2004 By And Between The City Of Wilsonville (City) And The Urban Renewal Agency Of The City Of Wilsonville (URA) And Matrix Development Corporation (Developer) And Property Owners Donald E. Bischof / Sharon L. Lund, Arthur C. / Dee W. Piculell, The Dearmond Family LLC / Louis J. / Margaret P. Fasano (Owners) And Valerie And Matthew Kirkendall (Kirkendall) And Repealing Resolution No. 2377.

Mr. Kohlhoff advised Resolution No. 2385 needed to be carried over to the January 24, 2013 Council meeting. In addition the URA meeting would not be held because the companion resolution would also be held over to January 24, 2013.

Motion: Councilor Fitzgerald moved to continue Resolution No 2385 to the January 24, 2013 Council meeting. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0

- B. **Ordinance No. 712** second reading
An Ordinance Amending City Of Wilsonville Park Rules To Prohibit Smoking Or Other Use Of Tobacco On All City Park Property, Park Facilities And Buildings.

Motion: Councilor Stevens moved to approve Ordinance No. 712 on second reading. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0
Mayor Knapp - Yes
Councilor Goddard - Yes
Councilor Starr - Yes
Councilor Fitzgerald - Yes
Councilor Stevens - Yes

CITY MANAGER'S BUSINESS

- A. **Resolution No. 2394**
A Resolution Authorizing Explanatory Statement To Be Submitted For Ballot Measure Captioned "Business Incentive Program For Investment And Job Creation By Manufacturers".

Mr. Kohlhoff read the title of Resolution No. 2394 for the record and presented the staff report.

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ORS 251.345. Explanatory Statement provides: "Not later than the date specified by the Secretary of State, in a county that prepares a county voters' pamphlet, the governing body for any electoral district that has referred a measure to the voters shall submit an impartial, simple and understandable statement explaining the measure and its effect."

ORS 251.358 provides discretion in the county clerk to omit the ballot title, explanatory statements, and all arguments supporting or opposing the measure from a county's voters' pamphlet, notwithstanding ORS 251.345.

In checking with the County Clerk, the City Recorder was advised that if there are insufficient measures county-wide submitted by January 10, 2013 for the March vote to support a county voters' pamphlet, then the county clerk may simply provide the explanatory statement as an insert.

Therefore, an Explanatory Statement has been prepared for City Council adoption, which has been drafted as an impartial, simple and understandable statement explaining the measure and its effect. The statement will be rejected if it (a) contains any obscene, profane or defamatory language; (b) incites or advocates hatred, abuse or violence toward any person or group; or (c) contains any language which may not be legally circulated through the mails. The draft Explanatory Statement does not contain this type of material.

Finally, the statement may consist of only words and numbers and may not exceed 500 words. The draft Explanatory Statement meets this criteria.

The following changes were made to the Explanatory Statement: New language in *Italics* and underlined:

In the first paragraph, the first sentence to read, "...Tax Increment Financing (TIF) Zone (*TIF* Zone) program..."

In the second paragraph, second sentence, to read, "Based on ~~the~~ a company's investment,...."

In the third paragraph, second to the last sentence, change "The" to "A" to read: "A company would receive a rebate..."

Motion: Councilor Stevens moved to approve Resolution No. 2394 as amended. Councilor Starr seconded the motion.

Vote: Motion carried 5-0.

B. Council Retreat Dates

Mr. Cosgrove asked the Councilors to look at their calendars to see if these potential retreat dates work and to let him know so the facilitator can be scheduled.

February 15 and 16, February 22 and 23, April 12 and 13, or April 19 and 20

**CITY OF WILSONVILLE
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He reminded Councilors of the joint meeting with West Linn-Wilsonville School District Board of Directors and the City of West Linn City Council on February 20, 2013 at 6 p.m. at Wilsonville City Hall.

LEGAL BUSINESS – There was no report.

ADJOURN

Motion: Councilor Stevens moved to adjourn. Councilor Fitzgerald seconded the motion.

Vote: Motion carried 5-0.

The Council meeting adjourned at 8:29 p.m.

No URA meeting was held since the URA Resolution was carried over to the January 24, 2013 meeting.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

ATTEST:

TIM KNAPP, MAYOR


**CITY COUNCIL MEETING
 STAFF REPORT**

Meeting Date: January 24, 2013	Subject: Ordinance No. 713 Amending Traffic Code Providing for Overnight RV parking Staff Member: Michael Kohlhoff Department: Legal	
Action Required <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input checked="" type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	Advisory Board/Commission Recommendation <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable Comments:	
Staff Recommendation: Approve Ordinance No. 713.		
Recommended Language for Motion: I move to approve Ordinance No. 713 on first reading.		
PROJECT / ISSUE RELATES TO: <i>[Identify which goal(s), master plans(s) issue relates to.]</i>		
<input type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)	<input checked="" type="checkbox"/> Not Applicable

ISSUE BEFORE COUNCIL:

Whether or not to allow overnight parking of RVs, Mobile Trailer, and like vehicles. Balance weighing neighborhood complaints of sleeping overnight in large vehicles versus the owners convenience of arriving late at night and wanting to wait to clean out the vehicles the next day.

EXECUTIVE SUMMARY:

Council request from a citizen who received a parking ticket after coming home late at night and waiting to clean out and move vehicle the next day. Staff has received past complaints about RV parking overnight which led to the ban in the first place.

EXPECTED RESULTS:

A more balanced approach to our traffic code.

TIMELINE:

N/A

CURRENT YEAR BUDGET IMPACTS:

N/A

FINANCIAL REVIEW / COMMENTS:

Reviewed by: _____ JEO _____ Date: _____ 1/14/13 _____

There are no financial impacts to the City.

LEGAL REVIEW / COMMENT:

Reviewed by: _____ Date: _____

N/A

COMMUNITY INVOLVEMENT PROCESS:

None other than response to a citizen complaint.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY:

Unknown

ALTERNATIVES:

Council member requested.

CITY MANAGER COMMENT:

ATTACHMENTS

A. Ordinance No. 713.

ORDINANCE NO. 713

AN ORDINANCE OF THE CITY OF WILSONVILLE AMENDING WILSONVILLE CODE CHAPTER 5, SECTION 5.210, PROHIBITED PARKING OR STANDING.

WHEREAS, Wilsonville Code Section 5.200 prohibits the storage of motor vehicles or other property on the street for a period in excess of seventy-two (72) hours, without moving at least three vehicle lengths away; and

WHEREAS, Wilsonville Code Section 5.210(a) further prohibits the parking of motor trucks with a gross vehicle weight of more than 8,000 pounds, trailers, travel trailers or mobile coaches on a street between the hours of 9:00 p.m. and 7:00 a.m. of the following day in front of or adjacent to a residence, motel, apartment, hotel or other sleeping accommodation; and

WHEREAS, the Council has received citizen testimony that Section 5.210(2) of the Wilsonville Code fails to accommodate events and arrivals and the unloading or loading the next day, and the Council believes the health and welfare of the citizenry is better served for Section 5.210(2) to be amended to accommodate this circumstance;

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

Section 1. Wilsonville Code Chapter 5, Section 5.210, Prohibited Parking or Standing, subsection (2) shall be amended to read as follows:

5.210 Prohibited Parking or Standing. In addition to the state motor vehicle laws, the following regulations regarding parking or standing of vehicles apply:

* * *

~~(2). No motor truck with a gross vehicle weight of more than 8,000 pounds, and trailers, travel trailers and mobile coaches as defined in Section 4.001 of the code, shall be parked on a street between the hours of 9:00 p.m. and 7:00 a.m. of the following day in front of or adjacent to a residence, motel, apartment house, hotel or other sleeping accommodation, unless otherwise specifically adopted by action of the City Council.~~

(2). No motor truck with a gross vehicle weight of more than 8,000 pounds, truck trailer, motor bus, recreational vehicle, or utility trailer shall be parked on a street between the hours of 9:00 p.m. and 7:00 a.m. of the following day in front of or adjacent to a residence, motel, apartment, hotel or other sleeping accommodation, except

(a). as may otherwise be specifically adopted by action of the City Council, or

(b). to accommodate the loading/unloading of property belonging to the occupants of or performing a service on the adjacent residence.

SUBMITTED to the Wilsonville City Council and read for the first time at a special meeting thereof on the 24th day of January, 2013, and scheduled for a second reading at a regular meeting of the Council on the 4th day of February, 2013, commencing at the hour of 7 P.M. at the Wilsonville Community Center.

Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this ____ day of February, 2013.

TIM KNAPP, Mayor

SUMMARY OF VOTES:

Mayor Knapp
Councilor Goddard
Councilor Starr
Councilor Fitzgerald
Councilor Stevens

**CITY OF WILSONVILLE
CITY COUNCIL
NOTICE OF PUBLIC HEARING**

PUBLIC NOTICE IS HEREBY GIVEN that the Wilsonville City Council will conduct a public hearing on **Thursday, January 24, 2013**, 7 p.m. at City Hall, 29799 SW Town Center Loop, Wilsonville, Oregon.

The purpose of this public hearing is to consider public testimony on a proposed ordinance titled:
**Ordinance No. 713: AN ORDINANCE OF THE CITY OF WILSONVILLE
AMENDING WILSONVILLE CODE CHAPTER 5, SECTION 5.210,
PROHIBITED PARKING OR STANDING.**

Copies may be obtained at a cost of 25 cents per page, at City Hall or by calling the City Recorder at 503-570-1506 and requesting a copy to be mailed to you.

Specific suggestions or questions concerning the proposed ordinance may be directed to 503-570-1507. Public testimony, both oral and written will be accepted at the public hearing. Written statements are encouraged and may be submitted to Sandra C. King, MMC, City Recorder, 29799 SW Town Center Loop E, Wilsonville, OR 97070.

Assistive listening devices are available for persons with impaired hearing and can be scheduled for this meeting. The City will endeavor to provide qualified sign language interpreters without cost if requested at least 48 hours prior to the meeting. To obtain such services call the office of the City Recorder at 682-1011.

Published in the Wilsonville Spokesman January 8 and 15, 2013.

RESOLUTION NO. 2385

A RESOLUTION OF THE CITY OF WILSONVILLE APPROVING ADDENDUM NO. 4 TO THE DEVELOPMENT AGREEMENT OF JUNE 14, 2004 BY AND BETWEEN THE CITY OF WILSONVILLE (CITY) AND THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE (URA) AND MATRIX DEVELOPMENT CORPORATION (DEVELOPER) AND PROPERTY OWNERS DONALD E. BISCHOF / SHARON L. LUND, ARTHUR C. / DEE W. PICULELL, THE DeARMOND FAMILY LLC / LOUIS J. / MARGARET P. FASANO (OWNERS) AND VALERIE AND MATTHEW KIRKENDALL (KIRKENDALL) AND REPEALING RESOLUTIN NO. 2377.

WHEREAS, in 2004, the City of Wilsonville ("City") and the Urban Renewal Agency of the City of Wilsonville ("URA") entered into a Development Agreement ("Matrix Development Agreement") with Matrix Development Corporation ("Developer") and several property owners for the residential development of certain real property in the community known as Villebois Village ("Villebois Property"), pursuant to the Villebois Master Plan; and

WHEREAS, the Matrix Development Agreement has been amended by Contract Addendum Nos. 1, 2, and 3; and

WHEREAS, the City council by Resolution No. 2377, adopted August 20, 2012, approved Addendum No. 4 and authorized the City Manager to execute Addendum No. 4 subject to the City Attorney finalizing with Polygon a revised Master Planning Fee. However, during this process Polygon determined to apply for a different lotting pattern which changed the number of lots from 184 to 205 and that changed the fee calculations. Polygon also acquired property from Zion National Bank, which eliminated Zion as a party necessary to develop Costa Circle, and the City determined a different routing should occur for an 18 inch water line, which changed the descriptions, the costs and the credits for oversizing. Therefore, Addendum No. 4 as approved by Resolution No. 2377 was not consummated by the parties, and

WHEREAS, the parties desire Resolution No. 2377 be repealed in its entirety, including the approval of Addendum No. 4, and a new Resolution be adopted approving a new Addendum 4 which shall replace the previously approved Addendum 4; and

WHEREAS, Addendum No. 4 now is the subject of this Resolution and is between the City, the URA and Polygon Northwest Company, L.L.C. ("Polygon"). All other parties to the Matrix Development Agreement are not parties to this Addendum 4.

WHEREAS, the purpose of Addendum No. 4 is to outline certain responsibilities to be undertaken by Polygon as the potential successor in ownership interest to Donald E. Bischof and Sharon L Lund property located within the Villebois Master Plan (“Bischof/Lund Property”).

WHERE, if Polygon does not purchase the Bischof/Lund Property, as provided in Addendum No. 4, then Addendum No. 4 will automatically become null and void.

WHEREAS, to assist the public in understanding the complexities of the Matrix Development Agreement and other Villebois development as it relates to this Addendum No. 4, the following historical chronological summary of the Villebois Village Master Plan Project is provided:

SUMMARY

1. The Villebois Master Plan is a land use plan regulating the development of approximately 500 acres of a planned, mixed use community of internal commercial and a mix of an anticipated 2,600 residential uses, with trails, parks, and open spaces, supported by approximately \$140 million in infrastructure improvements. In approximately June 2004, for the purposes of developing home sites within the Villebois Master Plan area, Matrix Development Co. (Matrix) acquired certain land interests in approximately 150 acres of land east of 110th Street and entered into the 2004 Matrix Development Agreement. In this regard, Matrix purchased the Kirkendall property, succeeding to their interests in the Matrix Development Agreement; purchased some of the property owned by DeArmond/Fasano and optioned to purchase the balance; purchased some of the property owned by Bischof/Lund and optioned to purchase the balance; purchased a portion of the property owned by Arthur C. and Dee W. Piculell, and purchased development rights to mitigate wetlands on the balance not purchased.
2. In conjunction with the purposes of acquiring the aforementioned property and developing it, Matrix entered into certain loan agreements with Wachovia Bank (now Wells Fargo Bank), which included financing certain of the land purchases and development costs and providing Wachovia with security interests therein.
3. Matrix was authorized to enter into, and participate on behalf of the parties in, the adoption of the land use planning regulations for the properties to implement the Villebois Master Plan, including but not limited to a Revised Master Parks Plan, Special Area Plan East (SAP-E) for the properties east of 110th, and the platting of Preliminary

Development Plan Phase 1 (“PDP-1”), which was the first phase of development of SAP-E.

4. The parks and open space classifications are pocket parks, linear greens, neighborhood parks, and regional parks. The general location of these parks and open spaces are depicted in Figures 5, 5A, and 5B to the Revised Villebois Village Parks Master Plan. A copy of Figures 5, 5A, and 5B are marked as **Exhibit 1**, attached hereto and incorporated by reference herein. Without provision for these parks, development cannot proceed.
5. In August of 2005, Matrix entered into a financing contract with the City and the URA in the form of Contract Addendum No. 1 to the Matrix Development Agreement. Addendum 1 replaced the local improvement district (“LID”) funding mechanism to provide traffic trip capacity for the development’s impacts at the I-5/Wilsonville Road Interchange with a prepayment by Matrix for trip impacts that would be generated by its development. A certain amount of development, based on projected traffic trips were thereby vested in accordance with Addendum 1 and the prepayment provided funding for improvements to increase the interchange’s trip capacity to allow for that development. The prepayment was made and Matrix was vested in the trips set forth in Addendum 1.
6. In December of 2007, the financial provisions of the parks and open spaces to be developed by Matrix were memorialized by the City, the URA, and Matrix in Addendum No. 2 to the Matrix Development Agreement. The key features of Addendum 2 are as follows: the total costs of the parks and open spaces were estimated to be \$4,837,293; Matrix would construct these parks and open spaces; and Matrix would provide a proposed PDP-2 that, together with PDP-1, provided for 655 lots which would produce \$1,568,070 (655 lots x \$2,394) in park SDCs, against which Matrix would receive a \$1,113,210 credit against the City’s park SDCs, leaving the balance of \$454,860 to be paid by PDP-1 (190 x \$2,394). Thus, accounting for the SDC credits, the remaining proposed 465 lots would not pay any park SDCs, given Matrix’s responsibility to provide the parks and open spaces. Included in the total of Matrix’s responsibility was the construction of a community center for the homeowner’s association (to include an interpretive center), at an estimated cost of \$1,019,000.
7. Matrix and its construction entity, Legend Homes, Inc. (“Legend”), filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the District of Oregon,

Case No. 08-32798-tmb 11. On May 11, 2010, the Bankruptcy Court adopted the Matrix Second Amended Reorganization Plan ("Reorganization Plan"), effective June 1, 2010. As part of the proceedings, Matrix abandoned its optioned property to the above referenced owners and, through the Reorganization Plan, certain of its other property was transferred to Wells Fargo, as successor in interest of Wachovia Bank, and subsequently assigned to its property development company, Redus OR Lands, LLC. ("Redus Property"). Under the Reorganization Plan, Matrix and Legend merged into a reorganized single entity, Legend, and Legend retained the land and development of PDP-1. Prior to the bankruptcy and the abandonment, Matrix had proposed a portion of the balance of the property to be developed as PDP-2, and a map depicting the proposed lot development is marked as **Exhibit 2**, attached hereto and incorporated by reference herein. A map depicting the respective interests after abandonments is marked as **Exhibit 3**, attached hereto and incorporated by reference herein. A list of the respective parks and open spaces in SAP-E, the property ownership upon which they occur, and their estimated costs is set forth on **Exhibit 4**, attached hereto and incorporated by reference herein.

8. As part of the Reorganization Plan, Legend was relieved of all parks costs, except for certain fixed park SDCs on a graduated scale for the 159 remaining residential lots of PDP-1 that had not been built upon, which Legend retained under the Reorganization Plan, and an approved, agreed upon sum toward the design and construction of Neighborhood Park 6 under the Reorganization Plan. These park SDCs and costs to Legend were negotiated and agreed upon between Legend, the City, the URA and Redus. With Legend being relieved of its other parks and open spaces participation, except as noted above, the remaining responsibility for the parks and open space requirements and related costs fell to the remaining land owners, to be imposed at the time of development. A separate amending agreement of the Matrix Development Agreement between the City, the URA and the Fasano/DeArmond, and a second separate amending agreement between the City, the URA and Redus were reached to address, in part, the parks and open space requirements and their respective funding. Included in these agreements, among other things, the City and the URA acquired land from each of the ownerships for the construction of a grade school by the West Linn Wilsonville School District ("District")

- within portions of then PDP-1 and PDP-2. Subsequently, Redus obtained City development approval, subject to conditions, of an 88-lot subdivision for land within PDP-2 that Redus now owns. This subdivision is now referenced as SAP East, PDP-2 (hereinafter "PDP-2"). Fasano/DeArmond has not yet applied for development approval.
9. The City, the URA and Polygon, who anticipates purchasing the Bischof/Lund Property (pursuant to an agreement with the current owners thereof), now desire to amend the Matrix Development Agreement to provide the framework for development of the Bischof/Lund Property. This land contains 192 lots, as originally proposed by Matrix for the Bischof/Lund Property, and will now be known as SAP East, PDP-3 (hereinafter "PDP-3").
 10. As part of the Reorganization Plan, Legend retained the trip vesting benefits of contract Addendum 1 for its PDP-1 development and transferred the balance to Redus. Having provided the loan funds to Matrix for development, including that for paying for the vesting of trip capacity through the I-5 Interchange, and with the Bankruptcy Court's approval and Matrix' abandonment of certain portions of a proposed PDP-2 to Wachovia, the City and the URA reached agreement with Redus to retain the same vested trip benefits for its PDP-2 property. Without the application of the vesting of trip funds to the interchange improvements, which are scheduled to be completed July 2012 to allow capacity for Villebois development, development by Matrix or Legend or any of the landowners involved, or their successors, would not be able to proceed under the City's infrastructure concurrency policy. However, to the extent that the collected and expended vesting of trips funds would apply to other Villebois properties under the Development Agreement, Redus is entitled to recoup the applicable balance of the payment from those property owners at their property's development. This amounts to \$690 per lot under the original agreement with Matrix. The City, the URA and Redus reached an agreement for repayment upon development of these other properties. Polygon has agreed to the City's surcharge of \$690 per lot against each lot proposed for the Bischof/Lund Property at the time of building permit application to build on the lots which the City and URA will then reimburse the surcharged amount to Redus upon the collection. Polygon proposes 184 lots rather than 192 due to wetland conditions.

11. The Villebois Master Plan required that a 10-acre site be designated for a grade school and sports fields. The designated land was initially located west of 110th and adjacent to Tooze Road. The School District in anticipation of building at the Tooze Road site had passed a bond issue to build the school. Due to the recessionary economic conditions, the housing development needed to support the extension of infrastructure to the Tooze Road site was delayed and therefore funding for the improvements needed for Tooze Road improvements was not available. There was an immediate need for the school serve over crowded conditions and also to avoid bond arbitrage issues. Give the aforementioned lack of funds for extending infrastructure to the Tooze Road site, the Villebois Master Plan was amended to provide for a substituted school site with a lower infrastructure cost. The URA and the City purchased the substitute site within the lands of Matrix, Redus, and DeArmond/Fasano. A reduced copy of page 1 of Partition Plat No. 2010, depicting the school site (parcel 2) and a plan layout of the school site, is marked as **Exhibit 5**, attached hereto and incorporated by reference herein.
12. The District entered into an Infrastructure Development Agreement with the City and the URA. Under the Infrastructure Development Agreement, the District will provide certain infrastructure to serve the school, such as local roads, storm drainage, and sewer lateral lines. Some of this infrastructure was oversized and provides extra capacity, which will benefit the neighboring properties. This entitles the District to reimbursement from the benefiting properties at time of development of the benefitting properties through a Road and Utility Reimbursement District. There was also a need for the school to be tied into the proposed Coffee Lake sewer trunk line, which was on land that Redus acquired in the reorganization. The construction of the trunk line was not funded and would normally be constructed by the developer of the land in conjunction with development and under an SDC methodology with credit for oversizing by the responsible developer. Redus was not a developer. Given the exigent circumstances, it was determined that there was a need to develop an alternative, but equitable funding mechanism.
13. Except for PDP-1, the parties recognized that in order for the remaining properties to develop there was need for a segment of the 15-inch sewer trunk line to be constructed within the right of way of the planned Coffee Lake Drive. Coffee Lake Drive traverses the eastern edge of SAP-E, commencing from Barber Street to the south to the planned

Villebois Drive to the north. The sewer trunk line is located within the Coffee Lake Drive right of way; but only the segment from a little south of Barber to the Bischof/Lund southern property line was needed to be constructed for the school to open. This segment of the sewer line is located within the Redus Property and Redus agreed to provide the necessary easement to the City. As noted above, a different funding approach was needed than had been provided in the Matrix Development Agreement. Thus, the Infrastructure Agreement, Addendum No. 3 to the Matrix Development Agreement involving Redus and Legend, and the purchase agreement with Fasano/ deArmond, provided for formation of a Reimbursement District to reimburse a portion of the sewer line cost with the School District contributing 24% to the cost. The sewer line was constructed and oversized to benefit certain properties yet to be developed, including the Bischof/Lund Property ("Benefited Properties") All Benefited Properties are subject to a pro rata reimbursement for this segment upon development. The District was to advance the funds for this segment of the 15-inch sewer trunk line, subject to reimbursement. Under the reimbursement provisions of its code, the City will be seeking reimbursement for the District from the Benefitted Property owners through a Coffee Lake Drive Sewer Reimbursement District and through a separate reimbursement district for that constructed segment of Coffee Lake Drive that the developers of PDP-2 were conditioned to provide. (Road and Utility Reimbursement District"). The Road and Utility Reimbursement District is a separate and further reimbursement district to which the Benefited Property owners will be subject.

14. If Polygon purchases the Bischof Lund Property, Polygon desires to deliver community elements such as roads, utilities, and parks early in the development process and to streamline the development process in order for the parties to realize the resulting economic benefits, including some cost savings to Polygon and some relief to the City and the URA from advancing funds for some of these elements, as envisioned in the amended Matrix Development Agreement. Pursuant to Addendum No. 4, if Polygon purchases the Bischof Lund Property on or before December 15, 2015, Polygon will advance the capital required to construct the parks and infrastructure described in Addendum No. 4, subject to SDC credits, as provided in Addendum No. 4 and subject to

reaching certain other agreements with third party developers or landowners in Villebois as provided in Addendum No. 4.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. Resolution No. 2377 is hereby repealed in its entirety including, but not limited to the Addendum No. 4, which was Exhibit A to Resolution No. 2377.
2. The City Council hereby authorizes the City Manager to enter into this Addendum No. 4 to the Matrix Development Agreement, to benefit past and future development at Villebois Village, addressing construction roles, financing responsibilities, timing for improvements to be made, in substantially the form attached hereto as **Exhibit A**, as approved by the City Attorney.
2. This Resolution, incorporating the Summary, is effective upon adoption.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this ___ day of December, 2012, and filed with the Wilsonville City Recorder this date.

Tim Knapp, Mayor

ATTEST:

Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Knapp

Council President Núñez

Councilor Goddard

Councilor Starr

Councilor Fitzgerald

Attachments:

Summary Exhibit 1 – Parks and Open Space Plan

Summary Exhibit 2 – Proposed Site Plan PDP-2

Summary Exhibit 3 – Map Depicting Respective Interests After Abandonment

Summary Exhibit 4 – Parks/Open Spaces in SAP-E, Ownership and Estimated Costs

Summary Exhibit 5 – Partition Plat No. 2010 and School Site

Exhibit A: Development Agreement Contract Addendum No. 4

SUMMARY EXHIBIT 1

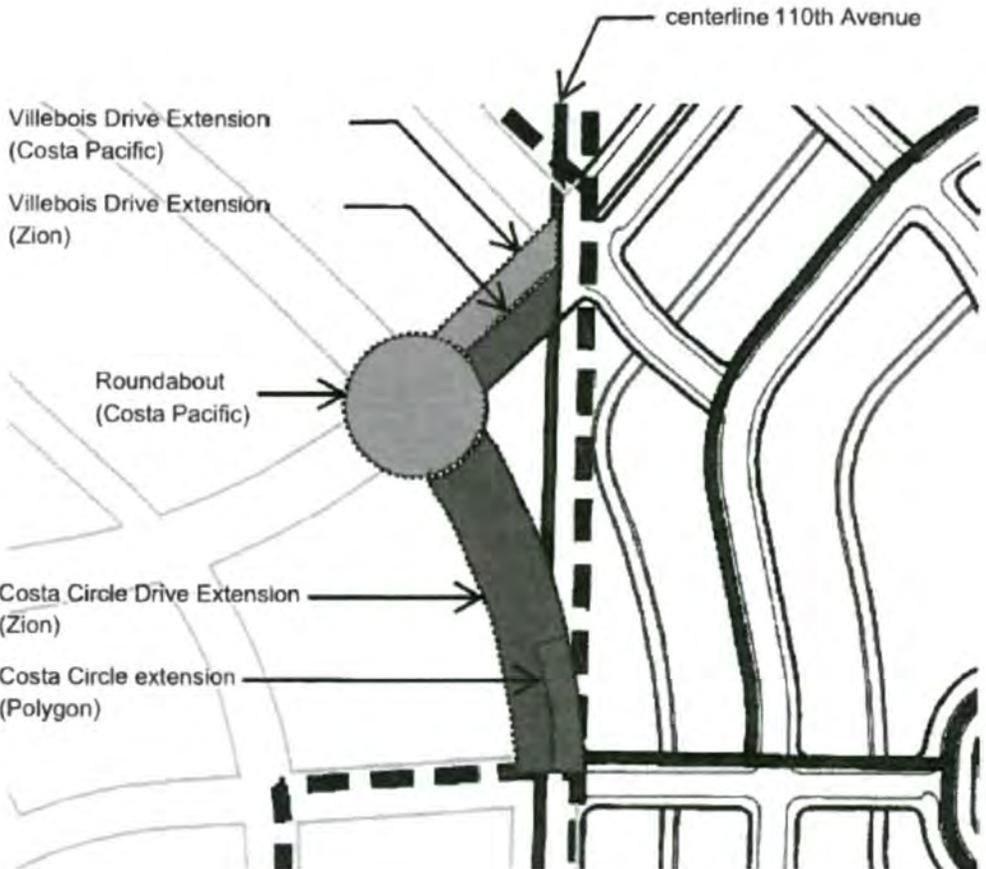
The land bounded by a line beginning South 24-1/2° East 14.96 chains from the Northeast corner of Section 15, in Township 3 South, Range 1 West of the Willamette Meridian, in the City of Wilsonville, County of Clackamas and State of Oregon, in the center of L.A. Seely's main ditch; thence South 70-1/2° West, 14.64 chains to the Northwest corner of R.I. Seely's land; thence South 35° East, 2 chains on the West side of said land; thence South 52° East, 8.97 chains on the West side of said land; thence South 10° East, 2 chains on the West line of said land; thence West, 22.50 chains to the East line of the Donation Land Claim of Samuel B. Franklin; thence North on said East line, 22.64 chains to the Southwest corner of George B. Seely's land; thence East, 24.37 chains to the center of said L.A. Seely's main ditch; thence South 20-1/2° East on the center line of said main ditch to the place of beginning.

ALSO a strip of land (hiatus) situated in the Northeast one-quarter of Section 15 and the Northwest one-quarter of Section 14, Township 3 South, Range 1 West of the Willamette Meridian, in the City of Wilsonville, County of Clackamas and State of Oregon; said strip of land (hiatus) lies Northerly of that certain tract of land conveyed to John and Rose Boston as described in Book 205, Page 458 and Book 319, Page 427 and lies Southerly of that certain tract of land conveyed to H.V. Rand, et ux, described in Book 143, Page 49, Deed Records, Clackamas County, Oregon; the Northerly line of said Boston Tract being described as follows:

Beginning at the Northwest corner of said Boston Tract, which Northwest corner is in the Easterly line of the Samuel Franklin Donation Land Claim No. 50 and bears North 00°00'00" East, 1698.90 feet from the South east corner of the Samuel Franklin Donation Land Claim No. 50; thence leaving said Easterly line, North 89°56'00" East parallel with the Northerly boundary of the R.V. Short Donation Land Claim a distance of 20.00 feet to a 5/8 inch iron rod in the Easterly right-of-way line of Brown road (County Road No. 355); thence continuing along said Northerly boundary of the Boston Tract, North 89°56'00" East (P.S. 21365 Records of Surveys, Clackamas County), 1403.07 feet to a 5/8 inch iron rod in the Easterly line of said Section 15, Township 3 South, Range 1 West; thence continuing North 89°56'00" East along the Northerly boundary of the Boston Tract (P.S. 21365 Record of Surveys, Clackamas County) parallel with said Northerly line of the R.V. Short Donation Land Claim, 132.36 feet to a 5/8 inch iron rod at the Northeasterly corner of the herein described tract, which Northeasterly corner is in the Westerly boundary of the R.I. Seely Tract as described in Book 43, Page 54, Deed Records, Clackamas County, Oregon.

EXCEPTING THEREFROM Those tracts deeded to The Urban Renewal Agency of the City of Wilsonville, by Deed recorded August 11, 2006, Fee No. 2006-073989, 2006-073990 and 2006-073991.

SUMMARY EXHIBIT 3



SUMMARY EXHIBIT 4

Villebois Drive/Costa Circle extension and roundabout

Costa / Zion to dedicate required right-of-way and construction easements, Polygon to build (\$659K), Costa to waive Costa portion of MP Fee (\$127K), Polygon to receive road SDC credit for remaining offsite portion (\$474K), Costa / Zion reimburse City with supplemental fee at future building permits (\$181K Costa, \$293K Zion).

Road	Length	Cost per ft.	Cost
Villebois Drive	150	650	97,500
Roundabout		200,000	200,000
Costa Circle	360	650	234,000
Const. Total			531,500
Soft Cost/Cont		24%	127,560
Project Cost			659,060

Costa Pacific Items	Cost	%	Cost
Villebois Drive	97,500	50%	48,750
Roundabout	200,000	100%	200,000
Costa Circle	234,000	0%	0
Const. Total			248,750
Soft Cost/Cont		24%	59,700
Total Costa Cost			308,450
Less Master Plan Fee			-126,960
Costa Reimbursement			181,490

Zion Items	Cost	%	Cost
Villebois Drive	97,500	50%	48,750
Roundabout	200,000	0%	0
Costa Circle	234,000	80%	187,200
Const. Total			235,950
Soft Cost/Cont		24%	56,628
Total Zion Reimbursement			292,578

Polygon Items	Cost	%	Cost
Villebois Drive	97,500	0%	0
Roundabout	200,000	0%	0
Costa Circle	234,000	20%	46,800
Const. Total			46,800
Soft Cost/Cont		24%	11,232
Total Polygon Cost			58,032

Coffee Lake Drive thru property

Polygon to build within the property, receive Road SDC credits for Paving wider than 20 feet a the easterly curb (88K).

Item	Quantity (sf)	Unit price	Cost
Extra paving Width	12,240	2.00	24,480
Rock	12,240	1.33	16,279
easterly curb	2,040	15.00	30,600
soft cost/cont		24%	17,126
Total	12,240		88,485

Coffee Lake Drive 15-inch Sewer

Polygon to build thru property (\$685K), receive sewer SDC credit for oversizing from 8" to 15" (\$145K), and pay south portion late comer fee (50K).

Project cost:

Length	Cost	Cost per lf
South Portion 1,779	597,143	335.66
North Portion 2,040	684,750	335.66

North Portion SDC Credit

Item	Quantity (sf)	Unit price	Cost
Oversize from 8" to 15"	2,040.00	57.50	117,300
Soft Cost	117,300.00	24%	28,152
Total			145,452

South Late-comer Fee:

Area	Amount	Fee
Lund	50,203.72	50,204

Villebois Drive 18-inch Waterline

Polygon build from Coffee Lake Drive to 110th (\$106K), receive SDC credit for oversize from 12-in to 18-inch (\$32K).

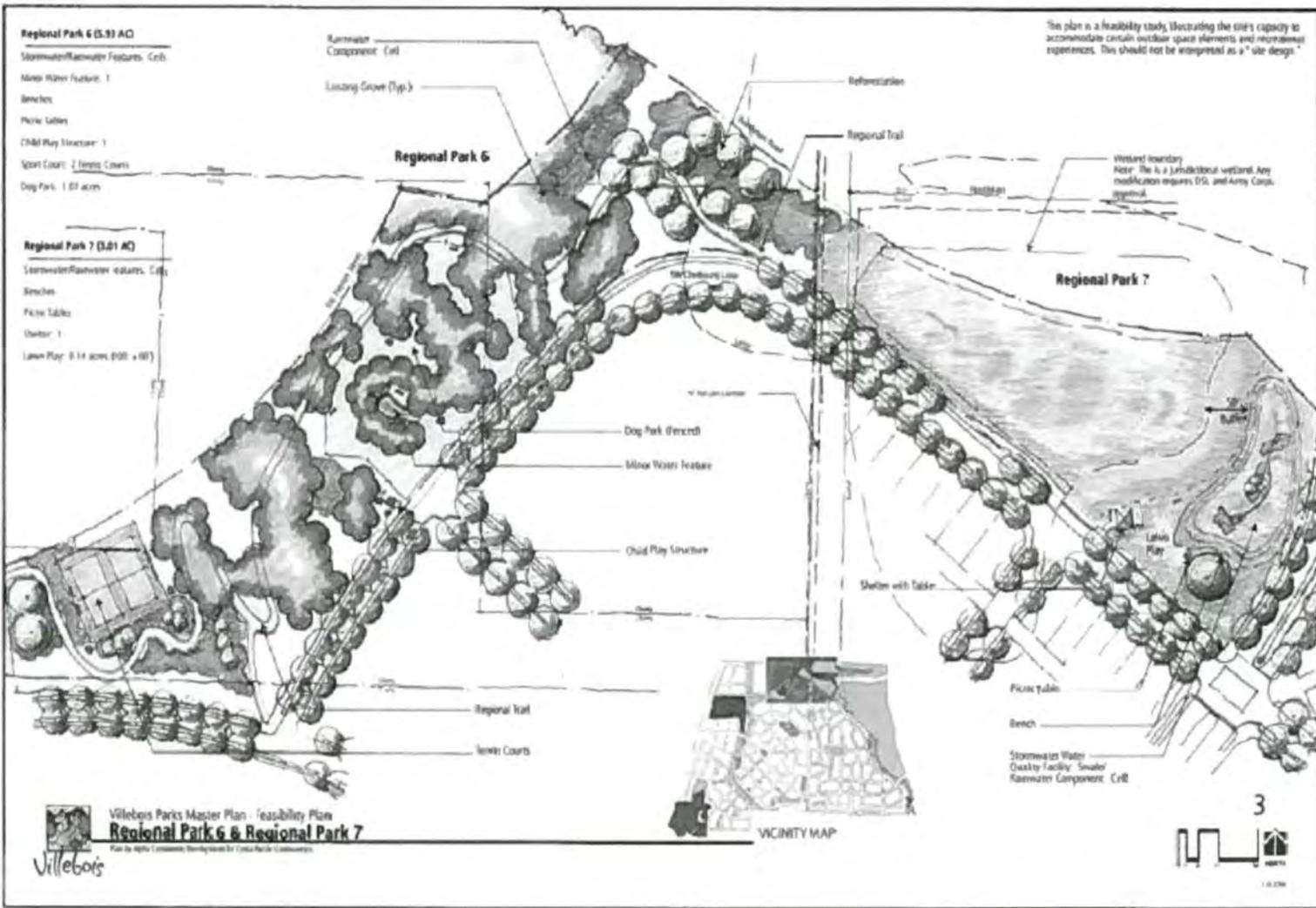
Item	Quantity (lf)	Unit price	Cost
18-inch line	855	100.00	85,500
soft cost/cont			20,520
18-inch total			106,020
12 -inch line	855	70.00	59,850
soft cost/cont			14,364
12-inch total			74,214
Total Credit			31,806

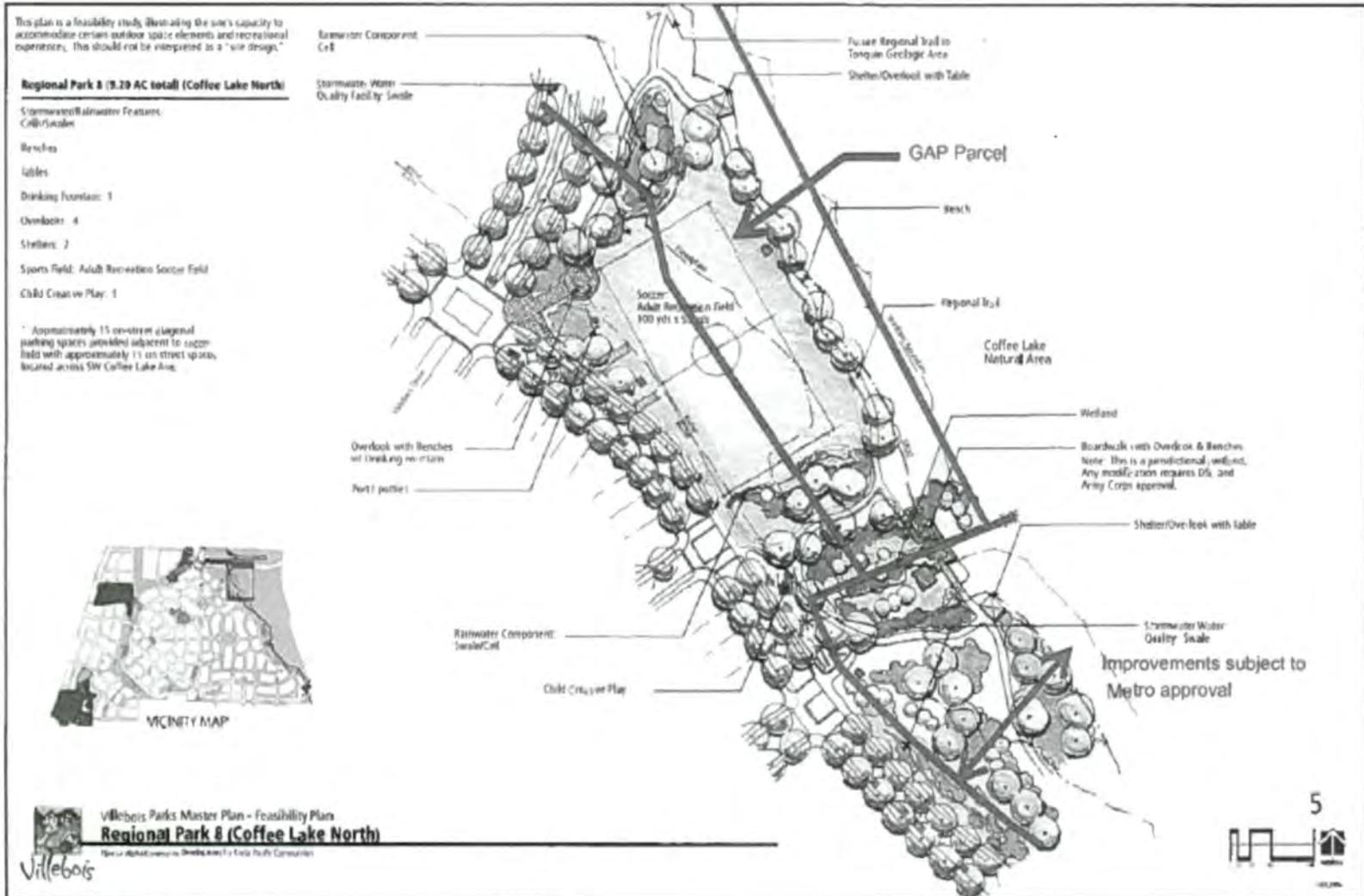
Master Plan Fee

Pay City fee portion (\$39K), use Costa portion (\$127K) to pay for Village Drive/Costa Circle.

Fee	Units	Rate	Cost
MP Fee (Costa)	184	690	126,960
MP Fee (City)	184	210	38,640
Total	184	900	165,600

SUMMARY EXHIBIT 5





**ADDENDUM NO. 4
TO THE DEVELOPMENT AGREEMENT OF JUNE 14, 2004
BY AND BETWEEN THE CITY OF WILSONVILLE (CITY) AND
THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE (URA)
AND MATRIX DEVELOPMENT CORPORATION (DEVELOPER)
AND PROPERTY OWNERS DONALD E. BISCHOF / SHARON L. LUND,
ARTHUR C. / DEE W. PICULELL,
THE DeARMOND FAMILY LLC / LOUIS J. / MARGARET P. FASANO (OWNERS)
AND VALERIE AND MATTHEW KIRKENDALL (KIRKENDALL)**

THIS ADDENDUM NO. 4 ("Addendum 4") to the above captioned Development Agreement (hereinafter referred to as the "Matrix Development Agreement") is entered into this ___ day of ~~October~~December, 2012, by and between the City of Wilsonville ("City"), a municipal corporation of the State of Oregon, the Urban Renewal Agency of the City of Wilsonville ("URA"), a municipal corporation of the State of Oregon, and Polygon Northwest Company, L.L.C., a Washington limited liability company ("Polygon"). This Addendum 4 only applies to the City, the URA, and Polygon, and does not apply to the other parties to the Matrix Development Agreement.

RECITALS:

1. The Villebois Master Plan is a land use plan regulating the development of approximately 500 acres of a planned, mixed use community of internal commercial and a mix of 2,600 residential uses, with trails, parks, and open spaces, supported by \$140 million in infrastructure. In approximately June 2004, for the purposes of developing home sites within the Villebois Master Plan area, Matrix Development Co. (Matrix) acquired certain land interests in approximately 150 acres of land east of 110th Street and entered into the 2004 Development Agreement set forth in the title above (known as the "Matrix Development Agreement").
2. Polygon has entered into an option agreement to purchase a portion of the property affected by and included in the Matrix Development Agreement, which is currently owned by Sharon L. Lund and Donald E. Bischof (the "Bischof/Lund Property"). The Bischof/Lund Property is described on the attached **Exhibit 1**. The City, the URA, and Polygon wish to clarify certain respective obligations under the Matrix Development Agreement that pertain to the Bischof/Lund Property if Polygon acquires the Bischof/Lund Property and Polygon receives its requested approvals for the development of SAP East, PDP-3 ("PDP-3E") as shown on the attached **Exhibit 2** (the "Site Plan"). The Site Plan contemplates ~~184~~205 lots being developed on the Bischof/Lund Property.
3. Terms not specifically defined herein shall be as defined in the Development Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the City, the URA, and Polygon agree as follows:

TERMS AND CONDITIONS:

1. **Condition Precedent.** Polygon hopes to acquire the Bischof/Lund Property much earlier than December 31, 2015. However, as a condition precedent to the implementation of this Addendum 4, Polygon must purchase the Bischof/Lund Property (except for any such land dedicated to or purchased by the City from Bischof/Lund) on or before December 31, 2015. In the event Polygon does not purchase the Bischof/Lund Property by December 31, 2015, this Addendum No. 4 shall become null and void unless the parties otherwise mutually agree, in writing.

2. **Supplemental I-5/Wilsonville Street Fee.** Polygon, as the developer of PDP-3E, shall pay a supplemental I-5/Wilsonville Road street SDC of \$690 per Dwelling Unit ("DU") at issuance of the building permit for each lot within PDP-3E. This supplemental street SDC is separate and apart from the basic street SDC and is not intended by the parties hereto to be a part of any street SDC credit or street SDC credit calculation that is set forth in this Addendum 4. The estimated supplemental street SDC to be paid by Polygon for the currently proposed ~~184~~ 205 lots at \$690/DU is ~~\$126,960~~\$141,450.

3. **Villebois Drive North Extension from Coffee Lake Drive to Boeckman.**

3.1. The Matrix Development Agreement for SAP East provides that the City will construct Villebois Drive North from the existing roundabout on Boeckman Drive to Coffee Lake Drive. Polygon, as the developer of PDP-3E, hereby agrees to construct Villebois Drive North from the existing roundabout on Boeckman Drive to Coffee Lake Drive, subject to a full credit of those expenses against street SDC fees for PDP-3E. The parties estimate the length of this segment to be 310 feet and that the estimated cost to construct, with utilities, is \$650 per linear foot, which is calculated to be \$201,500, together with soft costs estimated at 24% of the construction cost, or \$48,360, which totals \$249,860. The breakdown of soft costs is set forth in Section 12.1.

3.2. The City shall provide the necessary permits of entry and construction easements to allow Polygon to construct this segment of roadway and the City shall dedicate for public use such segment of the roadway which is located on City property.

4. **Villebois Drive North Extension from 110th to Coffee Lake Drive.** Polygon, as the developer of PDP-3E, shall construct Villebois Drive North from Coffee Lake Drive to the Bischof/Lund Property boundary. Polygon will receive credits for those expenses against street SDC fees for PDP-3E for 12 feet additional paving width and the additional base rock depth over the entire street width that is required to upgrade from a local street to a collector street (typically two additional inches of base rock). The extra paving width for bike lanes is calculated at 10,260 sq. ft., at a unit price of \$2.00 a sq. ft., for an estimated cost of \$20,520. Rock needed for the extra paving is calculated at 10,260 sq. ft., at \$1.33 a sq. ft., for an estimated cost of \$13,646. The extra base rock depth is calculated to be 42,750 sq. ft. at \$0.50 a sq. ft., for an estimated cost of \$21,375. The total estimated cost of all of the foregoing is \$55,541. The soft costs are

calculated at 24% of the costs for the extra paving width and rock, which is estimated at \$13,330. The total street SDC credits are estimated at \$68,871.

5. Villebois Drive Central/Costa Circle Extension and Roundabout.

5.1. Under a separate and different development agreement with Villebois Village LLC ("Villebois Village"), the developer of SAP Central, Villebois Village is required to construct Villebois Drive Central from 110th Avenue, the property line of PDP-3E, to Costa Circle Drive, the roundabout, and Costa Circle Drive from Villebois Drive Central to its current terminus, subject to the standard credits of those expenses against street SDC fees. Villebois Village, along with its successors and assigns, as the current owners of SAP Central (see paragraph 5.2 below) are not currently ready to proceed with this construction. However, because this is an important transportation linkage within the community, the parties to this Addendum 4 agree that residents of Villebois and others within the City of Wilsonville will benefit from having this road linkage in use, and both the City of Wilsonville and Villebois land holders will benefit from having this community investment in place and paid for.

5.2. Based on the foregoing, if the Villebois Drive Central/Costa Circle extension and roundabout have not been completed by the SAP Central developer by the time the Bischof/Lund Property is developed, and subject to the conditions below, Polygon, as the developer of PDP-3E, hereby agrees to construct Villebois Drive Central from 110th Avenue (property line of PDP-3E) to Costa Circle Drive, the roundabout, and Costa Circle Drive from Villebois Drive Central to its current terminus, subject to the following conditions: A separate agreement(s) is executed with all affected land owners of SAP Central, meeting the requirements of this Section 5.2. The current affected property owners of SAP Central are Costa Pacific Communities, Inc. or its affiliate, Villebois Village Center LLC ("Costa"), and ~~Polygon, which Polygon has purchased the interest of~~ which has recently purchased the interest of Zions National Bank ("Zion"). Polygon has entered into preliminary negotiations with Costa to pursue this goal. Under such separate agreement, Costa and Polygon must provide the road dedications and construction easements required to build these roads and roundabout; Costa must waive its right to collect its portion of the Master Planning Fee for all lots in PDP-3E; and Costa and ~~Zion~~ Polygon must agree to a supplemental street SDC equal in total to the actual street SDC credits provided by the City for Polygon for the streets and roundabout, which shall be paid to the City as future building permits are issued for the development in SAP Central. Polygon, as the developer of PDP-3E, shall receive a full credit of the expenses for constructing the Villebois Drive Central/Costa Circle extension and roundabout against street SDC fees for PDP-3E and against that portion of the Master Planning Fee owed by Polygon to the master developer (see Section 11). A map of these streets and the roundabout, with the designation of the proposed portion thereof that is the responsibility of Costa or Villebois Village Center LLC is set forth in **Exhibit 3**, attached hereto and incorporated by reference herein. A table of the estimated respective costs and SDC credits are set forth in **Exhibit 4**, attached hereto and incorporated by reference herein.

5.3 The City shall provide the necessary permits of entry and construction easements to allow Polygon to conduct the Villebois Drive Central/Costa Circle extension on 110th Street.

6. **Coffee Lake Drive Through Property.**

Polygon, as the developer of PDP-3E, shall construct Coffee Lake Drive, within the property boundary, and receive street SDC credits for the construction of paving wider than 20 feet and the easterly curb against street SDC fees for PDP-3E. The SDC credits are calculated as follows: extra paving width of 12,240 sq. ft. at \$2.00 a sq. ft. is estimated at \$24,480; rock for the extra paving of 12,240 sq. ft. at \$1.33 a sq. ft. is estimated at \$16,279; the easterly curb of 2,040 linear ft. at \$15.00 per linear ft. is estimated at \$30,600, for a total estimate of \$71,359; soft costs, at 24% of the above sum, are estimated at \$17,126; and the total SDC credits are estimated at \$88,485.

7. **Regional Park 7 and North Portion of Regional Park 8.**

7.1. Subject to the cap on costs described in Section 7.2, Polygon, as the developer of PDP-3E, shall construct that portion of Regional Parks 7 and 8 within the Bischof/Lund Property boundary and the Metro Property area as shown on **Exhibit 5**, attached hereto and incorporated by reference herein.

7.2. Polygon believes it can significantly reduce the cost by providing the design/plans for and the management of construction of the park described in Section 7.1. Polygon's obligation to spend funds for the design and construction of that portion of Regional Parks 7 and 8, as described in Section 7.1, is capped as follows: Polygon shall not be obligated to spend more than the park SDCs, currently set at \$4,602 per lot, which may be adjusted annually, in accordance with the Seattle Engineering Record's published construction cost index, until the park work is completed (the "Capped Amount"). The City will agree to a redesign of that portion of Regional Parks 7 and 8 so that the costs will not exceed the Capped Amount. The City shall review and approve draft plans at 30%, 60%, and 90% of plan completion. The total park SDC credits are currently estimated at ~~\$846,768~~\$943,410 ($\$4,602 \times 184,2054$ lots, subject to annual adjustment) and shall be provided by the City as against the Capped Amount for Polygon to design and construct the northern part of Regional Parks 7 and 8. In the event the City receives timely final approval from Metro for park construction on that portion of the Metro Property shown on **Exhibit 5**, Polygon and the City further agree that Polygon will design and construct the trail facilities on Metro property as long as the cost of the design and construction of that segment of the trail facilities, when added to the cost to design and construct the portion of Regional Parks 7 and 8 located within the Bischof/Lund Property, as described in Section 7.1, will not exceed the Capped Amount. Polygon will provide an updated more reliable cost estimates for construction for both the northern part of Regional Park 8 on the Bischof/Lund Property and the Metro property when the 30% design is completed. The parties shall then determine whether it is feasible to proceed with further design and construction of Regional Park 8 on both properties or just within the Bischof/Lund Property without including the Metro Property. In the event the estimated costs exceed the Capped Amount at the 30% design phase, Polygon shall not be obligated to spend any more than the Capped Amount. In such case, the City reserves the option to elect, at its discretion, to contribute Park SDC funds or other funds to cover the amount that exceeds the Capped Amount. If the City does not elect to pay the amount

in excess of the Capped Amount, the parties will redesign to stay within the Capped Amount or elect to build some or all of the park improvements at a later date.

7.3. The City has received Metro's tentative approval for the conceptual park improvements on the Metro Property, as depicted in the above **Exhibit 5**. The City will facilitate obtaining Metro's final approval to construct the trail facilities on the Metro Property.

8. **Miscellaneous Parks: Linear Greens (LG) 15 & 16, Pocket Parks (PP) 9 & 12, and Neighborhood Park (NP) 5.** These parks were initially designed to be located on the Bischof/Lund Property and the adjacent parcels owned by private ownership to the west, which property is not included in the Matrix Development Agreement. 110th Avenue currently runs through the middle of these parks. These parks are located and described on the map attached hereto as **Exhibit 6**, and incorporated by reference herein. It is anticipated that in order to develop the parks as shown, Polygon must enter into an agreement with this private property owner to allow for development of a portion of the parks on that other property. The City will endeavor to contact this property owner, who is currently located overseas, to determine whether the property owner is agreeable to allowing a portion of its property to be included in the park or parks Polygon will design and build. Polygon acknowledges it has the responsibility to develop the park areas located within the Bischof/Lund Property in PDP-3E, but the City and Polygon would prefer that the full parks, as currently contemplated in the Master Plan, be developed, if appropriate agreement can be obtained from the property owner. The plan to remove 110th will need to provide for existing easements of Northwest Gas and Kinder Morgan Petroleum utilities. If the other property owner does not enter into an agreement with Polygon to allow for park construction on its land, Polygon will develop that portion of the parks located on the Bischof/Lund Property and require the homeowner's association to maintain them, once constructed.

9. **Coffee Lake Drive 15-Inch Sewer.**

9.1. A 15-inch sewer trunk line in Coffee Lake Drive will serve all of SAP East, portions of SAP Central and SAP North, and all of UPA3. The sewer line has been extended by the City from Barber Avenue to Denmark Street (property line of Bischof/Lund). This segment has been constructed and a Reimbursement District is being formed by the City to pay the cost thereof.

9.2. The parties agree that Polygon, as the developer of PDP-3E, shall construct the 15-inch sewer line in Coffee Lake Drive from Denmark Drive (Bischof/Lund Property line) to 110th Avenue at its cost and receive sewer SDC credits for all lots within PDP-3E for oversizing the line above an 8-inch line to provide extra capacity for the future benefitted properties within the service area. Polygon acknowledges and agrees to formation of the Reimbursement District and that PDP-3E will be subject to assessments for a reimbursement of proportionate costs under the Reimbursement District.

9.3. Oversizing of sewer line reimbursement estimates have been in the range of \$55 - \$60 a linear foot, to date, in Villebois. Thus, SDC credits are estimated at \$57.50 a

linear foot for 2,040 feet, for a total of \$117,300, plus soft costs estimated at \$28,152, for a total estimated cost of \$145,452.

10. Villebois Drive 18-Inch Waterline. Polygon, as the developer of PDP-3E, shall construct an 18-inch water line in Villebois Drive from the SW side of Costa Coffee Lake Drive Circle to Verdun, install a tee and run the 18 inch line in Verdun from the tee to 110th and in 110th northerly to the ~~existing~~existing 18 inch line near Tooze Road. The estimate cost of the Villebois Drive segment ~~is to the westerly property line, at an estimated cost of \$106,020,~~ inclusive of soft costs. ~~The estimated cost of the Verdun segment is \$60,000, inclusive of soft costs. The estimated costs of the 110th segment is \$40,000, inclusive of soft costs.~~ Polygon shall receive ~~W~~water SDC credits ~~against the lots in PDP-3E for the construction of oversizing from a 12-inch line to an 18-inch line in Villebois Drive in the estimated total of \$31,000, inclusive of soft costs; credit for construction of oversizing from an 8 inch line to an 18 inch line in Verdun in the estimated total of \$30,000, inclusive of soft costs; and for the 18 inch line segment in 110th full credit in the estimated total of \$40,000 , inclusive of soft costs.~~ ~~against water SDCs for the lots in PDP-3E, in the estimated total sum of \$31,806, inclusive of soft costs, as set forth on page 4 of Exhibit 4.~~

~~11. _____/110th: 18" Water Line. [I will renumber paragraphs if inserted.]~~

11. Master Planning Fee. The Matrix Development Agreement for SAP East provides that the developer will pay a Master Planning Fee of \$900 per lot, with \$690 of that fee being paid to the master planner, Costa Pacific Communities, and \$210 of that fee being paid to the City, subject to adjustment on an annual basis each July 1 proportionate to the changes in the Seattle Engineering Record's construction index published the preceding March. The adjusted fee for fiscal year July 1, 2012 to June 30, 2013 is \$1,0279, proportioned \$7879 to Costa Pacific Communities and \$240 to the City. In the event Costa Pacific Communities, as a land owner in SAP Central, waives its Master Planning Fee as proposed in Section 5 above, Polygon, as the developer of PDP-3E, shall only be required to pay the City a Master Planning Fee of \$240 per lot, as may be annually adjusted as referenced above, at the time of building permit issuance for each lot within PDP-3E.

12. SDC Credit Calculations.

12.1. Included Costs. The standards for calculating the costs of constructing infrastructure, including both soft and hard construction costs, are standards known to the City and Polygon, and have been used for the calculations herein, against which SDC credits are calculated. Soft costs incurred in connection with the improvements described in this Addendum 4 are included in SDC credits. Polygon shall be treated equitably and consistently with the other developers receiving SDC credits in Villebois, and such soft costs for the purposes of SDC credits shall be calculated as a percentage of construction costs as follows: Design, Engineering, and Surveying, 10%; City Permit Fee, 7%; Geotechnical Inspection, 2%; and Construction Management, 5%, for a total of 24% of construction costs. The Matrix Development Agreement addresses the respective SDC and SDC credit calculations and is to be followed, except as may otherwise be specifically set forth in this Addendum 4. All SDC credits shall be credited to Polygon before Polygon must pay any system development charges for the

Bischof/Lund Property lots. That is, upon completing an infrastructure project and becoming entitled to the applicable SDC credits as provided in this Addendum 4, Polygon may apply, in whole or in part, such applicable SDC credits against the SDC otherwise owed, until such credits may become exhausted, before Polygon is obligated to pay any remaining applicable SDC that may be owed.

12.2 Excluded Costs. The parties to this Addendum 4 agree that the various infrastructure costs and SDC credit calculations shall not include the cost of any property or any easement, right of entry, or license for any property necessary to be dedicated to or otherwise transferred by any of the respective parties to this Addendum 4 to the City for the infrastructure improvements, including parks, provided for in this Addendum 4 and which shall be provided to the City without cost to the City. Polygon will not be required to pay for any rights of entry, easements, or dedications.

12.3. Final Estimates and True Up. In order to secure a public works permit for the infrastructure provided for herein, plans for the construction of the infrastructure, including parks, must be provided to and approved by the City. In constructing the infrastructure, the approved plans must be followed and, to ensure the cost for providing the infrastructure is reasonable, and thus any credit entitlement is reasonable, Polygon shall provide the construction contract costs to the City as the final estimate for the City's review and approval, which approval shall not be unreasonably withheld. The final cost and SDC credits shall be based on actual costs trued up from the construction contract costs; provided, however, that for any such true-up change cost, the parties must mutually agree they are reasonable.

12.4. Insurance and Bonds. Prior to commencement of construction of the infrastructure set forth in this Addendum 4, Polygon must provide to the City performance and payment bonds satisfactory to the City to provide for the respective infrastructure set forth in this Addendum 4. Polygon shall cause the City to be named as an additional insured on the applicable contractor's insurance policy for the construction of the respective infrastructure provided for in this Addendum, in amounts and coverage satisfactory to the City.

13. **GAP Parcel.** Bischof/Lund donated approximately 4.454 acres of land to the URA to be used for parks and open space. This land is referred to as the GAP parcel and it makes up a portion of those parks identified as Regional Parks 7 and 8 in the Revised Villebois Parks Master Plan. The GAP parcel is identified on **Exhibit 2**. Polygon and the URA agree that Polygon will include this area in the design and construction of Regional Parks 7 and 8, subject to the costs incurred by Polygon for all the work described in Section 7 not exceeding the Capped Amount.

14. **Recitals Incorporated.** The recitals set forth above, inclusive of exhibits, are incorporated by reference as general terms of this agreement to provide for the intent of the parties in developing and constructing the specific provisions of the Terms and Conditions of this Addendum No. 4 Agreement.

15. **Miscellaneous.** This Addendum 4 amends the Matrix Development Agreement as specifically set forth herein. Except as set forth in Addendum 4, the Matrix Development

Agreement, as previously amended, remains in full force and effect as to the parties to the Matrix Development Agreement.

16. **Assignment.** Polygon shall have the right to assign, without release, this Addendum No. 4 to an affiliate of Polygon, including Polygon at Villebois, L.L.C. An affiliate of Polygon is defined as any entity that is managed or controlled by the same people who manage Polygon.

17. **SDC Adjustments.** All references to SDCs in this Addendum 4 are references to system development charges established for the 2011-2012 fiscal year. Those charges are subject to adjustment on an annual basis proportionate to the changes in the Seattle Engineering Record's published construction cost index.

18. **Notices.** All notices, demands, consents, approvals, and other communications which are required or desired to be given by either party to the other hereunder shall be in writing and shall be faxed, hand delivered, or sent by overnight courier or United States Mail at its address set forth below, or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals, and other communications shall be deemed given when delivered, three days after mailing by United States Mail, or upon receipt if sent by courier; provided, however, that if any such notice or other communication shall also be sent by telecopy or fax machine, such notice shall be deemed given at the time and on the date of machine transmittal.

To City:	Michael E. Kohlhoff City Attorney City of Wilsonville 29799 SW Town Center Loop East Wilsonville OR 97070
To Polygon:	Polygon Northwest Company, L.L.C. Attn: Fred Gast 109 E. 13th Street Vancouver WA 98660
With a copy to:	Radler White Parks & Alexander LLP Attn: Barbara Radler 111 SW Columbia Street, Suite 1100 Portland, OR 97201

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first written above.

POLYGON NORTHWEST COMPANY, L.L.C.

CITY OF WILSONVILLE

By: Brentview, Inc., its Manager

By: _____
Print Name: _____
As Its: _____

By: _____
Bryan Cosgrove
As Its: City Manager

THE URBAN RENEWAL AGENCY OF THE
CITY OF WILSONVILLE

APPROVED AS TO FORM:

By: _____
Bryan Cosgrove
As Its: Executive Director

Michael E. Kohlhoff, OSB #690940
City Attorney

EXHIBIT 1

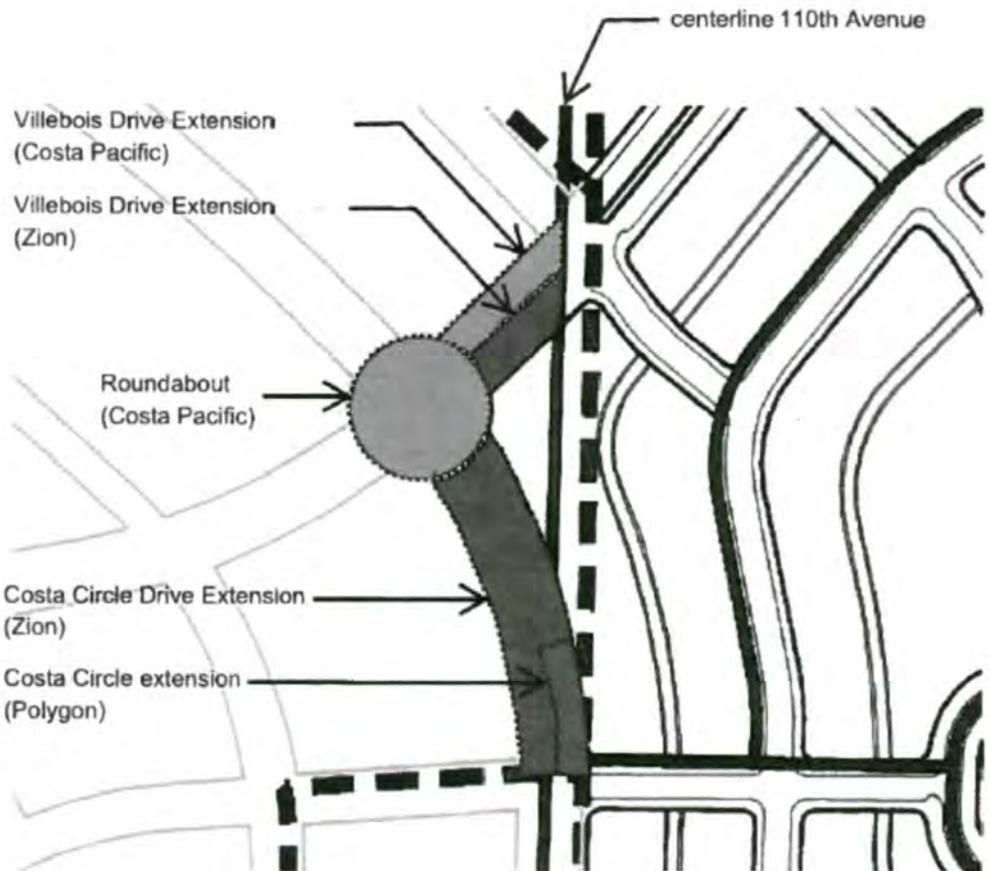
The land bounded by a line beginning South 24-1/2° East 14.96 chains from the Northeast corner of Section 15, in Township 3 South, Range 1 West of the Willamette Meridian, in the City of Wilsonville, County of Clackamas and State of Oregon, in the center of L.A. Seely's main ditch; thence South 70-1/2° West, 14.64 chains to the Northwest corner of R.I. Seely's land; thence South 35° East, 2 chains on the West side of said land; thence South 52° East, 8.97 chains on the West side of said land; thence South 10° East, 2 chains on the West line of said land; thence West, 22.50 chains to the East line of the Donation Land Claim of Samuel B. Franklin; thence North on said East line, 22.64 chains to the Southwest corner of George B. Seely's land; thence East, 24.37 chains to the center of said L.A. Seely's main ditch; thence South 20-1/2° East on the center line of said main ditch to the place of beginning.

ALSO a strip of land (hiatus) situated in the Northeast one-quarter of Section 15 and the Northwest one-quarter of Section 14, Township 3 South, Range 1 West of the Willamette Meridian, in the City of Wilsonville, County of Clackamas and State of Oregon; said strip of land (hiatus) lies Northerly of that certain tract of land conveyed to John and Rose Boston as described in Book 205, Page 458 and Book 319, Page 427 and lies Southerly of that certain tract of land conveyed to H.V. Rand, et ux, described in Book 143, Page 49, Deed Records, Clackamas County, Oregon; the Northerly line of said Boston Tract being described as follows:

Beginning at the Northwest corner of said Boston Tract, which Northwest corner is in the Easterly line of the Samuel Franklin Donation Land Claim No. 50 and bears North 00°00'00" East, 1698.90 feet from the South east corner of the Samuel Franklin Donation Land Claim No. 50; thence leaving said Easterly line, North 89°56'00" East parallel with the Northerly boundary of the R.V. Short Donation Land Claim a distance of 20.00 feet to a 5/8 inch iron rod in the Easterly right-of-way line of Brown road (County Road No. 355); thence continuing along said Northerly boundary of the Boston Tract, North 89°56'00" East (P.S. 21365 Records of Surveys, Clackamas County), 1403.07 feet to a 5/8 inch iron rod in the Easterly line of said Section 15, Township 3 South, Range 1 West; thence continuing North 89°56'00" East along the Northerly boundary of the Boston Tract (P.S. 21365 Record of Surveys, Clackamas County) parallel with said Northerly line of the R.V. Short Donation Land Claim, 132.36 feet to a 5/8 inch iron rod at the Northeasterly corner of the herein described tract, which Northeasterly corner is in the Westerly boundary of the R.I. Seely Tract as described in Book 43, Page 54, Deed Records, Clackamas County, Oregon.

EXCEPTING THEREFROM Those tracts deeded to The Urban Renewal Agency of the City of Wilsonville, by Deed recorded August 11, 2006, Fee No. 2006-073989, 2006-073990 and 2006-073991.

EXHIBIT 3



Supplemental I-5/Wilsonville Road Fee

pay supplemental fee for 205 lots at \$690/DU (\$141K).

Fee	Units	Rate	Cost
I-5/Wilsonville Rd	205	690	141,450
Total			141,450

Villebois Drive extension north of Coffee Lake Drive to Boeckman

Polygon to build from Coffee Lake Drive to existing roundabout on Boeckman (\$250K), receive road SDC credit for all costs (\$250K). City to dedicate required right of way and construction easements.

Road	Length	Cost per ft.	Cost
Villebois Drive	310	650	201,500
soft cost/cont		24%	48,360
Total	310		249,860

Villebois Drive extension from 110th Avenue to Coffee Lake Drive

Polygon to build from Coffee Lake Drive to 110th Ave., receive road SDC credit for 12 feet additional paving width and addition paving depth for remainder of paving (\$69K).

Item	Quantity (sf)	Unit price	Cost
Extra paving Width	10,260	2.00	20,520
Extra Paving depth	10,260	1.33	13,646
Extra Base Rock	42,750	0.50	21,375
soft cost/cont		24%	13,330
Total	10,260		68,871

Villebois Drive/Costa Circle extension and roundabout

Costa / Zion to dedicate required right-of-way and construction easements, Polygon to build (\$659K), Costa to waive Costa portion of MP Fee (\$127K), Polygon to receive road SDC credit for remaining offsite portion (\$474K), Costa / Zion reimburse City with supplemental fee at future building permits (\$181K Costa, \$293K Zion).

Road	Length	Cost per ft.	Cost
Villebois Drive	150	650	97,500
Roundabout		200,000	200,000
Costa Circle	360	650	234,000
Const. Total			531,500
Soft Cost/Cont		24%	127,560
Project Cost			659,060

Costa Pacific Items	Cost	%	Cost
Villebois Drive	97,500	50%	48,750
Roundabout	200,000	100%	200,000
Costa Circle	234,000	0%	0
Const. Total			248,750
Soft Cost/Cont		24%	59,700
Total Costa Cost			308,450
Less Master Plan Fee			-161,335
Costa Reimbursement			147,115

Zion Items	Cost	%	Cost
Villebois Drive	97,500	50%	48,750
Roundabout	200,000	0%	0
Costa Circle	234,000	80%	187,200
Const. Total			235,950
Soft Cost/Cont		24%	56,628
Total Zion Reimbursement			292,578

Polygon Items	Cost	%	Cost
Villebois Drive	97,500	0%	0
Roundabout	200,000	0%	0
Costa Circle	234,000	20%	46,800
Const. Total			46,800
Soft Cost/Cont		24%	11,232
Total Polygon Cost			58,032

Coffee Lake Drive thru property

Polygon to build within the property, receive Road SDC credits for Paving wider than 20 feet and the easterly curb (88K).

Item	Quantity (sf)	Unit price	Cost
Extra paving Width	12,240	2.00	24,480
Rock	12,240	1.33	16,279
easterly curb	2,040	15.00	30,600
soft cost/cont		24%	17,126
Total	12,240		88,485

Coffee Lake Drive 15-inch Sewer

Polygon to build thru property (\$685K), receive sewer SDC credit for oversizing from 8" to 15" (\$145K), and pay south portion late comer fee (50K).

Project cost:

Length	Cost	Cost per lf
South Portion		
1,779	597,143	335.66
North Portion		
2,040	684,750	335.66

North Portion SDC Credit

Item	Quantity (sf)	Unit price	Cost
Oversize from 8" to 15"	2,040.00	57.50	117,300
Soft Cost	117,300.00	24%	28,152
Total			145,452

South Late-comer Fee:

Area	Amount	Fee
Lund	50,203.72	50,204

Villebois Drive 12-inch Waterline

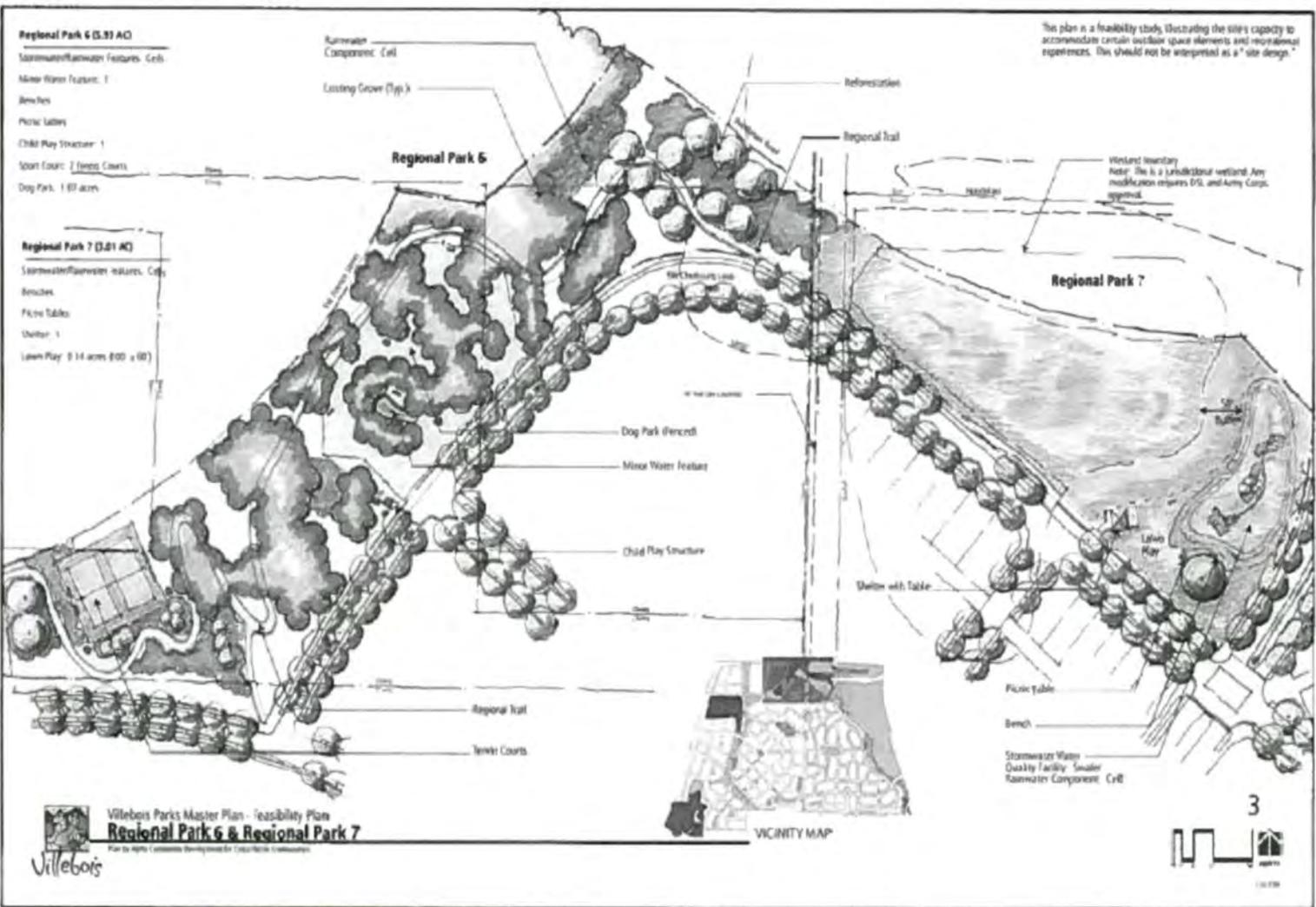
Polygon build 12-inch line in Villebois Drive from Costa Circle roundabout to Verdun, in Verdun to 110th, and in 110th to near Tooze, (\$147K), receive SDC credits (\$37K).

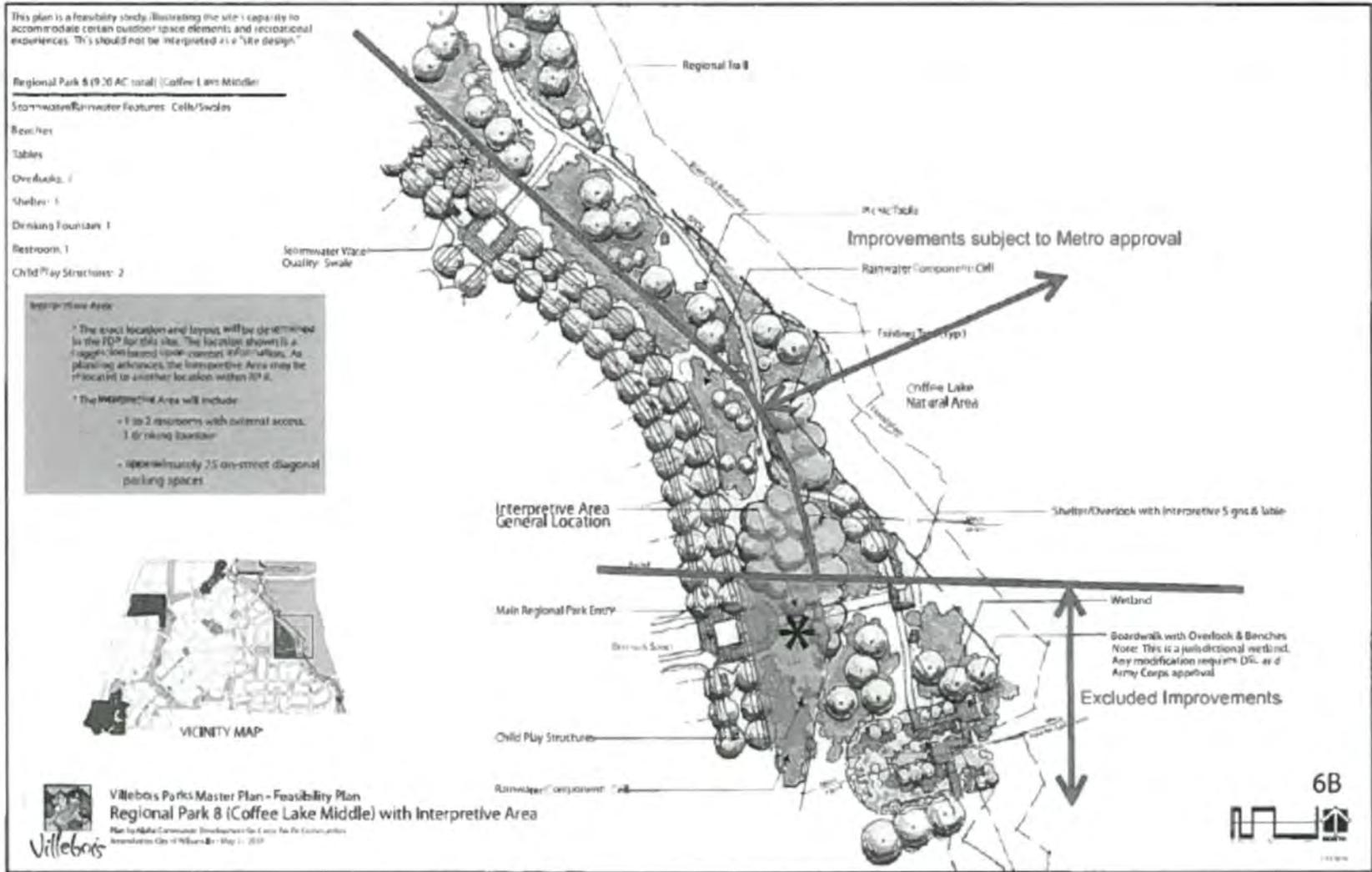
Item		Credit	Cost
Villebois Drive, roundabout to Verdun		0.00	72,397
Verdun from Villebois Drive to 110th		0.00	37,933
110th from Verdun to near Tooze		37,145.00	37,145
18-inch total		37,145.00	147,475

Master Plan Fee

Pay City fee portion (\$39K), use Costa portion (\$127K) to pay for Village Drive/Costa Circle.

Fee	Units	Rate	Cost
MP Fee (Costa)	205	787	161,335
MP Fee (City)	205	240	49,200
Total	205	1,027	210,535





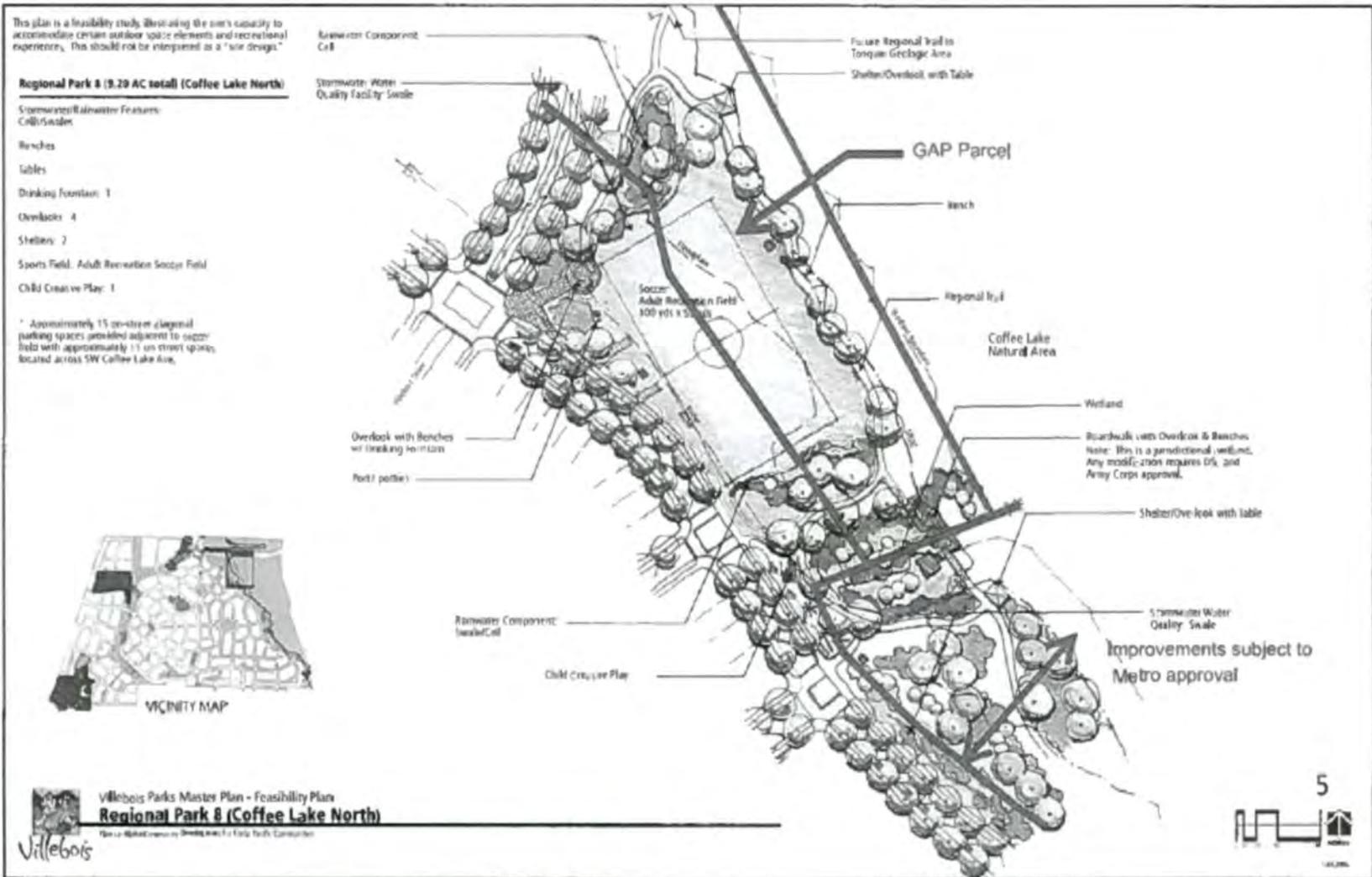
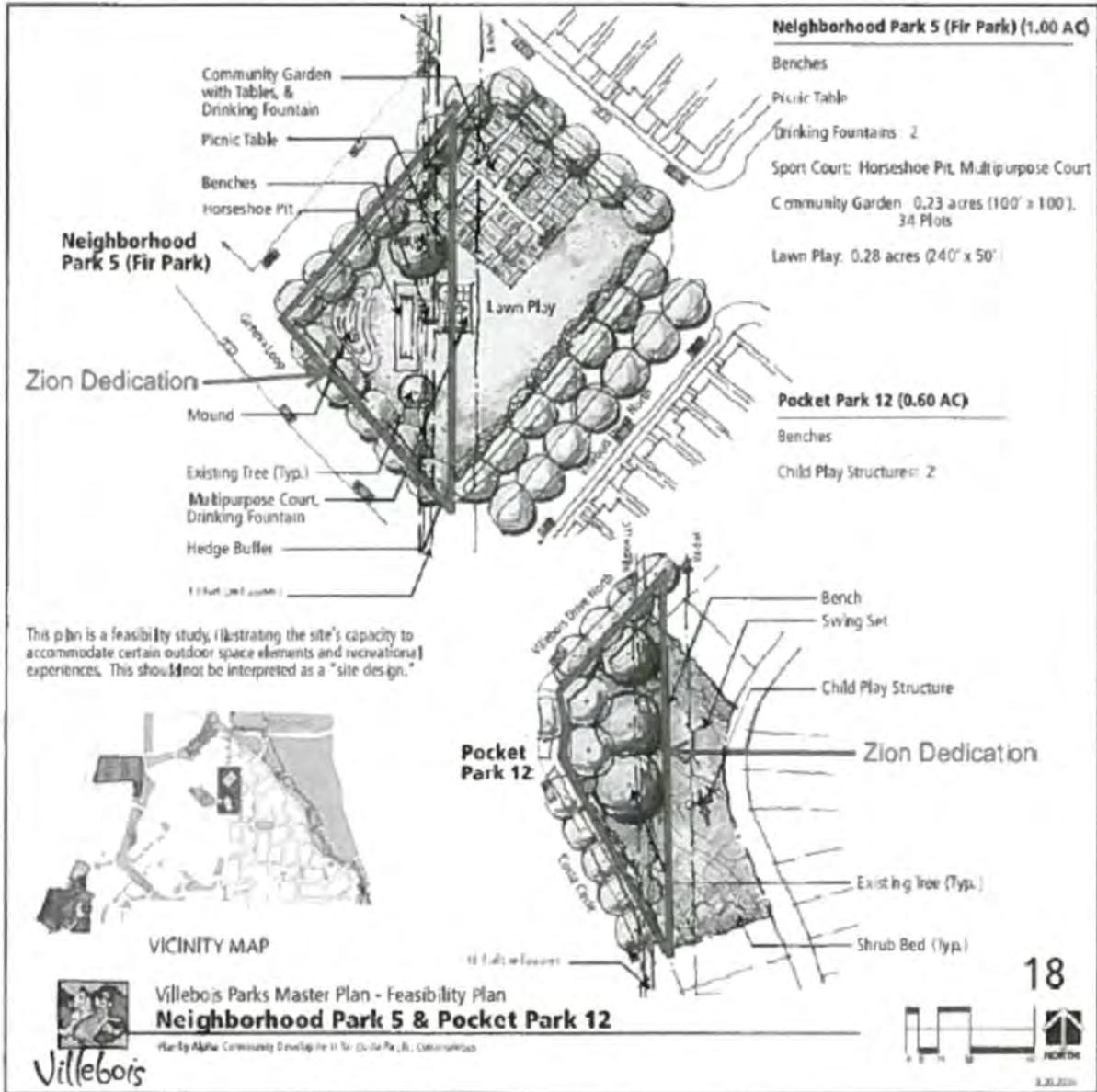


EXHIBIT 6



This plan is a feasibility study, illustrating the site's capacity to accommodate certain outdoor space elements and recreational experiences. This should not be interpreted as a "site design."

Pocket Park 9 (0.21 AC)

Child Creative Play: 1

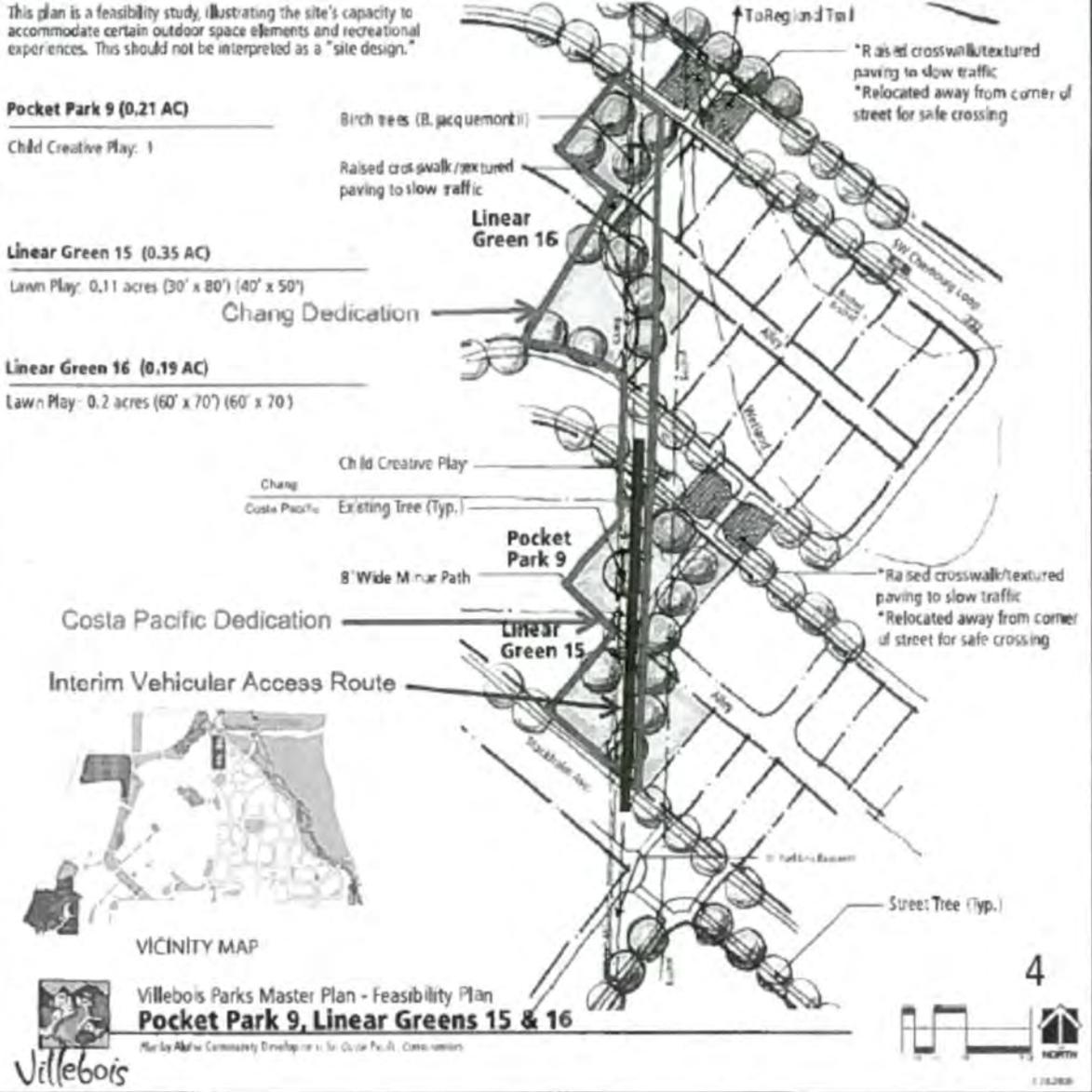
Linear Green 15 (0.35 AC)

Lawn Play: 0.11 acres (30' x 80') (40' x 50')

Chang Dedication

Linear Green 16 (0.19 AC)

Lawn Play: 0.2 acres (60' x 70') (60' x 70')





POLYGON NW COMPANY
PACIFIC COMMUNITY DEVELOPMENT
10700 LAUREL CANYON ARCHITECTURE, INC.
BERKELEY, CA

TONQUIN MEADOWS

Villebois 3 East
Preliminary
Development Plan

Tree Preservation Plan

DATE: 10/20/2012

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POLYGON NW COMPANY
PACIFIC COMMUNITY DESIGN, INC.
OTTEHLAND ARCHITECTS, INC.
GREENWORLD, INC.

TONQUIN MEADOWS

Villebois 3 East Preliminary Development Plan

Tree Preservation Plan

DATE: 10/02/2011

H:\Land\214-007\JP Drawing\1-01 Planning\Drawings\214007.dwg SHEET: TREE 10x & 12 - 2:53 PM 2011

	Budget	Activity	% Used
Fund 110 General Fund:			
Taxes	8,133,050	5,337,147	66%
Intergovernmental	1,569,551	326,696	21%
Licenses and Permits	120,600	122,241	101%
Charges for Services	413,800	228,692	55%
Fines	380,000	195,862	52%
Investment Revenue	100,000	51,722	52%
Other Revenues	130,600	63,546	49%
Transfers	2,429,428	1,070,817	44%
Total Revenue	13,277,029	7,396,723	56%
Personal Services	6,274,220	2,814,274	45%
Materials and Services	6,867,600	3,191,659	46%
Capital Outlay	95,000	26,588	28%
Transfers	1,444,600	205,577	14%
Total Expense	14,681,420	6,238,099	42%
Fund 210 Fleet Fund:			
Charges for Services	1,167,935	583,962	50%
Investment Revenue	20,000	11,682	58%
Other Revenues	0	2,856	-%
Total Revenue	1,187,935	598,500	50%
Personal Services	515,740	230,484	45%
Materials and Services	649,470	258,017	40%
Capital Outlay	94,500	25,733	27%
Transfers	529,040	343,020	65%
Total Expense	1,788,750	857,253	48%
Fund 230 Building Fund:			
Licenses and Permits	729,952	598,751	82%
Licenses and Permits-Villebois	113,201	130,521	115%
Investment Revenue	5,000	3,700	74%
Other Revenues	0	1,082	-%
Transfers	13,000	4,781	37%
Total Revenue	861,153	738,835	86%
Personal Services	585,970	274,889	47%
Materials and Services	72,545	22,897	32%
Transfers	118,660	51,456	43%
Total Expense	777,175	349,243	45%
Fund 235 Community Development Fund:			
Intergovernmental	25,000	0	-%
Licenses and Permits	403,916	349,684	87%
Licenses and Permits-Villebois	231,340	101,047	44%
Charges for Services	571,000	297,120	52%
Investment Revenue	11,000	11,896	108%
Other Revenues	500	3,193	639%
Transfers	2,398,389	696,230	29%
Total Revenue	3,641,145	1,459,170	40%
Personal Services	2,756,490	1,201,113	44%
Materials and Services	573,610	122,105	21%
Transfers	288,300	137,947	48%
Total Expense	3,618,400	1,461,165	40%
Fund 240 Road Operating Fund:			
Intergovernmental	1,108,000	557,076	50%
Investment Revenue	2,000	2,337	117%
Other Revenues	0	6,650	-%
Transfers	0	2,615	-%
Total Revenue	1,110,000	568,678	51%
Personal Services	300,170	144,725	48%
Materials and Services	420,548	199,586	47%
Transfers	312,060	159,706	51%
Total Expense	1,032,778	504,017	49%

	Budget	Activity	% Used
Fund 245 Road Maintenance Fund:			
Charges for Services	635,000	318,913	50%
Investment Revenue	1,000	611	61%
Total Revenue	636,000	319,523	50%
Materials and Services	510	0	-%
Transfers	650,000	449,993	69%
Total Expense	650,510	449,993	69%
Fund 260 Transit Fund:			
Taxes	4,400,000	1,993,687	45%
Intergovernmental	956,062	2,475,223	259%
Charges for Services	178,000	68,893	39%
Investment Revenue	17,000	3,767	22%
Other Revenues	10,000	20,162	202%
Total Revenue	5,561,062	4,561,732	82%
Personal Services	2,886,460	1,308,242	45%
Materials and Services	1,632,365	893,508	55%
Capital Outlay	600,000	432,381	72%
Transfers	1,538,580	999,981	65%
Total Expense	6,657,405	3,634,112	55%
Fund 310 Water Operating Fund:			
Intergovernmental	0	3,063	-%
Charges for Services	6,412,200	4,302,411	67%
Fines	0	6,945	-%
Investment Revenue	20,000	21,927	110%
Other Revenues	0	4,915	-%
Transfers	350,000	0	-%
Total Revenue	6,782,200	4,339,260	64%
Personal Services	534,300	252,422	47%
Materials and Services	3,411,952	1,231,402	36%
Capital Outlay	65,000	0	-%
Debt Service	1,886,000	817,992	43%
Transfers	534,200	185,363	35%
Total Expense	6,431,452	2,487,179	39%
Fund 320 Sewer Operating Fund:			
Charges for Services	6,550,000	3,057,288	47%
Investment Revenue	45,000	38,825	86%
Other Revenues	18,216	11,484	63%
Transfers	785,000	0	-%
Total Revenue	7,398,216	3,107,597	42%
Personal Services	255,840	120,091	47%
Materials and Services	2,381,869	732,948	31%
Debt Service	2,589,000	1,281,156	49%
Transfers	1,460,000	234,896	16%
Total Expense	6,686,709	2,369,091	35%
Fund 350 Street Lighting Fund:			
Charges for Services	385,000	193,048	50%
Investment Revenue	3,000	1,949	65%
Total Revenue	388,000	194,997	50%
Materials and Services	296,100	107,742	36%
Transfers	59,280	0	-%
Total Expense	355,380	107,742	30%
Fund 370 Storm Water Operating Fund:			
Taxes	0	2,062	-%
Charges for Services	1,260,000	564,161	45%
Investment Revenue	3,000	1,317	44%
Transfers	700,000	0	-%
Total Revenue	1,963,000	567,539	29%
Personal Services	242,550	110,589	46%
Materials and Services	432,005	129,173	30%
Transfers	933,800	233,847	25%
Total Expense	1,608,355	473,610	29%

Councilor Concerns / Follow Up Items

Last Updated January 14, 2013

Meeting Date	Concern / Request	Staff Member /Department	Date Completed
1/7/2013	None		
December 3	Starr - Density in Villebois actions that the densities are trued up in the future and that should be pointed out, wanted to see where the exchange would be made with the number of lots being increased and reduced.		
November 19	Chamber of Commerce Contract Status	Cosgrove/Kohlhoff	
November 5	<p>Parking enforcement in residential neighborhoods; amend ordinance to avoid transients living in vehicles on the street but allow flexibility to prepare RVs.</p> <p>Change Wilsonville Road to local access only eliminating truck and trailer traffic traveling in the area of the elementary and high schools.</p>	Kohlhoff	Ord. to amend code to CC on 1/7/13
October 1	<p>Begin thinking about Goals, what does staff need the Council to look at?</p> <p>Lighting under the I-5 Overpass for Pedestrians</p>	BC	<p>March/April 2013</p> <p>Staff to investigate</p>
September 6	None.		
July 16	Permanent location for Public Works Shops	Kerber	Staff researching
June 18	Schedule time to discuss Vision and big picture issues	BC	Council Retreat 2013
April 16	<p>Joint meeting with West Linn-Wilsonville School Board</p> <p>Joint meeting with Tualatin Council to follow up on transportation</p>	<p>In process of being scheduled</p>	Set for Feb. 20, 2013

**CITY OF WILSONVILLE
CITY COUNCIL
NOTICE OF PUBLIC HEARING**

PUBLIC NOTICE IS HEREBY GIVEN that the Wilsonville City Council will conduct a public hearing on **Thursday, January 24, 2013**, 7 p.m. at City Hall, 29799 SW Town Center Loop, Wilsonville, Oregon.

The purpose of this public hearing is to consider public testimony on a proposed ordinance titled:
**Ordinance No. 713: AN ORDINANCE OF THE CITY OF WILSONVILLE
AMENDING WILSONVILLE CODE CHAPTER 5, SECTION 5.210,
PROHIBITED PARKING OR STANDING.**

Copies may be obtained at a cost of 25 cents per page, at City Hall or by calling the City Recorder at 503-570-1506 and requesting a copy to be mailed to you.

Specific suggestions or questions concerning the proposed ordinance may be directed to 503-570-1507. Public testimony, both oral and written will be accepted at the public hearing. Written statements are encouraged and may be submitted to Sandra C. King, MMC, City Recorder, 29799 SW Town Center Loop E, Wilsonville, OR 97070.

Assistive listening devices are available for persons with impaired hearing and can be scheduled for this meeting. The City will endeavor to provide qualified sign language interpreters without cost if requested at least 48 hours prior to the meeting. To obtain such services call the office of the City Recorder at 682-1011.

Published in the Wilsonville Spokesman January 8 and 15, 2013.

City of Wilsonville

**January 24, 2013
City Council Meeting
Action Minutes**

DATE: JANUARY 25, 2013

LOCATION: 29799 SW Town Center Loop East, Wilsonville, Or

Time Start: 5 P.M.

Time End: 8:15 P.M.

Remarks: Councilor Starr excused from Work Session;
Councilor Goddard excused

ATTENDANCE LOG

COUNCILORS	STAFF	STAFF	STAFF
Mayor Knapp	Bryan Cosgrove	Stephan Lashbrook	Nancy Kraushaar
Council President Starr	Mike Kohlhoff	Mark Ottenad	Delora Kerber
Councilor Goddard	Jeanna Troha	Dan Knoll	Joanne Ossanna
Councilor Fitzgerald	Sandy King	Kristin Retherford	Barbara Jacobson
Councilor Stevens	Andrea Handran	Chris Neamtzu	Patty Brescia
	Evie Proctor		

AGENDA	ACTIONS
WORK SESSION	
<ul style="list-style-type: none"> 2013 Legislative Agenda-- Mark Ottenad and Greg Leo asked for direction from Council for public policy priorities to guide how the city reacts to specific legislative proposals in the 2013 session of the Legislature. URA Annual Report 	<p>Councilors wanted staff to follow PERS, Reset at Sale; unfunded mandates; local autonomy; and suggested adding a section on environmental protection</p> <p>Finance Director presented the report.</p>
REGULAR MEETING	
<u>Mayor's Business</u>	
<ul style="list-style-type: none"> Council Liaison appointments 	<ul style="list-style-type: none"> Continued to 2/4/13 meeting
<u>Communications</u>	
<ul style="list-style-type: none"> Recognize CCC for help during Community Center kitchen remodel 	<p>Council presented a framed photograph to CCC and a certificate of appreciation to the Wilsonville Seniors Inc. for their aid in the remodel project.</p>
<u>Consent Agenda</u>	
<ul style="list-style-type: none"> Minutes 	<p>Adopted 4-0</p>
<u>Public Hearing</u>	
<ul style="list-style-type: none"> Ordinance No. 713 first reading Amending Section 5 of the Code re: storage of vehicles on city streets 	<p>Adopted 4-0 on first reading with minor change to paragraph #2 on page 2 of 2.</p>

	Second reading 2/4/13
<u>Continuing Business</u> <ul style="list-style-type: none"> Resolution No. 2385 – Addendum No. 4 to Matrix Agreement 	Adopted 4-0
<u>City Manager’s Business</u> <ul style="list-style-type: none"> Reminders of upcoming meetings 	Joint meeting with West Linn Wilsonville School District, and City of West Linn on 2/20/13; and Council retreat set for April 12-13, 2013.

RECORDED BY: SCK

file



29799 SW Town Center Loop E
Wilsonville, Oregon 97070
(503) 682-1011
(503) 682-1015 Fax Administration
(503) 682-7025 Fax Community Development

January 25, 2013

Polygon Northwest Company, LLC
Attn: Fred Gast
109 East 13th Street
Vancouver WA 98660

Re: Addendum No. 4 to Matrix Development Agreement

Mr. Gast;

The Wilsonville City Council adopted Resolution No. 2385 at their January 24, 2013 meeting authorizing the City to enter into Addendum No. 4 to the Matrix Development Agreement. In addition, the Urban Renewal Agency approved URA Resolution No. 223 authorizing the Agency to enter into Addendum No. 4 at their meeting held the same date.

I have enclosed two sets of original Addendum No. 4 for your signature. Please date and sign both the Addendum for the City as well as the one for the Urban Renewal Agency and return one set to my office for the City Manager's signature. I will return a fully executed set to your office after the City Manager has signed the Addendum. Note, the text for Costa reimbursement was interlined to read \$147K to conform to the correct numbers in the Costa matrix box, Exhibit 4, page 14 of 21.

If you have any questions, please do not hesitate to contact me at 503-557-0735.

Sincerely,

A handwritten signature in cursive script that reads "Sandra C. King".

Sandra C. King
City Recorder

/sck

Enclosures

cc: Barbara Radler, Radler White Parks & Alexander LLP
Mike Kohlhoff, City Attorney



ADDENDUM NO. 4
TO THE DEVELOPMENT AGREEMENT OF JUNE 14, 2004
BY AND BETWEEN THE CITY OF WILSONVILLE (CITY) AND
THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE (URA)
AND MATRIX DEVELOPMENT CORPORATION (DEVELOPER)
AND PROPERTY OWNERS DONALD E. BISCHOF / SHARON L. LUND,
ARTHUR C. / DEE W. PICULELL,
THE DeARMOND FAMILY LLC / LOUIS J. / MARGARET P. FASANO (OWNERS)
AND VALERIE AND MATTHEW KIRKENDALL (KIRKENDALL)

THIS ADDENDUM NO. 4 ("Addendum 4") to the above captioned Development Agreement (hereinafter referred to as the "Matrix Development Agreement") is entered into this ___ day of January, 2013, by and between the City of Wilsonville ("City"), a municipal corporation of the State of Oregon, the Urban Renewal Agency of the City of Wilsonville ("URA"), a municipal corporation of the State of Oregon, and Polygon Northwest Company, L.L.C., a Washington limited liability company ("Polygon"). This Addendum 4 only applies to the City, the URA, and Polygon, and does not apply to the other parties to the Matrix Development Agreement.

RECITALS:

1. The Villebois Master Plan is a land use plan regulating the development of approximately 500 acres of a planned, mixed use community of internal commercial and a mix of 2,600 residential uses, with trails, parks, and open spaces, supported by \$140 million in infrastructure. In approximately June 2004, for the purposes of developing home sites within the Villebois Master Plan area, Matrix Development Co. (Matrix) acquired certain land interests in approximately 150 acres of land east of 110th Street and entered into the 2004 Development Agreement set forth in the title above (known as the "Matrix Development Agreement").
2. Polygon has entered into an option agreement to purchase a portion of the property affected by and included in the Matrix Development Agreement, which is currently owned by Sharon L. Lund and Donald E. Bischof (the "Bischof/Lund Property"). The Bischof/Lund Property is described on the attached **Exhibit 1**. The City, the URA, and Polygon wish to clarify certain respective obligations under the Matrix Development Agreement that pertain to the Bischof/Lund Property if Polygon acquires the Bischof/Lund Property and Polygon receives its requested approvals for the development of SAP East, PDP-3 ("PDP-3E") as shown on the attached **Exhibit 2** (the "Site Plan"). The Site Plan contemplates 205 lots being developed on the Bischof/Lund Property.
3. Terms not specifically defined herein shall be as defined in the Development Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the City, the URA, and Polygon agree as follows:

TERMS AND CONDITIONS:

1. **Condition Precedent.** Polygon hopes to acquire the Bischof/Lund Property much earlier than December 31, 2015. However, as a condition precedent to the implementation of this Addendum 4, Polygon must purchase the Bischof/Lund Property (except for any such land dedicated to or purchased by the City from Bischof/Lund) on or before December 31, 2015. In the event Polygon does not purchase the Bischof/Lund Property by December 31, 2015, this Addendum No. 4 shall become null and void unless the parties otherwise mutually agree, in writing.

2. **Supplemental I-5/Wilsonville Street Fee.** Polygon, as the developer of PDP-3E, shall pay a supplemental I-5/Wilsonville Road street SDC of \$690 per Dwelling Unit ("DU") at issuance of the building permit for each lot within PDP-3E. This supplemental street SDC is separate and apart from the basic street SDC and is not intended by the parties hereto to be a part of any street SDC credit or street SDC credit calculation that is set forth in this Addendum 4. The estimated supplemental street SDC to be paid by Polygon for the currently proposed 205 lots at \$690/DU is \$141,450.

3. **Villebois Drive North Extension from Coffee Lake Drive to Boeckman.**

3.1. The Matrix Development Agreement for SAP East provides that the City will construct Villebois Drive North from the existing roundabout on Boeckman Drive to Coffee Lake Drive. Polygon, as the developer of PDP-3E, hereby agrees to construct Villebois Drive North from the existing roundabout on Boeckman Drive to Coffee Lake Drive, subject to a full credit of those expenses against street SDC fees for PDP-3E. The parties estimate the length of this segment to be 310 feet and that the estimated cost to construct, with utilities, is \$650 per linear foot, which is calculated to be \$201,500, together with soft costs estimated at 24% of the construction cost, or \$48,360, which totals \$249,860. The breakdown of soft costs is set forth in Section 12.1.

3.2. The City shall provide the necessary permits of entry and construction easements to allow Polygon to construct this segment of roadway and the City shall dedicate for public use such segment of the roadway which is located on City property.

4. **Villebois Drive North Extension from 110th to Coffee Lake Drive.** Polygon, as the developer of PDP-3E, shall construct Villebois Drive North from Coffee Lake Drive to the Bischof/Lund Property boundary. Polygon will receive credits for those expenses against street SDC fees for PDP-3E for 12 feet additional paving width and the additional base rock depth over the entire street width that is required to upgrade from a local street to a collector street (typically two additional inches of base rock). The extra paving width for bike lanes is calculated at 10,260 sq. ft., at a unit price of \$2.00 a sq. ft., for an estimated cost of \$20,520. Rock needed for the extra paving is calculated at 10,260 sq. ft., at \$1.33 a sq. ft., for an estimated cost of \$13,646. The extra base rock depth is calculated to be 42,750 sq. ft. at \$0.50 a sq. ft., for an estimated cost of \$21,375. The total estimated cost of all of the foregoing is \$55,541. The soft costs are calculated at 24% of the costs for the extra paving width and rock, which is estimated at \$13,330. The total street SDC credits are estimated at \$68,871.

5. **Villebois Drive Central/Costa Circle Extension and Roundabout.**

5.1. Under a separate and different development agreement with Villebois Village LLC ("Villebois Village"), the developer of SAP Central, Villebois Village is required to construct Villebois Drive Central from 110th Avenue, the property line of PDP-3E, to Costa Circle Drive, the roundabout, and Costa Circle Drive from Villebois Drive Central to its current terminus, subject to the standard credits of those expenses against street SDC fees. Villebois Village, along with its successors and assigns, as the current owners of SAP Central (see paragraph 5.2 below) are not currently ready to proceed with this construction. However, because this is an important transportation linkage within the community, the parties to this Addendum 4 agree that residents of Villebois and others within the City of Wilsonville will benefit from having this road linkage in use, and both the City of Wilsonville and Villebois land holders will benefit from having this community investment in place and paid for.

5.2. Based on the foregoing, if the Villebois Drive Central/Costa Circle extension and roundabout have not been completed by the SAP Central developer by the time the Bischof/Lund Property is developed, and subject to the conditions below, Polygon, as the developer of PDP-3E, hereby agrees to construct Villebois Drive Central from 110th Avenue (property line of PDP-3E) to Costa Circle Drive, the roundabout, and Costa Circle Drive from Villebois Drive Central to its current terminus, subject to the following conditions: A separate agreement(s) is executed with all affected land owners of SAP Central, meeting the requirements of this Section 5.2. The current affected property owners of SAP Central are Costa Pacific Communities, Inc. or its affiliate, Villebois Village Center LLC ("Costa"), and Polygon which has recently purchased the interest of Zion National Bank ("Zion"). Polygon has entered into preliminary negotiations with Costa to pursue this goal. Under such separate agreement, Costa and Polygon must provide the road dedications and construction easements required to build these roads and roundabout; Costa must waive its right to collect its portion of the Master Planning Fee for all lots in PDP-3E; and Costa and Polygon must agree to a supplemental street SDC equal in total to the actual street SDC credits provided by the City for Polygon for the streets and roundabout, which shall be paid to the City as future building permits are issued for the development in SAP Central. Polygon, as the developer of PDP-3E, shall receive a full credit of the expenses for constructing the Villebois Drive Central/Costa Circle extension and roundabout against street SDC fees for PDP-3E and against that portion of the Master Planning Fee owed by Polygon to the master developer (see Section 11). A map of these streets and the roundabout, with the designation of the proposed portion thereof that is the responsibility of Costa or Villebois Village Center LLC is set forth in **Exhibit 3**, attached hereto and incorporated by reference herein. A table of the estimated respective costs and SDC credits are set forth in **Exhibit 4**, attached hereto and incorporated by reference herein.

5.3 The City shall provide the necessary permits of entry and construction easements to allow Polygon to conduct the Villebois Drive Central/Costa Circle extension on 110th Street.

6. **Coffee Lake Drive Through Property.**

Polygon, as the developer of PDP-3E, shall construct Coffee Lake Drive, within the property boundary, and receive street SDC credits for the construction of paving wider than 20 feet and the easterly curb against street SDC fees for PDP-3E. The SDC credits are calculated as follows: extra paving width of 12,240 sq. ft. at \$2.00 a sq. ft. is estimated at \$24,480; rock for the extra paving of 12,240 sq. ft. at \$1.33 a sq. ft. is estimated at \$16,279; the easterly curb of 2,040 linear ft. at \$15.00 per linear ft. is estimated at \$30,600, for a total estimate of \$71,359; soft costs, at 24% of the above sum, are estimated at \$17,126; and the total SDC credits are estimated at \$88,485.

7. **Regional Park 7 and North Portion of Regional Park 8.**

7.1. Subject to the cap on costs described in Section 7.2, Polygon, as the developer of PDP-3E, shall construct that portion of Regional Parks 7 and 8 within the Bischof/Lund Property boundary and the Metro Property area as shown on **Exhibit 5**, attached hereto and incorporated by reference herein.

7.2. Polygon believes it can significantly reduce the cost by providing the design/plans for and the management of construction of the park described in Section 7.1. Polygon's obligation to spend funds for the design and construction of that portion of Regional Parks 7 and 8, as described in Section 7.1, is capped as follows: Polygon shall not be obligated to spend more than the park SDCs, currently set at \$4,602 per lot, which may be adjusted annually, in accordance with the Seattle Engineering Record's published construction cost index, until the park work is completed (the "Capped Amount"). The City will agree to a redesign of that portion of Regional Parks 7 and 8 so that the costs will not exceed the Capped Amount. The City shall review and approve draft plans at 30%, 60%, and 90% of plan completion. The total park SDC credits are currently estimated at \$943,410 (\$4,602 x 205 lots, subject to annual adjustment) and shall be provided by the City as against the Capped Amount for Polygon to design and construct the northern part of Regional Parks 7 and 8. In the event the City receives timely final approval from Metro for park construction on that portion of the Metro Property shown on **Exhibit 5**, Polygon and the City further agree that Polygon will design and construct the trail facilities on Metro property as long as the cost of the design and construction of that segment of the trail facilities, when added to the cost to design and construct the portion of Regional Parks 7 and 8 located within the Bischof/Lund Property, as described in Section 7.1, will not exceed the Capped Amount. Polygon will provide an updated more reliable cost estimates for construction for both the northern part of Regional Park 8 on the Bischof/Lund Property and the Metro property when the 30% design is completed. The parties shall then determine whether it is feasible to proceed with further design and construction of Regional Park 8 on both properties or just within the Bischof/Lund Property without including the Metro Property. In the event the estimated costs exceed the Capped Amount at the 30% design phase, Polygon shall not be obligated to spend any more than the Capped Amount. In such case, the City reserves the option to elect, at its discretion, to contribute Park SDC funds or other funds to cover the amount that exceeds the Capped Amount. If the City does not elect to pay the amount in excess of the Capped Amount, the parties will redesign to stay within the Capped Amount or elect to build some or all of the park improvements at a later date.

7.3. The City has received Metro's tentative approval for the conceptual park improvements on the Metro Property, as depicted in the above **Exhibit 5**. The City will facilitate obtaining Metro's final approval to construct the trail facilities on the Metro Property.

8. **Miscellaneous Parks: Linear Greens (LG) 15 & 16, Pocket Parks (PP) 9 & 12, and Neighborhood Park (NP) 5.** These parks were initially designed to be located on the Bischof/Lund Property and the adjacent parcels owned by private ownership to the west, which property is not included in the Matrix Development Agreement. 110th Avenue currently runs through the middle of these parks. These parks are located and described on the map attached hereto as **Exhibit 6**, and incorporated by reference herein. It is anticipated that in order to develop the parks as shown, Polygon must enter into an agreement with this private property owner to allow for development of a portion of the parks on that other property. The City will endeavor to contact this property owner, who is currently located overseas, to determine whether the property owner is agreeable to allowing a portion of its property to be included in the park or parks Polygon will design and build. Polygon acknowledges it has the responsibility to develop the park areas located within the Bischof/Lund Property in PDP-3E, but the City and Polygon would prefer that the full parks, as currently contemplated in the Master Plan, be developed, if appropriate agreement can be obtained from the property owner. The plan to remove 110th will need to provide for existing easements of Northwest Gas and Kinder Morgan Petroleum utilities. If the other property owner does not enter into an agreement with Polygon to allow for park construction on its land, Polygon will develop that portion of the parks located on the Bischof/Lund Property and require the homeowner's association to maintain them, once constructed.

9. **Coffee Lake Drive 15-Inch Sewer.**

9.1. A 15-inch sewer trunk line in Coffee Lake Drive will serve all of SAP East, portions of SAP Central and SAP North, and all of UPA3. The sewer line has been extended by the City from Barber Avenue to Denmark Street (property line of Bischof/Lund). This segment has been constructed and a Reimbursement District is being formed by the City to pay the cost thereof.

9.2. The parties agree that Polygon, as the developer of PDP-3E, shall construct the 15-inch sewer line in Coffee Lake Drive from Denmark Drive (Bischof/Lund Property line) to 110th Avenue at its cost and receive sewer SDC credits for all lots within PDP-3E for oversizing the line above an 8-inch line to provide extra capacity for the future benefitted properties within the service area. Polygon acknowledges and agrees to formation of the Reimbursement District and that PDP-3E will be subject to assessments for a reimbursement of proportionate costs under the Reimbursement District.

9.3. Oversizing of sewer line reimbursement estimates have been in the range of \$55 - \$60 a linear foot, to date, in Villebois. Thus, SDC credits are estimated at \$57.50 a linear foot for 2,040 feet, for a total of \$117,300, plus soft costs estimated at \$28,152, for a total estimated cost of \$145,452.

10. **Villebois Drive 18-Inch Waterline.** Polygon, as the developer of PDP-3E, shall construct an 18-inch water line in Villebois Drive from the SW side of Costa Circle to Verdun, install a tee and run the 18 inch line in Verdun from the tee to 110th and in 110th northerly to the existing 18 inch line near Tooze Road. The estimate cost of the Villebois Drive segment is, \$106,020, inclusive of soft costs. The estimated cost of the Verdun segment is \$60,000, inclusive of soft costs. The estimated costs of the 110th segment is \$40,000, inclusive of soft costs. Polygon shall receive Water SDC credits against the lots in PDP-3E for the construction of oversizing from a 12-inch line to an 18-inch line in Villebois Drive in the estimated total of \$31,000, inclusive of soft costs; credit for construction of oversizing from an 8 inch line to an 18 inch line in Verdun in the estimated total of \$30,000, inclusive of soft costs; and for the 18 inch line segment in 110th full credit in the estimated total of \$40,000 , inclusive of soft costs. as set forth on page 4 of **Exhibit 4**.

11. **Master Planning Fee.** The Matrix Development Agreement for SAP East provides that the developer will pay a Master Planning Fee of \$900 per lot, with \$690 of that fee being paid to the master planner, Costa Pacific Communities, and \$210 of that fee being paid to the City, subject to adjustment on an annual basis each July 1 proportionate to the changes in the Seattle Engineering Record's construction index published the preceding March. The adjusted fee for fiscal year July 1, 2012 to June 30, 2013 is \$1,027, proportioned \$787 to Costa Pacific Communities and \$240 to the City. In the event Costa Pacific Communities, as a land owner in SAP Central, waives its Master Planning Fee as proposed in Section 5 above, Polygon, as the developer of PDP-3E, shall only be required to pay the City a Master Planning Fee of \$240 per lot, as may be annually adjusted as referenced above, at the time of building permit issuance for each lot within PDP-3E.

12. **SDC Credit Calculations.**

12.1. **Included Costs.** The standards for calculating the costs of constructing infrastructure, including both soft and hard construction costs, are standards known to the City and Polygon, and have been used for the calculations herein, against which SDC credits are calculated. Soft costs incurred in connection with the improvements described in this Addendum 4 are included in SDC credits. Polygon shall be treated equitably and consistently with the other developers receiving SDC credits in Villebois, and such soft costs for the purposes of SDC credits shall be calculated as a percentage of construction costs as follows: Design, Engineering, and Surveying, 10%; City Permit Fee, 7%; Geotechnical Inspection, 2%; and Construction Management, 5%, for a total of 24% of construction costs. The Matrix Development Agreement addresses the respective SDC and SDC credit calculations and is to be followed, except as may otherwise be specifically set forth in this Addendum 4. All SDC credits shall be credited to Polygon before Polygon must pay any system development charges for the Bischof/Lund Property lots. That is, upon completing an infrastructure project and becoming entitled to the applicable SDC credits as provided in this Addendum 4, Polygon may apply, in whole or in part, such applicable SDC credits against the SDC otherwise owed, until such credits may become exhausted, before Polygon is obligated to pay any remaining applicable SDC that may be owed.

12.2 Excluded Costs. The parties to this Addendum 4 agree that the various infrastructure costs and SDC credit calculations shall not include the cost of any property or any easement, right of entry, or license for any property necessary to be dedicated to or otherwise transferred by any of the respective parties to this Addendum 4 to the City for the infrastructure improvements, including parks, provided for in this Addendum 4 and which shall be provided to the City without cost to the City. Polygon will not be required to pay for any rights of entry, easements, or dedications.

12.3. Final Estimates and True Up. In order to secure a public works permit for the infrastructure provided for herein, plans for the construction of the infrastructure, including parks, must be provided to and approved by the City. In constructing the infrastructure, the approved plans must be followed and, to ensure the cost for providing the infrastructure is reasonable, and thus any credit entitlement is reasonable, Polygon shall provide the construction contract costs to the City as the final estimate for the City's review and approval, which approval shall not be unreasonably withheld. The final cost and SDC credits shall be based on actual costs trued up from the construction contract costs; provided, however, that for any such true-up change cost, the parties must mutually agree they are reasonable.

12.4. Insurance and Bonds. Prior to commencement of construction of the infrastructure set forth in this Addendum 4, Polygon must provide to the City performance and payment bonds satisfactory to the City to provide for the respective infrastructure set forth in this Addendum 4. Polygon shall cause the City to be named as an additional insured on the applicable contractor's insurance policy for the construction of the respective infrastructure provided for in this Addendum, in amounts and coverage satisfactory to the City.

13. **GAP Parcel**. Bischof/Lund donated approximately 4.454 acres of land to the URA to be used for parks and open space. This land is referred to as the GAP parcel and it makes up a portion of those parks identified as Regional Parks 7 and 8 in the Revised Villebois Parks Master Plan. The GAP parcel is identified on **Exhibit 2**. Polygon and the URA agree that Polygon will include this area in the design and construction of Regional Parks 7 and 8, subject to the costs incurred by Polygon for all the work described in Section 7 not exceeding the Capped Amount.

14. **Recitals Incorporated**. The recitals set forth above, inclusive of exhibits, are incorporated by reference as general terms of this agreement to provide for the intent of the parties in developing and constructing the specific provisions of the Terms and Conditions of this Addendum No. 4 Agreement.

15. **Miscellaneous**. This Addendum 4 amends the Matrix Development Agreement as specifically set forth herein. Except as set forth in Addendum 4, the Matrix Development Agreement, as previously amended, remains in full force and effect as to the parties to the Matrix Development Agreement.

16. **Assignment**. Polygon shall have the right to assign, without release, this Addendum No. 4 to an affiliate of Polygon, including Polygon at Villebois, L.L.C. An affiliate

of Polygon is defined as any entity that is managed or controlled by the same people who manage Polygon.

17. **SDC Adjustments.** All references to SDCs in this Addendum 4 are references to system development charges established for the 2011-2012 fiscal year. Those charges are subject to adjustment on an annual basis proportionate to the changes in the Seattle Engineering Record's published construction cost index.

18. **Notices.** All notices, demands, consents, approvals, and other communications which are required or desired to be given by either party to the other hereunder shall be in writing and shall be faxed, hand delivered, or sent by overnight courier or United States Mail at its address set forth below, or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals, and other communications shall be deemed given when delivered, three days after mailing by United States Mail, or upon receipt if sent by courier; provided, however, that if any such notice or other communication shall also be sent by telecopy or fax machine, such notice shall be deemed given at the time and on the date of machine transmittal.

To City: Michael E. Kohlhoff
City Attorney
City of Wilsonville
29799 SW Town Center Loop East
Wilsonville OR 97070

To Polygon: Polygon Northwest Company, L.L.C.
Attn: Fred Gast
109 E. 13th Street
Vancouver WA 98660

With a copy to: Radler White Parks & Alexander LLP
Attn: Barbara Radler
111 SW Columbia Street, Suite 1100
Portland, OR 97201

IN WITNESS WHEREOF, the parties have hereunto set their hands as of the day and year first written above.

POLYGON NORTHWEST COMPANY, L.L.C.

CITY OF WILSONVILLE

By: Brentview, Inc., its Manager

By: _____
Print Name: _____
As Its: _____

By: _____
Bryan Cosgrove
As Its: City Manager

THE URBAN RENEWAL AGENCY OF THE
CITY OF WILSONVILLE

By: _____
Bryan Cosgrove
As Its: Executive Director

APPROVED AS TO FORM:

Michael E. Kohlhoff, OSB #690940
City Attorney

EXHIBIT 1

The land bounded by a line beginning South 24-1/2 ° East 14.96 chains from the Northeast corner of Section 15, in Township 3 South, Range 1 West of the Willamette Meridian, in the City of Wilsonville, County of Clackamas and State of Oregon, in the center of L.A. Seely's main ditch; thence South 70-1/2° West, 14.64 chains to the Northwest corner of R.I. Seely's land; thence South 35° East, 2 chains on the West side of said land; thence South 52° East, 8.97 chains on the West side of said land; thence South 10° East, 2 chains on the West line of said land; thence West, 22.50 chains to the East line of the Donation Land Claim of Samuel B. Franklin; thence North on said East line, 22.64 chains to the Southwest corner of George B. Seely's land; thence East, 24.37 chains to the center of said L.A. Seely's main ditch; thence South 20-1/2° East on the center line of said main ditch to the place of beginning.

ALSO a strip of land (hiatus) situated in the Northeast one-quarter of Section 15 and the Northwest one-quarter of Section 14, Township 3 South, Range 1 West of the Willamette Meridian, in the City of Wilsonville, County of Clackamas and State of Oregon; said strip of land (hiatus) lies Northerly of that certain tract of land conveyed to John and Rose Boston as described in Book 205, Page 458 and Book 319, Page 427 and lies Southerly of that certain tract of land conveyed to H.V. Rand, et ux, described in Book 143, Page 49, Deed Records, Clackamas County, Oregon; the Northerly line of said Boston Tract being described as follows:

Beginning at the Northwest corner of said Boston Tract, which Northwest corner is in the Easterly line of the Samuel Franklin Donation Land Claim No. 50 and bears North 00°00'00" East, 1698.90 feet from the South east corner of the Samuel Franklin Donation Land Claim No. 50; thence leaving said Easterly line, North 89°56'00" East parallel with the Northerly boundary of the R.V. Short Donation Land Claim a distance of 20.00 feet to a 5/8 inch iron rod in the Easterly right-of-way line of Brown road (County Road No. 355); thence continuing along said Northerly boundary of the Boston Tract, North 89°56'00" East (P.S. 21365 Records of Surveys, Clackamas County), 1403.07 feet to a 5/8 inch iron rod in the Easterly line of said Section 15, Township 3 South, Range 1 West; thence continuing North 89°56'00" East along the Northerly boundary of the Boston Tract (P.S. 21365 Record of Surveys, Clackamas County) parallel with said Northerly line of the R.V. Short Donation Land Claim, 132.36 feet to a 5/8 inch iron rod at the Northeasterly corner of the herein described tract, which Northeasterly corner is in the Westerly boundary of the R.I. Seely Tract as described in Book 43, Page 54, Deed Records, Clackamas County, Oregon.

EXCEPTING THEREFROM Those tracts deeded to The Urban Renewal Agency of the City of Wilsonville, by Deed recorded August 11, 2006, Fee No. 2006-073989 , 2006-073990 and 2006-073991.

EXHIBIT 2



EXHIBIT 3

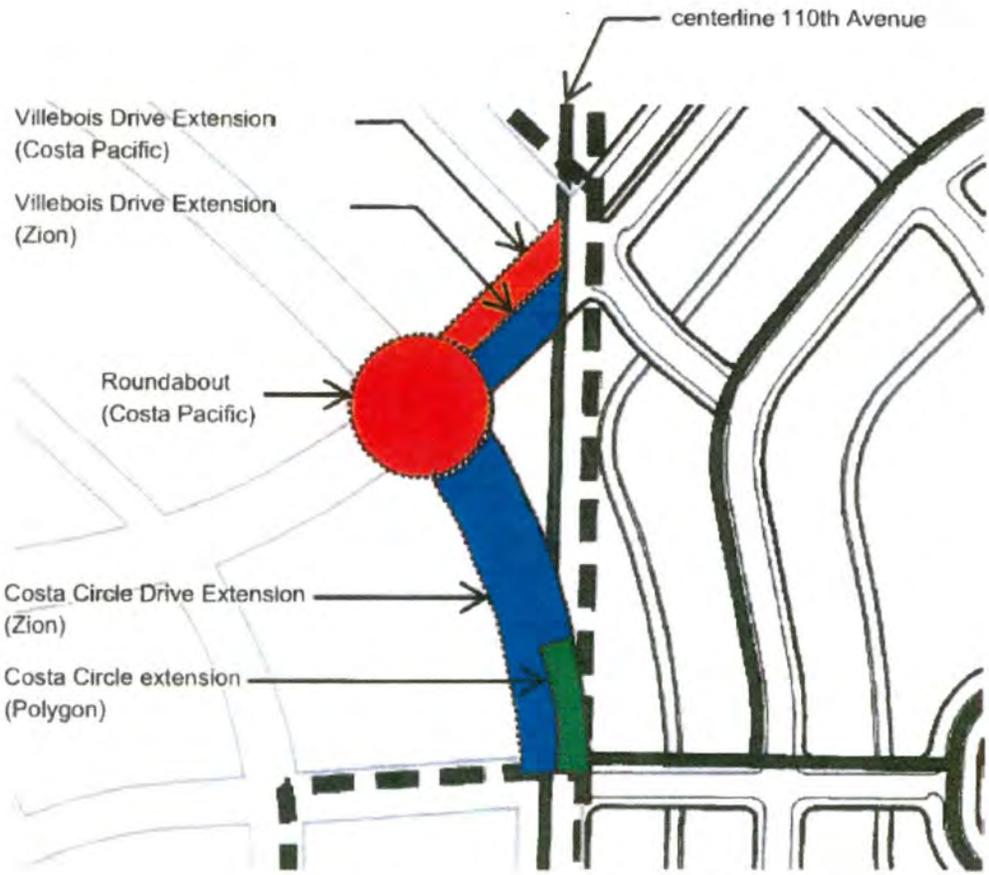


EXHIBIT 4

Resolution No. 2385

Supplemental I-5/Wilsonville Road Fee

pay supplemental fee for 205 lots at \$690/DU (\$141K).

Fee	Units	Rate	Cost
I-5/Wilsonville Rd	205	690	141,450
Total			141,450

Villebois Drive extension north of Coffee Lake Drive to Boeckman

Polygon to build from Coffee Lake Drive to existing roundabout on Boeckman (\$250K), receive road SDC credit for all costs (\$250K). City to dedicate required right of way and construction easements.

Road	Length	Cost per ft.	Cost
Villebois Drive	310	650	201,500
soft cost/cont		24%	48,360
Total	310		249,860

Villebois Drive extension from 110th Avenue to Coffee Lake Drive

Polygon to build from Coffee Lake Drive to 110th Ave., receive road SDC credit for 12 feet additional paving width and addition paving depth for remainder of paving (\$69K).

Item	Quantity (sf)	Unit price	Cost
Extra paving Width	10,260	2.00	20,520
Extra Paving depth	10,260	1.33	13,646
Extra Base Rock	42,750	0.50	21,375
soft cost/cont		24%	13,330
Total	10,260		68,871

Villebois Drive/Costa Circle extension and roundabout

Costa / Zion to dedicate required right-of-way and construction easements, Polygon to build (\$659K), Costa to waive Costa portion of MP Fee (\$127K), Polygon to receive road SDC credit for remaining offsite portion (\$474K), Costa / Zion reimburse City with supplemental fee at future building permits (\$181K Costa, \$293K Zion).

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Road	Length	Cost per ft.	Cost
Villebois Drive	150	650	97,500
Roundabout		200,000	200,000
Costa Circle	360	650	234,000
Const. Total			531,500
Soft Cost/Cont		24%	127,560
Project Cost			659,060

Costa Pacific Items	Cost	%	Cost
Villebois Drive	97,500	50%	48,750
Roundabout	200,000	100%	200,000
Costa Circle	234,000	0%	0
Const. Total			248,750
Soft Cost/Cont		24%	59,700
Total Costa Cost			308,450
Less Master Plan Fee			-161,335
Costa Reimbursement			147,115

Zion Items	Cost	%	Cost
Villebois Drive	97,500	50%	48,750
Roundabout	200,000	0%	0
Costa Circle	234,000	80%	187,200
Const. Total			235,950
Soft Cost/Cont		24%	56,628
Total Zion Reimbursement			292,578

Polygon Items	Cost	%	Cost
Villebois Drive	97,500	0%	0
Roundabout	200,000	0%	0
Costa Circle	234,000	20%	46,800
Const. Total			46,800
Soft Cost/Cont		24%	11,232
Total Polygon Cost			58,032

Coffee Lake Drive thru property

Polygon to build within the property, receive Road SDC credits for Paving wider than 20 feet and the easterly curb (88K).

Item	Quantity (sf)	Unit price	Cost
Extra paving Width	12,240	2.00	24,480
Rock	12,240	1.33	16,279
easterly curb	2,040	15.00	30,600
soft cost/cont		24%	17,126
Total	12,240		88,485

Coffee Lake Drive 15-inch Sewer

Polygon to build thru property (\$685K), receive sewer SDC credit for oversizing from 8" to 15" (\$145K), and pay south portion late comer fee (50K).

Project cost:

Length	Cost	Cost per lf
South Portion		
1,779	597,143	335.66
North Portion		
2,040	684,750	335.66

North Portion SDC Credit

Item	Quantity (sf)	Unit price	Cost
Oversize from 8" to 15"	2,040.00	57.50	117,300
Soft Cost	117,300.00	24%	28,152
Total			145,452

South Late-comer Fee:

Area	Amount	Fee
Lund	50,203.72	50,204

Villebois Drive 12-inch Waterline

Polygon build 12-inch line in Villebois Drive from Costa Circle roundabout to Verdun, in Verdun to 110th, and in 110th to near Tooze, (\$147K), receive SDC credits (\$37K).

Item		Credit	Cost
Villebois Drive, roundabout to Verdun		0.00	72,397
Verdun from Villebois Drive to 110th		0.00	37,933
110th from Verdun to near Tooze		37,145.00	37,145
18-inch total		37,145.00	147,475

Master Plan Fee

Pay City fee portion (\$39K), use Costa portion (\$127K) to pay for Village Drive/Costa Circle.

Fee	Units	Rate	Cost
MP Fee (Costa)	205	787	161,335
MP Fee (City)	205	240	49,200
Total	205	1,027	210,535



EXHIBIT 5

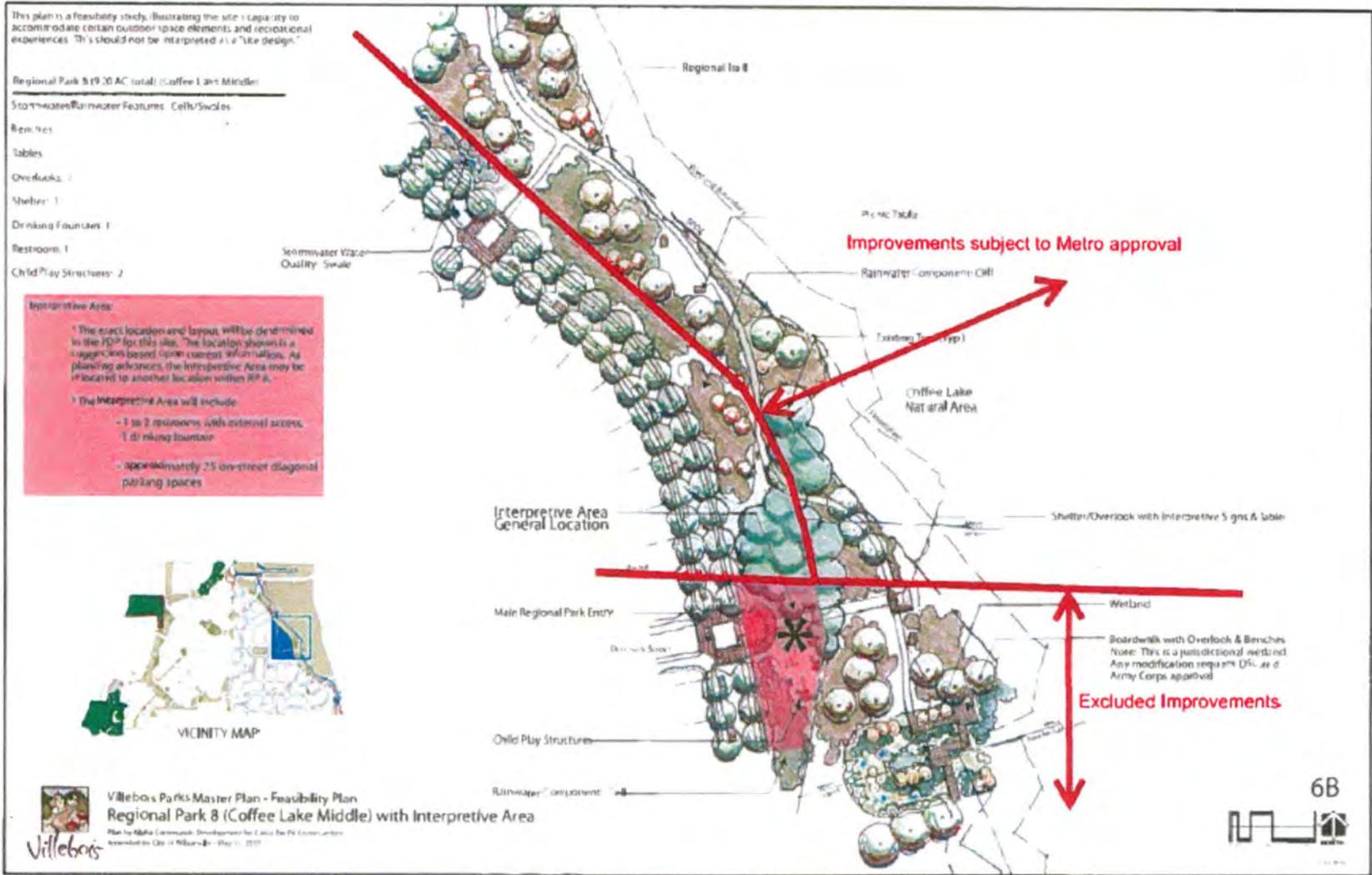
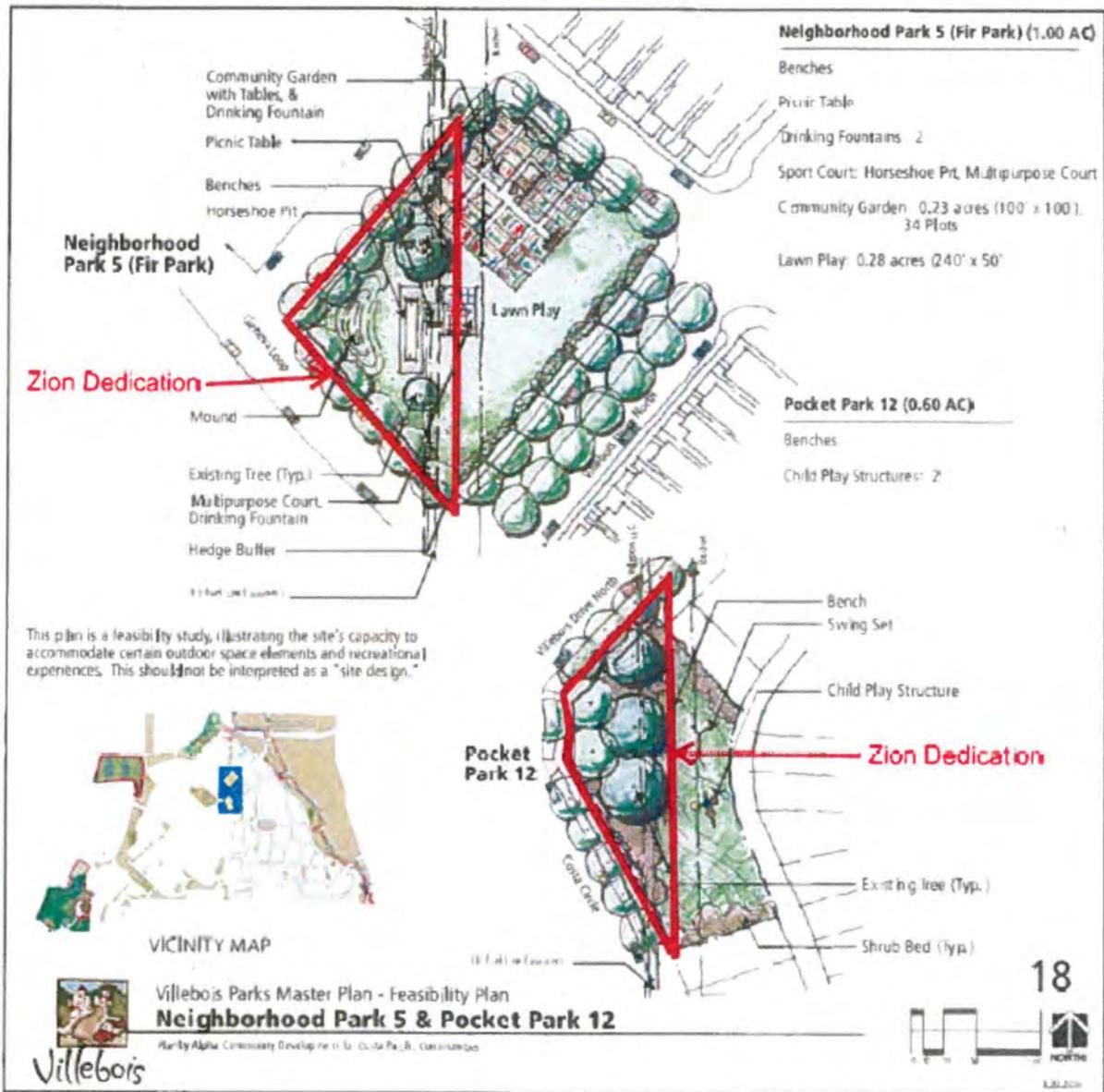


EXHIBIT 6



This plan is a feasibility study, illustrating the site's capacity to accommodate certain outdoor space elements and recreational experiences. This should not be interpreted as a "site design."

Pocket Park 9 (0.21 AC)

Child Creative Play: 1

Linear Green 15 (0.35 AC)

Lawn Play: 0.11 acres (30' x 80') (40' x 50')

Linear Green 16 (0.19 AC)

Lawn Play: 0.2 acres (60' x 70') (60' x 70')

