

# **AGENDA**

## **CANBY CITY COUNCIL REGULAR MEETING**

**July 7, 2010**

**7:30 PM**

**Council Chambers**

**155 NW 2<sup>nd</sup> Avenue**

***Mayor Melody Thompson***

***Council President Walt Daniels***

***Councilor Richard Ares***

***Councilor Robert Bitter***

***Councilor John Henri***

***Councilor Brian Hodson***

***Councilor Jason Padden***

---

### **WORK SESSION**

**6:00 P.M.**

**City Hall Conference Room**

**182 N Holly**

This Work Session will be attended by the Mayor and City Council to receive an update on strategic investment zones and discuss a preliminary IGA. Pg. 1

---

### **CITY COUNCIL REGULAR MEETING**

**1. CALL TO ORDER**

A. Pledge of Allegiance and Moment of Silence

**2. COMMUNICATIONS**

**3. 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. Each citizen will be given 3 minutes to give testimony. Citizens are first required to fill out a testimony/comment card prior to speaking and hand it to the City Recorder. These forms are available by the sign-in podium. 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.)*

**4. MAYOR'S BUSINESS**

**5. COUNCILOR COMMENTS & LIAISON REPORTS**

**6. CONSENT AGENDA**

*(This section allows the City Council to consider routine items that require no discussion and can be approved in one comprehensive motion. An item may be discussed if it is pulled from the consent agenda to New Business.)*

A. Approval of Minutes of the June 9, 2010 City Council & Planning Commission Work Session

B. Approval of Minutes of the June 16, 2010 City Council Regular Meeting

**7. RESOLUTIONS & ORDINANCES**

- A. Ord. 1330, Renaming a Segment of NE 11th Avenue Located East of N Pine Street to NE 11th Place (**2<sup>nd</sup> Reading**) Pg. 50
- B. Ord. 1331, Declaring City's Election to Receive State Revenue for 2010-2011 Fiscal Year (**2<sup>nd</sup> Reading**) Pg. 53
- C. Ord. 1332, Authorizing a Contract with Roy L. Houck Construction Co. in the Amount of \$658,397.25 for Construction of the 2010 Street Surface Treatment Program (**2<sup>nd</sup> Reading**) Pg. 54
- D. Ord. 1333, Amending Canby Municipal Code Section 5.12.020 Establishing an Annual Sidewalk Vendor Permit Fee and Section 5.12.030 Regarding the Permit Application Pg. 56

**8. NEW BUSINESS**

**9. CITY ADMINISTRATOR'S BUSINESS & STAFF REPORTS**

**10. CITIZEN INPUT**

**11. ACTION REVIEW**

**12. EXECUTIVE SESSION:** ORS 192.660(2)(h) Pending Litigation, ORS 192.660(2)(f) Exempt Public Records, and ORS 192.660(2)(i) Performance Evaluation of Public Officer

**13. ADJOURN**

\*The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Kim Scheafer at 503.266.4021 ext. 233. A copy of this Agenda can be found on the City's web page at [www.ci.canby.or.us](http://www.ci.canby.or.us). City Council and Planning Commission Meetings are broadcast live and can be viewed on OCTS Channel 5. For a schedule of the playback times, please call 503.263.6287.

## **Strategic Investment Zone Staff Report** **Study Session with the City of Canby**

Presentation Date: July 7, 2010

Time: 6 pm

Length: 45 minutes

Presentation Title: Strategic Investment Zone Update and Preliminary IGA approval

Department: City of Canby and Clackamas County Business and Economic Development

Presenters: Greg Ellis and Renate Mengelberg

### **POLICY QUESTIONS**

1. Does the City Council continue to support participating in the Clackamas County Strategic Investment Zone program?
2. *Would the city like to propose changes to the attached draft intergovernmental agreements?*
3. Which Community Service Fee/ Income Tax Revenue Share distribution option does the City Council prefer?

### **ISSUE & BACKGROUND**

The Clackamas County Business and Economic Development Department and city economic development leaders have developed enabling documents that address the details of a proposed Urban and Rural Strategic Investment Zones (SIZ) program pursuant to ORS 285C.623-285C.639. The program has been unanimously approved by the Clackamas County Board of Commissioners and the city councils of Lake Oswego, Milwaukie, Happy Valley, Sandy, Estacada, and Molalla. Oregon City is also considering partnering in the program.

SIZ's are a business recruitment tool designed to attract large capital intensive traded sector businesses. A SIZ is a "pre-established" zone that standardizes the discretionary Strategic Investment Program (SIP) process in place today, providing for consistent criteria and a streamlined approval process. This provides greater certainty to new or existing companies. Highlights of the program include:

- 15 year property tax abatements on facilities and equipment to any "traded-sector" business. Examples include production, manufacturing, high tech, and energy generation among others.
- Applies to large capital investments of over \$25 million.
- Requires a community service fee paid by the company equal to 25% of the tax savings per year. The community service fee is capped at an annual maximum of \$500,000.
- The community will also receive 50% of the income taxes paid by employees of the prospective company for a period of 15 years.
- Partners in the proposed rural zone include unincorporated Clackamas County, the cities of Estacada, Sandy, Canby, and Molalla and rural portions of Happy Valley, and Oregon City.

Since the last meeting with the Canby City Council, county staff has held meetings on the SIZ program and invited all impacted taxing districts to attend. Attendees at the Rural SIZ meeting included representatives from the Molalla and Sandy school districts and John Atkins from the city of Molalla. The school districts expressed concerns about revenue impacts to their district and shared that their preference would be Community Service Fees be divided on a pro rata basis to all impacted taxing districts. The county also held a public hearing as required by statute and unanimously approved formation of the Strategic Investment Zone. Testimony included representatives of the cities of Happy Valley, Estacada and Milwaukie in full support and Fire District #1 which opposed formation.

The City and County will ultimately need to sign an Intergovernmental Agreement (IGA) outlining the specifics of the program attached. The County has received input on the businesses requirements and the distribution of Community Service and other fees from other participating cities. The Canby City Council also provided preliminary input at their January 2010 study session. Staff is requesting additional City Council input on the following:

- Preference on the proposed options for the distribution of the Community Service Fee and Income Tax Revenue Share (see Appendix A attached)
- Proposed requirements for businesses (Exhibit B of the County / City IGA attached)
- Additional City Council recommendations to incorporate into the attached IGA.

Clackamas County staff will revise the IGA based on the input received from the city and bring a revised version back to the council for adoption on July 21st. County Staff will present a final IGA to other participating cities for signature after which the County will sign.

**Next Steps in the Process:**

- Cities will sign final versions of the IGA's
- The County will develop and submit an application to Oregon Business Development Department for formal approval of the urban and rural SIZ at their upcoming meeting on September 17<sup>th</sup>.
- The SIZ will be formally launched and the City and County can begin marketing this business tool.

**QUESTION(S) PRESENTED FOR CONSIDERATION:**

1. Should the City of Canby continue to partner with Clackamas County to form a Rural Strategic Investment Zone?
2. Does the City propose any modifications to the draft County/City IGA and the City, County and Business IGA's? Specifically:
  1. Which option best fits the City's preferences for allocation of the Community Service Fee and Income Tax Revenue Share? (See Exhibit A attached)
  2. Are the requirements of companies acceptable? (See Exhibit B attached)
  3. Are the sanctions for non-performance of businesses (similar to claw back provisions) on page 10 of Standardized Agreement adequate to address City Council preferences?

**OPTIONS AVAILABLE:**

- A. Tentatively approve the attached IGA's as presented. Choose option C2 on Exhibit A attached that designates Community Service Fee and income tax revenue share proceeds to Support Business Impacts and Community Priorities and Most Impacted Taxing Districts Plan; formal approval of final IGA's on the Council consent agenda on July 21<sup>st</sup>.
- B. Provide direction for other changes needed to the IGA's that better meet the cities needs.
- C. Do not approve the IGA's and discontinue efforts to form a Strategic Investment Zone.

**RECOMMENDATION:**

Staff respectfully recommends that the City pursue SIZ option A above.

## **EXHIBIT A: Community Service Fee and Income Tax Revenue Share Distribution**

Clackamas County will collect Community Service Fees of 25% of abated taxes, income tax payments of 50% of personal income tax paid by employees of the company, and any other future revenue sources associated with the SIZ annually and distribute funds based on the distribution approach below.

### **Option A: Address Business Impacts and Community Priorities**

For the City of Sandy all Community Service Fees and Revenue Share proceeds will be managed by the City Council – in their jurisdiction. Revenues associated with the SIZ program will be allocated first to mitigate direct impacts of the development on the community that are needed over and above systems development charges collected. Once those needs are addressed, additional revenues will be used to fund high priority projects or programs of the community.

### **Option B: Create a Community Enhancement Fund.**

For the City of Milwaukie, revenue associated with the SIZ program will be distributed into separate funds established for each community, or unincorporated Clackamas County, that is impacted by Projects. The funds will be managed by Clackamas County as to projects within its jurisdiction, or according to the direction given by Community Enhancement Fund members of impacted cities. Members of the Community Enhancement Fund include one representative each from the City, the County, all affected taxing districts, and any other representative the City and County jointly agree to appoint. The Committee will first seek consensus; in the event consensus is not reached, decisions shall be made on the basis of a vote demonstrating a majority of the members in attendance.

The Committee will meet within two weeks of receiving a complete application, discuss potential business impacts on the community, determine allocation of the funds and document funding allocations in writing, and they will revisit enhancement fund decisions two years after the initial decisions were made to make any needed adjustments. The purpose of the fund is to provide for coordinated community services support relating to the impacts and needs of project within the Clackamas County SIZ.

### **Option C: Support Local Taxing Districts**

For cities of Estacada, Lake Oswego, and unincorporated Clackamas County, revenues associated with the SIZ program will be allocated on a pro rata share to all affected taxing districts to partially compensate them for lost property tax revenue on SIZ investments over \$25 million in rural areas and \$100 million in urban areas. Taxing districts are encouraged to meet soon after a business application has been submitted and periodically thereafter to discuss the potential of pooling resources to invest in projects of mutual interest that have a bigger impact on the community.

In unincorporated Clackamas County, and other jurisdictions that so choose, an affected taxing district may apply to Clackamas County for reimbursement of its direct costs associated with the review and inspection of the proposed development or specific investment needed to accommodate specialized response.

### **Option C (1): Support of Local Taxing Districts Through Committee Direction**

For the City of Molalla, a special advisory committee to the city council will examine the impacts of the SIZ investment on taxing districts and specifically advise the council on how to address those impacts. If no specific impacts are identified revenues associated with the SIZ program will be allocated on a pro rata share to all affected taxing districts.

### **Option C (2): Recommended**

#### **Support Address Business Impacts and Community Priorities and Most Impacted Taxing Districts**

For the City of Canby, the Income Tax Revenue Share proceeds will be used to offset impacts of the business and address community priorities as outlined in Exhibit A, Option A, above. The proceeds from the Community Service fee will divided with 25% of the funds dedicated for use by the Fire District and 75% of the funds dedicated for use by the School District.

**Dispute resolution:** In the event the County, the City, and other affected taxing districts do not agree as to the allocation of revenues, the matter shall be submitted to mediation before a mediator that is mutually acceptable to all parties. Such mediation shall take place within 60 days of a party's request for mediation in a neutral location mutually acceptable to all parties. Each party shall be responsible for paying its own costs and expenses (including legal fees, if necessary) for the mediation and share equally the expenses of the mediator.

The mediator shall issue his or her decision within 10 days of the mediation. In the event that the mediation is unsuccessful, the Oregon Business Development Commission shall determine the formula for distribution of the fee according to ORS 285C.609 (6) (b).

## **EXHIBIT B – Requirements of Companies**

Eligible Companies must meet the following local requirements in addition to any Oregon requirements of the SIZ program.

- Companies must meet all local zoning, permitting, building, and environmental requirements and pay all associated fees.
- Companies must sign a first source hiring agreement that cements their commitment to make a good faith effort to hire Clackamas County and City residents before considering applicants from outside the County. A copy of the proposed first source hiring agreement will be part of the Intergovernmental Agreement signed by the Company, County and affected City before SIZ Tax Abatements are granted.
- Companies must sign a first source contracting agreement committing them to consider qualified local or county contractors first for SIZ related investments including construction, ongoing operations and professional services. Where possible, the company will consider using local suppliers and service providers before firms outside Clackamas County. A copy of the proposed first source contracting agreement will be part of the Intergovernmental Agreement signed by the Company, County and affected City before SIZ Tax Abatements are granted.
- Companies must execute, and at all times remain in good standing, under the Standardized Agreement set out as Exhibit E. Companies who fail to meet their obligations under the law and the provisions of this Agreement shall be subject to penalties and sanctions as set out in the Standardized Agreement at Section 6-J.
- Companies must work in partnership with County workforce training providers and education institutions early in the process and throughout the 15 year abatement period to ensure that county residents have the opportunity to receive education and training to be eligible for jobs created by the SIZ investment. Partnership opportunities could include working with school districts, Clackamas Community College, Marylhurst University, or the Oregon Institute of Technology to tailor degree or certification programs, assisting with curriculum development, developing internships, providing instruction assistance, mentoring opportunities, consideration of financial or equipment donations for training purposes, and maintaining any current company policies regarding initial employment, promotion of education and tuition reimbursement.
- Provide yearly reports to the County and the State of Oregon after January 1 and before April 1 as outlined in OAR 123-023-4000 and 123-023-4100.
- In unincorporated Clackamas County, and all other communities which also choose, Companies shall pay no less than 150%, plus benefits, of the State minimum wage.

**CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE  
#1 (Rural) and #2 (Urban)**

**INTERGOVERNMENTAL AGREEMENT**

**BETWEEN**

**CLACKAMAS COUNTY, OREGON**

**AND**

**THE CITIES OF LAKE OSWEGO, MILWAUKIE, OREGON CITY, HAPPY VALLEY,  
SANDY, ESTACADA, CANBY, AND MOLALLA**

This Clackamas County Rural Strategic Investment Zone #1 Intergovernmental Agreement ("Agreement") is by and between Clackamas County, Oregon (the "County") and the Cities of Sandy, Estacada, Molalla, and Canby and portions of Oregon City and Happy Valley (the "Rural Cities").

This Clackamas County Urban Strategic Investment Zone #2 Intergovernmental Agreement ("Agreement") is by and between Clackamas County, Oregon (the "County") and the Cities of Lake Oswego, Milwaukie, and portions of Oregon City, Happy Valley (the "Urban Cities").

**RECITALS**

A. The County and the Cities compete with local, national and foreign jurisdictions to attract investment by capital-intensive industries. Industries requiring capital-intensive investments are desirable to the County and the Cities because such industries invest heavily in developing the skill levels of their employees, pay their employees well, and contribute in other important ways to the economic development of the region.

B. Under Oregon's tax structure, capital-intensive businesses are subject to disproportionately high property taxes when compared to more typical production facilities. This tax burden is a factor in such industries' consideration of location and expansion in Oregon.

C. The Oregon Legislative Assembly chose to establish an economic development instrument known as Strategic Investment Zones ("SIZ") to encourage additional investment and employment within the State by businesses qualified under ORS 285C.505(3) (hereinafter "Business Firm") that make capital-intensive property investments.

D Oregon law at ORS 285C.623 through 285C.639 and rules established by the Oregon



Business Development Department and the Oregon Department of Revenue control the establishment and operation of strategic investment zones. The characteristics and benefits of the Clackamas County SIZ include:

- (1) SIZ Tax Abatement. Under the process set out in ORS 307.123 (hereinafter "Tax Abatement") Business Firms with a project in the Clackamas County SIZ pay full property taxes on the first \$25 million in rural SIZ #1 or the first \$100 million invested in the Urban SIZ #2 (hereinafter the "Project") (see Exhibit A attached). Taxes on the value of property in excess of that amount are abated, however, the rural SIZ #1 area \$25 million cap and the urban area SIZ #2 area \$100 million cap increases by three percent (3%) each year. SIZ Tax Abatement is limited in duration and will not exceed 15 years.
- (2) Qualification. To qualify for the program, businesses must meet the basic eligibility standards established by the state of Oregon in addition to the Clackamas County SIZ requirements outlined in Exhibit B. The benefits and requirements of a particular SIZ are established at the time the SIZ is created and will not vary thereafter. As a result, contract negotiation and local jurisdiction discretionary review are removed from the project approval process. The standardization inherent in an SIZ lends consistency and predictability to the program. Such consistency and predictability increases the accuracy with which Business Firms can assess the benefits of an SIZ, which, in turn, increases the desirability of investing within an SIZ.
- (3) Community Services Fee (CSF). Business Firms receiving SIZ Tax Abatement must pay an annual fee, known as the Community Service Fee, equal to the lesser of twenty-five percent (25%) of abated taxes or \$500,000 in the Rural SIZ #1 and \$2 million in the Urban SIZ #2. This fee is shared according to the Community Service Fee provisions outlined in Exhibit C attached.
- (4) Income Tax Payment. Oregon will distribute fifty percent (50%) of the personal income tax revenue attributable to the Clackamas County SIZ # 1 and #2 to the required local taxing authorities according to the agreed upon distribution of Community Service Fee payments outlined in Exhibit C.
- (5) Regional Employment Incentive. Business Firms receiving SIZ Tax Abatement must enter into a First-Source Hiring Agreement, which promotes gainful work for persons already residing in the proximate city or county of the approved project as outlined in Exhibit D attached.
- (6) Reduced Administrative Costs. The SIZ is designed to reduce local jurisdiction administrative costs through standardization of the requirements and procedures for obtaining SIZ Tax Abatement.

E. At various meetings with city councils during May and June 2010, the Cities approved co-sponsorship and operation of the Clackamas County SIZ #1 and # 2 and the execution of this Agreement.

F. On June 10, 2010, the County approved co-sponsorship and operation of the Clackamas County SIZ #1 and #2 and the execution of this Agreement.

G. The parties desire to execute this Agreement in order to co-sponsor the establishment of Clackamas County SIZ by the Oregon Business Development Commission and to provide for its joint-operation by the parties.

WHEREFORE, in consideration of the mutual promises, covenants, and conditions contained herein, and with intent to be legally bound, the County and the Cities hereby agree as follows:

## **AGREEMENT**

### **1. DECLARATION OF PURPOSE**

A. This Agreement addresses and is pursuant to ORS 285C.600 to ORS 285C.626,–285C.635, 285C.639 and 307.123, and Division 623 of OAR Chapter 123, especially OAR 123-623-3000 through 123-623-3400, which describe the process for creating and operating a SIZ. The County and the Cities recognize that once established, the SIZ does not expire and may not be amended or terminated.

### **2. AREA AND BOUNDARIES OF CLACKAMAS COUNTY SIZ.**

A. The Clackamas County-SIZ #1 is located wholly within the County outside the Metro urban growth boundary in 2002, consisting of all such unincorporated areas, the entire area inside the corporate limits of the Cities of Sandy, Canby, Estacada and Molalla, and incorporated area of the Cities of Happy Valley and Oregon City outside the Metro 2002 Boundary. It does not include land inside the city limits of Damascus and Barlow or land in Clackamas County SIZ #2. It is contiguous and is exclusive of land inside of any other SIZ. The boundaries of the Clackamas County SIZ #1 are set forth in the map in Exhibit A.

B. The Clackamas County SIZ #2 is located wholly within the County inside the Metro urban growth boundary in 2002, consisting of all such unincorporated areas of Clackamas County, the entire area inside the corporate limits of the Cities of Lake Oswego, and Milwaukie, and incorporated areas of the Cities of Oregon City, and Happy Valley inside the Metro 2002 Urban Growth Boundary, inclusive of portions of the

Willamette and Clackamas Rivers linking the aforementioned cities. It does not include land outside the Metro 2002 UGB or land within the city limits of Johnson City, Gladstone, West Linn or Wilsonville. It is contiguous and is exclusive of land inside of any other SIZ. The boundaries of the Clackamas County SIZ #2 are set forth in the map in Exhibit A.

C. This Agreement applies identically to both Clackamas County SIZ #1 and SIZ #2, with the exception of local requirements on businesses and community service fee calculation and distributions, as indicated herein.

### **3. OBJECTIVES OF THE CLACKAMAS COUNTY SIZ.**

The objectives of the Clackamas County SIZ include:

- To attract large capital intensive traded sector business to Clackamas County and the co-sponsoring Cities.
- To increase business investment, employment, and economic output in cities and unincorporated Clackamas County.
- To provide a clear and streamlined process for businesses interested in the program.
- To use Community Service Fees to mitigate impacts on infrastructure, services, and other fiscal demands of these large companies.

### **4. OBLIGATIONS**

A. Joint Operation. The County and City are the co-Sponsors of the Clackamas County SIZ and shall jointly operate the zone. To the extent that additional administrative oversight, implementation, procedures, and/or standardized forms and other clear and straightforward materials must be developed pursuant to OAR 123-023-3100(3) (a) through (d) and OAR 123-023-3300(2), Clackamas County shall assume the primary role in providing these services. The Cities shall have full and complete opportunities to participate in the process and approve procedures and documents. Pursuant to OAR 123-023-3200(8) County and the Cities shall provide the documentation of the Clackamas County SIZ program to the Oregon Business Development Department including copies of additional policies, rules, procedural guidelines, administrative plans, methods of verification and a sample standardized agreement. The County and City shall request designation of the Clackamas County SIZ as soon as practicable after completion of the public hearing required in ORS 285C.623(4).

B. Community Service Fee. Each Business Firm that is to benefit from SIZ Tax Abatement shall pay a Community Services Fee ("CSF") for community services support that relates to the direct impact of the eligible project on public services as set forth in this section.

1. Amount. For each year in which a Business Firm benefits from SIZ Tax Abatement, the Business Firm shall pay to the County a CSF, as provided in

ORS 285C.609 (4) (b) (B), in an amount equal to twenty -five percent (25%) of the property taxes that would, but for the tax abatement, be due on the exempt property in each assessment year, but not exceeding \$500,000 in rural portions of the SIZ and \$2 million in urban portions of the SIZ per eligible project in any year.

2. Due Date.

a. For the initial year, the CSF shall be paid in installments.

1) The first quarter shall be paid at the time the application for a building permit is made.

2) The second quarter shall be paid within thirty days of the issuance of the Certificate of Occupancy.

3) The remaining half of the payment of the CSF for the initial year shall be paid no later than the November 15<sup>th</sup> immediately following the date the Certificate of Occupancy was issued.

b. For each year thereafter during the life of the abatement, on or about Nov. 15, the County shall provide each Business Firm that receives Tax Abatement in the Clackamas County SIZ with a statement describing CSF calculations and the amount due. Each Business Firm receiving such statement shall pay the amount due within 30 days thereafter.

3. The CSF payment shall be made to Clackamas County and sent to:

Strategic Investment Zone Coordinator  
Clackamas County Business and Economic Development  
150 Beavercreek Road  
Oregon City, OR 97045

3. Adjustments. If the assessed value of the Business Firm is adjusted after November 15 of any tax year in such a manner that property taxes due from the Business Firm are reduced, and the reduction reduces the CSF for that year, the County shall pay the amount of the reduction to the Business Firm, together with interest at the rate established by law for tax refunds and delinquencies (ORS 311.505(2)) from the date of payment of the CSF. If the County does not pay the amount by November 10 of the following year, the Business Firm may withhold the unpaid amount, plus interest as provided in this section, from subsequent CSF payments due from the Business Firm. If the remaining CSF payments due from the Business Firm are less than the amount owed by the County to the Business Firm under this section, the County shall pay the amount due to the Business Firm not later than December 15 of the year following the year in which the reduction occurs. An appeal of the assessed value does not defer the CSF

payment obligation set forth above. Any adjustments based on the outcome of the appeal shall be in accord with this paragraph.

4. Late Payment of CSF. Failure to make payment in full of any fee by the due date shall result in interest being charged on the past due balance at the rate established by law for delinquencies (ORS 311.505(2)) and the additional payment of such penalty or penalties as the Clackamas County Standardized Agreement set out in Section 4-C may set out.

5. Nonpayment of CSF. If the Business Firm fails to pay the CSF by the end of the tax year in which it is due, the tax exemption shall be revoked and the property shall be fully taxable for the following tax year for which the fee remains unpaid.

C. Clackamas County SIZ Standardized Agreement. A Business Firm seeking SIZ Tax Abatement under ORS 307.123 in the Clackamas County SIZ shall execute the Clackamas County SIZ Standardized Agreement ("Standardized Agreement") attached as Exhibit E

D. Clackamas County SIZ Standardized First-Source Hiring Agreement and First Source Contracting Agreement. In order to encourage hiring of persons living in Clackamas County, and businesses located in Clackamas County, a Business Firm seeking SIZ Tax Abatement under ORS 307.123 in the Clackamas County SIZ shall execute the Clackamas County SIZ Standardized First-Source Hiring Agreement and First Source Contracting Agreement attached as Exhibit D.

E. Distribution of Payments. The distribution of all payments by a Business Firm and by the state to the County, the City, and other local taxing authorities shall be determined as outlined in Exhibit C.

F. Urban Renewal. In the event the Project is located in whole or in part within the boundaries of an urban renewal district, the applicable urban renewal agency shall consult and confer with the affected taxing districts in the manner provided in ORS 457.085(5) and 457.437. In its review of the effect of the Project on the urban renewal plan and in its dialogue with the affected taxing districts the urban renewal agency shall note its options under ORS 457.455 and the effect of the Project, if any, on maximum indebtedness and the possible application of ORS 457.470 and its provisions as to the concurrence of the tax districts.

## **5. MISCELLANEOUS TERMS**

A. Governing Law. This Agreement shall be governed by the law of the State of Oregon. Any actions or suits commenced in connection with this Agreement shall be in Circuit Court of Clackamas County or Federal District Court for Oregon.

B. Complete Agreement. This Agreement and its attached exhibits are the complete and exclusive statement of the Agreement between the parties relevant to the purpose described above and supersedes all prior agreements or proposals, oral or written, and all other communication between the parties relating to the subject matter of this Agreement. No modifications of the Agreement will be binding on any party except as a written addendum signed by authorized agents of each party. All rights and remedies of each party shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of either party according to law.

**The balance of this page has been intentionally left blank.**

C. Counterparts. This Agreement may be signed in counterparts. When every party has signed a counterpart all parties shall be bound by this Agreement.

**CLACKAMAS COUNTY**

\_\_\_\_\_  
Lynn Peterson  
Chair

Date: \_\_\_\_\_

\_\_\_\_\_  
Mary Raethke  
Recording Secretary

Reviewed for legal sufficiency  
and form:

\_\_\_\_\_  
Counsel

**CITY OF LAKE OSWEGO**

\_\_\_\_\_  
Jack D. Hoffman  
Mayor

Date: \_\_\_\_\_

\_\_\_\_\_  
Recorder

Reviewed for legal sufficiency  
and form:

\_\_\_\_\_  
Counsel

**CITY OF MILWAUKIE**

\_\_\_\_\_  
Jeremy Ferguson  
Mayor

Date: \_\_\_\_\_

\_\_\_\_\_  
Recorder

Reviewed for legal sufficiency  
and form:

\_\_\_\_\_  
Counsel

**CITY OF OREGON CITY**

\_\_\_\_\_  
Alice Norris  
Mayor

Date: \_\_\_\_\_

\_\_\_\_\_  
Recorder

Reviewed for legal sufficiency  
and form:

\_\_\_\_\_  
Counsel

**CITY OF HAPPY VALLEY**

---

Rob Wheeler  
Mayor

Date: \_\_\_\_\_

---

Recorder

Reviewed for legal sufficiency  
and form:

---

Counsel

**CITY OF SANDY**

---

Linda Malone  
Mayor

Date: \_\_\_\_\_

---

Recorder

Reviewed for legal sufficiency  
and form:

---

Counsel

**CITY OF ESTACADA**

---

Becky Arnold  
Mayor

Date: \_\_\_\_\_

---

Recorder

Reviewed for legal sufficiency  
and form:

---

Counsel

**CITY OF MOLALLA**

---

Mike Clarke  
Mayor

Date: \_\_\_\_\_

---

Recorder

Reviewed for legal sufficiency  
and form:

---

Counsel



**CITY OF CANBY**

---

Melody Thompson  
Mayor

Date: \_\_\_\_\_

---

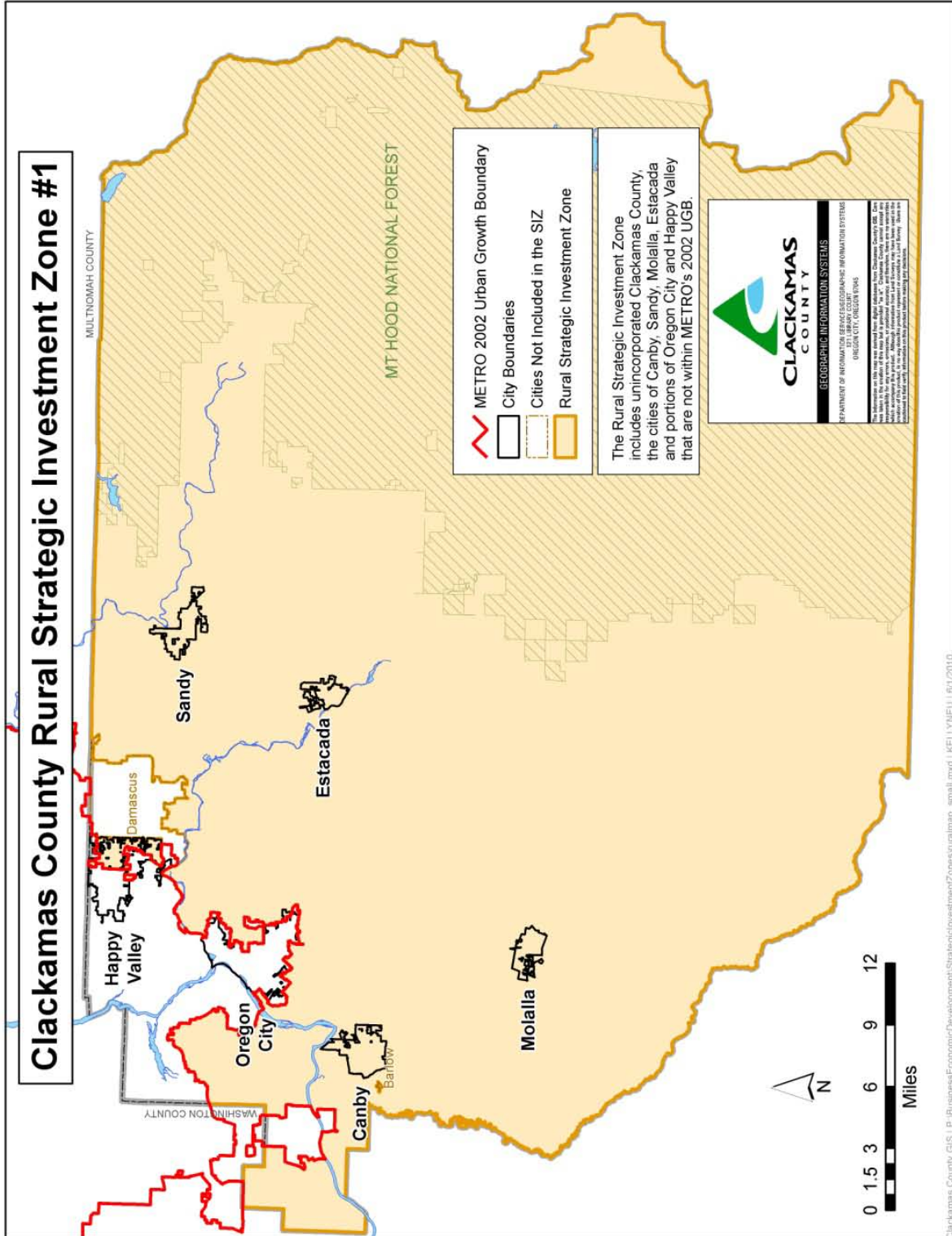
INSERT NAME  
Recorder

Reviewed for legal sufficiency  
and form:

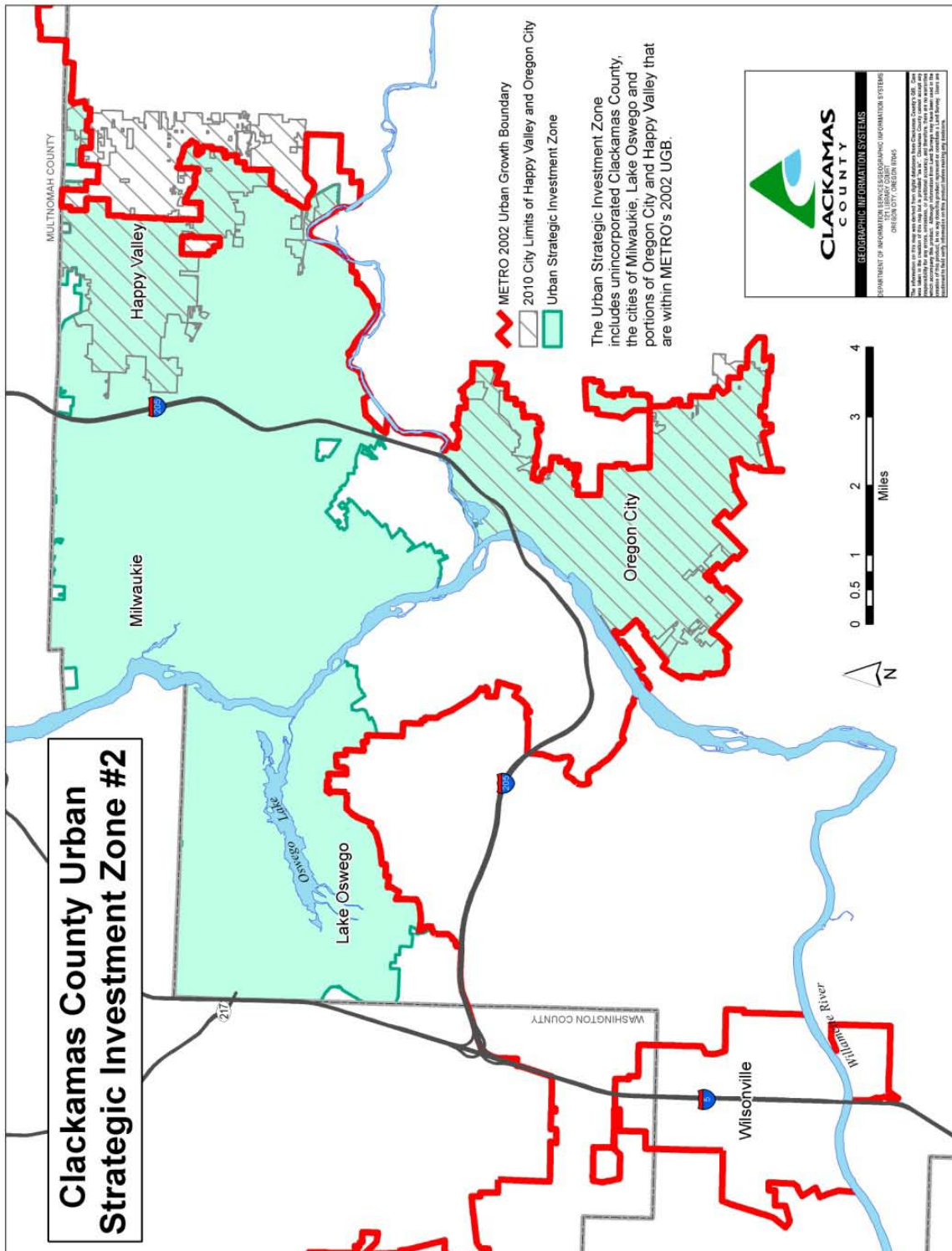
---

Counsel

# EXHIBIT A1 – Maps of Proposed Strategic Investment Zones Rural Strategic Investment Zone #1

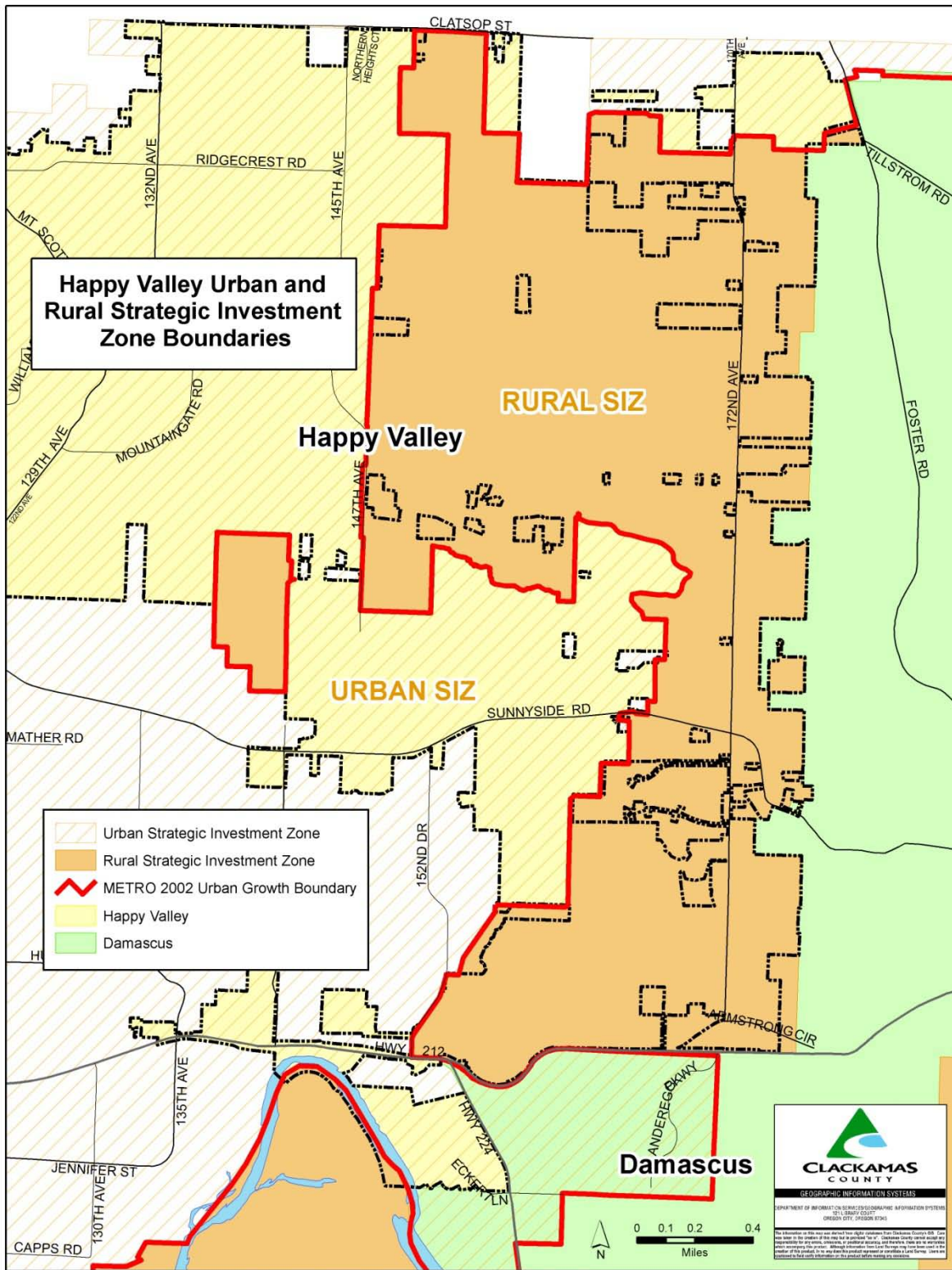


## EXHIBIT A2 – Maps of Proposed Strategic Investment Zones Urban Strategic Investment Zone #2

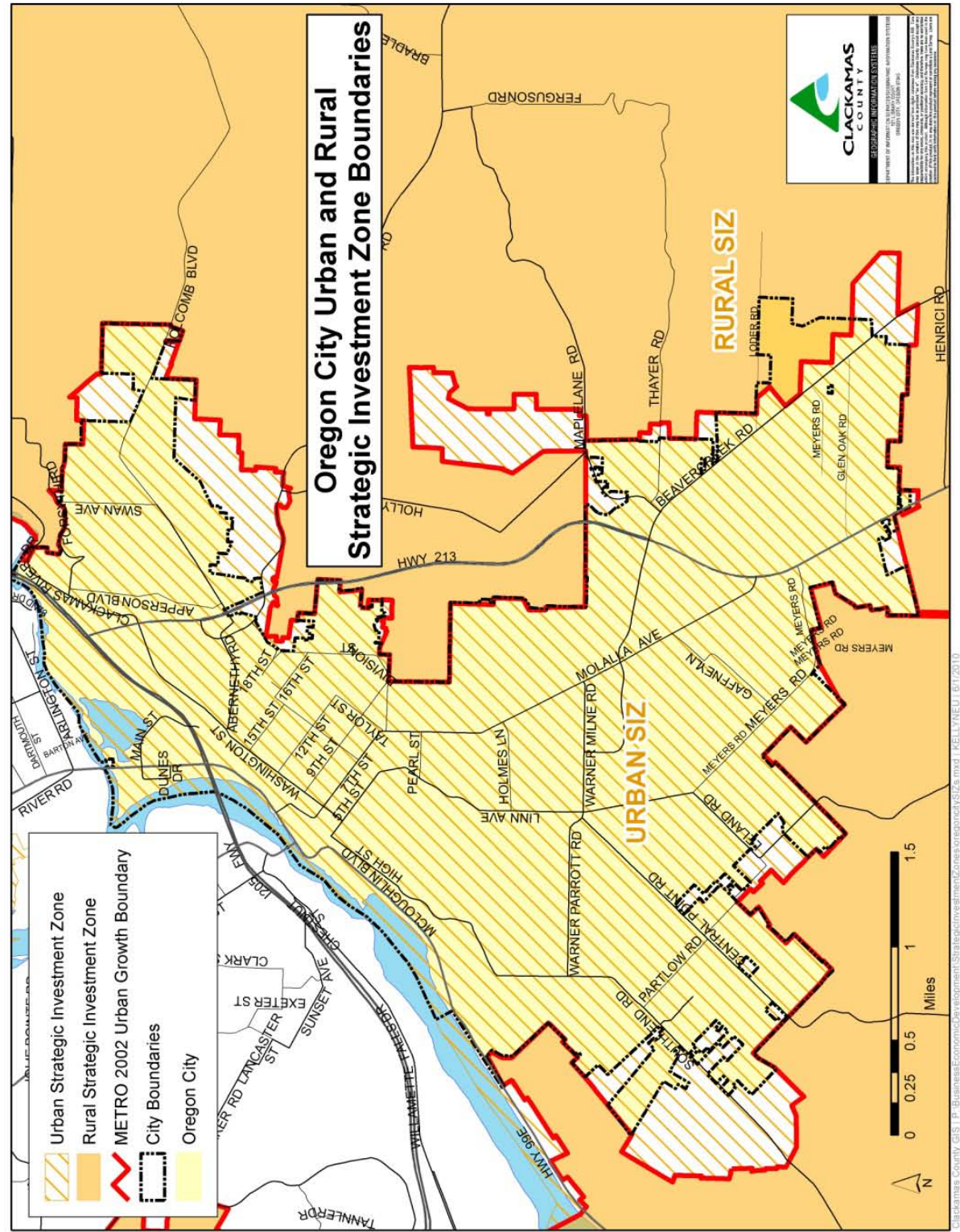




**EXHIBIT A3 – Maps of Proposed Strategic Investment Zones**  
**Detailed map of Happy Valley Urban and Rural Strategic Investment Zone Areas**



# **EXHIBIT A4 – Maps of Proposed Strategic Investment Zones** **Detailed Map of Oregon City Urban and Rural Strategic Investment Zone Areas**





## **EXHIBIT B – Requirements of Companies**

Eligible Companies must meet the following local requirements in addition to any Oregon requirements of the SIZ program.

- Companies must meet all local zoning, permitting, building, and environmental requirements and pay all associated fees.
- Companies must sign a first source hiring agreement that cements their commitment to make a good faith effort to hire Clackamas County and City residents before considering applicants from outside the County. A copy of the proposed first source hiring agreement will be part of the Intergovernmental Agreement signed by the Company, County and affected City before SIZ Tax Abatements are granted.
- Companies must sign a first source contracting agreement committing them to consider qualified local or county contractors first for SIZ related investments including construction, ongoing operations and professional services. Where possible, the company will consider using local suppliers and service providers before firms outside Clackamas County. A copy of the proposed first source contracting agreement will be part of the Intergovernmental Agreement signed by the Company, County and affected City before SIZ Tax Abatements are granted.
- Companies must execute, and at all times remain in good standing, under the Standardized Agreement set out as Exhibit E. Companies who fail to meet their obligations under the law and the provisions of this Agreement shall be subject to penalties and sanctions as set out in the Standardized Agreement at Section 6-J.
- Companies must work in partnership with County workforce training providers and education institutions early in the process and throughout the 15 year abatement period to ensure that county residents have the opportunity to receive education and training to be eligible for jobs created by the SIZ investment. Partnership opportunities could include working with school districts, Clackamas Community College, Marylhurst University, or the Oregon Institute of Technology to tailor degree or certification programs, assisting with curriculum development, developing internships, providing instruction assistance, mentoring opportunities, consideration of financial or equipment donations for training purposes, and maintaining any current company policies regarding initial employment, promotion of education and tuition reimbursement.

- Provide yearly reports to the County and the State of Oregon after January 1 and before April 1 as outlined in OAR 123-023-4000 and 123-023-4100.
- In unincorporated Clackamas County, and all other communities which also choose, Companies shall pay no less than 150%, plus benefits, of the State minimum wage.

## **EXHIBIT C: Community Service Fee and Income Tax Revenue Share Distribution**

Clackamas County will collect Community Service Fees of 25% of abated taxes, income tax payments of 50% of personal income tax paid by employees of the company, and any other future revenue sources associated with the SIZ annually and distribute funds based on the distribution approach below.

### **Option A: Address Business Impacts and Community Priorities**

For the City of Sandy all Community Service Fees and Revenue Share proceeds will be managed by the City Council – in their jurisdiction. Revenues associated with the SIZ program will be allocated first to mitigate direct impacts of the development on the community that are needed over and above systems development charges collected. Once those needs are addressed, additional revenues will be used to fund high priority projects or programs of the community.

### **Option B: Create a Community Enhancement Fund.**

For the City of Milwaukie, revenue associated with the SIZ program will be distributed into separate funds established for each community, or unincorporated Clackamas County, that is impacted by Projects. The funds will be managed by Clackamas County as to projects within its jurisdiction, or according to the direction given by Community Enhancement Fund members of impacted cities. Members of the Community Enhancement Fund include one representative each from the City, the County, all affected taxing districts, and any other representative the City and County jointly agree to appoint. The Committee will first seek consensus; in the event consensus is not reached, decisions shall be made on the basis of a vote demonstrating a majority of the members in attendance.

The Committee will meet within two weeks of receiving a complete application, discuss potential business impacts on the community, determine allocation of the funds and document funding allocations in writing, and they will revisit enhancement fund decisions two years after the initial decisions were made to make any needed adjustments. The purpose of the fund is to provide for coordinated community services support relating to the impacts and needs of project within the Clackamas County SIZ.

### **Option C: Support Local Taxing Districts**

For cities of Estacada, Lake Oswego, and unincorporated Clackamas County, revenues associated with the SIZ program will be allocated on a pro rata share to all affected taxing districts to partially compensate them for lost property tax revenue on SIZ investments over \$25 million in rural areas and \$100 million in urban areas. Taxing districts are encouraged to meet soon after a business application has been submitted and periodically thereafter to discuss the potential of pooling resources to invest in projects of mutual interest that have a bigger impact on the community.



In unincorporated Clackamas County, and other jurisdictions that so choose, an affected taxing district may apply to Clackamas County for reimbursement of its direct costs associated with the review and inspection of the proposed development or specific investment needed to accommodate specialized response.

**Option C (1): Support of Local Taxing Districts Through Committee Direction**

For the City of Molalla, a special advisory committee to the city council will examine the impacts of the SIZ investment on taxing districts and specifically advise the council on how to address those impacts. If no specific impacts are identified revenues associated with the SIZ program will be allocated on a pro rata share to all affected taxing districts.

**Option C (2): Support Address Business Impacts and Community Priorities and Most Impacted Taxing Districts**

For the City of Canby, the Income Tax Revenue Share proceeds will be used to offset impacts of the business and address community priorities as outlined in Exhibit C Option A on page 17. The proceeds from the Community Service fee will divided with 10% of the funds dedicated for use by the Fire District and 90% of the funds dedicated for use by the School District.

**Dispute resolution:** In the event the County, the City, and other affected taxing districts do not agree as to the allocation of revenues, the matter shall be submitted to mediation before a mediator is mutually acceptable to all parties. Such mediation shall take place within 60 days of a party's request for mediation in a neutral location mutually acceptable to all parties. Each party shall be responsible for paying its own costs and expenses (including legal fees, if necessary) for the mediation and share equally the expenses of the mediator.

The mediator shall issue his or her decision within 10 days of the mediation. In the event that the mediation is unsuccessful, the Oregon Business Development Commission shall determine the formula for distribution of the fee according to ORS 285C.609 (6) (b).

## EXHIBIT D – First Source Hiring and Contracting Agreements



### CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE FIRST SOURCE HIRING AGREEMENT

This First Source Agreement for referral of qualified job applicants is entered into between THE OREGON EMPLOYMENT DEPARTMENT, hereinafter referred to as the "CONTACT AGENCY," which coordinates job referrals for and represents the following other publicly funded job training providers for the geographic area covered in the Interagency Agreement under OAR 123-070-12100, hereinafter referred to as "PROVIDERS," and the following Business Firm located in this geographic area, hereinafter referred to as the "EMPLOYER."

The EMPLOYER is or will be receiving benefits from the Clackamas County Strategic Investment Zone program. Under this First Source Agreement, the EMPLOYER will use the CONTACT AGENCY as its first source for external referral of Qualified Applicants for all job openings of the EMPLOYER at the following location(s):

INSERT LOCATION OF SIZ PROJECT HERE

In the posting of jobs the EMPLOYER agrees to the following:

- To effectively notify the CONTACT AGENCY of all job openings no less than 30 days before notification is given to any other job referral source external to the EMPLOYER or any public announcement for the job opening, throughout the term of this agreement;
- That each such notice to the CONTACT AGENCY shall include job qualifications and a deadline for referrals;
- To ensure that the CONTACT AGENCY and the PROVIDERS will have sufficient lead time (minimum lead time is \_\_\_\_ business days) before the job application close date, except in temporary or emergency situations); and sufficient information to make meaningful referrals for jobs that will be filled by the EMPLOYER;
- That all job information may be shared with all PROVIDERS for which referrals are coordinated by the CONTACT AGENCY; and
- That all job openings shall be listed in the public labor exchange system, (iMatchSkills JOB SELECTION SYSTEM) of the Oregon Employment

Department, insofar as a local office of that State Agency is a PROVIDER.

The CONTACT AGENCY agrees to the following:

- That to the extent that Qualified Applicants are available among the relevant PROVIDERS, to refer those individuals to the EMPLOYER for job openings; and
- To facilitate and implement the listing of all job openings in the “public labor exchange system,” in cooperation with other PROVIDERS (though, not necessarily to the exclusion of other referral methods.)

The EMPLOYER agrees to:

- First consider for employment any Qualified Applicant referred by the CONTACT AGENCY by the referral deadline;
- Hire the Qualified Applicant referred by the Contact Agency;
- Notify the CONTACT AGENCY when a Qualified Applicant is hired by the EMPLOYER; and
- Provide after-the-fact information to the CONTACT AGENCY about applicable overall hiring and job vacancies in a prescribed manner or as requested by the CONTACT AGENCY, in accordance with OAR 123-070-1900(1) to (3).
- Comply with all relevant laws regarding employment of Qualified Applicants of this State and the Federal government, including but not limited to not discriminating on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, sexual orientation, physical or mental disability, or any other reason prohibited by law.

The EMPLOYER will make all final decisions on hiring new employees. After the EMPLOYER has hired the employees, the EMPLOYER assumes full responsibility for them as employees.

All wages paid by the employer must exceed 150% of the current State minimum wages, plus benefits.

All persons hired under this Agreement are subject to the EMPLOYER's regular personnel policies and procedures and have no special or additional rights arising from this Agreement.

If the terms of this Agreement conflict with the provisions of a collective bargaining agreement to which the EMPLOYER is a party, the bargaining agreement shall prevail.

Both the CONTACT AGENCY and EMPLOYER agree to attempt to resolve all areas of

misunderstanding, disagreement or dissatisfaction with each other as soon as they arise. If the parties are unable to resolve the issue, either may:

Initiate a meeting between the EMPLOYER and either the CONTACT AGENCY or all of the PROVIDERS; or

Request assistance from the Oregon Business Development Department.

This agreement shall take effect on the date of the last signature by the contracting parties below, and shall be in full force and effect until DECEMBER 31 OF THE FIFTEENTH YEAR OF THE STRATEGIC INVESTMENT ZONE or until the end of the term, period or periods as described in OAR 123-070-1600.

APPROVED

CONTACT AGENCY

Name  
Title  
Address

Phone

EMPLOYER

Name  
Title  
Address

Phone

Unemployment Insurance Account #

---

Signature and Date

---

Signature and Date



## **CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE FIRST SOURCE CONTRACTING AGREEMENT**

This First Source Agreement for referral of qualified contractors is entered into between Clackamas County, hereinafter referred to as the “CONTACT AGENCY,” which coordinates contractor referrals, hereinafter referred to as “PROVIDERS,” and the following Business Firm located in this geographic area, hereinafter referred to as the “EMPLOYER.” (INSERT NAME OF SIZ PROJECT HERE).

The EMPLOYER is or will be receiving benefits from the Clackamas County Strategic Investment Zone program. Under this First Source Agreement, the EMPLOYER will use the CONTACT AGENCY as its first source for external referral of qualified contractors for all local construction, operations, training, and suppliers of the EMPLOYER:

Such that the EMPLOYER agrees to the following:

- To effectively notify the CONTACT AGENCY of all contracting opportunities with the company no later than when notification is received by any other referral source external to the EMPLOYER or any public announcement for the contracting opportunity, throughout the term of this agreement;
- That each such notice to the CONTACT AGENCY shall include contractor qualifications and a deadline for referrals;
- To ensure that the CONTACT AGENCY and the PROVIDERS will have sufficient lead time (minimum lead time is \_\_\_\_ business days) before the contractor bid closing date, except in temporary or emergency situations); and information to make meaningful referrals for contracting opportunities that will be filled by the EMPLOYER;
- That all contracting information may be shared with all PROVIDERS for which referrals are coordinated by the CONTACT AGENCY; and

The CONTACT AGENCY agrees to the following:

- That to the extent that Qualified Contractors are available among the relevant PROVIDERS, to refer those firms to the EMPLOYER for contracting opportunities; and

The EMPLOYER agrees to:

- Fully consider for employment any Qualified Contractor referred by the CONTACT AGENCY by the referral deadline;
- Notify the CONTACT AGENCY when a Qualified Contractor is retained by the EMPLOYER; and
- Provide after-the-fact information to the CONTACT AGENCY about applicable overall contracting arrangements annually to include name of contractor, amount of contract, jobs created, and other economic indicators on request.

Comply with all relevant laws regarding contracting for goods and services of this State and the Federal government, including but not limited to not discriminating on the basis of race, color, religion, ancestry, national origin, political affiliation, sex, age, marital status, sexual orientation, physical or mental disability, or any other reason prohibited by law.

The EMPLOYER will make all final decisions on contracting arrangements.

The CONTACT AGENCY, the EMPLOYER and the Contractor agree to attempt to resolve all areas of misunderstanding, disagreement or dissatisfaction with each other as soon as they arise.

This agreement shall take effect on the date of the last signature by the contracting parties below, and shall be in full force and effect until DECEMBER 31 of the last year of the fifteen year exemption period or early closure or relocation of the business.

APPROVED

CONTACT AGENCY

Name  
Title  
Address

Phone

\_\_\_\_\_  
Signature and Date

EMPLOYER

Name  
Title  
Address

Phone

\_\_\_\_\_  
Signature and Date

## **EXHIBIT E – ADMINISTRATIVE PROCEDURES**

A. A Business Firm wishing to locate in the Clackamas County SIZ zone shall request local endorsement by submitting a completed Application for the Oregon Strategic Investment Program (the “Application”), provided by the County to:

Strategic Investment Zone Coordinator  
Clackamas County Business and Economic Development  
150 Beavercreek Road  
Oregon City, OR 97045

In instances where the investment falls within the limits of a participating city, the Strategic Investment Zone Coordinator (the “Coordinator”) shall promptly forward a duplicate of the Application to his or her counterpart.

B. Within thirty days after the receipt of the Application, the Coordinator will notify the Business Firm of whether the information and materials included in the Application are complete or incomplete. If the Coordinator determines the Application is incomplete, the Coordinator shall advise the Business Firm of the information and materials that must be submitted to make the Business Firm’s Application complete.

C. The Coordinator, and, if applicable, his or her counterpart from the affected city, shall review and either approve or deny each request for Clackamas County SIZ Zone treatment within thirty days of the date that the Application is declared complete.

1. A decision to deny the Application shall be specific as to the reasons for the denial and be consistent with the terms and provisions of the Intergovernmental Agreement creating the Clackamas County Strategic Investment Zone.

2. A decision to approve the Application shall result in the invitation to the Business Firm to execute the Standardized Agreement Between Clackamas County, an affected city, if any, and the Business Firm (the “Standardized Agreement”).

3. A fully executed Standardized Agreement constitutes local endorsement of the investment by the Business Firm.

D. Local endorsement may only be withdrawn or revoked through a formal finding that there was a material error, omission, or misrepresentation in the Application or that there is a breach of any provision of any agreement executed for purposes of obtaining the local endorsement.

**EXHIBIT F – CLACKAMAS COUNTY STRATEGIC ENTERPRISE ZONE  
STANDARDIZED AGREEMENT**

**INCLUDED AS A DISTINCT DOCUMENT**



**CLACKAMAS COUNTY STRATEGIC INVESTMENT ZONE**

**STANDARDIZED AGREEMENT BETWEEN**

**CLACKAMAS COUNTY AND**

**THE CITY OF INSERT NAME HERE AND**

**INSERT NAME OF BUSINESS HERE**

**Date: \_\_\_\_\_**

This is an agreement (the “Agreement”) by and between Clackamas County, a duly constituted governmental entity under the laws of the State of Oregon (the “County”) and the City of INSERT NAME HERE, an Oregon municipality (the “City”), and INSERT NAME OF COMPANY, (the “Company”). Its purpose is to define the rights, responsibilities, and obligations of the County, the City, and the Company in terms of the Clackamas County Strategic Investment Zone.

### **RECITALS**

- A. The County, the City, and the Company all agree that it is in their individual and mutual best interests for the Company to locate its business in Clackamas County.
- B. The County, the City, and the Company recognize that the Company is a capital intensive business as to which the elements of a strategic investment zone are especially important. Capital intensive businesses are especially attractive to the County and the City because these businesses invest in developing the skill levels of their employees, pay their employees higher wages, and contribute in other ways to the economic vitality of a region.
- C. Oregon law at ORS 285C.623 through 285C.639 and in rules established by the Oregon Business Development Department and the Oregon Department of Revenue sets out the establishment and operation of strategic investment zones . Key characteristics of strategic investment zones include:
  - 1. Businesses approved as a strategic investment zone project receive a partial property tax abatement under ORS 307.123 under the terms of which the business must pay full property taxes on the first \$100 million invested. Taxes on the value of property in excess of that amount are abated; however, this cap increases by 3% each year.
  - 2. Businesses approved as a strategic investment zone project must pay an annual Community Service Fee equal to the lesser of 25% of exempt taxes or \$2 million.
  - 3. Businesses approved as a strategic investment zone project must enter into a First Source Hiring Agreement, which promotes gainful work for persons already residing in the proximate area or region of the approved project.
  - 4. Oregon will distribute 50% of the personal income tax revenue attributable to the strategic investment zone to the local taxing authorities according to the agreed upon distribution of community service fee payments.
  - 5. The term of the benefits of a strategic investment zone to a specific project is temporary, lasting no longer than 15 years.

- D. On INSERT DATE HERE the County approved co-sponsorship and operation of the Clackamas County Strategic Investment Zone.
- E. On INSERT DATE HERE the City approved co-sponsorship and operation of the Clackamas County Strategic Investment Zone.
- F. On INSERT DATE HERE the County and the City entered into an Intergovernmental Agreement in order to co-sponsor the establishment of the Clackamas County Strategic Investment Zone and set out their respective rights and obligations under its operation.
- G. The Company wishes to place its project (the “Project”) within the Clackamas County Strategic Investment Zone, and has filed an application (the “Application”). A copy of the Application is attached as Exhibit “A”.
  - A. The Project is wholly located within the Clackamas County Strategic Investment Zone. The property is contiguous, and is not within an existing strategic investment zone. The Project is shown on the map in Exhibit “B” and described by a list of affected tax lot numbers in Exhibit “C”.
  - B. Under the terms of the Application, the Company has requested that the Company receive approval for the special tax treatment of Projects within a strategic investment zone.
- H. The County, the City, and the Company have agreed to enter into this Standardized Agreement which is a requirement of the County and City Intergovernmental Agreement and constitutes the local approval necessary for the granting of status as a strategic investment zone project.

NOW, THEREFORE, in consideration of the following mutual promises the County, the City, and the Company all agree as follows:

- 1. Limitations on Qualification of the Project for Abatement.
  - A. Only that portion of any property that the Business Development Commission has authorized as a Project according to OAR 123-023-1600 and related rules shall receive the abatement under ORS 307.123.
  - B. All other property not authorized for abatement according to Section 1-A above, including future additions to the Project, shall be subject to the balance of the laws as to tax assessment and collection, without regard to ORS 307.123.

2. Term.

This Agreement shall take effect on the date the Oregon Business Development Commission formally authorizes the Company's qualification as a Project in a strategic investment zone. It shall continue for the fifteen years described in ORS 307.123.

3. The ORS 307.123 Tax Abatement of the Project.

- A. The Company's Application represents that the Project will have a total value of INSERT AMOUNT HERE. The County, City, and the Company agree that the assessed value of the property associated with the Project shall be calculated according to ORS 307.123.
- B. The Project shall have its taxes calculated according to ORS 307.123 for fifteen tax years, commencing with the year the Company is first eligible for the calculation.
- C. Pursuant to to OAR 123-023-1600(6)(d), the Project will not consist of any property formerly or currently exempt under ORS 285C.175 and the Company shall not acquire status as an authorized business firm for any investment at the same location in an enterprise zone.
- D. The Company shall provide timely information to the Oregon Business Development Department, County Assessor, and or the Department of Revenue as may be requested, required, or otherwise necessary under ORS 307.123 or other applicable laws, including but not limited to information as to the date when any taxable property is initially placed in service, occupied, used, or operated.

4. Obligations of the Company.

- A. The Company shall pay a Community Services Fee ("CSF") for community services support that relates to the direct impact of the eligible project on public services as set forth in this section and ORS 285C.623(4) and other applicable law.
  - 1) Amount. For each year the Company shall pay to the County a CSF as provided in ORS 285.623(4)(b) an amount equal to 25% of the property taxes that would, but for the tax abatement, be due on the exempt property in each assessment year, but not exceeding \$500,000 in instances where the investment is in Rural SIZ #1 and \$2 million where the investment is in Urban SIZ #2, per eligible project in any year.

2) Due Date. On or about Nov. 15, the County shall provide the Company with a statement describing CSF calculations and the amount due. The Company upon receiving such statement shall pay the amount due within 30 days thereafter. The CSF payment shall be made to:

Strategic Investment Zone Coordinator  
Business and Economic Development Department  
Development Services Building  
150 Beavercreek Rd.  
Oregon City, OR 97045

3) Adjustments. If the assessed value of the Company is adjusted after November 15 of any tax year in such a manner that property taxes due from the Company are reduced, and the reduction reduces the CSF for that year, the County shall pay the amount of the reduction to the Company, together with interest at the rate established by law for tax refunds according to ORS 311.505(2) from the date of payment of the CSF.

a. If the County does not pay the amount by November 10 of the following year, the Company may withhold the unpaid amount, plus interest as provided in this Section, from subsequent CSF payments due from the Company.

b. If the remaining CSF payments due from the Company are less than the amount owed by the County to the Company under this Section, the County shall pay the amount due to the Company not later than December 15 of the year following the year in which the reduction occurs. An appeal of the assessed value does not defer the CSF payment obligation set forth above. Any adjustments based on the outcome of the appeal shall be in accord with this Section 4-A-3-b.

4) Late Payment of CSF. Failure to pay the CSF sum in full by the due date shall result in penalty and interest being charged on the past due balance in the same amount as is provided by law for late payment of ad valorem property taxes.

5) Nonpayment of CSF. If the Company fails to pay the CSF by the end of the tax year in which it is due, the tax exemption shall be revoked and the property shall be fully taxable for the tax year next following the tax year for which the fee remains unpaid.

## B. First Source Agreements.

1) The Company shall enter into a standardized First Source Hiring Agreement ("FSHA"), a copy of which is attached as Exhibit "D" to this Agreement. Its terms are incorporated by reference into this Agreement.

a. If the County designates a Publicly Funded Training Provider, the Company shall enter into a separate FSHA with the designated Publicly Funded Training Provider under substantially the same terms as set out in Exhibit D.

b. If there is a conflict between this Agreement and Exhibit D, this Agreement shall take precedence. If there is a conflict between Exhibit D and the Public Funded Training Provider First-Source Hiring Agreement, Exhibit D shall control.

2) The Company shall enter into a standardized First Source Contracting Agreement ("FSCA"), a copy of which is attached as Exhibit "E" to this Agreement. Its terms are incorporated by reference into this Agreement.

## C. Reporting Obligations.

1) In addition to any other report or filing required by law the Company shall file with the Department of Revenue the information required by ORS 308.290 in the form of the annual industrial property return.

2) In addition to any other report or filing required by law the Company shall file with the Oregon Business Development Department and Clackamas County the annual participation report required by ORS 285C.615, along with any other information related to the terms of this Agreement that the County may require.

## D. Payment of Property Taxes

The Company shall pay all property taxes owed on the Project on or before November 15<sup>th</sup> of the year in which they were assessed.

## 5. Obligations of the County and City

The County and the City shall, by action of the respective Commission and Council, affirmatively endorse the Company's proposed project if the Company

submits a strategic investment zone application in accordance with Oregon statutes, rules, and the County and City strategic investment program.

6. Breach; Default; and Remedy.

A. The County and the City shall each designate a Strategic Investment Zone Manager with the duty to monitor compliance by the Company with the terms of this Agreement. The respective Strategic Investment Zone Managers are:

The County: Strategic Investment Zone Coordinator  
Business and Economic Development Department  
Development Services Building  
150 Beavercreek Rd.  
Oregon City, OR 97045

For the City: INSERT NAME AND PARTICULARS HERE

Or such other individuals as the City and County may designate from time to time.

B. If either the County or the City has cause to believe that the Company has materially failed to comply with any term of this Agreement, or the FSHA, or the FSCA, and that such failure is not excused, the County and the City shall confer.

1) If, after such consultation and examination, the County continues to believe that the Company has materially failed to comply with one or more terms of this Agreement and the failure is not excused, the County shall notify the Company of this belief and the basis therefore.

2) The Company shall not be deemed to have failed to comply with this Agreement if the failure is caused by a force majeure, as provided under Section 6-I-3 below.

C. Any required notice shall be in writing and shall be sent to the Company at the following address:

INSERT PARTICULARS OF THE COMPANY'S CONTACT  
INFORMATION AND ADDRESS

Notice sent by regular mail shall be treated as if received on the third day after mailing. Notice had delivered, sent via electronic mail, or by facsimile transmission shall be treated as having been delivered at the

time of transmission, or if the transmission occurred after normal business hours, the next business day.

D. Upon receipt of the notice described in Section 5-C above, the Company shall have 45 days to respond in writing. The Company's written response shall be delivered to the County at the address of its Strategic Investment Zone Manager set out in Section 5-A above.

E. The Company's response shall include such supporting documentation as is related to the issues raised by the notice described in Section 5-C above.

- 1) The County shall have 45 days in which to review and consider the Company's response and to notify the Company in writing if the County believes the Company is not in compliance, and to state the basis for the County's belief.

- 2) If the County does not give the Company such written notice within 45 days, the matter shall be deemed closed.

F. If the County notifies the Company that the County continues to believe that a failure of performance by the Company has occurred, the matter shall be submitted to mediation in front of a mediator who is an attorney and mutually acceptable to all parties.

- 1) Such mediation shall take place within 90 days' of a party's receipt of a request in a neutral location mutually acceptable to all parties.

- 2) Each party shall be responsible for paying its own costs and expenses (including legal fees, if necessary) for the mediation and share equally the expenses of the mediator.

G. In the event that the mediation is unsuccessful, either party may initiate litigation to resolve the dispute. The prevailing party in any litigation arising out of or related to this Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses incurred in such action, including court costs and reasonable attorneys' fees and other legal fees and costs.

H. Notwithstanding the foregoing, any dispute in which specific performance or injunctive relief is sought need not be submitted to mediation, but may instead be immediately brought by the aggrieved party to an appropriate court.



I. A breach shall be deemed to have occurred if:

- 1) Before or after mediation, the company acknowledges that it has failed to comply with its obligations under this Agreement; or
- 2) A court of competent jurisdiction, in a final judgment that is either nonappealable or whose appeal rights have lapsed, determines that the Company has failed to comply with its obligations under this Agreement and the associated law.
- 3) The Company shall not be deemed to have failed to comply with this Agreement if the failure is caused by a force majeure.

a. Force majeure is defined as follows:

- 1) Acts of God; strikes, lockouts or other industrial disturbances; acts of the public enemy; orders or restraints of any kind of the government of the United States of America or of the state wherein the County is located or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; volcanic eruption; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes, or canals; or any similar or different cause or event not reasonably within the control of the Company; and
- 2) Any substantial reduction in market demand for the products produced at the Project which makes it economically infeasible for the Company to operate the Project at a profit and in compliance with this Agreement.

b. To excuse the performance of any obligation of the Company due to force majeure, the Company must notify the County as soon as reasonably possible after the force majeure has occurred and the Company has had an opportunity to determine the effect of the force majeure upon the Company's business and its obligations hereunder.

- 1) The notice shall state the nature of the occurrence, the anticipated effect of the occurrence on the Company's obligations, and when the Company will be able to resume compliance with this Agreement.

2) If the County, following consultation with the City, does not agree that the Company shall be excused from performance in the manner stated in the Company's notice, the County shall notify the Company within 90 days and the parties shall commence the dispute resolution procedures set out above.

#### J. Sanctions.

1) If the breach relates to a failure of the Company to pay the CSF or any other payment the Company is required to pay to the County under this Agreement or related Oregon law, the County shall be entitled to the amount of the delinquency, plus interest, and in addition may recover the following penalties:

- a. If the payment is made more than ten days after the payment is due and written demand has been made to the Company for payment, the County shall be entitled to receive a penalty of 10% of the delinquent amount.
- b. If the payment is made more than 45 days after the payment is due and written demand has been made to the Company for payment, the County shall be entitled to receive a penalty of 100% of the delinquent amount.
- c. If the Company fails to pay by the end of the tax year in which it is due, the tax abatement provided by ORS 307.123 shall be revoked and the property shall be fully taxable for the tax year next following the tax year for which the fee remains unpaid.

2) If the breach relates to a failure of the Company to notify the County in accordance with the FSHA of the Company's hiring needs for job openings, the Company shall pay to the County an amount equal to twice the average gross annual salary plus benefits for the median wage paid at the Project by the Company.

If the Company fails to act in good faith to meet its obligations under the FSHA, and the failure results in effective abandonment of the FSHA by the Company, the Company shall pay as an additional payment to the County 75% of the annual payment calculated according to ORS 307.123 for each year the abandonment continues. It shall not constitute an abandonment if the Company's failure is due to nonperformance by the

County of its obligations under the FSHA.

3) If the breach relates to a failure of the Company to notify the County in accordance with the FSCA of the Company's contracting opportunities, the Company shall pay as an additional payment to the County an amount equal to twice the cost of the project, including all overhead and profit.

If the Company fails to act in good faith to meet its obligations under the FSCA, and the failure results in effective abandonment of the FSCA by the Company, the Company shall pay as an additional payment to the County 75% of the annual payment calculated according to ORS 307.123 for each year the abandonment continues. It shall not constitute an abandonment if the Company's failure is due to nonperformance by the County of its obligations under the FSCA.

4) If the breach relates to a failure of the Company to meet its reporting requirements under this Agreement or related law, the Company shall pay to the County twice the amount necessary to have an auditor investigate and prepare any report.

5) Any funds collected under Section 6-J above shall be held in a segregated fund for the Shared Community Services fund set out in Exhibit B to the Clackamas County Strategic Investment Zone #1 Intergovernmental Agreement.

## 7. General Terms.

A. No discrimination: No persons shall be denied or subject to discrimination in receipt of the benefits of any services or activities made possible by or resulting from the Agreement on the grounds of sex, sexual orientation, gender identity, race, color, creed, marital status, age, national origin, mental health or physical handicap, disabled or Vietnam era veteran status (except where there are bona fide occupational qualifications). Any violation of this provision shall be considered a material violation of the Agreement.

B. Public contracts: All applicable requirements of the Oregon Revised Statutes Nos. 279.120 through 279.333 are incorporated herein by reference. This provision is intended to incorporate only those provisions which are required for all public contracts. The parties acknowledge that other portions of ORS Chapter 279 do not apply; that this Agreement is not one for a public improvement or public work; and the wages and other compensation paid by the

Company to its employees are not subject to ORS Chapter 279.

C. Governing law: This Agreement shall be governed by the law of the State of Oregon. Any actions or suits commenced in connection with this Agreement shall be in the Clackamas County Circuit Court or Federal District Court for Oregon.

D. Complete Agreement: This Agreement and its attached exhibits are the complete agreement between the parties and supersede all prior agreements or proposals, oral or written. No modifications this Agreement will be binding on any party except as a written addendum signed by authorized agents of each party.

E. Waiver of Rights: All rights and remedies of each party shall be cumulative and may be exercised successively or concurrently. The foregoing is without limitation to or waiver of any other rights or remedies of either party according to law.

F. ORS 307.123 Payments Not Property Taxes: The parties acknowledge that any payments required under this Agreement do not constitute property taxes and are not subject to the limits under Section 11b, Article XI of the Oregon Constitution.

G. Corporate Dissolution or Bankruptcy: In the event of a corporate dissolution or a bankruptcy proceeding under Chapter 7 of the Federal Bankruptcy Code, the full real market value of the Project shall be placed on the tax roll as taxable property.

H. Successors and Assigns: Each and every provision of the Agreement is binding on any and all successors in interest to the applicant by virtue of sale, lease, assignment, merger, or any other transfer of any interests in the applicant corporation to any other person or entity, whether voluntary or involuntary

I. Good Faith Contests Permitted: Nothing in this Agreement shall be construed as:

- a. Preventing the Company from contesting in good faith any tax, assessment or other fee imposed by the County or any other governmental entity; or
- b. Granting rights to any employee of the Company.

J. No Third Party Beneficiaries: The obligations of the Company in this Agreement are for the benefit of the County and the City, and for the general benefit of their citizens. No individual or entity not a party to this Agreement shall be treated as a third party beneficiary of this Agreement.

K. Counterparts: This Agreement may be signed in counterparts; when each party has signed a counterpart all parties shall be bound by this Agreement.

CLACKAMAS COUNTY

INSERT NAME OF CITY

\_\_\_\_\_  
INSERT NAME OF CHAIR  
Chair

\_\_\_\_\_  
INSERT NAME OF MAYOR  
Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Recording Secretary

\_\_\_\_\_  
Recorder

Reviewed for legal sufficiency  
and form:

Reviewed for legal sufficiency  
and form:

\_\_\_\_\_  
Counsel

\_\_\_\_\_  
Counsel

INSERT NAME OF COMPANY

\_\_\_\_\_  
INSERT NAME OF OFFICER

Date: \_\_\_\_\_

INSERT NOTARY BLOCK FOR OFFICER OR OFFICERS

## EXHIBIT A - THE COMPLETED APPLICATION (sample application below)



# Application for Oregon Strategic Investment Zone (SIZ)

ORS 285C.600 to 285C.626 and 307.123

**COMPLETE & SUBMIT TO—** Business Tax Incentives, Oregon Economic & Community Development  
775 Summer Street NE, Suite 200, Salem OR 97301-1280  
503-986-0140, Fax: 503-581-5115, TTY 1-800-735-2900, www.oregon4biz.com

**Please type (or fill out electronic version available from department) and include the following with submission:**

❖ Non-refundable APPLICATION FEE (see below)

❖ **Two copies** of application (one with original signature) and all attachments, as well as each CRITICAL ITEM (see below).

### Department Use Only:

Submission Date: \_\_\_\_\_ | ☐ County Commission Approval: \_\_\_\_\_ | ☐ Urban | ☐ Rural

### PROJECT LOCATION

PROJECT/PROPERTY NAME

ADDRESS/LOCATION

CITY \_\_\_\_\_ COUNTY IN WHICH LOCATED \_\_\_\_\_

☐ Check if an **URBAN** project—inside urban growth boundary (UGB) on Dec. 1, 2002, of a region/city with current population ≥ 30,000

☐ Check if located within an incorporated city's limits

☐ Check if located in an Indian reservation\*—Tribe(s): \_\_\_\_\_

\*In this case, the tribal government takes the place of county for purposes of local approval

### BUSINESS FIRM APPLICANT

CONTACT NAME

TITLE

NAME OF BUSINESS

MAILING ADDRESS

CITY

STATE

ZIP

FAX

TELEPHONE

EMAIL

Headquarters' Location

Other Major Locations

Federal Taxpayer ID Number

Form of Organization (e.g., 'C' corporation)

U.S. State of Incorporation

Five-digit North American Industry Classification System (NAICS) code

Securities Exchange, if applicable\*\*

Company Symbol, if applicable\*\*

\*\*If not listed on securities exchange, attach names & titles of all company officers and persons owning at least 10 percent of outstanding equity

### APPLICATION & APPROVAL FEES

☐ Check here that included with this application is a check or money order, payable to—"State of Oregon, Economic & Community Development Department"—in the amount of: \$5,000, or \$10,000 for URBAN project

☐ Check here that you commit to pay an additional fee of \$10,000, or \$50,000 for an URBAN project, as required, in order to be officially authorized to receive the exemption, if the proposed project is approved (Half of this fee amount is forwarded to the Oregon Department of Revenue for its administrative work)

### CHECKLIST OF CRITICAL ITEMS

**Check below that each is included with this application: \*\*\***

☐ Evidence that county's governing body held public hearing on matter before executing local agreement

☐ Agreement in accordance with ORS 285C.609(4) by the applicant/business firm with the county – and the city if project is in incorporated territory

☐ Any document or material (e.g., studies, estimates, &c.) provided to local governments in this matter, whether or not requested or related to agreement

☐ Official action of approval adopted by a majority of the county's governing body, pursuant to agreement

☐ First-source hiring and contracting agreements executed with contact agency for local publicly funded job training providers, for the term of the exemption, consistent with Oregon Administrative Rules Division 70

☐ Map of site where proposed project will be located

☐ Most recent annual financial statement and most recent interim statement (audited)

☐ Brief narrative history of the business firm and description of business activities in which it engages

\*\*\*If confidentiality is requested please indicate clearly for specific item (Department cannot necessarily guarantee confidentiality under all conditions)

## Application for Oregon Strategic Investment Zone (SIZ)

PROJECT INFORMATION			
Anticipated Month/year for Project Commencement	<b>Enter estimated investment cost as follows:</b>		
Anticipated Month/year for Project Completion	– Land (purchase & site improvement)		
<b>Attach description for both of the following:</b> 1) The proposed project, in terms of overall phases, acres of land, facilities, buildings & structures to be constructed, rebuilt or modified, the types and quantities of equipment & machinery to be installed or upgraded, <i>etc.</i> , as effectively as possible  2) The operations comprising the proposed project, including goods/services to be produced, primary (export) markets, and the relationship to selling <i>"goods or services into markets for which national or international competition exists"</i>	– New Buildings/Structures		
	– Machinery/equipment not readily moved due to weight or being affixed/attached to real property		
	– Structural Fixtures		
	– Additions, modifications, remodeling, renovation, recondition, refurbishments, retrofits and upgrades		
	– Readily movable machinery & equipment and other personal property		
	<b>TOTAL</b>	<b>\$ 0</b>	
<input type="checkbox"/> Check here that all newly invested, eligible project property will satisfy the following three criteria: – Newly acquired by the applicant/business firm, and – Not previously exempt under Strategic Investment Zone, and – Has not and will not be subject to any Oregon enterprise zone exemption.			
<b>Check below that the applicant makes the following commitments with respect to the eligible project:</b>			
<input type="checkbox"/> To provide timely notification or evidence to the county assessor or the Department of Revenue, as requested or otherwise necessary, including but not limited to the date when taxable property is placed in service			
<input type="checkbox"/> To ensure, for any leased property, that the ultimate lessee of the property is responsible for the payment of taxes, as assessed and levied on the property in accordance with the Strategic Investment Zone			
EMPLOYMENT AND ECONOMIC IMPACTS			
<b>Current number of business firm's employees:</b>	<b>Expected at site, after project is placed in service:</b>		
– At proposed project site	<b>Number of...</b>	<b>Within Three Years</b>	<b>Over Life of Project</b>
– In Oregon	Additional Hires		
– In the United States	Jobs Retained		
– Worldwide	Increase in total annual payroll directly resulting from project within three years		
<b>Attach descriptions for all of the following:</b> 3) Breakdown by major labor category ( <i>e.g.</i> , technicians, clerks, assemblers, engineers), with number of employees to be hired, transferred or retained within three years, and average annual pay by category 4) If the project is an in-state relocation ... reasons for relocating and the effect on existing workforce 5) The project's probable effects on local public services (roads, utilities, schools, <i>etc.</i> ), and any special demands or needs for extraordinary expenditures 6) Project's likely economic effects in terms of suppliers/spin-off investments, indirect jobs, diversification, the local tax base, and future local and state tax revenues to be collected from the business firm.			
DECLARATION BY APPLICANT/BUSINESS FIRM REPRESENTATION			
I swear to have examined this form and all accompanying materials. All information provided in connection with this application for the Oregon Strategic Investment Zone is, to the best of my knowledge, true, accurate, complete and current. I further certify that, except as may be described in this application, no litigation is currently pending or threatened in any court or other tribunal or competent jurisdiction, state or federal, in any way contesting, questioning or affecting the eligibility of the applicant to utilize this program, the ability of the applicant to complete the project, or the validity or enforceability of any covenant or document executed by the applicant in connection with the application. The company also agrees, now and in the future, to provide employment information requested by the Department and to permit the Department access to all Oregon State Employment Department employment and wage data about business firm. I therefore request approval by authority of the Oregon Economic and Community Development Commission under ORS 285C.606, so that property comprising the proposed project may be assessed and partially exempt from taxation as provided under ORS 307.123. I understand that receipt of the 15-year exemption depends on satisfaction by the actual project of applicable requirements, and I agree that any material misrepresentation of fact is grounds for the State of Oregon to deny or withdraw the benefit of the program at any time.			
Signature <b>X</b>		Date	
Printed Name		Title of Authorized Company Representative	

## **EXHIBIT B - THE PROJECT MAP**



## **EXHIBIT C - THE TAX LOTS**

**EXHIBIT D - THE FIRST SOURCE HIRING AGREEMENT**

**REFER TO EXHIBIT D OF THE COUNTY- CITY IGA**

**EXHIBIT E - THE FIRST SOURCE CONTRACTING AGREEMENT**

**REFER TO EXHIBIT D OF THE COUNTY- CITY IGA**

## **ORDINANCE NO. 1330**

### **AN ORDINANCE RENAMING A SEGMENT OF N.E. 11<sup>TH</sup> AVENUE LOCATED EAST OF N. PINE STREET TO N.E. 11<sup>TH</sup> PLACE; AND DECLARING AN EMERGENCY.**

**WHEREAS**, the City of Canby initiated a Street Name Change application (No. SNC 10-01) when it became aware that the erected street sign did not match the given name of the street; and

**WHEREAS**, delivery and emergency safety benefits are to be had in assuring consistency across the city in street naming convention; and

**WHEREAS**, pursuant to Oregon Revised Statute 227.120 and the Canby Municipal Code, a Street Name Change public hearing process with notice to effected property owners was held before the Planning Commission and the City Council on April 26, 2010 and May 19, 2010 respectively; and

**WHEREAS**, the City Council received a staff report and Planning Commission recommendation, and judged a street name change to be in the best interest of the City; and

**WHEREAS**, the City Council voted to approve Street Name Change application (No. SNC 10-01) as presented and directed staff to present Council with an ordinance to effectuate the street name change; now therefore,

#### **THE CITY OF CANBY ORDAINS AS FOLLOWS:**

Section 1. N.E. 11<sup>th</sup> Avenue, a 570-foot long segment located east of N. Pine Street is renamed N.E. 11<sup>th</sup> Place.

(See Attached Exhibit "A" Map Illustrating Affected Street Segment)

Section 2. Emergency declared. In order to immediately provide for the health, safety and welfare of the Citizens of Canby by correcting the street name, an emergency is hereby declared to exist and this Ordinance shall take effect immediately upon its enactment following final reading.

***2nd Reading***

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, June 16, 2010, and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and scheduled for second reading before the City Council for final reading and action at a regular meeting thereof on Wednesday, July 7, 2010, commencing at the hour of 7:30 pm at the Council Meeting Chambers located at 155 N.W. 2<sup>nd</sup> Avenue, Canby, Oregon.

---

Kimberly Scheafer, CMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 7th of July 2010, by the following vote:

YEAS \_\_\_\_\_

NAYS \_\_\_\_\_

---

Melody Thompson, Mayor

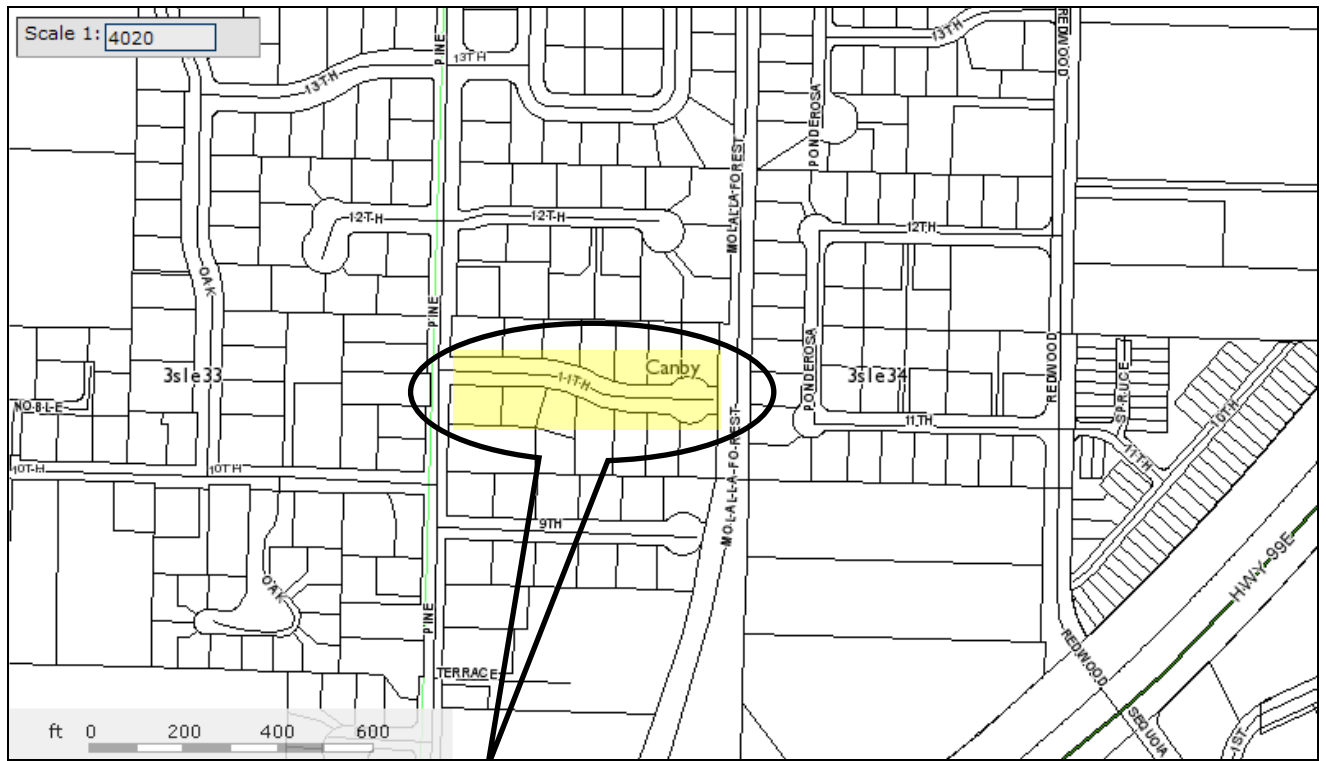
ATTEST:

---

Kimberly Scheafer, CMC  
City Recorder

***2nd Reading***

**EXHIBIT A - MAP**



**Street Segment Renamed from N.E. 11th Avenue (*old*) to N.E. 11th Place**

***2nd Reading***

**ORDINANCE NO. 1331**

**AN ORDINANCE DECLARING THE CITY'S ELECTION TO RECEIVE STATE REVENUE FOR FISCAL YEAR 2010-2011.**

**WHEREAS**, a public hearing for the use of state revenue sharing funds was held before the Budget Committee on April 28, 2010, and before City Council on June 16, 2010; now therefore,

**THE CITY OF CANBY, OREGON, ORDAINS AS FOLLOWS:**

**Section 1** Pursuant to ORS 221.770, the City of Canby hereby elects to receive state revenues for fiscal year 2010-2011.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, June 16, 2010, and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and scheduled for second reading before the City Council for final reading and action at a regular meeting thereof on Wednesday, July 7, 2010, commencing at the hour of 7:30 pm at the Council Meeting Chambers located at 155 N.W. 2<sup>nd</sup> Avenue, Canby, Oregon.

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 7th of July 2010, by the following vote:

YEAS\_\_\_\_\_ NAYS\_\_\_\_\_

\_\_\_\_\_  
Melody Thompson, Mayor

ATTEST:

\_\_\_\_\_  
Kimberly Scheafer, CMC  
City Recorder

***2nd Reading***

## **ORDINANCE NO. 1332**

### **AN ORDINANCE AUTHORIZING THE MAYOR AND CITY ADMINISTRATOR TO EXECUTE A CONTRACT WITH ROY L. HOUCK CONSTRUCTION CO. IN THE AMOUNT OF \$658,397.25, FOR CONSTRUCTION OF THE 2010 STREET SURFACE TREATMENT PROGRAM; AND DECLARING AN EMERGENCY.**

**WHEREAS**, the City of Canby has heretofore advertised and received seven (7) bids for the 2010 Street Surface Treatment Program; and

**WHEREAS**, the notice of call for bids was duly and regularly published in the Oregon Daily Journal of Commerce on May 20, 2010; and

**WHEREAS**, bids were received and opened on June 8, 2010 at 2:00 pm in the Planning Department Conference Room of the City of Canby and the bids were read aloud:

**WHEREAS**, the bidders are as listed below and a detailed tabulation of all items is attached herein as Exhibit "B" and summarized as follows:

Roy L. Houck Construction Co.	\$658,397.25
Knife River Corporation - NW	\$686,782.00
Eagle-Elsner, Inc.	\$691,518.60
Brix Paving Company	\$698,329.39
K.F. Jacobsen & Co, Inc.	\$700,756.35
Guernsey Stone Co dba Cemex	\$701,231.60
Granite Northwest, Inc.	\$732,732.00

**WHEREAS**, the Canby City Council, acting as the City's Contract Review Board, met on Wednesday, June 16, 2010, and considered the bids and reports and recommendations of the City staff, including the staff recommendation that the low responsive bid be selected; and

**WHEREAS**, the Canby City Council determined that the low responsive bid was that of Roy L. Houck Construction Co; now therefore

### **THE CITY OF CANBY ORDAINS AS FOLLOWS:**

Section 1. The Mayor and/or City Administrator are hereby authorized and directed to make, execute, and declare in the name of the City of Canby and on its behalf, an appropriate contract with Roy L. Houck Construction Co. for the 2010 Street Surface Treatment Program in the amount of \$658,397.25. A copy of the contract with Roy L. Houck Construction Co is attached hereto and marked as Exhibit "A" and by this reference incorporated herein.

**2nd Reading**



Section 2. Inasmuch as it is in the best interest of the citizens of Canby, Oregon, to complete this project as soon as possible, an emergency is hereby declared to exist and this ordinance shall therefore take effect immediately upon its enactment after final reading.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, June 16, 2010; ordered posted as required by the Canby City Charter and scheduled for second reading on Wednesday, July 7, 2010, after the hour of 7:30 pm at the Council Meeting Chambers located at 155 NW 2<sup>nd</sup> Avenue, Canby, Oregon.

\_\_\_\_\_  
Kimberly Scheafer, CMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 7th day of July 2010, by the following vote:

YEAS\_\_\_\_\_

NAYS\_\_\_\_\_

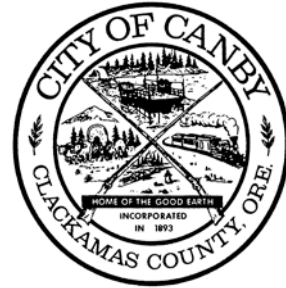
\_\_\_\_\_  
Melody Thompson, Mayor

ATTEST:

\_\_\_\_\_  
Kimberly Scheafer, CMC  
City Recorder

***2nd Reading***

# MEMORANDUM



**TO:** *Honorable Mayor Thompson and City Council*  
**FROM:** *Kim Scheafer, CMC, City Recorder*  
**DATE:** *April 27, 2010*  
**THROUGH:** *Greg Ellis, City Administrator*

---

Issue: Sidewalk vending permit language is outdated in the Canby Municipal Code

Synopsis: With the recent update to the master fee schedule, staff became aware that language regarding sidewalk vending permit applications and the annual fee were unclear. Other language was also found to be outdated and needed to be edited so that it corresponds to current procedures and policies. In addition our insurance agent has changed the insurance requirement language so that it meets current standards.

Recommendation: Staff recommends Council approve Ordinance 1333.

Recommended motion: ***“I move to approve Ordinance 1333, AN ORDINANCE AMENDING CANBY MUNICIPAL CODE SECTION 5.12.020 ESTABLISHING AN ANNUAL SIDEWALK VENDOR PERMIT FEE AND SECTION 5.12.030 REGARDING THE PERMIT APPLICATION to come up for second reading on July 21, 2010.*”**

Attached: Ordinance 1333

## ORDINANCE NO. 1333

### AN ORDINANCE AMENDING CANBY MUNICIPAL CODE SECTION 5.12.020 ESTABLISHING AN ANNUAL SIDEWALK VENDOR PERMIT FEE AND SECTION 5.12.030 REGARDING THE PERMIT APPLICATION.

**WHEREAS**, Canby Municipal Code (CMC) Chapter 5.12 establishes a permitting process for sidewalk vendors that wish to operate with the City of Canby; and

**WHEREAS**, CMC 5.12.020 establishes a fee for a sidewalk vendor's permit, but does not state that the fee is an annual fee and the Council wishes to clear up any misunderstanding regarding this issue;

**WHEREAS**, CMC 5.12.030, establishes a procedure to follow for applying for a sidewalk vending application, but contains language that is outdated; now therefore

#### THE CITY OF CANBY ORDAINS AS FOLLOWS:

Section 1. Canby Municipal Code Section 5.12.020 shall be amended as follows:

(Added text is illustrated below in red underlined font.)

5.12.020 **Permit** ~~License~~ required; fee.

No person shall conduct business as defined in this chapter on any city sidewalk without first obtaining a ~~sidewalk vendor's business license from the office of the City Recorder~~, **a sidewalk vending permit**, and paying the required **sidewalk vending permit** fee **to** the office of the City Recorder. **Fees are annual and shall be payable upon the business license renewal date.** It is unlawful for any person to sell any goods on any sidewalk within the city except as provided by this chapter.

Section 2. Canby Municipal Code Section 5.12.030 shall be amended as follows:

5.12.030 **Permit** ~~License~~ application.

A. Application for a **permit** ~~license~~ to conduct business on a sidewalk shall be made at the office of the City Recorder on a form deemed appropriate by the City Recorder. This application shall include but not be limited to the following information:

1. Name and address of the applicant;
2. Type of items sold. Individual applications shall be accepted for **one** + type of product;
3. A valid copy of all necessary **licenses or** permits required by state or local health authorities; ~~including business name registration with the state;~~
4. A signed **Indemnity Agreement stating** ~~statement~~ that the permittee shall hold harmless the city, its officers and employees, and shall indemnify the city, its officers and employees for any claims for damage to property or injury to persons which may be occasioned by any activity carried on under the terms of the permit;

**5.** The permittee shall furnish and maintain this public liability, food products liability and property damage insurance as will protect permittee, property owners and the city from all claims for damage to property or bodily injury, including death, which may arise from operations under the permit or in connection there with. This insurance shall provide coverage of not less than **\$1,000,000.00** ~~\$100,000~~ for bodily injury **and property damage for each occurrence** ~~for each person, \$300,000 for each occurrence and not less than \$1,000,000.00 \$100,000 in the aggregate. for property damage per occurrence.~~ **The permittee shall provide the City with a Certificate of Liability Insurance.** This insurance shall be without prejudice to coverage otherwise existing therein; shall name as additional insured the city, its officers and employees; and shall further provide that the policy shall not terminate or be canceled prior to the completion of the contract without 30 days' written notice to the **City** Recorder of the city;

**6.** ~~5.~~ Means to be used in conducting business, including but not limited to a description of any mobile container or device, to be used for transport or to display approved items or services; and

**7.** ~~6.~~ The proposed location for conducting business, along with a signed statement that the permittee shall hold harmless the adjacent property owner(s) for any claims for damage to property or injury to persons which may be occasioned by any activity carried on under the permit. No application shall apply to more than **one** + location. Location must be approved by the City Administrator.

B. A separate **sidewalk vending permit** application **and fee** shall be required for each mobile container or device to be used for transportation or display.

C. No food vendor application will be accepted for a location where a restaurant or fruit and vegetable market, with direct access to the sidewalk, is adjacent or within 100 feet on the same block. No application will be accepted for a flower vendor for a location where a flower shop, with direct access to the sidewalk, is adjacent or within 100 feet on the same block. The above requirement may be waived if the application is submitted with the written consent of the proprietor of the restaurant, fruit and vegetable market or flower shop. The consent must be submitted on a form deemed appropriate by the City Recorder.

**SUBMITTED** to the Canby City Council and read the first time at a regular meeting therefore on Wednesday, July 7, 2010, and ordered posted in three (3) public and conspicuous places in the City of Canby as specified in the Canby City Charter and scheduled for second reading before the City Council for final reading and action at a regular meeting thereof on Wednesday, July 21, 2010, commencing at the hour of 7:30 p.m. in the Council Chambers located at 155 N.W. 2<sup>nd</sup> Avenue, Canby, Oregon.

---

Kimberly Scheafer, CMC  
City Recorder

**PASSED** on second and final reading by the Canby City Council at a regular meeting thereof on the 21<sup>st</sup> of July 2010, by the following vote:

YEAS\_\_\_\_\_

NAYS\_\_\_\_\_

---

Melody Thompson, Mayor

ATTEST:

---

Kimberly Scheafer, CMC  
City Recorder

**Management Team Meeting Minutes**  
**June 14, 2010**  
**2:00 PM**  
**City Hall Conference Room**

In Attendance: Greg Ellis, Eric Laitinen, Bryan Brown, Catherine Comer, Julie Wehling, John Kelley, Penny Hummel, Kim Scheafer, Sue Engels and Bret Smith.

Eric Laitinen

- Summer schedule started on June 13

Bryan Brown

- Reviewing applications for the associate planner position
- Reviewed SDCs for Dragonberry Produce
- Pioneer Pump submitted an application for an additional paved area at their facility

Catherine Comer

- Dragonberry Produce applied to be a LEEDS certified building
- Will check with CUB regarding short-term (three year) landscape irrigation service
- Applying for a TIGER II grant
- Working on remodel plans for 111 NW 2<sup>nd</sup> location

Julie Wehling

- Will need area to move buses to when street striping occurs

Penny Hummel

- Summer reading program has started
- Library received three grants
- Writing a proposal to the State Library for a full-time bilingual librarian

Kim Scheafer

- Staff is currently processing a sidewalk vending application. Language has been identified that requires a change to the CMC to provide clarification of the process.
- Downtown road striping has been delayed until Wednesday evening or whenever the weather warms up
- City Hall front office has turned over the Street Closure and Railroad Parking Lot Closure forms to Ami Keiffer who will now be processing them
- OAMR & the State Archives have drafted a Social Media Policy which should be ready for cities to use in the next few months

Sue Engels

- Will be setting a cut-off date for year-end purchases
- All bills should come directly to Accounts Payable
- Will update Finance Manual and provide training to Directors
- Will be out of office June 21-25

Bret Smith

- No spike has been noticed in transient activity
- Ken Poggi was offered job of Court Services Officer
- Several staff members are out this month
- Putting articles in paper regarding gang enforcement
- Submitted grant for four year funding of a new SRO Officer
- Interviewing candidates for the new police officer positions
- Canby detectives assisted Multnomah County with the missing child case

Greg Ellis

- The City Council and Planning Commission work session held regarding the TSP was very successful

Minutes taken by Kim Scheafer

**Management Team Meeting Minutes**  
**June 21, 2010**  
**2:00 PM**  
**City Hall Conference Room**

In Attendance: Greg Ellis, Penny Hummel, Amanda Klock, Darwin Tramel, Eric Laitinen, John Kelley, Catherine Comer, Bryan Brown, Julie Wehling, Kim Scheafer, and Toni Tracy.

Kim Scheafer

- Melissa York is at training this week

Penny Hummel

- Is hiring for two library positions

Amanda Klock

- Preparing new salary schedules that will be effective July 1
- Finalizing insurance benefits for new fiscal year

Darvin Tramel

- Still working on getting downtown striped
- The parade route printed in Canby Herald was incorrect. General Canby Days, Inc. will be submitting the correct route to them.

Eric Laitinen

- Was contacted by CAPRD who is getting information together to refer a bond measure to the voters next year

Catherine Comer

- Working on grant package for a Berg Parkway overpass
- Main Street Kick-Off Meeting is at 7:30 AM on June 24

Bryan Brown

- Received an inquiry from a business who is interested in moving into Hollywood Video location. Is researching downtown overlay zone questions.
- Has completed some DEQ compatibility forms
- Carla Ahl will be working in Building for 25 hours per week and doing 15 hours utility billing starting July 1

Julie Wehling

- Preconstruction meeting was held for the Transit Center remodel
- Have been delays in getting two new buses on the road, due to logos and radios not being in stock
- An audit will be done regarding the FTA drug and alcohol program for transit funded employees



Greg Ellis

- Inquired about statute exempting insurance companies from paying Transit Tax. John Kelley will review statute language.

Minutes taken by Kim Scheafer

**Management Team Meeting Minutes**  
**June 28, 2010**  
**2:00 PM**  
**City Hall Conference Room**

In Attendance: Greg Ellis, Bryan Brown, Bret Smith, Darwin Tramel, Eric Laitinen, Catherine Comer, Sue Engels, Penny Hummel, Julie Wehling, Kim Scheafer, and John Kelley.

Kim Scheafer

- Reviewed Agenda for June 7 City Council Meeting
- Two candidates have completed their paperwork for Mayor
- Will be on vacation Thursday and Friday

Bryan Brown

- Will be conducting interviews for Associate Planner position
- Researching code requirements for a mobile vending trailer
- Several land use inquiries have been received
- Researching commercial use vs. mixed used zoning issue for a business

Bret Smith

- Gang Task Force training will start in July
- Working with Catherine on how Police Department can aid downtown economic development
- Will be out of office on Friday to attend a funeral

Darwin Tramel

- Knights Bridge Road sidewalks are being installed along with lift station
- 2<sup>nd</sup> Avenue Cinema project is now completed
- Walnut Street project is completed
- Cleaning downtown corridor for 4<sup>th</sup> of July
- Working on project costs for widening streets and installing sidewalks in front of Clackamas County Fairgrounds

Eric Laitinen

- Training part-time staff

Catherine Comer

- Main Street Kick-Off meeting was very successful
- Working on several studies and reports regarding proposed police facility site
- Grant for proposed Berg Parkway overpass is due by July 15.

Sue Engels

- Federal Trade Commission has delayed enforcement of “Red Flag Rules” until December 31, 2010.
- Finance manual training will take place at an upcoming management meeting in August

Penny Hummel

- Half price book sale on 4<sup>th</sup> of July
- Working on filling staffing positions

Julie Wehling

- Looking at kiosks and benches
- Working with Amanda on FTA Audit

Minutes taken by Kim Scheafer