



Home of the Tualatin River National Wildlife Refuge

URBAN RENEWAL AGENCY MEETING PACKET

FOR

Tuesday, June 1, 2010

**Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon**

**URA Work Session and Regular Meeting
(Following the City Council Meeting)**

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING AGENDA**

Tuesday, June 1, 2010
Following the City Council Meeting

City of Sherwood City Hall
22560 SW Pine Street
Sherwood, Oregon

URA WORK SESSION

Immediately following the City Council Meeting

REGULAR URA MEETING

1. CALL TO ORDER

2. ROLL CALL

3. NEW BUSINESS

- A. URA Resolution 2010-001 Adopting the 2010-11 Budget of the City of Sherwood Urban Renewal Agency, making appropriations, imposing and categorizing taxes, and authorizing the District Manager to take such action necessary to carry out the adopted budget (Julie Blums, Budget Officer)**

4. PUBLIC HEARING

- A. URA Resolution 2010-002 Exempting a Public Improvement Contract from traditional bidding in accordance with ors 279c.335(2) (Bob Galati, City Engineer)**

5. STAFF REPORTS

6. ADJOURN

URA Meeting Date: June 1, 2010

Agenda Item: New Business

TO: Urban Renewal Agency Board of Directors

FROM: Julie Blums, Budget Officer

**SUBJECT: URA RESOLUTION 2010-001, ADOPTING THE FISCAL YEAR 2010-11
CITY OF SHERWOOD URBAN RENEWAL AGENCY BUDGET**

ISSUE: Adoption of the Fiscal Year 2010-11 URA Budget

BACKGROUND: On April 7, 2010, the Budget Committee received the budget message, heard public comment, and approved the budget. On May 18, 2010, the Board held a public hearing on the approved 2010-11 budget. No significant changes in the estimated resources or uses in the budget have occurred since the hearing date. The final step of the budget process is the adoption of the 2010-11 Budget. The budget is available for review at the City Hall reception desk and in the library. A copy of the budget can also be found on the City's website under the Finance Department section.

RECOMMENDATIONS: Staff recommends adopting URA Resolution 2010-001, adopting the Fiscal Year 2010-11 City of Sherwood Urban Renewal Agency budget.



URA RESOLUTION 2010-001

A RESOLUTION ADOPTING THE FISCAL YEAR 2010-11 BUDGET OF THE CITY OF SHERWOOD URBAN RENEWAL AGENCY, MAKING APPROPRIATIONS, IMPOSING AND CATEGORIZING TAXES, AND AUTHORIZING THE DISTRICT MANAGER TO TAKE SUCH ACTION NECESSARY TO CARRY OUT THE ADOPTED BUDGET

WHEREAS, the Urban Renewal Agency Budget Committee has reviewed and acted on the proposed Urban Renewal Agency budget; and

WHEREAS, the Budget Committee has approved and recommended a balanced budget to the Urban Renewal Agency Board of Directors on April 7, 2010; and

WHEREAS, in accordance with State law, the Urban Renewal Agency Board of Directors held a public hearing on the budget as approved and recommended by the Budget Committee; and

WHEREAS, the Urban Renewal Agency Board of Directors desires to adopt the approved budget and carry out the programs identified in the budget;

NOW THEREFORE THE URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD RESOLVES AS FOLLOWS:

Section 1: Adoption of the Fiscal Year 2010-11 Budget. The Urban Renewal Agency Board of Directors of the City of Sherwood, Oregon hereby adopts the budget for the City of Sherwood Urban Renewal Agency for fiscal year 2010-11 in the sum of \$11,787,171, now on file at City Hall.

Section 2: Making Appropriations. The amounts for the fiscal year beginning July 1, 2010 and for the purposes shown below are hereby appropriated as follows:

Personal Services	144,723
Materials and Services	528,498
Capital Outlay	9,350,000
Debt Service	1,763,950
Contingency	2,912,532
Total	14,699,703

Section 3: Imposing and Categorizing Taxes: Be it resolved that the Urban Renewal Agency Board of Directors of the City of Sherwood hereby resolves to certify to the county assessor a request for the Urban Renewal District Old Town Plan Area for the maximum amount of revenue that may be raised by dividing the taxes under Section 1c, Article IX of the Oregon Constitution and ORS Chapter 457.

Duly adopted by the Urban Renewal Agency Board of Directors this 1st day of June 2010.

Keith S. Mays, Board Chair

Attest:

Sylvia Murphy, CMC, District Recorder

TO: Sherwood URA Board of Directors

FROM: Bob Galati, P.E., City Engineer

SUBJECT: URA RESOLUTION 2010-002 exempting a public improvement contract from traditional bidding in accordance with ORS 279C.335(2).

ISSUE: Should the URA adopt URA Resolution 2010-002, and acting as a local contract review board exempt a public improvement contract from traditional bidding in accordance with ORS279C.335(2)?

BACKGROUND: One portion of the Cannery project involves the redevelopment of the Machine Works Building. Typically, public improvement projects follow a design-bid-build form of public contracting. This form of contracting works well on projects where a full project design is developed prior to bidding, where construction follows the design drawings, and construction costs are known. These types of projects usually include street and utility improvement projects.

With the Machine Works Building project, providing a full design prior to bidding and construction is less likely to be successful or cost effective due to the number of unknown issues that could be present, and that would only be discovered after redevelopment began. For these types of projects an alternative form of public contracting is allowed, the Contract Manager/General Contractor (CM/GC) method.

Under the CM/GC contract method a general contractor is brought into the project at the design phase and collaborates with the architect/engineer (A/E) in the development of project design documents. Once the design documents reach an acceptable level, the CM/GC submits a guaranteed maximum price (GMP) to construct the project. The GMP covers all the costs of construction including the CM/GC overhead and profit. Typically, the CM/GC method provides construction cost and time savings to the Owner.

In order to utilize the CM/GC method, the public contracting laws require that the public agency (Urban Renewal Agency-URA) seek an exemption from traditional bidding by following a specific process outlined in the ORS.

1. Submittal of Findings to the Local Contract Review Board (LCRB), which in this case is Sherwood URA Board of Directors.
2. The LCRB performs a public hearing to hear testimony.
3. Sherwood URA acting as a LCRB authorizes the exemption.

This Resolution is the formal request to the LCRB to authorize the exemption and allow the URA's Lead Representative to perform the steps necessary to enter into a CM/GC contract.

FINDINGS: By adopting this resolution the URA Board of Directors is exempting the project from traditional contracting methods thereby allowing the lead representative to award necessary CM/GC contracts to redevelop the Cannery Machine Works Building.

RECOMMENDATION: MOTION TO ADOPT URA RESOLUTION 2010-002, A RESOLUTION EXEMPTING A PUBLIC IMPROVEMENT CONTRACT FROM TRADITIONAL BIDDING IN ACCORDANCE WITH ORS 279C.335(2).



URA RESOLUTION 2010-002

A RESOLUTION EXEMPTING A PUBLIC IMPROVEMENT CONTRACT FROM TRADITIONAL BIDDING IN ACCORDANCE WITH ORS 279C.335(2)

WHEREAS, the Sherwood Urban Renewal Agency (“URA”) wishes to redevelop a URA owned property (machine works building); and

WHEREAS, staff has determined that the URA would receive significant benefits by utilizing a Construction Manager/General Contractor (CM/GC) methodology in performing the project management, design and construction processes; and

WHEREAS, the City Attorney has reviewed the requirements of the Oregon Attorney General’s Model Public Contracting Rules, and the Oregon Revised Statutes (ORS) for implementing the CM/GC contracting method; and

WHEREAS, the intent of the URA is to exempt the contract for the machine works building’s redevelopment from traditional competitive bidding processes and utilize the CM/GC method to complete the project.

NOW, THEREFORE, THE URA BOARD OF DIRECTORS, ACTING AS URA’S LOCAL CONTRACT REVIEW BOARD, RESOLVES AS FOLLOWS:

Section 1: In accordance with ORS 279C.335(2), the contract for the redevelopment of the machine works building is exempt from traditional competitive bidding.

Section 2: For this project, staff and URA’s partner on this project, Capstone Partners, LLC, are directed to utilize the construction manager/general contractor (CM/GC) method of contracting. As part of that process, a contractor may be solicited through a request for proposals, where qualitative factors such as contractor’s experience, resources and reputation will be thoroughly considered and where URA and Capstone will be permitted to negotiate with one or more proposers to select a contractor that best meets URA’s interests and by extension the interests of Sherwood’s residents.

Section 3: This exemption is supported by findings, attached as Exhibit A and incorporated into this Resolution.

Section 4: This Resolution is effective immediately upon its adoption.

Duly passed by the URA Board of Directors this 1st day of June 2010.

Keith S. Mays, URA Board Chair

ATTEST:

Sylvia Murphy, CMC, District Recorder



EXHIBIT A

City of Sherwood
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Mayor
Keith Mays

Councilors
Dave Heironimus
Dave Grant
Linda Henderson
Lee Weislogel
Robyn Folsom
Del Clark

City Manager
Jim Patterson



2009 Top Ten Selection



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Report of Findings for Exemption from Public Contracting Code

A. Introduction

The Sherwood Urban Renewal Agency's Governing Board is the Agency's local contract review board ("LCRB"). Pursuant to ORS 279C.335(2), a LCRB may exempt a public improvement contract from the public contracting code's traditional bidding procedures. To do so, it must be able to find that the exemption:

1. is unlikely to encourage favoritism in the awarding of, or substantially diminish competition for, public improvement contracts; and
2. will likely result in substantial cost savings to the contracting agency.¹

Alternatively, a LCRB may exempt a public improvement contract if the resulting project is a "pilot project" under the contracting code – i.e., when the use of a particular alternative contracting method to deliver the project is the first time the method has been used in the jurisdiction.²

As these findings demonstrate, exempting the contract for the machine works building's redevelopment (the "MW Contract") will not encourage favoritism or substantially diminish competition and will likely result in substantial cost savings to the Agency. In addition, these findings justify the LCRB's approval of and authorization for staff to utilize the construction manager/general contractor ("CM/GC") method to redevelop the machine works building. The public contracting code and its related rules expressly permit the use of the CM/GC method as an alternative contracting method,³ and it would be the first time the Agency used it to construct a public improvement.

Pursuant to ORS 279C.330, these findings must address eight categories of information as they may relate to the desired exemption. The categories are:

1. Operational, budget and financial data;
2. Public benefits;
3. Value engineering;
4. Specialized expertise required
5. Public safety;
6. Market conditions;
7. Technical complexity; and
8. Funding sources.

Not all eight topic areas may be relevant or pertinent to a particular exemption. The Agency reviewed the categories, determined which are relevant, analyzed them in these findings

¹ ORS 279C.335(2)(a) and (b).

² ORS 279C.335(2)(c).

³ OAR 137-049-0690.

and made additional observations based on its assumptions and experience to support exempting the MW Contract.

B. Background.

The machine works building's redevelopment is central to the Cannery site's overall redevelopment. The redevelopment will result in a multifunctional facility owned by the public. It is envisioned to serve as a community and cultural/arts center for Sherwood, its residents and visitors to the City. A steering committee made up of Sherwood residents and interested stakeholders is refining its vision for the building's redevelopment and will soon present its final recommendations to the Agency's Governing Board.

At this time, the redeveloped facility is expected to include a stage for the performing arts, classrooms and meeting rooms, storage space, possibly retail space and "raw" portions that can be improved in subsequent phases as budgets and needs permit. The redeveloped facility is expected to have a certain degree of internal flexibility with respect to space – e.g. internal "walls" that will permit space to be increased or decreased in certain areas as necessary. The redeveloped facility is expected to seek LEED certification upon its completion.

The primary justifications for the exemption are to save time and money in awarding the MW Contract, to ensure that an experienced and well equipped contractor can both manage the construction and complete the project on time and within budget, and to assess the CM/GC process and its effectiveness. Competition for the MW Contract will still be robust under the exemption, as proposals for the building's redevelopment will be solicited from qualified CM/GC contractors.

C. Findings.

1. Operational, budget and financial data. The Agency has limited funds to do the variety of the tasks expected of it by its constituents, including those relating to public improvements. This is especially true in this instance, in so far as the Agency is still finalizing its budget for the building's redevelopment. Costs for preparing a formal construction bid can amount to a significant percentage of the overall cost of the project. Some estimate that the average preparation costs for formal bids can amount to 5 to 10 percent of a project's overall cost. By avoiding the traditional bidding process, those costs could be saved and applied to the actual construction of the improvements.

Central to the CM/GC contracting process is the manner in which the contractor is involved in the process. The contractor (wearing the CM hat) will be brought in very early and will work with the Agency, its staff and its design team to get the building's redevelopment up and running sooner than would occur under the traditional delivery process. In fact, construction may (and often does) begin as design work continues. During this time, the contractor closely collaborates with the design team to identify areas where costs can be reduced via value engineering, life cycle costing, etc.

The CM/GC method is intended to ensure that costs are contained to the greatest extent possible and to avoid the many change orders that often accompany project delivery under the traditional process. To this end, the CM/GC method requires the contractor to fully perform and deliver the project within a guaranteed maximum price ("GMP"). The GMP usually includes certain reimbursable direct contractor costs, plus a fee that constitutes full payment for the work (the general contractor portion) and the personal services (the construction manager portion). The contractor is at risk for cost overruns above this GMP.

2. Public benefit. The public benefits in a number of ways from the exemption. Time is saved by avoiding the formal process. The redevelopment will be completed faster than it would be under the traditional design-bid-build process to serve Sherwood, its residents and those persons who will use or benefit from a redeveloped machine works building. By proceeding through a CM/GC process, the public will reap the benefit of working with a highly experienced and skilled contractor who can respond to stakeholder input and translate that input into a finished product that is flexible enough to accommodate a variety of uses and functions.
3. Value engineering. Value engineering is a systematic method employed in certain projects to increase efficiencies, improve functionality and reduce costs. In the public improvement context, it is typically applied to public works projects with several interrelated specifications. This is certainly true of the machine works building and its redevelopment. As mentioned above, the completed facility is expected to be highly multifunctional and able to accommodate a variety of uses. This includes flexibility within the building's internal space. The CM/GC process will ensure that the resulting contractor is well versed in value engineering and able to suggest alternatives to certain designs and construction methods that will yield equivalent benefits at reduced costs. Because it may involve negotiation with the contractor and such negotiations are prohibited under the traditional competitive bidding process, the exemption will permit the Agency to realize potential benefits that may accompany value engineering.
4. Specialized expertise required. As discussed above, the redevelopment of the machine works building is a central feature of the larger Cannery redevelopment project. The Cannery project itself is a public/private partnership between the Agency and Capstone Partners, LLC. It is believed that successfully redeveloping the machine works building is critical to the Cannery site's overall success.

The Cannery site's redevelopment has a number of moving parts, including the construction of public infrastructure, a public plaza and private mixed use buildings in addition to the redevelopment of the machine works building. Some or all of the Cannery site will be redeveloped simultaneously with the machine works building's redevelopment. Therefore, it is critical to engage a contractor who is not only experienced with the CM/GC delivery method but also a contractor that has worked on similar multi-phase, large scale redevelopments, preferably in an infill context such as the Cannery site.

5. Public safety. Not likely relevant to the exemption. The public's safety is not likely improved nor compromised by the exemption.
6. Market conditions. The market for construction services is currently depressed. The construction industry has experienced one of the highest rates of job losses in the state. The exemption will speed money faster to this industry than would otherwise be possible through traditional bidding and will result in more dollars being injected into the trade by avoiding the formal bid preparation costs. In addition, the depressed market should result in highly competitive proposals from qualified CM/GC contractors. Using an alternative contracting method such as CM/GC will allow the Agency and Capstone to negotiate with contractors prior to awarding the MW Contract and deliver the best value to the Agency, Sherwood residents and future users of the redeveloped building.
7. Technical complexity. As discussed above, the redeveloped building's intended multi-functionality, coupled with the multiple parts and phases to the Cannery site's redevelopment, results in a technically complex project. When a public improvement presents technical complexities, Oregon's public contracting rules encourage agencies

to consider and use the CM/GC method.⁴ The rules discuss overcoming project complexities through a collaborative effort between an agency, its design professionals and a CM/GC contractor where the contractor will address specific project challenges through pre-construction services. These include input on the facility's operation during construction (or, as in this case, the operation of a larger area within which the facility resides), tenant occupancy, historic preservation and projects requiring complex phasing or highly coordinated scheduling.

8. Funding sources. Not likely relevant to the exemption.
9. Pilot project. This will be the first time the Agency has used the CM/GC contracting method to complete a public improvement and pursuant to ORS 279C.335(2)(c) it intends to determine whether the use of the CM/GC method results in anticipated cost savings.

D. Conclusion.

For the above reasons, the LCRB finds the exemption appropriate and meets ORS 279C.335(2)'s criteria.

⁴ OAR 137-049-0690(1)(c).

Board Meeting Date: June 1, 2010

Work Session Agenda Item

Exh. A.

TO: Sherwood Urban Renewal Board of Directors

FROM: Tom Nelson, Economic Development Manager
Craig L. Gibons, Finance Director

SUBJECT: Expiring Credit Facility

ISSUE: What are the options for handling the Credit Facility that expires in July 2010?

BACKGROUND: In July of 2008, the Agency obtained a Credit Facility (a temporary line of credit for which interest payments were made and principal payments deferred) for \$7,065,000 for URA projects. That line of credit expires July 8, 2010. The line of credit needs to be renewed or replaced with permanent financing. Staff has obtained proposals from Bank of America and Key Bank to refinance this line of credit. The options are as follows.

- Option A: A 15 year loan at an interest rate of 4.3% (Attachment A)
- Option B: A one year extension with an interest rate of 1.3% (Attachment B)
- Option C: A 20 year loan with an average interest rate of 6.1% (Attachment C)
- Option D: A 20 year loan with an average interest rate of 4.1% (Attachment D)

OPTION ANALYSIS

Staff has analyzed the options in terms of:

1. Total cost to the City
2. Size of the Debt Service Payments
3. Form of Security
4. Debt Coverage

We have identified debt coverage ratio, or *debt coverage*, as the key issue of this decision. The lending institutions specify the debt coverage required to qualify for this and future loans. Debt coverage is the ratio of debt service due to revenue available. For every dollar of debt service due the City is required by lenders to have as much as \$1.35 available to pay it.

This analysis is captured in the table below. These details are approximate. The rates are not locked in.

Option	Term/ Rate	Total Cost	Annual Payments	Security
A	15/4.3	\$ 9,626,000	\$ 642,000	Urban Renewal Tax Revenues
B ¹	20/5.7	\$12,116,000	\$ 601,000	To Be Determined
C ²	20/6.1	\$12,988,000	\$ 684,000	Urban Renewal Tax Revenues
D ³	20/4.1	\$11,326,000	\$ 596,000	Full Faith & Credit of City

Total Cost: Options A and D are the least cost options.

Size of Debt Service Payments: The debt service for each of these options is within the URA's ability to pay. It is important to note that Option A has level debt service payments and Options C and D have debt service payments that increase over time (see footnotes).

Form of Security: The optimum security requirement is the one with the least impact on the City; using only URA tax revenues. The least optimum is requiring the full faith and credit of the City. That may adversely impact future City borrowing ability. For this factor, Options A and C are preferred.

We need to note that the lenders have told us that lending practices have changed and that we can expect higher rates now and in the future on loans for which the security is limited to URA tax revenues (see the difference between Options C and D).

Debt Coverage: *This is the pivotal issue.* The URA needs to borrow an additional \$8.5 million soon for the Cannery projects. If Council selects Option A, the resulting debt coverage will exceed the lender's standard. No future borrowing can be done until revenues increase substantially or debt service payments decrease as older loans are paid off. This would be a delay of two or three years.

Options C and D have been structured with lower debt service payments initially. Except for one year, they stay within the underlying debt coverage requirements of our other loans and allow for future borrowing. A Debt Coverage limit will not be contractually required by Key Bank, but will be required by the State on future loans. Key Bank has

¹ This option includes a one year extension of the current loan, and then a 20-year replacement in July 2011, the 5.7% rate is based on an estimate of prime rate.

² This option has a gradually increasing debt service schedule; from \$548,000 in year 1 to \$839,000 in year 20. The amount shown, \$684,000 is an average. 6.1% is an average annualized rate.

³ This option has a gradually increasing debt service schedule; from \$477,000 in year 1 to \$724,000 in year 20. The amount shown, \$596,000 is an average. 4.1% is an average annualized rate.

indicated that the loan can be modified to stay within the debt coverage requirement. Key Bank has also indicated that the loan may be prepaid at par value in the 10th year.

Summary:

Approach 1: Assuming that the Agency and the Council do not want to delay the Cannery projects, then the deciding element in this analysis is maintaining debt coverage that allows for the immediate borrowing of additional money. Options C and D are the only options that allow for that, and of the two, Option D is the least expensive.

The savings from Option D may come at a price. The loan requires a pledge of the full faith and credit of the City. Bond Council has advised staff to hire a financial consultant to analyze the impact of continuing to borrow using the full faith and credit of the City. Staff will do that, but is not able to answer the question at this time. This is the only sizeable loan the City has that does not have a full faith and credit pledge. Also Bank of America and the State of Oregon have indicated that future borrowing for the Cannery and other projects will require a full faith and credit pledge.

Approach 2: If the Agency Board and City Council could tolerate a delay in the Cannery projects, then Option A becomes the better option. It is the least expensive and does not obligate the full faith and credit of the city.

The first approach is the higher risk and more expensive alternative. It costs the agency more money over the long run. It could adversely impact the City's potential to borrow money in the future. The second approach has less risk, does not impact the City's borrowing capacity, but will delay high priority projects.

RECOMMENDATION

Based on the high importance the Board and Council have placed on the Cannery projects, we recommend that staff complete negotiations with Key Bank on Option D, a loan secured by the full faith and credit of the City to replace the \$7,065,000 Bank of America credit facility.

FUTURE ACTION

Pursuant to the discussion tonight, staff will return to the Board on the 15th with additional information as needed and the appropriate legislation necessary for the Board to act on this matter.

ATTACHMENT A

SUMMARY OF TERMS AND CONDITIONS URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD, OREGON May 18, 2010

(For Discussion Purposes Only)

This Term Sheet Proposal is presented for discussion purposes only. It is not a commitment to lend by Bank of America or any of its affiliates. Bank of America may withdraw or amend it at any time in its sole discretion. If Bank of America does extend a loan commitment, the actual terms and conditions (including pricing and financial covenants) will be subject to completion of due diligence, Bank of America's credit and documentation standards, necessary credit approval, market conditions and other considerations determined by Bank of America in its sole discretion.

- BORROWER:** Urban Renewal Agency of the City of Sherwood, Oregon (the "Borrower").
- LENDER:** Bank of America, N.A. ("Bank of America").
- CREDIT FACILITY:** \$7,065,000 Tax-Exempt Urban Renewal Refunding Bond (the "Credit Facility").
- PURPOSE:** The proceeds of the Credit Facility shall be used to refund principal outstanding on Borrower's 2008 Sherwood Urban Renewal Agency Non-Revolving Credit Facility, and for costs of issuance.
- INTEREST RATE:** Fixed rate at 4.30%. This is an indicative rate as of today's date. The final rate will be locked one week prior to closing upon mutual consent by Borrower and Bank of America, based on market rates for municipal loans prevailing at that time. The Credit Facility is to be certified as a tax-exempt bank qualified obligation.
- All calculations of interest shall be made on the basis of a 30-day month and a 360-day year.
- ORIGINATION FEE:** \$2,500 payable at closing.
- REPAYMENT/MATURITY:** Interest on the Credit Facility shall be paid semi-annually. Principal on the Credit Facility shall be repaid annually each year, based on 15-year amortization and approximately level annual debt service. The Credit Facility will mature, and all unpaid principal and interest will be due and payable, 15 years after closing.
- SECURITY:** Bank of America shall receive a perfected security interest in the following:
- Pledge of all Tax Increment Revenues from Borrower's Sherwood Urban Renewal Area (including amounts held in the Tax Increment Fund, and earnings thereon) on a parity with the Parity Obligations, subject only to the prior lien of the Senior Lien Obligations;
 - First lien parity pledge of all amounts in the Debt Reserve Account attributable to the Credit Facility; and
 - First lien pledge of unexpended proceeds of the Credit Facility.
- PREPAYMENTS:** Any prepayment of a fixed rate loan under this Credit Facility prior to its scheduled maturity shall result in the imposition of a prepayment fee. The calculation of such prepayment fee shall include any loss or expense which Bank of America may incur or sustain as a result of such prepayment, calculated in the manner set forth in the attached Exhibit A.

**REPRESENTATIONS
AND WARRANTIES:**

Usual and customary for transactions of this type.

COVENANTS:

Usual and customary for transactions of this type, to include without limitation:

- **Collection Covenant:** Borrower will agree to certify for collection each fiscal year an amount of Tax Increment Revenues equal to the full amount of the Divide the Taxes Revenues available to Borrower.
- **Reserve Requirement** - Borrower to maintain funds in a Debt Reserve Account in an amount not less than the lesser of the following:
 - a) Maximum annual debt service due on the Credit Facility; or
 - b) 125% of the average amount of principal, interest and premium due on the Credit Facility, or
 - c) 10% of the proceeds of the Credit Facility.
- Borrower would agree not to issue additional debt obligations with a lien on the Security that is senior to Bank of America.
- **Additional Bonds Test:** Borrower may issue additional debt obligations with a lien on the Security on a parity with the Credit Facility, subject to the following terms and conditions:
 - a) No event of default has occurred for any Senior Lien Obligation, any Parity Obligation, or any other obligations with a lien on the Security issued on a parity with the Credit Facility; and
 - b) No deficiencies exist in a Bond Account or a Debt Service Reserve Account for any outstanding Senior Lien Obligations, any Parity Obligations, or any other obligations with a lien on the Security issued on a parity with the Credit Facility; and either
 - c) Tax Increment Revenues during the 12 months immediately preceding the issuance of the Additional Parity Obligations were not less than 1.25 times of the actual total debt service that is scheduled to be paid (including all outstanding Senior Lien Obligations, Parity Obligations and any Additional Parity Obligations) during each fiscal year that the Additional Parity Obligations are outstanding; or
 - d) Tax Increment Revenues projected by an Independent Consultant will not be less than 1.35 times the actual total debt service that is scheduled to be paid (including all outstanding Senior Lien Obligations, Parity Obligations and any Additional Parity Obligations) during each fiscal year that the Additional Parity Obligations are outstanding.
- Borrower may reduce the size of the Urban Renewal Area, subject to the following conditions
 - a) After taking into consideration the effects of the reduction, actual Tax Revenues during the fiscal year in which the reduction occurs are no less than 150% of the combined maximum annual debt service for all outstanding Senior Lien Obligations and Parity Obligations; or
 - b) Based on the report of an independent professional consultant with experience and expertise in urban renewal financing, after taking into consideration the effects of the reduction projected Tax Increment Revenues are no less than 150% of the combined maximum annual debt service for all outstanding Senior Lien Obligations and Parity Obligations.

DOCUMENTATION:

All documentation, including the form of legal opinion to be issued by Borrower's bond counsel, is subject to review and approval by Bank of America's legal counsel. Documentation to include:

- An unqualified legal opinion of nationally recognized bond counsel, in form and substance acceptable to Bank and its legal counsel, that (i) the resolution and all documents related to the Credit Facility have been properly adopted, authorized and executed; (ii) the resolution and all documents related to the Credit Facility constitute a legally binding obligation of the Borrower, payable from the Security and enforceable according to their terms (subject to standard exceptions) (iii) interest payable on the Credit Facility is excludable from gross income for purposes of federal and state income taxes; and (iv) Borrower has designated the Credit Facility as a "qualified tax-exempt obligation".
- A copy of the Resolution passed by the Council authorizing the issuance of the Credit Facility;
- Receipt of the original signed Purchase Agreement and Bond at closing.

FINANCIAL REPORTING REQUIREMENTS:

Financial Information from Borrower. Borrower to provide financial information and statements in form and content acceptable to Bank of America indicated below:

- Within 270 days of fiscal year end, Borrower's audited annual financial statements.
- Within 45 days of adoption, Borrower's annual budget.
- Borrower to notify Bank of America promptly of any material adverse development, which might reduce or retard Borrower's receipt of resources pledged to the repayment of the Credit Facility.

EVENTS OF DEFAULT:

Usual and customary in transactions of this type.

If an event of default occurs due to (i) nonpayment of principal, interest, fees or other amounts when due, or (ii) failure to maintain the tax exempt status of the Credit Facility, then Bank of America may increase the interest rate spread by three percent (3.0%).

GOVERNING LAW/ARBITRATION:

State of Oregon. Any dispute arising out of or related to this letter or the final loan documentation shall be determined by binding arbitration in accordance with the Federal Arbitration Act. All arbitration proceedings shall be conducted through the American Arbitration Association (an independent, alternative dispute resolution service).

EXPENSES:

Borrower will pay all reasonable costs and expenses associated with the preparation, due diligence, administration and enforcement of all documentation executed in connection with the Credit Facility, including Bank of America's attorneys' fees. Bank of America's attorneys' fees for initial review and approval of documentation are subject to a cap of \$1,200.

EXPIRATION OF PROPOSAL:

The terms proposed herein lapse if the subject transaction is not closed by July 1, 2010.

This Summary of Terms and Conditions contains confidential and proprietary loan structuring and pricing information. Except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the credit facilities contained in this Summary of Terms and Conditions or as may be required by law, the contents of the Summary of Terms and Conditions may not be disclosed in whole or in part to any other person or entity without our prior written consent, provided that nothing herein shall restrict disclosure of information relating to the tax structure or tax treatment of the proposed credit facilities.

Under Oregon law, most agreements, promises, and commitments made by Bank concerning loans and other credit extensions which are not for personal, family, or household purposes or secured solely by the borrower's residence must be in writing, express consideration, and be signed by Bank to be enforceable.

Exhibit A:
Prepayment Fee

Prior to (Maturity/the Par Call Date), the Credit Facility may be prepaid in whole, or in part, on any date, with three (3) days prior written notice to Bank of America by payment of an amount equal to the principal amount to be prepaid plus accrued interest thereon to the date of prepayment plus the Prepayment Fee. For purposes hereof, the Prepayment Fee will be the sum of fees calculated separately for each Prepaid Installment, as follows:

(i) The Bank will first determine the amount of interest which would have accrued each month for the Prepaid Installment had it remained outstanding until the applicable Original Payment Date at the Initial Cost of Funds Rate applicable to the Prepaid Installment under this Agreement.

(ii) The Bank will then subtract from each monthly interest amount determined in (i), above, the amount of interest which would accrue for that Prepaid Installment if it were reinvested from the date of prepayment or redemption through the Original Payment Date, using the Treasury Rate.

(iii) If (i) minus (ii) for the Prepaid Installment is greater than zero, the Bank will discount the monthly differences to the date of prepayment or redemption by the Treasury Rate. The Bank will then add together all of the discounted monthly differences for the Prepaid Installment.

The following definitions will apply to the calculation of the Prepayment Fee:

(i) "Initial Cost of Funds Rate" means the fixed interest rate of interest per annum representing, in Bank's sole and absolute discretion, Borrower's cost of purchasing funds, or the cost of purchasing and exchanging funds through swaps or other derivative products, for an amount and under terms reflecting the characteristics of the Prepaid Installment from the date the Loan shall begin to bear interest at the Note Rate through Maturity.

(ii) "Original Payment Dates" mean the dates on which the prepaid or redeemed principal would have been paid if there had been no prepayment or redemption. If any of the principal would have been paid later than the end of the fixed rate interest period in effect at the time of prepayment or redemption, then the Original Payment Date for that amount will be the last day of the interest period.

(iii) "Prepaid Installment" means the amount of the prepaid or redeemed principal which would have been paid on a single Original Payment Date.

(iv) "Treasury Rate" means the yield on the Treasury Constant Maturity Series with maturity equal to the Original Payment Date of the Prepaid Installment which are principal payments (calculated as of the prepayment in accordance with accepted financial practice and rounded to the nearest quarter-year), as reported in Federal Reserve Statistical Release H.15, Selected Interest Rates of the Board of Governors of the Federal Reserve System, or any successor publication. If no maturity exactly corresponding to such Original Payment Date appears in Release H.15, the Treasury Rate will be determined by linear interpolation between the yields reported in Release H.15. If for any reason Release H.15 is no longer published, the Bank of America shall select a comparable publication to determine the Treasury Rate.

ATTACHMENT B



Bank of America, N.A.
Government Banking
OR1-129-17-15
121 SW Morrison Street
Suite 1700
Portland, OR 97204-3117

Sharon Capizzo
Senior Vice President
Tel 503.795-8395
Fax 503.795-6404
Sharon.capizzo@banam.com

June 1, 2010

Craig Gibbons
Finance Director
City of Sherwood
22560 SW Pine Street
Sherwood, OR 97140

Re: 2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility

Dear Craig:

Attached is a proposal for Bank of America to extend the Maturity Date of the above-referenced Credit Facility. This letter is not a commitment to lend or otherwise to advance funds. Such commitment can only be given pursuant to our complete due diligence and necessary credit approval.

The terms proposed herein lapse at 5:00 p.m. on Thursday, July 8, unless extended by mutual agreement. Please call either me at, or Doug Bowsby at 503-795-6459, to discuss any questions or comments you may have regarding the proposal.

We look forward to working with you on this transaction.

Very truly yours,

BANK OF AMERICA, N.A.

Sharon Capizzo
Senior Vice President

Douglas Bowsby
Senior Vice President

Cc: Julie Blums, City of Sherwood
Tom Nelson, City of Sherwood
Merlean Locke, Bank of America

SUMMARY OF TERMS AND CONDITIONS
URBAN RENEWAL AGENCY OF THE CITY OF SHERWOOD, OREGON
June 1, 2010



This Term Sheet Proposal is presented for discussion purposes only. It is not a commitment to lend by Bank of America or any of its affiliates. Bank of America may withdraw or amend it at any time in its sole discretion. If Bank of America does extend a loan commitment, the actual terms and conditions (including pricing and financial covenants) will be subject to completion of due diligence, Bank of America's credit and documentation standards, necessary credit approval, market conditions and other considerations determined by Bank of America in its sole discretion.

- BORROWER:** Urban Renewal Agency of the City of Sherwood, Oregon (the "Borrower").
- LENDER:** Bank of America, N.A. ("Bank of America").
- CREDIT FACILITY:** Renewal of \$7,065,000 2008 Sherwood Urban Renewal Area Non-Revolving Credit Facility (the "Credit Facility").
- INTEREST RATE:** No change to existing pricing.
- RENEWAL FEE:** \$2,500, payable at closing.
- REPAYMENT/MATURITY:** The Maturity Date shall be extended to July 8, 2011.
- LEGAL OPINION:** Borrower to provide a legal opinion of nationally recognized bond counsel, in form and substance acceptable to Bank and its legal counsel, that (i) the resolution and all documents related to renewal of the Credit Facility have been properly adopted, authorized and executed; and (ii) the resolution and all documents related to renewal of the Credit Facility constitute a legally binding obligation of the Borrower, payable from the Security and enforceable according to their terms (subject to standard exceptions).
- OTHER TERMS AND CONDITIONS:** All other terms and conditions remain unchanged.
- EXPENSES:** Borrower will pay all reasonable costs and expenses associated with the preparation, due diligence, administration and enforcement of all documentation executed in connection with the Credit Facility, including Bank of America's attorneys' fees. Bank of America's attorneys' fees for review and approval of documentation for this renewal are subject to a cap of \$600.

This Summary of Terms and Conditions contains confidential and proprietary loan structuring and pricing information. Except for disclosure on a confidential basis to your accountants, attorneys and other professional advisors retained by you in connection with the credit facilities contained in this Summary of Terms and Conditions or as may be required by law, the contents of the Summary of Terms and Conditions may not be disclosed in whole or in part to any other person or entity without our prior written consent, provided that nothing herein shall restrict disclosure of information relating to the tax structure or tax treatment of the proposed credit facilities.

Under Oregon law, most agreements, promises, and commitments made by Lender concerning loans and other credit extensions which are not for personal, family, or household purposes or secured solely by the borrower's residence must be in writing, express consideration, and be signed by Lender to be enforceable.

ATTACHMENT C

\$7,065,000.00

City of Sherwood, Oregon
Tax-Exempt Urban Renewal Refunding Bond
(TIFF Revenues Pledge)

Sources & Uses

Dated 07/01/2010 | Delivered 07/01/2010

Sources Of Funds

Par Amount of Bonds	\$7,065,000.00
Reoffering Premium	27,388.00
Total Sources	\$7,092,388.00

Uses Of Funds

Costs of Issuance	70,650.00
Deposit to Refunding Escrow	7,021,738.00
Total Uses	\$7,092,388.00

\$7,065,000.00

City of Sherwood, Oregon
Tax-Exempt Urban Renewal Refunding Bond
(TIFF Revenues Pledge)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
07/01/2010	-	-	-	-
07/01/2011	135,000.00	4.000%	413,431.26	548,431.26
07/01/2012	140,000.00	4.000%	408,031.26	548,031.26
07/01/2013	145,000.00	4.000%	402,431.26	547,431.26
07/01/2014	155,000.00	4.000%	396,631.26	551,631.26
07/01/2015	170,000.00	4.500%	390,431.26	560,431.26
07/01/2016	180,000.00	4.500%	382,781.26	562,781.26
07/01/2017	200,000.00	5.000%	374,681.26	574,681.26
07/01/2018	225,000.00	5.000%	364,681.26	589,681.26
07/01/2019	245,000.00	5.250%	353,431.26	598,431.26
07/01/2020	275,000.00	5.500%	340,568.76	615,568.76
07/01/2021	310,000.00	5.750%	325,443.76	635,443.76
07/01/2022	345,000.00	5.750%	307,618.76	652,618.76
07/01/2023	385,000.00	6.000%	287,781.26	672,781.26
07/01/2024	430,000.00	6.000%	264,681.26	694,681.26
07/01/2025	475,000.00	6.250%	238,881.26	713,881.26
07/01/2026	530,000.00	6.250%	209,193.76	739,193.76
07/01/2027	585,000.00	6.375%	176,068.76	761,068.76
07/01/2028	645,000.00	6.500%	138,775.00	783,775.00
07/01/2029	710,000.00	6.500%	96,850.00	806,850.00
07/01/2030	780,000.00	6.500%	50,700.00	830,700.00
Total	\$7,065,000.00	-	\$5,923,093.92	\$12,988,093.92

Yield Statistics

Bond Year Dollars	\$96,380.00
Average Life	13.642 Years
Average Coupon	6.14556333%
Net Interest Cost (NIC)	6.1171466%
True Interest Cost (TIC)	6.0452334%
Bond Yield for Arbitrage Purposes	6.0452334%
All Inclusive Cost (AIC)	6.1583921%

IRS Form 8038

Net Interest Cost	6.1097685%
Weighted Average Maturity	13.606 Years

ATTACHMENT D

Geoff Urbina
206.684.6259
geoff_a_urbina@keybanccm.com



City of Sherwood, Oregon (Urban Renewal Agency)

Preliminary Summary of the City of Sherwood, Oregon Tax-Exempt Full Faith & Credit Bond Financing May 28, 2010

(For Discussion Purposes Only – Information Subject to Change)

Bond Issuer: City of Sherwood, Oregon (the "City").

Bond Underwriter: KeyBanc Capital Markets, Inc.

Bond Issue: \$7,065,000 Tax-Exempt Full Faith & Credit Bond (Urban Renewal).

Purpose: Bond proceeds will be used to refund principal outstanding on the City's 2008 Urban Renewal Agency Non-Revolving Credit Facility, and for costs of issuance.

The City's Current and Assumed Underlying Full Faith & Credit Bond Rating: Aa3 (Moody's).

Amortization Structure: 20-year amortization with ramping debt service.

Debt Service Payment: Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months.
Principal is payable on an annual basis, beginning July 1, 2011.
Interest is payable on a semi-annual basis, beginning January 1, 2011.

Optional Redemption: The City reserves the right and option to redeem Bonds maturing on or after July 1, 2021, prior to their stated maturity dates at any time on or after July 1, 2020, as a whole or in part, at par plus accrued interest to the date fixed for redemption.

Security: The City will pledge its full faith and credit, including its limited taxing power available to it under the law which is necessary to generate funds sufficient for debt service, to the payment of principal and interest as they become due and payable.

Interest Rate: Fixed-Rate Bonds @ 4.19% All-in TIC, which is based on market conditions as of May 25, 2010. The All-in TIC is subject to change depending on market conditions.

Estimated Bond Issuance Costs: Underwriter's Discount: \$5.25/\$1,000 of bond par amount.
Costs of Issuance: \$4.75/\$1,000 of bond par amount.

\$7,065,000.00

City of Sherwood, Oregon
Tax-Exempt Urban Renewal Refunding Bond
(Full Faith & Credit Pledge)

Sources & Uses

Dated 07/01/2010 | Delivered 07/01/2010

Sources Of Funds

Par Amount of Bonds	\$7,065,000.00
Reoffering Premium	336,334.10
Total Sources	\$7,401,334.10

Uses Of Funds

Costs of Issuance	70,650.00
Rounding Amount	7,330,684.10
Total Uses	\$7,401,334.10

\$7,065,000.00

City of Sherwood, Oregon
Tax-Exempt Urban Renewal Refunding Bond
(Full Faith & Credit Pledge)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
07/01/2010	-	-	-	-
07/01/2011	170,000.00	3.000%	307,375.00	477,375.00
07/01/2012	175,000.00	3.000%	302,275.00	477,275.00
07/01/2013	180,000.00	3.000%	297,025.00	477,025.00
07/01/2014	190,000.00	3.000%	291,625.00	481,625.00
07/01/2015	200,000.00	3.500%	285,925.00	485,925.00
07/01/2016	215,000.00	3.500%	278,925.00	493,925.00
07/01/2017	230,000.00	4.000%	271,400.00	501,400.00
07/01/2018	250,000.00	4.000%	262,200.00	512,200.00
07/01/2019	270,000.00	4.000%	252,200.00	522,200.00
07/01/2020	300,000.00	4.000%	241,400.00	541,400.00
07/01/2021	325,000.00	4.000%	229,400.00	554,400.00
07/01/2022	355,000.00	4.000%	216,400.00	571,400.00
07/01/2023	385,000.00	4.000%	202,200.00	587,200.00
07/01/2024	420,000.00	4.000%	186,800.00	606,800.00
07/01/2025	455,000.00	5.000%	170,000.00	625,000.00
07/01/2026	495,000.00	5.000%	147,250.00	642,250.00
07/01/2027	540,000.00	5.000%	122,500.00	662,500.00
07/01/2028	585,000.00	5.000%	95,500.00	680,500.00
07/01/2029	635,000.00	5.000%	66,250.00	701,250.00
07/01/2030	690,000.00	5.000%	34,500.00	724,500.00
Total	\$7,065,000.00	-	\$4,261,150.00	\$11,326,150.00

Yield Statistics

Bond Year Dollars	\$92,190.00
Average Life	13.049 Years
Average Coupon	4.6221391%
Net Interest Cost (NIC)	4.2573120%
True Interest Cost (TIC)	4.0901967%
Bond Yield for Arbitrage Purposes	3.8455322%
All Inclusive Cost (AIC)	4.1901639%

IRS Form 8038

Net Interest Cost	4.0588910%
Weighted Average Maturity	13.065 Years

Approved Minutes

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
June 1, 2010
22560 SW Pine Street, Sherwood Oregon 97140**

WORK SESSION

1. **CALL TO ORDER:** Board Chair Keith Mays called the meeting to order at 8:40pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Heironimus, Dave Grant, Linda Henderson, Lee Weislogel, Del Clark and Robyn Folsom.
3. **STAFF & LEGAL COUNSEL PRESENT:** City Manager Jim Patterson, Police Chief Jeff Groth, Finance Director Craig Gibons, Community Services Director Kristen Switzer, Economic Development Manager Tom Nelson, Budget Officer Julie Blums, City Engineer Bob Galati and District Recorder Sylvia Murphy. City Attorney Paul Elsner.

4. **TOPIC DISCUSSED:**

1. **Options for handling the Expiring Credit Facility**

Finance Director Craig Gibons briefed the Board and provided a handout explaining options for handling the expiring Facility, a temporary line of credit which expires July 8, 2010. (See record, Exhibit A). Board discussion followed with staff's recommendation of Option D. The Board concluded with a consensus to have staff bring back legislation at a future meeting for Board consideration.

2. **Cannery Site Design standards on Plaza and Streets:**

Tom Nelson stated the Board discussed at their previous work session design standards and he is seeking the Boards authorization to move forward as the City has construction drawings that are 100% complete. Board discussion followed regarding elements of the plaza design with specific discussion regarding the color of the light poles. The Board conceded to continue discussion of design elements in open session to allow for a decision to be made.

3. **ADJOURNED:** Chair Mays adjourned at 9:02pm.

REGULAR URA BOARD MEETING

1. **CALL TO ORDER:** Chair Keith Mays called the meeting to order at 9:03pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Heironimus, Dave Grant, Linda Henderson, Lee Weislogel, Del Clark and Robyn Folsom.
3. **STAFF & LEGAL COUNSEL PRESENT:** City Manager Jim Patterson, Police Chief Jeff Groth, Finance Director Craig Gibons, Budget Officer Julie Blums, Community Services Director Kristen Switzer, Economic Development Manager Tom Nelson, City Engineer Bob Galati and District Recorder Sylvia Murphy. City Attorney Paul Elsner.

4. NEW BUSINESS:

- A. URA Resolution 2010-001 Adopting the 2010-11 Budget of the City of Sherwood Urban Renewal Agency, Making appropriations, imposing and categorizing taxes, and authorizing the District Manager to take such action necessary to carry out the adopted budget**

Chair Mays stated the URA Board held a public hearing at their previous meeting, and made the following motion.

MOTION: FROM CHAIR MAYS TO ADOPT URA RESOLUTION 2010-001, SECONDED BY LEE WEISLOGEL. ALL BOARD MEMBERS VOTED IN FAVOR.

Prior to receiving a vote, Ms. Henderson asked if the budget included the work session topic the Board discussed this evening. Julie Blums replied yes and said there is \$9 million of new debt for next year. Ms. Henderson asked and with the appropriate interest expense? Julie confirmed.

Chair Mays addressed the next agenda item and asked the District Recorder to read the required public hearing statement.

Statement: The Urban Renewal Board of Directors will hold a public hearing to receive testimony on URA Resolution 2010-002 exempting a public improvement contract from traditional bidding in accordance with ORS 297c.335(2). The purpose of the hearing is to allow the public an opportunity to submit testimony on the above said item. The order of business the Board will follow is to hear a staff report, receive public testimony, additional staff comments and questions from the Board. The hearing will then be closed and no further testimony will be received, discussion by the Board will follow. Any interested person may present testimony, if you wish to speak please fill out the testimony form and submit it to the City Recorder. The Chair will recognize those wishing to speak and any questions should be addressed through the Chair. When you come to the microphone, please state your name and address for the record as this hearing will be recorded. Please speak clearly into the microphone and limit your testimony to four minutes.

5. PUBLIC HEARING:

- A. URA Resolution 2010-002 Exempting a Public Improvement Contract from traditional bidding in accordance with ORS 279c.335(2)**

City Engineer Bob Galati came forward and explained the resolution and recapped information in the staff report.

Chair Mays opened the public hearing to receive testimony.

Tim Baugus 15347 SW Sunset Blvd Sherwood came forward and stated he is employed with Skanska USA Building and stated Skanska contracts with the CM/GC method quite a bit and stated he considers himself an expert with the CM/GC method and said Skanska also hard bids a lot of projects. Mr. Baugus stated the CM/GC method of contracting is a win-win situation for everybody involved, it's a team environment and a lot of the preconstruction that is done upfront saves the client a lot of money. Mr. Baugus gave examples of projects Skanska did with the Sherwood School District, gave examples of hard bid projects that came in over budget and projects utilizing the CM/GC method. Mr. Baugus encouraged the Board to review and support this method of contracting and stated the process is a competitive process and is competitive at the subcontractor level as well.

Chair Mays thanked Mr. Baugus and asked to receive other testimony.

Andrew Beyer 2747 SW Corbet Ave. Portland Oregon 97201 came forward and stated he works for LCG Pense and informed the Board he promotes the CM/GC process and explained the process to the Board. Mr. Beyer stated the process is a competitive process and encouraged the Board to support the legislation.

Chair Mays thanked Mr. Beyer and with no other testimony received, closed the public hearing and called forward the City Engineer.

Ms. Folsom asked if the citizens involved in the Steering Committee lose control of the design aspects of the project and how do they become part of the team. Bob replied not necessarily and said they become part of the team and are a vital part as they set the direction of where the project will end up and said he believes the CM/GC process gives a certain aspect that would not have been readily available. Bob gave examples.

Ms. Folsom asked if we have any say as to whom Capstone can bring into the team at the beginning of the project. Bob replied that would be negotiated upfront and the City would be a part of the process. Bob stated this method is what you would want particularly with the Machine Works project.

Ms. Henderson asked under a public improvement contract what requires a traditional bidding process to take place. Bob replied a traditional bidding process is a design, bid, build and said the design is completed upfront and gets submitted for a public bidding process and when the bids come in its constructed according to the plan as they were generated. Bob gave examples of projects like Snyder Park and the Street project and a project like a building design where there are a lot of unknowns.

Chair Mays stated the feedback he received from the School District when they used this method was very positive.

Ms. Henderson asked for more clarification and said if we approve this resolution, staff and Capstone will go back and draft an RFP and the RFP will go out for a CM/GC and the individuals like the ones who testified would reply to the RFP, Bob replied correct. Ms. Henderson said those individuals work for large companies and when we hire that construction manager and they go out for competitive bidding, why would their firm not be the firm that gets hired. Bob replied, the construction company would yes, do a fair amount of work on the project but doubts that one company has the ability to cover all the trades necessary to do a single project. Bob gave examples of his experience with large projects and construction firms not covering all aspects of a project like HVAC, electrical, painting, etc. they will most likely sub this out. Ms. Henderson asked if this process of subbing is competitive, Bob replied yes and said the general contractor is looking to get the best price as he has already given us the maximum cost for the project.

Ms. Henderson asked what the contract will be based on. Bob replied the contract will be negotiated with staff, City attorneys and contractor attorneys. Ms. Henderson confirmed that we are doing this CM/GC process because of the type of project we have with the Machine Works building, bob confirmed and explained.

City Manager Patterson commented in regards to concerns raised by Ms. Folsom and the Steering Committee' participation and said he likes this method as it empowers folks on a committee or team to have more information quicker. Mr. Patterson gave examples of potential additional costs associated with a project of this nature due to the unknowns and stated this process allows for more citizen participation.

With no further questions or comments the following motion was received.

MOTION: FROM CHAIR MAYS TO ADOPT URA RESOLUTION 2010-002, SECONDED BY LINDA HENDERSON. ALL BOARD MEMBERS VOTED IN FAVOR.

Chair Mays stated in work session this evening the Board discussed design elements of the Cannery Plaza and streets and a concern and question was raised regarding the color of light poles. Chair Mays stated the plan has a mix to reflect and echo what's in Old Town and there was a desire to have all light poles be black.

Chair Mays made the following motion:

MOTION: CHAIR MAYS MOVED THAT ALL LIGHT POLES IN THE CANNERY PROJECT AS PART OF THE URBAN RENEWAL DISTRICT PROJECT BE BLACK. SECONDED BY MS. HENDERSON.

Prior to receiving a vote, Ms. Henderson asked to clarify that this is to put the same type of black pole we currently have in Old Town only in the color black not blue. Chair Mays replied correct, I'm not impacting the design, only the color and in my motion it should include bollards, benches etc.

AMENDED MOTION: CHAIR MAYS MOVED THAT ALL LIGHT POLES, BOLLARDS, BENCHES ETC. IN THE CANNERY PROJECT AS PART OF THE URBAN RENEWAL DISTRICT PROJECT BE BLACK. SECONDED BY MS. HENDERSON.

Tom Nelson stated in the plaza there are also poles that are bronze. Mr. Henderson confirmed there are three lights poles in the Cannery square that are smaller and multi-functional and will have multi-directional lights and speakers, they are not street lights but a utility pole and they are bronze and do not come in black. Ms. Henderson stated there are also trellis types of fixtures that are also bronze.

Tom Nelson suggested the Board adopt the standards that have been presented, accepting those poles that have been designated blue in the standards, will be black. Discussion followed to include accessories as well.

Chair Mays stated he doesn't know if he wants bronze and withdrew the motion. Discussion followed and Chair Mays stated he has decided not to withdraw his motion and stated his motion was to have all lights, bollards, benches be black and said this is what was seconded.

Chair Mays called for a vote on the motion: No vote was received, motioned failed.

Ms. Folsom asked Ms. Henderson how many members were on the Steering Committee. Ms. Henderson replied it varies and said there are currently 2 representatives from the architect's office Kurt Lango and Allisa his assistant, Kristen Switzer Community Services Director, people from the public works department and herself. Ms. Henderson stated no one ever weighed in on this and said it was presented as blue and said she had a healthy conversation with Bob about blue and black and he asked for the Board to make a decision so we can move forward. Ms. Henderson said she had a conversation with the architect and he recommended black, his personal opinion, but as a Steering Committee we had a conversation about blanket materials, brick, sandstone and granite.

Ms. Folsom stated the following motion:

MOTION: ALL LIGHT POLES THAT WERE BLUE BE BLACK.

Chair Mays asked what about bollards and benches?

Ms. Folsom continued with her motion: **...AS PREVIOUSLY STATED IN THE DESIGN AS PRESENTED.**

Board members wanted clarification and Chair Mays asked if Ms. Folsom wanted the motion language suggested by Tom Nelson. Ms. Folsom confirmed and Chair Mays asked Mr. Nelson to repeat the suggested motion for Ms. Folsom to formally make her motion.

MOTION: TO APPROVE ALL THE DESIGN STANDARDS THAT HAVE BEEN SHOWN TO THE BOARD, ACCEPTING THAT ANYTHING THAT WAS BLUE, BEING POLES, ACCESSORIES, BE BLACK.

MS. FOLSOM ACCEPTED THIS SUGGESTED MOTION, MOTION SECONDED BY MR. HEIRONIMUS.

Chair Mays asked for Board discussion.

Ms. Henderson stated for clarification it is all street lights, bollards, trash cans, benches, accessories related to street lights and street light features with the exception of the lighting in the square, will be black. So we are making one design color standard change, everything else remains the same. Mr. Nelson confirmed.

Chair Mays asked for Board comments.

Mr. Weislogel stated he struggles with the fact that we may have two halves of an Old Town and said if Old Town was black, he could support black in the Cannery. Mr. Weislogel said he supports blue in the Cannery because he wants it to be one Old Town and said in meeting with the Old Town businesses they expressed concerns that the spotlight, dollars and pizzazz would be across the tracks and for this reason he supports blue.

Mr. Grant stated he reinforces what was said in the work session and said this would make us look like idiots. Ms. Henderson replied she resents being called an idiot in open session.

Chair Mays stated we had a fairly small design group and asked if the design group had presented the design for the Plaza to the Parks Board and if they weighed in on it. Staff commented from the audience and stated the architect Kurt Lango made a presentation to the Parks Board in April of an overall conceptual design.

Ms. Folsom commented no, we would have but she was unable to attend that Parks Board meeting.

Mr. Heironimus reiterated the personal choice of the architect was black.

Mr. Grant stated he was disappointed the Board was having this discussion and not one single subcommittee or board has discussed this issue and said that is what we talked about before when the so-called mistake was made and no one has weighed in on this except for one guy and his opinion.

Chair Mays asked for other comments, with none received he called for a vote on the proposed motion.

VOTE: MOTION FAILED 3:4 (HEIRONIMUS, HENDERSON AND FOLSOM IN FAVOR; MAYS, GRANT, WEISLOGEL AND CLARK OPPOSED).

Chair Mays made the following motion:

MOTION: TO ACCEPT THE DESIGN PLAN AS PRESENTED WITH ELEMENTS AS PRESENTED IN THE COLOR COMBINATION.

Prior to receiving a second on the motion, Chair Mays stated his preference would be to send this to the Parks Board and have them vote on it and said but we need to move this along.

SECOND TO THE MOTION: SECONDED BY MR. GRANT.

Chair Mays asked for discussion on the motion.

Mr. Heironimus commented we heard loud and clear from the citizens this last time on the blue choice, mistake or not, the vast majority of people that came to Council, wrote letters, talked to us individually said "what were you thinking". Mr. Heironimus asked the Board to remember the citizen comments received when we invest millions of dollars.

Chair Mays called for a vote:

VOTE: MOTION PASSED 4:3 (MAYS, GRANT, WEISLOGEL AND CLARK IN FAVOR; HEIRONIMUS, HENDERSON AND FOLSOM OPPOSED).

Chair Mays addressed the next agenda item.

6. STAFF REPORTS: None.

With no other business to address Chair Mays adjourned the URA Board meeting.

7. ADJOURNED: Chair Mays adjourned at 9:43pm.

Submitted by:

Approved:



Sylvia Murphy, CMC, District Recorder



Keith S. Mays, Chairman