



Home of the Tualatin River National Wildlife Refuge

URBAN RENEWAL AGENCY MEETING PACKET

FOR

Wednesday, November 14, 2012

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

URA Board of Directors Meeting

(Following the City Council Meeting)

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

**Wednesday, November 14, 2012
Following the City Council meeting**

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

REGULAR URA MEETING

1. CALL TO ORDER

2. ROLL CALL

3. CONSENT

- A. Approval of September 18, 2012 URA Board Meeting Minutes**
- B. URA Resolution 2012-023 Appointing Todd McCabe to Sherwood Urban Renewal Plan Advisory Committee (SURPAC)**

4. STAFF REPORTS

5. ADJOURN

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
Tuesday, September 18, 2012
22560 SW Pine Street, Sherwood, Oregon 97140**

REGULAR SESSION

1. **CALL TO ORDER:** Chair Mays called the meeting to order at 6:35 pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Matt Langer and Bill Butterfield. Krisanna Clark arrived at 6:38 pm. Linda Henderson and Robyn Folsom were absent.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Joe Gall, Community Development Director Tom Pessemier, Finance Director Craig Gibons, Police Chief Jeff Groth, Police Captain Mark Daniel, City Engineer Bob Galati, Agency Recorder Sylvia Murphy. City Attorney Paul Elsner.

Chair Mays addressed the Consent Agenda and asked for a motion.

4. **CONSENT AGENDA:**
 - A. **Approval of August 7, 2012 URA Board Meeting Minutes**
 - B. **Approval of September 4, 2012 URA Board Meeting Minutes**

MOTION: FROM DAVE GRANT TO APPROVE THE CONSENT AGENDA, SECONDED BY BILL BUTTERFIELD. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR, MOTION PASSED 4:0 (HENDERSON, FOLSOM & CLARK HAD NOT ARRIVED YET).

Chair Mays addressed the next agenda item.

5. **NEW BUSINESS:**
 - A. **URA Resolution 2012-018 A Resolution of the Sherwood Urban Renewal Agency approving the Sixteenth Amendment to the Sherwood Urban Renewal Plan, dated August 29, 2000 to amend Plan Goals and Objectives**

Tom Pessemier Community Development Director came forward and stated this is the sixteenth amendment to the Urban Renewal Plan originally adopted in 2000 and in 2005 there was a fifth amendment to the Plan which allowed the purchase of the cannery properties and redevelopment of that property. Tom stated as we get closer to a position of being able to sell some of the property, we have gone back and looked at the Urban Renewal Plan and have decided to recommend some changes in regards to specific sections, mostly to do with housing and planned unit development that has been approved by the City Council. Tom explained the planned unit development allows for transfer of densities inside a PUD and the original plan did not contemplate those types of things. Tom stated this is mostly clean up but puts us in a place to sell properties and said this is a resolution for the URA Board and there will be a corresponding ratification resolution before the City Council later tonight.

Chair Mays thanked Tom and asked for questions of the Board, with none received he made the following motion.

Recorder note: URA Board member Krisanna Clark arrived during staff presentation at 6:38 pm.

MOTION: FROM CHAIR MAYS TO ADOPT URA RESOLUTION 2012-018, SECONDED BY DAVE GRANT. ALL PRESENT BOARD MEMBERS VOTED IN FAVOR, MOTION PASSED 5:0 (HENDERSON AND FOLSOM HAD NOT ARRIVE YET).

Chair Mays stated the Board would address the remainder of the items on the agenda after the City Council meeting this evening.

6. RECESSED:

Chair Mays recessed the URA Board meeting at 6:40 pm to convene to a City Council session and reconvened the URA Board meeting at 8:01 pm.

RECONVENED

1. **CALL TO ORDER:** Chair Mays reconvened the URA Board meeting at 8:01 pm.
2. **URA BOARD PRESENT:** Chair Keith Mays, Dave Grant, Matt Langer, Bill Butterfield, Krisanna Clark, Linda Henderson and Robyn Folsom.
3. **STAFF AND LEGAL COUNSEL PRESENT:** City Manager Joe Gall, Community Development Director Tom Pessemier, Public Works Director Craig Sheldon, Finance Director Craig Gibons, Police Chief Jeff Groth, Police Captain Mark Daniel, City Engineer Bob Galati, Civil Engineer Jason Waters, and Agency Recorder Sylvia Murphy. City Attorney Paul Elsner.

Chair Mays continued with addressing the following business.

4. NEW BUSINESS

B. URA Resolution 2012-019 A Resolution of the Urban Renewal Agency of the City of Sherwood, directing the Agency Manager to sign the amended and restated Development Services Agreement for the Cannery Development

Tom Pessemier Community Development Director stated his presentation will combine all four URA Resolutions as they are related and contractually tied together. Tom stated in 2000 the Urban Renewal Plan addressed development inside the Urban Renewal District and the plan was essentially the start of the Urban Renewal District and what the goals and objectives were inside of that. In 2005 the Urban Renewal Plan was changed to add the cannery property and in this same year LeLand Consulting was hired to prepare a development strategy for that property and that essentially identified what the city wanted to do in order to develop the property and eventually sell the different properties. In 2007 the Urban Renewal Agency prepared Request for Proposals to select a preferred developer to work with the Urban Renewal Agency to develop that property, this was a competitive process that was advertised and Capstone Partners was the

selected developer to work with the Urban Renewal Agency in 2008. In late 2008 the Urban Renewal Agency signed a Memorandum of Understanding with Capstone Partners and that eventually turned into three agreements; the Purchase and Sale Agreement, the Development Services Agreement, and the Site Development Agreement that formed the basis of the different responsibilities for Capstone Partners and the Urban Renewal Agency. Tom stated in 2009 these agreements were modified and different timing elements were better defined at that point as well as market conditions had changed and there was a first amendment to each of these agreements. Tom informed the Board staff is proposing amending and restating the agreements so that they are very clear in the documents verses previously where you had to go to three different agreements to figure things out. Tom stated the reason for doing this is we have a better idea of the timing, responsibilities and the market conditions that exist today. Tom said many of the things in these agreements have been accomplished both on the public side and private side and having documents reflect where we are currently makes a lot of sense. Tom stated the attorneys have thoroughly reviewed the documents and actually prepared them, not only our attorney but Capstone's attorneys as well and the urban renewal staff and Capstone have been very involved. Tom stated we worked hard to make these documents the best that we possibly can so they reflect the different responsibilities.

Tom addressed the Purchase and Sale Agreement and stated the major changes are identifying the different items that have been accomplished for the last four years since 2008 when originally put in place. Tom stated there were phrases that were used throughout the document and were not clear as to what was property and what was land, and said now that we have a recorded plat it's easy to define those better and define what land was to make that clear, so as we sold land it was clear as to what we were doing. Tom stated the infrastructure improvement completion date was defined and that date is December 16, 2011 and there are a number of things in the documents that comes from that date, primarily the two most important are the first take down date and the last take down date. Tom explained the first take down date is essentially the first date at which a phase of the property will be purchased and that is two years from the infrastructure completion date and this date would be December 16, 2013. Tom said there's an expectation that the first phase of the project will have been taken down. Tom explained the last take down date is when essentially the last phase is expected to be taken down and this date is December 16, 2018. Tom stated those were not really defined before as we did not have a date for the infrastructure improvements and those have now been defined to a date.

Tom stated the ability to purchase individual phases was defined and said there were two phases in the previous document and it's obvious as each individual building is ready to be built it would want to be it's own phase. Tom stated Section C was added, which documents the work that has been done to date by the Urban Renewal Agency. Tom explained there were a number of changes in regards to Lot 1, this is the lot outside of the Machine Works Building and this lot was always intended to be a shared lot for parking for the Community Center as well as a building to be built by the private developer, and in regards to the parking lot that was not clear in this document so we worked to make sure that was clear.

Tom stated, financially as far as the Purchase and Sale Agreement, the way the original agreement was written was that the purchase of the two apartment buildings, which are lots 9 and 10, were not required to be purchased by the private side until they either achieved 95% of

occupancy or 5 years from the date that occupancy was given for the building. Tom stated that began to be problematic for both the URA and Capstone because of lending issues. Tom stated what they proposed was to purchase it years earlier and we worked out a formula to basically say if we are getting the money earlier than that's a benefit to us because that's the money we don't have to take loans out. Tom stated we proposed to adjust the square footage price from \$8 to \$7.11 and getting the money earlier is a benefit to the City as well as the developer.

Tom addressed the Development and Services Agreement and said this agreement identifies what work will be done as far as construction and construction management, essentially the projects. Tom said Capstone Partners was doing a large portion of that work and this agreement changes that in some respects, specifically it removes the remaining portions of the Machine Works Building from the agreement. Tom stated, if this document is adopted as proposed, there would be much left in it. We have proposed to essentially close this document out and in doing so, we identified a number of things that were not fully complete, so we added a number of things to identify those to make it clear who was doing what and identified transition services that will need to happen between Capstone and the URA. Tom stated the biggest one is, the way that the document was set up, the payments happened as the project went from start to finish and the bulk of the payments to Capstone would have happened during construction, because that's when the bulk of the cost associated with the project go out, but that doesn't necessarily mean that this was the bulk of the work. Tom stated we went through a process to identify exactly how much work Capstone had done to date and we came up with an agreement that essentially would pay them \$80,000 if this agreement is adopted for the work they have already completed. Tom stated moving forward those cost would be borne by the URA.

Tom addressed the Site Development Agreement and stated this agreement tied the Development Services Agreement and the Purchase and Sale Agreement together. Tom said this agreement defined a lot of the different terms and defined a substantial completion date, which we redefined as December 16, 2011, it also included the general description of construction improvements, which included the Machine Works Building and the gravel and grating of conveyed property. Tom explained there were provision in there that basically defined public infrastructure including the Machine Works Building, which we changed because we removed that from public infrastructure definition. And gravel and grating of conveyed property was in that agreement and it was not clear to either side what that was. Tom stated there wasn't a lot of changes made to this agreement accept to add more specificity and identification of what has happened and what is going to happen.

Tom stated as we went through these documents there were things that we found that will probably take more time to work through and needed better definition, and if this is adopted, we will end up in a separate agreement. Tom stated these were issues, particularly in regards to Lot 1, this is the lot next to the Community Center, we have some work to make sure it's clear how reciprocal access easements, reciprocal parking agreements, reciprocal utility easements, where the property line may end up eventually, there's just a lot of little things we need to work out to make sure both sides are fair. Tom stated what we are prepared to do and before you tonight is a nonbinding Letter Agreement, this basically denotes the things we want to work on through a Development Agreement which will come back to the URA Board for final adoption after we agree on that. Tom explained we wanted to make sure all the pieces were there and it wasn't really

necessary that this was done before this was done. Tom stated there are some timing constraints because Capstone is really trying to move forward with their apartment building and in order to do that these agreements need to be changed. Tom stated that is in regards to Lot 1, and as mentioned, the grating and graveling of conveyed property, certainly for the apartments, that is something that is coming up and wet weather season is coming up quickly so we put a provision in this Letter Agreement that basically says that if there is wet weather construction as defined by a geotechnical engineer and is shown in the reports and if Capstone Partner's documents that and submits it to us we can potentially pay up to but no more than \$40,000 for the wet weather associated with that development, this basically gets the gravel and grating conveyed property removed from all the agreements.

Tom stated there are four agreements for consideration and offered to answer Board questions.

Chair Mays thanked Tom and the URA team for their work to update the agreements to provide more certainty to the community and commended Capstone for being a great partner in all the excitement of the project including the apartment project approved by the Planning Commission. Tom confirmed the great partnership with Capstone.

Chair Mays thanked Board member Bill Butterfield for all his work and involvement and asked how he felt about the agreements. Mr. Butterfield stated he agreed with Tom in that Capstone has worked hard with the City to resolve these issues and believes everyone is happy with the results.

Tom informed the Board the resolutions before them have exhibits which were not attached and Sylvia (Agency Recorder) has copies for the Board (see record, Exhibit A.1, Map) and said Paul Elsner may have comments before we move forward.

Chair Mays asked for Board questions on Tom's report. With none received, Chair Mays addressed the following resolution and asked Attorney Paul Elsner if he needed the Board to do anything to the proposed resolution:

URA Resolution 2012-019, A Resolution of the Urban Renewal Agency of the City of Sherwood, directing the Agency Manager to sign the amended and restated Development Services Agreement for the Cannery Development

Paul stated what Tom is speaking of is in Exhibit B-1, the Description of the Property and said in the way the agreement was written, it is defined as the property and the property is the universe and then there's a subset of that which makes up the land, we did it to basically bifurcate the property, and the land is basically a set number of lots. Paul stated the exhibit describes the larger universe and we will likely have to amend the agreement in a very technical fashion to exclude some of the tracts. Paul stated if you look at the map (Exhibit A.1), the map has lots and tracts, for example on SW Pine you'll see Tract B, that is included in the description of property but it is not...the way the language is used in the agreement, it says the legal description of the land is as set forth in Sherwood Cannery Square plat number 2011, that is this (Mr. Elsner referred to the map) and said the land excludes Tract B, Tract A, Lot 2, Tract C and Tract D. Paul stated all we will be doing is basically divorcing those away from that, so the only language is, that will be changed in each of the agreements is in the recitals to basically say:

"The legal description of the land as set forth in there accepting for Tracts A, B, C, Lot 2" this will be taken out, Paul stated probably an oversight on my part as I did not have this map (Exhibit A.1) in front of me as we were moving with agreeing with the document.

Ms. Henderson asked if Paul was referring to, A, B, C & D. Paul replied what he is saying is Lot 2, Tract B, Tract A, Tract C and Tract D are going to be excluded from the description of the term "land". Tom Pessemier stated as a reference, Tract A is the Plaza and Tracts B, C & D are wetland buffers and these are obviously properties that Capstone does not want to purchase. Tom confirmed Lot 2 was the Machine Works Building.

Chair Mays asked Paul Elsner to state what the motion should be to amend.

Mr. Elsner replied what the Board can do is make a motion to approve the contract "substantially akin in the form attached thereto", attached to the resolution, that way that will allow me the flexibility to add that rather than you approving that contract in that form. Paul said the only change that will be made to these documents is basically excluding what we have just described to you, the wetland buffers and Lot 2.

Chair Mays said he will start the motion language and asked the Mr. Elsner to fill in the remainder of the motion language.

Paul stated: "Directs the Agency Manager to sign the amended and restated, (for example with the Purchase and Sale Agreement with Capstone Partners, LLC) in a form substantially akin to that attached as Exhibit A"

Paul stated the only change that you are going to make which is just in the final document is basically divorcing off those pieces that they are not going to buy.

Chair Mays stated the following motion, seeking Mr. Elsner input of language, with back and forth clarifying discussions between Chair Mays and Mr. Elsner the following motion was made:

MOTION TO AMEND: FROM CHAIR KEITH MAYS TO AMEND URA RESOLUTIONS 2012-019, 2012-020 AND 2012-021, SECTION 1 TO BE CHANGED TO READ "THE AGENCY DIRECTS THE AGENCY MANAGER TO SIGN THE AMENDED AND RESTATED AMENDED AGREEMENTS WITH CAPSTONE PARTNERS, LLC, IN A FORM SUBSTANTIALY AKIN TO THAT ATTACHED AS EXHIBIT A". SECONDED BY MS. KRISANNA CLARK.

Prior to calling for a vote, Ms. Henderson stated she has a concern and plans to vote nay on agenda items C and D, as she has not had an opportunity to review the documents in good conscious to vote on them. Ms. Henderson stated not because she does not believe in the agreement or work performed by staff, but because of the timing in which she received the documents and said she had jury duty and was unable to completely review the documents. Ms. Henderson asked if she votes to amend.....brief discussion occurred and clarification was received from Chair Mays and Mr. Elsner that Ms. Henderson can vote for the motion to

amendment, and not vote to approve and the Board can motion to amend unilaterally all three resolutions.

Mr. Elsner added as long as the Board is aware and understands what they are doing, they can do basically anything like this.

Chair Mays called for a vote on the proposed amendments to URA Resolution 2012-019, 2012-020 and 2012-021, changing Section 1 of each resolution to read as Paul stated.

VOTE: ALL BOARD MEMBERS VOTED IN FAVOR OF AMENDMENTS TO URA RESOLUTIONS 2012-019, 2012-020 AND 2012-021.

Prior to receiving a final motion and vote on the amended resolutions, Tom Pessemier informed the Board that the document provided to the Board this evening (Map, Exhibit A.1) will be added to each resolution as an exhibit.

Mayor Mays asked for a motion on amended URA Resolution 2012-019.

MOTION: FROM DAVE GRANT TO APPROVE URA RESOLUTION 2012-019 AS AMENDED, SECONDED BY MS. HENDERSON. ALL BOARD MEMBERS VOTED IN FAVOR.

Chair Mays addressed the next agenda item and asked if there were any changes to this resolution. Tom Pessemier replied, we will be adding the exhibits.

Chair Mays confirmed that Ms. Henderson would be voting no on URA Resolutions 2012-020 and 2012-021.

- C. URA Resolution 2012-020 A Resolution of the Urban Renewal Agency of the City of Sherwood, directing the Agency Manager to sign the amended and restated Purchase and Sale Agreement for the Cannery Development**

MOTION: FROM DAVE GRANT TO APPROVE URA RESOLUTION 2012-020 AS AMENDED, SECONDED BY BILL BUTTERFIELD, MOTION PASSED 6:1 (HENDERSON VOTED NAY).

Chair Mays addressed the next agenda item.

- D. URA Resolution 2012-021 A Resolution of the Urban Renewal Agency of the City of Sherwood, directing the Agency Manager to sign the amended and restated Site Development Agreement for the Cannery Development**

MOTION: FROM DAVE GRANT TO APPROVE URA RESOLUTION 2012-021 AS AMENDED, SECONDED BY BILL BUTTERFIELD, MOTION PASSED 6:1 (HENDERSON VOTED NAY).

Chair Mays addressed the next agenda item.

- E. URA Resolution 2012-022 A Resolution of the Urban Renewal Agency of the City of Sherwood, directing the Agency Manager to sign the Letter of Agreement for the Cannery Development**

Ms. Folsom stated it is her understanding that this is not a legally binding document but is something we put out there so we have a basis of where to step next. Tom Pessemier stated it is nonbinding and we have every intention of doing this agreement but at this point it is the framework and we will come back to the Board with a legally binding agreement in the future. Ms. Folsom asked it is not dissimilar as to what we did in the beginning with Capstone, Tom replied that is correct, when we entered into a Memo of Understanding.

With no other discussion, the following motion was received.

MOTION: FROM LINDA HENDERSON TO APPROVE URA RESOLUTION 2012-022 AS AMENDED, SECONDED BY ROBYN FOLSOM, ALL BOARD MEMBERS VOTED IN FAVOR.

Chair Mays thanked staff, Capstone and the Board for all their work and addressed the next agenda item.

5. STAFF REPORTS

City Manager Joe Gall stated as Chair Mays indicated this was a team effort and said he is new to this team and said it was a challenging time and believes we are in a better position and thanked Tom Pessemier for his work stating this could not have come together without Tom's commitment to this project.

6. ADJOURN

With no other business to discuss, Chair Mays adjourned at 8:35 pm.

Submitted by:

Sylvia Murphy, CMC, Agency Recorder

Keith S. Mays, Chair



URA RESOLUTION 2012-023

APPOINTING TODD McCABE TO THE SHERWOOD URBAN RENEWAL PLAN ADVISORY COMMITTEE (SURPAC)

WHEREAS, a vacancy currently exist for a citizen at large and Todd McCabe has submitted an application for consideration of appointment; and

WHEREAS, Charlie Harbick Chair to the Committee and Council Liaison Matt Langer have recommended the appointment of Mr. McCabe.

NOW, THEREFORE, THE SHERWOOD URBAN RENEWAL AGENCY BOARD RESOLVES AS FOLLOWS:

Section 1. Todd McCabe is hereby appointed to SURPAC for a two year term ending March 31, 2015.

Section 2. This resolution shall be effective from and after its adoption from the URA Board.

Duly passed by the URA Board of Directors this 14th day of November 2012.

Keith S. Mays, Chair

Attest:

Sylvia Murphy, CMC, Agency Recorder

Approved Minutes

**SHERWOOD URBAN RENEWAL AGENCY BOARD OF DIRECTORS
MEETING MINUTES
Wednesday, November 14, 2012
22560 SW Pine Street, Sherwood, Oregon 97140**

REGULAR MEETING

1. **CALL TO ORDER:** Chair Keith Mays called the meeting to order at 7:36 pm.
2. **BOARD PRESENT:** Chair Keith Mays, Dave Grant, Bill Butterfield, Matt Langer, Robyn Folsom, Linda Henderson and Krisanna Clark.
3. **STAFF AND LEGAL COUNSEL PRESENT:** Assistant City Manager Tom Pessemier, Finance Director Craig Gibons, Public Works Director Craig Sheldon, Police Chief Jeff Groth, Community Services Director Kristen Switzer, Agency Recorder Sylvia Murphy and City attorney Chris Crean.

Chair Mays addressed the consent agenda and asked for a motion.

4. **CONSENT AGENDA:**

- A. **Approval of September 18, 2012 URA Board Meeting Minutes**
- B. **URA Resolution 2012-023 Appointing Todd McCabe to Sherwood Urban Renewal Plan Advisory Committee (SURPAC)**

MOTION: FROM LINDA HENDERSON TO APPROVE THE CONSENT AGENDA, SECONDED BY ROBYN FOLSOM. ALL BOARD MEMBERS VOTED IN FAVOR.

5. **STAFF REPORTS:** None

6. **ADJOURN:**

Chair Mays adjourned the meeting at 7:38 pm.

Submitted by:



Sylvia Murphy, CMC, Agency Recorder



Keith S. Mays, Chair