



**Molalla City Council – Meeting Agenda**  
**Meeting located at: Molalla Adult Center**  
315 Kennel Ave, Molalla, OR 97038

**September 28, 2016**

**WORK SESSION BEFORE MEETING 6:30PM**

**Business meeting will begin at 7:00PM.** The Council has adopted Public Participation Rules. Public comment cards are available at the entry desk. Request to speak must be turned into to the Mayor prior to the start of the regular Council meeting.

**Executive Session : None**

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**1. CALL TO ORDER – 1,766<sup>th</sup> Regular Meeting**

- A. Call the meeting to order
- B. Flag Salute and Roll Call

**2. COMMUNICATIONS AND PUBLIC COMMENT**

- A. Minutes of August 24<sup>th</sup> and September 14<sup>th</sup>
- B. Library Minutes – Informational Only
- C. Oregon Department of Environmental Quality - Bram/Deconcini
- D. Domestic Violence Awareness - Ms. Hicks
- E. Drive Zero Presentation – Blatter/Rogge
- F. Public Comment

**3. NEW BUSINESS**

- A. City Hall Remodel and Award – Fisher
- B. Pacific Fibre Products Enterprise Zone Authorization Application and Extended Abatement Agreement
- C. Lola Avenue CDBG IGA Authorization – Fisher

**4. REPORTS AND ANNOUNCEMENTS**

Public Notice: There will be a Planning Commission Meeting and Hearing on October 5, 2016 at 6:30pm at the Molalla Adult Center for File P45-2016 for the Shirley Bank Subdivision

New City Planner - Huff

**5. ADJOURNMENT**

Minutes of the Molalla City Council Regular Meeting  
Molalla City Hall  
117 N. Molalla Ave., Molalla, OR 97038  
**Wednesday August 24, 2016**

**ATTENDANCE:** Mayor Rogge, Present; Councilor Thompson Absent; Councilor Griswold, Present; Councilor Clark, Present; Councilor Childress, Present.

**STAFF IN ATTENDANCE:** City Manager Dan Huff, Present; Gerald Fisher, Public Works Director, Present.

**MINUTES**

Griswold made the motion to approve the presented minutes of June 22, 2016 and July 27, 2016. Childress seconded. Motion carried 4-0.

**NEW BUSINESS**

Council Appointments – Rogge stated that there are 2 vacated positions to fill and she introduced the candidates. Elizabeth Klien and Glen Boreth. Both applicants met the requirements and after brief discussion and introduction the consensus was to appoint both applicants. Clark made the motion to appoint both applicants. Griswold seconded. Motion carried 4-0. Mayor Rogge swore both Klien and Boreth in and they were seated as council members.

A role of a councilor is to be appointed as Council Liaisons to citizen boards. Rogge appointed Klien to the Library Board and Boreth to the Transportation Advisory Committee.

After brief discussion between Clark and Fisher that we have 4 pumps and propose that the old one be rebuilt to use it as a back up because there is not one in place. Childress made the motion to authorize the purchase for the waste water treatment plant and budget to rebuild the pump being replaced for a back up. Clark seconded. Motion carried 4-0.

**RESOLUTIONS**

A Resolution Of The City Of Molalla Supporting The Clackamas County Motor Vehicle Tax – Removed from the agenda. It is no longer required by the county to participate.

**PUBLIC COMMENT**

Ed Campy of 724 W. Main Street asked about the type of road that will be put in at Leroy and Main that was in the TSP in 2002. Rogge asked that Campy to first talk to Gerald Fisher to see if his questions can be answered. Campy said he would do so.

**STAFF AND COUNCIL REPORTS**

Cramer announced there are 4 candidates at this time for the general election. Running for Mayor is Jimmy Thompson. There are 3 opening seats with 3 runners at this time: Cindy Dragowsky, Delise Paulumbo, and Keith Swigart.

Minutes of the Molalla City Council Regular Meeting  
Molalla City Hall  
117 N. Molalla Ave., Molalla, OR 97038  
**Wednesday August 24, 2016**

Fisher reported they paved Molalla Avenue today and laid down 630,000 tons of asphalt and will be laying additional pipe soon. They will be providing notices to business effected with the transition of traffic to start the pipe work.

He will be posting a projects map on the website and also start the process for doing the Waste Managemet Master Plan. Finally, we received a nice letter from Mr. Seele thanking the Public Works Crew for helping him with roots effecting his utility connections.

Childress reported that the banner project is moving along and received a \$2000 grant from the Confederated Tribes of Grand Ronde.

The entire Council welcomed both Boreth and Klein.

Motion to adjourn made by Clark. Griswold seconded. Motion carried 4-0 at 7:33pm.

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Sadie Cramer, City Recorder

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Mayor Debbie Rogge

Molalla Library Advisory Board

Meeting Date: 6-16-16

Meeting brought to order by Sandy Nelson at 7:15 PM.

Members Present: Sandy Nelson, Kelly Andrews, Angela Patton

Member Excused: Mary Gilson

City Council Liaison: None at present

Staff Present: Diana Hadley

The minutes from the May meeting were approved as read.

- Director's Report: (Ask Diana if you would like a copy.)
- Old Business: Review of adopted budget
- New Business: Review of recent Library Board Advisory Council (LDAC) meeting

Meeting was adjourned at 7:35 PM. The next meeting will be July 14, 2016.

Submitted by Diana Hadley, acting secretary for Mary Gilson (absent)

Molalla Library Advisory Board

Meeting Date: 8-18-2016

Meeting brought to order by Sandy Nelson at 6:30 P.M.

Members Present: Mary Gilson, Sandy Nelson, Angela Patton, Kelly Andrews, Paula Beck

City Council Liaison: We do not currently have one.

Staff Present: Diana Hadley

The minutes from the July meeting were approved as read.

- Director's Report: (See Diana if you didn't receive one.)
  - 1) Peter has left the library so the others, Devon and Michelle, have stepped up to fill Peter's spot.
  - 2) Not as many people as hoped for are showing up for the many varied summer activities. It is not known if that is because of times they are offered or for what reasons. However, face painting continues to be very popular.
  - 3) Irene is doing Story Times at the library as well as at Mulino Grade School.
  
- Old Business: none
  
- New Business: none

The meeting was adjourned at 6:54 P.M. The next meeting will be held on September 15<sup>th</sup>.

Submitted by Mary Gilson, Secretary

STATE OF OREGON  
**PROCLAMATION**  
OFFICE OF THE GOVERNOR

**WHEREAS:** The crime of domestic violence violates an individual's privacy and dignity, security and humanity, due to systematic use of physical, emotional, sexual, psychological and financial control and/or abuse; and

**WHEREAS:** Domestic violence affects all social groups, but people who are women, transgender, LGBTQ, poor or working class, Native, of color, immigrant, non-English speaking, disabled, young, elderly, or otherwise marginalized not only shoulder the burdens of oppression but also experience high rates of domestic violence; and

**WHEREAS:** Intimate partner relationships are a significant social determinant of health, resulting in negative health outcomes for survivors of domestic violence that must be addressed with trauma-informed care; and

**WHEREAS:** Preventing domestic violence is not only possible but is our collective responsibility, and prevention requires significant changes to our social norms regarding gender roles, strength, sexuality, relationships, and the normalization of violence; and

**WHEREAS:** Programs across Oregon provided vital community-based services such as hospital accompaniment and support groups to over 20,000 adults, 1500 teens and 4000 children – and emergency shelter to 2,500 adults, 300 teens and nearly 2000 children – in 2014; and

**WHEREAS:** It is survivors of violence themselves who have been in the forefront of efforts to bring peace and equality to the home.

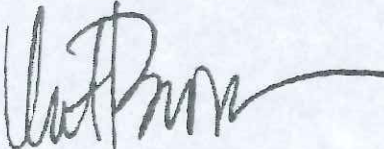
**NOW,  
THEREFORE:** I, Kate Brown, Governor of the State of Oregon, hereby proclaim **October 2015** to be

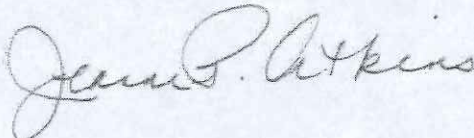
**DOMESTIC VIOLENCE AWARENESS MONTH**

in Oregon and encourage all Oregonians to join in this observance.

IN WITNESS WHEREOF, I hereunto set my hand and cause the Great Seal of the State of Oregon to be affixed. Done at the Capitol in the City of Salem in the State of Oregon on this day, August 24, 2015.



  
Kate Brown, Governor

  
Jeanne P. Atkins, Secretary of State





Molalla, OR 97038  
<http://molallactc.org>  
Ph: 503 759-6282  
E-mail: [mctc@molalla.net](mailto:mctc@molalla.net)

Hello,

Molalla Communities That Care (MCTC) is partnering with the Clackamas County Department of Transportation and Development - Drive to Zero Program on a multi-year project to improve traffic safety. Our county has set an aggressive goal to reduce fatal and serious injury crashes by 50% by 2022.

Traffic safety is a significant public health concern in Oregon and in our community:

- Over 1,000 people died as a result of motor vehicle crashes in Oregon between 2012 and 2014.<sup>1</sup>
- Motor vehicle crashes were the third leading cause of death among those age 10 to 35 in Oregon between 2012 and 2014.<sup>1</sup>
- Preventable car crashes are the leading cause of death for Oregon teens.
- Hospitalization costs from motor vehicle incidents exceeded \$22 billion in 2010 for the U.S.<sup>1</sup>
- Between 2009 and 2014, Clackamas County experienced almost 25,000 crashes (24,770) – about one quarter of these (666) involved serious injuries or fatalities.<sup>2</sup>
- **In that same five-year period, Molalla experienced 914 crashes with 62 serious injuries or fatalities.<sup>2</sup>**

*"Recently, the Molalla area has seen an increase in crashes -- some of which have resulted in injuries as well as fatalities. I am encouraged that Molalla Communities That Care is working with the County in engaging local stakeholders to improve traffic safety in our community through awareness, training and education." Lt. Byron Wakefield, Molalla Fire District*

Molalla has been selected to be the first community in our county to pilot a new approach because of the strong community ties that are in place. Molalla Communities That Care (MCTC) has identified you as a leader in our community and would like to invite you to a two-day training/workshop on **October 20 and 21 to be held at Molalla Fire Department training room, 320 N Molalla Ave.** The Center for Health and Safety Culture ([www.CHSCulture.org](http://www.CHSCulture.org)) from the Western Transportation Institute will facilitate the event. During the first day, we will learn about an approach, called the Positive Culture Framework, to grow a positive traffic safety culture by leveraging our strengths. On the second day, we will explore local data and prioritize our efforts. A draft agenda is attached. If you are unable to attend the event, please consider sending a colleague.

Your participation in the two-day workshop does not obligate you to future work. The Center for Health and Safety Culture conducts projects and training across the country. Participants often find the ideas shared during the training have application to a wide variety of issues (not just traffic safety) and may thus be beneficial to other areas of your work.

Please feel free to contact me with any questions or concerns. We would also like to know if you are able to attend so that we can reserve enough space. Please RSVP by emailing your response to [lessabt@molalla.net](mailto:lessabt@molalla.net).

Thanks for your consideration,

Lynn Blatter  
Coordinator, Molalla Communities that Care  
[lessabt@molalla.net](mailto:lessabt@molalla.net)

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<sup>1</sup> National Center for Injury Prevention and Control, CDC

<sup>2</sup> Clackamas County Department of Transportation and Development

# Growing a Positive Traffic Safety Culture in Molalla

Hosted by Molalla Communities that Care in partnership with  
the Clackamas County Department of Transportation and Development  
and facilitated by The Center for Health and Safety Culture

Molalla Fire Department training room,  
320 N Molalla Ave., Molalla, OR 97038

## Draft Agenda

### Thursday, October 20

8:30 am	Arrival
9:00 am	Welcome and Introductions, Overview, Concern and Hope Three Important Lessons about Improving Health and Safety
10:15 am	Break
10:30 am	Culture and Behavior
Noon	Lunch
1:00 pm	Behavior Change and Seeing the Community as a Social Ecology/Safety Citizenship
2:10 pm	Break
2:20 pm	Positive Culture Framework
3:30 pm	Conclusion

### Friday, October 21

9:00 am	Welcome Back, Brief Review Traffic Safety Data Review
10:15 am	Break
10:30 am	Small Group Prioritization
Noon	Lunch
1:00 pm	Opportunities across the Social Ecology of a Community Next Steps
2:30 pm	Conclusion



# City Of Molalla

## City Council Meeting



### Agenda Category: New Business

**Subject:** Contract Award for the Molalla City Hall Remodel Project #15-07

**Recommendation:** Council Approval

**Date of Meeting to be Presented:** September 28, 2016

**Fiscal Impact:** General \$248,500

**Background:**

Attached is the Bid Summary to complete the Molalla City Hall Remodel Project #15-07 in the amount of \$248,500. The City advertised an Invitation to Bid on August 24, 2016 in the Daily Journal of Commerce. On September 15, 2016, the City received and opened the following two bids:

- DGS General Construction      \$340,000.00
- Castle Construction & Rest.      \$248,500.00

The bids were reviewed and Castle Construction & Restoration was deemed the lowest responsible bidder. Staff recommends the following motion be made and approved by City Council.

“Move to award the Molalla City Hall Remodel Project to Castle Construction and Restoration in the amount of \$248,500 and authorize the City Manager to modify the contract as necessary within the approved FY 16-17 budget.”

SUBMITTED BY:      Gerald Fisher, Public Works Director  
APPROVED BY:      Dan Huff, City Manager

## BID SUMMARY Exhibit "A"

**Molalla City Hall Remodel PN 15-07**  
**Owner: City of Molalla**  
**September 15, 2016, 2:00 PM**

ARCHITECT'S ESTIMATE \$ 300,000.00

Order Opened	Bidder	Envelope Marked:	Bid Pg. I-11 to I-22	Addenda Acknowledged	Proposal Signed Pg. I-16	10% Bid Security Pg. I-23		Non-Collusion Affidavit Pg. I-25	First-Tier Subcontractor Disclosure Form Pg. I-29	Total Bid Amount (Pg. I-21)	Status
		(Y/N)	(Y/N)	(Y/N)	(Y/N)	(Y/N)	Type	(Y/N)	(Y/N)		
1	DGS General Construction	Y	Y	Y	Y	Y	B	Y	Y	\$ 340,000.00	2
2	Castle Construction & Restoration	Y	Y	Y	Y	Y	B	Y	Y	\$ 248,500.00	1

**Bid Opening:**

Check sheet above (DQ if any missing)

Announce total bid amount for each

Announce apparent low bidder

Bids available for public inspection after notice of intent to award is issued (ORS279C.410)

**Type:**

B: Surety Bond

C: Cashiers or certified check

L: Irrevocable Letter of credit

# OREGON ENTERPRISE ZONE AUTHORIZATION APPLICATION

• Complete form and submit to the local enterprise zone manager **before** breaking ground or beginning work at the site. • Please type or print neatly.

## APPLICANT

Enterprise Zone or Rural Renewal Energy Development Zone (where business firm and property will be located) <u>Molalla</u>		County <u>Clackamas</u>	
Name of Business Firm <u>Pacific Fibre Products, Inc</u>		Telephone Number <u>(360) 577-7112</u>	
Mailing Address <u>PO Box 278</u>	City <u>Longview</u>	State <u>WA</u>	ZIP Code <u>98632</u>
Location of Property (street address if different from above) <u>410 Section street</u>	City <u>Molalla</u>	State <u>OR</u>	ZIP Code <u>97038</u>
Map and Tax Lot Number of Site <u>see attached</u>	Contact Person <u>Mark Fahey</u>	Title <u>CFO</u>	

My firm expects to first claim the standard property tax exemption in the following year(s): 2017 - 2018

- Check here if your firm has or has had another exemption in this enterprise zone. Note the first year of such exemption: 2016-2017
- Check here that your firm commits to renew this authorization application. Renew this application on or before April 1 every two calendar years, until the tax exemption on qualified property is claimed.
- Check here if you are requesting an **extended abatement** of one or two additional years of exemption. This is subject to minimum average annual "compensation" for employees and written agreement with local zone sponsor. Sponsor may request additional requirements.

### Zone Manager Use Only (after written agreement but before authorizing firm):

County Average Annual Wage: \$ \_\_\_\_\_ For Year \_\_\_\_\_ Total Exemption Period:  4 or  5 Consecutive Years (check one)

## BUSINESS ELIGIBILITY

**Eligible Activity**—Check all activities that apply to proposed investment within the enterprise zone:

- Manufacturing    Fabrication    Bulk Printing    Shipping    Agricultural Production    Energy Generation
- Assembly    Processing    Software Publishing    Storage    Back-office Systems
- Other—describe the activities that provide goods, products, or services to other businesses (or to other operations of your firm): \_\_\_\_\_

Check here if your business firm does or will engage in **ineligible activities** within the enterprise zone (such as retail sales, health care, professional services, or construction). Describe below (or in an attachment) these activities and their physical separation from "eligible activities" checked above: \_\_\_\_\_

**Special Cases**—Check all that apply:

- Check here if a **hotel, motel, or destination resort** in an applicable enterprise zone.
- Check here if a **retail/financial call center**. Indicate expected percent of customers in local calling area: \_\_\_\_\_ %.
- Check here if a **"headquarters" facility**. (Zone sponsor must find that operations are statewide or regional in scope and locally significant.)
- Check here if an **electronic commerce investment** in an e-commerce enterprise zone. (This also provides for an income tax credit.)

### EMPLOYMENT IN THE ENTERPRISE ZONE (see worksheets on last page)

Do **not** count temporary, seasonal, construction, FTE, part-time jobs (32 hours or less per week), or employees working at ineligible operations.

**Existing Employment**—My business firm's average employment in the zone over the past 12 months is 7 jobs.

**New Employees**—Hiring is expected to begin on (date or month and year):

Hiring is expected to be completed by (month and year):

Estimated total number of new employees to be hired with this investment is: 6 additional jobs

**Commitments**—By checking all boxes below, you agree to the following commitments as required by law for authorization:

- By April 1 of the first year of exemption on the proposed investment in qualified property, I will increase existing employment within the zone by one new employee or by 10 percent, whichever is greater.
- My firm will maintain at least the above minimum level as an annual average employment during the exemption period.
- When the exemption claim is also filed by April 1 following each calendar year of exemption, total employment in the zone will not have shrunk by 85 percent at one time or by 50 percent twice in a row, compared to any previous year's figure.
- My firm will comply with local additional requirements as contained in: (1) a written agreement for an extended agreement, (2) zone sponsor resolution(s) waiving required employment increase, or (3) an **urban** enterprise zone's adopted policy, if applicable.
- My firm will verify compliance with these commitments, as requested by the local zone sponsor, the county assessor or their representative, or as directed by state forms or administrative rules.
- My firm will enter into a **first-source hiring agreement** before hiring new eligible employees. (This **mandatory** agreement entails an obligation to consider referrals from local job training providers for eligible job openings within the zone during at least the exemption period.)

**OREGON EMPLOYMENT OUTSIDE THE ENTERPRISE ZONE**

**Check only those that apply:**

Check here if your firm or a commonly controlled firm is, or will be, closing or curtailing operations in the state **beyond 30 miles of the zone's boundary**. Indicate timing, location, number of any job losses, and relationship to the proposed enterprise zone investment:

Check here if you are transferring any operations into the zone from site(s) **within 30 miles of the zone boundary** (existing businesses only): My firm's average employment at the site(s) over the past 12 months is \_\_\_\_\_ jobs.

Check here if your firm commits to increase the combined employment at the site(s) (within 30 miles) and in the zone to 110 percent of the existing combined level by April 1 and on average during the first year of exemption.

**PROPOSED INVESTMENT IN QUALIFIED PROPERTY**

**Anticipated Timing**—Enter dates or months/years

Action	Site and Building & Structures			Machinery and Equipment		
	Preparation	Construction*	Placed in Service	Procurement**	Installation	Placed in Service
To commence or begin on	Sept 2016	Jan 2017	March 2017	Sept 2016	Sept 2016	Sept 2016
To be completed on	Oct 2017	Oct 2017		March 2017	March 2017	

\* And/or new reconstruction, additions to, or modifications of existing building(s) or structure(s).

\*\* May precede application by up to three months.

**Special Issues:**

Check here for building/structure acquired/leased for which construction, reconstruction, additions, or modifications began prior to this application (attach executed lease or closing documents).

Check here for **Work-in-Progress** tax exemption for qualified property that is not yet placed in service and is located on site as of January 1. (Attach description and list of such probable property. See "Special Issues Worksheet," on the last page.)

**Qualifying Property:** Estimates of cost (please attach a preliminary list of machinery and equipment).

Type of Property		Number of Each/Item	Expected Estimated Value	Check if any Item will be Leased
Real Property	Building or structure to be newly constructed	see attached	\$ 710,000	<input type="checkbox"/>
	New addition to or modification of an existing building/structure	<del>see attached</del>	<del>\$ 340,000</del>	<input type="checkbox"/>
	Heavy or affixed machinery and equipment	See attached	\$ 340,000	<input type="checkbox"/>
Personal Property Item(s) Costing:	\$50,000 or more		\$	<input type="checkbox"/>
	\$1,000 or more (E-commerce zone or used exclusively for tangible production)		\$	<input type="checkbox"/>
<b>Total Estimated Value of Investment</b>			<b>\$ 1,050,000</b>	

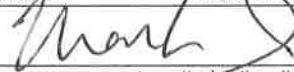
**Additional Description:** In addition to what is explained elsewhere, briefly comment below (or in an attachment) on the scope of your investment, the particular operations and output that are planned, and the intended uses of the qualifying property.

see attached

**DECLARATION**

I declare under penalties of false swearing [ORS 305.990(4)] that I have examined this document and attachments, and to the best of my knowledge, they are true, correct, and complete. If any information changes, I will notify the zone manager and the county assessor and submit appropriate written amendments. I understand that my business firm will receive the tax exemption for property in the enterprise zone, only if my firm satisfies statutory requirements (ORS Chapter 285C) and complies with all local, Oregon, and federal laws that are applicable to my business.

**MUST BE SIGNED BY AN OWNER, COMPANY EXECUTIVE, OR AUTHORIZED REPRESENTATIVE OF THE BUSINESS FIRM**

Signature *X*  Date *9-1-2016*

Title (if not an owner or executive, attach letter attesting to appropriate contractual authority)  
*Chief Financial Officer*

**Local enterprise zone manager and county assessor must approve this application (with Enterprise Zone Authorization Approval, form 150-303-082)**

Pacific Fibre Products

Molalla Enterprise Zone application

9-1-2016

Description of project

Pacific Fibre will operate a whole log chipping facility in Molalla. The facility will be designed to acquire pulp wood from local tree farms, and process these pulp logs through a specialized whole log chipper. Bunkers will be added to make loading of trucks efficient. Pacific Fibre anticipates operating the facility initially on a single shift, but will continue to expand the capabilities of the manufacturing operation and the size of our Molalla workforce over the next few years. The products to be made in Molalla will be similar to those made at our Longview, Washington and North Plains, Oregon facilities.

Parcels of land

Street address—410 Section Street Molalla, OR 97038

Map number	Parcel	Approx. acreage
52E17 02400	01107947	16.23
52E17 02490	01107974	24.07
52E17AA 03400	01108349	n/a

Also see attached legal description of the land comprising these parcels.

Pacific Fibre Products

Molalla Enterprise Zone application

9-1-16

Building or structures to be newly constructed (in thousands):

Lunchroom building	40
Bunkers	150
Light poles	80
Fencing	40
Asphalt	500
Total	710

Heavy or affixed machinery (in thousands):

Conveyors	100
Starters, electrical equipment and switch gear	200
Miscellaneous equipment	40
Total	340

Total investment 1050

WRITTEN AGREEMENT WITH THE MOLALLA ENTERPRISE ZONE SPONSOR  
TO EXTEND PROPERTY TAX EXEMPTION TO FIVE CONSECUTIVE YEARS IN  
TOTAL FOR CAPITAL INVESTMENT BY PACIFIC FIBRE PRODUCTS INC.

The sponsor of the Molalla Enterprise Zone comprising the governing body of the City of Molalla (hereinafter "The Zone Sponsor") and Pacific Fibre Products (hereinafter "The Firm") do hereby enter into an agreement for extending the period of time in which The Firm shall receive an exemption on its proposed investments in qualified property in the Molalla Enterprise Zone contingent on certain special requirements, under ORS 285C.160.

The Zone Sponsor and The Firm jointly acknowledge: that subject to timely submission and approval of an application for authorization and the satisfaction of other requirements under ORS 285C.050 to 285C.250, The Firm is eligible for three years of complete exemption on its qualified property; that nothing in this agreement shall modify or infringe on this three-year exemption or the requirements thereof, and that this agreement becomes null and void if The Firm does not qualify for these three years of the exemption.

The Zone Sponsor extends The Firm's property tax exemption an additional two years on all property that initially qualifies in the Molalla Enterprise Zone on or before the assessment year beginning on January 1, 2017 and, thus, sets a total period of exemption of five consecutive years during which statutory requirements for the standard three-year enterprise zone exemption must also be satisfied and maintained.

CONFIRMATION OF STATUTORY PROVISIONS

In order to receive the additional two years of enterprise zone exemption granted herein, The Firm agrees herewith under 285C.160(3)(a)(A) that for each year of the entire exemption period, all of The Firm's new employees shall receive an average level of compensation equal to or greater than 150 percent of the county average annual wage, in accordance with the specific definitions and guidelines in Oregon Administrative Rules (OAR), Chapter 123, Division 674 (123-674-0600) which provides that:

1. Such compensation may include non-mandatory benefits that can be monetized;
2. The county average annual wage is set at the time of authorization, except as pursuant to ORS 285C.160(4), according to the 2014 Clackamas County average annual payroll rate of \$46,414, for which 150 percent equals \$69,621.
3. Only employees working at jobs filled for the first time after the application for authorization but by *December 31* of the first full year of the initial exemption and performed within the current boundaries of the MOLALLA Enterprise Zone are counted; and



4. Only full-time, year-round and non temporary employees engaged a majority of their time in The Firm's eligible operations consistent with ORS 285C.135 & 285C.200(3) are counted, regardless if such employees are leased, contracted for or otherwise obtained through an external agency or are employed directly by The Firm.

ACCEPTING FOR THE SPONSOR OF THE  
MOLALLA ENTERPRISE ZONE:

ACCEPTING FOR PACIFIC FIBRE INC.

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

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

# Oregon Enterprise Zone AUTHORIZATION APPROVAL

• See instructions on the back.

## ZONE MANAGER APPROVAL

Authorization is granted to: \_\_\_\_\_  
(Name of eligible business firm)

Complete authorization application was submitted on: \_\_\_\_\_

Date of pre-authorization consultation: \_\_\_\_\_  Summary Attached

The total **estimated** value of the qualified property to be constructed, modified, or installed: \$ \_\_\_\_\_

The total **estimated** new hiring inside the enterprise zone: \_\_\_\_\_ (Full-Time, Year-Round, Employees)

The **anticipated** first year(s) for the exemption period(s) is (are): \_\_\_\_\_ \*

**Special Circumstances:**

Urban Enterprise Zone that imposes additional conditions?  No  Yes If yes, a description of each additional condition imposed by the enterprise zone sponsor with applicant's commitment to satisfy such condition(s) is attached prior to assessor's approval.

Extended abatement of four of five years in total requested?  No  Yes If yes, the required written agreement between the enterprise zone sponsor and the applicant is:  Rejected  Finalized and attached (agreement must be executed prior to completion of this form).

The **filing fee** for authorization is:  Waived  \$200  \$ \_\_\_\_\_ (up to 0.1% of above estimated cost).

I approve the above-indicated application for authorization on behalf of the zone sponsor. I have determined that the above-named applicant proposes to engage in eligible business operation and has committed to meet the requirements to qualify for the exemption.

X \_\_\_\_\_  
Signature of Local Zone Manager Date Name of Enterprise Zone

## COUNTY ASSESSOR APPROVAL

I **approve** the application for authorization.

X \_\_\_\_\_  
Signature of County Assessor or Authorized Representative Date County Telephone Number

I **deny** the application for authorization.

X \_\_\_\_\_  
Signature of County Assessor or Authorized Representative Date County Telephone Number

## INFORMATION FOR APPLICANT

If the county assessor approves your application, your business firm is authorized for an enterprise zone exemption on "qualified" property. This is property newly placed into service inside the enterprise zone and meeting other criteria. To receive this exemption **you must:**

- Achieve the required minimum employment at some point on or before April 1\*;
- File an exemption claim that includes a property schedule with the county assessor after January 1, but no later than April 1\*;
- Actually occupy or use qualified property consistent with intended commercial purposes before July 1\*.

If on January 1 you have unfinished qualified property at the authorized site, provide evidence to the assessor by April 1 using form #150-310-020, in order to be exempt while work to construct, modify, or install property is in process. This pre-enterprise zone exemption is available to most authorized business firms for up to two years, but it does not include centrally assessed property. Hotel, motel, and destination resorts are not eligible, but they may apply (by April 1) for the regular "Cancellation of Assessment for Commercial Facilities under Construction" (ORS 307.330 and 307.340).

This authorization may extend to additional qualified property subject to certain limitations. The authorization application should be amended by written request, to account for any significant change of plans. For different, future investments, submit new application for authorization **before** beginning construction / installation activity.

If the county assessor denies your application and you disagree with that decision, you may **appeal** under ORS 305.404 and 305.560 to: Magistrate Division, **Oregon Tax Court**, 1163 State St, Salem OR 97301-2563. (You need to provide a copy of the appeal to the local zone manager, the Oregon Department of Revenue, and the Oregon Economic and Community Development Department.)

**\*Year following the year (ending December 31) when the constructed, modified, or installed property is in occupancy or use or fully ready to be occupied or used.**

Distribution of copies upon final completion of the form: (Zone Manager—photocopy)

- White** — Applicant
- Green** — County Assessor
- Canary** — Oregon Department of Revenue
- Pink** — Oregon Economic and Community Development Department
- Goldenrod** — Contact Agency for First Source Hiring Agreement (attach only application)

## Instructions for Oregon Enterprise Zone Authorization Approval

### Step 1 — Zone Manager

- Accept authorization **application** (form 150-303-029) from business firm.
- If firm appears eligible, then schedule and hold consultation session—giving the county assessor's office timely notification to participate.\*
- Following consultation, prepare summary that addresses any issue of compliance identified for special concern, attention, or follow-up.
- Within five business days of approving **application**, fill out and sign top portion of the authorization **approval** (form 150-303-082).
- Provide a copy of the **application** (along with any attachment) and the **approval** form to the county assessor.
- Direct applicant to the contact agency for the first source hiring agreement, and notify contact agency accordingly.

\* *If firm is ineligible or cannot be authorized, verbally inform the applicant and/or furnish applicant with formal denial letter with advisory about appeal rights.*

### Step 2 — County Assessor

- Approve or deny the authorization **application** after receiving the copy from the local enterprise zone manager.
- Within five business days of **application's** approval or denial, sign and fill out middle portion of the authorization **approval** form and return it to the local zone manager.
- Detach and keep the green copy of the **approval** form for your records.
- If you deny the **application**, include explanation with returned form.

### Step 3 — Zone Manager

- Within five business days of receiving the authorization **approval** from the county assessor, finalize any remaining item, and furnish the white original of the **approval** form to the applicant with any special documentation.
- Retain a photocopy of the final signed **approval** for your records.
- Promptly distribute canary and pink copies of **approval**, a copy of the authorization **application**, and appropriate attachments to the Department of Revenue and the Economic and Community Development Department.
- Send goldenrod copy of **approval** and copy of **application**, without attachments, to the contact agency for the first source hiring agreement.



**State of Oregon**  
**FIRST-SOURCE HIRING AGREEMENT**  
**Clackamas Enterprise Zone Program**

This First Source Agreement for referral of qualified job applicants is entered into between WorkSource Oregon (Oregon Employment Department, (OED)), 7995 SW Mohawk Street, Tualatin , OR., 97062 hereinafter referred to as "OED," which coordinates job referrals for and represents the publicly funded job training fund administrator, for Clackamas County WIB (Workforce Investment Board) Clackamas Workforce Partnership and their training providers for the Portland Metro area covered in the Interagency Agreement under OAR 123-070-12100, hereinafter referred to as "PROVIDER", and the following business firm located in this geographic area, Pacific Fibre Products, Inc., 410 Section Street, Molalla, OR 97038, iMatchSkills Employer ID # 18214, hereinafter referred to as the 'EMPLOYER.'

The EMPLOYER is or will be receiving benefits from the following program or programs (check those that apply):

Enterprise zone program: Specify yes or no - YES if seeking an extended exemption period (up to five years)

Other: specify \_\_\_\_\_.

**I. GENERAL TERMS**

Under this First Source Agreement, the EMPLOYER will use the OED as its first source for referral of Qualified Applicants for all external job openings of the EMPLOYER at the following location(s) Pacific Fibre Products, Inc., 410 Section Street, Molalla, OR 97038, such that the EMPLOYER agrees to the following:

To provide the EMPLOYER'S designated internal liaison, if they are not the APPROVED contract signer on this FSH Agreement, and who will serve as the single point of contact for communications with OED related to job openings. Employer will notify OED immediately of any change for this internal liaison.

**II. AS JOBS ARE OPENED, THE EMPLOYER AGREES TO:**

Effectively notify OED of all external job openings, no later than when notification is received by 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 OED shall include job qualifications and a deadline for referrals;  
To ensure that the OED and the PROVIDERS will have:

Sufficient lead time (minimum lead time is 10 business days before the job application close date, (except in temporary or emergency situations); and complete information to make meaningful referrals for jobs that will be filled by the EMPLOYER;

Sufficient lead time (minimum lead time is 10 business days before the job application close date, (except in temporary or emergency situations); and complete 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 OED; and

That all job openings shall be listed in the PUBLIC LABOR EXCHANGE SYSTEM of the state Employment Department, insofar as a local office of that State agency is a PROVIDER.

For purposes of this Agreement long-term jobs will be defined as those positions 180 days or more in duration. Jobs lasting less than 180 days will be considered temporary and will not be subject to the terms of this Agreement.

Positions filled by internal transfers, promotions or recall of laid off employees on recall status will not be subject to the terms of this Agreement.

Give permission for OED to share the job posting and hire information with the **City of Molalla** Economic Development Program Representative. Other than the above permission, it is understood that OED will hold all information regarding the company and the job seekers in the strictest confidence.

### **III. UPON RECEIPT OF THE JOB OPENING NOTIFICATION, OED AGREES TO:**

That to the extent Qualified Applicants are available through OED and 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).

To provide OED's designated internal liaison, if they are not the APPROVED contract signer on this FSH Agreement, and who will serve as the single point of contact for communications with the EMPLOYER'S related to job openings.

### **IV. UPON RECEIPT OF REFERRALS FROM WORKSOURCE, THE EMPLOYER AGREES TO:**

Fully consider for employment any Qualified Applicant referred by the OED by the referral deadline;

Notify OED with the name of the Qualified Applicant when a Qualified Applicant is hired by the EMPLOYER; and

Provide after-the-fact information to the OED about applicable overall hiring and job vacancies in a prescribed manner, or as requested by OED, in accordance with OAR 123-070-1900(1) to (3).

Comply with all relevant laws regarding employment of Qualified Applicants of this State or 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 such laws.

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 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 OED 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 OED, all of the PROVIDERS; the Portland Development Commission; or request assistance from the Oregon Economic and Community 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 LAST YEAR OF THE EXEMPTION PERIOD (for Enterprise Zone Businesses) or, until the end of the term, period or periods as described in OAR 123-070-1600

### APPROVING PARTIES

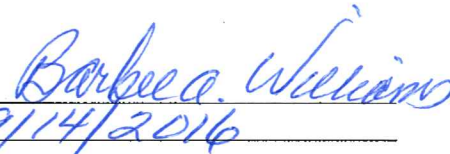
#### WorkSource Oregon

Name: Tracy Calderon  
Title: Office Manager, Tualatin  
Address: 7995 SW Mohawk St.  
Tualatin, OR 97062  
Phone: 503.612.4240 FAX 503.612.4250  
Email: Tracy.K.Calderon@oregon.gov

Signature   
Date 9-14-2016


#### OED INTERNAL LIAISON

Name: Barbee Williams  
Title: Business and Employment Specialist  
Address: 7995 SW Mohawk St.  
Tualatin, OR 97062  
Phone: 503.612.4216 FAX 503.612.4348  
Email: Barbee.A.Williams@oregon.gov

Signature   
Date 9/14/2016

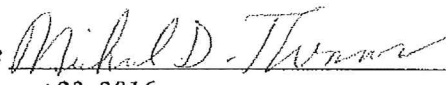
#### Pacific Fibre Products, Inc.

Federal Employer ID Number 93-1173167  
State Business ID Number 3847172  
Name: Mark Fahey  
Title: Chief Financial Office  
Address: PO Box 278 Longview, WA 98632  
Phone: 360-577-7112  
Fax: 360-577-1362  
Email: mfahey@pacfibre.com

Signature   
Date August 23, 2016

#### EMPLOYER INTERNAL LIAISON

Name: Mike Thomas  
Title: Personnel/Safety Supervisor  
Address: PO Box 278 Longview, WA 98632  
Phone: 360-577-7112  
Fax: 360-577-1362  
Email: mthomas@pacfibre.com

Signature   
Date: August 23, 2016

# City Of Molalla

## City Council Meeting



### Agenda Category: New Business

**Subject:** Intergovernmental Agreement with Clackamas County for the Lola Avenue Ph 2 CDBG

**Recommendation:** Council Approval

**Date of Meeting to be Presented:** September 28, 2016

**Fiscal Impact:** Street \$100,927, Sewer \$100,927, Water \$135,000, Street SDC \$100,927, Water SDC \$180,000, Storm SDC \$84,258

**Background:**

On August 25, 2015, the City received an award letter from the Clackamas County Housing & Human Services Department for the Lola Avenue Improvements Phase 2 Project. In order to begin the project the City must enter into an intergovernmental agreement (IGA) with Clackamas County. Attached is a draft copy of the IGA currently under review by staff. Staff recommends the following motion be made and approved by City Council.

“Move to authorize the City Manager to negotiate and execute and intergovernmental agreement with Clackamas County for the design and construction of the Lola Avenue Improvements Phase 2 Project.”

SUBMITTED BY: Gerald Fisher, Public Works Director  
APPROVED BY: Dan Huff, City Manager



## **INTERGOVERNMENTAL AGREEMENT**

### **BETWEEN**

### **CLACKAMAS COUNTY, HEALTH, HOUSING AND HUMAN SERVICES DEPARTMENT, COMMUNITY DEVELOPMENT DIVISION**

### **AND**

### **THE CITY OF MOLALLA**

#### **I. Purpose**

- A. This Intergovernmental Agreement (“Agreement”) is entered into between Clackamas County, acting by and through its Community Development Division (“COUNTY”), and the City of Molalla (“CITY”) for the cooperation of units of local government under the authority of ORS 190.010.
- B. This Agreement provides for design and construction of approximately 700 lineal feet of roadway including two 12-foot travel lanes, two 8 foot parking aisle, two 5 foot curb tight sidewalks, curb and gutter, storm drainage reconstruction and extension, sewer reconstruction, waterline reconstruction, and streetlighting. These improvements are herein referred to as the PROJECT.
- C. This Agreement allows for both the COUNTY and the CITY to work together to determine whether the Lola Street Improvements – Phase 2 PROJECT will qualify as a Low-to-Moderate Income Project target area that must be at or higher than 43.44 percent as of FY 2015, and per 2010 HUD Census Tract and Block Group information. The COUNTY and CITY will submit a review packet and sample survey instrument to the local HUD office requesting review and approval of submitted materials. Upon approval from HUD of submitted survey instrument, the COUNTY will oversee the survey of the PROJECT target area conducted by the CITY. The COUNTY will review the collected survey data and submit household demographic data to the local HUD office for PROJECT approval.

#### **II. Scope of Responsibilities**

- A. Under this Agreement, the responsibilities of CITY shall be as follows:
  - 1. The CITY shall provide all necessary supervisory and administrative support to assist the COUNTY with the completion of the PROJECT.
  - 2. The CITY shall obtain any easements or approvals necessary to allow access onto private property. Acquisition of any easement shall be

obtained pursuant to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (“URA”). If assistance is needed for URA guidance, the COUNTY has a Right-Of-Way Acquisition Specialist.

3. The CITY shall provide Engineering services internally or externally for the design and construction oversight of the PROJECT. Such services shall be provided at no cost to the COUNTY. The CITY shall assume responsibility for ensuring the following:
  - a. The CITY shall hire a registered professional Engineer (herein after referred to as Engineer) to prepare all plans and specifications necessary to publicly bid the PROJECT for award to a construction contractor (herein after referred to as Contractor) and provide construction oversight during the start of construction through to the completion of the PROJECT. The Engineering firm may donate staff time as well as donate materials for the PROJECT.
  - b. The CITY shall require any Engineering firm to maintain comprehensive general (including contractual liability) and automobile liability insurance for personal injury and property damage for the protection of the COUNTY, its officers, commissioners and employees against liability for damages because of personal injury, bodily injury, death or damage to property, including loss of use thereof, in any way related to Engineer's or any of Engineer's subcontractor's performance of this Agreement under the following provisions listed in the matrix below.

Minimum Insurance Requirements for Contracts with Government, Architect or Engineer:

Reason for Contract:	Commercial General Liability:	Automobile Liability Commercial:	Professional Liability:
Consulting Services/ Professional	\$1,000,000/ \$2,000,000	\$1,000,000	\$1,000,000/ \$2,000,000
Design Services	\$1,000,000/ \$2,000,000	\$1,000,000	\$1,000,000/ \$2,000,000
Engineers	\$1,000,000/ \$2,000,000	\$1,000,000	\$1,000,000/ \$2,000,000
Professional Services	\$1,000,000/ \$2,000,000	\$1,000,000	\$1,000,000/ \$2,000,000

- c. The Engineer shall endeavor to use good faith in order to maintain in force such coverage for not less than three (3) years following completion of the PROJECT. The CITY shall require any Engineering firm to include the COUNTY as an additional insured and refer to and support the Engineer's obligation to hold harmless the COUNTY, its officers, commissioners and employees. Such insurance shall provide 30 days written notice to the COUNTY in the event of cancellation, non-renewal, or material change and include a statement that no act on the part of the insured shall affect the coverage afforded to the COUNTY under this insurance. The insurance company will provide written notice to the COUNTY within thirty (30) days after any reduction on the general annual aggregate limit.
- d. If any other required liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of this contract for a duration of thirty-six (36) months or the maximum time period the Engineering firm's insurer will provide "tail" coverage as subscribed, or continuous "claims made" liability coverage for thirty-six (36) months following the contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage provided its retroactive date is on or before the effective date of the contract.
- e. The CITY shall require any Engineering firm to furnish the COUNTY evidence of professional liability insurance in the amount of not less than \$1,000,000 combined single limit per occurrence / \$2,000,000 general annual aggregate for malpractice or errors and omissions coverage for the protection of the COUNTY, its officers, commissioners and employees against liability for damages because of personal injury, bodily injury, death or damage to property, including loss of use thereof, and damages because of negligent acts, errors and omissions in any way related to this contract. The COUNTY, at its option, may require a complete copy of the above policy.
- f. The insurance, other than the professional liability insurance, shall include the COUNTY as an expressly scheduled additional insured. Proof of insurance must include a copy of the endorsement showing the COUNTY as a scheduled insured. Such insurance shall provide sixty (60) days written notice to the COUNTY in the event of a cancellation or material change and include a statement that no act on the part of the insured shall affect the coverage afforded to the COUNTY under this insurance. This policy(s) shall be primary insurance with respect

to the COUNTY. Any insurance or self-insurance maintained by the COUNTY shall be excess and shall not contribute to it.

- g. The CITY shall ensure that the Responsibilities of the Engineer include, but not be limited to, the following:
- (i) During construction, the Engineer shall endeavor to guard the COUNTY against apparent defects and deficiencies in the permanent work constructed by the Contractor.
  - (ii) All reports and recommendations concerning construction shall be submitted to the COUNTY for their approval. The COUNTY agrees that no decisions affecting construction shall be made without CITY approval.
  - (iii) In the event modifications to the construction contract, which result in an increase in the contract amount, are made without the prior approval of the COUNTY, CITY shall be solely responsible for these modifications.
  - (iv) Notify the County Surveyor of the PROJECT and provide CITY, design Engineer, surveyor and contractor contacts as applicable.
  - (v) File a “Pre-Construction Record of Survey” with the County Surveyor prior to the PROJECT final award of the construction contract in order to identify and preserve the locations of survey monuments that may be disturbed or removed during the construction as described in ORS 209.150.
  - (vi) File a post construction document with and acceptable to the County Surveyor after the construction PROJECT is completed. The Engineer is responsible to replace any property corner monuments that were disturbed or removed during construction as described in ORS 209.150.
4. The CITY shall operate and maintain the improvements for public purposes for their useful life subject to the limitations on the expenditure of funds by the CITY as provided by Oregon Statute.
5. The CITY shall complete and submit a Community Development Block Grant Annual Performance Report following completion of the PROJECT, attached as Attachment A and incorporated by reference.

6. The CITY shall complete and submit a Matching Funds Report following completion of the PROJECT, attached as Attachment B and incorporated by reference.
7. With the assistance of the COUNTY, the CITY shall adhere to the requirements outlined in the HUD Notice CPD-14-013 for the process of surveying all family households that would directly benefit from the Well House Rehabilitation PROJECT and determine Low-Moderate-Income Levels of which will determine PROJECT eligibility and approval by HUD.
8. Prior to expenditure of any CDBG funds toward construction, the CITY shall conduct a number tracked survey for each family household within the service area of the Lola Street Improvements-Phase 2 PROJECT using the COUNTY'S approved survey form incorporating the income limits described below in the table (2015):

Family Size	Low Income	Moderate Income
1	\$25,750	\$41,200
2	\$29,400	\$47,050
3	\$33,100	\$52,950
4	\$36,750	\$58,800
5	\$39,700	\$63,550
6	\$42,650	\$68,250
7	\$45,600	\$72,950
8	\$48,550	\$77,650

9. Once the survey is reviewed and approved by HUD for use, the response from HUD will be kept and maintained by the COUNTY for proper record-keeping.
10. Upon completion of the PROJECT, the CITY:
  - a. Agrees to accept the improvements and take ownership, including responsibility for any claims against the PROJECT from that point forward; and
  - b. Agrees to become the successor of the PROJECT construction contract and assume all of the corresponding rights and responsibilities.
11. The CITY agrees to maintain ownership of the property for the life of the PROJECT

B. Under this Agreement, the responsibilities of the COUNTY will be as follows:

1. The COUNTY will appropriately bid and contract for construction of the PROJECT and with the advice of the CITY'S Engineer will approve

changes, modifications, or amendments as necessary to serve the public interest.

2. In such contracts the COUNTY will assume the rights and responsibilities of the owner of the project. Moreover, the COUNTY will assign a Project Coordinator to perform the following duties:
    - a. Provide PROJECT Manual Documents and Bid the PROJECT;
    - b. Award the PROJECT;
    - c. Hire the lowest responsive/ responsible General Contractor;
    - d. Issue the Notice to Proceed to General Contractor;
    - e. Process Pay Request using CDBG funds and CITY funds;
    - f. Conduct on-site interviews of workers for Federal Prevailing Wage Rates for Davis-Bacon as well as review submitted Payroll Forms for the Project;
    - g. Collect all HUD required PROJECT Close-Out Documents;
    - h. Release Retainage to Contractor will occur only after hired Engineer and the CITY approve and sign-off on PROJECT after the scope of work has been completed; and
    - i. Relinquish ownership of PROJECT to the CITY upon completion.
  3. The COUNTY agrees to provide and administer available Federal Community Development Block Grant (“CDBG”) funds (CFDA 14.218) granted by the U.S. Department of Housing and Urban Development (“HUD”) to finance the PROJECT.
  4. The COUNTY shall conduct necessary environmental reviews described in 570.604 of the CDBG regulations for compliance with requirements of the CDBG program prior to the start of construction.
  5. The COUNTY shall provide reasonable and necessary staff for administration of the PROJECT.
- C. The COUNTY and CITY agree to jointly review and approve all design, material selection, and contract documents for the PROJECT.
- D. The COUNTY and CITY agree that in order for this PROJECT to occur, HUD has to release CDBG funds to bid and construct the PROJECT as stated in Section I (B), Purpose.
- E. The COUNTY and CITY agree to work together to schedule the PROJECT, provided the PROJECT area meets the 43.44% Low-Mod Income requirements of HUD, after which the PROJECT can be bid and constructed.

### III. Budget & Financial

- A. The COUNTY will apply CDBG funds received in the amount not to exceed **\$165,000** to the PROJECT. The obligations of the COUNTY are expressly subject to the COUNTY receiving funds from HUD for the PROJECT, and in no event shall the COUNTY'S financial contribution exceed the amount finally granted, released and approved by HUD for this PROJECT.
- B. The CITY agrees to contribute the greater of:
1. Twenty percent (20%) of the total design and construction cost of the PROJECT; or
  2. All cost for design and construction which exceed available CDBG funds budgeted (\$165,000) for the PROJECT.
- C. The CITY will be credited towards the matching requirements stated in Part III. B. an amount equal to 15% of the final construction cost for Engineering services as detailed in Part II. A. 3. a.
- D. In the event the PROJECT can not be completed with available funds, the COUNTY and CITY will jointly determine the priorities of the improvements to be made within funding limits.
- E. The CITY agrees to provide funds for the PROJECT to the COUNTY in the following manner:
1. In the event a contractor is entitled to payments for work completed above and beyond the amount of CDBG funds received from HUD for the PROJECT, the COUNTY shall request a transfer of funds from the CITY for the amount necessary to make such payments. The CITY shall transfer funds which exceed available CDBG funds and are owed to a contractor to the COUNTY within thirty (30) consecutive calendar days of a written request.
  2. Upon receipt of written notification from the COUNTY, the CITY shall provide payment within thirty (30) consecutive calendar days to the COUNTY the funds necessary to meet the matching contribution requirement in Part III. B. All checks shall be made payable to Clackamas County, include a Project Number and be mailed to the following address:

Attn: Toni Hessevick  
Clackamas County - Finance Office  
Public Services Building  
2051 Kaen Road  
Oregon City, OR 97045



3. In the event that unforeseeable conditions arise which necessitate the execution of a change in the amount of the construction contract, the CITY and the COUNTY will jointly evaluate the circumstances surrounding the conditions. Upon approval by the CITY and the COUNTY, the COUNTY shall instruct the Engineer to execute a change order.
4. Funds for the change order(s) shall be funded primarily by the CITY. The COUNTY will provide CDBG funds for change order(s) if there are still those funds available to use as outlined in Section III, A.

#### **IV. Liaison Responsibility**

Jennifer Cline will act as liaison from the CITY for the PROJECT. Steve Kelly will act as liaison from the COUNTY.

#### **V. Special Requirements**

- A. Law and Regulations. The COUNTY and CITY agree to comply with all applicable local, state, and federal ordinances, statutes, laws and regulations.
- B. Public Contracting Requirements. To the extent applicable, the provisions of ORS 279B.220, 279B.225, 279B.230, and 279B.235 are incorporated by this reference as though fully set forth.
- C. Relationship of Parties. Each party is an independent contractor with regard to the other party. Neither party is an agent or employee of the other. No party or its employees is entitled to participate in a pension plan, insurance, bonus, or similar benefits provided by any other party.
- D. Indemnification. Subject to the limits of the Oregon Tort Claims Act, each of the parties agrees to hold harmless and indemnify the others, and their elected and appointed officials, agents, and employees, from and against all claims, demands, and causes of action of any kind or character, including the cost of defense thereof, arising on account of personal injuries, death or damage to property caused by or resulting from their own acts or omissions or those of their officials, agents and employees provided however, upon completion of the improvements, the CITY will assume all responsibility for claims made thereafter against the COUNTY or its officers, agents or employees pertaining to the design and construction of the PROJECT, and will indemnify and defend them therefore.
- E. Notice. Each party shall give the other immediate written notice of any action or suit filed or any claim made against the party which may result in litigation in any way related to this Agreement.

- F. Record and Fiscal Control System. All payroll and financial records pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible. Such records and documents shall be retained for a period of three (3) years after receipt of final payment under this Agreement; provided that any records and documents that are the subject of audit findings shall be retained for a longer time until such audit findings are resolved.
- G. Access to Records. The COUNTY, the State of Oregon and the Federal Government, and their duly authorized representatives shall have access to the books, documents, papers, and records of the CITY which are directly pertinent to the Agreement for the purpose of making audit, examination, excerpts, and transcripts.
- H. Debt Limitation. This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10 of the Oregon Constitution, and is contingent upon funds being appropriated therefore. Any provisions herein which would conflict with law are deemed inoperative to that extent. Obligations of the COUNTY are also expressly subject to the COUNTY receiving funds from HUD for this project and in no event shall the COUNTY's financial contribution exceed the amount finally granted, released and approved by HUD for this project.
- I. Conflict of Interest. No officer, employee, or agent of the CITY or COUNTY who exercises any functions or responsibilities in connection with the planning and carrying out of the Block Grant Program, or any other person who exercises any functions or responsibilities in connection with the program, shall have any personal financial interest, direct or indirect, in the use of the funds provided pursuant to this Agreement, and the Parties shall take appropriate steps to assure compliance. The Parties will insure that no contractor, subcontractor, contractor's employee or subcontractor's employee has or acquires any interest, direct or indirect, which would conflict in any manner or degree with the performance of his services.
- J. Insurance. The CITY will bear the risk of loss from fire, extended coverage, and will purchase and maintain property insurance on all affected CITY property. The CITY will bear the risk of loss from accidents coverable by owner's liability insurance and may, at its option, maintain such insurance. If applicable, the CITY shall be required to maintain flood insurance. Each party agrees to maintain insurance, or self-insurance, in accordance with ORS 30.282, for the duration of this Agreement at levels necessary to protect against public body liability as specified in ORS 30.272.
- K. Nondiscrimination. The CITY and the COUNTY agree to comply with all Federal, State, and local laws prohibiting discrimination of the basis of age, sex, marital status, race, creed, color, national origin, familial status, or the presence of any mental or physical handicap. These requirements are specified in ORS chapter 659; Section 109 of the Housing and Community Development Act of

1974; Civil Rights Act of 1964, Title VII; Fair Housing Amendments Act of 1988; Executive Order 11063; Executive Order 11246; and Section 3 of the Housing and Urban Development Act of 1968; all as amended; and the regulations promulgated thereunder.

- L. Handicapped Accessibility. The CITY agrees that all improvements made under this Agreement shall comply with standards set for facility accessibility by handicapped persons required by the Architectural Barriers Act of 1968, as amended. Design standards for compliance are contained in 24 CFR 8.31-32 and the document entitled Uniform Federal Accessibility Standards published by HUD in April, 1988 as a joint effort with other Federal agencies.
- M. Nonsubstituting for Local Funding. The CDBG funding made available under this Agreement shall not be utilized by the CITY to reduce substantially the amount of local financial support for community development activities below the level of such support prior to the availability of funds under this Agreement.
- N. Evaluation. The CITY agrees to participate with the COUNTY in any evaluation project or performance report, as designed by the COUNTY or the appropriate Federal department, and to make available all information required by any such evaluation process.
- O. Audits and Inspections. The CITY will ensure that the COUNTY, the Secretary of HUD, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to all books, accounts, records, reports, files, and other papers or property pertaining to the funds provided under this agreement for the purpose of making surveys, audits, examinations, excerpts, and transcripts.
- P. Acquisition. If completion of the project requires acquisition of any real property the parties agree to comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 as amended.
- Q. Change of Use. The CITY agrees to comply with applicable change of use provisions contained in 24 CFR 570.505 (refer to Attachment C).
- R. Reversion of Assets. Upon expiration or termination of this Agreement, CITY shall transfer to County any CDBG funds on hand at the time of expiration and any accounts receivable attributable to the use of CDBG funds. Also for any real property under DISTRICT'S control that was acquired or improved in whole or in part with CDBG funds (including CDBG funds provided to CITY in the form of a loan) in excess of \$25,000 shall ensure said real property is either:
  - 1. Used to meet one of the National Objectives in CFR 570.208 for the term of this Agreement; or

2. Not used to meet on the National Objectives for the term of this Agreement, in which event, the CITY shall pay to COUNTY an amount equal to the current market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to, the property.

## **VI. Amendment**

This Agreement may be amended at any time with the concurrence of both Parties. Amendments become a part of this Agreement only after the written amendment has been signed by both Parties.

## **VII. Term of Agreement**

- A. This Agreement becomes effective when it is signed by both Parties.
- B. The term of this Agreement is a period beginning when it becomes effective and ending fifteen (15) years after CDBG close-out.
- C. This Agreement may be suspended or terminated prior to the expiration of its term by:
  1. Written notice provided to the COUNTY from the CITY before any materials or services for improvements are procured, or;
  2. Written notice provided by the COUNTY in accordance with 24 CFR 85.43, included as Attachment D, resulting from material failure by the CITY to comply with any term of this Agreement, or;
  3. Mutual agreement by the COUNTY and CITY in accordance with 24 CFR 85.44.
- D. Upon completion of improvements or upon termination of this Agreement, any unexpended balances of CDBG funds shall remain with the COUNTY.

## **VIII. Integration**

This Agreement contains the entire agreement between the CITY and the COUNTY and supersedes all prior written or oral discussions.

## **IX. Severability**

If any provision of this Agreement is found to be unconstitutional, illegal or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such

provision unconstitutional, illegal or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the parties.

**X. Oregon Law and Forum**

This Agreement shall be construed according to the laws of the State of Oregon, without giving effect to the conflict of laws provisions thereof.

**XI. Waiver**

The CITY and COUNTY shall not be deemed to have waived any breach of this Agreement by the other party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach be of the same nature as that waived.

*[Signatures to Follow]*

**CITY OF MOLALLA**

PO Box 248  
Molalla, OR 97038

\_\_\_\_\_  
Dan Huff, City Manager  
City of Molalla

\_\_\_\_\_  
Date

**CLACKAMAS COUNTY**

Chair: John Ludlow  
Commissioner Jim Bernard  
Commissioner Paul Savas  
Commissioner Martha Schrader  
Commissioner Tootie Smith

Signing on Behalf of the Board.

\_\_\_\_\_  
Rich Swift, Director  
Human, Health & Housing Services  
Department

\_\_\_\_\_  
Date



# ATTACHMENT A

## COMMUNITY DEVELOPMENT BLOCK GRANT ANNUAL PERFORMANCE REPORT

FOR THE PERIOD: JULY 1, \_\_\_\_\_ TO JUNE 30, \_\_\_\_\_

**Project Name: Lola Street Improvements – Phase 2 Project – Molalla, Oregon**

Define the Service Area:

(Survey of the CITY – Lola Street, from 3<sup>rd</sup> Street to 5<sup>th</sup> Street is the data collected for serving family households)

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Number of persons assisted: \_\_\_\_\_

Choose all that apply:

- \_\_\_\_\_ with new access to service or benefit,
- \_\_\_\_\_ with improved access to service or benefit
- \_\_\_\_\_ where activity was used to meet a quality standard or measurably improved quality, report number of households that no longer have access to substandard service only

Other benefits to the service area:

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\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Organization

## ATTACHMENT B CDBG Project Matching Funds

**For reporting to HUD at the end of the year, indicate the specific sources and amounts of matching funds for the Lola Street Improvements – Phase 2 Project:**

2015-16 CDBG Project Funds	<b>\$165,000 max.</b>
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<b>SOURCES OF LOCAL MATCH:</b>	
Other Federal (including pass-through funds, e.g. County CDBG, State FEMA, etc.)	
	\$
	\$
	\$
	\$
	\$
	\$

State/Local Governmental Funding (e.g. State Housing Trust Funds, Local Assessment, etc.)	
	\$
	\$
	\$
	\$
	\$

Private (including recipient) Funding	
Fund Raising/Cash	\$ _____
Loans	\$ _____
Building Value or Lease	\$ _____
Donated Goods	\$ _____
New Staff Salaries	\$ _____
Volunteers (\$5/hr)	\$ _____
Volunteer Medical/Legal	\$ _____
Other	\$ _____
_____	



Prepared By: Jennifer Cline, PE

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Signature

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Date

## ATTACHMENT C

### Change of Use

#### Excerpt from 24 CFR Part 570

##### **570.505 Use of real property.**

The standards described in this section apply to real property within the recipient's control which was acquired or improved in whole or in part using CDBG funds in excess of \$25,000. These standards shall apply from the date CDBG funds are first spent for the property until five years after closeout of an entitlement recipient's participation in the entitlement CDBG program or, with respect to other recipients, until five years after the closeout of the grant from which the assistance to the property was provided.

(a) A recipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either;

(1) The new use of such property qualifies as meeting one of the national objectives in 570.208 (**formerly 570.901**) and is not a building for the general conduct of government; or

(2) The requirements and paragraph (b) of this section are met.

(b) If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a)(1) of this section, it may retain or dispose of the property for the changed use if the recipient's CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.

(c) If the change of use occurs after closeout, the provisions governing income from the disposition of the real property in 570.504 (**(b) (4) or (5)**), as applicable, shall apply to the use of funds reimbursed.

(d) Following the reimbursement of the CDBG program in accordance with paragraph (b) of this section, the property no longer will be subject to any CDBG requirements.

## ATTACHMENT D

### Excerpt from 24 CFR Part 85

#### §85.43 Enforcement.

(a) *Remedies for noncompliance.* If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

- (1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,
- (2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
- (3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,
- (4) Withhold further awards for the program, or
- (5) Take other remedies that may be legally available.

(b) *Hearings, appeals.* In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved.

(c) *Effects of suspension and termination.* Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

(1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are noncancellable, and,

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) *Relationship to Debarment and Suspension.* The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to "Debarment and Suspension" under E.O. 12549 (see §85.35).

#### §85.44 Termination for convenience.

Except as provided in §85.43 awards may be terminated in whole or in part only as follows:

(a) By the awarding agency with the consent of the grantee or subgrantee in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or

(b) By the grantee or subgrantee upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either §85.43 or paragraph (a) of this section.